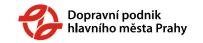




Annual Report





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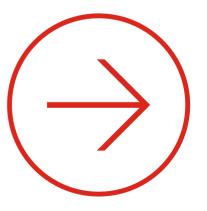
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# TEXT PART



# INTRODUCTORY WORD OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR OF THE PRAGUE PUBLIC TRANSIT COMPANY, INC.

Ladies and Gentlemen,

Another year has passed, and I would like to share several things that have brought me joy last year. The Prague Public Transit Company, Inc. (Dopravní podnik hl. m. Prahy – "DPP") is a strong, transparent, financially stable company and sought-after employer that is appreciated by independent entities in the Czech Republic and abroad for the first-rate public transport services that it provides. Our vision is to become a fully-fledged alternative to individual transport in Prague. Last year we managed to complete a host of projects and launch new ones aimed at increasing the appeal of public transport and bringing us closer to achieving this goal.

DPP's total transport performance of 182 172 000 kilometres was one of the highest in the last ten years and constitutes a year-on-year increase of 1.2%. We managed to achieve this success despite the nationwide shortage of drivers and operators and still managed to comply with the quality requirements set out by the Regional Operator of Prague Integrated Transport (Regionální operátora pražské integrované dopravy – "ROPID").

Last year, DPP generated profit of CZK 961 million. At the same time, we increased accounting reserves significantly and raised the company's equity by more than a half billion crowns to CZK 68.27 billion.

Without a doubt, the most important public transport project being undertaken by Prague and DPP is the fourth metro line: metro line D. After many years, we have finally been able to make significant headway on it thanks to the extraordinary efforts of all involved. In June, we commenced a geological survey, concluded negotiations

and signed agreements with the owners of properties around Krč Hospital, thereby allowing zoning decisions on the construction of the metro to be extended to 2024. Furthermore, we successfully ran a design competition on the appearance of the Pankrác D and Olbrachtova stations and adapted the winning designs to the project. Other important milestones reached in this project included filing the building permit application for the Pankrác – Nové Dvory section in December 2019 and calling an international competition for the contractor and provider of geo-monitoring on the first section, Pankrác D – Olbrachtova, earlier this year.

Modernisation and refurbishment of the stations of existing metro lines continued last year along with other work on improving barrier-free access to them. We are building lifts in the Karlovo náměstí and Opatov stations and installing wheelchair ramps on line B. We have modernised the vestibule of the former station, which included replacement of the escalators. Work on refurbishing Opatov station will continue this year. At the end of last year, we successfully completed negotiations on a contract for complete professional maintenance of 81-71M trains on lines A and B for the period from 2020 to 2035, thanks to which we have given these trains an additional lifespan of fifteen years with guaranteed full availability. As part of the Smart City projects, we have equipped the vestibules of all stations with contactless terminals for the purchase of tickets and verification of time coupons and, in cooperation with a consortium of operators, managed to expand the high-speed LTE network to cover the Muzeum – Nádraží Holešovice section. In pilot operations, we began providing travellers with information about the arrival of trains in the vestibules of five stations.

In the area of tram transport, last year we focused on preparing new tram track projects: Barrandov – Holyně – Slivenec; Divoká Šárka – Dědinská; Sídliště Modřany – Libuš; Muzeum – Václavské náměstí; and the Depo Hostivař and Zahradní Město turning loops. In February 2019, we accepted the last, i.e., 250th, 15T For City tram from Škoda Transportation, thereby completing the modernisation of the tram fleet. We reconstructed the tram tracks in Vinohradská street and began preparing for the reconstruction of the tram tracks in Nádražní street, the main part of which will be taking place throughout most of this year. In addition, we repaired the tram tracks in Palackého náměstí, náměstí Bratří Synků, Rašínově nábřeží, Na Poříčí and other locations. In record time, we manged to build a high-capacity tram hold yard in Hostivař and complete the long-deferred demolition of the Hloubětín Depot roof. We finally received the permits for building all four stages of the new Hloubětín Depot. Last year we managed to successfully complete another Smart City project: testing contactless tickets vending machines in trams, installing and initiating these devices in all trams.

In the area of bus and trolleybus transport, last year we drew up a concept for using alternative fuels in the DPP environment and discussed it with the relevant authorities and key partners. In connection with this, we tested several types of hybrid buses in real operations in Prague and launched the project for electrifying the 119 bus line to Václav Havel Airport Prague. In bus transport, we also managed to implement one important Smart City project: informing travellers in real time about when a bus is to arrive at a stop and showing online the current position of each bus in service.

At the end of last year, we managed to launch the new DPP website, with a design and layout corresponding to the newest trends and customer needs. We managed to procure several service contracts and obtain better prices and greater added value for DPP, such as greenery maintenance services, where only environmentally friendly practices

B INTRODUCTORY WORD INTRODUCTORY WORD 9

are used, and the clean-up of grounds and surface vehicles. We tender public contracts in line with the Responsible Procurement Strategy. We are the first municipal company in Prague to adopt this policy and monitor the newest trends and procedures in the field of responsible and transparent procurement.

In 2020, we will continue down the path we are on. We aim to build a modern, strong, transparent and properly functioning joint-stock company. As time has made clear, however, we will have to face new, often unexpected challenges and tasks. We will have to come to terms with the economic impact of the current Covid-19 coronavirus pandemic on the public transport sector, on the development of demand and on our performance. We will have to continue optimisation efforts and invest entrusted funds in areas that bring customers greater comfort, safety, reliability and quality.

One of our main priorities this year is the construction of metro line D. We are expecting the final building permit to be issued; we will complete geological surveys in two locations; and, based on these surveys, we will commence construction of the first section, Pankrác – Olbrachtova. We will continue expanding the LTE signal in the metro and modernising and refurbishing the stations. This year we are also planning to commence work on the vestibule of the Anděl – Na Knížecí station. We will reconstruct the tram tracks in Nádražní and Sokolovská streets, modernise the tram tracks in the Hlubočepy – Barrandov section, among several other such projects, and build the initial stage of the new line to Holyně and Slivenec. In addition, we will continue preparing other tram tracks and the electrification of the 119 and 140 bus lines. We are planning to replace the bus fleet in line with the approved alternative fuels concept. We will continue to focus on Smart City projects. We are preparing, for example, an online tram arrival information system and contactless bus ticket terminals.

I have left the most important item for last. I would like to give thanks – both on my own behalf and behalf of the company's entire management – to all employees for their amazing work, past and present, for DPP, especially at this complicated time and during the state of emergency. We are a service that is provided by people for people. Without our great employees, without their daily hard work, without the reliability and enthusiasm of our operators, drivers and dispatchers, and without the skill and diligence of hundreds of other professions, public transport in Prague would not be able function so incredibly well. We have a lot to be proud of. Let us all do our utmost to ensure that DPP and the entire Prague public transport system remains a model for other cities around the world.

Thanks also goes to all passengers for their custom and for using our services and public transport. We are running for you – please stay loyal to us.

Petr Witowski,

Chairman of the Board of Directors and Managing Director of the Prague Public Transport Co., Inc.



# BASIC COMPANY IDENTIFICATION DATA

Company name: Dopravní podnik hl. m. Prahy, akciová společnost

(The Prague Public Transit Company, Inc. - "DPP")

Registered office: Sokolovská 42/217, Vysočany, 190 00 Prague 9

 Company ID No.:
 00005886

 Tax ID No.:
 CZ00005886

 Date of foundation:
 19 March 1991

Date of foundation: 19 March 199

Date of establishment: 11 July 1991

Legal form: Joint-stock company
Founder: City of Prague

Entities with a share in the Company's share capital:

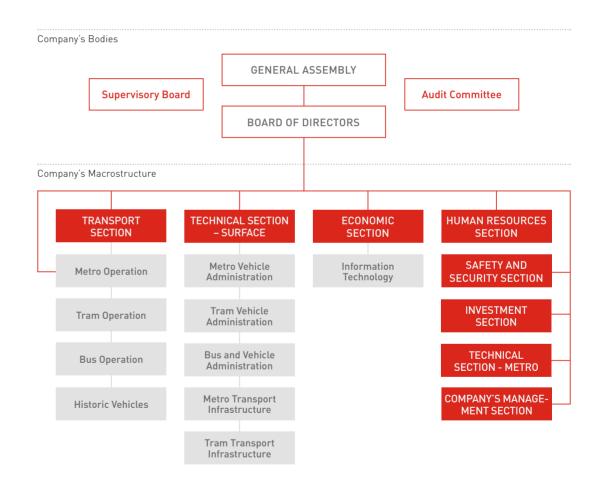
mpany's share capital: City of Prague (100%)

Commercial Register: DPP was incorporated in the Commercial Register maintained by the Prague
Municipal Court on 11 July 1991, File No.: Rg.: B 847, (in Section B, Insert No. 847)

Share capital **CZK 31 239 495 000** 



# ORGANISATION CHART AS OF 31 DECEMBER 2019



12 BASIC COMPANY IDENTIFICATION DATA ORGANISATION CHART

# STAFFING OF THE COMPANY'S BODIES IN 2019

#### The Board of Directors

**As of 1 January 2019, the Company's Board of Directors comprised:** Chairman of the Board of Directors Ing. Petr Witowski; Vice Chairman of the Board of Directors Ing. Ladislav Urbánek and Members of the Board of Directors PhDr. Jiří Špička, Inq. Jan Šurovský Ph.D. and Bc. Filip Tulák.

The Supervisory Board approved the resignation of Board Member Bc. Filip Tulák as of 28 January 2019 based on his letter of resignation. On 18 December 2020, the Supervisory Board elected Mgr. Matej Augustín as Board Member effective from 19 December 2019.

#### **Supervisory Board**

#### As of 1 January 2019, the Supervisory Board comprised:

Ing. Adam Scheinherr (Chairman), MSc., Ph.D. Pavel Vyhnánek, M.A. (Vice-Chairman), Jan Marek (Vice-Chairman), Bc. Oldřich Schneider (Vice-Chairman), Ing. Marek Doležal, Ing. Petr Hlubuček, Ing. Michal Zděnek, M.A., Ing. Tomáš Mikeka, Mgr. Petra Kolínská, Ing. Michal Štěpán, PaedDr. Ivo Vašíček, Josef Buriánek, Jiří Obitko, Bc. Jan Holub and Tomáš Novotný (Members).

The Supervisory Board experienced no fundamental staffing changes during 2019.

#### **Audit Committee**

#### In 2019, the DPP Audit Committee comprised:

Mgr. Marta Gellová (Chairwoman as of 14 February 2019, Member as of 28 January 2019), Ing. Zdena Javornická (Vice-Chairwoman) and Ing. Ladislav Langr (Member).

# STAFFING OF THE COMPANY'S TOP MANAGEMENT IN 2019

#### **Managing Director**

In 2019, the position of Managing Director was held by **Ing. Petr Witowski**.

#### **Financial Director**

In 2019, the position of Financial Director was held by **Ing. Peter Hlaváč**.

#### **Transport Director**

In 2019, the position of Transport Director was held by **Ing. Ladislav Urbánek**.

#### Investment Director \*

From 1 January 2019 to 28 January 2019, the position of Investment Director was held by **Bc. Filip Tulák**.

#### Technical Director - Surface \*

In 2019, the position of Technical Director, later Technical Director – Surface, was held by Ing. Jan Šurovský, Ph.D.

#### Technical Director - Metro \*

In 2019, the position of Technical Director – Metro was held by **Ing. Marek Kopřiva**.

#### **Security Director**

From 1 January 2019 to 31 March 2019, the position of Security Director was held by **Mgr. Daniel Barták**.

As of 1 August 2019, this position was held by **Mgr. Bohdan Frajt.** 

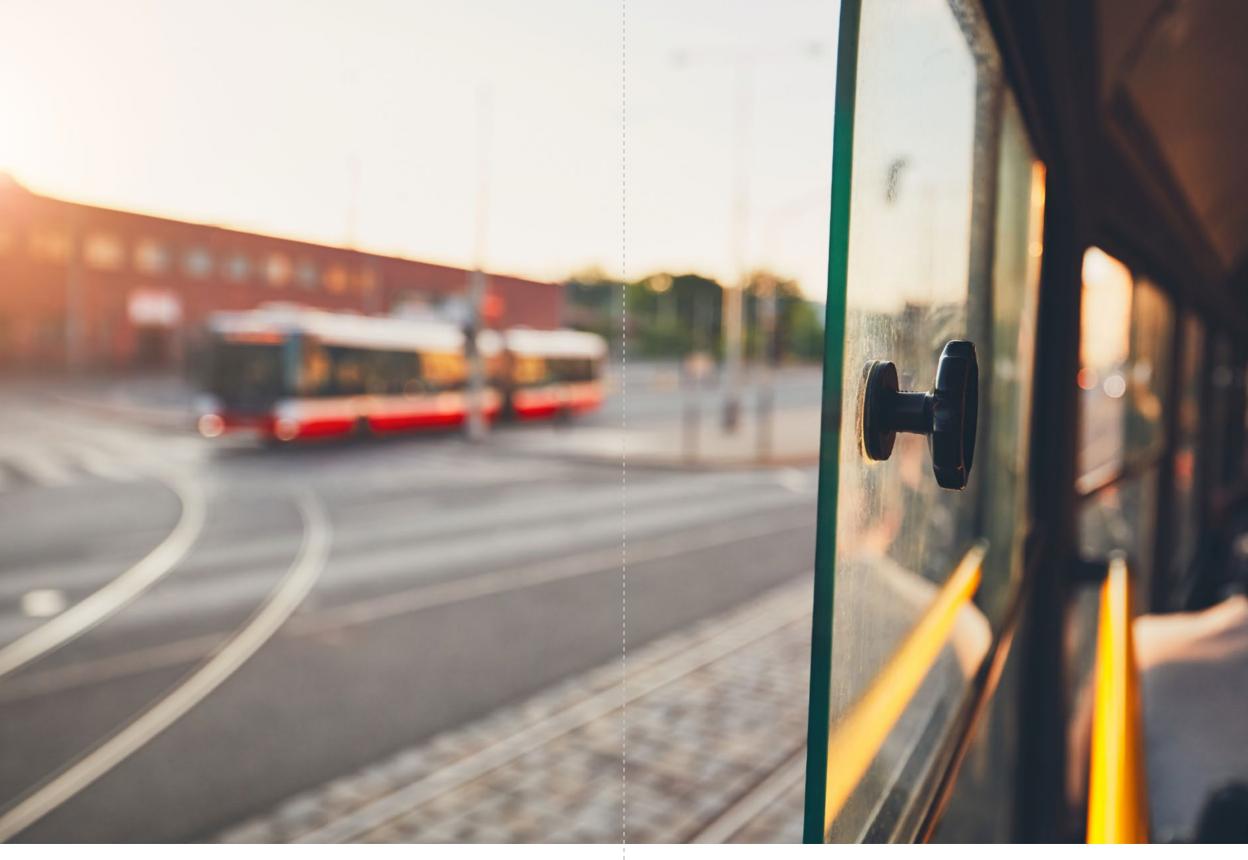
#### Human Resources Director

In 2019, the position of Human Resources Director was held by **PhDr. Jiří Špička**.

Managing Director	Ing. Petr Witowski	1 Jan. 2019 – 31 Dec. 2019
Financial Director	Ing. Peter Hlaváč	1 Jan. 2019 – 31 Dec. 2019
Transport Director	Ing. Ladislav Urbánek	1 Jan. 2019 – 31 Dec. 2019
Technical Director – Surface	Ing. Jan Šurovský, Ph.D.	1 Jan. 2019 – 31 Dec. 2019
Technical Director – Metro	Ing. Marek Kopřiva	1 April 2019 – 31 Dec. 2019
Security Director	Mgr. Bohdan Frajt	1 Aug. 2019 – 31 Dec. 2019
Human Resources Director	PhDr. Jiří Špička	1 Jan. 2019 – 31 Dec. 2019

STAFFING OF THE COMPANY'S BODIES STAFFING OF THE COMPANY'S TOP MANAGEMENT

<sup>\*</sup> As of 1 April 2019, the company's macrostructure changed: the Investment Section was dissolved and the Technical Section – Metro was established; the Technical Section was renamed Technical Section – Surface.



# REPORT ON BUSINESS ACTIVITIES

The Prague Public Transit Company, Inc. (Dopravní podnik Praha, a.s. - "DPP") is not only the most important carrier within the Prague Integrated Transport (Pražská integrovaná doprava – "PID") system, but also the biggest carrier in the Czech Republic. It is in charge of operating all metro and tram lines, most urban lines, several suburban bus lines, the Petřín funicular and the ZOO chairlift. It is fully owned by the City of Prague. DPP is ever building on its predecessors' 120 years of experience and tradition. It has transformed gradually over time into what it is today. The public transport system in Prague is now one of the best in Europe and even the world and has become a model for other systems.

DPP is in charge of providing transport services in Prague and its suburbs under the PID system. A long-term Public Transport Services Agreement has been concluded with several clients: the City of Prague, the Central Bohemian Region and various municipalities within the Central Bohemian Region. Last year, urban and suburban lines, including special transport for the handicapped, logged 166 883 000 vehicle-kilometres, which translates to 23 351 176 000 seat-kilometres. Compared to 2018, transport performance in vehicle-kilometres increased by 0.34% and seat-kilometres by 1.86%. This difference was mainly due to the deployment of a greater number of articulated vehicles in lieu of standard ones.

Economically, 2019 was a successful year. DPP generated profit of CZK 869 150 000. Compared with 2018, sales, excluding fare surcharges, within the whole PID system were 1.17% [CZK +51 million] higher. Sales related to the City of Prague Agreement amounted to CZK 3 699 524 000, which is 83.02% of all fare-related sales under the entire PID system. As at the last day of 2019, DPP registered 11 039 employees. Their average monthly salary amounted to CZK 42 277. Drivers and operators are the strongest group numerically at more than 4 300.

At the end of 2019, the fleet comprised 730 metro trains, 805 trams and 1 143 buses. In 2019, work continued on refurbishing the metro stations, as did preparations for the construction of metro line D. The extensive reconstruction of Vinohradská street and the construction of the new depot at the Tram Central Works (Ústřední dílny) were among the most important tram track reconstruction projects. The proportion of barrier-free tram stops increased to 80%. Pilot testing and deployment of electric buses and battery trolley buses continued in connection with improving the city's environment. Cooperation with the municipal authorities, the Police of the Czech Republic and other bodies on priority treatment of public transport continued in 2019 as well. Dividing sleepers were added to new sections of roads to keep cars and trams separate, more tram and bus priority traffic lights were erected, and several kilometres of designated bus lanes were created.

DPP – well aware of its central position, Prague City Hall's public transport objectives and the public's ever increasing demands on public transport – is always doing its utmost to increase the scope and quality of the services it provides. The requirements and recommendations of the standard EN 13816 have been implemented to facilitate this. DPP thus contributes substantially to ensuring that public transport is represented highly in the total modal share, which is a basic condition for keeping traffic in the city at a tolerable level. Expansion of urban rail transport has long been one of DPP's main priorities and it is in full alignment with the city's development plans. The related increase in the proportion of segregated public transport routes guarantees regularity, speed and safety of rail transport. The reduction in the environmental burden on the city because of the more extensive use of electrical traction is another major benefit. In connection with Prague's Climate Commitment, by which the city has declared its commitment to meeting international CO<sub>2</sub> emission reduction targets, and the draft legislation on bus fleet replacement, we will strive to expand the use of alternative fuels in bus transport going forward.

REPORT ON BUSINESS ACTIVITIES

REPORT ON BUSINESS ACTIVITIES

### TRANSPORT

#### **Quality of Services**

A well-functioning and consistently developing quality management system that takes the needs of customers into account and satisfies their expectations is a prerequisite to the success of any public transit company in its job of transporting passengers.

Quality management at DPP is in the purview of the Transport Section.

Through the implementation of the requirements and recommendations of standard EN 13816, DPP is able to improve the services it provides. DPP has introduced the Service Quality Programme to monitor and analyse observance of quality standards and implement improvements to the way they are fulfilled. Our ability to keep pace with trends in quality management demonstrates that our primary service – transportation of passengers – meets the highest standards as well as our long-term objective of improving the quality of public transport services provided in Prague and its environs and increasing passenger satisfaction.

#### The Service Quality Programme is a guarantee that quality standards are measured regularly:

- On-time operation precision and reliability of transport, adherence to timetables
- Information to the public provision of clear and up-to-date information
- Treatment of passengers conduct of operating staff towards passengers
- Uniform employee appearance well-kempt appearance of employees, adherence to uniform discipline
- Functionality of ticket vending machines proper operation and reliability of ticket dispensing equipment and completeness of the information displayed thereon
- Accessibility of barrier-free equipment operational reliability of passenger lifts and special platforms in the metro
- Adherence to the flow diagram fulfilment of planned volume of transport performance
- Accessibility to transport at metro stations observance of guaranteed accessibility to metro transport for passengers
- Vehicle cleanliness and appearance monitoring cleanliness and appearance inside and outside vehicles
- Operational safety analysis of events impacting passenger safety
- Impact of metro trains and buses on the environment impact of metro and bus operation on the environment (production of emissions)

#### Fulfilment of Quality Standards in 2019

Quality Standard	Performance level	Fulfilment
On-time operation	85% of connections run on time or within a permitted deviation	91.76
Information in metro stations	90% of stations are equipped with up-to-date, legible, visibly placed and official information	99.19
Information in metro cars vehicles	95% of vehicles are equipped with the prescribed information	98.91



Information at surface transport stops	90% of stops are equipped with up-to-date, legible, visibly placed and official information	98.37
Information on and in surface transport vehicles	95% of vehicles are equipped with the prescribed information	99.28
Treatment of passengers	90% of passengers are satisfied with the conduct of employees	99.20
Uniform	95% of employees wear uniforms and satisfy grooming requirements	99.48
Functionality of ticket machines in surface transport	90% of vending machines are functional and visually acceptable	94.70
Accessibility of barrier-free equipment in the metro	90% of equipment is accessible and has an appropriate design	95.72
Adherence to the flow chart	Performance at 99.80% of planned volume	99.91
Accessibility to transit in metro stations	95.00% of stations are accessible during operating hours	99.69
Vehicle cleanliness and appearance	85% of vehicles are perceived by passengers as clean and tidy	94.27
Operation safety	Metro trains, trams and buses operate safely	Fulfilled
Energy performance of metro vehicles	Stipulated energy performance is not exceeded (100%)	86.69
Environmental impact of bus operation	The share of buses will not drop below 60% in the next 12 years	78.11

In 2019, the quality management systems were reviewed in terms of the observance of standards through QMS audits performed by a supranational certification organisation.

#### Overview of External QMS Audits Conducted in 2019

Department	Certified Processes	Type of Audit	Standard	Certification Body
Transport Section	Public transport Operation of the Public Transport Museum	Supervisory	ISO 9001 EN 13816	
Transport Equipment Service	Ensuring the operability of metro transport equipment	Supervisory	ISO 9001	
Central BUS Workshops	Repair of diesel engines, gearboxes, axles and braking, air-controlled and electric components of road motor vehicles	Supervisory	ISO 9001	LRQA
Logistics Department	Central purchasing and central storage for the needs of DPP	Supervisory	ISO 9001	
Vehicle Inspection Centre	Operation of the Vehicle Inspection Centre ("STK")	Supervisory	ISO 9001	
Tram Repair Workshop	Repairs and modernisation of electric machinery and equipment of traction vehicles, undercarriages and trolleys of trams, gearboxes and components for rail vehicles	Supervisory	ISO 9001	

Auditors found no serious deficiencies and confirmed compliance with the standards. The competence of our staff and their willingness to help passengers were listed as strong points in the review.

The Czech Society for Quality bestowed the Quality Ambassador award to DPP in the Public Sector category.

To improve the transit services provided in Prague and its surroundings, DPP cooperated on the evaluation of PID quality standards. ROPID has always rated DPP as a "top-notch carrier", which is the highest possible positive rating.

#### **Transport Network Development**

#### Metro

In 2019, three metro lines – A, B and C – were in operation. There are 61 stations and 65.4 km of metro lines.

There were no changes in the metro network in 2019.

TRANSPORT TRANSPORT

#### Trams

As of 31 December 2019, the tram network, which comprises 142.7 km of track, was served by 25 day and 9 night lines for an aggregate length of 556.7 km.

A historic tram line was in operation on Saturdays, Sundays and holidays during the tourist season between 19 April and 17 November 2019. This line was extended in the direction of Vozovna Střešovice from the Planetárium Praha stop as of 19 April 2019.

As of 19 April 2019, tram 23 running in the direction of Zvonařka was diverted via Myslbekova between the stops Malovanka and Brusnice.

Long-term closures along Vinohradská street took place in 2019 and along Nádražní and Plzeňská streets during the summer holidays, affecting the routes taken during these closures.

#### Buses

At the end of 2019, DPP, under the PID system, operated 96 urban day lines, 13 suburban lines, 17 school lines, 14 urban night lines and 1 line for people with reduced mobility on 846 km of roads. The aggregate length of all 141 lines was 1820.4 km.

On the night of 31 March/1 April, new bus 955 to Tuchoměřice was introduced and changes were made to the routes of buses 907 and 912. Effective 29 June 2019, the route of bus H1 was shortened and bus 903 was abolished. Effective 21 November 2019, the route of bus 156 was extended to Stromovka Shopping Centre. Effective 1 December 2019, changes were made to the routes of buses 182 and 185 and bus 192 was abolished.

#### **Trolleybuses**

As of 31 December 2019, one day line was in operation on the 1.4-kilometre trolleybus line network. The aggregate length of this line is 4.9 km. Battery power is used for the section of this route where there are no overhead trolley lines.

As of 26 November 2019, bus 58 is extended to Výstaviště Letňany only for certain events.

#### **Transport Performance**

The total transport performance of urban and suburban lines operated by DPP under the PID system, including special regular services for disabled people and people with reduced mobility, was 166 883 000 vehicle-kilometres (vehicle-km). Transport performance expressed in seat-kilometres (seat-km) was 23 351 176 000 (see table).

Transport performances in vehicle-km increased by 0.34% compared to 2018, while transport performance in seat-km increased by 1.86%. This difference is mainly influenced by the deployment of a higher number of articulated vehicles in lieu of standard vehicles (further deployment of 15T trams, renewal of the operation of 14T trams and greater use of articulated buses)

#### Services for People with Disabilities

#### Metro

At the end of 2019, of the 61 metro stations in total, 44 stations were accessible by public passenger lifts, inclined staircase platforms or direct barrier-free entrances. These included 10 stations on line A (Nemocnice Motol, Petřiny, Nádraží Veleslavín, Bořislavka, Dejvická, Můstek, Muzeum, Strašnická, Skalka, Depo Hostivař), 17 stations on line B (Zličín, Stodůlky, Luka, Lužiny, Hůrka, Nové Butovice, Smíchovské nádraží, Anděl, Národní třída, Můstek, Florenc, Palmovka, Vysočanská, Kolbenova, Hloubětín, Rajská zahrada, Černý Most) and 17 stations on line C (Letňany, Prosek, Střížkov, Ládví, Kobylisy, Nádraží Holešovice, Vltavská, Florenc, Hlavní nádraží, Muzeum, I. P. Pavlova, Vyšehrad, Pankrác, Budějovická, Roztyly, Chodov and Háje). The Opatov station on line C enables barrier-free access (with a trained assistant) by means of a freight lift.

#### Trams

Guaranteed connections are also provided on all day tram lines (except for nostalgic tram 23). The frequency of low-floor tram cars increased slightly. A total of 214 guaranteed low-floor vehicles were dispatched each workday at the end of 2019, i.e. approx. 49% of the total number of dispatched trams.

#### **Buses and trolleybuses**

Guaranteed low-floor vehicles are utilised on all urban and suburban day lines, 12 school lines and 12 night lines. There was a total of 798 low-floor buses and trolleybuses dispatched on a workday in 2019, which represents approx. 84% of all vehicles dispatched.

#### **Historic Vehicles**

The Historic Vehicles Unit deployed two nostalgic No 23 trams throughout 2019, which line is part of the PID system. It deployed historic tram 41 from 19 April to 17 November.

Tram 41 was in service for 68 days. During this time it transported 18 795 passengers, which constitutes 276 passengers per day of operation. Interest in taking this tram was greatest in April and May and lowest in August.

The unit's increased workload also meant more regular KP and RD0 inspections by depot staff. Centre 140010 staff carried out 29 such inspections in 2018 and 54 in 2019. Keeping T3 trams, which are already considered historic, in operation was an pivotal task, and depot staff managed to perform it with honour.

In 2019, the unit completed 2 500 km of commercial trips with mainly two-axle vehicles. The greatest interest in commercial trips was seen in May, June and October, with more than 300 each month. Conversely, the weakest months were January and February, where the average number of contracts per day was three. The revenue from commercial trips grew by a third in comparison with 2018 to CZK 16 million, excl. VAT.

At the end of 2018, the fleet of commercial vehicles increased by one T3 Coupé tram, which operated windowless from April to the end of October 2019. Interest in trips with this tram was relatively high, with 306 orders during the year. The performance target set when this tram was acquired was thus met.

A successful programme for primary school and preschool children ran from March. An hour-long guided tour of the Public Transport Museum, which was followed by an hour-long ride in the sightseeing Měsíček or Sluníčko trams, was organised for primary school pupils. Preschool children were taken on an hour-long ride through Prague in a sightseeing tram. The entire programme takes place in cooperation with the Marketing Department.

The Public Transport Museum's season began on Saturday, 5 January, and ended on Sunday 17 November. The extension of the museum season by more than three months compared to previous years led to a substantial increase in visitor numbers. The average number of museum visitors on Saturdays, Sundays and public holidays reached 269. The total number of visitors in 2019 was 32 196.

Several public events took place on and around the Střešovice Depot during the year. At these events, a number of museum vehicles were shown in operation. Several of these events were related to the 110th anniversary of the Střešovice Depot, commemoration of which took place in October 2019.

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Preparations for several new projects also began in 2019, namely the new hall for road vehicles, which is to appear on a vacant spot on Štřešovice Depot grounds. Preparatory work related to the repair of the lower depot yard and of tracks 11 through 20 in the third and fourth halls also began.

#### **Priority for Public Transport**

Over the last year, work on the "Priority for Public Transport in Prague" project continued in co-operation with the municipal authorities, the Police of the Czech Republic and other organisations.

A total of 304 metres of sleepers were installed along Zenklova street to separate cars from trams. In total, 13.2 km of these fixtures were installed on the tram network by the end of the year.

During 2019, 5 traffic lights with tram priority signalling were installed. At the end of 2019, 209 out of 247 traffic lights were equipped with tram priority signalling.

The total length of designated bus lanes increased by 2.3 km, with their establishment chiefly in Strakonická, Broumarská, Kbelská and Kublova streets. The total length of designated bus lanes at the end of 2019 was 49 km. The number of traffic lights with bus priority signalling increased by 6 to 225.

#### **Timetables**

To ensure the operation of DPP's lines, a total of 10 525 entries were processed in the Flow Diagram Database during 2019. After the sharp increase in 2018, the number of flow diagrams processed levelled off. The number is mainly influenced by permanent network changes, closures and various holiday service restrictions.

For each timetable change, it is necessary to process flow diagrams for all operation days affected and prepare complete documentation for DPP line operation. This in particular means updating vehicle timetables, updating kilometres run and providing information to passengers via stop timetables and the connection search engine on DPP's website and mobile apps.

#### Transport Control

During 2019, Transport Control intensified its efforts substantially, especially in connection with the implementation of the new MOS Multifunctional Check-In System and the increase in the number and effectiveness of fare checks on night lines.

Transport Control successfully passed an extensive audit conducted by the Office for Personal Data Protection that focused on observance of GDPR requirements as well as a general internal audit of the division's operations.

For passengers, DPP introduced the new option of paying fines handed out during spot checks by payment card or in some other way, such as NFC payments. The "Pokuta za půlku" ("Fine for Half") programme, under which a fine is halved to CZK 400 upon the purchase of an annual ticket, continued. This option was utilised by 10 700 passengers. At the end of the year, it became possible to transfer PID passes to the "PID Lítačka" app as part of the digitalisation of the fare management system, thereby making it possible to conduct fare checks via smart phone.

Beginning mid-year, the number of fare checks during night service increased, and work procedures were modified to cover all night trams and buses. The average number of fines given per fare inspector per shift increased by 3.5 year-on-year.

The beneficial cooperation with the Municipal Police and the Police of the Czech Republic continued in 2019. In collaboration with the Municipal Police, the 193 special fare check operations planned for 2019 were successfully carried out.

DPP also managed to make improvements to the electronic work performance tracking system. Now fare inspectors can record the checks they conduct in trams using special inspector cards. By waving this card over the mobile ticket machines (ticket machines in trams), they no longer need to write down their activities in the driver's operating log. The whole recording process is thus more effective and less burdensome on both inspectors and drivers. There are plans to expand the electronic work performance tracking system and fare inspections to buses in the near future.

Enforcement of unpaid fines continued in cooperation with four law firms: Mgr. Bodlák, Mgr. Ambrož, Mgr. Zikmund and Sdružení advokatů KGS legal. DPP has been working with these law firms based on a Mandate Agreement since 2017. This cooperation can be assessed as positive, especially in terms of economic benefit. The amount of debt that has not been collected and the number of unsuccessful collections have fallen.

Number of fines imposed	Revenue from fines in CZK million	Number of passengers checked
247 209	171,65	6,8 mil
i.e., an increase of 5.6% compared to 2018	i.e., 19.9% more than in 2018	i.e., 3.5% more than in 2018

#### **Transit and Transport Surveys**

In 2019, in order to obtain precise data for designing first-class transport in Prague, the aim of which is to match and optimise transport supply and demand, DPP conducted several surveys of the automatic passenger counting (APC) systems and carried out ongoing activities supporting these systems.

#### The following physical transit surveys can be highlighted:

- Regional transit survey of 34 urban bus lines in the eastern part of Prague conducted in April
- Transit survey of tram lines 4, 5, 9,10, 12, 13, 15, 16, 20, 22, 23 and 26 conducted in November
- Regular transit capacity surveys of metro lines conducted monthly (maximum route profiles)
- Operative transit surveys, particularly:
  - Replacement bus utilisation surveys during PID closures in Vinohradská, Nádražní, Milady Horákové, Komunardů, Bubenské nábřeží and Plzeňská streets and in the areas of Zlíchov, Přístaviště, Chmelnice and Třebešín
  - Monitoring the degree to which replacement services affect regular surface routes, e.g., the closure of Nádražní, Švehlova, Spojovací and Perlit streets and closure of metro line C
  - Monitoring the utilisation of tram lines and stops in connection with the preparation of replacement services (e.g., Smíchovské nádraží, Lihovar, Vltavská, Metodějova)
  - Verification of transport capacities during weekend operations on selected PID stops
  - Surveys of utilisation of the bus line for people with reduced mobility
  - Surveys of utilisation of trolleybus lines
  - Profile surveys of regular PID lines at selected stops

#### The following are highlights of ongoing support activities related to the operation of APC systems:

- Regular verification surveys of the functionality and accuracy of automatic passenger counters in all metro stations
- Ongoing detailed analysis of data on transported passengers, imported daily from all metro stations; detection and selection of erroneous data
- · Regular surveys verifying the functionality and accuracy of APC systems installed in new buses

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- Analysis of data on transported passengers, imported daily from APC systems installed in new buses; detection of erroneous data
- Regular surveys verifying the functionality and accuracy of APC systems installed temporarily in three trams for testing purposes

#### According to transit vehicle surveys, DPP transported a total of 1 172 529 000 passengers in 2019, of which:

440 489 000 by metro

371 104 000 by tram and the Petřín funicular

354 320 000 by urban bus, including ZLD and AE

115 000 by trolleybus and

a 6 501 000 by suburban bus, incl. through outlying zones.

#### **Accident Rates**

Transport accident rates decreased in 2019 by 2%, with 74 fewer accidents than the year before (3618 vs 3692).

The number of metro accidents fell year-on-year by 2 (19 vs 21), tram accidents by 52 (1533 vs 1585), bus accidents by 18 (2065 vs 2083) and trolleybus accidents by 2 (1 vs 3).

The number of accidents caused by DPP staff fell by 2.64%, with 39 fewer accidents than the year before (1437 vs 1476). Specifically, the number of metro accidents increased by 2 (2 vs 0), the number of tram accidents fell by 16 (245 vs 261), the number of bus accidents fell by 26 (1189 vs 1215) and the number of trolleybus accidents increased by 1 (1 vs 0).

The number of deaths in 2019 resulting from DPP vehicle accidents was 10, which is 9 people less than in 2018 (5 vs 6 in metro operations, 5 vs 11 in tram operations, 0 vs 2 in bus operations and 0 vs 0 in trolleybus operations).

#### Information for Passengers

The provision of information about lines, timetables, tariffs, passes etc. are an integral part of the services that DPP provides to passengers. Accurate and up-to-date information is highly sought in this area and contributes to creating a favourable public perception for the entire company.

Passengers can find printed, electronic and even acoustic information in the metro stations, at surface stops and in the vehicles themselves.

The most important information disclosed in 2019 was about, e.g.: closures due to work on the traffic bridge by the Vltavská metro station (in February); reconstruction of the tram tracks in Vinohradská street (from March to July), with changes to traffic measures as work progressed; closures related to pre-construction work on the tram tracks in Nádražní street (approx. from July to September); reconstruction of the tram tracks in Komunardů street (in September and October); closure of sections of the metro due to necessary repairs of the tracks; and closures substantially affecting routes leading outward from the city centre (e.g., repairs of the tram tracks in the area around Náměstí Republiky).

In addition to printed notices appearing at surface transport stops about these and other planned and emergency measures as well as about permanent and temporary changes (other tram closures, permanent changes in PID operations, temporary closures of some entrances to metro stations due to repairs or various reconstruction work, transport measures tied to major cultural and sporting events etc.), printed notices with a sitemap were created for 49 major projects. Various types of leaflets were published for 27 projects (the number of leaflets for each project

differs according to how seriously services will be impacted). For the purpose of disseminating information about more serious changes in PID operations, large information boards - directly managed by DPP and erected in areas affected by the change – were created for 41 projects. During the year, 189 reports were drawn up about temporary or permanent changes in PID operations for possible use by the press and for the DPP website and 202 metro announcements recorded. The reach of the announcements in metro stations about changes in transport was extended, with notices about long-term closures of tram operations (in Czech and English) now being announced in all the metro stations.

At important transport hubs and sites affected by the changes, information officers were again deployed in connection with 43 major closures and other projects. Their purpose was to inform passengers (in Czech and English) about transport measures and restrictions caused by the respective changes directly at the affected locations.

Updating and maintaining information at surface transport stops required 3 142 actions to all tram and bus stops with stop signposts in DPP's ownership, both in Prague and in the neighbouring regions served by PID lines [placement and removal of mobile stop signposts in connection with temporary transport measures; modification and amendment of information elements at stops; replacement of timetables at stops (110 704 this year, an increase of almost 15% compared to last year); dissemination, installation and (post event) removal of information signboards; amendment and minor maintenance of signpost accessories; etc.]. For all implemented transport measures, closures and regular statuses, 7 279 items containing information relevant to each respective stop were produced for the passenger information system.

Other information materials for passengers, such as maps of Prague showing the PID network (in folded form sold at DPP Information Centres and in unfolded form for placement in vitrines at metro stations and designated tram/bus shelters, A3 sheet blocks with a city centre street map and metro and tram route diagrams, and metro and tram route diagrams sold at the Information Centres) were also updated and published. In connection with changes to lines and routes, information materials showing the status valid as of January 2020 were published and placed in trams, buses and information vitrines in metro stations - night service diagram.

#### Transit Information Centre and DPP Fan Shop

In 2019, the Transit Information Centre (the "TIC") provided passengers and visitors to Prague with comprehensive information in Czech and other languages on PID operations and tariffs. It arranged the sale of one-off and long-term travel documents. Last, but not least, it arranged for the distribution of transit and tourist information materials and sale of public transport themed publications and souvenirs. TIC employees took part in 10 marketing campaigns promoting public transport and DPP.

For the whole of 2019, the TIC served more than 1.6 million passengers, with foreign language speaking customers constituting 41% of all customers, which is a slight increased from the year before. Again, more than 80% of visitors purchased one of the offered travel documents. In 2019, the TIC's sales exceeded CZK 724 million, including VAT. Both information offices at the Hlávní nádraží station were again the busiest ones, followed by the ones at Václav Havel Airport and the increasing popular one at Anděl station. Fans of public transport frequented most the Mustek Information Centre for transit-themed merchandise.

In mid-2019, tickets began to be sold at the DDP Fan Shop for experiential tours in the metro and events at the Public Transport Museum. More than 1 600 tickets were sold through this new sales channel. Testifying to the growing interest in the e-shop was the shipment of more than 5 700 items ordered through it. DPP Fan Shop sales exceeded CZK 1.2 million, incl. VAT.

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### TECHNOLOGY

In 2019, preparation and implementation of projects related to the reconstruction and modernisation of the metro stations continued. One of the biggest projects was completion of the Resslova vestibule at the Karlovo náměstí station. New escalators were put into operation at the station and work began on building a lift. These additions, once complete, will increase the number of stations with barrier-free access to 45. Cooperation in connection with preparatory work for the construction of the new metro line I.D continued.

One of the most important projects connected to tram track reconstruction was the extensive Vinohradská street project that concerned the section between Škrétova and Sudoměřská streets. The new hold yard at the Tram Central Works (Ústřední dílny) was completed by this facility using its own compacity. The percentage of barrier-free tram stops thus increased to 80%.

In 2019, the number of vehicles in the metro fleet remained the same as in previous years; thus, the average age of vehicles increased linearly by one year. In the case of buses, the average age of the fleet was again substantially reduced to under nine years, thus remedying the poor situation that existed in 2017, when this value was exceeded. In connection with international and national commitments in emission reduction and greater energy efficiency in transport, we continued testing alternative fuel technology in electric buses. In tram operations, the last low-floor 15T trams were delivered. This tram model is gradually replacing old trams, and so the average age of the fleet remains practically the same as in 2018. The total repair percentage managed to be reduced compared to 2018 thanks to repairs that had been carried out on 14T trams; however, the time-demanding repairs on 15T trams is still affecting this number negatively.

#### Fleet

#### Metro

As of 31 December 2019, the metro fleet comprised 730 vehicles, of which:

- 465 were reconstructed 81-71M vehicles
- 265 were M1 vehicles

The number of vehicles in the fleet is not expected to increase in the near term. The fleet also included two historic trains comprising three Ečs cars and five 81-71 cars. These vehicles are intended for the Experiential Tourism programme.

The total repair percentage for 2019 was 11.98%. The average operating vehicle age was 14.35 years.

#### Trams

As of 31 December 2019, the tram fleet comprised 805 vehicles, of which:

- 48 were modernised low-floor KT8D5.RN2P vehicles
- 29 were T6A5 vehicles
- 55 were low-floor 14T vehicles

- 250 were low-floor 15T vehicles
- 347 were T3R.P vehicles
- 35 were partially low-floor T3R.PLF vehicles
- 41 were T3 + T3SU, T3M and T3M2DVC vehicles

(historic trams are not included in the 805 figure)

Cooperation with KOS Krnov on the modernisation of two KT8D5 vehicles (originally from Miskolc) continued in 2019, with the scheduled date of completion being sometime in the first quarter of 2020 (new reg. nos. 9101 and 9102). In 2019, crossbars on sixteen 14T cars were repaired of which five 14T cars also underwent minor modernisation consisting in modification of the vehicles, including installation of new plastic seats and a change in the exterior colour design of the vehicles. The T2 project, consisting in the repair of two T3SU vehicles using the undercarriage of two T2 vehicles that had been decommissioned in Liberec, was drawn up. Nineteen T6A5 trams were decommissioned and are being sold off; two 14T cars (reg. nos. 9127 and 9164), damaged during MÚ, were decommissioned; and one T3M2. DVC was decommissioned. In 2019, twenty-three T6A5 trams and one T3SU tram were sold. Also in 2019, the delivery of new 15T trams was completed and the last seven 15T low-floor trams, modernised to include air-conditioning and wi-fi for passengers, were included in regular operation and housed in the Žižkov depot. Two T3 cars (reg. nos. 6852 and 6921), which had been used only for events organised by JHV, were included in regular operation on the historic 23 line, making it possible to increase the daily deployment of cars on line 23 from the Střešovice depot to four. The average age of the operational cars reached 11.87 years. With the decommissioning of older trams, the fleet age will continue to decrease.

The total repair percentage for 2019 was 19.82%. Compared to 2018, this is a slight improvement due to the repair of the crossbars on 14T vehicles; however, this figure continues to be negatively affected by the increase in the repair percentage of 15T vehicles, which is caused chiefly by the extensive time it takes to repair these trams.

#### **Buses**

As of 31 December 2019, the fleet comprised a total of 1 144 buses, of which 488 were articulated buses (of which 472 were low-floor buses), 594 standard-length buses (of which 516 were low-floor buses) and 62 midibuses (all of which were low-floor buses). As part of the implementation of the multichannel check-in system (MOS), 118 buses were fitted with components of this system. A total of 182 buses were refurbished during the year (of which 139 were standard buses and 43 articulated buses). All the buses delivered were and will be fitted with full-load compressor airconditioning systems, increasing the proportion of buses equipped with these air conditioners to 32% of the bus fleet. Based on ROPID's request, trial operation of the 14.5-metre long IVECO Crossway LE three-axle bus was arranged and continues to be carried out. A new Škoda 30Tr battery trolleybus, commissioned under a long-term lease and designated for verifying the operation of dynamic charging, continued to operate on test line 58. Also tested on line 58 were three on-loan trolleybuses: a Škoda 27 Tr articulated trolleybus and an Ekova 2T Electron regular trolley bus.

The total repair percentage for 2019 was 8.13%, and the average age of operated vehicles was 6.66 years.

#### In-house Transportation

In-house Transportation continued to provide services using passenger cars, vans, trucks, and special vehicles, as well as building machines and mechanisms.

In line with the approved plan for the development of electromobility at DPP, In-house Transportation commenced with the implementation of the second of three planned stages of the programme to replace all regular company vehicles with electric ones. In this second stage, all vans will be replaced with electric ones. The planned delivery of ten electric vans took place in mid-2019. During the year, the fleet was gradually replaced with the following vehicles: two Fiat Ducatos and one Fiat Fullback Cross to help with tram operation; eight Škoda Fabia station wagons

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for Dispatch; a new wheel loader and two vehicles with a telescopic platform for work on trolleys - a large vehicle on an Iveco undercarriage and a small, two-way Kiefer Boki – for Overhead Operations; two asphalt cookers and a box car for the repair of track surfaces and stops; two Renault flatbed trucks with a hydraulic arm and a modified loading platform; and a new Renault training truck for the Training - Buses department. In 2019, 16 new cars, 10 electric cars, 2 asphalt cookers and 1 box car were also purchased.

#### **Transport Infrastructure**

#### Metro

Metro Transport Infrastructure operated, maintained and repaired the following technological units:

The backbone power system based on: 22kV power supply cables with a total cable length of 493 km from 15 PRE substations (110/22kV) to 18 electrical stations and 22kV distribution cables with a total length of 495 km; 70 electrical stations, including 25 distribution transformer stations (MT); 1 substation and 44 substations and distribution transformer stations (MDT), in which there are 342 transformers, of which 97 are traction and 245 distribution transformers; a traction power network with a cable network of 302 km; the lighting system that represents 42 000 pieces of luminaires in public areas, 44 700 luminaires in service areas and 24 300 luminaires in track tunnels, couplings, ventilation shafts, etc., i.e. a total of approx. 111 000 luminaires; a lighting control system; 157 uninterrupted power supplies (UPS); and automated dispatching control systems for electrical equipment and lighting.

Safety and automation equipment, which consists of station and track signalling equipment, a stationary part of train protection systems on all metro lines, the automated traffic control system (ASDR-D).

Communication equipment, i.e. telephone equipment including a telephone network of DPP surface objects, the DPP access system, electrical fire alarm systems (EPS), electronic security signalling (EZS), a CCTV system (PTV), clock equipment, radio equipment, check-in system, information systems [AIS, VIP], technological optical network, quidance systems for people with visual impairment, radio communication equipment (EKV), electronic access control system (IPOČ), etc.

Metro stations, tunnels and operational buildings: 61 metro stations, 169 km of a single-track and 108 km of tunnels. There are 139 km of track lines (incl. junctions between tracks and to depots), 5 km of test tracks, 23 km of tracks in depots and approx. 2 km long siding from Kačerov depot to the SŽDC track. Of the 108 km of tunnels, 88 are single-track and 20 km are double-track.

Independent traction rail vehicles for metro maintenance and repair: 37 traction vehicles, 3 special traction vehicles and 108 driven vehicles.

Transportation equipment comprises 268 escalator arms, 155 lifts and 5 platforms.

Mechanical - technological equipment comprises 177 main ventilation fans, 3 667 station ventilation fans, 6 332 fire dampers and fire wall closures, 431 pieces of equipment belonging to the technological part of the Automatic Dispatching Control System, 518 faecal sludge and non-faecal pumping stations, 25 heat exchanger stations and 16 boiler rooms.

In addition to the basic machinery and equipment, the metro protection system (MPS) comprises special equipment for filter-ventilation, pressure protection and equipment for securing an independent source of energy and water. An anti-chemical warning system is also part of the metro protection system at some stations.

During 2019, all the departments of Metro Transport Infrastructure participated in various stages of preparation or implementation of large-scale investment projects. Reconstruction of the Resslova vestibule at the Karlovo náměstí metro station was completed, which also included replacement of the ET-3 Leningrad escalators with a new type manufactured by Schindler. The construction of a series of lifts to allow barrier-free access was also commenced at this station. At the Černý most station, the first wheelchair drive-up ramp was installed. This ramp helps wheelchair users overcome the elevation difference between the platform and the edge of the train. Another phase of the Vltavská station repair project was completed. This phase included repair of the above-ground section of the station vestibule and the Faun and Vltava fountains. Ticket machines were installed at 29 stations and, as part of the Public Toilet Modernisation Project, the toilets at four stations were reconstructed and opened.

In 2019, two new pilot projects were launched: the above-mentioned drive-up ramps for the disabled, and the installation of new information panels at the check-in line. These panels, which have been installed in five metro stations, provide passengers with information about train departures already at the point of entry to the transport zone of the metro.

In November, the extensive refurbishment of the Opatov metro station began. This project includes the construction a series of lifts allowing for barrier-free access.

The already approved reconstruction of the Na Knížecí vestibules at the Anděl metro station was suspended by Prague City Hall and will be resume in 2020. Design work on the demanding reconstruction of the ceiling slab at Florence station on metro line C continued, as did preparations for the reconstruction of the Jiřího z Poděbrad and Českomoravská metro stations. These reconstruction projects also include replacement of the escalators and retrofitting the stations to make them barrier-free. Repair work was also carried out on the drainage system of some stations.

Advantage was taken of weekend closures to replace worn wooden sleepers with concrete ones in tracks 1 and 2 in the section between Vyšehrad and Budějovická and night closures for the same work along designated sections of metro line A. During contiguous closures, simple junctions and five switches at the Zličín depot were replaced and the overpasses across tracks 3c, 40 and 41 at Kačerov depot were repaired. Rail grinding and/or replacement was carried out in line with the approved plan, particularly on line B. All the above projects have a significant impact on reducing noise and vibrations caused by metro operation and on increasing travel comfort. On the Kačerov-Háje section on line C, the tunnel lighting reconstruction project – which aims to install modern, energy-saving LED technology – commenced, and the signalling system of the supply track in hall B was repaired.

During the year, deliverables under the Ventilation and Heating System Modernisation project at the Háje metro station were accepted. At the end of the year, modernisation of the ventilators of the main ventilation system in the oldest section of metro I.C. was completed. The electronic security system (ESS/EZS) was installed on all ventilation shafts in the metro system, with the alarm system of some shafts being connected to the surveillance centre of the Security Section. At Mustek station on metro line A, the heating supplied via the gas boiler owned by an external supplier at Palác Koruna was changed to heating from a modern, energy-efficient electric boiler owned by DPP.

The end of the year saw preparations begin on changes to the macroeconomic structure. Specifically, divisions in charge of the metro routes and fleet were transferred to the new Technical Section - Metro, which began to operate on 1 January 2020.

#### Trams

Tram Transport Infrastructure (TTI) is responsible for the operation, maintenance and repair of technological units under management. The process of modernising tram tracks continued with the aim of increasing driving comfort, reducing travel times, extending the service life by using modern designs and, last but not least, reducing noise.

2019 began with the in-progress construction of the new hold yard at the Central Workshops, a project undertaken with DPP's own capacity. The project will see the construction of 20 shunt tracks and 2 tracks in preparation for connection to the day maintenance hall. The hold yard is intended for trams from Hloubětín Depot and, once the new depot is built, will serve to shed trains as per TTI's needs. The hold yard is made from large-scale BKV panels. The track network is made of NT1 rails on sleepers laid on a gravel bed with a surface of asphalt cast. Single-slip switches are used to divert trams onto the shunt tracks. The hold yard was put into operation in April 2019.

In March, it became possible to reduce the tram track reconstruction time in Vinohradská street, specifically in the section between Škrétova and Sudoměřská streets, by 14 days. The large-scale BKV panels that covered most of the route were replaced with a contiguous hard surface, and the rails were anchored to it using the W-tram system. In the section between Škrétova and Balbínova streets, the tracks were built on reinforced concrete sleepers on a gravel bed to facilitate the future connection to the track leading from Wenceslas Square, as the track will need to be removed and replaced. The entire surface of the section is made from asphalt cast. Dividing sleepers have been installed along the route to keep car traffic separate. Modification of the tram tracks has helped improve travel comfort. During reconstruction, the stops Italská and Vinohradská tržnice were moved. The Italská stop for trams arriving from the city centre is now a bulb-out; for trams heading to the city centre, it is a boarding island. Vinohradská tržnice stop now comprises two bulb-outs. The construction was carried out by an external contractor and was coordinated with the natural gas provider Pražská plynárenská, which reconstructed the gas mains in the same section.

The middle of summer saw a two-month closure of Nádražní street in the section Smíchovské nádraží - Lihovar, where an external contractor re-laid the CETIN cable duct, an event that required the temporary removal of the large-scale BKV panels. This closure was followed by two months of single-track operation.

Late August saw extensive tram track repair work in Na Poříčí street between the Havlíčkova x Na Poříčí intersection and Těšnov. The rails were completely replaced and the anchoring repaired. The project also included replacement of the adjacent two-track branching of the rail construction at Tesnov.

Reconstruction of the tram tracks in Komunardů street between Bubenské nábřeží and Dělnická street, which was carried using own capacity, tied directly on to tram track repairs in Na Poříčí street. The large-scale BKV panels that the original tracks were built on were replaced with a contiguous hard surface, with the W-tram system used to anchor the rails. During the closure, the rail arc at Bubenské nábřeží – Komunardů was replaced and a lubrication device installed to reduce noise and rail wear

During 2019, several minor track repairs and track structure replacements, aimed primarily at remedying sections where the poor technical condition meant reduced travel speeds for trams, were carried out.

Concurrently with the reconstruction work being carried out in Vinohradská street, Vrchní stavba (Surface Construction) JDCT replaced the gauntlet track and the rail arc crossing the Českomoravská x Freyova intersection. The original cover made of Holdfast rubber panels was replaced with asphalt cast. During this project, the gas mains under the tram tracks leading to the Harfa turning loop were repaired.

In April and early May, two three-way switches and a central crossing at Strossmayerovo náměstí were replaced using own capacity. This was followed by replacement of the rail arc in Dukelských hrdinů street, specifically the rail arc at the crossing with Kostelní street and Kapitána Jaroše Embankment. At the same time, the two-track crossing from Štefánik bridge and from Dukelských hrdinů at Letenský tunnel were replaced in collaboration with an external contractor. While the tracks at Letenský tunnel were closed, the rail arc leading to Náměstí Republiky was replaced in both directions.

For the Prague tram network, the summer months chiefly meant extensive replacement of rail arcs along the route to Modřany. Specifically, five rail arcs were replaced along with the switch in front of the Nádraží Braník turning loop. Tying on to the Modřany repairs was the labour-intensive replacement of eight rail arcs in Plzeňská and Makovského streets, including the branching into the Kotlářka turning loop. Both these projects took place only during closure outside peak hours, i.e., on weekdays during off-peak hours and during weekends.

In late July and early August, Vrchní stavba (Surface Construction) JDTC replaced the two-track branching in the track structure at Výtoň from Palackého náměstí along with the connecting arc. This was followed by replacement of the two-track branching on Palackého náměstí from Palacký bridge.

In August, the tracks in the Spojovací turning loop were completely replaced, and the Spojovací crossing was repanelled. The surface of the turning loop is now made of compacted broken stone.

In late October and early November, the arcs in Križovnická and Smetanovo nábřeží streets were replaced. Small setts, laid out in a circular pattern, were installed at the bridgehead of Charles Bridge in Křižovnická street to increase comfort for cyclists.

During November, after several minor repairs in the summer, emergency track repairs in the Ohrada-Palmovka section were carried out to fix the surface on the falling gradient from Ohrada and replace the counter-arc in the rising gradient from Palmovka after its replacement in the opposite direction in March.

The last major project of 2019 was the replacement of the two-track branching at Vladimírova – Nuselská from náměstí Bratří Synků, including the connecting arcs.

Other than the mentioned projects, several small-scale projects took place throughout the year, e.g., replacement of switch points and arcs, arc welding, sanding of waviness and rolling and repairing of surfaces.

Modernisation of the railway was accompanied, in many cases, by the modernisation of the overhead contact line, as is the custom every year. The most extensive project was the construction of new tram hold yard at the Central Workshops in Hostivař, which included the complete construction of certain load-bearing structures for the overhead trolley lines. Another major project was the reconstruction of the tram tracks in Vinohradská street in the Flóra – Škrétova section, during which all rosettes on the adjacent buildings and eight poles were replaced. Another significant project was reconstruction work in Komunardů street in the Dělnická street section up to the arc on Bubenské nábřeží street. Four poles had to be replaced and several modifications of the overhead trolley lines repaired.

Last, but not least, several emergency repairs of trolley poles had to be carried out, e.g., in Černokostelecká, Táborská and other streets. During the year, minor repairs and interventions were carried out on trolley overhead lines, which required coordination with projects of other investors. The amount of such work is growing each year and is affecting the staffing schedule very much, as such events are not planned and need to be dealt with immediately.

The replacement of plastic boxes, the renewal of exhaust cables for rails and the reconstruction of cable lines for tram stops were carried out mainly under the cable network modernisation project. LED light bulbs were installed in other tram stop markers as part of a programme for the reduction of electricity consumption.

Power dividing boxes are being continuously repaired by replacing bolted busbars with disconnectors that enable more operative and safer handling in the power grid.

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The cable routes from the Červený vrch substation toward Divoká Šárka, where a new tram route, including cables, will connect to Dědina, were modernised. This year, the first stage, which encompasses the section from Osmacená street to Divoká Šárka and includes diversion of the cable route to the Kobylisy Depot, was executed. The length of this stage is approx. 570 m, with about 3530 m of cables from 1973 being replaced.

During reconstruction of the tram tracks, refurbishment or construction of new electrically controlled switches (EOV) was also carried out. A total of seven EOV systems - two new ones and fived refurbished ones - were installed. During construction of the hold yards at the Hostivar Central Workshops, three independent switch heaters were installed. Light signalling at intersections were equipped with nine tram detection systems with priority access.

In 2019, expansion of the network of barrier-free tram stops continued. As part of tram track reconstruction work, the stops Italská and Vinohradská tržnice underwent substantial modification. During the summer months, the historic stop Myslbekova was set up and the historic stop Planetárium Praha was built on a trap siding at the Vystaviště Holešovice turning loop, placed in Stromovka. At this time, 80% of tram stops are barrier-free.

During 2019, the technology of the Vyšehrad substation – specifically the 22 kV alternating current technology, the direct current technology and own consumption technology - was refurbished without replacing the traction transformer and own-use transformer. At the Poděbradská substation, the 22 kV distributor was replaced completely during the installation of a new switchboard and EPS sensors and surge voltage protection on the primary coil traction transformers was added. Surge voltage protectors were also added to the primary coil traction transformers at the Kreicárek and Holešovice substations. Direct current technology was added to the Central Workshops substation to power the newly built hold yard. The Žižkov substation was given a new facade, roof and lightning rod in cooperation with the municipal district in connection with the refurbishment of Kostnického náměstí.

#### Inspection

One of main activities at DPP is oversight of legal compliance and technical supervision of designated technical equipment (DTE) pursuant to Act No. 266/1994 Coll. and reserved technical equipment (RTE) pursuant to Act No. 174/1968 Coll. under the jurisdiction of the Rail Authority and TIČR. In 2019, the Inspection Department conducted 3 345 internal inspections and 647 external inspections of DTE and RTE (gas, pressure, electrical, lifting and transport) at specified and extraordinary dates. The Inspection Department holds two certificates for carrying out technical inspections and tests issued by the Ministry of Transport stipulated by Act No. 266/1994 Coll. In addition, approx. 1856 inspections of appliances with moveable lead cables were contracted.

#### Facility Management

This department provides technical management of the various metro depots, tram depots, bus garages, the Sokolovská office building, the Central Dispatching building, the network of social facilities at terminal stations, recreational centres, land and other buildings. It arranges regular upkeep of the surroundings of certain stations using convicted offenders as part of community service programmes.

In 2019, using the ServisDesk application, approx. 3 860 cases were resolved as part of operational and technical maintenance of entrusted immovable property. Disrepair and OHS shortcomings were dealt with immediately upon discovery. Throughout the year, efforts were made to improve the working environment of DPP operations staff, mainly by painting the premises and replacing the flooring. Hloubětín Depot operations were moved to other facilities without suspension of the activities of the affected departments - a highly demanding project. Research and design work began on the Modřany Warehouses refurbishment project, and the first part of the extensive repairs of leaks into the carriage house at the Hostivar Depot was commenced.

As regards the environment, a new emergency plan pursuant to the Water Act (Act No. 254/2001 Coll.) was drawn up for the Švábky facility and, in line with legislation, the emergency plans for the EC Luka and EC Ládví facilities and the Kačerov and Řepy garages were updated. Throughout the year, staff carried out regular inspections of metro grounds, facilities, stations and routes with a focus on the observance of valid environmental legislation (waste, air, climate, water, nature, landscape, chemical substances etc.). They also represented DPP in environmental inspections by the government authorities and during related negotiations.

As prevention, monitoring of hot water distribution continued, with a focus on monitoring the pathogenic Legionella bacterium. Under the monitoring, 219 test samples were taken.

In the area of wastewater management, more than 200 test samples were taken to determine the quality of the wastewater discharged.

In cooperation with the Energy and Facility Management Departments, the boilers at the Švábky and Orionka facilities were refurbished. The refurbished boilers now substantially exceed the strict emission requirements valid as of 1 January 2020 and can now be operated in line with valid legislation, specifically Act No. 201/2012 Coll., on air protection.

More than 80 kinds of other and hazardous waste, categorised according to the pertinent legal regulations, amounting to almost 17 000 tonnes, was taken out of the more than 100 DPP operating premises, including the metro station technical facilities, and sorted. Some waste could even be sold.

#### **Energy**

DPP is also the largest municipal consumer of electricity. In 2019, total electricity consumption was 370 million kWh. Electricity outlays in 2019 totalled CZK 873 million. For the subway and tram traction operation, 245 million kWh was consumed. The cost of this energy was CZK 577 million.

#### Heat

The main and largest supplier of heat for DPP in 2019 was České teplo, s.r.o., a company that provides heating and maintenance of heat networks and water distribution systems at the Hostivař, Kačerov and Pankrác Depots (stage 1), Zličín Depot, Motol Depot, Řepy Garage, Klíčov Garage and Vršovice Garage (stage 2), Žižkov Depot, Vokovice Depot, Strašnice Depot, Hloubětín Depot and Kobylisy Depot (stage 3). In 2019, we purchased 224 000 GJ of heat, for which we paid CZK 125 million. The supplies of heat from other suppliers amounted to 26 000 GJ, for which we paid CZK 14 million.

#### **Natural Gas**

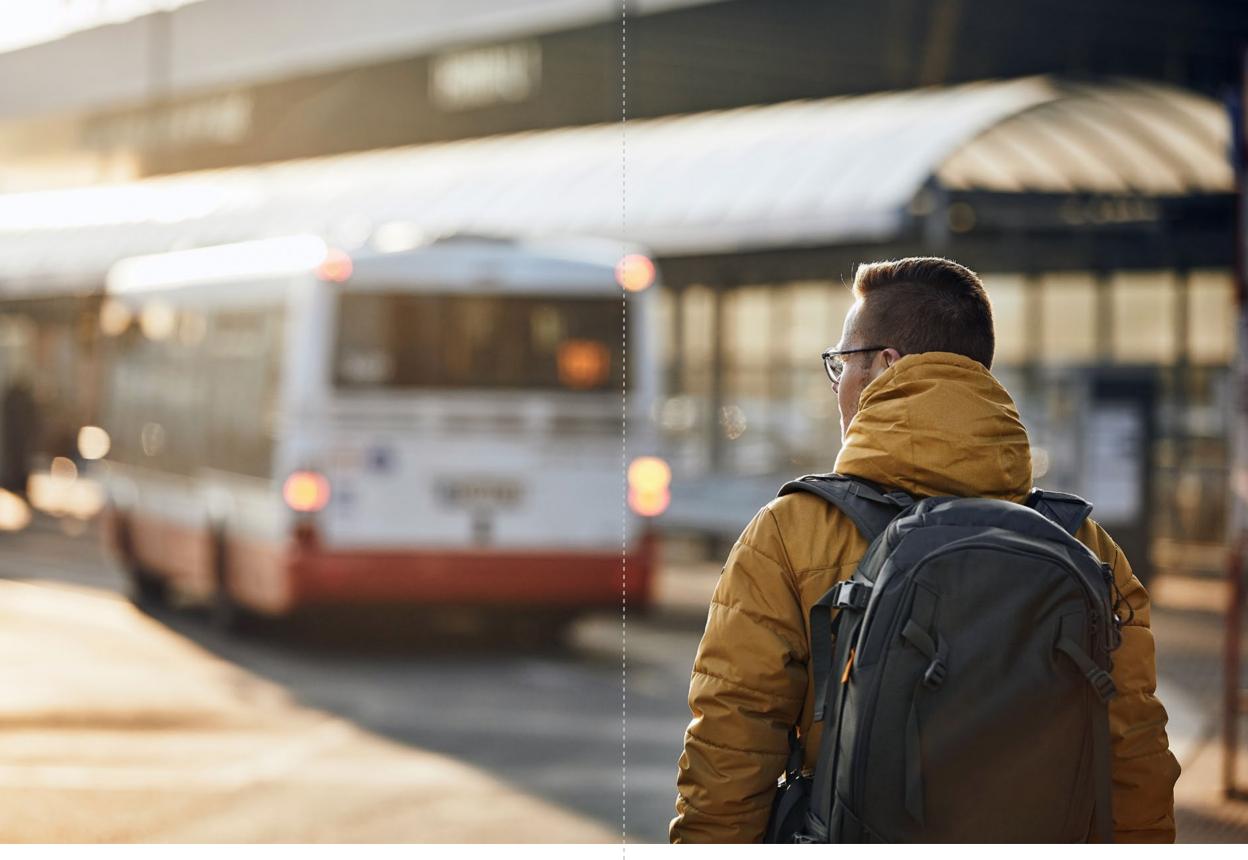
We provided heat in the Florenc metro station, Radlice technical centre, the Central Dispatching Centre building and the Orionka and Švábky facilities from our own sources (gas boiler rooms). Gas consumption in 2019 was 950 000 m<sup>3</sup> and cost C7K 9.4 million.

#### Water Supply and Sewerage

The water supplier for DPP is Pražské vodovody a kanalizace, a.s. In 2019, we utilised 584 000 m<sup>3</sup> for the price of CZK 22.7 million. The sewer rate includes not only water supply but also water leaks in the metro and rainwater. In 2019, we paid sewerage for 2 125 000 m<sup>3</sup> in the amount of CZK 75.1 million.

The total cost of all utilities (electricity, heat, gas, water, sewerage) in 2019 was CZK 1 083 million.

36 TECHNOLOGY



### **FCONOMY**

#### Introduction

DPP provides transport services to Prague and its suburbs under the PID system. A long-term Public Service Contract with the City of Prague represented by ROPID (the "City of Prague Contract") has been concluded to provide transport services in Prague.

Public Service Contracts with multiple clients are concluded with regard to the operation of PID suburban lines, namely as follows:

- Basic transport services in Prague City of Prague Contract represented by ROPID
- Basic transport services in the Central Bohemian Region contract with the Central Bohemian Region
- Other transport services contracts with individual municipalities in the Central Bohemian Region

DPP fully respects the requirements of Act No. 319/2006 Coll. to keep separate accounts for individual public service obligations and other activities.

#### City of Prague

Addendum No. 34 to the City of Prague Contract, the subject of which was to determine the preliminary estimate of compensation for the 2019 calendar year, set the preliminary estimate of the operating part of the compensation at CZK 13 679 209 000 in connection with the order for transport performance of 183 276 000 vehicle kilometres. Reasonable profit for 2019 was granted in the amount of CZK 1 421 666 000. Addendum No. 35 decreased compensation by CZK 200 875 000 in the reasonable profit part.

Addenda Nos. 37 and 39 increased the operating part of the compensation for 2019 by CZK 9 737 000. The subject of the individual addenda was to increase the order of transport performance, especially in connection with approved transport measures and additional funding for bus lines 128, 130, 180, 190, 191, 246 and 263.

By evaluating contractual risks, savings for lower transport performance was reported in the amount of CZK 48 747 000, for the non-utilisation of advances transferred from previous years in the amount of CZK 17 033 000 and for non-utilisation of MOS costs in the amount of CZK 51 322 000. Higher revenues were reported from fares in the amount of CZK 234 808 000, of which CZK 184 976 000 was due to legislative changes (reduced VAT rate for 2019). The evaluation of depreciation costs for DCs resulted in an additional CZK 7 787 000 being returned. Based on the assessment of contractual risks, the amount to be returned (balance) was CZK 344 123 000.

Compensation including reasonable profit in 2019 was CZK 14 582 647 000 in connection with ordered transport performance of 182 172 000 vehicle kilometres.

#### **Suburban Transport**

Additionally, an annual subsidy of CZK 71 297 000 is provided for the following suburban bus lines:

• For lines on the territory of the Prague in zone 0 (CZK 50 960 000)

• For lines operated in outer zones 1, 2 (CZK 11 504 000 from municipalities and CZK 8 833 000 from the Regional Authority of the Central Bohemian Region).

In connection with the introduction of nationwide discounts on fares on suburban lines from 1 September 2018, a subsidy of CZK 14 369 000 (including VAT) was provided from the Ministry of Transport for the loss of fare revenue.

#### Other Activities and Entries

When planning and determining the value of other activities not included in individual public service obligations, DPP strives to make such activities profitable and their implementation effective in terms of capacity and productivity.

The entries that DPP must record from the perspective of its establishment are allocated to individual activities in accordance with their purpose. These include, for example, provisioning, accruals or deferred tax.

#### **Economic Results**

In 2019, the balance of public service commitments for Prague, i.e. of the main activity of DPP, amounts to CZK 344 123 000. DPP's total profit reached CZK 869 150 000.

#### **Revenues from Fares**

Revenues under the entire PID system for 2019 (excluding fare surcharges) are 1.17% higher (+CZK 51 million) compared to 2018.

This increase was mainly due to a reduction in the applicable VAT rate from 15% to 10% as of 1 February 2019. The introduction of discounts for children, juniors and students aged 6 to 26 and seniors aged 65 to 70 on suburban lines as of 1 September 2018 and the introduction of discounts and changes to the PID Tariff in the case of discounted time passes based on a Resolution of the Prague City Council, which went into effect on 1 October 2018 and applied to the territory of Prague, also affected fare revenues.

Revenues from the sale of time tickets (including employee tickets and transferable tickets) fell by 1.91% [- CZK 49 million] compared to 2018 and sales of single and short-term fares increased by 5.40% (+ CZK 100 million).

Revenues generated by DPP in connection with the long-term City of Prague Contract amount to CZK 3 699 524 000, which represents 83.02% of the total fare revenue under the entire PID system.

#### Information Technology (IT) Unit

This year, the IT Unit entered into the final stage of implementation of its Strategic IT Development Concept for 2017–2020. As is often the case in the field of information technology, an abundance of new technology was introduced at DPP and, therefore, this year was extremely busy for our IT staff. Among the most visible changes vis-à-vis the general public is the launch of the new DPP website, which provides information about the position of buses in real time.

For in-house users (DPP staff), the most visible change was the ongoing migration to the MS Windows 10 operating system, which is being carried out due to the planned termination of technical support for the MS Windows 7 operating system, and preparation for the migration of MS Office 365. The User Support Division carried out migrations on more than 900 end stations last year. At the same time, the above-mentioned Microsoft 365 services were successfully deployed in 2019. Microsoft 365 is a comprehensive, intelligent solution that allows employees to work effectively and securely in teams. It includes the MS Office 365 services in combination with modern services, including end station and mobile device security. Through the Microsoft 365 product, the IT Unit will be able to guarantee a modern and highly secure ICT environment for all DPP end users. Last but not last, it will also provide users with the option to use sophisticated cloud services.

ECONOMY 41 (>) **ECONOMY** 

As of 1 September 2019, the IT Unit assumed the comprehensive management of activities aimed at arranging, through an external provider, the operation and management of refuelling stations at DPP. As part of this effort, the IT Unit arranged technical support and servicing of the DPP control system for oil and operational fluid distribution, specifically 24/7 technical support at eight refuelling stations and another sixteen oil and operation fluids distribution points for bus maintenance.

The Vendor Invoice Management (VIM) application for approving invoices in a new, more user-friendly environment and pairing incoming invoices with orders and receipt cards automatically was launched inside the company. In 2019, work on projects related to the electronic document management system (EDMS) and instruments for managing project opportunities and portfolios with the risk management module (PPM) were completed. Work on the project regarding reimplementation of the SAP system in its newest version, S/4 HANA, was commenced, with completion planned for the end of 2020.

In the area of operating applications, the check-in system (PDOS) was stabilised and the PID coupon sales network was expanded in the Central Bohemian Region. In the case of the transport information system (DIS), ongoing implementation of new functions took place and, at the same time, a new project regarding transition to a new, modern architecture began.

The Infrastructure Division in the IT Unit was in charge of many investment projects at other DPP departments that utilise data and server infrastructure. It took part in introducing, implementing and configuring legislative requirements and fulfilling the conditions of the Cyber Security Act, the Act on Electronic Communications and the European General Data Protection Regulation (GDPR). In the pilot project, the Varonis data classification system was tested. The biggest project in 2019 was the implementation and commissioning of the employee electronic mail system (Exchange Online) and other services in the DPP environment, e.g., MS Teams, a safety perimeter, which was expanded to include online instruments for protection of DPP data.

In the area of server administration, the second stage of the Identity Management project was implemented in 2019. The ratio of virtual to physical servers is continuing to increase successfully. As dependence on physical servers is decreasing, and the costs of HW replacement and server operations generally is thus decreasing as well. In this area, work on the IT service centralisation project is continuing, and IT systems hitherto managed by the various departments with other missions and remits are being taken over. During the year, the Server Management department also arranged infrastructure for a large number of projects, with the best known ones being Online Data, Electronic Document Management, DPP Firefighting Information System, LMS and VIM. Server Management also arranged for the implementation of the CyberArk tool and the Logmanager system for collecting logs from servers.

In the area of data networks, hardware for the annual replacement of active data network elements with ending support (manufacturer's support terminated) was configured and implemented in 2019. A procurement procedure for key areas of data centre connectivity also took place. In the area of connectivity, we managed to arrange connectivity of temporary workplaces due to reconstruction, e.g., the Barrandov turning loop and the new lay-by in the Hostivar Central Workshops. In 2019, development and expansion of the data network to the distant workplaces of external vendors in the Central Bohemian Region (Rakovník, Slaný etc.) and the connection of charging stations for environmentally friendly electric company cars to DPP locations continued.

As regards records management, the technical facilities of the archive were developed. A specialised room for organising archival documents was set up, and a large-format Contex scanner was put into operation. The AthenA electronic document management system was also implemented, with its being launched into the production environment in the first quarter of 2020.

The IT Unit aims to increase the quality of the services it provides to customers. That is also why the Comprehensive ICT Service Analysis project was executed in 2019. Here, the strengths and weaknesses of the current model of operation of information technology within DPP were identified and an abundance of development activities aimed at improving the quality of the provided services were recommended for implementation in the coming years.

#### **Real Property Division**

The main focus of the Real Property Division at DPP is the provision of records of DPP's real property recorded in the public register, and even real property that is not subject to such registration, and subsequently its possible contractual protection.

Based on the documents submitted by other expert sections of DPP, the Real Property Division ensures that the records of real property in the public register correspond to the actual state of affairs in the field and that DPP's accounting records correspond to those in the public register. This activity is carried out in 110 cadastral areas throughout the entire Czech Republic.

The division is also involved in the preparation of investment projects. Specifically, it comments on draft project documentation and subsequently arranges the settlement of property rights. The support it provides in connection with investment projects forms the basis for subsequent registration in the public register and ensures conformity with future factual conditions in the field

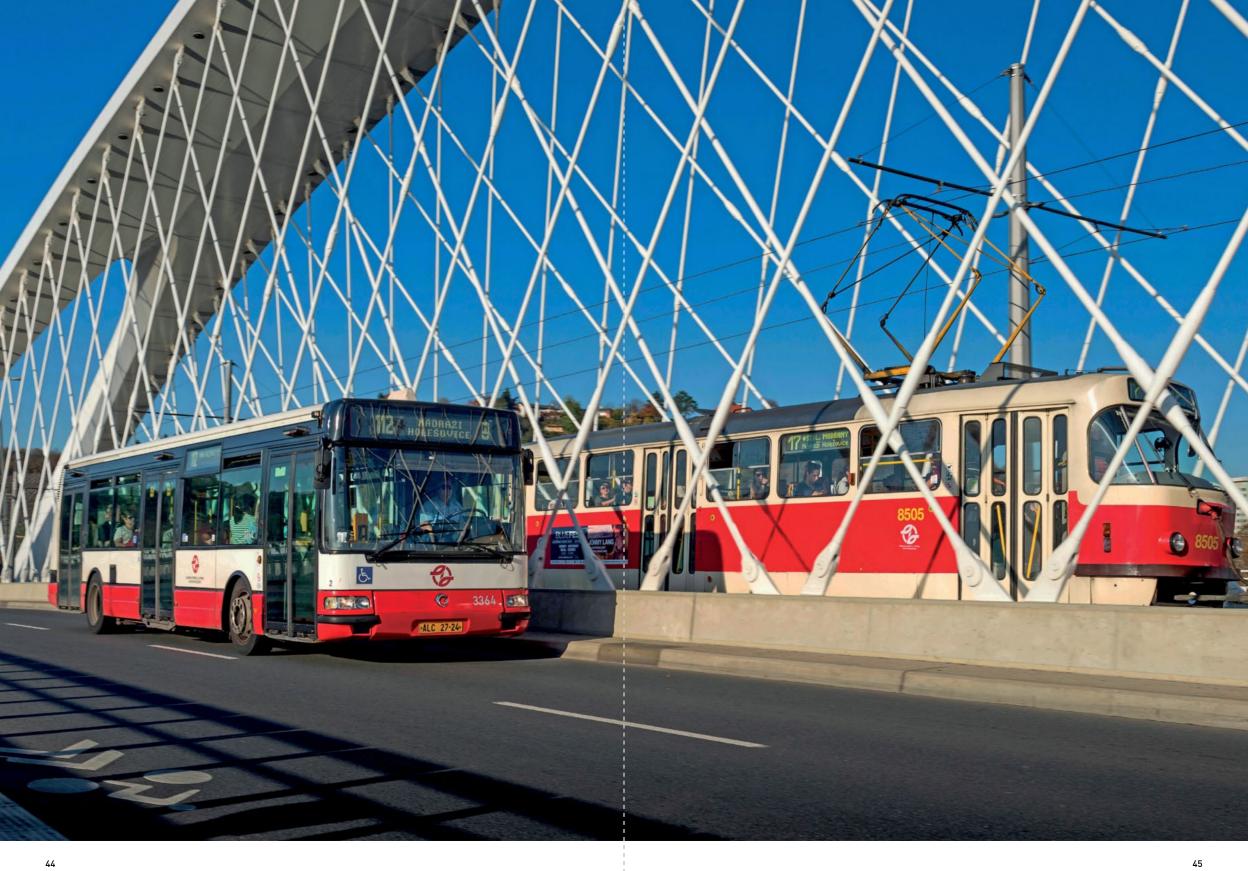
The division is also in responsible for the contractual relationships that arise in connection with real property and, at the same time, for the contractual protection of DPP's interests in the event that these interests are affected by property owned by another entity. In 2019, the Real Property Division entered into 352 new contracts related to real property and 54 amendments to previously concluded contracts. Within the framework of the concluded lease contracts for real property, DPP invoiced rent in the total amount of CZK 226 251 294 and for the fees related to the established easements in the amount of CZK 6 976 196. Based on purchase contracts, DPP received payments totalling CZK 20 744 630.

Resolution of legal disputes related to real estate is also in the remit of the Real Property Division.

#### **Stock Economy Division**

In 2019, the Stock Economy Division insourced the service of comprehensive management of refuelling stations, which resulted in a significant expansion of the division's remit. It was decided that the activities related to managing refuelling stations would be taken over after all offers made by potential providers were analysed and compared with DPP's own capabilities in this area. As part of the expanding remit of the division and efforts to improve the efficiency of stock management, the very extensive agenda was divided up into two logical parts, with an emphasis on the type and focus of the warehouse.

In 2019, the Stock Economy Division methodically managed and comprehensively coordinated the quality management system implemented in the Central Purchase and Warehouse Management departments. At the end of the year, the supervisory audit carried out by a supranational certification authority verified and confirmed that the implemented quality management system work properly and that the requirements of the criterion standard and achievement of set targets were fulfilled. Compliance with certification requirements and proper implementation and maintenance of the quality management system, including its continuous improvement, were demonstrated.



### HUMAN RESOURCES

#### Personnel Strategy and HR Management

As of 1 April 2019, there was a change in the macrostructure of DPP: the Technical Section was divided up into the Technical Section - Surface (200000) and Technical Section - Metro (800000). After this change, the organisational structure was divided into Transport, Technical Section - Surface, Economic Section, Human Resources Section, Investment Section, Technical Section - Metro and Company's Management Section.

System-wide changes to the microstructure also took place during the year. These changes focused on the Metro Transport Infrastructure Unit, when, as of 1 July 2019, the activities of the abolished department 240200 - Technical were transferred to department 240300 - Technical Coordination, and when, as of 1 September 2019, department 240400 - Traffic Control was abolished and it activities were divided up between department 243200 - Emergency Operations and department 245200 - Technological Dispatch.

#### **Personnel Development**

As of 31 December 2019, there were 11 039 employees, of which 9 395 were men and 1 644 women. The number and structure of employees are based on the needs and possibilities of employees within our company. The biggest group is public transport drivers/operators (39.01 %), followed by employees in blue collar professions (32.21%) and technical and economic employees [28.78%]. The educational and age structure of the company's employees did not change significantly in 2019. Middle-age employees with secondary education completed by school-leaving examination and secondary education without school-leaving examination continued to prevail.

The structure of education corresponds to the structure of professions in the transport-technical field.

#### Wage Policy

The company's wage policy was implemented under a standard Collective Labour Agreement (the "CLA"), which includes common rules for the remuneration of all company employees.

The average monthly salary of employees in 2019 was CZK 42 277 and wage costs amounted to CZK 5 765 923 000. Wage costs were affected by severance paid out for organisational and health reasons.

In 2019, overtime work increased by 42 781 hours compared to 2018

The proportion of overtime work to hours worked was 7.40% in 2019.

#### **Welfare Policy**

Employees benefits, through which the company seeks to increase employee motivation and satisfaction, were set in accordance with the CLA for the period 2016-2017 as amended by Appendices 1, 2, 3 and 4. DPP provided employees with, for example, contributions to supplementary pension insurance, supplementary pension savings and life insurance, leisure time vouchers, a child recreation allowance, a meal allowance, work anniversary bonuses and a bonus for first termination of employment associated with retirement or disability retirement, social emergency assistance and special fares for employees, their family members and retired former employees.

DPP pays part of the liability insurance to selected professions, which are defined in the CLA, for damage caused to the employer. DPP also provided the possibility for all employees to take one day of unpaid leave per month and, in case of sudden illness, another three working days per year with wage compensation. If this time off is not used, this benefit will be provided in the form of a contribution to supplementary pension savings or supplementary pension insurance or in the form of leisure time vouchers with a face value corresponding to the wage compensation.

#### **Training and Development Programmes**

The systematic training of employees continues to be conducted with the aim of improving professional knowledge, abilities and skills and thus improving employee performance and motivation.

One of the most important tools for achieving the above objectives is regular annual assessment of all technical and economic employees. Assessments are a source of feedback for both employees and the employer, with the results being reflected in training planning and career development. To effectively fulfil the purpose of the employee assessment scheme, emphasis was placed on properly conducting assessment interviews. In this connection, all managers who become new assessors of subordinate employees underwent training.

In 2019, based on the results of the assessments, 472 employees attended 56 training seminars on selected soft skills. The training courses were conducted by experienced external lecturers in an interactive form aimed at improving the practical skills of the respective competency.

The professional qualifications of employees were ensured through periodic training and testing, professional training courses and seminars, which were attended by 5 344 employees. Highly popular IT courses were organised for 198 employees. In cooperation with department heads, professional seminars were prepared as part of the Professional Competence Development Programme in response to changes in legislation and new technologies applicable to DPP. These seminars were attended by 1 237 employees. The 16th annual accredited education programme entitled "Management" was held in cooperation with the Secondary Technical School of Transport and was successfully completed by 19 employees. A training programme focused on effective communications and assertive behaviours in dealing with emergency situations reported by public transport operators was organised for 65 dispatchers from the Tram Operations Unit. This training programme built loosely on the soft skills and capabilities learned in programmes from previous years. Training on the topic "Modern Self-Defence" was organised for 111 fare inspectors to help them deal with situations that could escalate into a physical attacks on them by passengers. Training on a "fire simulator" (mobile gas device for simulating real fire conditions) was organised for Fire Rescue Service employees, with 32 firefighters completing the course.

HUMAN RESOURCES 47 (-) HUMAN RESOURCES

Cooperation with schools took place in the form of vocational training for students of the Secondary Technical School of Transport and short-term vocational training for secondary school, higher vocational school and university students at DPP workplaces.

In 2019, LMS Moodle, a new e-learning system, was launched in test mode. It is planned to be used next year across DPP to run courses on cross-disciplinary topics.

The implemented development programmes aimed at motivation, career development, personal development and employee retention also continued to fulfil their purpose.

The current situation on the job market, which resulted in a shortage of employees in many professions and positions, led to greater emphasis on new-employee care. The importance of the standardised adaptation process set up at DPP and managed according to a single methodology again grew in importance. The main objective of this process is to integrate new employees in the company as best and as quickly as possible, stabilise them and, thus, reduce undesired employee turnover. An important part of the adaption process is Induction Training organised by HR. In addition to basic information about DPP and its history to the present, this course discusses the DPP Crime and Risk Prevention Programme. In 2019, 815 new employees took part in Induction Training. The information brochure "Practical Information for New Employees" was distributed to new employees to help them with orientation.

The Graduate Motivation Programme for graduates of the Secondary Technical School of Transport and other technically oriented secondary schools and universities was also used to help promote generational turnover. In 2019, 14 students of the Secondary Technical School of Transport with an interest in future employment at DPP were involved in the Motivation Programme. A total of five secondary school and two university graduates were enrolled in the Graduate Programme. The secondary school students were given certain manual graduate jobs and the university graduates technically focused graduate jobs. Like last year, the low number of occupied graduate jobs was influenced by a greater number of graduates placed directly in vacant posts.

Promotion and implementation of the Scholarship Programme for full-time students in technical fields at selected secondary schools continued. This programme is used by DPP to financially support students and motivate them to sign up for a job at DPP after graduation, with the aim of contributing to efforts to ensure future qualified workers in manual professions. All eight students who were granted the motivation contribution in the first year of the Scholarship Programme graduated and were hired by DPP for one of these positions: autobody painting technician, automotive technician, electrician and electro-technician. In 2019, an agreement to award a motivation contribution was concluded with 12 students.

Systematic language training, consisting in expanding the English and German language skills of those employees who demonstrably use these languages in their jobs, continued. The third year of the group language course, in which 83 employees took part, was completed and the fourth commenced with 105 employees taking part. One-off conversation courses for selected groups of employees who encounter foreigners in their jobs form an important part of language training at DPP. This year, a one-off English language course for 24 bus drivers was, maintained by the Klíčov Garages.

The Personnel Reserves System development programme continued to fulfil its purpose. Its aim is to motivate, develop and retain employees with career growth potential and, at the same time, to give company employees priority when vacant positions are being filled. During 2019, 14 personnel reserves enjoyed vertical career growth to



a managerial position and 22 experienced horizontal career growth. In 2019, 38 employees were recruited into the Personnel Reserves System. Personal Development Plans for a period of two years have been prepared for all newly included personnel reserves. As of 31 December 2019, 222 employees were enrolled in the programme. Organisation of field trips to appealing DPP workplaces was a new interesting way to increase motivation of personnel reserves and their sense of belonging to DPP.

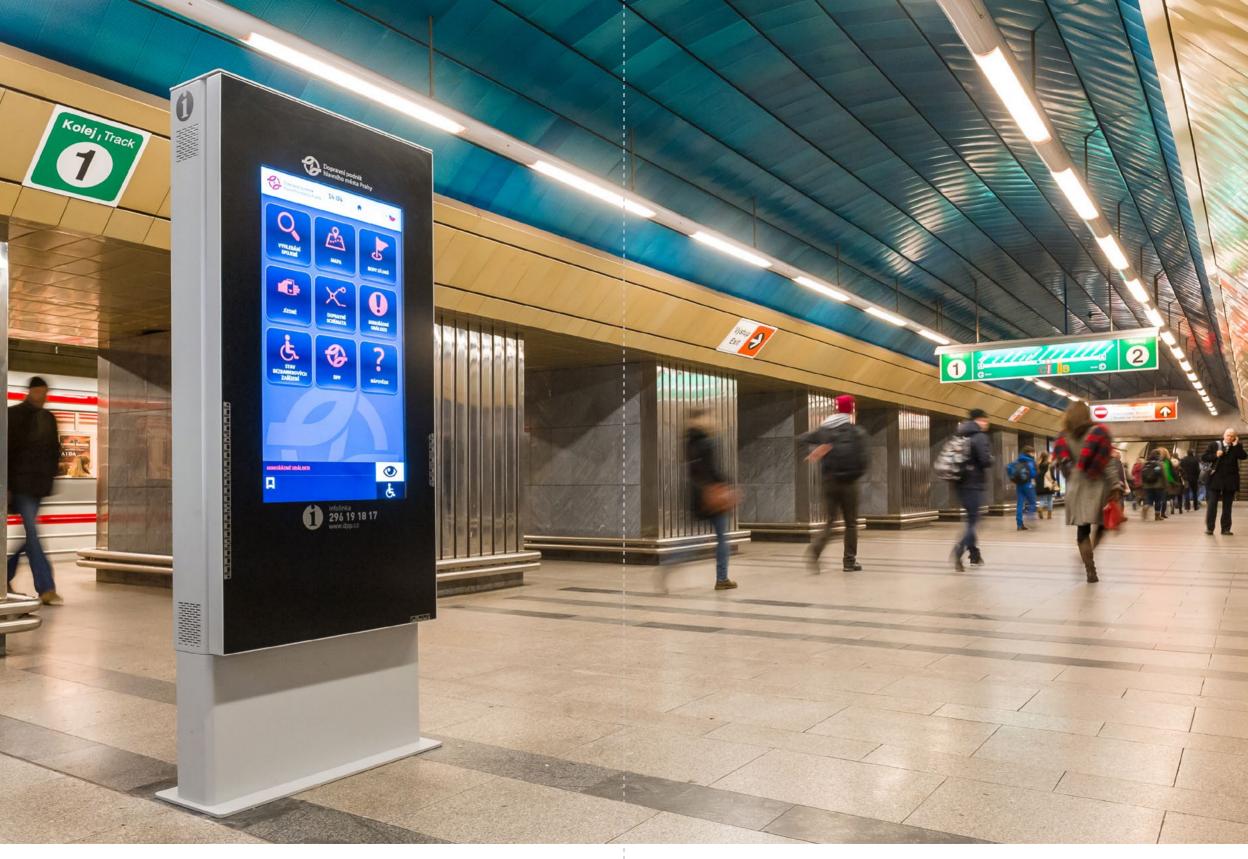
Another way that DPP supported employee career growth was through the Career Counselling for Secondary Schools and Career Counselling for Universities programmes. Through these programmes, employees were given advice, support, encouragement and assistance with regard to using their potential and striving to be employees in positions at DPP that best suit their qualifications, operational experience and preferences.

Interest also grew in the Personnel Academy, a programme through which employees obtain up-to-date information on selected personnel processes at DPP and develop their managerial skills through internal training courses.

Just like in previous years, employees were encouraged to improve their qualifications by attending secondary school and university programmes compatible with DPP's needs. In 2019, a total of 12 qualification agreements – 3 for secondary school studies and 9 for university studies - were concluded with employees.

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### SAFETY AND SECURITY

600000 - Security Section

600100 - Security and Crisis Management

600200 - Fire Rescue Service

600300 - Inspection

#### Security

600110 - Contingency Planning

600120 - Security and Property Protection

600130 - OHS

600140 - Building Security

600150 - Surveillance and Alarm Receiving Centre (DPPC)

2019 was the fifteenth year of the establishment of contingency planning. The purpose of contingency planning is to create preventive measures that minimise the impact of crises on life, health, property and the environment and to implement these measures in cooperation with other departments into DPP's plans and internal standards. The Crisis Management workplace does not only deal with security and safety situations that are visible at first glance, it also works closely with crisis management experts at Prague City Hall to prepare for natural disasters and various forms of terrorist attacks, be it in the metro or in surface transport.

In January 2019, the updated DPP Crisis Preparedness Plan went into effect along with the new "Special Circumstances under the Crisis Management Act" guidelines. In addition to updating the plan, it was necessary to secure the Crisis Management workplace where classified documents are filed and stored. DPP departments are provided methodological support in this area. At the same time, a special list is kept of all authorised persons with access to these documents. As part of the support provided in the area of special circumstances, cooperation was provided on drafting tender documentation for the "Modernisation of the Chemical Warning System (PROVAS), including Subsequent Management Support and Maintenance of Existing and New System Technology" contract.

As is the case each year, the "DPP Flood Plan" was updated in cooperation with the Flood Committees of the various municipal districts of Prague. Experience with the construction and storage of mobile flood protection components was shared with Prague Service Administration, the administrator of the mobile and fixed flood protection system for Prague. During the year, metro station emergency flood measures were reviewed.

Last year, successful cooperation and even active participation took place in connection with several thematic and technical exercises, the aim of which was to check the preparedness of DPP for various crises, such as the evacuation of the Petřín funicular, and the "Voda 2019" exercise, the aim of which was to verify the construction and mobile flood protection components, including closure valves and pumping stations along the sewerage and gutter networks, and functionality of the stop gate on Čertovka stream. In mid-October, as part of the 2015–2020 Security Research Programme of the Czech Republic, a technical exercise entitled "Handling New Technological Decontamination of Chemical, Biological and Radioactive Substances in Transport Infrastructure" took place in cooperation with the joint-stock company Dekonta a. s. on the topic of decontamination in the metro. This exercise took place during a transport closure in the Zličín metro station and was aimed at checking the new metro decontamination technology while using the new DA-1, DA-2 and DA-4 decontamination equipment prototypes.

Throughout the year, DPP actively participated in the Railway Administration project entitled "Prevention and Elimination of Security Events at Railway Crisis Points in Prague 1 and 2 in Relation to Persons without Shelter and Experiencing Life Crises", which dealt with the planned dislocation of such persons at the Hlavní nádraží metro station.

A "Large Scale Power Failure Response Plan" was drawn up in the area of crises situations that could in fact arise in the event of a blackout, and is now part of the Emergency Plan. Regular activities include updates of directives, e.g., in the area of crisis management bodies, including expert working groups.

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The area of security and property protection includes quarding buildings using security agency employees and DPP's own staff (74 core employees and 10 individuals working under an Agreement to Perform Work), drawing up methodologies and providing support in the area of personal data protection and classified information, arranging the production and export of access cards to external entities, and managing the surface camera systems.

Using core employees to supplement the work of security guards has proven to be mutually beneficial. In the time that this approach has been applied, 28 of our employees have found work in this area after health issues made them unable to continue doing their previous jobs at DPP. Some, after their health improved, returned to their original profession or found work in a different field. During the demolition of the Hloubětín Depot, core security employees proved to be important, as coordination, coherent action, subcontracting, checks, flow of information, reporting of defects and shortcomings and permanent cooperation on eliminating problematic segments during this project were required.

A remote data collection system was introduced in the security agencies' patrol system, which made this activity substantially more effective. During reconstruction of the tram tracks in Nádražní street, arrangements were made to guard trams and other equipment at the Barrandov housing estate.

In the upcoming period, DPP will continue to strive to increase security service standards and intensify cooperation with other workplaces across the company.

Close cooperation took place on a daily basis with the officers of the Prague City Police, particularly the Patrol Unit, and with the Metro Division of the Police of the Czech Republic.

Designated employees attend a regular annual course on classified information before they can access such information based on their security classification.

New internal regulations pertaining to the protection of personal data were drawn up. The Security Division works actively with the GDPR officer during audits conducted by the State authorities, e.g., the Office for Personal Data Protection

Across DPP, mainly in collaboration with the operational departments, exercises were conducted with specialised units of the Police of the Czech Republic, the Prague Emergency Medical Service and DPP's firefighters. There were 21 such exercises in total.

Since its establishment, the Surveillance and Alarm Receiving Centre has been responding to alarms raised on DPP grounds and premises. Dispatchers focus especially on coordinating the activities of security agency personnel, who work on-site or are part of two emergency deployment crews. Cooperation with other DPP workplaces, such as dispatch and operations, is a matter of course.

In 2019, the newly built dispatch centre at Hostivar Depot was launched. This workplace meets the most demanding standards applicable not only to such workplaces in the Czech Republic, but to ones anywhere in Europe. The technical equipment allows close cooperation on technical documentation with other crisis management bodies of the City of Prague.

In connection with the transfer of activities to the new workplace, it was also possible to raise the level of procedures and other activities related to safety and security of DPP employees and property.

No less important was the administration and maintenance of the security alarm and emergency system (PZTS) in place at DPP's aboveground facilities. This is a system installed at cash desks and technological facilities (e.g., the Braník workshop and the Petřín funicular). Most of these systems protect, under precisely specified conditions, premises where cash or valuables are handled. The technical conditions of installation of the equipment as well as the conditions of its operation all comply with the respective ČSN EN standard and the detailed appendix to the DPP insurance policy.

Close cooperation with other DPP workplaces on proposals for building new and reconstructing existing security systems, camera surveillance systems and access systems is a matter of course. These activities include not only work within DPP, but also negotiations with suppliers, commenting on and modifying projects, and so on.

The main task of the OHS Unit in 2019 was to ensure that all employees pay proper attention to OHS issues. DPP, as the employer, is obliged to ensure safe working conditions for all its employees. The definition of safe working conditions stems from legal regulations. Regular reviews and checks thus take place regularly on all management levels. Strict observance of all legal regulations is mandatory.

Risk prevention was part of comprehensive measures aimed at guaranteeing OHS. In 2019, OHS training was again provided to DPP managers, so that they could then pass on the information they learned to employees at regular meetings. As part of this training, information was provided on how to identify risks at the various DPP workplaces. The training also took advantage of the new e-learning system. Due to the availability of more funds for investment, training was extended to external companies involved in various reconstruction work on DPP buildings.

The annual OHS review of all aboveground and belowground DPP facilities took place. The Security Section was involved in investigating and indemnifying work injuries, of which 377 were recorded in 2019. There were no accidental deaths.

In the summer, microclimatic conditions in the cabins of bus and tram drivers were measured in cooperation with a healthcare facility. Other activities included participation in external inspections conducted at DPP workplaces by the public health authorities, the labour inspection and trade unions. The department also reviewed project documentation and took part in inspections of investment projects. OHS, company culture, working conditions and working environment are areas that have a direct impact on employee health but also on employee reliability and productivity.

#### **Fire Protection**

600210 - FRS Professional Services 600220 - Fire Protection Units 600230 - Fire Prevention

The aim of fire protection activities is to prevent fires, create conditions to successfully extinguish them and minimise their impact on lives, health and property.

The DPP Fire Rescue Service (the "FRS") is responsible for fire protection at DPP. Fire prevention, fire-fighting equipment maintenance, action-ready firefighting units and the handling of other emergency events at DPP and in public transport are all in the purview of this department. FRS operates three fire stations (Hostivař, Kačerov, Zličín), which have fire-fighting districts allocated to them according to driving time and distance.

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In 2019, a total of 577 interventions by FRS units were recorded. Of this number, 62 were fires, 115 road and rail vehicle accidents, 228 technical assistances, 27 liquidations of hazardous substances, 15 drills and 130 false alarms.

In accordance with the Fire Protection Unit Professional Training Plan for 2019, thorough and systematic professional and physical training of FRS staff was carried out. Regular training of emergency procedures for each type of metro train, tram and bus continued. Professional climbers, chainsaw operators and chemical service technicians were employed. Regular professional training was provided to volunteer firefighters from the ranks of DPP staff for providing fire protection of the bus garages.

As part of the replacement of firefighting equipment, FRS acquired four special vehicles during the year: a Škoda Karog for the fire chief, a Ford Transit van, a gas fire truck and a tanker on a Scania chassis. At the same time, firefighters were provided new technical equipment. The first response fire trucks were equipped with dose rate meters, accident screens (to keep unwanted onlookers away) and new air Dräger PSS 4000 breathing apparatus to replace the MSA AirMaXX breathing apparatus. New equipment included a Rosenbauer Fanergy V16 fan for airing out smoke-filled rooms, a hydraulic salvage tool, an angle grinder unit, a chainsaw and a Poseidon floating pump. The CAS-30 T815-7 foam maker supplied in 2018 was upgraded with a One Seven special foam maker.

In the framework of the emergency service, we cooperated closely with the Prague Emergency Medical Service to train their crews to deal with extraordinary events in the metro. Members of the Prague Emergency Medical Service were acquainted with the specifics of intervention activities at DPP and with the use of oxygen breathing apparatus for prolonged interventions in an unbreathable atmosphere. Special units of the Police of the Czech Republic were employed

We carried out inspections of all aboveground, underground and wall hydrants and dry ducts at DPP (a total of 2,261 facilities) and coordinated inspections of portable and mobile fire extinguishers (14,138 units in total). We continuously updated the fire control documentation, especially in connection with building barrier-free access to metro stations, the overall reconstruction of metro stations and the reconstruction of the electronic alarm system (EPS).

The FRS is also responsible for fire prevention efforts, which mainly consist in the prevention of fires and dangerous situations. The fulfilment of fire prevention efforts stems from valid legal regulations, especially Act No. 133/1985 Coll., on fire protection, as amended by later regulations and DPP directives, which aims to ensure the fire safety of employees and the travelling public. When reviewing or processing fire protection documentation, Fire Prevention staff set out measures aimed at minimising the fire risk. Further to this task, cooperation with all DPP departments and even external organisations is a priority. In connection with building fire safety solutions, a total of 183 meetings with building designers took place

Fire prevention staff also commented on contracts pertaining to DPP and checked DPP buildings and facilities for their compliance with the obligations set out in fire protection regulations. In the past year, about one thousand inspections were carried out. In 2019, 2,168 DPP employees and 125 contractors were trained in fire protection. In the area of building fire protection, assessment and approval of construction and reconstruction projects was carried out. Designated employees attended 558 technical inspections, handovers and final building approvals.

#### **Inspections**

600310 - Internal Audit 600320 - Operational and Technical Inspection 600330 - Information Security Centre 600340 - Technical Inspection Centre

Inspections are one of the main ways to obtain reliable information and feedback about ongoing processes and uncover deviations from set rules. This includes comparing the ascertained status with the expected status, adjusted according to the respective rules. Knowledge and timely utilisation of complete and reliable inspection information are a prerequisite to focused and effective management. In-house inspections (i.e., not internal audits, fare inspections etc.) are carried out by specialised workplaces that report to the Security Director.

Inspection employees are responsible for regular, systematic inspections aimed at making sure that legal regulations, internal standards and operating regulations are being observed, with a focus on quality and safety of operations. In addition to regular inspection activities, they also arrange analyses of management forms and methods not only for the needs of top management, but also for other DPP management employees.

Integral activities also included responding to requests of the Police of the Czech Republic and helping to acquire supporting documentation for law enforcement authorities. In the area of prevention, random checks of employees for alcohol and drug use were also carried out using a newly acquired analyser.

In 2019, the Information Security Centre mainly dealt with tasks related to cyber and information security. A new analytical security system was brought on line. Cooperation took place with the ICT security guarantor on implementing additional systems and procedures that impact information security to ensure that all aspects of cyber and information security are taken into account at all design and implementation stages of such systems and procedures. Employees took part in planning, organising and managing projects and programmes to ensure their compliance with the Act on Cyber Security and its implementing regulations as well as with the GDPR and the ISO 27000 standard. The Security Section worked on implementing the security information management system and drafting security policies and guidelines. It also prepared the supporting documentation required to commence administrative proceedings with the regulator - the National Office of Cyber and Information Security (NUKIB) in the matter of the possible designation of DPP as the operator of basic service systems.

At the end of the year, the activities of the technical control station underwent an audit by the supervisory authority in connection with planned Recertification Audit No. SS4. The aim of the audit was fulfilled in full. The implemented STK (Vehicle Inspection Centre) quality management system fulfils all the relevant requirements of standard ISO 9001:2015. It is appropriately maintained and shows signs of improvement. Testifying to the maintenance and proper set up of the quality management system (QMS) is the absence of any non-conformities between internal and external audits, the long-term absence of customer complaints and the exceptionally good assessment of the satisfaction of internal and external customers, which was considered a strength of the workplace.

Testifying to the high quality of the services provided is also the positive results of the audit conducted by the state authorities. During the audit, new discrepancies were identified and the QMS system was assessed as effective overall. The certification was carried out by the prestigious company LRQA (Lloyd's Register Quality Assurance).



### INVESTMENTS

#### In 2019, DPP invested the following resources:

DPP's own resources Compensation 2019 (reasonable profit ) Current subsidy from the City of Prague budget Subsidy from the State budget (State Environmental Fund)	CZK 2 441.154 MM CZK 1 220.791 MM CZK 674.382 MM/* CZK 2.500 MM
Total	CZK 4 338.827 MM
/ <b>*</b>	
Current subsidy from the City of Prague budget in total	CZK 674.382 MM
of which:  - The 1 <sup>st</sup> operating section of metro line D (preparation)  - Replacement of escalators, station revitalisation and construction	CZK 360.532 MM
of barrier-free access at the Jiřího z Poděbrad metro station	CZK 13.688 MM
- Reconstruction of the Opatov metro station	CZK 11.422 MM
- Českomoravská metro station – replacement of escalators, reconstruction	
of the station and construction of barrier-free access	CZK 7.260 MM
- Barrier-free access to the Karlovo náměstí metro station	CZK 68.898 MM
- Barrier-free measures	CZK 0.723 MM
- Total revitalisation of the refitting hall at Hloubětín Depot	CZK 20.000 MM
- Hold yard at the Tram Repair Workshop	CZK 110.000 MM
- TT Sídliště Barrandov – Holyně – Slivenec	CZK 11.059 MM
- TT Muzeum	CZK 0.433 MM
- Depo Hostivař turning loop	CZK 0.892 MM
- High-speed TT Nádražní – Na Zlíchově	CZK 17.956 MM
- High-speed TT Starostrašnická – V Olšinách	CZK 15.000 MM
- High-speed TT Bubenské nábřeží – Komunardů jih	CZK 29.479 MM
- Operational section of the metro V.A Dejvická – Motol	
(subsidy retained from previous years)	CZK 7.040 MM

#### A large portion of the funds was used for the renewal and modernisation of our fleet:

- Delivery of four 15T trams for CZK 212.897 MM
- Reconstruction of KT8D5 trams to the KT8N2 vehicle type for CZK 15.588 MM
- Purchase of buses (articulated low-floor and standard low-floor) for CZK 1 073.195 MM

We also paid an instalment of the bill of exchange programme used for the payment of 15T trams in the amount of CZK 800.000 MM.

In 2019, the metro line D construction project was under preparation.

A significant proportion of the funds was used for the reconstruction of tram tracks, i.e., CZK 261.995 MM. In 2019, the High-speed TT Bubenské nábřeží – Komunardů (Vltavská – Dělnická) – Stage 1 and High-speed TT Vinohradská (Muzeum – Želivského) projects were put in operation.

#### **Priorities of the Upcoming Period**

DPP is a key carrier in the continuously developing Prague Integrated Transport (PID) system. Being aware of its decisive position, the objectives of the city government in the area of public transport and the increasingly demanding requirements of the travelling public, it is constantly striving to further increase the scope and quality of the services it provides. It thus contributes significantly to ensuring that public transport is well represented in the total modal share, which is crucial for ensuring that the traffic situation in the capital is sustainable. The growing demands for public transport mean that adequate renewal and development of all parts of its technical base are needed. Due to financial limitations, priorities need to be chosen and the benefits and urgency of projects carefully considered, along with the conditions for their funding. Large-scale projects require special attention, as many require co-financing from European funds to be feasible, given their high budgetary costs. Subsidy applications are linked to the condition of the appropriate level of preparation of individual projects; however, the set deadlines for the initial phases of the grant process significantly limit the time that can be devoted to design and engineering activities. Another decisive limitation is the deadline that is set for completion of the co-financed buildings.

Expanding the urban rail network has been one of our key priorities for many years, in full compliance with the city's major development documents and clear trends in most European metropolises. The related increase in the proportion of segregated public transport routes guarantees an increase in the regularity, speed and safety of the rail network, with another major benefit being, of course, a reduced environmental impact on the city due to the wider use of electric traction.

In order for the urban rail transport network to be developed, it must first be considered in spatial planning documentation. DPP, to the extent permitted by applicable legislation, is involved in the various phases of drafting such documentation. It puts forward scope and route requirements for its priority transport infrastructure. Due to the diversity of the projects incorporated into spatial planning documentation, however, it also emphases protection of its basic proprietary and operational interests. The most important task at this time in the area of spatial planning is development of the Metropolitan Plan, i.e. a new zoning plan for the city. Here, comments have already been put forward at a joint meeting. Decisive will be the future response during public discussion of the draft documentation. Consultation and comments continue to be provided during the various phases of amendment and modification of the existing Prague Zoning Plan. This also applies to territorial studies and other development documents. In cooperation with the Prague Institute of Planning and Development (IPR), a major city-wide change in the Prague

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Zoning Plan, designated Z 2440/00, was discussed. As part of this change, the route of the Pankrác - Depo Písnice section of metro line D will be specified. The Sidliště Modřany – Libuš tram track is also part of the locality affected by the change. DPP puts forward comments that takes its interests in the respective locality into account as much as possible. This concerns in particular areas of variable use that can, under the respective legislation, be set aside for PID operations. As it takes a long time to arrange changes to the zoning plan in connection with individual tram lines, only large-scale projects with more complex implications for the city, such as the tram lines to Suchdol and Jižní Město, will be the subject of change requests.

The current city government pays considerable attention to public transport, with a relatively strong focus on the development of the metro and tram network. In 2020, efforts will focus on proper execution of tasks related to transport infrastructure projects which are already in the advanced stage of preparation and projects which have gained substantial priority in the current electoral term and on which preparatory work has just started. DPP arranges design and preparatory work on new plans based on requests from the city government made expressly through Prague City Council resolutions.

In this period, the preparator phase of the metro line D construction project is underway, specifically an engineering and geological survey that is being conducted in four locations, as is preparatory work on implementing this major Prague public transport development project, for which the valid zoning decision was prolonged at the end of 2019. In January 2020, the procedure for selecting the contractor for the Pankrác – Olbrachtova construction project and the contractor for Comprehensive Monitoring with Building Survey of the Pankrác - Olbrachtova construction project took place.

The most important activities planned until the end of 2020 include: completion of the selection of contractors; procurement of the building permit for Option VI; procurement of related permits for the respective section, such a water rights, tree felling and other rights; continuation of the geological survey, including completion of work at two locations; and commencement of the construction of metro I.D in the section Pankrác - Olbrachtova. DPP will further strive to extend the EIA, resolve propriety rights to land and complete the building documentation required for the selection of a contractor for the Olbrachtova (outside) - Nové Dvory section and the Route D Transport System. In cooperation with the National Gallery in Prague and architect David Vávra, artists will be selected for creating a unified, aesthetic look of other Metro D stations, namely Nádraží Krč, Nemocnice Krč and Nové Dvory.

Co-financing from the European funds is possible in the near term for five new tram projects. As in the case of the construction of the route for metro D, the acquisition of the land required for tram tracks construction already underway is proving to be problematic and in some situations has resulted in the need to expropriate the required land. In this respect, some success was achieved in 2019. In 2020, however, some land ownership issues for construction projects already in the process of preparation still need to be resolved, so that construction deadlines can be set and European subsidies utilised by the end of 2022.

The projects that is taking the longest to prepare in this area is TT Barrandov – Holyně – Slivenec, for which a zoning decision had already been issued in 2014. The extraordinary problems with acquiring land culminated in the need to introduce implementation staging. In 2020, Stage "0", consisting only in preparation of the Sídliště Barrandov turning loop and laying the start of the new track, will begin. Highly advanced is Stage 1, which comprises a section between two stops ending with a turn-back. The situation with acquiring land for Stage 2, consisting in the rest of the track with the tram turning loop, is, despite ongoing negotiations, problematic, and this section will therefore not be included in the EU subsidy application. Another priority project with a valid zoning decision is TT Sídliště

Modřany – Libuš. Due to the spatial connection to the Libuš station of metro line D, the tram track in Stage 1 will end with a turn-back in Novodvorská street. The future Stage 2 will constitute the full route, in the case of which the city government opted for an extension all the way to Nové Dvory. A necessary step in 2020 will be settlement with three of the last remaining land owners, where negotiations and expropriation proceedings are running in tandem. In the case of TT Divoká Šárka – Dědinská, which is being prepared at this time, a zoning decision was obtained 2019 and preparations related to property law are underway.

Preparations for the execution of two tram loops, which are part of strategically important public transport junctions, will continue. In the case of the Zahradní Město tram turning loop project, selection of the contractor will take place in 2020 and execution of the project itself is being prepared for the 2021 summer season in coordination with the train station project already underway by the Railway Administration. The second new tram turning loop will be situated next to the Depo Hostivař metro station. A zoning decision has already been issued for this construction project. Procurement of the building permit and coordination of the project with the parking garage project (a City of Prague investment) are planned for 2020.

For the above construction projects, applications for aid from the European Union's OPD 2 programme were drawn up in 2019 in connection with the 53rd call, and it will be known in 2020 whether aid was awarded to any of the projects.

A crucial investment, the need for which arose from the critical technical condition of the original building (dangerous roof), is the construction of the new Hloubětín Depot. In 2019, the existing hold yard of the Hloubětín Depot was demolished. During 2020, selection of the contractors for each stage of the construction project will be chosen, and it is expected that the first stage of the project - the new energy centre for the yard - will commence. The holding yard of the Hostivar Tram Workshops will act as a replacement for the closed Hloubětín Depot. This facility has been prepared for this purpose in record time and has been up and running since April. In 2020, a hall for daily maintenance will be added and will be used in the future to strengthen the capacity of the Tram Workshops

Among the clear priorities of the new city government is to build on the existing tram network in the city centre, with an emphasis on Wenceslas Square. Based on a Resolution of the Prague City Council, DPP began preparing the documentation for this tram track project in 2019 based on studies carried out by the Prague Institute of Planning and Development. In 2020, the project documentation should be completed for the joint building permits. The upcoming period will see a breakthrough in the form of an extension of the tram network beyond the boundaries of Prague, as in cooperation with Prague and the Central Bohemian Region, the TT Kobylisy - Zdiby project is now being prepared, with the environmental impact study expected to be completed in 2020. In 2019, studies were conducted to verify several other planned tram track projects, with work on the project documentation expected to begin in 2020. Implementation of such plans will be clearly tied to funding secured from appropriate future aid programmes.

Tram tracks are being reconstructed to substantially improve the technical level of the tram network. Due to the comprehensive approach used to prepare the projects and the excellent work carried out, the reconstructed sections are equivalent to newly built ones in terms of quality. In 2020, the most important project in this area will be realisation of the High-Speed TT Nádražní - Na Zlíchově project. Under this project, the tracks will be moved off the street to improve the speed and flow of tram transport. Branching tracks will also be laid to allow turning on to the new Dvorecký bridge, which is being prepared by the Investment Department of Prague City Hall.

The area that is the centre of the city government's and the travelling public's great interest is further improvement and maximisation of barrier-free access especially to metro stations and public transport vehicles. In 2020, work is continuing on installing lifts in the Karlovo náměstí and Opatov stations as part reconstruction work being carried out on these stations. Preparations for making the Českomoravská and Jiřího z Poděbrad metro stations barrier-free are at an advanced stage. Barrier-free elements will be installed as part of the reconstruction work to be carried out on these stations.

In 2020, KT8D5 trams will be retrofitted with a low-floor in the middle section. Two trams are planned to be completed and work is to begin on others based on the capacity of the Tram Repair Workshop. Targeted improvement of barrier-free access to public transport will continue with the planned reconstruction of sixty-five T3 trams into T3R.PLF low-floor trams. Three trams are planned to be completed in 2020. The plan is to reconstruct twelve trams per year.

The bus fleet is undergoing continuous renewal, and low-floor vehicles are being purchased as a matter of course. This process will continue in 2020 with a delivery of 150 standard SOR NB 12 buses and 50 articulated SOR NB 18 buses. DPP should have an addition 20 midibuses by the end of 2020.

In connection with the declared Climate Commitment of the City of Prague, by which the capital declares it approach to fulfilling international  ${\rm CO_2}$  emission reduction targets, and with regard to the legislation being prepared on renewal of the bus fleet, great emphasis will be placed on broader utilisation of alternative fuels in bus transport. In this regard, the Concept for the Utilisation of Alternative Fuels for DPP Bus Transport was prepared. This concept comprehensively and systemically includes all hitherto findings and presents a scenario of possible developments in the renewal of the bus fleet, including financing, for the next decade.

The conditions will thus continue to be created for the gradual development of electromobility in bus operations as one of the ways to reduce emissions and other negative impacts of traffic. In addition to work on preparing pivotal projects aimed at full electrification of designated bus lines, work on verification of various applicable technologies and various types of vehicles will continue. Electrification of bus line 140 (Palmovka – Miškovice), which will mainly use dynamic charging, will be prepared in the framework of development projects. The plan is for 15 battery-powered articulated trolley buses to replace the diesel buses currently serving this line. In 2019, the City of Prague approved another electrification project, specifically for bus line 119, which currently has capacity problems due to the extremely slow train connection and ever increasing number of airline passengers. Bus line 119, like bus line 140, should be electrified through dynamic charging, i.e., a charging trolley should be put in place on approximately half the route. The plan is to purchase up to 20, triple-cell, high-capacity trolley buses up to 25 m long. Another development project is the planned purchase of 14 standard electric buses using stationary charging. Electric buses should make use of charging tracks at the Želivského and Strašnická stations to be built in late 2020 or early 2021. On line 109 (Palmovka – Dolní Počernice – Výzkumné ústavy Běchovice), electric buses with dual-pole charging will continue to be tested.

Another qualitative shift will occur in the area of ticket sale technology, where the current focus is the purchase of one-off tickets using contactless payment cards. Thereby, in 2020, all trams will be equipped with self-service facilities, enabling passengers to purchase tickets using this method. As part of a long-term contract, another 100 modern ticket vending machines will be delivered, which, in addition to cash, also enable the use of payment cards. The machines will chiefly be installed in the vestibules of the metro stations.



INVESTMENTS

### MARKETING AND SALES

#### Marketing

In 2019, marketing at DPP focused mainly on recruitment and education.

"We don't have people" - we have been hearing these words very often in Czech companies in recent years. The Prague Public Transit Company is no exception. Therefore, in 2019, great attention was paid to recruiting new staff. There may have been no significant reduction in the number of vacancies, but there has been no increase either, which can be considered positive at this time. DPP actively participates in many trade fairs and exhibitions, where it not only promotes its top-notch services but also tries to make new hires. As part of efforts in Prague, it deployed five buses and one tram covered in job ads. Recruitment is also taking place outside Prague, however, with ads being taken out across the country.

Almost on the first day of spring, DPP launched a prevention campaign aimed at rules of the road as they apply to public transport vehicles. Hidden under the title "Neskákej mi pod kola" ("Don't Jump under My Wheels") were several important exercises and events, such as the weeklong IZS Days, and awareness efforts, such as the deployment of two T3 trams covered in the message. After a year of the campaign, the number of accidents involving trams and pedestrians fell by a fifth. The number of deaths fell from eight in 2018 to three in 2019. As regards prevention, DPP repeated the event in April for the visually impaired, who, with the help of firefighters, were given a tour of the Prague metro hold yard and informed about everything being done by Prague metro to help them get around.

The "Vymlouvačka" ("Excuses") tram continued its Prague run in 2019. The various excuses used by people to explain why they were travelling on public transport without payment are posted on this tram. This effort was the next phase of the "Nejedes na černo?" ("Do you have a ticket?") campaign launched in 2017.

The high quality of services provided by DPP is respected mainly abroad. Our people should therefore be made aware that quality elsewhere is not a matter of course and that they should take advantage of public transport services year-round and for all trips in Prague and Central Bohemia.

Traditional events, such as experiential tourism in the metro, continue to be of great interest to the general public and more continue to be added. In 2019, tours of Prague garages were introduced. DPP offers interesting experiences to a wide range of interested parties not only from Prague, but also from the surroundings. The same is true of the Nostalgia project, which familiarises the pubic with the anniversaries of public transport in Prague and of DPP. Children's Day, organised in cooperation with railway carriers, saw another successful year.

For eleven years already, the Kinobus tours have been one of the features of the summer months that brings both domestic and international films to various locations in Prague. Kinobus has for several years been associated not only with prevention, recruitment and education, but also with charity. This year the bar has been raised even

further, with donations again exceeding those from previous years. In the 2019 season, over 15 000 people visited the summer cinema organised by DPP. DPP and the respective foundation gave CZK 60 000 to Max, a boy with a various serious illness, for his treatment.

The autumn saw several important events connected to European Mobility Week. This year it was the traditional Open House and IZS Days, at which DPP and its firefighters showed off rescue equipment and the prevention trams. At the "Čas je mozek" ("Time is Brain") event, DPP and the Motol University Hospital taught visitors how to spot and prevent strokes. Employees also took to the field as part of the company's "Managing Director's Cup" football tournament.

The Marketing Division ended 2019 with several events: from AIDS awareness and lighting up the Christmas fleet of trams, buses and technical vehicles, through the popular Afternoon with St Nicholas at the Střešovice dept, to the traditional distribution of the Peace Light of Bethlehem.

The same amount of attention given to external promotion and marketing was given to in-house efforts. Loyal and highly motivated employees are the greatest asset of any company, and DPP is also well aware of this. A whole host of events intended for DPP's employees and their families, partner companies and the public were thus held in 2019 as well.

#### Sales

In 2019, the Sales Department continued with its expansion of short-term leases of moveable and immoveable property. The business potential of the enterprise continued to grow, and sales from these activities were maximised.

Greater attention was paid in 2019 to improving the on-line booking system for trips on historic trams and on the T3 Coupé tram by modifying and optimising the CRM system interface and carrying out other related activities. In 2019, the Sales Department performed a market survey and market segmentation with a focus on incentive and event tourism to create an optimal strategy. Sales officers actively addressed prominent representatives of companies on the Czech Republic to acquire new clients and took active part in several fairs and exhibition (tourism, scient and technology etc.).

Cooperation was set up and expanded with exiting business partners, with, e.g., 90-minute rides being introduced based on feedback from these partners. The offered assortment of accessories and services was modified, and the Sales Department, based on experience from practice, also updated the business and operating terms and conditions.

At the end of 2019, the Sales Department, in cooperation with the Marketing Department, substantially supported commercial tram rides. These were advertised in locations where it was possible to address the target group directly, such as on the cavettos of metro cars and buses, in the Metro daily and in business magazines.

The sales intermediated by the Sales Department in cooperation of the Historic Vehicles Unit rose by 28% compared to 2018. More than 300 trips by the T3 Coupé trams were sold, thus meeting the planned profitability target for the T3 Coupé project.

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# COMMUNICATION AND PUBLIC RELATIONS 2019

A total of 22 159 submissions from the travelling public were processed during 2019, which represented a year-on-year decrease of 3%. All complaints, commendations and queries were processed through the "Podněty veřejnosti" software application.

In 2019, there were 10 396 media articles and reports mentioning DPP or Prague public transport directly, an almost 8% drop year-on-year. They appeared in all types of media, i.e., in the press, news servers, TV and radio. The highest number of articles and reports (994) were published in October, while the lowest number (731) were published in December. Internet servers were traditionally the most active media, with 5 663 outputs, which is 54% of all articles. Printed publications published 2 376 articles (an almost 23% share), television broadcast 916 reports (a share of just under 9%) and radio 712 (a share of just under 7 %), with ČTK (Czech Press Office) publishing 729 reports (a share of more than 7%). Leading the statistics of which media house published the most articles about DPP last year is the Czech Press Office with 727 articles, followed by blesk.cz with 605 articles and denik.cz with 555. In terms of tone, most articles were neutral [6 641 reports, i.e., 64%], with the number of such articles dropping almost 12% year-on-year. Positive articles were second in number and comprised about a fifth of all outputs (2 206 articles, i.e., 21%). Articles in this category saw a year-on-year improvement of almost 52%. Negative articles numbered 875 [8%] and ambivalent ones 674 [6%]. The main topic of positive articles last year was the introduction of contactless ticket vending machines in trams, preparation and commencement of work on the new metro line D, plans for the development of new tram tracks, testing of hybrid buses and demolition of the old hall at Hloubětín Depot and construction of a new one. Positive coverage was also extended to the "Pokuta za půlku" and "Neskákej mi pod kola" campaigns. Conversely, ROPID's proposal to introduced request stops for Prague as a whole was met with controversy. Critical publicity was also heaped on complications related to the July closure of metro line C and termination of the barrier-free H1 bus line. The plan to establish a joint venture for repair of the Nádraží Holešovice metro station was also met with criticism.

The company's official website, www.dpp.cz, was visited by 18 116 348 users in 2019, which is 8.14% less than in 2018. Records show the biggest percentage of traffic, more than 90%, was from Prague and Central Bohemia. Almost every second visit to the DPP website last year by users was made via smart phone or tablet. In 2019, average attendance fell year-on-year by almost 10% to 50 000 visits per day. The main reason for the drop in traffic was the old, non-responsive version of the DPP website. Due to the significant percentage of DPP website users using smart phones, this caused some of them to turn to the PID Litačka app. That is why DPP spent 2019 preparing a new, modern, responsive and more user friendly website with a clear design and structure in line with current trends and user requirements. DPP launched the beta version of the new website in December 2019.

Communication on social networks continued the upward rise of previous years, and DPP registered a growing number of fans and followers on all DPP channels. The number of fans of DPP's official Facebook profile grew by almost 3 000 followers to 20 500 and followers to 21 500. DPP also registered in an increase in the number of followers of its Twitter account, a year-on-year increase of almost 3 000 to almost 6 500. DDP's Instagram account almost doubled its followers last year to almost 5 500. The most likes given to posts was about 800. In March 2019, a new Facebook profile was created for the "Neskákej mi pod kola" prevention campaign. At the end of the year, this profile had almost 1 000 fans and 1 100 followers, with some posts reaching as many as a quarter million users. The most-followed contributions on DPP's social networks concerned major repairs and reconstruction projects, the fleet, metro line D, escalators and their speed and the detonation of the roof of the Hostivař Depot. The DPP also uses social networks for recruitment, presenting all job offers here. It also uses social networks to announce public events and information days for candidates interested in becoming drivers.

The most effective means of communicating with DPP employees is the company intranet. More than 200 messages were posted on its homepage in 2019, and these were also disseminated to the Communication Points to ensure they reach those employees without access to email or the intranet. Regular updates of the Organisational Diagram, an overview of the menus at DPP's canteens, the "Briefly from DPP" column and employee competitions are posted on the internet as part of internal communication management efforts. In 2019, DPP continued publishing the DP aktualně news bulletin, which aims to inform employees about special offers from partner firms and important events organised by DPP, both in electronic and paper form. The traditional employee magazine DP kontakt was issued last year in four standard and six expanded issues and in one summer double issue. Extra column space was given to a series on the 45th anniversary of the Prague metro. The magazine's editorial board met ten times last year.

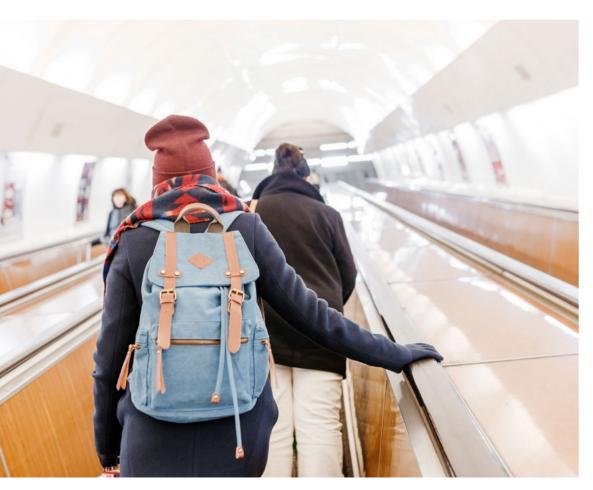
In May, DPP took part in the 8th annual European Tram Drivers Championships, which was hosted by the Brussels transit company STIB on the occasion of the Belgian company's 150th anniversary. Taking part in the competition were 25 teams from 21 European countries. DPP placed ninth overall, but its women's team placed third in their respective category. DPP received another major award in summer: for its T3 Coupé tram project it received the prestigious Red Dot Design Awards 2019 in the Product Design category. The international jury comprising 40 independent professional designers, professors and journalists assessed more the 5 500 products from 55 countries. They were impressed by the T3 Coupé concept with its reference to the history of public transport in Prague, its ingenious design and its detailed and superb treatment.

The development of road electromobility is monitored in the international ASSURED project, which mainly deals with charging technologies for larger electric bus fleets. DPP is involved in the user group for sharing information and experience across European cities. At the end of 2019, we took part in the new project entitled E-LOBSTER (Electric LOsses Balancing through integrated STorage and power Electronics towards increased synergy between Railways and electricity distribution networks). The aim is to find a suitable solution for the effective use of energy in the charging network for electric public transport (especially rail and metro transit), including surpluses in the time between offtake by trains and energy recuperation from braking, with the possibility of two-way connection of the charging system with the public distribution network. Utilisation of power from solar power plants located on DPP grounds, stationary batter storage and metro charging network during the night, when the metro is not in use,

to charge electric buses in garages may prove challenging. The project aims to find a suitable market solution to be applied broadly in the transport sector.

In May, DPP hosted the International Metro Association convention. More than two dozen experts on underground rail systems met in Prague, which gathering coincided with the culmination of celebrations of the 45th anniversary of the launch of the first section of the Prague metro. During the two-day programme, participants were acquainted with the process of renewing the fleet of all three metro lines – first theoretically and then practically at the Hostivař Depot and the Metro Repair Base (Opravárenská základna metra). Also on the agenda of the meeting was a visit to the train dispatch centre and an exhibition at the Public Transport Museum in Střešovice.

DPP maintains a significant standing among European and world carriers. This is evidenced by the more than eighty professional foreign delegations sent to visit us. They were particularly interested in DPP's technology, repair and dispatching centres. DPP is a sought-after partner for the exchange of experience in operations, organisation and financing of urban public transport, to name but a few areas of interest. Expert delegations arrived from countries across several continents, including Indonesia, Australia, Armenia, Georgia, South Korea and China.



## COMPANIES WITH INVESTMENT INTEREST

#### Pražská strojírna a. s.

The main activity of this company is the development and production of rail structures and switch systems for tram transport. Complete service and maintenance of switch systems is complemented by other components, such as tram exchanges with flexible interchangeable tongues in various modifications in accordance with customer requirements, heating exchanges, drainage and other engineering production.

DPP is the sole shareholder.

#### Střední průmyslová škola dopravní, a. s.

The main activity is teaching, training and education at three entities: the Secondary Technical School of Transport, the Secondary Vocational School and the Apprentice School.

DPP is the sole shareholder.

#### RENCAR PRAHA, a. s.

The company is dedicated to all kinds of advertising activities, ranging from the operation of promotional all-decor trams, buses and metro trains, to the rental of showcases at bus stops.

DPP owns a 28% share.

## CENTRAL PURCHASING DIVISION

The Central Purchasing division provided economically advantageous conditions for supplies, services and construction work in a way that allowed quality requirements to be observed. As in previous years, it focused on the process of publishing contracts and orders in the register of contracts. The issue of aggregation of the various requirements of all DPP units continued to be a priority, as was work on implementing socially and environmentally responsible public procurement. By unifying requirements, public procurement procedures became more effective. Supervision over contractual relationships concluded in previous years is a mainstay of the division. In 2019, the Central Purchasing division included the Asset Liquidation department into its organisational structure.

The Public Procurement department is in charge of ensuring observance of the Public Procurement Directive. This directive entered into force on 7 January 2019 and introduced, in particular, two-tiered aggregation and the possibility of effective utilisation of dynamic purchasing systems ("DNS"). In 2019, the Public Procurement department started using DNS to purchase spare parts for trams and buses, HW and accessory supplies, ballast supplies and supplies of personal protective equipment with replacement. Last year, the Public Procurement department conducted many effective preliminary market consultations, organised Meet The Buyer, began implementing socially and environmentally responsible public procurement and, at the end of the year, submitted the Responsible Public Procurement Strategy to DPP for discussion.

In tenders for certain projects, the Inquiry Management department began using a comprehensive procurement tool called "Tender Arena" in 2019. Tender Arena made it possible, in the case of certain tenders, for an unlimited number of tenderers to publish information and documents on the contracting authority's profile and assess electronic bids. The department accepted 270 inquiries for implementation and processed a total of 264 contracts, addenda to contracts and terminations of contracts.

In 2019, the Service Purchasing department and Material Purchasing department continued cooperating with the relevant units to set the conditions for implementing three-way order and invoice matching. The Material Purchasing department makes full-fledged use of the dynamic purchasing system for purchasing spare parts for buses, trams, ballasts, IT HW and accessories, protective clothing and protective equipment with replacement. In 2019, the Material Purchasing department and Service Purchasing department made 39 835 orders and 11 084 price comparisons. The number of orders made increased year-on-year by 10.04%.

In 2019, the Asset Liquidation department received 4 544 requests for the disposal of assets and their deletion from DPP's records. Assets that were moved to the Liquidation Centre based on these requests were first and foremost sold and, if there were no interested buyers, destroyed in an environmentally friendly manner. The above number includes 312 transport vehicles (buses, trams, cars etc.). The department drew up 108 purchase agreements, 1 222 advance invoices and tax documents and 456 cash receipts.

## LEGAL DIVISION

The Legal Division is in charge of all legal issues within DPP, with the exception legal issues related to real estate.

#### The division includes four departments:

Department 900210 Operational Damages provides activities related to the liquidation of damages. In 2019, this department handled a total of 4 998 events, which comprised 10 092 processing procedures – all accidents and damage to DPP assets, including vandalism and crime. Compared to 2018, there was an increase in the number of events by 4%. An increase in the administrative burden related directly to claim settlement was also recorded. In addition, the department provided activities related to the provision of management of insurance contracts.

Department 900220 Organisation and Management Standards, in 2019, commented on 474 organisational and management standards (an increase of 34% compared to 2018), cooperated on elaborating and updating 52 organisational and management standards and processed and edited 972 form templates (an increase of 409% compared to 2018 caused by a change of the company's registered office). In 2019, 236 new or updated organisational and management standards were issued, a 12% increase compared to 2018.

Department 900230 Public Procurement Support and department 900240 Legal Support, dealt with a total of 1455 requests in 2019, in particular the incorporation of comments to draft contracts, opinions and responses to internal issues regarding labour law, debt and litigation. Compared to 2018, the department reported a 2% increase in its workload.

72 CENTRAL PURCHASING DIVISION LEGAL DIVISION 73

## PROJECT MANAGEMENT DIVISION

The Project Management division is in charge of all matters dealing with the implementation, development and observance project management methodology and the risk management system at DPP. Strategic project and priority management, non-routine cross-cutting task management and support of operational and technical units in connection with drafting and recording documents under project management are also in its remit. It is also responsible for analysing, recording and managing company risks.

In 2019, the Project Management division managed the execution of important, strategic projects, especially those related to the long-term repair and maintenance of metro cars and development of the Prague metro with a view to 2040, the GDPR and the risk management system.

The division arranged the necessary supporting documentation and analyses required for the implementation of the "Full Service of 81-71M metro trains until 2021" and coordinated all related negotiations, which led to the conclusion, in December 2019, of a new agreement on the full service of 81-71M metro trains for the period 2021–2034, including extension of their service life by an additional 15 years.

The Project Management division is in charge of the long-term "Metro 2040" project, the main objective of which is to define the strategy and development concept of the Prague metro with a view to 2040. In 2019, the following was dealt with in particular in relation to the project: draft design documentation for the transport system and trains of a fully automatic metro without train operators for the new I.D line; preparation of the Prague metro line C automation concept; and preparation of the pilot project for the modernisation of the M1 trains, specifically their internal surveillance systems and information systems for passengers.

In 2019, the division executed the "Implementation of Minimum GDPR requirements" and "Consolidation of datasets of personal data" projects, by which the measures necessary for the basic fulfilment GDPR requirements were implemented at DPP.

As part of the "Implementation of the Integrated System for Managing Risks at DPP" project, a risk management system was implemented at DPP through the development of an internal quideline in this area, creation of a risk register and implementation of risk management SW tools. The output of the project is a unified risk management system at DPP, which has led to the introduction of a set of risk management methods and processes that are used to guarantee specified top-tier and interim strategic targets at DPP. To support the fulfilment of these top-tier and interim targets through draft risk handling measures and approaches and supervise their consistent application across the company, a Risk Management Committee was set up at DPP.

## RFPORT OF THE AUDIT COMMITTEE

### of the Prague Public Transit Company for 2019

In accordance with Act No. 93/2009 Coll. (on Auditors), the General Assembly held on 19 January 2010 decided to set up an Audit Committee as a body of the Prague Public Transit Company ("DPP"). In 2019, the Audit Committee worked as an independent company body, taking resolutions and minutes from its meetings, which are archived.

#### Beginning in 2019, the following changes occurred in the membership of the Audit Committee:

The Prague City Council, in the capacity of a General Assembly, appointed, by Resolution No. 87 of 28 January 2019, Mgr. Marta Gellová to the vacant position of Audit Committee member (General Assembly Resolution No. 2970 of 27 November 2018) effective 28 January 2019.

#### The Audit Committee has three members elected by the General Assembly of DPP:

- Mgr. Marta Gellová (Chairwoman)
- Ing. Zdena Javornická (Vice-Chairwoman)
- Ing. Ladislav Langr (Member)

In 2019, Audit Committee met for a total of six times. The individual meetings always followed the approved agenda and materials sent to Audit Committee members in advance.

#### The Audit Committee dealt mainly with the following topics in particular at its meetings:

- The process of compiling financial statements
- Recommendations of the external auditor
- Assessment of the statutory auditor's independence
- The process of the mandatory audit of financial statements
- Monitoring the effectiveness of the internal control and the risk management system
- · Monitoring the effectiveness of internal audit and its functional independence
- The interim quarterly financial results of DPP
- Information on the activities of the Internal Audit Department
- The final internal audit reports
- Information on the implementation of corrective measures
- Information from the Board of Directors and Supervisory Board meetings

REPORT OF THE AUDIT COMMITTEE 75 PROJECT MANAGEMENT DIVISION



In view of the issues discussed, the Managing Director, the Economic Director, the Head of the Internal Audit Department and, as required, other external DPP staff and DPP's external auditor were regularly invited to the meetings.

In 2019, the Audit Committee fulfilled its obligations under the applicable legislation and the Company's Articles of Association.

#### Of the activities of the Audit Committee, the following are worthy of mention:

At its meeting of 14 February 2019, the Audit Committee, by Resolution No. 1/2019/1, appointed Mgr. Marta Gellová as Audit Committee Chairwoman at the start of the meeting, the Audit Committee members approved the submitted Audit Committee work plan for 2019 and approved the submitted Report on the Activities of the Audit Committee for 2018.

The Audit Committee then took note of the submitted report from the ongoing audit of the DPP's 2018 Financial Statements and the 2019 Budget.

At the end of the meeting, the Audit Committee recommended to DPP management to undertake corrective measures with respect to some of the key top management performance indicators and took note of the submitted audit report.

On 14 March 2019, the Audit Committee was acquainted with the procedure for compiling the 2018 Financial Statements, with the implementation of the integrated risk management system at DPP and with the Profit/Loss Report, including the calculation of PID costs.

The Audit Committee took note of the positions and risks of the Transport Section and the submitted Audit Report.

On 17 April 2019, by Resolution No. 3/2019/2, the Audit Committee took note of the auditor's review of the Company's Financial Statements for 2018, the Annual Report for the 2018 accounting period and the report of the independent auditor, NEXIA AP a.s., on the Financial Statements and the Annual Report for 2018, and stated that the Financial Statements contain all information known as at 31 December 2018 and that the modification of the Auditor's Statement pertains to facts that DPP has long been dealing with and should have already been taken into account as at 1 January 2018 and in previous years.

Furthermore, the Audit Committee approved the medium-term internal audit plan and discussed the submitted audit report.

At its meeting dated 12 June 2019, the Audit Committee addressed the letter from the statutory auditor, NEXIA AP, a.s., to the management of the accounting entity (the Management Letter), the overview of DPP's tax obligations, the management report and calculation of PID costs for the first quarter of 2019 and the procedures and risks of the Information Technology unit.

At the end of the meeting, the Audit Committee approved the internal audit quality improvement programme and noted the submitted audit report.

On 10 October 2019, the Audit Committee Chairwoman called a vote by letter (per rollam), and the Audit Committee, by Resolution No. PR/2019/1, approved the activity report of the Audit Committee for the Public Audit

Oversight Board and ordered the Chairwoman of the Audit Committee to submit this report to the Public Audit Oversight Board.

On 29 October 2019, the Audit Committee took note of DPP's financial investment strategy, the planning stage of the audit of the 2019 Financial Statements, the Management Report and calculation of PID costs for the first quarter of 2019 and significant legal disputes.

The Audit Committee further approved the update of the internal audit statutes, discussed the PPTČ Report and the submitted audit report.

The meeting of 27 November 2019 was kicked off by the Audit Committee members approving the Audit Committee workplan for 2020. They then reviewed the Management Report and PID cost calculation for the first to third quarters of 2019, discussed significant changes in legislation, the functions and risks of the Security Section and the functions and risks of the Technical Section, and discussed cybersecurity.

The Audit Committee concluded the meeting by noting changes in the risk management system after implementation of SW tools for SŘR, the overview of fulfilment of corrective measures for the third quarter of 2019 and the submitted audit reports.



## REPORT OF THE SUPERVISORY BOARD

of the Prague Public Transit Company ("DPP") in 2019

#### The Supervisory Board of DPP (the "Supervisory Board") comprised the following members in 2019:

Ing. Adam Scheinherr (Chairman), MSc., Ph.D., Pavel Vyhnánek, M.A. (Vice-Chairman), Jan Marek (Vice-Chairman), Bc. Oldřich Schneider (Vice-Chairman), Ing. Marek Doležal, Ing. Petr Hlubuček, Ing. Michal Zděnek, M.A., Ing. Tomáš Mikeska, Mgr. Petra Kolínská, Ing. Michal Štěpán, PaedDr. Ivo Vašíček, Josef Buriánek, Jiří Obitko, Bc. Jan Holub and Tomáš Novotný.

During 2019, no personnel changes were made in the Supervisory Board.

#### Issues regularly discussed:

In 2019, fourteen meetings of the Supervisory Board were held, of which two were convened as extraordinary. The Company's Supervisory Board, among other things, regularly:

- monitored the operating economy of DPP and monitored revenue development (discussed quarterly and half-yearly financial results, the annual financial statements, the PID cost calculation and fund utilisation)
- discussed tenders and its members' participation in evaluation committees to assess suppliers' bids
- discussed the materials and conclusions adopted by the Board of Directors and the General Assembly
- dealt with property rights issues: granted consent to the conclusion of various contracts restricting ownership
  rights or the right of lien to movable or immovable property owned by DPP and granted consent to the conclusion
  of certain contracts for the sale of the real estate owned by DPP and for the lease of real estate owned by DPP
  for a definite period of time (exceeding a one year lease term)
- monitored compliance with recommended corrective measures resulting from internal audit results
- discussed the investment plan and monitored its implementation and changes

The Supervisory Board dealt with a wide range of issues across all areas of the Company's business.

At the beginning of the year, the Supervisory Board granted its consent to the Board of Directors to make changes to DPP's macroeconomic structure as at 1 January 2020, including related organisational measures as at 1 April 2019 (i.e., establishment of 800000 Technical Section – Metro and transferring 140000 Historic Vehicles Unit from 100000 Transport to the renamed 200000 Technical Section – Surface) and then further agreed with the termination of the Investment Section.

At its extraordinary January meeting, the Supervisory Board approved the termination of the office of Board Member Bc. Filipa Tulák as of 28 January 2019 in connection with his letter of resignation.

The Supervisory Board was regularly informed about the various steps in the construction and preparation of the I.D metro line route. It also dealt with issues arising from the contractual relationships with the companies RENCAR PRAHA, a.s. and euroAWK s.r.o. and repeatedly focused closely on the issue of enforcement of fare-related receivables.

The Supervisory Board's attention was also focused on liquidation of the Modřany – Libuš communal waste dump and the development of negotiations on refurbishing metro stations in cooperation with a private entity, deciding on refurbishment of the Českomoravská metro station and establishment of a joint venture in the form of a joint-stock company for the refurbishment of the norther vestibule and surrounding area of the Nádraží Holešovice metro station.

The Supervisory Board also discussed DPP's strategic documentation, such as the concept for using alternative fuels in the DPP environment.

At the end of the year, the Supervisory Board appointed Mgr. Matej Augustín to the vacant position of Member of the Board of Directors.

#### Conclusion:

Throughout the year, the DPP Supervisory Board monitored with due professional care the interim financial results, regularly discussed quarterly reports on the achieved financial results, including calculations of PID costs, and paid great attention to selected contractual obligations of DPP.

It should be noted that during 2019, the Supervisory Board duly fulfilled its mission as the Company's controlling body in accordance with applicable laws, the Company's Articles of Association, other regulations and the interests of the sole shareholder, the City of Prague, and supervised the performance of the Board of Directors' powers and the Company's financial performance.

Through its activities, the Supervisory Board contributed in no small degree to the proper functioning of DPP.

# ACT NO. 106/1999 COLL., ON FREE ACCESS TO INFORMATION

Annual Report 2019 on the Activities of the Prague Public Transit Company, Inc. in the area of providing information pursuant to Act No. 106/1999 Coll., on free access to Information, as amended

In accordance with Section 18 (1) of Act No. 106/1999 Coll., on Free Access to Information, as amended (the "Information Act"), this Annual Report for 2019 is submitted on the activities of the Prague Public Transit Company, Inc. ("DPP") in the area of providing information pursuant to the Information Act.

#### 1. Number of requests for information submitted and the number of refusal decisions issued:

- a) Number of requests for information submitted:
  b) Number of refusal decisions issued:

  2. Number appeals lodged against decisions:

  43
- 3. Information on judicial review of the decision on appeal:
- a) a copy of the substantial parts of individual judgments of the court to review the legality of the decision to reject the request for information: **see the appendix** of Prague Municipal Court Decision No. 6A 52/2016-34
- b) Overview of all expenses incurred in connection with lawsuits and legal proceedings, including the cost of own employees and legal representation costs:
- c) Total costs: CZK 11 228 (payment of costs of proceedings)



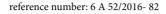
**4.** List of exclusive licences granted, including the justification for the need to grant an exclusive licence: no exclusive licences were granted

#### 5. Information on complaints about the procedure for handling requests for information ("complaints"):

a) Number of complaints filed:
b) Reason for filing complaints about the procedure of DPP:
- Section 16a(1)[b)
- Section 16a (1)[c)
23
- Section 16a (1)[c)
1
c) Method of settlement by DPP:
- Section 16a(5) (the 7-day deadline was not met)
- Section 16a (6)[b)
1

#### 6. Additional information related to processing of requests for information:

a) Most frequently, requests for information were related to: advertising space owned by DPP





#### CZECH REPUBLIC

#### JUDGMENT ON BEHALF OF THE REPUBLIC

A panel of judges of the Municipal Court in Prague, composed of the Chairman JUDr. Ladislav Hejtmánek and Judges JUDr. Naděžda Treschlová and JUDr. Hana Kadaňová, Ph.D., has ruled in the applicant's case:

JUDr. Tomáš Hlaváček, an attorney with his registered office in Prague 5, Kořenského 1107/15, against the defendant: **Dopravní podnik Hlavní města Prahy, akciová společnost** (Prague Public Transit Company, a joint stock company), with its registered office at Sokolovská 217/42, Prague 9, in a motion filed opposing a decision of the Board of Directors of Dopravní podnik hl. m. Prahy, akciová společnost, dated 14 January 2016, file no. PP / 08 / 2016,

#### as follows:

- I. The decision of the Board of Directors of the Defendant of 14 January 2016, case number PP/08/2016, in the part where the applicant's application of 23 September 2015 was rejected, is annulled and the case is returned to the defendant for further proceedings.
- II. The defendant is obligated to pay the plaintiff the amount of CZK 11,228 as the costs of the proceedings within one (1) month from the entry into legal force of the judgment and do so into the hands of JUDr. Tomáš Hlaváček, lawyer.

Confirms compliance with the original

#### Justification

- [1] Through his motion filed with the court, the applicant challenged the above-mentioned decision, which had dismissed his appeal and upheld the decision of the court of first instance. This decision, which took place in administrative proceedings, was related to the provision of information pursuant to the provisions of Section 11(1)(a) of Act No. 106/1999 Coll., on free access to information, as amended (hereinafter also referred to as the "Information Act"). The decision took place in relation to the applicant's application of 23 September 2015, which included mention of the operative part of the judgment (and in which the rest was granted and the information was provided).
- The plaintiff does not agree with the reason for the refusal, as he does not consider the requested information to be an "internal instruction or a personnel regulation", as it is meant in relevant provisions of the referenced legal act. The plaintiff referred to the judgment of the Supreme Administrative Court of 17 February 2011, case number: 1 As 105/2010-73, which clarified this definition, and the fact that the required information does not fall within this definition (vehicle position information has an external impact, describes the movement of vehicles in a public space, and they affect both passengers and other means of sharing space with the means of transport; it also testifies to the quality and reliability of the operation of the public service). The defendant's reference to the provisions of Section 8a of the Information Act is also not considered possible, as it did not require the provision of charts or drivers' schedules, thereby expanding the breadth of the application for information as if it were asking for access to the defendant's management systems, which the plaintiff did not seek. The plaintiff requested the provision of information on the position of the vehicles, which the defendant receives mostly via the TETRA radio network and it only gives an identification of the vehicle and the stop at which the vehicle is currently located. The defendant then archives this information in the MDB database files, which are available to the plaintiff, attaching part of such a record to the lawsuit that was filed (tram movement in July 2012).
- [3] The plaintiff further stated that the defendant itself publishes information on the location of one of the service vehicles (the so-called "lubrication trams") on its website; information on the current position of these vehicles is also provided by the Brno transport company on its website.
- [4] The defendant disagreed with the ruling on the motion and contended that it should be dismissed, referring to reasons contained in the explanatory memorandum to the administrative acts, and further stated that the information was published externally in the form of timetables, also accessible via the Internet; and when creating the Doris and Audis control systems, it was not considered that the online data would be provided to others than the defendant. The data for the control systems is created and composed of graphs, driver records and the fleet and, as a whole, are processed into outputs and these outputs are stored in databases in such a way that they are only stored in a single, comprehensive manner, and the information is not available on a selective basis. The outputs also contain the personal data of employees and data on driver shifts. The offline data provided to the applicant was manually modified and selected as it is currently not possible to provide selected data through Doris or Audis. And, regarding the requirement to provide documentation (metadata) of the data interfaces, the defendant stated that they are also an author's work according to the provisions of Section 2(2) of the Copyright Act. This is because the Doris and Audis computer programs are both examples of original software created for the defendant, on their order. Data on the so-called lubrication tram is not provided by the defendant, but by another entity.
- [5] The statement of reasons for the contested administrative decision states, inter alia, that the request was rejected because of the content of the Audis and Doris systems, where the information relates only to the internal organization of the liable entity. Reference is made to the judgment of the local court of 10 November 2011, case number: 11 Ca 337/2008-50, in which it was found that the registration system of a file service constitutes information relating exclusively to internal instructions and personnel

regulations. The Audis and Doris systems represent a strategic tool for interactive communication between the traffic management department and individual drivers. The Doris system is used to monitor tram traffic in Prague. It is connected to the control room equipment for radio communication with drivers and makes it possible to monitor in real time the position of all cars in the network, as well as deviations from the timetable. The Audis traffic control system is used to monitor buses, and it uses GPS [signals] to determine their position. It monitors and evaluates a bus's position in real time, checks compliance with the timetable, notifies the dispatcher of any off-route driving, displays the vehicle's position on a map, provides two-way data communication between the vehicle and dispatcher, permits the sending of orders to buses via SDS messages, ensures communication and control for other devices and technologies and ensures the distribution of accurate time information and the monitoring of all technologies, including for buses.

- [6] The justification also points to the provisions of Section 8a of the Information Act, which it is following, because the strategic internal management systems (Audis and Doris) contain the personal data of employees (name, surname, service number); and, given that the defendant has no consent to the transfer of such data to another party, there is a reason for refusing to provide such information. There is data on timetables and on the shifts of drivers, from which it is possible to determine where and when the driver ends the shift, including lines where drivers are changed to allow for breaks. In addition to security issues, the defendant is also concerned about the misuse of this information by passengers (invasion of privacy and, in some cases, the safety of drivers). It is not possible to satisfy the providing of limited information without inviting the misuse of data (e.g. the personal data of employees), as data is generated on the basis of putting charts and driver shifts into predetermined templates. To provide the required data without break times and the rotation of drivers and personal data would require each sheet of the timetable to be compiled manually. On weekdays, there are about 460 tram trains in operation and for each of these trains there is a timetable (of from 1–4 pages); and, due to the very frequent changes, a daily update is necessary to keep these up to date. Thus, it is not possible for the personnel of the transport section to generate and modify this volume of data every time it is changed.
- [7] The justification further states that information concerning the activities of the obligated entity externally is duly published in stop timetables, route timetables and in the connection finder.
- [8] The Municipal Court in Prague reviewed the contested decision, including the proceedings that preceded its issuance, within the limits of the lawsuit by which it is bound, based on the factual and legal situation at the time of the administrative decision [provisions of Section 75(1) and (2) of Act No.150 / 2002 Coll., the Administrative Procedure Code, as amended (in Czech, this is "soudní rád správní" and hereinafter abbreviated as "s.r.s.")], and it considered the merits of the lawsuit that was filed as follows.
- [9] The Municipal Court in Prague has already ruled on the lawsuit in its judgment of 5 January 2018, case number: 6 A 52 / 2016-25, by which it upheld the decision, annulled the contested and court of first-instance administrative decisions and ordered the defendant to provide information. Following the defendant's (court of) cassation complaint, this judgment of the Municipal Court in Prague was set aside by a judgment of the Supreme Administrative Court of 11 April 2019, case number: 7 As 22 / 20187-56, and the case was returned to the local court for further proceedings.
- [10] In further proceedings, the court called on the defendant to clarify the responses it had submitted to the lawsuit, to which the plaintiff subsequently also filed a reply, pointing out that in its view, the defendant had acknowledged what the information was that it was seeking and that the defendant had access to it. Subsequently, the plaintiff suggested to the court that it ask the defendant whether the plaintiff would comply with looking at the publicly available information provided to it by the defendant. The court thus asked the defendant whether it intended to satisfy the plaintiff in accordance with the provisions of Section 62 of the Administrative Procedure Code, to which the defendant responded by

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not doing so. From a procedural point of view, it is not possible for the court to determine whether the defendant acted in accordance with the provisions of Section 62 of the s.ř.s. and thus, the court continued to consider the case.

- [11] In the reasoning behind this judgment, whose legal opinion the local court is bound to respect in its further hearing on the cause of action, it is stated, inter alia, that (court note the below numbering of the paragraphs corresponds to the numbering of reasons/grounds for the judgment rendered by the Supreme Administrative Court): "[23]The Municipal Court stated without further ado that the applicant had requested information, which it was technically possible to separate and thus to provide to it. However, it is not clear from the grounds provided as part of the judgment, which is under appeal and on the basis of the respective legal considerations, the municipal court came to the conclusion that the requested information is covered by the Act on Free Access to Information; and whether it is, for example, the creation of new information, the creation or registration of which is not an obligation; or whether the providing of the required information does not constitute a disproportionate effort, which would go beyond what could be construed as a simple operation within the meaning of Article 5 of Directive 2003/98/EC of the European Parliament and of the Council, as amended by Directive 2013/37/EU of the European Parliament and of the Council, as amended by Directive 2013/37/EU of the European Parliament and of the Council and the manner requested.
- [24] In the Municipal Court, the defendant justified its decision to refuse to provide the requested information by reference to the protection of the personal data of drivers and of individual vehicles, with reference to Section 8a of the Freedom of Information Act, as well as the alleged nature of the data collected, which it considered to qualify as "internal instructions and personnel regulations" in accordance with Section 11(1)(a) of this Act. Thus, the basic reasoning continued being downplayed i.e. what was the information which the plaintiff in the proceedings was actually demanding and what was the manner in which such information should have been provided to him. The Municipal Court proceeded in accordance with the provisions of Section 16(4) of the Act and, in addition to the annulment of both administrative decisions, it also ordered the complainant to provide the requested information. However, with respect to the second sentence of this provision ("if there are no grounds for rejecting the request"), it is safe to say that if the court also imposes an obligation to provide such information, in addition to reversing administrative decisions, it must then examine whether there might also be other preconditions that might impact the merits of the case and on the principles of the case.
- [25] It is common ground that the applicant requested the provision of remote access to up-to-date machine-readable information on the position of trams (system DORIS) and buses (system AUDIS), including the documentation ("matlat") for the related data interfaces. From the wording of the request for information, it is clear that sufficient information on the nature of the system will also be required in order to verify that the system is in fact able to actually generate the required information and the manner in which it does so. However, the Municipal Court contented itself with stating that the complainant undoubtedly had the requested information at its disposal, as is apparent in the information from the contested decision, where the complainant describes the functioning of both systems. However, if the Municipal Court, together with the annulment of the contested decision, had also ordered the complainant to provide information within the set time limit, the assessment of the actual functioning of the two operating systems in the reasoning of the judgment is still insufficient. Thus, it is not yet possible to assess the correctness or incorrectness of the reasoning of the judgment of the Municipal Court in the light of the appellant's objections to the allegation that both control systems are built as a closed, strategic, strictly data-separated dispatch control system, without the possibility of offering remote access or information online to third parties.
- [26] In general, it can be stated that in order to comply with a request for information, it is in principle not decisive whether the requested information is also on the medium whose provision the applicant directly requests, or whether the requested information (materially) needs to be extracted from elsewhere and only then provided. However, it is always an imminent precondition for the success of the submitted application that the obligated subject already has, or at least has to have, the required information [Section 2(4)]

6 A 52/2016

of the Act]. In this connection, details can be referred to, for example, the reasoning of the judgment of the Supreme Administrative Court of 20 October 2011, case no.: 6 As 33/2011 - 83, which is available at www.nssoud.cz. In the present case, the applicant seeks the sharing of actual outputs from those systems in real time, in a way which is intended to enable him, in advance, to obtain information which is yet to be produced. However, the Municipal Court comments only relatively briefly on the inefficiency of the possible manual sorting of the required information in favor of the software solution, also given that "the plaintiff requested access to this data in the future". However, the judgment of the Municipal Court does not explain in more detail any future information, although it imposes an obligation on the defendant to provide such information

[27] Also, the requirement to provide "remote access" safely evokes a request for online access to the established system of data acquisition, sorting, processing and use, for access to a relatively unique system created for the specific conditions of Prague traffic. Therefore, there is also no consideration given as to whether the plaintiff does not in fact seek access to a computer application in a situation where, pursuant to Section 3(4) of the Act, there is no computer program containing information that would otherwise be covered under the Act on Free Access to Information. However, the failure to state sufficient reasoning for the judgment of the Municipal Court regarding the assessment of the specific nature of the management systems does not yet allow the Supreme Administrative Court to safely conclude whether or not the initial preconditions for the required information can be provided

[28] The evaluation of whether objectively non-existent information can also be successfully sought through remote access to up-to-date machine-readable information is also related to the settlement of an objection concerning the corresponding software solution. The Municipal Court points out relatively briefly that, given that the plaintiff has sought access to the data in the future, a software solution is possible, as manual sorting of information would be completely uneconomical and pointless. The initial premise behind this, however unimpressive as it might appear, is whether it is also possible to successfully seek information, which the obligor does not yet objectively have. Only after a proper justification of this initial assumption can the issue be at least considered in the indicated direction.

[29] The Municipal Court cited in relative detail the case law of the Supreme Administrative Court on the delimitation, under specific conditions, of when it is a question of whether the required information is available to the liable entity; or when, with regard to the wording of the application, there is the need for adjustment and thus it actually constitutes the creation of new information. The cross-cutting criterion is the constant finding of the "level of intellectual complexity" when working with existing information. This criterion is foreseen in Article 5 of Directive 2013/37/EU of the European Parliament and of the Council amending Directive 2003/98/EC on the re-use of public sector information. Without prejudging whether the question will continue to be decisive after re-examining the context set out above, it should already be pointed out that the criterion set out in the court decisions was emphasized in a different initial situation, The criterion of administrative and intellectually undemanding work with already available information from the Court of Cassation in the case of file no.: 4 As 96/2016, where the emphasis was on the background of a relatively "conventional" request for information in the form of information relating to complaints filed by the defendant in the case: abuse of a dominant position, agreements distorting competition between competitors and infringements of Section 19a of Act No. 143/2001 Coll., on the protection of competition, as well as information on how these complaints have been dealt with by the relevant obliged entity.

[30] However, the initial facts are now substantially different. If the Municipal Court finds a similarity with the present case, then this similarity can be seen only in the opinion of the cassation court in that the obligated entity would still have had to select the required information from that which the plaintiff did not seek to have provided but which, according to the complainant, are closely linked to the required information (especially the allegations of each driver's identification). However, the method for the possible selection of the required data is already completely different. Although the complainant had already pointed out in his defense that any software modifications to the system would be highly costly, the Municipal Court relied on relentless case law emphasizing intellectual ease in classifying information. In general, therefore, it can be assumed that any not insignificant software modification of the entire system can hardly be considered

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"administrative intellectually undemanding work", and it is upon this which case law conditions the processing of already existing information in the form required by law."

[12] In view of the above, the Municipal Court in Prague, in its new decision, first considered whether the requested information could be subordinated to the definition of information under Section 3(3) of the Information Act ("For the purposes of this Act, information means any content or part thereof in any form, recorded on any medium, in particular the content of a written record on a document, a record of the saved data in electronic form or a sound, image or audiovisual record.")

[13] In the court's view, the request for such information, as defined in the Information Act, concerns the fact that - the defendant does not state anywhere that it does not have such information (the reason for not providing it in his observations still extends to other reasons, as will be discussed below); and, in addition, the defendant clearly works with such information, as it confirms in its statement of 16 September 2019 and as is evident to an ordinary public transport passenger in Prague (although the defendant states that it is part of a system which also contains other information, some information boards clearly show only information about the date of departure of the service, which changes over time, so it is not data from the timetable, but other data). In the opinion of the court, this is information as understood by the Information Act, as well as in the available commentary literature, which, however, does not in itself contain any further definitions in and of itself. ("The definition of information was included in SvInf only by Amendment No. 61/2006 Coll., in connection with the transposition of Directive 2003/98. Information means 'any content or a part thereof in any form, recorded on any medium, in particular the content of a written record on a document, a record stored in electronic form or an audio. video or audiovisual recording'. The Directive itself refers to a document which it understands in Article 2 (3) as '(a) content on any medium written or printed on paper or stored in electronic form or as an audio, visual or audiovisual recording)'; or, as '(b) any part of such content', adding in the preamble (paragraph 11) that the term applies to 'all records of acts, facts or information - and all sets of such acts, facts or information, regardless of the form of the medium (written or whether printed on paper or stored in electronic form or as an audio, visual or audiovisual recording) held by entities in the public sector. A document held by a public sector body represents a document for which the public sector body has the right to allow re-use" FUREK, Adam, JIROVEC, Tomáš. § 3 [Basic terms]. In: FUREK, Adam, ROTHANZL, Lukáš, JIROVEC, Tomáš. Act on Free Access to Information. 1st edition. Prague: C. H. Beck Publishing House, 2016, p. 166.). There is also no doubt in the dispute that the defendant was not a liable entity, because throughout the administrative proceedings, it acted on the application in fact and thus decided on it.

[14] The court thus states that if the plaintiff requests an indication of where the bus or tram vehicle is at a given time, then at that time it is information as understood by the above definition, as it is the content, or part of it, that is recorded on any medium at that time. An additional fact here is, in the opinion of the court, the experience from other carriers, which normally provide this information in real time (i.e. information either on the position of the vehicle or on the departure of the service from the station; and here, the court can point to České dráhy, a.s., which apparently provides all of this information in real time). In the opinion of the court, the above applies to a majority of such carriers in the Czech Republic and it is a well-known fact that they provide such information to other carriers or operators of other information applications and technologies, regardless of the way such information is generated and who collects it (whether it is GPS technology, or information relating to the passage of a vehicle between two fixed points). In the opinion of the court, this was not what was put forward in this case and the defendants were not even given an outline of the fact that the above is a clear outline of the only reasonable possible interpretation of what the plaintiff is asking for or why the supply of such information to the plaintiff should not apply to the defendant in this case.

[15] In considering the possibility of a decision, the court considered that the contested administrative decision was unreviewable for reasons, which it had already stated in its previous judgment and to which it referred (and which was not challenged by the Supreme Administrative Court's cassation judgment) in

which reasons were put forward justifying the refusal to provide information, which are not justified in such circumstances or in relation to the requested procedure. Thus, although the reasons are stated in the contested decision, they do not, in the opinion of the court, stand up to the law. On the contrary, other reasons are not mentioned here, the defendant gradually states them only in the statement provided in relation to the filing, in the cassation complaint and in other statements submitted to the local court.

[16] The court thus had to consider whether it was possible to render a decision, under the provisions of Section 16(4) of the Information Act and in terms the procedural process, which would have to be involved after the canceling of its decision, when it called on the defendant to specify the reasons preventing the providing of the requested information to the plaintiff. Without such a finding, the court would not be able to rule within the meaning of this provision, as it does not have sufficient factual support to do so. After finalizing the defendant's observations, the court concluded that in the present case, the court's findings were insufficient to assess whether the information could be provided, as the defendant extended and changed the reasons for its possible refusal to provide such information. Thus, the court has no other procedural option than to annul the decision for procedural defects on the basis of a lack of reasons for the decision [provisions of Section 76(1)(a) of the s.ř.s.], without being able to order the provision of information pursuant to Section 16(4) of the Information Act; and, the relevant reasons which could be reviewed, must therefore be stated by the defendant in the grounds of its decision.

[17] As mentioned above, the grounds for the defendant's refusal to provide information vary. The statement of reasons for the contested decision states that it is personal and private information, that the adjustment of those systems would be a disproportionate burden and that the defendant publishes timetable information. In his statement in response to the motion, the defendant again stated that it published timetables (court note - this information was not covered by the request), and that the information was divided into public (i.e. timetables) and non-public, which served the needs of the operator; and, the transport company does not have the opportunity to select them, and that at present (court note - this is as of the date of the drafting of the statement, i.e. 18 May 2016) without software modifications that require high costs, this will not be possible in the future. Only in the statement did the defendant point to the provisions of Section 2(2) of the Copyright Act in the sense that the provision of data interface metadata is governed by copyright law and that the relevant computer program is a copyrighted work (without specifying whether part of the information is possible separate from this program). In the cassation court complaint (which is not available to the Municipal Court in Prague and its content is determined from the reasoning of the Supreme Administrative Court judgment), the defendant stated that it sends information in AUDIS via SDS - in a message containing other information. It follows from the following text of the statement of reasons that it is precisely this system that prevents the provision of that information, since it cannot therefore be separated from other personal information. In a supplementary statement dated 16 September 2019, the defendant stated that the DORIS system works with the fact that the vehicle position information is determined subjectively by announcing a stop by the driver or automatically, the position is drawn in a graphical representation of the line at the designated stop point. At this point it is displayed at the moment of the actual passage around the fixed point, at the time of driving between two stops the exact position is not known, all information is in a closed system currently without on-line connections, and data communication takes place automatically through the given software algorithms. The information systems at tram stops only display elements of the transmitted information created for specific stops, which is part of a closed system.

[18] According to the court, the reason for refusing the information, from that set out in the statement of reasons for the contested decision, has thus changed significantly. Therefore, at the time of this judgment, it was not possible to determine the real reasons for the refusal to provide the information, and the court therefore proceeded only to annul the contested decision and to refer the case back to the defendant, if the reasons were completely different at the time of this judgment.

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[19] In relation to the Supreme Administrative Court's further reference to the nature of the computer program, software and the selection of information required (recitals 27 to 30), the Prague Municipal Court states that in the current situation, where it annuls the contested decision and returns the case to the defendant, it considers that for the time being, it is premature for the defendant to assess those circumstances, also in view of the fact that it has information on the operation of the software and its legal regime which the court cannot have and which is not mentioned in the statement of reasons for the contested decision or the administrative file. Given that the local court is bound by the legal opinion of the Supreme Administrative Court, it refers in assessing this circumstance to the reasoning of the Supreme Administrative Court's judgment, which is binding both on the Municipal Court and subsequently on the defendant with respect to reconsidering the request for information.

[20] The statement on the reimbursement of the costs of the proceedings is justified under the provisions of Section 60(1) of the s.ř.s., according to which the prevailing party has the right to reimbursement of its costs before the court. The plaintiff was successful in the case, therefore it has the right to their reimbursement; and, given the fact that at the time of this judgment, the defendant is represented by a lawyer, the defendant is also entitled to compensation for the related legal fees under Decree No. 177/1996 Coll., in the amount of CZK 3,100 for each filing (act) along with a lump sum of CZK 300 for overhead, including value added tax, as the lawyer is a payer of this tax. The total costs of the proceedings are: filings = CZK 3,100 x 2 (21% VAT); overhead = CZK 300 x 2 (21% VAT); court fee = CZK 3,000; total costs of the proceedings without VAT = CZK 9,800 (VAT at 21% = CZK 1,428); total costs of the proceedings, including VAT = CZK 11,228.

#### Edification:

An appeal to the cassation (court) may be lodged against this decision within two (2) weeks from the date of its delivery. The cassation complaint is filed in two (more) copies at the Supreme Administrative Court, with its registered office at Moravské náměstí 6, Brno. The Supreme Administrative Court decides on the cassation complaint.

The time limit for lodging a cassation complaint ends on the day which coincides with the day which determined the beginning of the time limit (the day of delivery of the decision). If the last day of the period falls on a Saturday, Sunday or public holiday, the last day of the period is the next working day. Missing the deadline for filing a cassation complaint cannot be excused.

A cassation complaint may be filed only for the reasons stated in Section 103(1) of the s. ř. s.; and, in addition to the general requirements for filing, it must contain an indication of the decision against which it is directed, to what extent and 2 reasons why the complainant is challenging it, and an indication of when the decision was served on him.

In cassation proceedings, the complainant must be represented by a lawyer; this does not apply if the complainant, his employee or the member acting on his behalf or representing him has a university degree in law, which is required under special rules to practice law.

The court fee for a cassation complaint is collected by the Supreme Administrative Court. The variable symbol for the payment of the court fee to the account of the Supreme Administrative Court can be obtained on its website: www.nssoud.cz.

In Prague on 4 December 2019

JUDr. Ladislav Hejtmánek, by my own hand President of the Senate

## REPORT ON RELATIONS

Dated 4 March 2020 Prague Public Transit Company, Inc. ("DPP")

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#### Preamble

The Board of Directors of DPP, with its registered office at Sokolovská 217/42, Vysočany, Postal Code 190 22, Prague 9, Company ID No.: 000 05 886, incorporated in the Commercial Register maintained by the Prague Municipal Court under Section B, File 847, as a controlled company, prepared, pursuant to Section 82 of the Act on Business Corporations (the "ABC"), the following report on relations between DPP and the controlling entity and between the DPP and entities controlled by the same controlling entity (the "related entities") for the previous accounting period from 1 January 2018 and 31 December 2018 (the "reporting period").

This report for the reporting period will be attached to the annual report in accordance with accounting legislation. The sole shareholder of the controlled entity will have the opportunity to become acquainted with it at the same time and under the same conditions as with the financial statements.

- Structure of relations between the controlling entity and the controlled entity and between the controlled entity and the entities controlled by the same controlling entity; the role of the controlled entity in the structure of these relationships, the method and means of control
- 1.1 Relationship structure
- 1.1.1. The structure of relations between the related entities is branched and multi-tiered and it depends on the controlling (legal) entity, the City of Prague, Company ID No.: 000 64 581 (the "controlling entity"). The controlling entity directly controls fifteen trading companies in the group of controlled entities (business corporations). Two of these companies, namely Pražská strojírna a.s., Company ID No.: 601 93 298, with its registered office at Prague 9 Vinoř, Mladoboleslavská 133, Postal Code 190 17, and Střední průmyslová škola dopravní, a.s., Company ID No.: 256 32 141, with its registered office in Prague 5, Plzeňská 298/217a, Postal Code 150 00, controls the controlling entity within the scope of their general assemblies.
- **1.1.2.** The basic structure of relationships in the group is shown in the diagram, which constitutes an integral part of this report. The structure of specific relationships in the group, of which DPP was a member in the reporting period, and the position of individual members of this structure results, in addition to the aforementioned facts, also from the breakdown of related entities as contracting parties in the overview of mutual contracts referred to in this report.

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- 1.2 In accordance with the information available to the controlled entity, the controlling entity controls the following directly controlled entities:
- a) Kolektory Praha, a.s., with its registered office in Prague 9, Pešlova 3, House No. 341, Postal Code 190 00, incorporated in the Commercial Register, File No. B 7813, maintained by the Prague Municipal Court, Company ID No.: 267 14 124 [100% share]
- b) Kongresové centrum Praha, a.s., with its registered office at 5. května 1640/65, Nusle, 140 00 Prague 4, incorporated in the Commercial Register, File No. B 3275, maintained by the Prague Municipal Court, Company ID No.: 630 80 249 [45.652% share]
- c) Obecní dům, a.s., with its registered office at náměstí Republiky 1090/5, Staré Město, 110 00 Prague 1, incorporated in the Commercial Register, File No. B 9990, maintained by the Prague Municipal Court, Company ID No.: 272 51 918
- d) Pražská energetika Holding a.s. with its registered office in Prague 10, Na Hroudě 1492, Postal Code 10005, incorporated in the Commercial Register, File No. B 7020, maintained by the Prague Municipal Court, Company ID No.: 264 28 059 (51% share)
- e) Pražská plynárenská Holding a.s. with its registered office at U plynárny 500/44, Michle, 140 00 Prague 4, incorporated in the Commercial Register, File No. B 7151, maintained by the Prague Municipal Court, Company ID No.: 264 42 272 [100% share]
- f) Pražská vodohospodářská společnost a.s. with its registered office in Prague 1 Staré Město, Žatecká 110/2, Postal Code 11000, incorporated in the Commercial Register, File No. B 5290, maintained by the Prague Municipal Court, Company ID No.: 256 56 112 (100% share)
- g) Pražské služby, a.s. with its registered office in Prague 9, Pod Šancemi 444/1, incorporated in the Commercial Register, File No. B 2432, maintained by the Prague Municipal Court, Company ID No.: 601 94 120 (100% share)
- h) TRADE CENTRE PRAHA a.s. with its registered office in Prague 2, Blanická 1008/28, Postal Code 12000, incorporated in the Commercial Register, File No. B 43, maintained by the Prague Municipal Court, Company ID No.: 004 09 316 [100% share]
- i) Úpravna vody Želivka, a.s. with its registered office at K Horkám 16/23, Hostivař, 102 00 Prague 10, incorporated in the Commercial Register, File No. B 7437, maintained by the Prague Municipal Court, Company ID No.: 264 96 224 [90.0353% share]
- j) Zdroj pitné vody Káraný, a.s. with its registered office in Prague 1, Žatecká 110/2, Postal Code 11000, incorporated in the Commercial Register, File No. B 7438, maintained by the Prague Municipal Court, Company ID No.: 264 96 402 (97.25% share)
- k) Operátor ICT, a.s. with its registered office at Dělnická 213/12, Holešovice, 170 00 Prague 7, incorporated in the Commercial Register, File No. B 19676, maintained by the Prague Municipal Court, Company ID No.: 027 95 281 (100% share)
- U Technická správa komunikací hl. m. Prahy, a.s. with its registered office at Řásnovka 770/8, Staré Město, 110 00 Prague 1, incorporated in the Commercial Register, File No. B 20059, maintained by the Prague Municipal Court, Company ID No.: 034 47 286 (100% share)
- m) Výstaviště Praha, a.s. with its registered office at Výstaviště 67, Bubeneč, 170 00 Prague 7, incorporated in the Commercial Register, File No. B 5231, maintained by the Prague Municipal Court, Company ID No.: 256 49 329 (100% share)
- n) Technologie hlavního města Prahy, a.s. with its registered office at Dělnická 213/12, Holešovice, 170 00 Praque 7, incorporated in the Commercial Register, File No. B 5402, maintained by the Prague Municipal Court, Company ID No.: 256 72 541 (100% share)
- o) Prague City Tourism a.s. with its registered office at Arbesovo náměstí 70/4, Smíchov, 150 00 Prague 5, incorporated in the Commercial Register, File No. B 23670, maintained by the Prague Municipal Court, Company ID No.: 073 12 890 (100% share)

#### 1.3 In accordance with data available to the controlled entity, the controlling entity controls indirectly these other entities and their subsidiaries

#### Companies with capital participation of DPP

- a) Pražská strojírna a. s. with its registered office in Prague 9 Vinoř, Mladoboleslavská 133, Postal Code 19017, incorporated in the Commercial Register, File No. B 2318, maintained by the Prague Municipal Court, Company ID No.: 601 93 298 (100% share)
- b) Střední průmyslová škola dopravní, a.s. with its registered office in Prague 5, Plzeňská 298/217a, Postal Code 15000, incorporated in the Commercial Register, File No. B 5097, maintained by the Prague Municipal Court, Company ID No.: 256 32 141 (100% share)
- c) RENCAR PRAHA, a. s. with its registered office at Rohanské nábřeží 678/25, Karlín, 186 00 Prague 8, incorporated in the Commercial Register, File No. B 86, maintained by the Prague Municipal Court, Company ID No.: 005 06 397 [28% share]

#### Companies with capital participation of Pražská energetika Holding a.s.

a) Pražská energetika, a.s. with its registered office in Prague 10, Na Hroudě 1492/4, Vršovice 100 00 Prague 10, incorporated in the Commercial Register, File No. B 2405, maintained by the Prague Municipal Court, Company ID No.: 601 93 913 [58.046% share]

#### Companies with capital participation of Pražská energetika, a.s.

- a) PREdistribuce, a.s. with its registered office in Prague 5, Svornosti 3199/19a, Postal Code 15000, incorporated in the Commercial Register, File No. B 10158, maintained by the Prague Municipal Court, Company ID No.: 273 76 516 [100% share]
- b) eYello CZ, k.s. with its registered office at Kubánské náměstí 1391/11, Vršovice, 100 00, Prague 10, incorporated in the Commercial Register, File No. A 76596, maintained by the Prague Municipal Court, Company ID No.: 250 54 040 (90% share)
- c) PREměření, a.s. with its registered office in Prague 10, Na Hroudě 2149/19, Postal Code 10005, incorporated in the Commercial Register, File No. B 5433, maintained by the Prague Municipal Court, Company ID No.: 256 77 063 [100% share]
- d) KORMAK Praha a.s. with its registered office at K sokolovně 667/9, Uhříněves, 104 00 Prague 10, incorporated in the Commercial Register, File No. B 20181, maintained by the Prague Municipal Court, Company ID No.: 485 92 307 [100% share]
- e) PREservisní, s.r.o. with its registered office at Na hroudě 1492/4, Vršovice, 100 00 Prague 10, incorporated in the Commercial Register, File No. C 215222, maintained by the Prague Municipal Court, Company ID No.: 02065801 (100% share)
- f) PREzákaznická, a.s. with its registered office at Na hroudě 1492/4, Vršovice, 100 00 Prague 10, incorporated in the Commercial Register, File No. B 22870, maintained by the Prague Municipal Court, Company ID No.: 065 32 438 (100% share)
- g) VOLTCOM, spol. s r.o., with its registered office at Otevřená 1092/2, 169 00 Prague 6, incorporated in the Commercial Register, File No. C 7541, maintained by the Prague Municipal Court, Company ID No.: 447 94 274 (100% share)

#### Companies with capital participation of PREdistribuce, a.s.

a) PREnetcom, a.s. with its registered office at Na hroudě 1492/4, Vršovice, 100 00 Prague 10, incorporated in the Commercial Register, File No. B 23057, maintained by the Prague Municipal Court, Company ID No.: 067 14 366 (100% share)

#### Companies with capital participation of PREměření, a.s.

- a) PRE FVE Světlík, s.r.o. with its registered office at Na hroudě 2149/19, Strašnice, 100 00 Prague 10, incorporated in the Commercial Register, File No. C 287994, maintained by the Prague Municipal Court, Company ID No.: 280 80 378 [100% share]
- b) SOLARINVEST GREEN ENERGY, s.r.o. with its registered office at Na hroudě 2149/19, Strašnice, 100 00 Prague 10, incorporated in the Commercial Register, File No. C 153406, maintained by the Prague Municipal Court, Company ID No.: 289 23 405 (100% share)
- c) FRONTIER TECHNOLOGIES, s.r.o. with its registered office at Na hroudě 2149/19, Strašnice,100 00 Prague 10, incorporated in the Commercial Register, File No. C 106530, maintained by the Prague Municipal Court, Company ID No.: 272 34 835 (100% share)
- d) WINDING WE NORTH a.s. with its registered office Na hroudě 2149/19, Strašnice, 100 00 Prague 10, incorporated in the Commercial Register, File No. B 14766, maintained by the Prague Municipal Court, Company ID No.: 278 31 248 (100% share)

#### Companies with a capital participation of WINDING WE NORTH a.s.

a) PRE VTE Částkov, s.r.o. se sídlem Na hroudě 2149/19, Strašnice, 100 00 Prague 10, registered in the Commercial Register, File No. C 19065, maintained by the Plzeň Municipal Court, Company ID No.: 279 66 216 [100% share]

#### Companies with capital participation of Pražská plynárenská Holding a.s.

a) Pražská plynárenská, a.s., with its registered office in Prague 1 - Nové Město, Národní 37, Postal Code 11000, incorporated in the Commercial Register, File No. B 2337, maintained by the Prague Municipal Court, Company ID No.: 601 93 492 (100% share)

#### Companies with capital participation of Pražská plynárenská a.s.

- a) Pražská plynárenská Distribuce, a.s., Member of the Pražská plynárenská, a.s. Group, with its registered office in Prague 4, U Plynárny 500, Postal Code 14508, incorporated in the Commercial Register, File No. B 10356, maintained by the Prague Municipal Court, Company ID No.: 274 03 505 (100% share)
- b) Pražská plynárenská Servis distribuce, a.s., Member of the Pražská plynárenská, a.s. Group, with its registered office at U plynárny 1450/2a, Michle, 140 00 Prague 4, incorporated in the Commercial Register, File No. B 1878, maintained by the Prague Municipal Court, Company ID No.: 471 16 471 (100% share)
- c) Prometheus, energetické služby, a.s., Member of the Pražská plynárenská, a.s. Group, with its registered office in Prague 4, U Plynárny 500, Postal Code 14000, incorporated in the Commercial Register, File No. B 17568, maintained by the Prague Municipal Court, Company ID No.: 630 72 599 (100% share)
- d) Pražská plynárenská Správa majetku, a.s., Member of the Pražská plynárenská, a.s. Group, with its registered office in Prague 4 - Michle, U Plynárny 500, Postal Code 14508, incorporated in the Commercial Register, File No. B 17753, maintained by the Prague Municipal Court, Company ID No.: 274 36 551 (100% share)
- e) Informační služby energetika, a.s. with its registered office in Prague 4, U Plynárny 500, Postal Code 14100, incorporated in the Commercial Register, File No. B 7946, maintained by the Prague Municipal Court, Company ID No.: 264 20 830 [100% share]
- f) Montservis PRAHA, a.s., with its registered office at Prachatická 209, Letňany, 199 00 Prague 9, incorporated in the Commercial Register, File No. B 270, maintained by the Prague Municipal Court, Company ID No.: 005 51 899 (90% share)

#### Companies with capital participation of Pražské služby, a.s.

a) AKROP s.r.o. with its registered office in Tuchoměřice, Ke Špejcharu 392, Postal Code 25267, incorporated in the Commercial Register, File No. C 81758, maintained by the Prague Municipal Court, Company ID No.: 264 32 331 (100% share)

b) Pražský EKOservis, s.r.o. with its registered office at Revoluční 1082/8, Nové Město, 110 00 Prague 1, incorporated in the Commercial Register, File No. C 229808, maintained by the Prague Municipal Court, Company ID No.: 032 98 973 [100% share]

#### Companies with capital participation of Úpravna vody Želivka, a.s.

a) Želivská provozní a.s. with its registered office in Prague 10 - Hostivař, K Horkám 16/23, Postal Code 10200, incorporated in the Commercial Register, File No. B 19766, maintained by the Prague Municipal Court, Company ID No.: 291 31 804 [100% share]

#### Companies with capital participation of Zdroj pitné vody Káraný, a.s.

a) Vodárna Káraný, a.s. with its registered office at Žatecká 110/2, Staré Město, 110 00 Prague 1, incorporated in the Commercial Register, File No. B 18857, maintained by the Prague Municipal Court, Company ID No.: 291 48 995 [100% share]

#### Companies with capital participation of Pražská vodohospodářská společnost, a.s.

a) Pražské vodovody a kanalizace, a.s. with its registered office at Ke Kablu 971/1, Hostivař, 102 00 Prague 10, incorporated in the Commercial Register, File No. B 5297, maintained by the Prague Municipal Court, Company ID No.: 256 56 635 [49% share]

#### Method and means of control

- The controlling entity exercised direct control of the companies listed above in paragraph 1.1. during the 2.1. reporting period through its shareholder rights. The control of other controlled corporations is carried out only through companies that control them and are themselves controlled by the City of Prague, that is, exclusively indirectly.
- 2.2. DPP is directly controlled by the City of Prague.
- 3. The role of DPP in the structure of controlling relationships in the group and in business relations with related entities
- 3.1. In relation to other controlled companies, DPP does not have any functional role either as a manager or supplier of business activities in accordance with its subject of business.
- 4. Negotiations conducted in the last financial year that have been made in the interests of the controlling entity or its controlled entities
- 4.1 In the last accounting period, the controlled entity did not take any action in the interests of the controlling entity or its controlled entities and that would involve assets that exceed 10% of the controlled entity's equity as determined by the most recent financial statements.
- 4.2 The contracts listed in Appendix No. 1 were concluded between the controlled entity and the controlling entity in the 2019 accounting period. The fulfilment of these contracts did not cause any detriment to the controlled entity since they were concluded under terms and conditions customary in business relations and performance and consideration resulting therein correspond to the terms of the usual business relationship, taking into account the nature of the controlled entity's subject of business.
- 4.3 No other legal acts were performed between the controlled entity and the controlling entity in the interests of the controlling entity.
- 4.4 No measures have been taken in the interests of the controlling entity.
- 4.5 No measures have been implemented in the interests of the controlling entity.

- **4.6** No measures have been taken at the instigation of the controlling entity.
- 4.7 No measures have been implemented at the instigation of the controlling entity.
- 4.8 The contracts listed in Appendix No. 2 were concluded directly between the controlled entity and other entities controlled directly by the controlling entity in the 2019 accounting period. These contracts were concluded in the normal course of business and performance and consideration correspond to the conditions of normal business relations so that the fulfilment of these contracts cannot cause any damage to the controlled entity.
- 4.9 No other legal acts were carried out between the controlled entity and other entities controlled directly by the controlling entity in the interests of other entities controlled by the controlling entity.
- **4.10** No measures have been taken in the interests of other entities directly controlled by the controlling entity.
- **4.11** No measures have been implemented in the interests of other entities directly controlled by the controlling entity.
- 4.12 No measures have been taken at the instigation of other entities directly controlled by the controlling entity.
- **4.13** No measures have been implemented at the instigation of other entities directly controlled by the controlling entity.

#### Information on relations to other entities controlled indirectly by the controlling entity

- 4.14 The contracts listed in Appendix No. 3 were concluded directly between the controlled entity and other entities controlled indirectly by the controlling entity in the 2019 accounting period. These contracts were concluded in the normal course of business and performance and consideration correspond to the conditions of normal business relations so that the fulfilment of these contracts cannot cause any damage to the controlled entity.
- 4.15 No other legal acts were carried out between the controlled entity and other entities controlled indirectly by the controlling entity in the interests of other entities controlled indirectly by the controlling entity.
- 4.16 No measures have been taken in the interests of other entities indirectly controlled by the controlling entity.
- 4.17 No measures have been implemented in the interests of other entities indirectly controlled by the controlling entity.
- 4.18 No measures have been taken at the instigation of other entities indirectly controlled by the controlling entity.
- 4.19 No measures have been implemented at the instigation of other entities indirectly controlled by the controlling entity.

#### 5. Assessment and evaluation

The Board of Directors of the controlled entity states that it is generally not possible to deduce the prevailing advantages or disadvantages or any risks from the relations between the entities referred to above. All contractual relationships were concluded between them in accordance with generally binding legal regulations and under conditions common in business relations between entrepreneurs.

Certain risks can be inferred from the relationship with RENCAR PRAHA, a.s., Company ID No.: 005 06 397, whereby several court proceedings related to the contractual relationship from 1997 are being conducted between the controlled entity and this entity, which was concluded in violation of generally binding legal regulations; therefore, this relationship should be considered by the judicial authorities to be null and void. As a result of the review of this agreement as valid or invalid, certain mutual claims could arise, including but not limited to 2019.

It follows from the above that the controlled entity incurred no financial loss due to the influence of the controlling entity in the fiscal year 2019.







#### Appendix No. 1

#### List of contracts concluded in 2019 by the controlled entity with the controlling entity

Controlling entity	Controlled entity	Number of contracts concluded		
City of Prague	DPP	166		

#### Characteristics of contracts and their number:

- Amendments to the public service contract in public rail and urban bus transport within the PID system for the 2010-2019 period - 7
- Amendments to the public service contract for regular services provided within the PID system for the 2010–2019 period – 27
- Public Service Contract 2
- Agreement building on the Initial General Agreement on a Coordinated Approach under the I.D Metro Project and surrounding construction in the location of Praha-Nemocnice Krč – 1, Initial General Agreement on a Coordinated Approach under the I.D Metro Project and surrounding construction in the location of Praha-Nemocnice Krč – 1
- Agreement on Integration and Sharing of Technological Units 1
- Agreement on the Condition for the Reconstruction of the Budějovická Route 2
- Purchase Agreement 1, Lease Agreement 30, Lending Agreement 15
- Agreement on Future Usufruct Agreement 3
- Addendum to the Project Financing Agreement 6
- Water Supply or Sewerage Relocation Agreement 2
- Agreement on Future Land Easement Agreement 1
- Agreement on Future Easement Agreement 2
- Agreement on Conclusion of a Future Easement Agreement 9
- Usufruct Agreement 7, Easement Agreement 9
- Debt Settlement Agreement 1
- Agreement on Provision of Electricity and Reinvoicing Costs of Its Consumption 1
- Agreement on Future Land Easement Agreement 6
- Land Easement Agreement 1
- Addendum to Agreement on Future Land Easement Agreement 1
- Agreement on Utilisation and Use of Ticket Vending Machine and Parking Meters on P+R Parking Lots 1
- Water Supply and Wastewater Agreement 24
- Addendum to Water Supply and Waster Agreement 2

#### Appendix No. 2

#### Contracts concluded in 2019 with entities DIRECTLY controlled by the controlling entity

Company's name	Number of contracts	Characteristics of contract
Kolektory Praha, a.s.	0	
Kongresové centrum Praha, a.s.	0	
Obecní dům, a.s.	0	
Operátor ICT, a.s.	2	Joint Public Procurement Agreement – 1, Contract for Works – 1
Prague City Tourism a.s.	0	
Pražská energetika Holding a.s.	0	
Pražská plynárenská Holding a.s.	0	Agreement on Settlement of Disputed Rights
Pražská vodohospodářská společnost a. s.	0	
Pražské služby, a.s.	2	Lease Agreement – 1, General Purchase Agreement – 1
Technická správa komunikací hl. m. Prahy, a.s.	4	Metro Equipment Relaying Agreement – 1, Tram Traction Mains Cable Relaying Agreement – 1, Equipment Relaying Agreement – 1, Lease Agreement – 1
Technologie hlavního města Prahy, a.s.	0	
TRADE CENTRE PRAHA a.s.	0	
Úprava vody Želivka, a.s.	0	
Výstaviště Praha, a.s.	0	
Zdroj pitné vody Káraný, a.s.	0	

#### Appendix No. 3

#### Contracts concluded in 2019 with entities INDIRECTLY controlled by the controlling entity

Company's name	Number of contracts	Characteristics of contract
Střední průmyslová škola dopravní, a.s.	4	Contract for the provision of teaching and training to obtain B+C and RB/C privileges – 2, Amendment to the Contract for the provision of teaching and training to obtain B+C and RB/C privileges – 1, Data Processing and Privacy Agreement – 1
RENCAR PRAHA	0	
Pražská strojírna, a.s.	4	Purchase Agreement – 1, Amendment to the Contract for Works – 2, Amendment to the General Purchase Agreement – 1
Pražská energetika a.s.	201	Amendment to the Contracts for Associated Power Supply Services
eYello CZ, k.s.	0	
PREměření a.s.	0	

KORMAK PRAHA a.s .	1	Lease Agreement
PREservisní s.r.o.	0	
PREzákaznická a.s.	0	
PREdistribuce a.s.	70	Agreement on Handling, Operation and Work on Electrical Equipment – 5, Agreement on Future Easement Agreement – Personal Usufruct – 15, Easement Agreement – 27, Lease Agreement – 14, Agreement on Cancellation of Easement and Establishment of Easement – Persona Usufruct – 1, Agreement on Future Connection Agreement – 3, Short-term Connection Agreement – 1, Declaration of Non-objection – 1, Amendment to Lease Agreement – 1, Addendum to Connection Agreement – 2
VOLTCOM, spol. s r.o.	0	
PREnetcom a.s.	0	
PRE FVE Světlík, s.r.o.	0	
SOLARINVEST -GREEN ENERGY, s.r.o.	0	
FRONTIER TECHNOLOGIES, s.r.o.	0	
WINDING WE NORTH, a.s.	0	
PRE VTE Částkov, s.r.o.		
Pražská plynárenská a.s.	18	Agreement on Associated Gas Supply Services – 1, Agreement on Establishment of Access to Utility Networks – 1, Addendum to the Agreement Associated Gas Supply Services – 16
Pražská plynárenská Distribuce, a.s.	13	Distribution System Connection Agreement – 1, Lease Agreement – 1, Purchase Agreement – 1, Gas Equipment Relocation Agreement – 1, Easement Agreement – Personal Usufruct – 3, Agreement on Termination of Agreement on Future Easement Agreement – 2, Easement Agreement – Personal Usufruct – 3, Addendum to Gas Equipment Operation Agreement – 1
Pražská plynárenská Servis distribuce	0	
Prometheus, energetické služby, a.s.	0	
Pražská plynárenská Správa majetku, a.s.	0	
Informační služby – energetika, a.s.	0	
Montservis Praha, a.s.	0	
Pražské vodovody a kanalizace, a.s.	1	Agreement on Relocation of Water Mains or Sewerage
AKROP s.r.o.	0	
Pražský EKOservis, s.no.	0	
Želivská provozní a.s.	0	
Vodárna Káraný, a.s.	0	

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#### Appendix No. 4

#### Diagram

#### Controlling Entity – City of Prague

Directly controlled entities	Company ID No.	Indirectly controlled entities	Company ID No.	Indirectly controlled entities	Company ID No.	Indirectly controlled entities	Company ID No.	Indirectly controlled entities	Company ID No.
Dopravní	000 05 886								
podnik hl. m. Prahy, akciová společnost		Pražská strojírna a.s.	601 93 298						
		RENCAR PRAHA, a. s.	005 06 397						
		Střední průmyslová škola dopravní, a.s.	256 32 141						
Kolektory Praha, a.s.	267 14 124								
Kongresové centrum Praha, a.s.	630 80 249								
Obecní dům, a.s.	272 51 918								
Operátor ICT, a.s.	027 95 281								
Prague City Tourism a.s.	073 12 890								
Pražská energetika Holding a.s.	264 28 059								
		Pražská energetika, a.s.	601 93 913						
				eYello CZ, k.s.	250 54 040				
				PREměření, a.s.	256 77 063				
						PRE FVE Světlík, s.r.o.	280 80 378		
						SOLARINVEST - GREEN ENERGY, s.r.o.	289 23 405		
						FRONTIER TECHNOLOGIES, s.r.o.	272 34 835		
						WINDING WE NORTH a.s.	278 31 248		
								PRE VTE Částkov, s.r.o.	279 66 216
				KORMAK Praha a.s.	485 92 307				
				PREservisní, s.r.o.	020 65 801				
				PREzákaznická, a.s.	065 32 438				
				PREdistribuce, a.s.	273 76 516				
						PREnetcom, a.s.	067 14 366		
				VOLTCOM, spol. s r.o.	447 94 274				

Pražská plynárenská Holding a.s.	264 42 272						
		Pražská plynárenská, a.s.	601 93 492				
				Pražská plynárenská Distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	274 03 505		
				Pražská plynárenská Servis distribuce, a.s., člen koncernu Pražská plynárenská, a.s.			
				Prometheus, energetické služby, a.s., člen koncernu Pražská plynárenská, a.s.	630 72 599		
				Pražská plynárenská Správa majetku, a.s., člen koncernu Pražská plynárenská, a.s.	274 36 551		
				Informační služby - energetika, a.s.	264 20 830		
				Montservis PRAHA, a.s.	005 51 899		
Pražská vodo- hospodářská společnost a.s.	256 56 112						
		Pražské vodovody a kanalizace, a.s.	256 56 635				
Pražské služby, a.s.	601 94 120						
		AKROP s.r.o.	264 32 331				
		Pražský EKOservis, s.r.o.	032 98 973				
		EVOK, o.p.s.	024 12 390				
Technická správa komunikací hl. m. Prahy, a.s.	034 47 286						
Technologie hlavního města Prahy, a.s.	256 72 541						
TRADE CENTRE PRAHA, a.s.	004 09 316						
Úpravna vody Želivka, a.s.	264 96 224						
		Želivská provozní a.s.	291 31 804				
Výstaviště Praha, a.s.	256 49 329						
Zdroj pitné vody Káraný, a.s.	264 96 402						
		Vodárna Káraný, a.s.	291 48 995				

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## LIST OF ABBREVIATIONS

ΑE Airport Express

OHS Occupational Health and Safety

ΒŘ Security Director

ČS Česká spořitelna (bank)

ČS0B Československá obchodní banka (bank)

DHM tangible fixed assets DNM intangible fixed assets VAT value added tax

DPP Prague Public Transit Company, Inc.

DŘ Transport Director ΕŘ Chief Financial Officer EU European Union

EZS electronic security system GVD train traffic graphical timetable

НМР City of Prague

HZS DPP Fire Rescue Service of the Public Transit

ICT computers and information technology

IT information technology **JDCM** Metro Traffic Infrastructure Unit

JPA Bus Operation Unit JPT Tram Operation Unit

CZK Czech crowns

CLA collective labour agreement

HR human resources МČ city district

MD Ministry of Transportation MHD urban public transport MHMP Prague City Hall

MOS multifunctional check-in system

MS Municipal Court

MŠMT The Ministry of Education, Youth and Sports

00N other personnel costs

OPD Operational Programme Transportation OPPK Operational Programme Prague -

Competitiveness

P+R park + ride

Police of the Czech Republic PID Prague Integrated Transport POP operating personnel

POSPOLU A programme promoting cooperation between

schools and companies with a focus on

vocational training in practice

PROVAS chemical warning system in the metro ROPID Prague Public Transport Regional Organiser

RTT reconstruction of the tram track SDI traffic information centre

SPŠD Secondary Technical School of Transport

SSZ light signalling device Stř. STK Vehicle inspection centre SÚ residential structure TCP Trade Centre Prague

TH technical and economic (employees)

ΤŘ Technical Director TT tram track

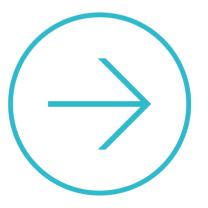
OPC Office for the Protection of Competition

UTZ designated technical equipment VT computer technology

VTZ selected technical equipment



# TABLE PART



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## OPERATING - TECHNICAL INDICATORS

#### Number of operated lines, their length (in km) and average speed (in km/h)

	Number of o	perated lines	Length	Average speed (in km/h)		
	Day-time	Night-time	of lines in km	Transit	Circulating (oper.)	
Metro	3	-	65,4	35,65	33,21	
Trams	25	9	556,7	18,51	13,00	
Buses	127	14	1 820,4	24,98	16,90	
Trolleybusses	1	-	4,9	24,50	10,10	

Note: Excluding the historic (nostalgic) tram line and the funicular to Petřín.

#### Average number of dispatched vehicles per day (in regular operation excluding the operation during holidays)

	Morning Peak	Saddle	Afternoon Peak	Saturday	Sunday
Metro	511	274	442	209	208
Trams	636	469	635	362	342
Buses	917	540	872	440	422
Trolleybusses	1	1	1	1	1

#### Operating kilometres per vehicle and place (in km thousand)

	vehicle km (ths of vehicle km)	place km (ths of place km)
Metro	60 894	11 240 549
Trams	40 268	6 433 338
Buses	65 658	5 672 095
Trolleybusses	39	2 799
Funicular	24	2 395
Total	166 883	23 351 176

Note: Excluding kilometres of contractual transport and the historic (nostalgic) tram line. Kilometres per vehicle of trams are not converted. Buses are counted including suburban lines.

#### Percentage of mends and energy consumption

	Percentageof	Consumption of	traction energy	Consumption	of diesel fuel
	mends of vehicles	in kWh thousand	for 1 km per veh.	in litres thousand	for 1 km per veh.
Metro	11,98	118 570	1,94	-	-
Trams	19,82	127 039	3,13	-	-
Trolleybusses	1,97	35	0,87	-	-
Buses	8,14	-	-	29 644	0,44

## LIST OF LINES

#### Metro lines operated as of 31 December 2019

Line	Route	Length of track in m *	Running time in min.
А	Nemocnice Motol – Depo Hostivař	16 957	31,17
В	Černý Most – Zličín	25 706	41,17
С	Háje – Letňany	22 425	35,83

\* L ength of track means the distance between mid points of terminal stations on the 1st rail; the data comes from the survey of the actual situation and was provided by the Metro Transport Route Unit (JDCM). Time in accordance with timetables (SJŘ) was utilised for the running time - always the longest one for each route.

ine A consists of 17 stations	Line B consists of 24 stations:	Line C consists of 20 stations:
Nemocnice Motol	Černý Most	Háje
Petřiny	Rajská zahrada	Opatov
Nádraží Veleslavín	Hloubětín	Chodov
Bořislavka	Kolbenova	Roztyly
Dejvická	Vysočanská	Kačerov
Hradčanská	Českomoravská	Budějovická
Malostranská	Palmovka	Pankrác
Staroměstská	Invalidovna	Pražského povstání
Můstek (transfer station)	Křižíkova	Vyšehrad
Muzeum (transfer station)	Florenc (transfer station)	I. P. Pavlova
Náměstí Míru	Náměstí Republiky	Muzeum (transfer station)
Jiřího z Poděbrad	Můstek (transfer station)	Hlavní nádraží
Flora	Národní třída	Florenc (transfer station)
Želivského	Karlovo náměstí	Vltavská
Strašnická	Anděl	Nádraží Holešovice
Skalka	Smíchovské nádraží	Kobylisy
Depo Hostivař	Radlická	Ládví
	Jinonice	Střížkov
	Nové Butovice	Prosek
Zone operation:	Hůrka	Letňany
Skalka – Depo Hostivař (on business days only	Lužiny	
cca from 6:00 a.m. to 7.00 p.m.)	Luka	
	Stodůlky	
	Zličín	

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#### Tram lines operated as of 31 December 2019 (basic line connection – the situation without closures)

#### Day-time lines

Line	Route	Average length without loops in m	Average running time in minutes
1	Sídliště Petřiny – Spojovací	14 110	43,5
2	Sídliště Petřiny – Nádraží Braník	14 670	45,0
3	Levského / Sídl. Modřany – Kobylisy / Březiněveská	20 270	59,5
4	Sídliště Barrandov – Čechovo náměstí	11 240	39,0
5	Sídliště Barrandov – Ústřední dílny DP	17 560	56,5
6	Palmovka – Kubánské náměstí	13 230	50,0
7	Radlická – Černokostelecká	11 590	41,0
8	Nádraží Podbaba – Starý Hloubětín	13 790	43,5
9	Sídliště Řepy – Spojovací	17 380	54,0
10	Sídliště Řepy – Sídliště Ďáblice	22 290	71,5
11	Spořilov – Spojovací	12 700	44,0
12	Sídliště Barrandov – Výstaviště Holešovice	15 980	52,5
13	Čechovo náměstí – Černokostelecká	8 331	31,0
14	Spořilov – Vysočanská	15 330	53,5
15	Kotlářka – Olšanské hřbitovy	11 450	40,0
16	Sídliště Řepy – Lehovec	22 740	72,5
17	Levského / Sídl. Modřany – Vozovna Kobylisy	20 030	54,0
18	Nádraží Podbaba – Vozovna Pankrác	11 390	41,0
20	Sídliště Barrandov – Divoká Šárka	16 920	50,5
21	Levského / Sídl. Modřany – Radlická	13 997	36,0
22	Bílá Hora – Nádraží Hostivař	20 950	67,5
23	Zvonařka – Královka	8 275	32,0
24	Březiněveská / Kobylisy – Kubánské náměstí	14 340	50,5
25	Bílá Hora – Lehovec	17 560	52,5
26	Divoká Šárka – Nádraží Hostivař	20 550	63,5

#### Night-time lines

Line	Route	Average length without loops in m	Average running time in minutes
91	Divoká Šárka – Nádraží Strašnice / Radošovická	18 840	60,0
92	Lehovec – Nádraží Modřany / Levského	22 230	56,0
93	Sídliště Ďáblice – Vozovna Pankrác	16 020	46,5
94	Lehovec – Sídliště Barrandov	22 240	63,5
95	Vozovna Kobylisy – Ústřední dílny DP	21 500	59,0
96	Sídliště Petřiny – Spořilov	17 220	50,0
97	Bílá Hora – Nádraží Hostivař	21 310	61,5
98	Sídliště Řepy – Spojovací	18 610	52,0
99	Sídliště Řepy – Nádraží Hostivař	20 600	57,5

#### Funicular and historic tram

Line	Route	Average length without loops in m	Average running time in minutes
LD	Újezd – Petřín	510	4,0
41	Vozovna Střešovice – Výstaviště Holešovice / Planetárium Praha	9 635	35,5

#### Bus lines operated by DPP as of 31 December 2019

#### a/ Bus lines within the basic network

Line	Route	Average length in m	Average running time in minutes
100	Zličín – Letiště	11 050	19
101	Zentiva – Tolstého	12 225	35
102	Šimůnkova – Staré Bohnice	6 900	17
103	Ládví – Březiněves	6 500	15
105	Smíchovské nádraží – Smíchovské nádraží	9 500	20
106	Kačerov – Nádraží Braník	7 575	21
107	Dejvická – Suchdol	5 925	13
108	Sídliště Na Dědině – Dejvická	15 900	47
109	Palmovka – VÚ Běchovice	12 900	30
111	Skalka – Koloděje	12 800	29
112	Nádraží Holešovice – Podhoří	4 975	13
113	Kačerov – Točná	10 975	27
116	Dejvická – Nebušice	9 600	23
118	Sídliště Spořilov – Smíchovské nádraží	10 900	28
119	Nádraží Veleslavín – Letiště	8 750	19
120	Na Knížecí – Nádraží Radotín	16 200	40
121	Poliklinika Budějovická – Nádraží Braník	8 700	26
123	Na Knížecí – Šmukýřka	5 750	17
124	Želivského – Zelený pruh	8 700	30
125	Smíchovské nádraží – Skalka	24 050	48
128	Hlubočepy – Hlubočepy	2 250	8
129	Smíchovské nádraží – Baně	13 050	21
130	Zličín – Chaplinovo náměstí	13 325	32
131	Bořislavka – Hradčanská	5 650	18
133	Florenc – Sídliště Malešice	6 425	20
134	Podolská vodárna – Dvorce	8 850	31
135	Florenc – Chodov	12 825	40
136	Sídliště Čakovice – Jižní Město	26 000	75
137	Na Knížecí – Malá Ohrada	12 600	37
138	Sídliště Skalka – Ústavy Akademie věd	12 900	38
139	Želivského – Komořany	15 250	45
140	Palmovka – Miškovice	11 325	30
141	Bazén Hloubětín – Ve Žlíbku	10 950	28

			•
142	Nové Butovice – Velká Ohrada	3 675	10
143	Dejvická – Stadion Strahov	4 000	12
144	Kobylisy – Poliklinika Mazurská	3 475	7
145	Kobylisy – Sídliště Čimice	4 300	11
147	Dejvická – Výhledy	6 575	15
148	I. P. Pavlova – I. P. Pavlova	4 200	16
149	Dejvická – Bavorská	17 075	46
150	Želivského – Na Beránku	14 275	41
151	Českomoravská – Novoborská	8 575	24
152	Sídliště Čimice – Českomoravská	10 925	29
154	Strašnická – Koleje Jižní Město	21 100	57
156	Nádraží Holešovice – Nádraží Holešovice	10 300	35
157	Kačerov – Násirovo náměstí	6 850	18
158	Letňany – Třeboradice	8 025	20
160	Dejvická – Výhledy	11 425	31
161	Bořislavka – Přední Kopanina	6 575	14
162	Kobylisy – Dolní Chabry	4 450	11
165	Sídliště Zbraslav – Háje	21 200	52
167	Na Knížecí – Nemocnice Na Homolce	7 675	21
168	Nové Butovice – Bílá Hora	17 175	45
169	Kobylisy – Sídliště Čimice	4 400	11
170	Jižní Město – Pražská čtvrť	19 825	56
172	Smíchovské nádraží – Na Hvězdárně	8 325	17
174	Vypich – Třebonice	12 100	30
175	Florenc – Háje	18 250	55
176	Karlovo náměstí – Stadion Strahov	4 575	15
177	Poliklinika Mazurská – Chodov	27 850	75
180	Obchodní centrum Zličín – Dejvická	14 700	41
181	Černý Most – Opatov	14 300	38
182	Vinoř – Opatov	27 875	67
183	Vozovna Kobylisy – Háje	23 025	57
184	Velká Ohrada – Vypich	8 050	20
185	Letňany – Vinořský hřbitov	8 325	18
188	Želivského – Kavčí hory	13 650	40
189	Kačerov – Sídliště Lhotka	4 375	13

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#### b/ Night-time lines

Line	Route	Average length in m	Average running time in minutes
901	Anděl – Skalka	30 250	63
902	Lysolaje – Třebonice	21 650	43
	903 – cancelled		
904	Sídliště Stodůlky – Sídliště Písnice	27 725	60
905	Sídliště Čimice – Jižní Město	29 375	64
906	Skalka – Nedvězí	31 550	64
907	Letiště – Lipence	40 425	78
908	Jinonice – Klánovice	36 575	78
909	Suchdol – Sídliště Rohožník	33 325	71
910	Letiště – Na Beránku	34 875	77
911	Sídliště Čakovice – Nádraží Hostivař	38 000	76
912	Lehovec – Ve Žlíbku	8 075	17
913	Dolní Chabry – Točná	36 575	79
914	Třebenická – Březiněves	5 675	11
915	Miškovice – Cukrovar Čakovice	2 600	6

#### c/ School lines

Line	Route	Average length in m	Average running time in minutes
251	Sídliště Čimice – Šimůnkova	4 250	10
252	Ústřední – Morseova	6 450	17
255	Nebušice – Dejvická	10 950	27
256	Knovízská – Mokrá	2 350	7
259	Hostavice – Bazén Hloubětín	7 325	18
260	Bílá Hora – Na Okraji	4 250	13
261	Sídliště Zbraslav – Velká Chuchle	13 700	30
262	Sídliště Rohožník – Ratibořická	12 875	29
263	Na Pískách – Průhonský háj	3 300	8
265	Stadion Strahov – Weberova	4 700	11
266	Nové Butovice – Zadní Kopanina	8 700	21
267	Habrová – Olšanské náměstí	2 800	9
269	Otěšínská – Škola Radotín	3 450	12
270	Pitkovice – Na Vartě	5 650	14
271	Správa sociálního zabezpečení – Radlická	4 050	12
272	Dolnokřeslická – Nádraží Uhříněves	6 450	17
275	Náměstí Jiřího Berana – Sídliště Čakovice	2 200	6

#### d/ Suburban lines

Line	Route	Average length in m	Average running time in minutes
301	Luka – Chýnice	8 400	21
312	Bořislavka – Lichoceves	16 175	34
329	Sídliště Skalka – Škvorec, náměstí	28 625	61
340	Dejvická – Roztoky, Levý Hradec	10 375	22
347	Zličín – Motol	24 050	55
351	Letňany – Neratovice, žel. st.	20 550	45
352	Luka – Jinočany, náměstí	7 225	20
355	Dejvická – Únětice	11 200	27
359	Suchdol – Roztoky, Bělina	11 625	27
363	Opatov – Velké Popovice, Todice	23 900	53
364	Depo Hostivař – Doubek	23 025	45
366	Depo Hostivař – Březí, Podskalí	20 125	41
955	Terminál 1 – Tuchoměřice, Obecní úřad	4 875	9

#### e/ ZLD lines (these lines are intended for persons with disabilities and for their quardians)

Line	Route	Average length in m	Average running time in minutes
H1	Chodov – Florenc – Náměstí Republiky – Chodov	39 950	95

#### f/ A irport Express line (newly at basic lines of PID)

Line	Route	Average length in m	Average running time in minutes
AE	Hlavní nádraží – Letiště	17 975	40

#### Trolleybus lines

Line	Route	Average length in m	Average running time in minutes
58	Palmovka – Letňany	4 475	12

## IMPORTANT CHANGES IN LINE CONNECTIONS WITHIN PID IN THE COURSE OF 2019

#### 31 March / 1 April 2019

- line no. 907 extended to the route: Terminál 1 / Letiště Lipence
- line no. 912 shortened to the route: Lehovec Ve Žlíbku
- new line no. 955 established on the route: Terminál 1 / Letiště Tuchoměřice, obecní úřad

#### 19 April 2019

- line no. 23, in the Malovanka Brusnice direction, run via new stop Myslbekova
- line no. 41 extended, in the direction of Vozovna Střešovice, from the Planetárium Praha stop

#### 29 June 2019

- introduction of inserted connections on line no. 246 on the route: 7ličín Obchodní centrum Sárská
- line no. 903 cancelled (Chaplinovo náměstí Sídliště Radotín)
- line no. H1 shortened to the route: Chodov Florenc Náměstí Republiky Chodov

#### 1 September 2019

- extension of operation of line no. 130 for weekends
- line no. 271 extended to the route: Správa sociálního zabezpečení Radlická

#### 21 November 2019

• line no. 156 extended to the route: Nádraží Holešovice – Obchodní centrum Stromovka

#### 26 November 2019

• line no. 58 extended to the route: Palmovka - Letňany - Výstaviště Letňany (in the Letňany -Výstaviště Letňany section only during selected events at the Letňany exhibition grounds)

#### 1 December 2019

- line no. 182 extended to the route: Opatov Vinoř
- line no. 185 shortened to the route: Letňany Vinořský hřbitov
- line no. 192 cancelled (Nemocnice pod Petřínem Malostranské náměstí), its route taken over by line no. 194, which is not operated by DPP.

Note: The overview of changes includes only fundamental changes of a permanent nature; it does not include numerous temporary changes related to investment activities, although their duration would be longer. Due to the increasing number of introductions of request stops in both bus and tram transport, these changes in the nature of stops are no longer mentioned in tram transport either. The stated data relate only to the lines operated by DPP.

## DIVISION OF THE TRANSPORT SFRVICE AREA INTO 70NES

Urban public transport (MHD) is the mass transport of passengers in Prague. It is an integral part of the Prague Integrated Transport system.

Prague is, for the purpose of tariffs and fares, divided into four tariff zones: "P" zone, which has a double tariff value (i.e. it is counted as two tariff zones), and line zone "0", which includes cross-border "B" zone.

"P" tariff zone has a double tariff value (i.e. it is counted as two tariff zones). This zone includes all metro lines, tram lines, city bus lines and urban lines, non-rail electric traction lines (trolleybuses, electric buses), funicular to Petřín, ferries within Prague and on railway tracks the trains operated in the sections between stations and stops within Prague, except for stops included in "0" and "B" zones. Tariff zones "0" and "B" are counted separately for individual fares (i.e. as two tariff zones) and as one zone for per-paid time-limited fares.

"O" tariff zone, which includes "B" zone, includes suburban lines in Prague and selected track sections of railway. The list of stations and stops included in zones "0" or "B" for trains and buses connected to the PID system is stated in the PID Tariff valid from 1 August 2018 – including all amendments.

Prague Integrated Transport (PID) is the system that ensures transport service in Prague and the suburban areas jointly by individual carriers in various types of transport. The surroundings of Prague is divided into nine external zones (zones "1, 2, 3, 4, 5, 6, 7, 8, 9"). Timetables show the tariff zones each station and stop is located in.

- \* Included are two articulated buses, one Midi, one electric bus and one trolleybus, all of which are leased, that are not included in the state of inventory.
- \*\* Out of service due to modernisation, reconstruction or liquidation; new and modernised vehicles have not yet been put in service.

Inventory accounting state includes, unlike record-keeping state, vehicles being reconstructed, modernised, designated for liquidation, undergoing major repairs, for sale etc.

Operating record-keeping state includes vehicles approved for operation in PID with passengers, including vehicles under repair.

Note: The overview does not included historic vehicles and tour buses, which do not operate in PID.

## DATA ON THE PID COMPANY FLEET AS OF 31 DECEMBER 2019

			inventory accounting state	Actual operating (record-keeping state)	Put out of operation **	Average service life from the actual operating state
M		81-71M	465	465	0	13,15
М		M1	265	265	0	16,45
In t	otal N	<b>1</b> etro	730	730	0	14,35
		T3 R.P	347	347	0	14,65
T In to		T3 R.PLF low-floor	35	35	0	9,80
	Solo	T3 M	23	22	1	25,91
		T3 SU	20	19	1	33,68
_		T6A5	70	29	41	23,28
'	ted	KT8N2 low-floor	48	48	0	9,75
	cula	14 T low-floor	57	55	2	11,38
	Arti	15 T low-floor	250	250	0	4,60
	In t	otal solo	495	452	43	16,18
	In t	otal articulated	355	353	2	6,35
In t	otal T	rams .	850	805	45	11,87
		Midi Ikarus E91 low-floor	4	0	353     2     6,35       805     45     11,87       0     4       41     0     5,77       21     0     8,68       78     25     14,64	
	Midi	Solaris U BN 8,9LE low-floor	40	41	0	5,77
		SOR BN 8,5 low-floor	21	21	0	8,68
	_	B 951	103	78	25	14,64
	darc	Citybus + Citelis low-floor	96	57	39	15,09
	Stan	Crossway low-floor	9	9	0	8,01
In total	0,	SOR NB12,BN12,NS12, EBN11 low-floor	448	449	0	4,24
	ъ	B 941	11	0	11	
	ulate	B 961	25	16	9	16,66
	rtic	SOR NB18 low-floor	452	454	0	5,68
	⋖	City articulated low-floor	19	18	1	15,43
	In t	otal Midi	65	62	4	6,76
	In t	otal standard	656	593	64	6,86
	In t	otal articulated	507	488	21	6,40
In t		Buses	1 228	1 143	89	6,66
т	TBS	Ekova Electron 12T low-floor		1		2,00
'	In t	otal standard	0	1	0	2,00
In t	otal T	rolleybuses	0	1	0	2,00

## PERSONNEL INDICATORS

#### NUMBER OF EMPLOYEES (record-keeping state as of 31 December 2019)

	Category	
Public transport drivers		4 306
Of which: M engine-drivers		673
	T drivers	1 447
	B drivers	
Manual workers		3 128
POP		428
Technical-economic empl	oyees (TH)	3 177
Of which:	TH employees as per point 2.5.1 a) KS	1 020
	TH employees as per point 2.5.1 b) KS	2 157
In total		11 039

#### Number of employees by profession in 2019 (average converted state)

	Category	
Public transport drivers	Public transport drivers	
Of which: M engine-drivers		676
	T drivers	
	B drivers	
Manual workers		3 109
POP		423
Technical-economic emp	oloyees (TH)	3 137
Of which:	TH employees as per point 2.5.1 a) KS	1 012
	TH employees as per point 2.5.1 b) KS	2 125
In total	In total	

The average converted record-keeping number of employees is the conversion of average record-keeping number of employees in natural persons according to duration of their workload for working hours (full) determined by the employer.

#### Wage costs, including OON in CZK thousand and average wage in CZK in 2019

Category	Wage costs incl. 00N in CZK thousand	Average wage in CZK
Public transport drivers	2 374 006	43 539
Manual workers	1 357 745	35 764
POP	173 613	32 512
Technical-economic employees (TH)	1 860 559	48 327
In total	5 765 923	42 277

#### Structure by education according to the record-keeping state as of 31 December 2019

Education	In total	%
University	700	6,35
Secondary with a school-leaving exam	4 709	42,64
Secondary without a school-leaving exam	4 695	42,54
Elementary	935	8,47
In total	11 039	100,00

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## ECONOMIC INDICATORS

#### Share of individual types of costs in total PID costs (in CZK thousand)

Direct costs (incl. costs of transport routes)	14 296 973	81,18
Operating overhead costs	689 250	3,91
Costs of services	736 611	4,18
Costs of coordination and management	1 120 671	6,36
Other costs (museum, central dispatching management, dispatching system, etc.)	768 827	4,37
Total PID costs	17 612 332	100,00

#### Structure of direct PID costs without transport routes (in CZK thousand)

Repairs of PID vehicles	3 079 796	30,09
Consumption of fuels, materials and traction energy	1 335 351	13,05
Personnel expenses for PID drivers	3 901 444	38,11
Depreciation of PID vehicles	1 696 486	16,57
Other direct costs for PID operation	223 075	2,18
Total PID direct costs (for transport operation)	10 236 152	100,00

#### Share of PID operating costs and costs on transport routes in total PID costs (in CZK thousand)

		%
PID operating costs	13 551 511	76,94
Costs of transport routes	4 060 821	23,06
Total PID costs	17 612 332	100,00

## REVENUES FROM TRANSIT

#### Revenues from fare within the PID system in 2019 (in CZK thousand)

Prague (P+0 zone):			
- revenues from time-limited ticke	ets incl. fixed payments, employees tickets and duplicates	2 226 943	54,57
- revenues from individual fare, incl. USV machines		1 854 274	45,43
Territory of the Capital City of Prag	ue (P+0 zone) in total	4 081 217	100,00
External zones:			
- revenues from combined time-limited coupons		279 146	74,4
- revenues from individual fare inc	l. USV machines	95 631	25,5
External zones in total		374 777	100,0
Revenues from fare within PID syst	em for 2019 in total	4 455 994	
	- revenues of DPP – HMP contract	3 699 524	
of which:	- revenues of DPP – suburban lines	55 446	
	- revenues of contractual carriers	701 024	
Revenues from fare within the PID	system in 2019 in total	4 455 994	
Revenues from surcharges to fare	*	238 140	
Revenues from fare within the PID	system incl. surcharges to fare in 2018 in total	4 694 134	

<sup>\*</sup> Prescriptions of surcharges to fare for 2019.

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## SPECIAL PURPOSE GRANT

#### A special-purpose investment grant from the budget of HMP (in CZK thousand)

	Drawn from the budget of HMP	Drawn from the national budget	Drawn from the EU Structural funds
Regular grant from the budget of HMP			
Preparation of 1st operating section of metro D line	360 532		
Barrier-free access in the Karlovo náměstí metro station	68 898		
Barrier-free access in the Jiřího z Poděbrad metro station	13 688		
Barrier-free access in the Opatov metro station	11 422		
Barrier-free access in the Českomoravská metro station	7 260		
TT Muzeum	433		
TT Sídliště Barrandov – Holyně – Slivenec	11 059		
T. loop Depo Hostivař	892		
RTT Nádražní – Na Zlíchově	17 956		
RTT Bubenské nábřeží – Komunardů (Vltavská – Dělnická)	29 479		
RTT Starostrašnická (vozovna Strašnice – Průběžná)	15 000		
Parking yard in the area of Trams Repair	110 000		
Construction of new depot in Hloubětín	20 000		
Barrier-free measures	723		
Oper. section of the metro V.A Dejvická – Motol – GRANT FROM PREV. YEARS	7 040		
Regular grant from the budget of HMP in total	674 382	0	0
Operational Programme Prague – Growth Pole *			
Modernisation of lightning in the Dejvická station	5 295		7 564
Modernisation of escalators in the Karlovo náměstí station: 256, 257, 258	34 416		49 166
Reconstruction of escalators 227 to 229 Náměstí Republiky/Kotva, reconstruction of the vestibule and subway	3 003		4 289
Modernisation of heating and ventilation in the Háje station	15 536		22 194
Modernisation of main ventilation in ventilation shafts of lines A, B, C, phase I.	11 463		16 375
Modernisation of main ventilation in ventilation shafts of lines A, B, C, phase II.	10 050		14 357
Reconstruction of escalators 271 273 Anděl – RETURN	-441		-629
Operational Programme Prague – Growth Pole in total	79 322	0	113 316
10 five-seat electric cars **		2 500	
Special purpose investment grant in total	753 704	2 500	113 316

<sup>\*</sup> The grant from the Operational Programme – Prague – Growth Pole of the CR was received in 2018 under the retrofinancing regime, i.e. after the finalisation of the construction or comprehensive sets (related also to invoices from the previous years)

## OVERVIEW OF TYPES OF TRANSIT DOCUMENTS AS OF 31 DECEMBER 2019

Time-limited coupons to the prepaid tickets valid in Prague with a selectable start of validity

Type of transit document		Price of ticket in CZK
Citizen time-limited coupons - discounted:		
	- 30-day	550
	- 90-day	1 480
	- 150-day	2 450
	- 365-day	3 650
Time-limited coupons discounted:		
For juniors from 15 to 18 years of age	- 30-day	130
	- 90-day	360
	- 365-day	1 280
For pupils and students from 18 to 26 years of age	- 30-day	130
	- 90-day	360
	- 365-day	1 280
For seniors from 60 to 65 years of age, citizens in financial distress *	- 30-day	130
	- 90-day	360
	- 365-day	1 280

OVERVIEW OF TYPES OF TRANSIT DOCUMENTS 125 124 SPECIAL PURPOSE GRANT

<sup>\*\*</sup> The grant from the state budget (State Environmental Fund)

#### Time-limited coupons to the personal card valid in Prague with a selectable start of validity

Type of transit document		Price of ticket in CZK
Citizens time-limited coupons - discounted:		
	- monthly	550
	- quarterly	1 480
	- 5-month	2 450
	- annual (from 1. 7. 2015)	3 650
Time-limited coupons - discounted:		
For juniors from 15 to 18 years of age	- monthly	130
	- quarterly	360
	- annual	1 280
For pupils and students from 18 to 26 years of age	- monthly	130
	- quarterly	360
	- annual	1 280
For seniors from 60 to 65 years, for citizens in financial distress *	- monthly	130
	- quarterly	360
	- annual	1 280

<sup>\*</sup> F or seniors from 65 to 70 years of age who hold a Document proving the right for special fare prices (the price of electronic document is CZK 120 and the price of paper document is CZK 20), the fare price for journeys through Prague (tariff zones P, 0 and B) is CZK 0.

#### Time-limited coupons to the non-personalised card valid in Prague with a selectable start of validity

Type of transit document	Price of ticket in CZK
Time-limited transferable coupons with a selectable start of validity:	
- monthly	670
- quarterly	1 880
- annual	6 100

#### Time-limited transferable coupons valid in Prague with a selectable start of validity

Type of transit document	Price of ticket in CZK
Time-limited transferable coupons with a selectable start of val	idity:
- 30-day	670
- 90-day	1 880
- 365-day	6 100

#### **Employees fare**

Type of transit document	Price of ticket in CZK
- Annual for employees	50
- Annual for employees' family relatives	200
- Annual for pensioners	50
- Annual for pensioners' family members	200
- Coupon "PHA train"	2 130

#### Tickets for a single journey in Prague (P+0+B)

Type of transit document	Price of ticket in CZK
ransfer full-price ticket:	
- 30-minute	24
- 90-minute	32
- In case of purchase from a bus driver - 90-minute	40
ransfer discounted tickets:	
- 30-minute	12
- 90-minute	16
- In case of purchase from a bus driver - 90-minute	20
re-paid time-limited short-term tickets for public transport (P+0+B):	
- 24-hour full-price	110
- 24-hour for children from 6 to 15 years of age and holders of PID card for seniors	55
- 3-day full-price	310
re-paid time-limited short-term tickets for all zones: *	
- 24-hour Prague + zones 1, 2, 3, 4	160
- 24-hour System-wide	240

<sup>\* 70%</sup> share for public transport.

#### Special AE (Airport Express) tickets

Type of transit document	Price of ticket in CZK
Full-price non-transfer	
- Hlavní nádraží (Main Station) – Airport	60
Discounted non-transfer for children from 6 to 15 years of age	
- Hlavní nádraží (Main Station) – Airport	30

#### Supplemental Bus+Train time-limited coupons to the pre-paid transit ticket valid within PID external zones with a personal card with a selectable start of validity

Type of transit document	Price of ticket in CZK
Coupons for one external zone:	
- monthly citizen - discounted	300
- quarterly citizen - discounted	760
- annual	3 010
- monthly discounted for children, juniors, students and seniors	75
- quarterly discounted for children, juniors, students and seniors	190
- annual discounted for children, juniors, students and seniors	752
Coupons for two zones:	
- monthly citizen - discounted	460
- quarterly citizen - discounted	1 200
- annual	4 752
- monthly discounted for children, juniors, students and seniors	115
- quarterly discounted for children, juniors, students and seniors	300
- annual discounted for children, juniors, students and seniors	1 188
Coupons for three zones:	
- monthly citizen - discounted	700
- quarterly citizen - discounted	1 800
- annual	7 128
- monthly discounted for children, juniors, students and seniors	175
- quarterly discounted for children, juniors, students and seniors	450
- annual discounted for children, juniors, students and seniors	1 782
Coupons for four zones:	
- monthly citizen - discounted	920
- quarterly citizen - discounted	2 400
- annual	9 504
- monthly discounted for children, juniors, students and seniors	230
- quarterly discounted for children, juniors, students and seniors	600
- annual discounted for children, juniors, students and seniors	2 376
Coupons for five zones:	
- monthly citizen - discounted	1 130
- quarterly citizen - discounted	3 000
- annual	11 880
- monthly discounted for children, juniors, students and seniors	282
- quarterly discounted for children, juniors, students and seniors	750
- annual discounted for children, juniors, students and seniors	2 970

Coupons for six zones:	
- monthly citizen - discounted	1 350
- quarterly citizen - discounted	3 600
- annual	14 256
- monthly discounted for children, juniors, students and seniors	337
- quarterly discounted for children, juniors, students and seniors	900
- annual discounted for children, juniors, students and seniors	3 564
Coupons for seven zones:	
- monthly citizen - discounted	1 560
- quarterly citizen - discounted	4 200
- annual	16 632
- monthly discounted for children, juniors, students and seniors	390
- quarterly discounted for children, juniors, students and seniors	1 050
- annual discounted for children, juniors, students and seniors	4158
Coupons for eight zones:	
- monthly citizen - discounted	1 780
- quarterly citizen - discounted	4 800
- annual	19 008
- monthly discounted for children, juniors, students and seniors	445
- quarterly discounted for children, juniors, students and seniors	1 200
- annual discounted for children, juniors, students and seniors	4 752
Coupons for nine zones:	
- monthly citizen - discounted	2 000
- quarterly citizen - discounted	5 400
- annual	21 384
- monthly discounted for children, juniors, students and seniors	500
- quarterly discounted for children, juniors, students and seniors	1 350
- annual discounted for children, juniors, students and seniors	5 346
Coupons for ten zones:	
- monthly citizen - discounted	2 220
- quarterly citizen - discounted	6 000
- annual	23 760
- monthly discounted for children, juniors, students and seniors	555
- quarterly discounted for children, juniors, students and seniors	1 500
- annual discounted for children, juniors, students and seniors	5 940

#### Supplemental Bus+Train time-limited coupons to the pre-paid time-limited transit ticket within PID external zones with a selectable start of validity

Type of transit document	Price of ticket in CZK
Coupons for one external zone:	
- 30-day citizen - discounted	300
- 90-day citizen - discounted	760
- 365-day	3 010
- 30-day discounted for children, juniors, students and seniors	75
- 90-day discounted for children, juniors, students and seniors	190
- 365-day discounted for children, juniors, students and seniors	752
Coupons for two zones:	
- 30-day citizen - discounted	460
- 90-day citizen - discounted	1 200
- 365-day	4 752
- 30-day discounted for children, juniors, students and seniors	115
- 90-day discounted for children, juniors, students and seniors	300
- 365-day discounted for children, juniors, students and seniors	1 188
Coupons for three zones:	
- 30-day citizen - discounted	700
- 90-day citizen - discounted	1 800
- 365-day	7 128
- 30-day discounted for children, juniors, students and seniors	175
- 90-day discounted for children, juniors, students and seniors	450
- 365-day discounted for children, juniors, students and seniors	1782
Coupons for four zones:	
- 30-day citizen - discounted	920
- 90-day citizen - discounted	2 400
- 365-day	9 504
- 30-day discounted for children, juniors, students and seniors	230
- 90-day discounted for children, juniors, students and seniors	600
- 365-day discounted for children, juniors, students and seniors	2 376
Coupons for five zones:	
- 30-day citizen - discounted	1 130
- 90-day citizen - discounted	3 000
- 365-day	11 880
- 30-day discounted for children, juniors, students and seniors	282
- 90-day discounted for children, juniors, students and seniors	750
- 365-day discounted for children, juniors, students and seniors	2 970

Coupons for six zones:	
- 30-day citizen - discounted	1 350
- 90-day citizen - discounted	3 600
- 365-day	14 256
- 30-day discounted for children, juniors, students and seniors	337
- 90-day discounted for children, juniors, students and seniors	900
- 365-day discounted for children, juniors, students and seniors	3 564
Coupons for seven zones:	
- 30-day citizen - discounted	1 560
- 90-day citizen - discounted	4 200
- 365-day	16 632
- 30-day discounted for children, juniors, students and seniors	390
- 90-day discounted for children, juniors, students and seniors	1 050
- 365-day discounted for children, juniors, students and seniors	4 158
oupons for eight zones:	
- 30-day citizen - discounted	1 780
- 90-day citizen - discounted	4 800
- 365-day	19 008
- 30-day discounted for children, juniors, students and seniors	445
- 90-day discounted for children, juniors, students and seniors	1 200
- 365-day discounted for children, juniors, students and seniors	4 752
oupons for nine zones:	
- 30-day citizen - discounted	2 000
- 90-day citizen - discounted	5 400
- 365-day	21 384
- 30-day discounted for children, juniors, students and seniors	500
- 90-day discounted for children, juniors, students and seniors	1 350
- 365-day discounted for children, juniors, students and seniors	5 346
Coupons for ten zones:	
- 30-day citizen - discounted	2 220
- 90-day citizen - discounted	6 000
- 365-day	23 760
- 30-day discounted for children, juniors, students and seniors	555
- 90-day discounted for children, juniors, students and seniors	1 500
- 365-day discounted for children, juniors, students and seniors	5 940

#### Transit tickets for a single journey within external zones

Type of transit document	Price of ticket in CZK
Basic transfer full-price transit tickets:	
- for two connected zones 15 min.	12
- for two connected zones 30 min.	18
- for three connected zones 60 min.	24
- for four connected zones 90 min.	32
- for five connected zones 120 min.	40
- for six connected zones 150 min.	46
- for seven connected zones 180 min.	54
- for eight connected zones 210 min.	62
- for nine connected zones 240 min.	68
- for ten connected zones 270 min.	76
- for eleven connected zones 300 min.	84
- for 12 connected zones 330 min.	92
- for 13 connected zones 360 min.	100
asic transfer tickets discounted for children, juniors, students, seniors:	
- for two connected zones 15 min.	3
- for two connected zones 30 min.	4
- for three connected zones 60 min.	6
- for four connected zones 90 min.	8
- for five connected zones 120 min.	10
- for six connected zones 150 min.	11
- for seven connected zones 180 min.	13
- for eight connected zones 210 min.	15
- for nine connected zones 240 min.	17
- for ten connected zones 270 min.	19
- for eleven connected zones 300 min.	21
re-paid time-limited short-term transit tickets for all zones:	
- 24-hour Prague + zones 1, 2, 3, 4	160
- 24-hour Regional	150
- 24-hour System-wide	240
- 24-hour Regional discounted – children, juniors, students, seniors	37

#### Prague card (until 31 March 2019)

Type of transit document	Price of ticket in CZK
- 2-day full-price	1 280
- 2-day for children and students *	940
- 3-day full-price	1 540
- 3-day for children and students *	1 120
- 4-day full-price (transit ticket price corresponds to price according to the tariff)	1 780
- 4-day for children and students *	1 300

<sup>\*</sup> The children/student card is valid for children from 6 to 16 years of age and for full-time students of up to 26 years of age.

The Prague card price includes the fare in Prague (P+0+B), on Airport Express line, ferries, entrance to 50 historic buildings, etc.



## DEVELOPMENT OF TARIFF RATES IN THE PID NETWORK OVER A 5-YEAR PERIOD

#### Pre-paid time-limited citizen tickets discounted

In CZK

Type of transit document	2015	2016	2017	2018	2019
Time-limited citizen coupons - discounted:					
- 30-day/monthly	550	550	550	550	550
- 90-day/quarterly	1 480	1 480	1 480	1 480	1 480
- 150-day/5-month	2 450	2 450	2 450	2 450	2 450
- 365-day/annual (from 30 June 2015 = CZK 4 750) * (from 1 July 2015 = CZK 3 650)	* 3 650	3 650	3 650	3 650	3 650

#### Pre-paid time-limited tickets discounted

In CZK

Type of transit document	2015	2016	2017	2018	2019
For juniors from 15 to 19 years				18-26 years	18-26 years
- 30-day/monthly	260	260	260	130	130
- 90-day/quarterly	720	720	720	360	360
- 150-day/5-month	1 200	1 200	1 200	-	-
- 300-day/10-month	2 400	2 400	2 400	-	-
- 365-day/annual	-	-	-	1 280	1 280
or pupils and students from 19 to 26 years				18-26 years	18-26 years
- 30-day/monthly	260	260	260	130	130
- 90-day/quarterly	720	720	720	360	360
- 150-day/5-month	1 200	1 200	1 200	-	-
- 300-day/10-month	2 400	2 400	2 400	-	-
- 365-day/annual	-	-	-	1 280	1 280
or seniors from 60 to 70 years and citizens in fir	nancial distress	*		18-26 years	18-26 years
- 30-day/monthly	250	250	250	130	130
- 90-day/quarterly	660	660	660	360	360
- 150-day/5-month	1 100	1 100	1 100	-	-
- 365-day/annual	-	-	-	1 280	1 280



#### Pre-paid time-limited tickets - transferable with a selectable start of validity

In CZK

Type of transit document	2015	2016	2017	2018	2019
Transferable time-limited coupons					
- 30-day/monthly	670	670	670	670	670
- 90-day/quarterly	1 880	1 880	1 880	1 880	1 880
- 365-day/annual	6 100	6 100	6 100	6 100	6 100

For children from 6 to 15 years of age who hold the "Document proving the right of special fare prices" (the price of electronic document is CZK 120, the price of paper document is CZK 20), the fare price for journeys through Prague (tariff zones P, O and B) is CZK 0. Children from 6 to 10 years of age may present only a personal card verified by its issuer (legal entity) with name, surname, date of birth and photo.

A quardian of children under 3 years of age, if the child holds a special card - Children under 3 years of age or identity card, or passport, is transported for a special price of CZK 0. This does not apply to railways and AE.

Transport of dogs for free – passengers with a valid transit ticket for PID in Prague (P, 0 and B zones) or passengers having a right to transport for free in Prague do not pay a charge for dog. In external zones this applies only with a time-limited coupon.

The "Fine for Half" (Pokuta za půlku) measure has been in place since 23 October 2017 and applies until further notice. Passengers who have not presented a valid ticket during a transport inspection can reduce their penalty from CZK 800 to CZK 400 if they, at the same time, purchase the annual citizen coupon at CZK 3,650 for the PID card or "Lítačka" card with their personal data in the database.

Seniors from 70 years are transported free of charge in the entire PID system (metro, trams, buses, funicular, ferries) save trains. Their identity card, passport or residence permit can be used as proof of entitlement to free transport.

<sup>\*</sup> For seniors from 65 to 70 years of age who hold the "Document proving the entitlement to special fare prices" (the price of electronic document is CZK 120, the price of paper document is CZK 20), the fare price for journeys through Prague (tariff zones P, 0 a B) is CZK 0.

## VOLUME OF TOTAL INVESTMENT COSTS AND RESOURCES

Volume of total investment costs in 2019 (in CZK thousand)

Investment metro construction	
Projects under construction	
Metro A line	7 040
Modernisation of the ventilation and heating of the Háje metro station	22 370
Modernisation of the lighting of the Dejvická metro station	3 378
Modernisation of the main ventilation in the ventilation shafts of lines A, B, C	70 029
Reconstruction of the Opatov metro station	11 422
Replacement of escalators 613-1-119 to 121, revitalisation of the station and construction of barrier-free access at the Jiřího z Poděbrad metro station	13 688
Reconstruction of the vestibule, subway and escalators at Karlovo nám./Resslova	113 302
Barrier-free access to metro stations	69 328
Modernisation of anti-chemical warning system	528
Projects under preparation	
1st operating section of metro D line	376 115
Investment metro construction in total	687 200
Other investment projects	
Tram tracks construction	22 788
Tram tracks reconstruction	261 995
Cable routes reconstruction	22 052
Construction and reconstruction of substations	38 759
Depots and central workshops	217 722
Garages and parking areas	109 108
Metro security system	287 803
Other investment projects in total	960 227



	<u> </u>
Renovation of the company's fleet	
Trams	
Purchase of new trams	212 897
Purchase of new trams – instalment of the bill of exchange programme	800 000
Refurbishment of trams KT8D5 to KT8N2	15 588
Buses	
Purchase of buses – articulated low-floor	352 210
Purchase of buses – standard low-floor	720 985
Purchase of 20 Midibuses (category MdN)	163
Purchase of up to 40 Midibus+ category buses, low-floor	197
Purchase of 20 high-capacity buse	212
Other fleet	61 575
Fleet renovation in total	2 163 827
Other investments in technical facilities	527 573
Total volume of investment costs	4 338 827

#### Volume of total investment resources (in CZK thousand)

Total investment resources	
Own investment resources in total	
Depreciation (incl. transfer of unspent depreciation of 2018)	2 441 154
Compensation (appropriate profit)	1 220 791
Other resources	
Grants from the budget of HMP	674 382
Of which grants from previous years for the project of Operating section of metro V.A Dejvická - Motol	7 040
Grants from the state budget (State Environmental Fund)	2 500
Total volume of investment resources	4 338 827

## NOTES TO THE FINANCIAL STATEMENTS



### NOTES TO THE FINANCIAL STATEMENTS FOR 2019

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## 1. GENERAL DATA

#### Foundation and characteristics of the company

The accounting unit Dopravní podnik hl. m. Prahy, akciová společnost (the Praque Public Transit Company, Inc.; the "company" or "DPP") was founded as a joint stock company through the foundation plan of the Assembly of the Capital City of Prague of 19 March 1991 as the successor to the state-owned enterprise "Dopravní podnik hl. m. Prahy – integrated enterprise", and was incorporated through registration in the Commercial Register administered by the Municipal Court in Prague on 11 July 1991, Rg.: B 847 (at that time in the Companies Register of the District Court for Prague I, Section Sa, File no. 847).

Registered office of the company: Prague 9, Sokolovská 217/42, Post Code 190 00.

The sole shareholder of the company is the CITY OF PRAGUE with its registered office at, Mariánské náměstí 2, 110 00 Prague 1, ID No. 00064581.

The company has the share capital amounting to CZK 31 239 495 000 created as a non-monetary deposit of the sole shareholder.

The share capital of the company is divided into altogether 3 002 registered shares, of which:

3 000 shares with a nominal value of C7K 10.000.000, i.e.

CZK 30 000 000 000

• 1 share with a nominal value of

CZK 726 125 000

• 1 share with a nominal value of

CZK 513 370 000

#### Total nominal value of shares as of 31 December 2019

CZK 31 239 495 000

The shares of the company are registered in the name: "Obec - hlavní město Praha" ("Municipality - City of Praque").

The Financial Statements of the company have been prepared as of 31 December 2019.

The accounting period is the calendar year: from 1 January 2019 to 31 December 2019.

#### The company's scope of business includes the following:

- Operation of a tramway network, special railroad (metro system) and cableway (Petřín and ZOO) and operation of railroad transport in the Capital City of Prague
- · Repairs of road vehicles

- Operation of a driving school
- Psychological advisory services and diagnostics
- Restaurant services
- Provision of healthcare services
- Operation of a technical inspection station
- Operation of an emission measurement station
- Execution of constructions, their changes and removal
- Provision of services in the field of occupational health and safety
- Technical and organisational activities in the field of fire protection
- Road motor transport freight transport, operated with vehicles or vehicle sets with the largest permitted weight exceeding 3.5 tonnes, if they are intended for transport of animals or things, - passenger transport, operated with vehicles intended for transport of more than 9 persons, including the driver, - freight transport, operated with vehicles or vehicle sets with the largest permitted weight not exceeding 3.5 tonnes, if they are intended for transport of animals or things
- Production, trading and services not stated in Annexes 1 to 3 to the Trade Licensing Act
- Repairs of other means of transport and work machines
- Metal sheet work and repair of bodyworks
- Metal work, tool making activities
- · Production, installation, repairs of electrical machines and instruments, electronic and telecommunication equipment
- Assembly, repairs, revisions and tests of electrical equipment
- Operation of rail transport on the trolley-bus track
- ation of trolley-bus track
- Revisions, inspections and testing of specified technical equipment in operation

#### 1.2. Changes and amendments in the Commercial Register in the past accounting period

#### Changes in records concerning the members of the Board of Directors

On 28 January 2019, Bc. Filip Tulák's membership in the Board of Directors was terminated. The deletion from the Commercial Register was made on 14 March 2019.

On 19 December 2019, Mgr. Matej Augustín's membership in the Board of Directors arose. The incorporation in the Commercial Register was made on 20 January 2020.

#### Changes in records concerning the members of the Supervisory Board

In 2019, there were no changes in the composition of the Supervisory Board.

#### Incorporation of the scope of business

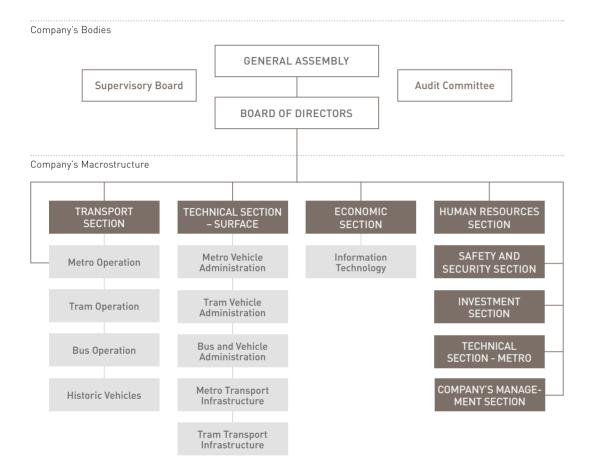
In 2019, there were no changes related to the scope of business.

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### 1.3. Organisational structure of the company

Organisational structure of the company as of 31 December 2019



### 1.4. Identification of the group

### The sole shareholder of DPP

CITY OF PRAGUE (also referred to herein as "HMP") with its registered office at Mariánské nám. 2, Prague 1, Staré Město, ID No.: 000 64 581.

### Affiliated business companies of DPP

Business name	% share of HMP on the share capital	Registered Office	ID No.
Kolektory Praha, a.s.	100	Prague 9, Pešlova 3, čp. 341	26714124
Kongresové centrum Praha, a.s.	45,652	Prague 4, 5. května 1640/65	63080249
Obecní dům, a.s.	100	Prague 1, nám. Republiky 1090/5	27251918
Operátor ICT, a.s.	100	Prague 7, Dělnická 213/12	02795281
Prague City Tourism a.s.	100	Prague 5, Arbesovo náměstí 70/4	07312890
Pražská energetika Holding a.s.	51	Prague 10, Na Hroudě 1492	26428059
Pražská plynárenská Holding a.s.	100	Prague 4, U Plynárny 500/44	26442272
Pražská vodohospodářská společnost a.s.	100	Prague 1, Žatecká 110/2	25656112
Pražské služby, a.s.	100	Prague 9, Pod Šancemi 444/1	60194120
Technická správa komunikací hl. m. Prahy, a.s.	100	Prague 1, Řásnovka 770/8	03447286
Technologie hlavního města Prahy, a.s.	100	Prague 7, Dělnická 213/12	25672541
TRADE CENTRE PRAHA a.s.	100	Prague 2, Blanická 1008/28	00409316
Úpravna vody Želivka, a.s.	90,0353	Prague 10, K Horkám 16/23	26496224
Výstaviště Praha, a.s.	100	Prague 7, Výstaviště 67	25649329
Zdroj pitné vody Káraný, a.s.	97,25	Prague 1, Žatecká 110/2	26496402

### Subsidiaries and related business companies of DPP

Business name	% share of HMP on the share capital	Registered Office	ID No.
Pražská strojírna a.s.	100	Prague 9, Mladoboleslavská 133	60193298
RENCAR PRAHA, a.s.	28	Prague 8, Rohanské nábřeží 678/25	00506397
Střední průmyslová škola dopravní, a.s.	100	Prague 5, Plzeňská 298/217a	25632141

### Share in the affiliated business company RENCAR PRAHA, a.s.

Business name	% share of RENCAR PRAHA, a.s. on the share capital	Registered Office	ID No.
RENCAR MEDIA s.r.o.	100	Prague 8, Rohanské nábřeží 678/25	25082906

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### Overview of subsidiaries and related business companies at affiliated companies of DPP as of 31 December 2019

Affiliated companies	Indirectly controlled companies and subsidiary companies	% share on share capital	Registered Office	ld No.
Pražská energetika Holding a.s.	Indirectly controlled company	% share of PREH in PRE		
	Pražská energetika, a.s.	58,046	Prague 10, Na Hroudě 1492/4	60193913
	Společnosti s kapitálovou účastí PRE, a.s.	% share of PRE in the subsidiary		
	eYello CZ, a.s.	90	Prague 10, Kubánské náměstí 1391/11	25054040
	PREměření, a.s.	100	Prague 10, Na Hroudě 2149/19	25677063
	KORMAK Praha a.s.	100	Prague 10, K Sokolovně 667/9	48592307
	PREservisní, s.r.o.	100	Prague 10, Na Hroudě 1492/4	02065801
	PREzákaznická, a.s.	100	Prague 10, Na Hroudě 1492/4	06532438
	PREdistribuce, a.s.	100	Prague 5, Svornosti 3199/19a	27376516
	VOLTCOM, s.r.o.	100	Prague 6, Otevřená 1092/2	44794274
	Companies with capital participation of PREdistribuce, a.s.	% share of PRE distribuce, a.s. in the subsidiary		
	PREnetcom, a.s.	100	Prague 10, Na Hroudě 1492/4	06714366
	Companies with capital participation of PREměření, a.s.	% share of PRE měření, a.s. in the subsidiary		
	PRE FVE Světlík, s.r.o.	100	Prague 10, Na Hroudě 2149/19	28080378
	SOLARINVEST – GREEN ENERGY, s.r.o.	100	Prague 10, Na Hroudě 2149/19	28923405
	FRONTIER TECHNOLOGIES, s.r.o.	100	Prague 10, Na Hroudě 2149/19	27234835
	WINDING WE NORTH		Prague 10, Na Hroudě 2149/19	27831248
	Companies with capital participation of WINDING WE NORTH a.s.	% share of WINDING WE NORTH a.s. in the subsidiary		
	PRE VTE ČÁSTKOV, s.r.o.	100	Prague 10, Na hroudě 2149/19	27966216
Pražská plynárenská Holding a.s.	Indirectly controlled company	% share of PPH in PP		
	Pražská plynárenská, a.s.	100	Prague 1, Národní 37	60193492
	Companies with capital participation of PP, a.s.	% share of PP in the subsidiary		
	Pražská plynárenská Distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	100	Prague 4, U Plynárny 500	27403505
	Pražská plynárenská Servis distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	100	Prague 4, U Plynárny 1450/2a	47116471
	Prometheus, energetické služby, a.s., člen koncernu Pražská plynárenská, a.s.	100	Prague 4, U Plynárny 500	63072599

	Pražská plynárenská Správa majetku, a.s., člen koncernu Pražská plynárenská, a.s.	100	Prague 4, U Plynárny 500	27436551
	Informační služby – energetika, a.s.	100	Prague 4, U Plynárny 500	26420830
	MONTSERVIS PRAHA, a.s.	90	Prague 9, Prachatická 209	00551899
Pražská vodohospodářská společnost a.s.	Company with capital participation of PVS	% share of PVS on share capital		
	Pražské vodovody a kanalizace, a.s.	49	Prague 10, Ke Kablu 971/1	25656635
Pražské služby, a.s.	Companies with capital participation of PS	% share of PS on share capital		
	AKROP s.r.o.	100	Tuchoměřice, Ke Špejcharu 392	26432331
	Pražský EKOservis, s.r.o.	100	Prague 1, Revoluční 1082/8	03298973
Úpravna vody Želivka, a.s.	Companies with capital participation of ÚVŽ	% share of ÚVŽ on share capital		
	Želivská provozní s.r.o.	100	Prague 10, K Horkám 16/23	29131804
Zdroj pitné vody Káraný, a.s.	Companies with capital participation of ZPVK	% share of ZPVK on share capital		
	Vodárna Káraný, a.s.	100	Prague 1, Žatecká 110/2	29148995



### 1.5. Corporate bodies

The corporate bodies are the General Assembly, Board of Directors, Supervisory Board and Audit Committee.

The General Assembly is the supreme corporate body of the company. Its competence is performed, according to provisions of Section 68(2)(h) of Act No. 131/2000 Coll., on the City of Prague, by Prague City Council (except for the decision about dissolution of the company, which is decided on by the Prague City Assembly - see Section 59 of the Act on the City of Prague).

### Board of Directors, Supervisory Board and Audit Committee as of 31 December 2019

	Position	Name		
	Chairman	Ing. Petr Witowski		
	Vice Chairman	Ing. Ladislav Urbánek		
<b>Board of Directors</b>	Member	PhDr. Jiří Špička		
	Member	Ing. Jan Šurovský, Ph.D.		
	Member	Mgr. Matej Augustín		
	Chairman	Ing. Adam Scheinherr, Ph.D., MSc.		
	Vice Chairman	Jan Marek		
	Vice Chairman	Bc. Oldřich Schneider		
	Vice Chairman	Pavel Vyhnánek, M.A.		
	Member	Josef Buriánek		
	Member	Ing. Marek Doležal		
	Member	Ing. Petr Hlubuček		
Supervisory Board	Member	Bc. Jan Holub		
	Member	Mgr. Petra Kolínská		
	Member	Ing. Tomáš Mikeska		
	Member	Tomáš Novotný		
	Member	Jiří Obitko		
	Member	Ing. Michal Štěpán		
	Member	PaedDr. Ivo Vašíček		
	Member	Ing. Michal Zděnek, M.A.		
	Vice Chairman	Mgr. Marta Gellová		
Audit Committee	Vice Chairman	Ing. Zdena Javornická		
	Member	Ing. Ladislav Langr		

## 2. ACCOUNTING METHODS AND GENERAL PRINCIPLES

The accounting of the company is conducted and the Financial Statements have been prepared in accordance with Act No. 563/1991 Coll. on accounting, as amended, Decree No. 500/2002 Coll. (the "Decree"), implementing certain provisions of Act No. 563/1991 Coll. on accounting, for entities which are entrepreneurs accounting in the double-entry accounting system, as amended, and the Czech Accounting Standards for Entrepreneurs, as amended. The accounting system respects general accounting principles, especially the principle of property valuation with historical cost, principle of accounting in material and time contexts, principle of prudence and presumption of the ability of the accounting unit to continue in its activities (the going concern principle). The data in the present Financial Statements, unless provided for otherwise, is expressed in thousands of Czech crowns (CZK thousand).



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## 3. OVERVIEW OF IMPORTANT ACCOUNTING RUIFS AND PROCEDURES

### 3.1. Fixed tangible and intangible assets

The term "fixed assets" denotes assets with a useful life longer than one year and with valuation in an individual case higher than CZK 40 000 (intangible assets and tangible assets except for land, constructions and buildings, including utility networks, water works, rights to build, unless they are goods, apartments and non-residential premises defined as units and works of art and easements to land and constructions). Land, buildings and constructions, including utility networks, water works, rights to build, unless they are goods, apartments and non-residential premises outlined as units, easements to land and constructions and works of art are considered as fixed assets, regardless of their valuation. Additionally, the term "fixed assets" also includes assets that are acquired partly by using own resources and partly by using a grant, whereby the input price of fixed tangible and intangible assets acquired by using own resources is up to CZK 40 000 inclusive.

The limit for the definition of technical appreciation which increases the value of the fixed assets is more than CZK 40 000 in total for the accounting period.

Tangible and intangible assets up to CZK 40 000 are not subject to depreciation at DPP. They are considered as stock (LVTA - low-value tangible assets) or services (LVIA - low-value intangible assets). These assets are accrued for two years and registered in the off-balance sheet accounts except for extraordinary events.

### Costs associated with acquisition of fixed assets

The valuation of fixed intangible and tangible assets and technical appreciation includes, until the time of putting the assets into the condition eligible for use, the following costs in particular:

- · Research, geological, geodetic and project works, including alternative solutions
- Customs, assembly, transport fees, fee for ecological disposal, packaging fees
- Residual price of disabled buildings or their parts as a result of new constructions
- Costs of tenders
- Compensations for limitation of ownership rights, compensations for property damages to the real estate owner lessee or tenant

- Tests before putting the assets into the condition eligible for use
- Preparatory work, in particular costs of expert opions, fees, remunerations for advisory and intermediation services associated with the fixed assets acquired
- In case of fixed assets funded from the EU structural funds, the acquisition price of the fixed assets includes also the auditor's verification, advisory activities and other costs associated with the processing of the application for funding from the EU structural funds
- Real estate acquisition tax
- Induced investment in case of meeting the conditions according to NÚR I 20

When recording and evaluating land at DPP, the following four options are distinguished:

- 1) In case that due to digitisation of cadastral maps (their precision) a situation occurs that the Real Estate Cadastre specifies a different surface area of land than the one specified on the property card in the accounting system, the surface area of the land on the property card shall be changed. The valuation of the land shall remain unchanged.
- 2] If it is necessary to correct errors in the surface area of the land discovered by the Real Estate Cadastre itself, the surface area specified on the property card shall be changed. The valuation of the land shall remain unchanged.
- 3) If it is found out that DPP's accounting states a surface area of the land different (lower or higher) than the one which is stated in the Real Estate Cadastre, the surface area of the land on the property card shall be changed, so that it corresponds to the Real Estate Cadastre without modification of the land valuation.
- 4) If the accounting records do not state the land which DPP owns according to the Extract from the Real Estate Cadastre, then it is necessary to include the land into the records with the surface area according to the Real Estate Cadastre and the valuation of the land shall be carried out according to an expert opinion, which is to include the administrative and market prices, and which shall be introduced into the accounting records at a lower price for prudential reasons.

When creating new assets or carrying out a change in the assets of third persons that are not associated with the mission of DPP, the execution of which, however, is necessary for acquisition and use of the DPP assets, DPP proceeds as with an induced investment. It registers these assets on the acquisition accounts and, at the time of putting the main investment into use, these investment costs spent by using the company's own resources become a part of the acquisition price of the assets in accordance with interpretation of NÚR I-20.

In 2019, reproduction cost was used for valuation of easements acquired free of charge. The reproduction cost was determined on the basis of an expert opinion.

Fixed tangible assets created by the company's own activities are valued by the company's own costs, i.e. by all direct and indirect costs which are immediately associated with creation of the fixed assets.

Fixed intangible assets and fixed tangible assets are depreciated by linear method on the basis of the depreciation plan through accounting depreciations in accordance with Section 7(1) of the Accounting Act. The amount of adjustments to fixed assets is determined by means of the lifetime, which is specified with regard to the wear and tear corresponding to ordinary conditions of use. Depreciation starts in the month of putting into use.

### The length of expected lifetime for the most important groups of assets is as follows:

Fixed assets	Lifetime in years
Metro tunnels	100
Metro power supply system	30
Tramways – railway substructure	30
Tramways – railway superstructure	15
Escalators	25
Means of transport:	
- Metro carriages acquired since 2001	40
- Renovated metro carriages	15
- Trams T3R.P	15
14T, 15T	30
Other types of trams	20
- Buses	10

### Depreciation of established easements and right to build in favour of the company is as follows:

Acquisition price of easement and right to build	Time of creation	Depreciation horizon
Up to CZK 40 000	Definite	24 months
Op to C2N 40 000	Indefinite	24 months
From CZK 40 000 to CZK 10 000 000	Definite	According to the time specified in the contract, for which the easement or the right to build has been established
10 CZK 10 000 000	Indefinite	48 months for the easement and 99 years for the right to build
More than	Definite	According to the time specified in the contract, for which the easement or the right to build has been established
CZK 10 000 000	Indefinite	30 years for the easement and 99 years for the right to build

The assets fully purchased from the subsidy for purchase of fixed intangible assets and of fixed tangible assets are not depreciated.

As of the date of the Financial Statements, allowances are created to the accounts of fixed assets. Their amount is identified on the basis of inventory and individual assessment of the actual status of individual items, when the utility value of the fixed assets is significantly lower than their valuation in the accounting system after subtracting the accumulated amortisation, and this value reduction cannot be considered as a reduction of a permanent nature.

### 3.2. Fixed financial assets

Fixed financial assets represent property participation (shareholding) in controlled and controlling entities and in entities under significant influence. Acquisition of these assets is recognised at acquisition price.

Property participation in controlled entities and in entities under significant influence is valued as of the date of the Financial Statements by the equivalence method, i.e. the value of property participation is, as of the date of the Financial Statements, adjusted to the value corresponding to the degree of participation of the company in the equity of the subsidiary. The valuation by equivalence is accounted as a change in the value of securities, in relation with account no. 414 – Valuation differences from revaluation of assets and liabilities.

### 3.3. Inventory

Purchased inventory is valued at acquisition cost. The acquisition cost of the inventory includes the cost associated with the acquisition, in particular transport fees, commissions, customs, insurance fees, packaging fees, postage, discounts and disposal fees (PHE fee).

Inventory of the same kind is held in stock at the price assessed by means of the weighted arithmetic means.

If the costs associated with the acquisition are not a part of the acquisition cost of particular materials and goods, they are recorded on a separate analytical account of the inventory and once a month released into consumption of materials and goods according to the internal guideline. This procedure is used in the company also for transport fees ensured by intra-company services.

The increments or decrements of the inventory (products, unfinished production and semi-finished products of own production) are accounted through the corresponding cost account. Increments in the inventory are credited to the corresponding cost account of account group 58 - Change in the state of inventory of own activities and capitalisation, while decrements in the inventory are debited to this account. This item can also have a negative value.

At DPP, a change in unfinished production is accounted through the corresponding account 581 - Change in the state of inventory of unfinished production.

The acquisition and decrement of the inventory in central and operational warehouses are carried out in line with method A defined in the Czech Accounting Standard for Entrepreneurs No. 15.

Since 2017, an entry defined as "standby storage facilities" has been established at DPP, serving to ensure activities associated with physical takeover, storage and shipment of products necessary to enable the operation in the case of extraordinary events and other operational matters. This is a change in the method of reporting, when these storage facilities are reported by balance-sheet method and their initial state was introduced on the basis of physical inventory taking place through synthetic account 427 – Other comprehensive income. The acquisition and decrement of the inventory is in this case carried out in a monthly periodicity in accordance with method B defined in the Czech Accounting Standard for Entrepreneurs No. 15.

The inventory created by own activities is valued by means of own costs.

Spare parts and other materials created through the company's own activities are valued by means of the company's actual own cost. Spare parts and other materials created through the company's own activities for which it is not possible to determine, in an unambiguous way, the unit price are valued on the basis of predetermined prices. These prices are updated on an ongoing basis. The cost components included into the prices of spare parts and other materials determined at the level of the company's own costs consist of: direct consumption of materials, energy, direct wages, social security and public health insurance, share of production overheads, cooperation, transport fees.

The costs associated with capitalisation are accounted as a decrease in the costs credited to the corresponding account of account group 58 - Change in the state of inventory of own activities and capitalisation. This item has a negative value.

At DPP, the capitalisation of inventory and unfinished assets created by the company's own activities is accounted through accounts 585, 586 and 588.

The reproduction price of the inventory was determined according to the current average stock price at the time of finding a surplus in the inventory (diesel oil, coolant, oil, other operation liquids). The reproduction price determined by an expert estimate is used for the inventory arising from the material acquired from disposal or repairs of fixed assets. Spare parts for trams within the post-warranty period, which are provided by the supplier free of charge, are valued by reproduction price, i.e. in this case by usual price in the time of acceptance of these spare parts.

Allowances to the inventory are created according to the underlying materials of the Inventory Management Section. These allowances were created on the basis of the inventory taking carried out, after the review of the state, storage time and with regard to the presumed unusability and minimum merchantability.

### 3.4. Receivables

Receivables are valued on their origination by nominal value and subsequently reduced by applicable allowances to receivables difficult to collect.

The receivables with maturity of one year and less at the time at which the Financial Statements have been prepared are reported as short-term (current) receivables. The other receivables are reported as long-term (noncurrent) receivables.

### Processing the allowances to receivables

Taking into account the change of processes in the area of monitoring and life of receivables at DPP, a new programme has been created regarding processing the allowances to receivables. The processing of allowances to receivables is always associated with net value of the receivable to a single business partner. Allowances to receivables maturing before 31 December 2013 were released and created in the new programme again, while respecting the partner's balance according to the original scheme of creation. Allowances to receivables maturing after 1 January 2014 were created according to Act No. 593/1992 Coll., on allowances, and according to the company's guideline "Chart of accounts, accounting procedures and depreciation plan".

Allowances to receivables from business relations and to other receivables are created according to applicable laws and instructions of the Legal Department. Tax allowances are created in the amount which is enabled by the applicable law. For receivables which are overdue for half a year to one year, accounting allowances are created in such an amount that the total value of the tax and accounting allowances forms 50% of the unsettled balance sheet value of the receivable. For receivables which are overdue for more than one year, allowances are created up to 100% of the balance sheet value of the receivable.

Accounting allowances are created to receivables from surcharges to fare and to receivables from fare. Their amount is determined as a percentage of the expected rate of repayment and recoverability of these receivables.

The mutual offsetting of payables and receivables takes place within the meaning of the Civil Code according to agreements between business partners.

### 3.5. Current financial assets

If necessary, the company takes advantage of debt securities held until maturity – bills of exchange acquired as short-term appreciation of available funds in line with the approved Financial Investment Strategy of the company and with maturity shorter than one year.

### 3.6. Liabilities from business relations

Liabilities from business relations are accounted in nominal value.

The liabilities with maturity of one year and lower, at the time as of which the Financial Statements have been prepared, are reported as short-term (current) liabilities. Other liabilities are reported as long-term (non-current) liabilities.

### 3.7. Bills of exchange

Bills of exchange are securities containing data predetermined by law, based on which a debt obligation arises that provides the owner of the bill of exchange with an undisputable right to require the payment of the bill amount at the specified time.

Bills of exchange are registered as short-term liabilities on the statements' line "Short-term payable bills of exchange". These are own bills of exchange issued by the Issuer, DPP, to the order of creditors with a "without protest" clause. The minimum nominal value of bills of exchange is CZK 200 million. The bills of exchange programme amounted in total to CZK 8 billion and was, as of 31 December 2016, drawn in full. In the period from 19 December 2018 to 19 December 2019, the bills of exchange in the total amount of CZK 4.8 billion were issued. On 19 December 2019, the fifth instalment was carried out of an amount of CZK 800 million. Altogether the amount of CZK 4 billion was paid up as of 19 December 2019 within the framework of the bill of exchange programme. As of 31 December 2019, the balance of the bill of exchange programme amounts to CZK 4 billion.

### 3.8. Derivatives

In accordance with the interest risk management strategy, the company minimises its exposures to cash flows resulting from these business activities. In this context, the company concludes interest derivative transactions which reduce the risk of changes in values of the future cash flows resulting from the financing by way of the bill of exchange programme.

All financial derivatives are reported, in case of a positive fair value, as assets and, in case of a negative fair value, as liabilities.

The company applies hedge accounting to all derivatives and the effectiveness tests were carried out for all derivative transactions in 2019.

### 3.9. Credit facilities

Credit facilities are accounted in nominal values. The interest on credit facilities are accounted to the profit and loss for the accounting period to which they are related. In accordance with Section 47(1) of the Decree, the company has decided not to include the interest on credit facilities into the valuation of fixed assets and technical appreciation.

A short-term credit facility shall include also a part of a long-term credit facility, which is payable within one year from the date of the Financial Statements.

The company did not have any bank credit facility in the course of 2019.

### 3.10. Provisions

Provisions are intended for covering liabilities or costs the nature of which is clearly defined and for which it is, as of the balance sheet day, either probable or sure that they will occur with their amount or the time of their occurrence not being certain.

The provision for compensation of occupational accidents and diseases of some former employees is created on the basis of statistical evaluation of available historical data in an amount of present value of expected future payments on the basis of claims arising until the date of the Financial Statements.

The provisions for remunerations of senior employees and members of the corporate bodies of the company, including public health and social security insurance, are created if the legal entitlement to their payment does not depend only on work provided in the accounting period, but also on meeting other conditions, i.e. approval by a responsible person or by a corporate body of the company.

The provisions for staff benefits are created for employment anniversaries, for retirement and for unused vacations with wage compensation according to the Collective Labour Agreement. With respect to the current wording of the Collective Labour Agreement, with no expectation of significant changes in these benefits and in the future wording of the Collective Labour Agreement, the provisions for employment anniversaries and for retirement are always created by the moving method for the period of the next three years and registered in the discounted value.

The provisions for future repairs of fixed tangible assets, that are created due to accidents and damages, are mostly covered by creation of estimated items for expected insurance claims, thereby respecting the principle of material and temporal connection of costs and revenues.

The provisions for the total costs of landfill reclamation are formed on the basis of estimates of total expenses necessary for technical and biological reclamation by the company performing engineering-geological and hydrogeological surveys, as well as for expenses associated with the purchase of land needed to carry out this reclamation.

Other provisions are created for prudence, for liabilities arising on the basis of previous events and for settlement of liabilities, which could mean an outflow of funds, e.g. in connection with litigations.

### 3.11. Financial leasing

Financial leasing includes the acquisition of fixed tangible assets in the manner whereby the ownership of the assets is after the lapsing of the agreed time period of the use of the assets by the user for a consideration transferred from the owner to the user and the user pays for the acquisition within the framework of the costs until the transfer of the ownership right. In 2019, the company did not have any property acquired by financial leasing with subsequent purchase.

### 3.12. Conversions of figures in foreign currencies to the Czech currency

The accounting of the exchange rate differences is carried out according to the Decree and the Czech Accounting Standards for Entrepreneurs.

The assets and liabilities expressed in a foreign currency are converted to the Czech currency using the daily exchange rate of the bank within the meaning of applicable regulations.

Since 1 July 2018, the foreign currencies under foreign currency treasury desk are converted using daily exchange rates of the CNB.

Within the monthly Financial Statements, the conversion of foreign exchange bank accounts to the Czech currency is made according to the exchange rate of the last day of the month.

The assets and liabilities denominated in a foreign currency are converted, as of the date of the Financial Statements, according to the applicable exchange rate announced by the Czech National Bank as of that date and the identified exchange rate differences are accounted, according to their nature, into costs or revenues.

### 3.13. Taxes

### 3.13.1. Tax depreciation of fixed assets

The linear method is used for the purpose of calculation of tax depreciation. Based on the decision of the Board of Directors of the company, in the tax period 2019 there was a partial interruption of tax depreciation of the 5<sup>th</sup> group of the fixed assets due to drawing on the applicable tax loss. Tax depreciations in other asset groups were applied in accordance with the applicable legal regulations.

### 3.13.2. Deferred tax

The deferred tax calculation is based on the liability method built upon the balance sheet approach. The term "liability method" refers to the procedure when the calculation uses the income tax rate valid in the future time periods. The balance sheet approach means that the liability method is based on transitional differences which include the differences between the tax base of assets or liabilities and the amount of the assets or liabilities stated in the Balance Sheet. The tax base of assets or liabilities is the value of these assets or liabilities exercisable for tax purposes in the future.

Deferred tax payables and receivables are mutually offset and reported in the net value in the balance sheet. The amount of deferred tax in 2019 was significantly influenced by the interruption of tax depreciation in the  $5^{th}$  depreciation group.

### 3.14. Compensations

In accordance with Regulation (EC) No. 1370/2007 of the European Parliament and of the Council, which entered into force on 3 December 2009, the company accounts for compensation. Compensation is understood as the price for a public service, which is to cover the difference between the costs spent in connection with the performance of the public service obligation and the incomes arising in connection with the public service obligation, and ensure reasonable profit, which is to enable creation of the company's own resources for the financing of renewal of assets and for other investments focused on the increase in the quality of services agreed by the Client. The Public Service Contract between the company and the City of Prague determines the method of calculation of the compensation, the methodology for calculation of a reasonable profit and the manner of risk distribution.

Further to the contractual arrangements contained in the Public Service Contract, the company accounts, in the course of the year, for the advance payment received for compensation and for the estimated item of the operational part of the compensation in an amount of the planned need, which is to be cancelled at the end of the year. Within the framework of the Annual Financial Statements, the receivable from the public service obligation is accounted and so is a reasonable profit within the compensation. At the same time, the received advance payment is offset and the receivable amount is financially settled. The compensation amount is accounted into revenues as the revenue from

sale of the company's own products and services and recorded in the Profit and Loss Statement on a separate line see point 4.1.1.

### 3.15. Grants

Grants for settlement of costs are accounted into other operational revenues in the time and material connection with the accounting of costs for the specified purpose.

Grants for acquisition of fixed intangible and tangible assets and of technical appreciation reduce their acquisition price or the company's own costs at the moment of capitalisation. As of the Balance Sheet day, the use of the grant will be accounted into the fixed assets that are not capitalised yet.

### 3.16. Revenues

Revenues from transport are accounted into the time period in which the transport services were provided.

Other revenues are accounted into the time period with which they are associated in terms of material and time.

Revenues and incomes concerning future periods are subject to accruals and deferrals.

### Accruals and deferrals of revenues from easements established on the assets of the company are as follows:

Acquisition price of the easement	Establishment time	Accruals and deferrals
Up to	Definite	Not carried out due to an insignificant amount
CZK 40 000	Indefinite	Revenue of the given period
From CZK 40 000	Definite	According to the time specified in the contract for which the easement is established
to CZK 10 000 000	Indefinite	Revenue of the given period
	Definite	According to the time specified in the contract for which the easement is established
More than CZK 10 000 000	Indefinite	According to the time specified in the contract for which the easement is established, the revenues are divided by using the proportional part according to the remaining lifetime of the real estate to which the easement has been established

### 3.17. Use of estimates

The preparation of the Financial Statements requires the company to use the estimates and assumptions affecting the reported values of assets and liabilities as of the date of the Financial Statements and the reported amount of revenues and costs for the time period monitored. The company determined these estimates and assumptions on the basis of all relevant information available. Nevertheless, as the substance of the estimates implies, the actual values in the future may differ from these estimates

### Extraordinary costs and revenues 3.18.

These items contain revenues and costs from operations which are absolutely extraordinary with regard to usual activities of the accounting unit, as well as revenues and costs from extraordinary events occurring on a random basis. The extraordinary costs and revenues are reported, depending on their nature, as operational or financial costs and revenues. They are broken down into the items: Other operating revenues, Other operating costs, Other financial revenues and Other financial costs. In 2019, the company does not register any extraordinary costs and revenues.

### Accounting of donations accepted 3.19.

Donations accepted are accounted for as Other operating revenues – account group 64, or Other financial revenues (accepted donations in the form of financial assets) - account group 66. In case a donation is accepted in the form of a service, it is not accounted for; the donation is reflected only in the income tax return.

In case that an accepted donation is exempted from income tax, this income is to be excluded in the tax return as non-tax income.

### 3.20. Registration of loans in the off-balance records

Should DPP be in the position of a borrower, the subject matter of a loan is registered through off-balance records on account 76201 Accepted loans. This account registers borrowed assets, the valuation of which in an individual case is CZK 40 000 and more and which, as of the date of the Financial Statements, continue to the next year.

### Cash flow statement 3.21.

The cash flow statement was prepared using the indirect method. The financial equivalents represent short-term liquid assets, which can be transferred easily and immediately to the cash amount which is known in advance. The funds and financial equivalents can be analysed as follows:

(figures in CZK thousand)

Financial equivalent	31 Dec. 2019	31 Dec. 2018
Treasury cash and cash in transit, valuables	40 522	44 306
Bank accounts and cash in transit	6 581 268	6 255 125
Short-term securities and participations	1 000 000	0
Funds and financial equivalents in total	7 621 790	6 299 431

Cash flows from operational, investment and financial activities in the cash flow statement are reported as non-compensated.

### Consolidated Financial Statements 3.22.

Act No. 563/1991 Coll., on accounting, as amended by Act No. 221/2015 Coll. effective from 1 January 2016, newly introduces categorisation of consolidation groups in Section 1c. It implies from individual criteria that DPP fulfils the criteria of a large group of accounting units.

The ratio of the sum of consolidated companies to the consolidating company is, however, not significant in regard to individual criteria, and the company, therefore, used the provisions of Section 22a (3) of the above-mentioned Act.

DPP has so far been using this provision of the Accounting Act because the consolidated companies are insignificant, both individually and as a whole, in regard to the total values and mission of DPP and also a presentation distortion of economic indicators of DPP would occur since these would also contain the values of the companies with absolutely different missions

## 4. ADDITIONAL INFORMATION TO THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT

### 4.1. Company specifics

### Structure of the statements

The Balance Sheet and Profit and Loss Statement state items in the order as stipulated by Decree No. 500/2002 Coll. Additionally, DPP provides in these statements other sub-items for the reason of higher comprehensibility and documentary capability regarding the accounting unit. This concerns the following data:

### **Profit and Loss Statement**

- Revenues for the sale of the company's own products and services
  - 1.1. Revenues from fare
  - 1.2. Compensation for the public service obligation
  - 1.3. Other revenues

### Fixed intangible assets 4.2.

### **Acquisition price**

(Figures in CZK thousand)

	State as of 31 Dec. 2017	Increments	Decrements	State as of 31 Dec. 2018	Increments	Decrements	State as of 31 Dec. 2019
Software	1 017 611	43 849	172 384	889 076	147 699	0	1 036 775
Other royalties	7 578	0	0	7 578	745	0	8 323
Other FIA	119 662	3 725	0	123 387	8 855	0	132 242
Unfinished FIA	9 440	72 864	45 784	36 520	95 200	60 478	71 242
Total	1 154 291	120 438	218 168	1 056 561	252 499	60 478	1 248 582

### **Adjustments**

(Figures in CZK thousand)

	State as of 31 Dec. 2017	Increments	Decrements	State as of 31 Dec. 2018	Increments	Decrements	State as of 31 Dec. 2019
Software	955 799	48 081	172 331	831 549	87 502	0	919 051
Other royalties	7 126	50	0	7 176	133	0	7 309
Other FIA	104 548	746	0	105 294	3 777	0	109 071
Allowance to unfinished FIA	0	0	0	0	0	0	0
Total	1 067 473	48 877	172 331	944 019	91 412	0	1 035 431

### Residual value

(Figures in CZK thousand)

	State as of 31 Dec. 2018	State as of 31 Dec. 2019
Software	57 527	117 724
Other royalties	402	1 014
Other FIA	18 093	23 171
Unfinished FIA	36 520	71 242
Total	112 542	213 151

The most significant FIA increments include purchase of the software, including licenses, for the Comprehensive Security System in the metro and the technical appreciation of the Transport Information System in 2019.

### Fixed intangible assets created by own activities

No fixed intangible assets were created by the company's own activities in 2019.

### 4.2.2. Assets which are not included in the Balance Sheet

### Intangible assets monitored in the off-balance records:

(Figures in CZK thousand)

Time of country	Acquisition price			
Type of assets	2019	2018		
Low-value intangible assets	11 733	10 938		
Fixed assets acquired by using grants	123 799	123 799		
Total	135 532	134 737		

In the case of assets acquired from a subsidy, these include fixed assets the acquisition price of which was reduced by the provided subsidy according to point 3.15 and the value of which is not depreciated into the costs of the company.

### 4.3. Fixed tangible assets

### Acquisition price of fixed tangible depreciated and non-depreciated assets

(Figures in CZK thousand)

	State as of 31 Dec. 2017	Increments	Decrements	State as of 31 Dec. 2018	Increments	Decrements	State as of 31 Dec. 2019
Land	3 436 657	4 143	21 038	3 419 762	53 256	40 915	3 432 103
Buildings	59 311 200	553 197	142 502	59 721 895	1 172 998	519 226	60 375 667
Tangible movable assets	57 060 769	3 671 183	517 600	60 214 352	2 662 083	1 914 978	60 961 457
- Plant and machinery	12 509 742	1 163 235	71 239	13 601 738	740 295	631 572	13 710 461
- Means of transport	44 539 853	2 507 797	446 249	46 601 401	1 921 788	1 283 287	47 239 902
- Inventory	11 174	151	112	11 213	0	119	11 094
Other FTA – easements	29 082	10 634	0	39 716	4 325	0	44 041
Other FTA	37 967	0	0	37 967	0	0	37 967
Unfinished FTA	1 238 698	5 086 082	5 024 475	1 300 305	4 435 798	4 458 151	1 277 952
Total	121 114 373	9 325 239	5 705 615	124 733 997	8 328 460	6 933 270	126 129 187

### Adjustments and allowances to fixed tangible depreciated assets

(Figures in CZK thousand)

	State as of 31 Dec. 2017	Increments	Decrements	State as of 31 Dec. 2018	Increments	Decrements	State as of 31 Dec. 2019
Buildings	20 519 355	1 108 249	84 040	21 543 564	1 120 122	140 894	22 522 792
Tangible movable assets	28 785 945	2 135 359	515 686	30 405 618	2 265 481	1 488 360	31 182 739
- Plants and machinery	9 916 085	484 517	67 215	10 333 387	529 190	183 470	10 679 107
- Means of transport	18 815 653	1 650 582	443 361	20 022 874	1 736 109	1 283 286	20 475 697
- Inventory	9 899	260	112	10 047	182	119	10 110
Other FTA – easements	14 257	7 969	0	22 226	9 305	0	31 531
Allowance to means of transport	44 308	0	4 998	39 310	0	21 485	17 825
Allowance to buildings	30 819	0	1 466	29 353	0	29 353	0
Total	49 319 557	3 251 577	599 726	51 971 408	3 394 908	1 629 254	53 737 062

### Residual value of fixed tangible depreciated and non-depreciated assets

(Figures in CZK thousand)

	State as of 31 Dec. 2018	State as of 31 Dec. 2019
Land	3 419 762	3 432 103
Buildings	38 178 331	37 852 875
Separate movable assets	29 808 734	29 778 718
- Plants and machinery	3 268 351	3 031 354
- Means of transport	26 539 217	26 746 380
- Inventory	1 166	984
Other FTA – easements	17 490	12 510
Other FTA	37 967	37 967
Unfinished FTA	1 300 305	1 277 952
Total	72 762 589	72 392 125

The most important increments are recorded for buildings and means of transport.

As for the means of transport, buses in the value of CZK 1 001 590 000 and trams 15T in the value of CZK 527 706 000 were capitalised. The most important items for buildings are especially reconstructions of the metro stations (Dejvická, Můstek A, Muzeum A, Náměstí Republiky, Anděl, Jinonice, Skalka, Palmovka), namely in the amount of CZK 571 755 000, reconstruction of the tram track Bělehradská - Vinohradská in the amount of CZK 159 330 000, reconstruction of the vestibule of the metro station Karlovo Náměstí in the amount of CZK 61 928 000, reconstruction of the roof in the object of the Řepy Garage in the amount of CZK 53 037 000, reconstruction of the parking yard in the Hostivar Tram Repair Workshop in the amount of CZK 52 094 000 and modernisation and barrier-free access of the public toilets in the metro in the amount of CZK 22 263 000.

The most important decrements are recorded for the means of transport and are caused by the sale and physical disposal of buses at an acquisition price of CZK 1 019 822 000 (residual value of CZK 2 000), sale and physical disposal of trams at acquisition price of CZK 226 050 000 (residual value of CZK 0 000).

As of 31 December 2019, the state of allowance to means of transport is at CZK 17 825 000. Allowances to buildings were dissolved in 2019.

The balance of the unfinished FTA of CZK 1 277 952 000 consists especially of investment events - establishment of the Comprehensive Security System in the metro in the amount of CZK 253 934 000, construction of the 1st section of the metro line D in the amount of CZK 238 875 000 and overall revitalisation of the hall in the Hloubětín Depot in the amount of CZK 59 799 000. In the case of the investment project of the construction of the 1st section of the metro line D, these are all expenses historically incurred for this project, including preparatory and advisory activities. Expenses for the investment project in question will continue to grow and the funding will be realised especially by an investment grant from the City of Prague.

The balance of advance to FTA as of 31 December 2019 equals CZK 596 891 000. The most significant items include advances for the purchase of buses from SOR Libchavy spol. s r.o. in the amount of CZK 503 371 000 and to delivery of train frames from Siemens Mobility s.r.o. in the amount of CZK 73 698 000

### The company rents the following:

- Real estate, non-residential premises in the buildings of garages and depots, in metro depots, in metro stations, on tramway loops, on public transport stops, etc., and free land out of these buildings
- Areas on both movable property and real estate in particular for advertising activities, for the laying of optical cables in the metro stations, for operation of the telecommunication system in the metro, for placement of antennas, telecommunication equipment, etc.
- . Movable assets, e.g. freight lifts in the metro stations and equipment of the rented real estate

### Fixed assets encumbered with liens

As of 31 December 2019, an easement is established on 688 properties, in the form of a contract on establishment of the easement. In most cases, this means enabling access for operation of the corresponding equipment in the metro premises, entrances into buildings, etc.

As of 31 December 2019, the company does not record any liabilities covered by a pledge agreement.

### 4.3.2. Fixed tangible assets created by own activities

The company's own activities were focused on tram tracks reconstructions, EOV modernisation, entries of trams to SSZ, parking yard in the area of the Tram Repair Workshop, assembly of ORTEC mounting, KT8N2 trams reconstructions, adjustments of trams interiors and reconstruction of a snow plough. For the method of valuation see point 3.1.

### Assets leased by financial leasing 4.3.3.

In 2019, DPP does not register any assets leased by financial leasing.

### Operational leasing 4.3.4.

In 2019, the company reports operational leasing from AUTOSTYL a. s. with the price of annual rent of CZK 1 665 000 and other lease of cars from the following companies:

- SOR Libchavy spol. s r.o. in the amount of CZK 834 000
- ČEZ ESCO, a.s. in the amount of CZK 1 803 000
- ŠKODA ELECTRIC a.s. in the amount of C7K 1 149 000
- SOLARIS CZECH, spol. s r.o. in the amount of CZK 131 000
- Iveco Czech Republic, in the amount of CZK 308 000
- EKOVA ELECTRIC a.s. in the amount of C7K 359 000
- Volvo Group Czech Republic, s.r.o.in the amount of CZK 388 000

Additionally, comprehensive transport services have been provided to DPP on the basis of a contract on provision of services of the intra-company transport supplier (KARIR CZ s.r.o.) since August 2011. These services consist in provision of the leased vehicles in annual amount of CZK 36 215 000 for the constant rental for 2019, provision of the transport services with a driver by means of vehicles of the transport service in the annual amount of CZK 22 866 000 for 2019 and provision of other services by means of vehicles other than transport service vehicles

### 4.3.5. Assets which are not included in the Balance Sheet

### Tangible assets monitored in the off-balance records:

(Figures in CZK thousand)

Toronto	Acquisition price			
Type of assets	2019	2018		
Low-value tangible assets	609 313	632 402		
Fixed assets acquired from grants	64 695 012	64 544 934		
Total	65 304 325	65 177 336		

In 2019, the property acquired from the grant was capitalised in the amount of CZK 487,943,000. The most important projects thereof were:

- Reconstruction of escalators in the Náměstí Republiky metro station amount of CZK 84 880 000
- Reconstruction of escalators in the Andel metro station amount of CZK 83 250 000
- Reconstruction of escalators in the Palmovka metro station amount of CZK 62 899 000
- Reconstruction of escalators in the Skalka metro station amount of CZK 50 403 000
- Reconstruction of lightning in the Dejvická metro station amount of CZK 35 189 000
- Reconstruction of platform in the Jinonice metro station amount of CZK 20 495 000
- Parking yard in the area of the Hostivar Repairs Shop amount of CZK 71 698 000
- RTT Bubenské nábřeží Komunardů amount of CZK 29 478 000
- Adjustment of the platform edge for disabled persons amount of CZK 20 171 000

At the same time the assets in the amount of C7K 337 866 000 were eliminated from the off-balance records in 2019 due to liquidation before execution of the technical appreciation, physical disposal or purchase. The most important items thereof were:

- Buses amount of CZK 265 993 000
- ARS in the metro vehicles amount of CZK 52 598 000
- Communication and security equipment amount of CZK 16 914 000

### Mutual settlement of assets with the City of Prague (HMP)

The process of settlement of the fixed assets between DPP and HMP (construction adjustments, infrastructural investments, land, etc.) continues in the manner that each of these subjects owns, maintains and renovates the assets that it actually uses (needs necessarily) for its activities or for its mission. As of 31 December 2019, DPP records the following assets in its accounting system, which are potentially suitable for transfer and related exchange with HMP:

- a) In the account of assets acquisition 042 the costs for realisation of investment projects IV.C2 Ládví and IV.C1 connecting bus transport in the total book value of CZK 3 million (total costs before subtracting the received investment grant amounted to approximately CZK 248 million)
- b) Land potentially intended for transfer to HMP in the book value of approximately CZK 808 million, while the land in the book value of CZK 423 million represents the land, on which HMP's infrastructure is located predominantly.
- c) Other parts of the assets such as elements of public lighting, traffic signaling, communications, etc., which were, as induced investments, parts of investment events performed by DPP. These tangible assets represent parts of the acquisition price of fixed assets that DPP depreciates, while these assets are normally operated and maintained by other organisations of HMP designated for this purpose.

In the course of 2019, many negotiations took place between DPP and HMP on the way of settlement of the property in guestion and these negotiations will continue also in 2020.

### 4.4. Fixed financial assets

### Participations in controlled and controlling entities

	2019		2018		
Company name	Number of securities	Share in the share capital in %	Number of securities	Share in the share capital in %	
Pražská strojírna a.s.	12 900	100	196	100	
Střední průmyslová škola dopravní, a.s.	22	100	22	100	

2019 (Figures in CZK thousand)

Company name	Acquisition price	Valuation difference	Nominal value	* Equity	* Accounting profit	Financial revenues	Share value
Pražská strojírna a.s.	185 614	55 198	157 594	240 812	38 072	0	240 812
Střední průmyslová škola dopravní, a.s.	11 322	16 907	21 930	28 229	0	0	28 229
Total	196 936	72 105	179 524	269 041	38 072	0	269 041

<sup>\*</sup> The figures represent the situation as of 23 January 2020.

2018 (Figures in CZK thousand)

Company name	Acquisition price	Valuation difference	Nominal value	* Equity	* Accounting profit	Financial revenues	Share value
Pražská strojírna a.s.	185 614	16 551	157 594	202 165	36 863	0	202 165
Střední průmyslová škola dopravní, a.s.	11 322	17 016	21 930	28 338	502	0	28 338
Total	196 936	33 567	179 524	230 503	37 365	0	230 503

<sup>\*</sup> The figures represent the situation as of 23 January 2019.

### 4.4.2. Participations in entities - essential influence

2019 (Figures in CZK thousand)

Company name	Acquisition price	Valuation difference	Nominal value	* Equity	* Accounting profit	Financial revenues	Share value
RENCAR PRAHA, a.s.	840	32 412	840	118 759	-21 797	0	33 252
Total	840	32 412	840	118 759	-21 797	0	33 252

<sup>\*</sup> The figures represent the situation as of 23 January 2020.

2018 (Figures in CZK thousand)

Company name	Acquisition price	Valuation difference	Nominal value	* Equity	* Accounting profit	Financial revenues	Share value
RENCAR PRAHA, a.s.	840	38 516	840	140 556	29 404	0	39 356
Total	840	38 516	840	140 556	29 404	0	39 356

<sup>\*</sup> The figures represent the situation as of 23 January 2019.

The number of securities is equal to 84 shares and the total share in the share capital was 28%.

### 4.5. Inventory

(Figures in CZK thousand)

	State as of 31 Dec. 2019	State as of 31 Dec. 2018
Spare parts	294 812	250 414
Auxiliary material	119 434	134 659
Clothing and protective equipment	38 921	44 858
Fuel materials, fuels	24 983	22 469
Other materials	8 973	12 703
Material in stock – standby storage facility	102 337	90 497
Material in transit	180	665
Allowances	-14 603	-8 783
Material in total	575 037	547 482
Unfinished production and semi-finished products	7 460	14 229
Goods	1 469	1 487
Provided advances to services	0	1 068
Total value	583 966	564 266

The total increase in the financial volume of stock inventory of the company is a result of the following:

- Increase in the state of spare parts caused by acquisition of spare parts with long delivery times (especially for overhauls of KT8 trams and escalators)
- Increase in the state of standby storage facilities caused by storing a rail construction as a spare part for tram track repair in the Strašnice Depot

The fuel inventory oscillates due to changes in the current purchase price.

The decrease in the item "Unfinished production and semi-finished products" was caused by completion of work in progress of the MS 094 escalators renovation.

The allowance decrease was due to actual state of inventory, when, after reviewing the state, length of storage and with respect to the expected unusability and minimum merchandasability, it was decided on the stock's disposal, sale or physical disposal. The amount of CZK 14 603 000 consists of allowance to clothing parts, spare parts and protective equipments.

### Long-term receivables

The item of "Long-term receivables" states, as of 31 December 2019, a balance of CZK 274 034 000, while as of 31 December 2018 these receivables amounted to C7K 312 847 000.

An important part of the long-term receivables comprises in particular advances provided to ŠKODA TRANSPORTATION a.s. for unplanned repairs according to the contract on maintenance of the vehicles of Prague metro 81-71M in form of Full Service in the amount of CZK 97 218 000 and the approved claim to a grant for modernisation of ventilation equipment in the metro stations in the amount of CZK 54 173 000.

Long-term receivables from business relations in the total amount of CZK 112 776 000 consists especially of long-term receivables due to extension of the contract on establishment of easement with T-Mobile Czech Republic a. s. for the purpose of placing the network of electronic communications and switchboards in the areas and tunnels of the Prague metro in the amount of CZK 35 521 000, and the concluded contracts on cooperation in covering the Prague metro by mobile signal, where a schedule of gradual repayment of these receivables is set up. The instalments in the amount of CZK 88 080 000 will by paid by 2027 by the mobile operators as follows:

- Česká telekomunikační infrastruktura a. s. in the amount of CZK 29 360 000
- T-Mobile Czech Republic a. s. in the amount of CZK 29 360 000
- Vodafone Czech Republic a. s. in the amount of CZK 29 360 000

Receivables in the amount of CZK 11 010 000 which will be repaid, according to schedule, in 2020 are registered, as of the balance sheet date of 31 December 2019, within short-term receivables from business relations. Receivables in the amount of CZK 77 070 000 which are due in the subsequent years are registered within long-term receivables from business relations.

### 4.7. Short-term receivables

### 4.7.1. Age structure of receivables from business relations

(Figures in CZK thousand)

	Before		Over	Total	Gross total			
Year	maturity	0-180 days	181–365 days	1–5 years	5 years and more	overdue	without surcharges	
2019	217 833	2 650	3 112	7 901	7 885	21 548	239 381	
2018	200 916	5 818	911	8 292	14 903	29 924	230 840	

(Figures in CZK thousand)

Year	Allowance	Net total without surcharges	Surcharges *	Allowance surcharges	Net total including surcharges
2019	10 300	229 081	1 050 645	974 565	305 161
2018	10 559	220 281	1 025 773	887 288	358 766

<sup>\*</sup> The item "Surcharges" includes receivables from surcharges to the fare, receivables for fare from surcharges to the fare. These are especially overdue receivables.

The most important receivables include the receivables from GLOBDATA, a.s. in the amount of CZK 75 028 000 due to assignment of receivables for SMS tickets, then receivables from Operator ICT, a.s. for revenues from the sales of tickets in the amount of CZK 37 602 000, and receivables from Pražská strojírna, a.s. for revenues from the sale of rails in the amount of CZK 8 932 000.

### 4.7.2. Receivables from the companies within the group

Short-term receivables from business relations and short-term advances provided [Figures in CZK thousand]

Company name	State as of 31 Dec. 2019	State as of 31 Dec. 2018
CPP	1 777	1 767
Operátor ICT, a.s.	37 602	14 606
Pražská energetika, a.s.	9 732	0
Pražská plynárenská, a.s.	343	0
Pražská plynárenská Distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	4 409	4 409
Pražská plynárenská Servis distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	69	3
Pražská strojírna a.s.	79 686	14 593
Pražská vodohospodářská společnost a.s.	955	66
Pražské vodovody a kanalizace, a.s.	15 373	14 530
PREdistribuce, a.s.	30	44
RENCAR PRAHA, a.s.	246	233
Střední průmyslová škola dopravní, a.s.	467	392
Technická správa komunikací hl. m. Prahy, a.s.	2 316	2 510
Výstaviště Praha, a.s.	0	54
Total receivables from business relations and advances provided to companies within the group	153 005	53 207
Total short-term receivables from business relations and advances	1 370 564	1 282 938

### 4.7.3. Other short-term receivables

The item "State - tax receivables" reports, as of 31 December 2019, a balance of CZK 346 687 000 and is composed of a receivable due to excessive deduction of the value added tax for the months of November and December 2019 in the amount of CZK 284 334 000 and accounted VAT on the input at received invoices obtained in January 2020, concerning performance of 2019 in the amount of CZK 62 333 000. As of 31 December 2018, the entry had a balance of C7K 280 670 000.

The short-term advances provided increased against 2018 especially due to rise in other short-term advances for water and sewage and energy.

As of 31 December 2019, gross accounts of estimated assets report a balance in the amount of CZK 343 501 000, while as of 31 December 2018 the balance was CZK 217 116 000. The increase in the balance as of 31 December 2019 is caused in particular by the fact that estimated assets include full or partial entitlement to insurance claim due to accidents and damages and the provision for repairs of these assets is accounted reciprocally.

As of 31 December 2019, the item "Other receivables" reports the net balance of CZK 290 003 000, while as of 31 December 2018 the balance was CZK 340 103 000. This item consists of the accounting of receivables from the approved entitlement to the grant in the total amount of CZK109 463 000, divided into the following projects:

- Modernisation of ventilation and heating at Háje CZK 7 934 000
- Modernisation of main ventilation CZK 25 863 000
- Modernisation of main ventilation II. stage CZK 19 893 000
- Modernisation of air-conditioning system at Dejvická CZK 23 701 000
- Modernisation of air-conditioning system at Náměstí Republiky CZK 32 072 000

The item "Other receivables" includes other receivables consisting of receivables due to unjust enrichment on the basis of actions taken against the companies RENCAR PRAHA, a.s. and euroAWK s.r.o. for unjust enrichment from using DPP's property for advertisement purposes without legal title in the total amount of CZK 242 012 000. Allowances were created to these receivables in the amount of 100% of the balance sheet value of the receivables from the action against euroAWK s.r.o. and 100% of the balance sheet value from the actions against RENCAR PRAHA, a.s. for 2016 and 2017.

### Derivative financial instruments 4.7.4.

In the past, the company concluded several hedging interest rate swaps with ČS and ČSOB to hedge interest rate risk stemming from the bill of exchange programme, namely due to its gradual drawing.

Hedge accounting was applied to the individual transactions and was 100% effective. For simplification of the records, consolidation was agreed with ČS and ČSOB of individual separate transactions into a new transaction by merging the original derivative transactions under equal total conditions.

### The company thereby determined the following interest rate swaps as hedging derivatives:

### ČS derivative

• Counterparty: Česká spořitelna, a.s.

• Date of deal conclusion: 23 November 2016

• Nominal value: CZK 3 001 980 000 (nominal value being reduced gradually)

• Interest rate paid: 1.346%, quarterly

• Interest rate received: 3M Pribor quarterly

• Maturity date: 19 December 2024

### ČSOB derivative

• Counterparty: ČSOB, a.s.

• Date of deal conclusion: 23 November 2016

Nominal value: CZK 1,438,020,000 (nominal value being reduced gradually)

• Interest rate paid: 1.727%, quarterly • Interest rate received: 3M Pribor quarterly

• Maturity date: 19 December 2024

For both derivatives, the hedged items are the interest payments from the bills of exchange issued within the bill of exchange programme concluded with ČS and ČSOB on 28 June 2013 up to the maximum limit for the relevant period with maturity on 19 December 2024 linked to Pribor.

The company thereby classified these transactions as the hedging of the future cash flows, whereby the hedging interest rate derivatives are valued, as of the balance sheet day, at fair value and the fair value is accounted on the account of valuation differences in the equity of the company.

### Overview of financial derivatives transactions:

(Figures in CZK thousand)

Type of assets	Fair value (liability) as of 31 Dec. 2019	Fair value (liability) as of 31 Dec. 2018
Swaps to the bill of exchange programme II ČS	-55 112	- 43 336
Swaps to the bill of exchange programme II ČSOB	-15 817	1 300
Total	-70 929	-42 036

As of 31 December 2019, both derivatives represent receivables, which is caused especially by the change in fair value of the hedging derivatives linked to PRIBOR due to direct increase of the interest rates by the CNB in 2019.

### Revenues and costs of derivative transactions

Revenues

Type of assets	2019	2018
Revenues from derivative transactions – other	28 010	2 533
Total	28 010	2 533

Costs

(Figures in CZK thousand)

Type of assets	2019	2018
Costs from derivative transactions – commodities	0	0
Costs from derivative transactions – other	0	23 565
Total	0	23 565

### 4.7.5.

As of 31 December 2019, the company does not have any liabilities covered by a pledge agreement. Liabilities secured in form of a guarantee by the company's owner amount, as of 31 December 2019, to CZK 4 465 914 000 and represent the liabilities related to the purchase of TRAM 15T FOR CITY through the bill of exchange programme in the amount of CZK 4 billion and long-term liabilities in form of deferral of payments by four years in the amount of CZK 465 914 000.

### 4.7.6. Compensations and grants

For 2019, the company reported profit amounting to CZK 961 149 000. The profit before taxation was realised as a direct consequence of compensation accounting (see point 3.14.). The costs spent in connection with the public service obligation are paid by way of compensation, which is accounted into revenues.

As for the evaluation of the financial and asset situation of the company, it is necessary to emphasise that the company is a receiver of the compensation for public service obligation and of a significant volume of investment grants from various providers.

In 2019, the company received advances for compensation amounting to CZK 14 909 738 000. The balance of the advances for compensation from 2018 was transferred in the amount of CZK 17 032 000.

The actual amount of the operational part of the compensation, i.e. the amount of CZK 13 361 856 000 and the appropriate profit in the amount of CZK 1 220 791 000 were accounted into revenues. The balance of advances as of 31 December 2019 is C7K 344 123 000.

In accordance with the applicable legislation and contractual arrangements, the final amount of the compensation was approved by Ropid on behalf of HMP.

In 2019, the company accounted grants for the payment of costs and for acquisition of fixed assets in the amount of CZK 948 147 000. In 2018, it was CZK 920 743 000.



Grants in total		948 147
Grants for settlement of costs		85 691
Grants from the budget of HMP		10
Standard project expenses – Modernisation of escalators in the Karlovo nám. station	5	
Standard project expenses – Modernisation of lighting Dejvická	5	
Grants from the EU		14
Standard project expenses – Modernisation of escalators in the Karlovo nám. station	7	
Standard project expenses – Modernisation of lighting Dejvická	7	
Grants from the Ministry of Transportation		14 369
Grants to the price for ensuring the compensation of the loss from the fare	14 369	
Grants within PID		71 298
Grants from zone 0 – PID	50 961	
Grants from municipalities for zones 1, 2, PID	11 504	
Grants from SK-KÚ – zones 1, 2	8 833	
Grants for acquisition of fixed assets		862 456
Grants from the budget of HMP		667 342
42492 – RTT Nádražní – Na Zlíchově	17 956	
42495 – Barrier-free access to the Karlovo náměstí metro station	68 898	
42923 – Preparation of I. operating section of the metro D line	360 532	
44579 – Barrier-free access to the Jiřího z Poděbrad metro station	13 688	
44580 – Barrier-free access to the Opatov metro station	11 422	
44581 – Barrier-free access to the Českomoravská metro station	7 260	
44582 – Parking yard in the area of the Trams Repair Shop	110 000	
44583 – RTT Bubenské nábř. – Komunardů (Vltavská – Dělnická)	29 479	
44584 – RTT Starostrašnická (Strašnice Depot – Průběžná)	15 000	
44585 – Tram loop Hostivař Depot	892	
44586 – Tram track Muzeum	433	
42176 – Barrier-free measures	723	
42487 – TT Sídliště Barrandov – Holyně – Slivenec	11 059	
43920 – Construction of the new Hloubětín Depot	20 000	
Operating section of the metro V.A Dejvická – Motol – GRANT FROM PAST YEARS	7 040	
Grants from the state budget		2 500
Electric cars – 10 pcs	2 500	
Grants from OP PPR		192 614
in which: share of the EU	113 302	
share from the budget of HMP	79 312	
of which:		
Modernisation of escalators in the Karlovo nám. metro station – total	83 570	
of which: share of the EU	49 159	
share from the budget of HMP	34 411	

Modernisa	ation of escalators Nám. Republiky – total	7 292	
of which:	share of the EU	4 289	
	share from the budget of HMP	3 003	
Modernisa	ation of ventilation and heating of the Háje station – total	37 730	
of which:	share of the EU	22 194	
	share from the budget of HMP	15 536	
Modernisa	ation of lightning Dejvická – total	12 847	
of which:	share of the EU	7 557	
	share from the budget of HMP	5 290	
Modernisa	ation of ventilation on metro lines A, B, C, line I. C – total	27 838	
of which:	share of the EU	16 375	
	share from the budget of HMP	11 463	
Modernisa	ation of ventilation on metro lines A, B, C, line I. C – II.stage – total	24 407	
of which:	share of the EU	14 357	
	share from the budget of HMP	10 050	
Return of	a part of the grant – Modernisation of escalators Anděl – total	-1 070	
of which:	share of the EU	-629	
	share from the budget of HMP	-441	

### 4.7.7. Short-term financial assets

The item "Short-term securities and participations" (other short-term financial assets) includes, as of the Balance Sheet day, purchased own bills of exchange from ČSOB, a.s. issued by ČSOB Leasing a.s. in the nominal value of CZK 1 000 000 000.

The bills of exchange were acquired in line with the approved Financial-Investment Strategy of the company with the aim to minimise impacts on costs of the company in form of fees introduced by banks (resolution fund).

### 4.7.8. Accruals and deferrals (active)

As of 31 December 2019, the item "Accrued costs" reports the balance of CZK 134 587 000, while as of 31 December 2018, its balance amounted to CZK 176 657 000. The balance of this item consists especially of the following:

- Releasing the invoiced part of the price for SW ONE in the amount of CZK 86 595 000 for the period of three years, the outstanding amount to be released being CZK 43 297 000
- Releasing the invoiced first part of the total contractual price for services (of the ŠKODA TRANSPORTATION a.s. company) in the amount of CZK 125 000 000. Based on the Agreement on Maintenance in form of Full Service, this amount is for the term of validity of the Agreement, i.e. until 15 December 2020, subject to accruals and deferrals into costs. As of 31 December 2019, the outstanding amount to be released is CZK 10 844 000
- Releasing the invoiced part of the price for support of active elements of the network by Networks a. s. in the amount of CZK 17 812 000. As of 31 December 2019, the outstanding amount to be released is CZK 13 362 000
- · Releasing of the invoiced part of the price for support of CyberArk in the amount of CZK 2 880 000 and data network services in the amount of CZK 1 104 000 by S&T CZ s.r.o. As of 31 December 2019, the outstanding amounts to be released are CZK 2 338 000 and CZK 1 364 000.
- · Accruals of costs related to the bill of exchange programme (interests and arrangers' bonuses) in the total amount of CZK 9 924 000.

### Equity 4.8.

### Information on changes in equity

The equity of the company contains the accounts of account groups 41, 42 including the economic result of the current accounting period.

Account	Equity	Other capital funds	Valuation differences from reval- uation of assets and liabil- ities	Changes in equity	Other compre- hensive income	Retained earnings from previous years	Unpaid loss of previous years	Profit and loss of the current period	Equity in total
Initial balance as of 1 Jan. 2018	30 726 125	30 930 771	55 318	513 370	84 700	1 569 238	0	1 900 898	65 780 420
Changes with influence on total equity	0	0	0				0	0	0
Economic result of the current year	0	0	0				0	1 529 146	1 529 146
Change in equity - non- monetary deposit	513 370			-513 370					0
Grants for equity increase	0	0	0				0	0	0
Valuation of land and buildings	0	3 296	0				0	0	3 296
Nat. val. difference from re-pricing of securities, etc.	0	0	29 379				0	0	29 379
Revaluation of derivatives	0	0	25 648				0	0	25 648
Deferred tax to derivatives	0	0	-4 873				0	0	-4 873
Changes without influence on total equity	0	0	0				0	0	0
Allotment to the reserve fund	0	0	0				0	0	0
Payment of loss from the reserve fund	0	0	0				0	0	0
Change of method - standby storage					-84 700				-84 700
Distribution of the economic result	0	0	0			1 985 598	0	-1 900 898	84 700
Correction within the equity	0	0	0				0	0	0

Ending balance as of 31 Dec. 2018	31 239 495	30 934 067	105 472	0	0	3 554 836	0	1 529 146	67 363 016
Changes with influence on total equity									0
Economic result of the current year								869 150	869 150
Change in equity - non- monetary deposit									
Grants for equity increase									
Valuation of land and buildings		-20 055							-20 055
Nat. val. difference from re-pricing of securities, etc.			32 434						32 434
Revaluation of derivatives			28 831						28 831
Deferred tax to derivatives			-5 478						-5 478
Changes without influence on total equity									0
Allotment to the reserve fund									0
Payment of loss from the reserve fund									0
Change of method - standby storage									0
Distribution of the economic result						1 529 146		-1 529 146	0
Correction within the equity									
Ending balance as of 31 Dec. 2019	31 239 495	30 914 012	161 259	0	0	5 083 982	0	869 150	68 267 898

4.9. Provisions (Figures in CZK thousand)

	Balance as of 1 Jan. 2018	Creation	Drawing and cancellation of provisions		Creation	Drawing and cancellation of provisions	Balance as of 31 Dec. 2019
Provision for annuities	3 191	322	1 153	2 360	443	1 071	1 732
Provision for anniversaries, retirement, sick days	87 405	43 964	45 158	86 211	50 813	48 577	88 447
Provision for repair of fixed assets	94 700	0	0	94 700	219 865	91 126	223 439
Provision for litigations	311 610	13 151	95 001	229 760	2 000	169 526	62 234
Provision for remunerations	11 347	11 217	11 347	11 217	10 251	11 217	10 251
Provision for 14T tram repairs	3 253	0	75	3 178	0	0	3 178
Provision for reclamation of the Libuš-Modřany landfill	0	0	0	0	563 000	0	563 000
Other provisions	0	6 105	0	6 105	5 254	478	10 881
Total provisions	511 506	74 759	152 734	433 531	851 626	321 995	963 162

As of 31 December 2019, the company reports the above-mentioned balance on the accounts registered on the statement's line "Other provisions" to reflect the risks, losses and possible future liabilities.

The most important provision that was created during the 2019 accounting period and that makes up the majority of the balance of the reported provisions as of the balance sheet date is the provision for total costs of the reclamation of the Libus - Modřany landfill, created based on preliminary results and conclusions of a professional company carrying out engineering-geological and hydrogeological survey, in the amount of CZK 450 million, and then for expenses related to the purchase of land necessary for performing this reclamation in the amount of CZK 113 million. According to the professional company's statement, a deviation of the final conclusions of the expected amount of these costs should not exceed 10% of the value reported so far.

### 4.10. Bank credit facilities

In 2019, the company did not have any bank credit facility.

### 4.11. Long-term liabilities from business relations and long-term advances

The entry "Long-term liabilities from business relations" reports, as of 31 December 2019, the balance of CZK 560 564 000, while as of 31 December 2018, it reported the balance of CZK 594 449 000

The decline is caused especially by a deferred payment for acquisition of licenses to Microsoft products from SoftwareONE Czech Republic s. r. o. in the amount of CZK 36 092 000, which is due on 1 July 2020, and thus held as of the balance sheet date of 31 December 2019 under short-term liabilities from business relations

Long-term accepted advances amount to, as of the balance sheet date of 31 December 2019, CZK 50 073 000 (CZK 31 210 000 as of 31 December 2018). These are especially advance deposits accepted.

The increase was caused especially by depositing a cash guarantee by BigBoard, a. s. for the rent of premises in the Prague metro amounting to CZK 12 000 000.

The company does not have any long-term liabilities from business relations towards the companies within the group.

### 4.12. Deferred tax

### Deferred tax liability can be analysed as follows:

### Deferred tax due to

(Figures in CZK thousand)

	State as of 31 Dec. 2019	State as of 31 Dec. 2018
Fixed assets	5 433 290	5 254 510
Tariff surcharges, unpaid contractual fines and penalties	197 812	193 401
Allowances of fixed assets	-3 387	-13 046
Allowances to inventory	-2 774	-1 669
Allowances to receivables	-32 405	-33 385
Provisions	-183 001	-82 371
Unpaid social security and health insurance	-1 469	-1 374
Derivatives	13 310	7 832
Total deferred tax liability	5 421 376	5 323 898

The increase in the deferred tax liability is caused in particular by the difference due to accounting and tax residual prices of depreciated fixed assets. However, this increase was significantly influenced by interruption of tax depreciation of the fixed assets categorised in the 5th depreciation group for 2019 due to drawing of the applicable tax loss.

Another increase in the deferred tax liability due to derivative transactions in 2019 is caused by the change in fair value of hedging derivatives linked to PRIBOR as a result of the direct increase of the interest rates by the CNB during 2019.

From the perspective of prudence, the deferred tax calculation in 2019 does not include the remaining amount of the non-exercised tax loss, which can be used in the following tax periods because it is not possible to assume its utilisation. The deduction for the support of education is also not included in the deferred tax calculation, since it is regularly applied within the relevant tax period.

### 4.13 Short-term liabilities

### 4.13.1. Age structure of liabilities from business relations

(Figures in CZK thousand)

		Before		Over	Total			
Year	Category	due date	0-180 days	181-365 days	1-5 years	5 years and more	overdue	Total
2019	short-term	1 341 533	50 173	0	0	0	50 173	1 391 706
2018	short-term	1 730 961	8 152	0	0	0	8 152	1 739 113

The highest item of the overdue liabilities is the liability due to an invoice from a bailiff, JUDr. Podkonický, amounting to CZK 33 757 000 without VAT, which is the subject of litigation and was not settled as of the date of the preparation of the Financial Statements. Other short-term overdue liabilities were paid right after 1 January 2020.

### 4.13.2. Short-term bills of exchange for payment

The most significant item of short-term liabilities is the bill of exchange programme, with the volume of CZK 8 000 million. The contract was signed on 28 June 2013 between DPP and Česká spořitelna, a.s. and Československá obchodní banka, a.s. equally. The programme has been implemented on a gradual basis.

As of 31 December 2019, the entire volume was drawn, i.e. CZK 8 000 million, with altogether CZK 800 million being repaid in 2015, a second instalment of CZK 800 million being made in 2016, a third instalment in the amount of CZK 800 million being made in 2017, a fourth instalment in the amount of CZK 800 million being made in 2018 and a fifth installment in the amount of CZK 800 million being made in 2019. The current volume of the bills of exchange as of 31 December 2019 equals CZK 4 000 million. The bills of exchange in the total volume of CZK 4 000 million are due on 19 March 2020.

The bill of exchange programme is a short-term programme and was intended for funding the purchase of 15 T For City trams.

### 4.13.3. Liabilities towards the companies within the group

Short-term liabilities from business relations and short-term advances accepted

(Figures in CZK thousand)

Company name	State as of 31 Dec. 2019	State as of 31 Dec. 2018
HMP	672	910
Operátor ICT, a.s.	442	125
Pražská energetika, a.s.	42 290	23 375
Pražská plynárenská, a.s.	149	9
Pražská strojírna a.s.	14 535	16 792
Pražské vodovody a kanalizace, a.s.	15 029	15 413
Pražské služby, a.s.	114	71
PREdistribuce, a.s.	21 396	22 127
PREměření, a.s.	12	14
PREservisní, s.r.o.	4	0
PREzákaznická, a.s.	11	29
RENCAR PRAHA, a.s.	27 226	36 301
Střední průmyslová škola dopravní, a.s.	2 928	2 972
Technická správa komunikací hl. m. Prahy, a.s.	2 880	3
Výstaviště Praha, a.s.	0	73
Total liabilities from business relations and advances towards companies in the group	127 688	118 214
Short-term liabilities from business relations and advance payments in total	1 791 722	1 827 023

### Valid liabilities from social security, public health insurance and life insurance, pension insurance 4.14. schemes, tax liabilities and grants

### 4.14.1. Liabilities from social security, public health insurance and life insurance, pension insurance schemes and complementary pension insurance programmes

The amount of liabilities from social security and contribution to the state employment policy as of 31 December 2019 amounted to CZK 164 540 000 (as of 31 December 2018 it was CZK 153 189 000).

The amount of liabilities from public health insurance as of 31 December 2019 amounted to CZK 71 166 000 (as of 31 December 2018 it was C7K 65 945 000).

The amount of liabilities from pension scheme for employees as of 31 December 2019 amounted to CZK 8 266 000 (as of 31 December 2018 it was CZK 7 235 000).

The amount of liabilities from life insurance scheme for employees as of 31 December 2019 amounted to CZK 110 000 (as of 31 December 2018 it was CZK 118 000).

The amount of liabilities from complementary pension insurance programmes for employees as of 31 December 2019 was C7K 3 104 000 (as of 31 December 2018 it was C7K 2 105 000).

All liabilities are before due dates.

### 4.14.2. Tax liabilities at locally competent financial authorities

(Figures in CZK thousand)

	State as of 31 Dec. 2019	State as of 31 Dec. 2018
Individual (natural person) income tax	78 821	71 365
Road tax	-20	103
Electricity tax	59	64
Real estate acquisition tax	0	0
Total	78 860	71 532

All liabilities are before the due dates.

The company registers the overpayment of road tax in the amount of CZK 20 000 reported here as a receivable in the company's assets.

### 4.14.3. Grants

The balance of the item "Grants" as of 31 December 2019 amounts to CZK 561 233 000 and comprises the following:

- Financial settlement of grants for 2019 with HMP in the amount of CZK 316 291 000
- Approved entitlement to a grant from the EU in the total amount of CZK 66 569 000 and from HMP amounting to CZK 46 598 000 intended in particular for modernisation of main ventilation in the ventilation shafts of the metro lines, heating and air-conditioning equipment in the metro stations
- HMP grant for the acquisition of fixed assets to cover the expenses of the investment project of the "Metro A line [Dejvická – Motol]" in the amount of CZK 126 936 000
- Liability from grants for settlement of costs of PID operation in the amount of CZK 4 839 000

### 4.15 **Estimated liabilities**

The item "Estimated liabilities" reports, as of the balance sheet day of 31 December 2019, the balance of CZK 139 699 000, while as of 31 December 2018, its balance was CZK 105 955 000,

The estimated liabilities include especially uninvoiced supplies of services in the amount of CZK 97 867 000, uninvoiced supplies of investment work in the amount of CZK 10 634 000 and other estimated liability items in the amount of CZK 30 622 000.

### 4.16. Other short-term liabilities

The item "Other liabilities" reports as of 31 December 2019 the balance of CZK 13 830 000; as of 31 December 2018 the balance was CZK 11 310 000.

### 4.17. Accrued liabilities

As of 31 December 2019, the items report the balance of CZK 979 325 000, while as of 31 December 2018 the balance was C7K 875 898 000.

The balance is formed especially of the account of deferred revenues (CZK 961 162 000), with the greatest item being accruals and deferrals of sales of fixed-period tickets in the amount of CZK 788 506 000 and accruals and deferrals of revenues from provided easements amounting to CZK 167 054 000. Another significant item is accrued expenses (CZK 18 163 000), with the greatest share having accruals and deferrals of the compulsory and accident insurance in the amount of CZK 8 689 000.

### 4.18. Revenues from current activities by main activities

### Revenues from current activities by main activities

(Figures in CZK thousand)

	2019	2018
Revenues from sales of own products and services in total	19 729 128	19 368 813
in which:		
Revenues from fare of regular transport	4 455 994	4 404 463
Compensation from the public service obligation	14 582 647	14 308 404
Other revenues	690 487	655 946
of which:		
Lease	363 879	314 705
Revenues from surcharges to fare	238 140	242 060

The most significant item of Revenues from sales of own products and services is the compensation from the public service obligation in the amount of CZK 14 582 647 000.

Another important item are revenues from fare of regular transport. Compared to 2018, there was an increase in revenues from fare of regular transport (without surcharges to the fare) for 2019 by CZK 51 531 000, i.e. by 1.17%.

Other revenues include revenues from other activities, especially from the lease of land, buildings and services associated therewith, cession of energy, lease of space on movable assets, repairs and maintenance of the means of transport, other repairs, revenues from irregular transport, revenues from medical procedures, etc.

### 4.18.1. Other revenues realised with related entities

2019 (Figures in CZK thousand)

Entity	Relation to the company	Inventory	Services	Deferred revenues	Other	Total
НМР	parent company	21	6 045	5 250	13	11 329
Operátor ICT, a.s.	affiliated company	0	56 868	635 162	0	692 030
Pražská energetika, a.s.	other company	0	118	783	0	901
Pražská plynárenská, a.s.	other company	0	0	0	392	392
Pražská plynárenská Distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	other company	0	92	0	24	116
Pražská plynárenská Servis distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	other company	0	1 569	0	0	1 569
Pražská strojírna a.s.	subsidiary	33 318	1 005	0	0	34 323
Pražská vodohospodářská společnost a.s.	affiliated company	0	1 208	0	0	1 208
Pražské služby, a.s.	affiliated company	0	10 136	1 110	0	11 246
Pražské vodovody a kanalizace, a.s	other company	0	563	0	0	563
PREdistribuce, a.s.	other company	0	1 598	827	211	2 636
PREměření, a.s.	other company	0	0	535	0	535
PREservisní, s.r.o.	other company	0	0	125	0	125
PREzákaznická, a.s.	other company	0	0	396	0	396
RENCAR PRAHA, a.s.	subsidiary	0	55 190	0	12	55 202
Střední průmyslová škola dopravní, a.s.	subsidiary	0	5 560	0	0	5 560
Technická správa komunikací hl. m. Praha, a.s.	affiliated company	0	5 791	0	0	5 791
Technologie hlavního města Prahy, a.s.	affiliated company	0	155	0	0	155
Výstaviště Praha, a.s.	affiliated company	0	-45	0	0	-45
Total		33 339	145 853	644 188	652	824 032

2018 (Figures in CZK thousand)

Entity	Relation to the company	Inventory	Services	Deferred revenues	Other	Total
HMP	parent company	0	7 593	5 006	23	12 622
KORMAK Praha a.s.	other company	0	20	0	0	20
Operátor ICT, a.s.	affiliated company	0	6 357	149 541	134	156 032
Pražská energetika, a.s.	other company	0	647	306	0	953
Pražská plynárenská Distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	other company	0	101	0	19	120
Pražská plynárenská Servis distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	other company	0	308	0	0	308
Pražská strojírna a.s.	subsidiary	19 027	993	0	0	20 020
Pražská vodohospodářská společnost a.s.	affiliated company	0	534	0	0	534
Pražské vodovody a kanalizace, a.s	other company	0	655	0	25	680
Pražské služby, a.s.	affiliated company	0	5 010	0	5	5 015



Edistribuce, a.s.	other company	0	2 208	349	

PREdistribuce, a.s.	other company	0	2 208	349	291	2 848
PREměření, a.s.	other company	0	280	206	0	486
PREzákaznická, a.s.	other company	0	196	157	0	353
RENCAR PRAHA, a.s.	subsidiary	0	49 176	0	39	49 215
Střední průmyslová škola dopravní, a.s.	subsidiary	0	4 779	0	0	4 779
Technická správa komunikací hl. m. Praha, a.s.	affiliated company	0	5 453	0	0	5 453
Výstaviště Praha, a.s.	affiliated company	0	106	0	0	106
Total		19 027	84 416	155 565	536	259 544

### Purchases and sales of fixed intangible, tangible and financial assets with affiliated entities 4.18.2.

### Sales

(Figures in CZK thousand) 2019

Faith	Dalation to the comment	FTA			
Entity	Relation to the company	Book value	Sales price		
НМР	parent company	3 041	1 715		
Total		3 041	1 715		

2018 (Figures in CZK thousand)

F-Air-	Deletion to the comment	FTA			
Entity	Relation to the company	Book value	Sales price		
НМР	parent company	17 166	58 338		
PREdistribuce, a.s.	other company	30	297		
Total		17 196	58 635		

### Purchases

2019 (Figures in CZK thousand)

Entity	Relation to the company	FTA	FNA
НМР	parent company	14	0
Pražská plynárenská Distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	other company	79	0
Pražská strojírna a.s.	subsidiary	5 220	0
PREdistribuce, a.s.	other company	198	0
Technická správa komunikací hl. m. Prahy, a.s.	affiliated company	223	0
Total		5 734	0

### 2018 (Figures in CZK thousand)

Entity	Relation to the company	FTA	FNA
НМР	parent company	8	0
Pražská plynárenská Distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	other company	13	0
PREdistribuce, a.s.	other company	930	0
Total		951	0

### 4.19. Consumer purchases

### (Figures in CZK thousand)

	2019	2018
Energy, gas, heat	1 051 814	973 153
Material	1 076 132	1 037 662
Diesel oil, oils, lubricants, coolant, petrol	733 192	754 586
Clothing and protective equipment	54 101	51 440
Low-value tangible assets	35 459	40 263
Other	28 293	25 511
Total	2 978 991	2 882 615

### 4.19.1. Purchases realised with related entities

### 2019 (Figures in CZK thousand)

Entity	Relation to the company	Inventory	Services	Accrued expenses 2018	Other	Total
HMP	parent company	598	1 901	0	52	2 551
Kolektory Praha, a.s.	affiliated company	0	466	0	0	466
Operátor ICT, a.s.	affiliated company	0	2 982	0	116	3 098
Pražská energetika, a.s.	other company	463 729	0	0	2 066	465 795
Pražská plynárenská, a.s.	other company	6 854	0	912	0	7 766
Pražská strojírna a.s.	subsidiary	155 800	74 156	0	0	229 956
Pražská teplárenská a.s.	other company	6 974	12	0	0	6 986
Pražské vodovody a kanalizace, a.s.	other company	19 529	71 676	548	4 551	96 304
Pražské služby, a.s.	affiliated company	295	12	0	0	307
PREdistribuce, a.s.	other company	407 974	671	0	0	408 645
Střední průmyslová škola dopravní, a.s.	subsidiary	0	29 844	0	0	29 844
Technická správa komunikací hl. m. Prahy, a.s.		0	5 233	0	0	5 233
VOLTCOM, spol. s r. o.	other company	0	363	0	0	363
Total		1 061 753	187 316	1 460	6 785	1 257 314

### 2018 (Figures in CZK thousand)

Entity	Relation to the company	Inventory	Services	Accrued expenses 2017	Other	Total
НМР	parent company	507	1 708	0	17	2 232
Kolektory Praha, a.s.	affiliated company	0	466	0	0	466
Operátor ICT, a.s.	affiliated company	0	415	0	0	415
Pražská energetika, a.s.	other company	380 745	0	0	138	380 883
Pražská plynárenská, a.s.	other company	5 202	0	640	0	5 842
Pražská plynárenská Servis distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	other company	0	8	0	0	8
Pražská strojírna a.s.	subsidiary	142 110	61 614	0	517	204 241
Pražská teplárenská a.s.	other company	6 848	11	0	0	6 859
Pražské vodovody a kanalizace, a.s.	other company	20 078	70 114	4 606	4 062	98 860
Pražské služby, a.s.	affiliated company	205	0	0	0	205
PREdistribuce, a.s.	other company	415 846	592	0	0	416 438
Střední průmyslová škola dopravní, a.s.	subsidiary	0	29 736	0	0	29 736
Výstaviště Praha, a.s.	affiliated company	0	92	54	0	146
Total		971 541	164 756	5 300	4 734	1 146 331

### 4.20. Services

(Figures in CZK thousand)

	2019	2018
Repairs and maintenance	2 153 417	1 939 756
Services associated with transport performance	701 023	654 746
Services of assistance nature	283 693	280 555
Data system services	140 712	113 695
Other services connected with city public transport	410 411	470 604
Advisory and legal services	126 668	79 789
Services associated with advertising	22 299	21 336
Other services	474 815	451 897
Total	4 313 038	4 012 378

### 4.20.1. Total costs of remunerations for the audit company

(Figures in CZK thousand)

	2019	2018
Obligatory audit of the Financial Statements	777	777
Other non-auditing services	1 096	2 340
Total	1 873	3 117

No estimated items are created for audit services; they are accounted in the period when the service is performed.

### Depreciation of fixed intangible and tangible assets 4.21.

### Comparison of depreciations by asset class

(Figures in CZK thousand)

01		2010	2010
Class		2019	2018
1310	Software	87 484	47 98
1311	PC Software CZK 40–60 thousand	18	9'
1400	Royalties	134	51
1900	Other fixed intangible assets	3 777	74
2110	Tracks	358 176	350 01
2111	Power supply system	142 872	142 28
2112	Metro tunnels	343 675	335 01
2113	Technical equipment of the metro	16 465	16 46
2114	Station columns, waiting rooms, shelters	2 941	2 93
2115	Building structures for operational purposes	42 487	41 66
2116	Building and halls for operation purposes	141 432	141 06
2117	Constructions for operation purposes	36 056	35 43
2118	Communication and security equipment	35 922	36 51
2119	Technical betterment of the assets leased	96	9
2210	Check-in system "MYPOL"	2 467	2 10
2211	Means of IT – computers	87 814	70 87
2212	Communication and security equipment – machinery	271 620	195 56
2213	Technical equipment of the metro	34 807	20 77
2214	Plant and machinery for operation purposes	81 405	80 90
2215	Power supply system – machinery	50 458	57 52
2216	Funicular	620	5
2221	Metro carriages	590 354	634 15
2223	Midi buses – N	20 975	20 88
2224	Standard buses	364	36
2226	Standard low-floor buses	144 127	92 03
2227	Articulated low-floor buses	234 700	206 15
2228	Escalators, metro lifts	34 901	29 90
2230	Cars, other	32 407	23 70
2231	Means of transport – other	19 434	9 13
2232	Trams - T3	329	26
2233	Trams – T3RP	17 899	21 59
2234	Trams - T6	3 476	12 44
2235	Trams – KT8	37 928	37 77
2236	Trams – 14T	2 932	2 49
2237	Trams – 15T	596 282	559 67
2240	Inventory	183	19
2900	Other fixed tangible assets – easements	9 306	7 96
	Temporarily capitalised assets – closing operations	-43 605	61 21
	Residual price of the fixed assets being disposed of	6 750	13 66
Total		3 449 468	3 311 79

Depreciation of fixed assets acquired in a form of grant would amount to CZK 1 918 496 000 in 2019 (CZK 1 923 060 000 in 2018).

### 4.22. Change in the state of provisions and adjustment of values in the operational area, except for depreciation

(Figures in CZK thousand)

	2019	2018
Change in the state – other provisions	529 631	-77 975
Change in the state – accounting allowances – to receivables	82 120	110 491
Change in the state – tax allowances – to receivables	653	-2 918
Change in the state – allowances to inventory	5 819	-5 785
Change in the state – allowances to assets	-50 838	-6 464
Total change in the state	567 385	17 349

### Sold fixed assets and Revenues from sale of fixed assets

As of 31 December 2019, the item "Residual price of the sold fixed assets" amounts to CZK 9 966 000 [CZK 39 473 000 in 2018) and the item "Revenues from sale of fixed assets" amounts to CZK 20 745 000 (CZK 86 595 000 in 2018).

### The item "Revenues from sale of fixed assets" includes especially revenues:

- from the sale of land in cadastral territory of Nová Ves nad Nisou to Mr. Erich Wieser amounting to CZK 1 461 000 as a part of the sale of the Vesna recreational centre, then revenues from land in cadastral territory of Modřany to the Capital City of Prague amounting to CZK 1 715 000
- from the sale of real estate in cadastral territory of Nová Ves nad Nisou to Mr. Erich Wieser in the amount of CZK 3 409 000 as a part of the sale of the buildings in the Vesna recreational centre

### Material sold and revenues from the sale of material 4.24.

As of 31 December 2019, the item "Material sold" amounts to CZK 87 576 000 (CZK 65 736 000 in 2018), the item "Revenues from the sold material" amounts to CZK 90 706 000 (CZK 69 607 000 in 2018)

### 4.25. Other operting revenues

(Figures in CZK thousand)

	2019	2018
Subsidies to reimburse costs	85 666	68 831
Revenues – surcharges to fare	238 139	242 060
Revenues – assignment of receivables related to SMS tickets	468 603	502 141
Provisions for payments - insurance companies	279 032	67 745
Contractual penalties, fines, late payment interest	18 518	13 087
Other operating revenues	147 468	33 052
Total	1 237 426	926 916

The increase in the item "Assessment of compensations - insurance companies" is caused by accounting the estimated assets - entitlement to the insurance claim due to accidents and damages amounting to CZK 199 988 000, while provisions for costs for removal of these damages are accounted to these revenues at the same time.

The increase in the item "Other operating revenues" is caused especially by further development of litigations arising from actions taken for unjust enrichment by the companies euroAWK s.r.o. and RENCAR PRAHA, a.s. As a result, there the amount of receivables changed, especially by taking new actions to euroAWK s.r.o., divided to compensation for the damage and unjust enrichment incurred by continuation of using the advertisement areas in the Prague metro, and in the case of RENCAR PRAHA, a.s. by lawsuit against unjust enrichment from using the property of DPP for advertising purposes without without a legal title for the period from 2016 to 2017. The amount of receivables due to these lawsuits as of 31 December 2019 is C7K 242 012 000.

### 4.26. Other operating costs

(Figures in CZK thousand)

	2019	2018
Insurance premium	325 454	314 977
Depreciation of receivables	44 465	8 659
Depreciation of assigned receivables from SMS tickets	468 603	502 142
Contractual penalties, interest on late payments	1 784	7 707
Other operating costs	51 074	114 204
Total	891 380	947 689

The item "Depreciation of receivables" increased due to larger number of written-off receivables from transport inspection, where the enforcement proceedings was not successful.

The item "Other operating costs" is decreased especially because in 2018 the unfinished investments were written-off as wasted, in particular the Closing the Metro by Turnstiles investment project at CZK 46 314 000.

### 4.27. Revenues from fixed financial assets

As of 31 December 2019, the company does not report any revenues from fixed financial assets.

### 4.28. Interest revenues and similar revenues

(Figures in CZK thousand)

	2019	2018
Interest on current bank accounts	81 695	17 049
Total	81 695	17 049

### Interest costs and similar costs

(Figures in CZK thousand)

	2019	2018
Paid banking interests	0	3 076
Interest paid on bill of exchange programme	130 440	94 206
Total	130 440	97 282

In case of paid banking interests, the value for 2018 is a correction of incorrectly attributed interests from the bank in 2017.

### 4.30. Other financial revenues except for derivative transactions

(Figures in CZK thousand)

	2019	2018
Revenues from securities and participations sold	0	3 170 000
Exchange rate differences	862	579
Revenues from short-term securities	0	408
Other financial revenues	-6 876	-31 353
Received financial donations	0	20
Total	-6 014	3 139 654

### Other financial costs except for derivative transactions 4.31.

(Figures in CZK thousand)

	2019	2018
Bank expenses	14 882	20 040
Exchange rate differences	1 145	415
Securities and participations sold	0	3 170 000
Other financial costs	4 453	4 400
Total	20 480	3 194 855



## 5. EMPLOYEES, COMPANY MANAGEMENT AND STATUTORY BODIES

### 5.1. Personnel costs and number of employees

2019 (Figures in CZK thousand)

	Number *	Wage costs	Social and health insurance costs	Other costs	Personnel costs in total
Employees	10 937	5 745 375	2 056 780	251 865	8 054 020
Company management	12	22 146	7 343	272	29 761
Board of Directors		17 446	3 956		21 402
Supervisory Board		3 648	1 227		4 875
Audit Committee		517	175		692
Corp. body members **		21 611	5 358		26 969
Total	10 949	5 789 132	2 069 481	252 137	8 110 750

2018 (Figures in CZK thousand)

	Number *	Wage costs	Social and health insurance costs	Other costs	Personnel costs in total
Employees	10 971	5 258 314	1 900 717	238 656	7 397 687
Company management	13	25 736	7 730	396	33 862
Board of Directors		17 908	3 800		21 708
Supervisory Board		3 961	1 310		5 271
Audit Committee		515	175		690
Corp. body members **		22 384	5 285		27 669
Total	10 984	5 306 434	1 913 732	239 052	7 459 218

### Total converted number of employees in the course of the accounting period

Time period	Number *	Company management of the total number of employees
1 January 2019–31 March 2019	10 932	12
1 January 2019–30 June 2019	10 945	11
1 January 2019–30 September 2019	10 938	11
1 January 2019–31 December 2019	10 949	12

<sup>\*</sup> The number of employees is based on the average converted headcount.

The term "company management" denotes Specialised Directors (except for those Specialised Directors who are at the same time members of the Board of Directors) and Heads of Units. The members of the Board of Directors, including the Chief Executive Officer, perform their office, as of the day of preparation of the Financial Statements, on the basis of an Agreement on Performance of an Office.

### Provided loans, credit facilities or other performance 5.2.

Non-residential premises and low-value assets were provided to trade unions free of charge.

No financial loans or credit facilities were granted to shareholders or members of statutory, supervisory and control bodies.

The contribution for pension insurance schemes, complementary pension insurance programmes and life insurance was provided only to those members of statutory, supervisory and control bodies, who are, at the same time, also the employees of the company.

<sup>\*\*</sup> Board of Directors, Supervisory Board, Audit Committee.

### 6. HABILITIES NOT STATED IN THE ACCOUNTING

Contractual liabilities for renewal and development of the fleet and construction investments from purchasing contracts concluded by the end of 2019 amount to CZK 4 592 790 000.

Due to organisational changes at DPP, which meant division of the Investment Section, the way of reporting of liabilities not stated in the accounting does not have continuity with the data reported in the Notes to the Financial Statements for 2018. Liabilities not stated in the accounting are now divided by the sections that took them over from the Investment Section.

### For the Metro Investment Department, the contractual liabilities amount to CZK 1 985 637 000 with the most important items being as follows:

- Complex security system in the amount of CZK 1 280 000 000
- Modernisation of refuelling stations on metro lines A, B, C in the amount of CZK 45 000 000
- Modernisation of air-conditioning in the Mustek metro station in the amount of CZK 43 892 000
- Modernisation of air-conditioning in the NáměstíRepubliky metro station in the amount of CZK 43 274 000

### For the Surface Investment Department, the contractual liabilities amount to CZK 2 567 307 000 and are related especially to the following projects:

- Purchase of standard low-floor buses in the amount of CZK 1 119 200 000
- Purchase of articulated low-floor buses in the amount of CZK 536 800 000
- Reconstruction of the Opatov metro station in the amount of CZK 256 401 000
- Barrier-free access to the Karlovo náměstí metro station in the amount of CZK 153 690 000.

### For the Project Management Office, Strategic Unit, the contractual liabilities amount to CZK 31 810 000 with the most important items being as follows:

- Barrier-free access to the Jinonice metro station in the amount of CZK 16 270 000
- Barrier-free access to the Křižíkova metro station in the amount of CZK 13 550 000

For the Tangible Assets Department, the contractual liabilities amount to CZK 8 036 000 and represent the following purchase contracts concluded in 2019, not stated in the balance sheet as of the date of the Financial Statements:

- Contract with Mr. Josef Houdek amounting to CZK 1 148 000
- Contract with Ms. Irena Slavíková amounting to CZK 6 888 000

Main source of funding of these liabilities will be the company's own resources.

In connection with renovation and development of construction investments, the company anticipates also funding from grants for acquisition of fixed assets.

Another area of the liabilities not stated in the accounting is potential liabilities due to litigations with an essential impact on the company, which, however, do not meet the parameters for their reflection in the balance sheet.

### Summary information on these litigations:

• Total number: 37 litigations Total value: CZK 5 394 302 07

1) Associated with the employment relationship: 3 litigations

2) Action for compensation for injury from an accident at work: 5 litigations

3) Action for unjust enrichment: 2 litigations

4) Compensation for damage: 5 litigations

5) Other actions: 11 litigations

6) Administrative actions: 11 litigations

DPP currently records open litigations or already made claims before the initiation of litigation for payment of unjust enrichments, where DPP assumes significant risk of release (payment) of the unjust enrichment, in the total amount of CZK 33 472 000, which is fully covered by created provision.

With regard to the above-mentioned claims, there is a significant potential risk, that remaining parts of the claims will be applied by entitled persons. Their volume as of 31 December 2019 amounts, based on calculation, to CZK 22 647 000. These claims are not covered by provisions, whereby these provisions are accounted only in the moment when the claim for the release of the unjust enrichment is actually made.

DPP is currently working on the important "Metro I.D. Construction" project, which is currently in the preparatory stage, specifically the necessary land purchases and other property transactions are being made, contracts related the performance of a geological survey in the amount of CZK 1 423 million have already been concluded and a tender for the supply of the construction part of the project has been announced. By the end of 2019, all parts of this development investment in transport infrastructure were covered by targeted investment grants from the company owner. Total investment expenses on the Metro I.D construction are estimated at approximately CZK 72 500 million. The management of DPP is currently negotiating the conditions for funding of individual parts of this investment project, while both the funding from grants and potentially also debt burden of the company will be considered.

## 7. APPROVAL OF THE FINANCIAL STATEMENTS OF 2018, PROFIT DISTRIBUTION OF 2019

### Approval of the Financial Statements of 2018 7.1.

Through the Resolution of the Prague City Council in the capacity of the General Assembly of DPP No. 1346 of 24 June 2019, the Financial Statements of 2018 were approved in full with profit amounting to CZK 1 529 146 000. At the same time, a decision was made to transfer this whole amount to account no. 428 - Retained earnings from previous years.

### Proposal for distribution of profit of 2019

The Board of Directors of the company proposes to the General Assembly of DPP the distribution of the profit achieved for the accounting period of 2019 in the amount of CZK 869 150 000 to be transferred to account 428 - Retained earnings from previous years.



# 8. EVENTS OCCURRING AFTER THE DATE OF THE FINANCIAL STATEMENTS

The company's Board of Directors decided, at its meeting on 21 January 2020, that starting on 21 January 2020, that economic matters will be in the purview of a member of the Board of Directors, namely Mgr. Matei Augustín.

The management of the company is currently conducting a number of business negotiations concerning the revitalisations of the metro stations, which, with regard to funding efficiency, may be addressed, inter alia, by establishment of joint ventures with significant development companies, where both the financial possibilities of these partners as well as their experience in the field of development activities and land use may be utilised. The establishment of a joint venture with the company Nové Holešovice Development a.s. for revitalisation of the Nádraží Holešovice station is currently being actively negotiated.

By Resolution No. 26/2019/2 of 17 December 2019, the Board of Directors decided on the conclusion of contractual documentation with CRESCON, a.s. on the execution of the Českomoravská station revitalisation project. The Supervisory Board granted its consent with the conclusion of this documentation in line with the company's statutes at its meeting dated 18 December 2019. On 23 January 2020, the contract on future contract on the sale and purchase of the land in the total amount of CZK 73,800,000 and on mutual cooperation on the revitalisation of the area of Českomoravská station on metro line B in Prague and the contract on future establishment of an easement related to this transaction, were published in the register of contracts.

The COVID-19 pandemic and the introduction of governmental and municipal measures starting in March 2020 aimed at halting the spread of this disease among the population to prevent the collapse of the health system, etc., have and will have significant negative effects on the economic situation in the Czech Republic, which may also directly or indirectly affect the economic and financial situation of DPP in 2020 or in other accounting periods. In this context, the following can be stated:

a) The company's management has already dealt with and discussed the effects of the spread of COVID-19 and the introduction of governmental and municipal measures on the economy and financial situation of DPP in 2020. At present, however, it is not possible to relevantly and reliably estimate what measures will be in place and for how long, or to reliably determine the specific impacts of the COVID-19 pandemic



on the economic and financial situation of DPP in 2020, and the impacts on the valuation of assets and liabilities that could be reflected in the audited Financial Statements prepared as of 31 December 2019.

- b) In the current crisis situation, the DPP fully guarantees the supply of all ordered public transport services and the fulfilment of additional requirements that are requested by HMP or ROPID. According to current information and assumptions, the development of the spread of COVID-19 does not represent a significant risk that, due to the lack of working staff (drivers, etc.), DPP would not be able to meet the requirements for expected public transport services in full in the next part of 2020.
- c) DPP management continuously updates the effects of the spread of the COVID-19 epidemic and the introduction of governmental and municipal measures on DPP's economic and financial situation in 2020 by updating the approved financial plan for 2020 in the area of DPP revenues and costs. To date, it assumes a total deterioration of DPP's profit for 2020 by CZK 60 million compared to the plan approved by the company's bodies. According to the assumptions of DPP management, in accordance with the concluded contract, the subject of which is the fulfilment of the public service obligation, coverage of the expected decrease in the economic result (increased operating losses) for 2020 will be ensured in full by an increased compensation payment from the budget of HMP.
- d) According to current information and assumptions of the DPP management, the financial situation of DPP is not currently endangered and the application of the assumption of the company's continuous duration (going concern principle) is not endangered either.



## 9. CLIMATE COMMITTMENT OF THE CITY OF PRAGUE

By Resolution No. 8/42 of 20 June 2019 of Prague City Council and at the same time by Resolution No. 1334 of 17 June 2019 of the Prague City Council regarding declaration of the climatic commitment of the City of Prague, all joint-stock companies in the property portfolio of the City of Prague were asked to cooperate in fulfilling the objectives of the climate commitment. All investment decisions should continue to be assessed in the light of greenhouse gas emissions reduction targets (target of reducing  $CO_2$  emissions in Prague by at least 45% by 2030 (compared to 2010) and achieving zero  $CO_2$  emissions by 2050 at the latest) and the climate priority should be reflected in conceptual and strategic materials.



## 10. CASH FLOW STATEMENT

(Figures in CZK thousand)

		(i igaics iii	OZIT tilousulit
		Period until 31 Dec. 2019	Period until 31 Dec. 2018
P.	Balance of funds and cash equivalents at the beginning of the accounting period	6 299 431	5 687 414
Z.	Accounting profit or loss from ordinary activities before tax	961 149	2 034 524
A.1.	Adjustments for non-monetary transactions (A.1.1 to A.1.6)	4 099 937	3 370 849
A.1.1.	Depreciation of fixed assets (+)	3 449 468	3 311 792
A.1.2.	Change in the state of allowances and provisions (+/-)	567 385	17 349
A.1.3.	Profit (-) or loss (+) from the sale of fixed assets	-10 779	-47 122
A.1.4.	Revenues from shares in profit (-)	0	0
A.1.5.	Cost (+) and revenue (-) interest	48 745	80 233
A.1.6.	Adjustments for other non-monetary transactions	45 118	8 597
<b>A*</b>	Net operational cash flow before changes in working capital (Z+A.1)	5 061 086	5 405 373
A.2.	Change in the state of working capital (A.2.1 to A.2.4)	149 992	-90 112
A.2.1.	Change in the state of receivables and accruals and deferrals of assets (+/-)	-186 506	138 679
A.2.2.	Change in the state of liabilities and accruals and deferrals of liabilities (+/-)	363 067	-249 254
A.2.3.	Change in the state of the inventory (+/-)	-26 569	20 463
A**	Net operating cash flow before taxation and extraordinary items (A.*+A.2)	5 211 078	5 315 261
A.3.	Interest paid (-)	-130 440	-97 282
A.4.	Interest received (+)	81 695	17 049
A.6.	Received shares in profit (+)	0	0
A***	Net cash flow from operating activities (A.**+A.3 to A.6)	5 162 333	5 235 028
B.1.	Expenses related to acquisition of fixed assets (-)	-3 142 695	-4 061 063
B.2.	Incomes from the sale of fixed assets (+)	690	86 595
B.3.	Loans and credit facilities to related persons	0	0
B***	Net cash flow from investment activities (B.1 to B.3)	-3 142 005	-3 974 468
C.1.	Change in the state of liabilities from funding	-697 969	-648 543
C***	Net cash flow from financial activities (C.1+C.2)	-697 969	-648 543
F.	Net change in funds and cash equivalents (A.***+B.***+C.***)	1 322 359	612 017
R.	Balance of funds and cash equivalents at the end of the accounting period (P+F)	7 621 790	6 299 431

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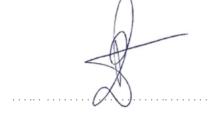
### Dopravní podnik hl. m. Prahy, akciová společnost

(The Prague Public Transit Company, joint-stock company) Sokolovská 42/217, Prague 9

## APPROVAL OF THE NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019 IN FULL SCOPE

### Ing. Petr Witowski

Chairman of the Board of Directors Chief Executive Officer The Prague Public Transit Company, Inc.

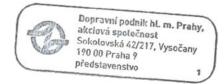


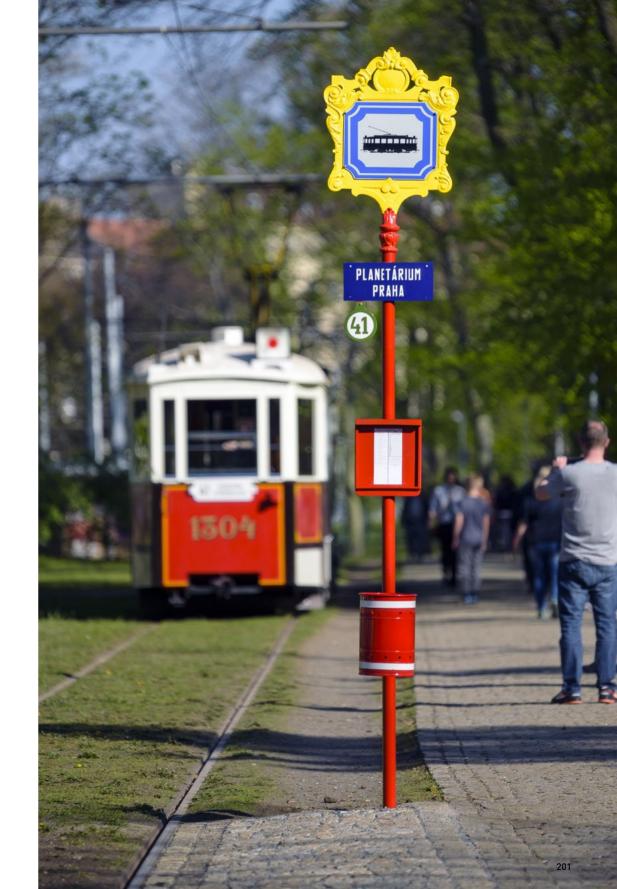
### Ing. Ladislav Urbánek

Vice Chairman of the Board of Directors The Prague Public Transit Company, Inc.



Prague, 9 March 2020 Prepared by: Ing. Marek Polický





### FULL BALANCE SHEET

As of 31 December 2019

(in CZK thousand)

The Prague Public Transit Company, Inc.

Sokolovská 42/217, Vysočany, 190 00 Prague 9

ID No.: 00005886

Code	Text	31 Dec. 2019		31 Dec. 2018	
Code	Text	Gross	Correction	Net	Net
	TOTAL ASSETS	139 428 044	55 939 991	83 488 053	82 669 816
B.	Fixed assets	128 276 953	54 772 493	73 504 460	74 087 947
B.I.	Fixed intangible assets	1 248 582	1 035 431	213 151	112 542
B.I.2.	Royalties	1 045 098	926 360	118 738	57 929
B.I.2.1.	Software	1 036 775	919 051	117 724	57 527
B.I.2.2.	Other royalties	8 323	7 309	1 014	402
B.I.4.	Other fixed intangible assets	132 242	109 071	23 171	18 093
B.I.5.	Advances provided for fixed intangible assets and unfinished fixed intangible assets	71 242	0	71 242	36 520
B.I.5.2.	Unfinished fixed intangible assets	71 242	0	71 242	36 520
B.II.	Fixed tangible assets	126 726 078	53 737 062	72 989 016	73 705 546
B.II.1.	Lands and constructions	63 807 770	22 522 792	41 284 978	41 598 093
B.II.1.1.	Land	3 432 103	0	3 432 103	3 419 762
B.II.1.2.	Constructions	60 375 667	22 522 792	37 852 875	38 178 331
B.II.2.	Tangible moveables and their sets	60 961 457	31 182 739	29 778 718	29 808 734
B.II.4.	Other fixed tangible assets	82 008	31 531	50 477	55 457
B.II.4.3.	Other tangible fixed assets	82 008	31 531	50 477	55 457
B.II.5.	Advances provided for fixed tangible assets and unfinished fixed tangible assets	1 874 843	0	1 874 843	2 243 262
B.II.5.1.	Advances provided for fixed tangible assets	596 891	0	596 891	942 957
B.II.5.2.	Unfinished fixed tangible assets	1 277 952	0	1 277 952	1 300 305

B.III.	Fixed financial assets	302 293	0	302 293	269 859
B.III.1.	Shares – controlled or controlling entity	269 041	0	269 041	230 503
B.III.3.	Shares – substantial influence	33 252	0	33 252	39 356
C.	Current assets	11 013 178	1 167 498	9 845 680	8 399 524
C.I.	Inventory	598 569	14 603	583 966	564 266
C.I.1.	Materials	589 640	14 603	575 037	547 482
C.I.2.	Work in progress and semi-finished products	7 460	0	7 460	14 229
C.I.3.	Finished products and goods	1 469	0	1 469	1 487
C.I.3.2.	Goods	1 469	0	1 469	1 487
C.I.5.	Advances provided for inventory	0	0	0	1 068
C.II.	Receivables	2 792 819	1 152 895	1 639 924	1 535 827
C.II.1.	Long-term receivables	274 034	0	274 034	312 847
C.II.1.1.	Trade receivables	112 776	0	112 776	88 266
C.II.1.5.	Receivables – other	161 258	0	161 258	224 581
C.II.1.5.2.	Long-term deposits given	107 085	0	107 085	114 635
C.II.1.5.4.	Other receivables	54 173	0	54 173	109 946
C.II.2.	Short-term receivables	2 518 785	1 152 895	1 365 890	1 222 980
C.II.2.1.	Trade receivables	1 290 026	984 865	305 161	358 766
C.II.2.4.	Receivables – other	1 228 759	168 030	1 060 729	864 214
C.II.2.4.3.	Due from state – tax receivables	346 687	0	346 687	280 670
C.II.2.4.4.	Short-term deposits given	80 538	0	80 538	26 325
C.II.2.4.5.	Estimated assets	343 501	0	343 501	217 116
C.II.2.4.6.	Other receivables	458 033	168 030	290 003	340 103
C.III.	Short-term financial assets	1 000 000	0	1 000 000	0
C.III.2.	Other short-term financial assets	1 000 000	0	1 000 000	0
C.IV.	Funds	6 621 790	0	6 621 790	6 299 431
C.IV.1.	Cash	40 522	0	40 522	44 306
C.IV.2.	Bank accounts	6 581 268	0	6 581 268	6 255 125
D.	Accruals and deferrals	137 913	0	137 913	182 345
D.1.	Deferred expenses	134 587	0	134 587	176 657
D.3.	Deferred incomes	3 326	0	3 326	5 688

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B.III.	Fixed financial assets	302 293	0	302 293	269 859
B.III.1.	Shares – controlled or controlling entity	269 041	0	269 041	230 503
B.III.3.	Shares – substantial influence	33 252	0	33 252	39 356
C.	Current assets	11 013 178	1 167 498	9 845 680	8 399 524
C.I.	Inventory	598 569	14 603	583 966	564 266
C.I.1.	Materials	589 640	14 603	575 037	547 482
C.I.2.	Work in progress and semi-finished products	7 460	0	7 460	14 229
C.I.3.	Finished products and goods	1 469	0	1 469	1 487
C.I.3.2.	Goods	1 469	0	1 469	1 487
C.I.5.	Advances provided for inventory	0	0	0	1 068
C.II.	Receivables	2 792 819	1 152 895	1 639 924	1 535 827
C.II.1.	Long-term receivables	274 034	0	274 034	312 847
C.II.1.1.	Trade receivables	112 776	0	112 776	88 266
C.II.1.5.	Receivables – other	161 258	0	161 258	224 581
C.II.1.5.2.	Long-term deposits given	107 085	0	107 085	114 635
C.II.1.5.4.	Other receivables	54 173	0	54 173	109 946
C.II.2.	Short-term receivables	2 518 785	1 152 895	1 365 890	1 222 980
C.II.2.1.	Trade receivables	1 290 026	984 865	305 161	358 766
C.II.2.4.	Receivables – other	1 228 759	168 030	1 060 729	864 214
C.II.2.4.3.	Due from state – tax receivables	346 687	0	346 687	280 670
C.II.2.4.4.	Short-term deposits given	80 538	0	80 538	26 325
C.II.2.4.5.	Estimated assets	343 501	0	343 501	217 116
C.II.2.4.6.	Other receivables	458 033	168 030	290 003	340 103
C.III.	Short-term financial assets	1 000 000	0	1 000 000	0
C.III.2.	Other short-term financial assets	1 000 000	0	1 000 000	0
C.IV.	Funds	6 621 790	0	6 621 790	6 299 431
C.IV.1.	Cash	40 522	0	40 522	44 306
C.IV.2.	Bank accounts	6 581 268	0	6 581 268	6 255 125
D.	Accruals and deferrals	137 913	0	137 913	182 345
D.1.	Deferred expenses	134 587	0	134 587	176 657
D.3.	Deferred incomes	3 326	0	3 326	5 688

Code	Text	31 Dec. 2019	31 Dec. 2018
	TOTAL LIABILITIES	83 488 053	82 669 816
A.	Equity	68 267 898	67 363 016
A.I.	Share capital	31 239 495	31 239 495
A.I.1.	Share capital	31 239 495	31 239 495
A.II.	Share premium and capital funds	31 075 271	31 039 539
A.II.2.	Capital funds	31 075 271	31 039 539
A.II.2.1.	Other capital funds	30 914 012	30 934 067
A.II.2.2.	Differences from revaluation of assets and liabilities (+/-)	161 259	105 472
A.IV.	Profit/loss - previous years (+/-)	5 083 982	3 554 836
A.IV.1.	Retained earnings from previous years (+/-)	5 083 982	3 554 836
A.V.	Net profit/loss for the current period (+ / -)	869 150	1 529 146
B.+C.	Liabilities	14 240 830	14 430 902
В.	Provisions	963 162	433 531
B.IV.	Other provisions	963 162	433 531
C.	Payables	13 277 668	13 997 371
C.I.	Long-term payables	6 032 013	5 949 557
C.I.3.	Long-term advances received	50 073	31 210
C.I.4.	Trade payables	560 564	594 449
C.I.8.	Deferred tax liability	5 421 376	5 323 898
C.II.	Short-term payables	7 245 655	8 047 814
C.II.3.	Short-term deposits received	400 016	87 910
C.II.4.	Trade payables	1 391 706	1 739 113
C.II.5.	Short-term bills of exchange payable	4 000 000	4 800 000
C.II.8.	Other payables	1 453 933	1 420 791
C.II.8.3.	Payables to employees	413 105	384 592
C.II.8.4.	Payables to social security and health insurance	247 186	228 592
C.II.8.5.	Due to state – tax liabilities and grants	640 113	690 342
C.II.8.6.	Estimated payables	139 699	105 955
C.II.8.7.	Other payables	13 830	11 310
D.	Accrued liabilities	979 325	875 898
D.1.	Accrued expenses	18 163	16 487
D.2.	Accrued revenues	961 162	859 411

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## FULL PROFIT AND LOSS STATEMENT

As of 31 December 2019

(in CZK thousand)

The Prague Public Transit Company, Inc.

Sokolovská 42/217, Vysočany, 190 00 Prague 9

ID No.: 00005886

Code	Text	Period until 31 Dec. 2019	Period until 31 Dec. 2018
I.	Revenues from the sale of products and services	19 729 128	19 368 813
I.1.	Revenues from the sale of own products and services	19 729 128	19 368 813
I.1.1.	Revenues from fare	4 455 994	4 404 463
1.1.2.	Compensation for public service obligation	14 582 647	14 308 404
I.1.3.	Other revenues	690 487	655 946
II.	Revenues from sale of goods	1 425	1 119
A.	Production consumed	7 292 967	6 895 744
A.1.	Cost of goods sold	938	751
A.2.	Consumption of material and energy	2 978 991	2 882 615
A.3.	Services	4 313 038	4 012 378
В.	Change in inventory of own products (+/-)	6 768	-6 078
C.	Capitalisation (-)	-367 423	-498 228
D.	Personnel costs	8 110 750	7 459 218
D.1.	Wages and salaries	5 789 132	5 306 434
D.2.	Social security, health insurance and other cost	2 321 618	2 152 784
D.2.1.	Social security costs and health insurance	2 069 481	1 913 732
D.2.2.	Other costs	252 137	239 052
E.	Value adjustments in the operating area	3 487 222	3 407 116
E.1.	Value adjustments of intangible and tangible fixed assets	3 398 630	3 305 328

3 449 468	3 311 792
-50 838	-6 464
5 819	-5 785
82 773	107 573
1 348 877	1 083 118
20 745	86 595
90 706	69 607
1 237 426	926 916
1 540 768	1 004 288
9 966	39 473
87 576	65 736
22 215	29 365
529 631	-77 975
891 380	947 689
1 008 378	2 190 990
81 695	17 049
81 695	17 049
130 440	97 282
130 440	97 282
21 996	3 142 187
20 480	3 218 420
-47 229	-156 466
961 149	2 034 524
91 999	505 378
91 999	505 378
869 150	1 529 146
869 150	1 529 146
21 183 121	23 612 286
	82 773  1 348 877  20 745  90 706  1 237 426  1 540 768  9 966  87 576  22 215  529 631  891 380  1 008 378  81 695  81 695  130 440  21 996  20 480  -47 229  961 149  91 999  869 150  869 150

Date of dispatch	Signature of statutory body or individual who is the accounting unit			
9.3.2020	Operawii podnik hl. m. Praby, Skolowi společnost Skolowi su 127, Vya Sčany			
Legal status of an accounting unit Incorporated Company	Object Public Transport Operator (and other activites)			

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## STATEMENT OF CHANGES IN EQUITY

As of 31 December 2019

(in CZK thousand)

The Prague Public Transit Company, Inc.

Sokolovská 42/217, Vysočany, 190 00 Prague 9

ID No.: 00005886

Account	Share capital	Changes in share capital	Other capital funds	Differences from revaluation of assets and liabilities	Accumulated profit/loss	Equity in total
Opening balance as of 1 Jan. 2018	30 726 125	513 370	30 930 771	55 318	3 554 836	65 780 420
Capital transactions with owners						0
Allocation to the reserve fund						0
Paid-out dividends						0
Subscription of share equity						0
Change of share capital – non-monetary deposit	513 370	-513 370				0
Grant to increase share capital						0
Other transactions						0
Profit/loss of the current year					1 529 146	1 529 146
Valuation of land and buildings			3 296			3 296
Increase in reval. diff. from revaluation of securities etc.				29 379		29 379
Revaluation of derivatives				25 648		25 648
Deferred tax to derivatives				-4 873		-4 873
Settlement of loss from reserve fund						0
Corrections of errors and in methods						0
Closing balance as of 31 Dec. 2018	31 239 495	0	30 934 067	105 472	5 083 982	67 363 016
Capital transactions with owners						0





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Allocation to the reserve fund						0
Paid-out dividends						0
Subscription of share equity						0
Change of share capital – non-monetary deposit						0
Grants to increase share capital						0
Other transactions						0
Profit/loss of the current year					869 150	869 150
Valuation of land and buildings			-20 055			-20 055
Increase in reval. diff. from revaluation of securities etc.				32 434		32 434
Revaluation of derivatives				28 831		28 831
Deferred tax to derivatives				-5 478		-5 478
Settlement of loss from reserve fund						0
Corrections of errors and in methods						0
Closing balance as of 31 Dec. 2019	31 239 495	0	30 914 012	161 259	5 953 132	68 267 898

Signature of statutory body or individual who is the accounting onit				
Dopravní podnik hl. m. Prahy, akciová společnost – Spokolovská 4/2/17, Vysočany				
Object Public Transport Operator (and other activites)  190 00 Praha 9 predstavenstvo				

STATEMENT OF CHANGES IN EQUITY 209 208 STATEMENT OF CHANGES IN EQUITY

### AUDITOR'S REPORT



### **Independent Auditor's Report**

on Audit of the Financial Statements

as at December 31, 2019

of the company

Dopravní podnik hl.m. Prahy, akciová společnost (The Prague Public Transport Company, joint-stock company)

Prague, April 2019

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 http://www.nexiaprague.

IČO/ID No.: 48 11 70 13 DIČ/Tax No.: CZ 48 11 70 13 Obchodni rejstřík/Commercial register: Městský soud v Praze, oddíl B. vložka 14203

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### Information about the audited company

Name of the Company: Dopravní podnik hl.m. Prahy, akciová společnost

(The Prague Public Transport Company, joint-stock company)

Registered office: Sokolovská 42/217, 190 22, Prague 9

Recording carried out at: Municipal court in Prague Recording under number: Section B, File no. 847

ID number: 000 05 886 Statutory body: Board of Directors

Subject of business: Operation of a tramway network system, special railroad (metro system)

and cableway (Petřín and ZOO) and operation of rail system transport in

the Capital City of Prague, road motor transport and others

Audited period: 1 January 2019 to 31 December 2019

The sole shareholder of Dopravní podnik hl. m. Prahy, akciová společnost, Recipient of the report:

which is the Capital City of Prague

### Information about the auditing company

Name of the company: NEXTA AP a s Audit firm licence No.: No. 096

Registered office: Sokolovská 5/49, 186 00 Prague 8 Karlín

Recording carried out at: Municipal court in Prague Recording under number Section B, File no. 14203

ID number: 481 17 013 Phone: +420 221 584 302

F-mail nexiapraque@nexiapraque.cz

Responsible auditor: Ing. Jakub Kovář Auditor licence No.

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### Independent auditor's Report

### to the sole shareholder

of The Prague Public Transport Company, joint-stock company

### **Qualified Opinion**

We have performed the audit of the attached Financial Statements of the joint-stock company Dopravní podnik hl. m. Prahy, akciová společnost ("Prague Public Transport Company, joint-stock company" hereinafter referred to also as "the accounting unit" or "the Company" or "DP") drawn up on the basis of the Czech accounting standards, consisting of the Balance Sheet as at 31 December 2019, Profit and Loss Statement, Overview of the Changes in Equity and Cash Flow Statement, drawn up for 2019 ending on 31 December 2019, and the Notes to the Financial Statements, containing a description of the essential accounting methods used and other explanatory information.

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the Financial Statements provide a faithful and fair image of assets and liabilities of The Prague Public Transit Company, joint-stock company, as at 31 December 2019, and of the costs and incomes and of the result of its economic activities and cash flows for period of 2019, ending as at 31 December 2019, in accordance with the Czech Accounting Standards.

### **Basis for Qualified Opinion**

We have carried out the audit of the Financial Statements the Company drawn up as at 31 December 2019 and we have issued a Qualified Opinion on the Financial Statements. We performed the audit in accordance with the Auditors Act and Standards of the Chamber of Auditors of the Czech Republic for Audit, which are the International Standards on Auditing (ISA), possibly completed and modified with the use of related application clauses. Our responsibility determined by these regulations is described at a more detailed level in the section entitled "Auditor's Responsibility for Audit of the Financial Statements. In accordance with the Auditors Act and the Code of Conduct adopted by the Chamber of Auditors of the Czech Republic, we are independent of the accounting unit and we have fulfilled also other ethical obligations implying from the above-mentioned regulations. We are convinced that the evidence information, which we have collected, provides sufficient and suitable grounds for formulation of our Qualified Opinion.

The basis for our Qualified Opinion consists of one (1) case of the identified obvious incorrectness of the Financial Statements and two (2) cases of significant uncertainty connected with correctness of valuation of assets in the Financial Statements:

- 1. Material incorrectness of the Financial Statements consisting in an incorrect (overvalued) valuation of the plots of land stated on the line B.II.1.1. of the Balance Sheet ("net" column) as at 31 December 2019 at an amount of CZK 3,432 million by an amount of CZK 423 million.
- a) DP states, as at 31 December 2019, as a part of valuation of the plots of land on the line B.II.1.1. of the Balance Sheet, in the "net" column, the plots of land valued with an accounting value of CZK 423 million, which it itself defines as redundant assets and on which it is possible to find constructions owned by the Capital City of Prague (hereinafter referred to also as "HMP"), such as public roads, pavements and other infrastructure of HMP (hereinafter referred to also as "HMP infrastructure"). DP has not received any economic benefits (e.g., rental or leasehold fee) from possession of these plots of land yet.

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- b) These plots of land are objectively not, with regard to the existing HMP infrastructure, useable for operation of mass urban transportation or other projects of commercial or other nature. For these plots of land, it is not even objectively possible to suppose that DP would intend to sell these plots of land which are strategic for HMP, to a third person (their external sale cannot be decided without the HMP consent either).
- It was an intent of DP that HMP should purchase these plots of land at the sales price determined by an Expert Opinion, and that is why it offered them to HMP for purchase or exchange. According to the information available to the auditor, HMP at present is not interested in purchasing these redundant plots of land from DP or in decreasing the registered capital of DP by their value.
- Although these plots of land do not generate any economic yields and are virtually unsalable on a free market, DP has kept all these redundant plots of land in the accounting books and in the Financial Statements being verified in the valuation amounting to CZK 423 million without taking obvious attributes of the temporary value reduction into consideration.
- c) In our opinion it is necessary, given the current conditions when these plots of land do not generate any economic benefits (incomes) for DP and are not marketable on a free market, and HMP (for the time being) does not want to purchase or exchange these plots of land and does not want to reduce the registered capital by their value either, to respond to this situation by creating a 100% adjustment amounting to CZK 423 million, by means of which these plots of land would be valued in the Financial Statements with a zero value, and thus it would be possible to adhere to the principle of true and fair representation:
  - An adjustment represents, from the viewpoint of the accounting standards, a tool of temporary nature, through which the risks and losses of the value of assets which have (may have) temporary nature are reflected in the Financial Statements. If such negative circumstances cease to exist (e.g., HMP decides to purchase given plots of land or to pay usual rental or leasehold fee), the adjustment will be reduced or even cancelled.
- d) The creation of a 100% adjustment amounting to CZK 423 million, relating to the redundant plots of land encumbered by the HMP infrastructure, which was not made on the part of DP, has the following significant impacts on important entries of the Balance Sheet and the Profit and Loss Statement (PLS) forming a part of the Financial Statements verified as at 31 December 2019. These impacts are described at a detailed level in Table no. 1 - Key impacts of reduction of the valuation of the plots of land encumbered by the HMP infrastructure through creation of an adjustment and can be summed up in the following conclusions (impacts):
- Reduction of the stated net value of the plots of land in the Balance Sheet by CZK 423 million from CZK 3,432 million to CZK 3,009 million, which represents, in our opinion, the right valuation of the plots of land in the Financial Statements of DP drawn up as at 31 December 2019.
- Increase in costs in the PLS in the entry "Adjustments of the values of fixed intangible and tangible assets – temporary" by CZK 423 million from minus (-) CZK 51 million to CZK 372 million,
- Reduction of the result of economic activities for the accounting period after taxation stated in the PLS by CZK 423 million from CZK 869 million to CZK 446 million.
- Reduction of the equity stated in the Balance Sheet by CZK 423 million from CZK 68,268 million to CZK 67.845 million

Table no. 1: Key impacts of reduction of the valuation of the plots of land encumbered by the HMP infrastructure through creation of an adjustment (in CZK million)

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	Part of the Financial Statements verified	Statement line number	Statement line title	Value in the Financial Statements	Right value after creation of the adjustment
1.	Balance Sheet (assets)	B.II.1.1. (gross)	Lands	3,432	3,432
2.	Balance Sheet (assets)	B.II.1.1. (adjustment)	Lands	0	423
3.	Balance Sheet (assets)	B.II.1.1. (net)	Lands	3,432	3,009
4.	Profit and Loss Statement	E.1.2.	Adjustments of the values of fixed intangible and tangible assets – temporary	-51	372
5.	Profit and Loss Statement	*	Operatiing profit/loss	1,008	585
6.	Profit and Loss Statement	**	Profit/Loss after tax	961	538
7.	Profit and Loss Statement	***	Profit/Loss of current accounting period	869	446
8.	Balance Sheet (liabilities)	Α.	Equity	68,268	67,845
9.	Balance Sheet (liabilities)	A.V.	Net profit/loss for the current period	869	446

- 2. Uncertainty connected with correctness of valuation of the redundant plots of land not encumbered by the HMP infrastructure, stated in the Balance Sheet of the company in the accounting value of CZK 386 million, which may have a material impact on the valuation of assets as at 31 December 2019 and on the result of economic activities for the accounting period of 2019:
  - a) DP states, as at 31 December 2019, as a part of the valuation of the plots of land on the line B.II.1.1. of the Balance Sheet in the column "Net", the plots of land valued with an accounting value of CZK 386 million, which it itself defines as redundant assets not required for assurance of the operation of mass urban transportation:
  - It was an intent of DP that HMP should purchase these plots of land at the sales price determined by an Expert Opinion, and therefore HMP offered them for purchase or exchange. According to the information available to the auditor, HMP currently does not support the idea of purchasing these redundant plots of land from DP or the idea of reduction of the registered capital of DP by their value.
- b) Concerning this portfolio of redundant plots of land, which are not encumbered by the HMP infrastructure, the DP management was not able to issue the necessary assurance that these plots of land have obvious potential for future economic use by DP within the framework of operation of mass urban transportation (infrastructure of mass urban transportation, construction capital expenditures, etc.) or within the framework of other DP projects and/or are marketable (with the HMP consent) on a free market. In spite of the existing uncertainty in the possible use of these plots of land, DP has kept all these redundant plots of land in the accounting books and in the Financial Statements verified, in the valuation amounting to CZK 386 million without taking the risks of a possible value reduction into consideration.
- c) We consider the situation when the company management was not able to confirm in the Declaration of the Accounting Unit Management that the concerned plots of land in the accounting value of CZK 386 million have obvious economic use for DP, and at the same time there were not submitted any

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other relevant grounds provably evidencing the economic use of these plots of land for DP, leading directly or indirectly to achievement of the incomes from possession or sale of the plots of land, as the existence of significant uncertainty relating to the right valuation of these plots of land in the Financial Statements of DP:

- > For the above-mentioned reasons, it is not possible, as at the date of issue of the present Report, to provide a relevant opinion regarding correctness of valuation of the concerned redundant plots of land in the Balance Sheet of DP as at 31 December 2019, which are stated in the accounting value of CZK 386 million, and to assess the necessity of possible additional adjustments of the valuation of the plots of land in the Balance Sheet of DP, impacts of the valuation adjustments on the result of economic activities for 2019 and on the DP equity as at 31 December 2019.
- > The fact that we did not have relevant information about possible economic use of these redundant plots of land at our disposal, means, in our opinion, significant uncertainty that these redundant plots of land in the accounting value of CZK 386 million, on which no HMP infrastructure is situated, lead in a significant extent to incorrect overvaluation of assets in the DP Balance Sheet as at 31 December 2019.
- 3. The uncertainty associated with correctness of valuation of capital expenditures connected with still non-commenced construction of the Metro D Line in the accounting value (after adjustment taking the provided capex subsidies into consideration) at an amount of CZK 223 million, which may have material impacts on valuation of assets as at 31 December 2019 and on the result of economic activities of the accounting period for 2019:
- a) DP states, as at 31 December 2019, as a part of valuation of Fixed tangible assets under construction. on the line B.II.5.2. of the Balance Sheet in the "Net" column, the capital expenditures spent so far on construction of the Metro D Line in the accounting value of CZK 223 million, that have been gradually incurred and have been accumulated as still unclassified and undepreciated fixed assets since 1992. The DP management provided assurance (which we verified for a sample of selected entries) that these expenditures were spent in a causal context with the planned construction of the Metro D Line and in accordance with applicable domestic accounting standards they were to enter into the acquisition price of this planned construction Work at the moment of its completion and putting into use.
- b) At present, the DP management does not have any information that there would be a change in the HMP intent to commence construction work on the construction of the Metro D Line, whose total capital expenditures are estimated at approx. CZK 72,600 million. DP works, in accordance with the HMP instructions, on commencement of the Metro D Line construction, when the tender procedure for deliveries of the construction part of the Work in the "Pankrác – Olbrachtova" section has already been enunciated in the presupposed volume of CZK 10.8 billion (VAT exclusive).
- c) According to the company management declaration, negotiations are currently conducted with HMP and bank institutions about the possibilities and conditions of the funding of this extensive capital expenditure project, which cannot be implemented without the support and cooperation of HMP. With regard to the complexity of these negotiations, which are further affected also by the general negative development of the economic situation in the Czech Republic, the DP management was not able to provide us with the following information and assurance:

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- How (from the HMP budget or from debt sources provided directly to DP or by a combination of various solutions), when and in what specific form the necessary sources for the financing of the Metro D Line construction will be ensured.
- How the coverage of possible financial costs and instalments of long-term funding for the time of the construction will be ensured if DP ensures debt sources on the financial market.
- How the coverage of complete complex operation (including depreciation) and financial costs of the Metro D Line will be resolved after completion of the construction and commencement of its operation through a compensation payment from the public service obligation in accordance with applicable rules for internal operators.
- When it is possible to expect commencement of the Metro D Line operation according to the current stated and current information.
- d) We consider the situation when the company management was not able to confirm in the Declaration of the Accounting Unit Management how the financing of the Metro D Line construction will be ensured and how the coverage of complete complex operation and financial costs of the Metro D Line operation after completion of the construction and commencement of its operation is prenegotiated with HMP, and when there were not submitted any other relevant grounds which would declare that the necessary financing of this demanding project will be ensured and that the terms and conditions for the future coverage of complete complex operation costs of the Metro D Line are pre-negotiated, as (also in the context of the current negative economic situation caused by the COVID-19 epidemics and expected economic recession) the existence of significant uncertainty relating to the right valuation of these fixed tangible assets under construction in the DP Financial Statements
- For the above-mentioned reasons, it is not possible, as at the date of issue of the present Report, to provide a relevant opinion regarding correctness of valuation of the concerned capital expenditures in the Balance Sheet of the company as at 31 December 2019, which are stated in the accounting value of CZK 223 million, and to assess the necessity of possible additional adjustments of the valuation of the concerned capital expenditures in the DP Balance Sheet. impacts of the valuation adjustments on the result of economic activities for 2019 and on the DP equity as at 31 December 2019.
- > The fact that the financing of the Metro D Line construction is not ensured yet, means, in our opinion, significant uncertainty that the capital expenditures associated with still noncommenced Metro D Line construction, stated as a part of the fixed tangible assets under construction in the accounting value of CZK 223 million, lead in a significant extent to incorrect overvaluation of assets in the DP Balance Sheet as at 31 December 2019.
- > If the financing of this important development DP project was not ensured, it would be necessary to suppose that there is a significant risk or uncertainty that in a final consequence the Metro D Line operation is not commenced. In such a situation, all the expenditures spent in connection with preparation and preparation work for the final Metro D Line construction would represent a frustrated investment which would have to be written off, on a one-off basis, to the detriment of the result of economic activities of DP.

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### **Emphasis of Matter**

Beyond the framework of the facts which we stated in the section "Grounds for the Qualified Opinion", we would like to draw your attention to the fact that possible significant indebtedness of DP for the purpose of direct participation in the financing of overall capital expenditures for the Metro D Line construction in the currently estimated amount of CZK 72,600 million requires, in our opinion, that the statutory body of DP should obtain, in accordance with the principle of the care of a proper manager and in accordance with necessary assurance of financial stability of DP, still before making a decision about such new significant indebtedness, a binding promise of HMP concerning the coverage of financial costs and instalments of the long-term funding for the term of the construction and coverage of complete complex operation (including depreciation) and financial costs of the Metro D Line operation after completion of the construction and commencement of its operation through a compensation payment from the public service obligation in accordance with applicable rules for internal operators.

### Other information included in the Annual Report

The other information is, in accordance with Section 2(b) of the Auditors Act, the Information stated in the Annual Report out of the Financial Statements and our Auditor's Report. The accounting unit management is responsible for the other information.

Our opinion on the Financial Statements does not relate to the other information. But still, it is a part of our obligations associated with verification of the Financial Statements to get familiar with the other information and assessment, whether the other information is not in a significant (material) discordance with the Financial Statements or with our knowledge about the accounting unit acquired during verification of the Financial Statements or whether this information does not seem to be significantly (materially) incorrect. We assess also whether the other information was drawn up, in all significant (material) regards, in accordance with applicable legal regulations. This assessment determines whether the other information meets requirements of legal regulations for formal prerequisites and the procedure of the drawing up of the other information in the context of importance (materiality), i.e., whether a possible non-observance of the above-mentioned requirements could affect the judgement made on the basis of other information.

On the basis of the procedures applied, to the extent which we are able to assess, we state that:

- The other information which describes the facts that are also the subject matter of presentation in the Financial Statements is in all significant (material) regards in accordance with the Financial Statements,
- In the Notes to the Financial Statements, the Company states important information concerning the process of settlement of the state of fixed assets (especially of the plots of land) between DP and HMP, regeneration of the Modřany Landfill Site and provisions created in the context in question, preparation of the significant capital expenditure project of the Metro D Line construction and impacts of propagation of the COVID-19 disease and introduction of governmental and municipal measures on economic activities, financial situation and operation of DP in the period of 2020,
- The other information was drawn up in accordance with legal regulations.

Moreover, we are obliged to state whether, on the basis of knowledge and awareness concerning the accounting unit, at which we have arrived during the audit execution, the other information does not contain any significant (material) factual incorrectness. If we find out, on the basis of the work carried out that the other information is significantly (materially) incorrect, we are obliged to state the facts identified in our Report. Within the framework of the stated procedures, we have not found out any significant (material) factual incorrectness in the other information obtained.

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The only factual material incorrectness of the Financial Statements, described in the section "Grounds for the Qualified Opinion", is incorrect (overvalued) valuation of the plots of land stated in the Balance Sheet of DP on the line B.II.1.1., caused by the failure to properly account the adjustment amounting to CZK 423 million. This incorrectness may have impact on some of other published information which is connected with the plots of land owned by DP, and may cause its incorrectness. The impact of these possibly incorrect pieces of other information on interpretation of the Financial Statements and their assessment by users of the accounting statements is, in our opinion, not significant.

### Responsibility of the Board of Directors, Supervisory Board and Audit Committee for the **Financial Statements**

The Board of Directors is responsible for the drawing up of the Financial Statements presenting a true and fair image in accordance with the Czech Accounting Standards, and for such an internal checking system which it considers to be necessary for the drawing up of the Financial Statements so that they do not contain any significant (material) incorrectness caused by a fraud or mistake.

In the declaration of the accounting unit management, provided for the purpose of audit execution, we received necessary information concerning the process of settlement of the state of fixed assets between DP and HMP.

During the drawing up of the Financial Statements, the Board of Directors is obliged to assess whether the accounting unit is able to meet the going-concern presumption, and if relevant, then to describe, in the Notes to the Financial Statements, the matters concerning its going-concern presumptions and the use of the going-concern presumption during the drawing up of the Financial Statements, except for the cases when the Board of Directors plans cancellation of the accounting unit or termination of its activities, or when it does not have any realistic possibility other than doing so, respectively.

The Supervisory Board and the Audit Committee are responsible for supervision over the process of the accounting statement preparation.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our aim is to acquire reasonable sureness that the Financial Statements as a whole do not contain any significant (material) incorrectness caused by a fraud or by a mistake and to issue the Auditor's Report containing our Statement. Reasonable rate of sureness is a great rate of sureness, nevertheless it is not a guarantee that the audit carried out in accordance with the above-mentioned regulations reveals, in all cases in the Financial Statements, possible existing significant (material) incorrectness. Incorrectness may arise in consequence of frauds or mistakes and is considered as significant (material), if it is possible to realistically suppose that it could affect, either as individual cases or as a whole, the economic decisions adopted by users of the Financial Statements on their basis.

While carrying out the audit in accordance with the above-mentioned regulations, it is our obligation to apply, during the entire audit, the professional assessment and to maintain professional scepticism. Besides this, we are obliged to:

• Identify and evaluate the risks of significant (material) incorrectness caused by a fraud or mistake, to propose and perform auditing procedures responding to these risks and to acquire sufficient and suitable evidence information so that we can be able to express our statement on its basis. The risk that we will not reveal a significant (material) incorrectness, which has occurred in consequence of a fraud, is higher than the risk of a failure to reveal a significant (material) incorrectness caused by a

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mistake, because a fraud may include secret agreements (collusions), falsifications, intentional omissions, untrue declarations or bypassing of internal checks by the accounting unit management.

- To get familiar with the internal control system of the accounting unit relevant for the audit in such an extent that we can suggest auditing procedures suitable with regard to given circumstances and not for our being able to express an opinion on efficiency of its internal control system.
- To assess suitability of the accounting rules used, adequacy of performed accounting estimations and the information which was stated in this context by the accounting unit management in the comments on the Financial Statements.
- To assess suitability of the use of the presumption of the continual existence (going-concern principle) while drawing up the Financial Statements by the accounting unit management and the fact whether with regard to the collected evidence information there is a significant (material) uncertainty implying from the events or conditions that can significantly question the ability of the accounting unit to continually exist. If we arrive at a conclusion that there is such a significant (material) uncertainty, it is our obligation to point out, in our report, the information stated in this connection in the Notes to the Financial Statements, and if this information is not sufficient, then to express a modified statement. Our conclusions relating to the accounting unit's ability to continually exist are based on the evidence information which we have acquired until the date of our report. Nevertheless, future events or conditions may lead to the fact that the accounting unit will lose its ability to continually exist.
- To evaluate the overall presentation, arrangement and content of the Financial Statements, including the Notes, and also the fact whether the Financial Statements reflect the input transactions and events in a way leading to true reflection.

Our obligation is to inform the Board of Directors, Supervisory Board and Audit Committee, among other things, about the planned extent and timing of the audit and on significant findings which we have made in its course, including the finding of significant insufficiencies in the internal control system.

In Prague, on 21 April 2020

Ing. Jakub Kovář Auditor's Registration Number 1959

NEXIA AP a.s. Auditing Company's Registration Number 096

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