ANNUAL REPORT

Povodí Odry
státní podnik

CONTENTS

FOREWORD BY THE GENERAL DIRECTOR

The priorities of the Povodí Odry state-owned enterprise are the safety and reliability of hydraulic structures and reducing the adverse effects of drought and floods. In 2022 we have completed the third update of the Upper Oder River Basin Management Plan for the period of 2022-2027, which harmonises the fundamental public interests of water protection as an environmental component, reduces the adverse effects of droughts and floods and promotes the sustainable use of water resources, particularly for drinking water supply.

In addition to preparing major capital projects to mitigate floods or droughts, we are also working to care for small watercourses, communicating with owners of plots on the shores of bodies of water, owners of land forming the beds of small streams, and owners of structures that cross watercourses or are located at the confluence of river channels. Our Company's positive attitude has enabled the construction of bicycle paths, cycle routes, pedestrian routes and thus provided access to watercourses. However, we still stress that leisure activities around water and general water management are the responsibility of individuals.

However, beyond our legal obligations we are gradually equipping selected weirs with rescue elements in cooperation with the Moravian-Silesian Fire and Rescue Service, which then increases the chances of rescuing drowning people.

In 2022 our territory was hit by local flood events caused by heavy rainfall, which alternated with short periods of drought. Thanks to the above-standard management level of the Oder River Basin Water Management System in accordance with the handling regulations, which have undergone modernisation, we managed these weather fluctuations.

At the same time we achieved favourable economic results, which we will strive to maintain in the coming year.

The most important investment projects included a continuation of the modernisation of the Morávka hydraulic structure and work on flood control measures on the Ropičanka River, the Sadový Brook and the Rakovec Brook, as well as commencement of the construction of a flood dyke in Bohumín-Pudlov. All these construction projects are funded by a subsidy from the Ministry of Agriculture as well as from the state-owned enterprise's own resources.

Thanks to timely preparation, we have exceeded the annual plan for maintenance and repairs, thus continuously improving the condition of the managed assets.

Thanks to immediate measures to save on expensive energy, fuel and overall costs, as well as an increase in revenue, we have achieved a good economic result for 2022.

As the administrator of the river basin, we are diligent in determining floodplains, including active floodplain zones. We have been consistently working with individual municipalities and towns as early as in the design process, which we discuss with them, even repeatedly. Subsequently, the whole process is completed by a generally natured measure – a decision issued by the competent water authority.

Thanks to the professional work of our employees and efficient management at all levels, the economic situation of the Company is very good and stable, and for this we thank all employees.

Ing. Jiří Tkáč
General Director

BASIC INFORMATION ABOUT THE COMPANY

FOUNDER
Ministry of Agriculture
Registered office: Těšnov 65/17, Nové Město
Prague 1, Postal code 110 00
Organisation ID No.: 00 02 04 78

PERSON AUTHORISED TO ACT FOR THE FOUNDER AS AT 31 DECEMBER 2022

Ing. Aleš Kendík
Deputy Minister for Water
Management Section, Ministry of Agriculture

NAME
Povodí Odry, státní podnik

REGISTERED SEAT
Varenská 3101/49, Moravská Ostrava,
702 00 Ostrava,
Delivery number: 701 26

FOUNDING DATE
01/01/2001 according to Act No. 305/2000 Coll.,
on river basins

ENTRY IN THE COMMERCIAL REGISTER
Regional Court in Ostrava
File Ref. AX IV 584

DATE OF REGISTRATION
26/03/2001

LEGAL FORM
State-owned enterprise
Organisation ID No.: 70 89 00 21
VAT ID No.: CZ 70 89 00 21

GOVERNING BODY AS AT 31 DECEMBER 2022
Ing. Jiří Tkáč, General Director Povodí Odry,
state-owned enterprise

SUPERVISORY BOARD AS AT 31 DECEMBER 2022
Ing. Jiří Duda, Chairman
Ing. Jiří Pagáč
Mgr. Monika Brzesková
Ing. Miroslav Krajíček
Ing. Jakub Sajdl
Ing. Antonino Milicia, Ph.D., MBA
Ing. Ivana Mojžíšková
Ing. Dalibor Kratochvíl
Ing. Radek Pekař

EXECUTIVE MANAGEMENT AS AT 31 DECEMBER 2022
Ing. Jiří Tkáč, General Director
Ing. Břetislav Tureček, Technical Director
Ing. Michaela Bachoríková, Economic Director
Ing. Radek Pekař, Director of Plant 1 Opava
Ing. Dalibor Kratochvíl, Director of Plant 2 Frýdek-Místek

AUDIT COMMITTEE AS AT 31 DECEMBER 2022
Ing. Bc. Simona Székelyová, MBA, Chairperson
Ing. Peter Suchý
Ing. Jiří Duda

COMPANY STRUCTURE

The scope of business of the state-owned company is defined in the Memorandum of Association and is based on legal provisions, particularly Act No. 254/2001 Coll., on waters, as amended, Act No. 305/2000 Coll., on river basins, as amended, and Act No. 77/1997 Coll., on state-owned companies, as amended. The primary activity consists of the management and maintenance of significant watercourses, including boundary watercourses, waterworks, and small watercourses for which the Company was appointed as manager, all within the Oder basin territory. Further activities of the Company include determination and evaluation of the surface and ground water condition in the given territory, investment activities in this area including flood measures, management of watercourse accidents and, last but not least, also planning activities stipulated by the applicable legislation. The major activity of the Company is directly related to auxiliary activities, especially the activities of accredited laboratories, building, engineering, design and consulting activities in the field of water management, all for the requirements of the Company as well as external customers.

ORGANISATIONAL DIAGRAM OF THE COMPANY

- Office of the General Director
- Office of the Technical Director
- Office of the Economic Director
- Plant 1 Opava
- Plant 2 Frýdek-Místek

OFFICE OF THE GENERAL DIRECTOR

The General Director directly controls the HR Department, which handles both personnel and social matters as well as educational, occupational safety and health matters. Agenda of the Office of the General Director, PR activity, and internal auditing and security pursuant to special regulations together with the agenda of personal data protection in the Company, risk management and the legal agenda.

STRUCTURE OF THE DIVISION

- HR Department
- Department of the Office of the General Director
- Legal Department
- Internal audit and safety/security
- Risk Management Office

OFFICE OF THE TECHNICAL DIRECTOR

This division handles professional activities in the areas of management of the water management system, management of watercourses, waterworks and water management facilities, energy management, and other activities. It oversees activities related to the preparation and execution of investments and engineering activities, particularly projection and geodetic projects. It coordinates the major focuses of engineering services and participates in the preparation of the plan of investments and repairs, including those involving machinery and equipment of a technological nature. The activities of the accredited water management laboratory also fall under the Office of the Technical Director. The division ensures the processing of prognoses and water management concepts, assessments and advisory activities for state administration and other interested parties. The special position is intended to ensure the planning process in water management and other activities under the Water Act.

STRUCTURE OF THE DIVISION

- Operations Department
- Water management dispatch
- Water management concepts and information department
- Investment Department
- Water management laboratory
- Design Department

OFFICE OF THE ECONOMIC DIRECTOR

The division handles the implementation of plans targeted at achievement of efficient business management, especially in the areas of planning, finance, pricing, grants, accounting, statistics, analytical activities and labour economy. At the same time, it deals with the support for information systems, economic management and services in the area of commercial contracting and also ensures the property agenda.

STRUCTURE OF THE DIVISION

- Finance Department
- Business Information Department
- Labour Economy Department
- Informatics Department
- Business Management Department
- Commercial Contracts Department
- Asset Management Department

PLANTS

The plants ensure the implementation of the plans and targets of the enterprise in the specified areas of administration, maintenance, repair and investment activities on the watercourses in relation to the enterprise's main focus of business. The activities of the plant are divided territorially between Plant 1 Opava and Plant 2 Frýdek-Místek, such that the two territorial units entirely cover the area of the basin, which is managed by the enterprise. Aside from the activities related to the direct management of watercourses and waterworks, they also manage and coordinate operations and business activities to the necessary extent.

CLASSIFICATION OF THE PLANTS

- Office of the Plant Director
- Operations Division
- Technical Division
- Finance Division

MANAGED ASSETS

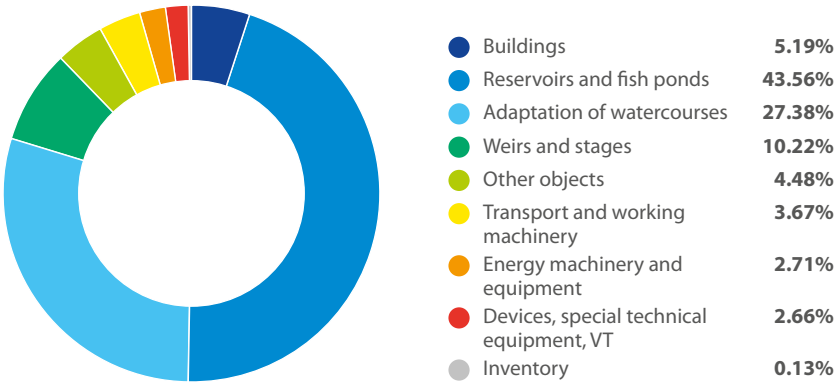
OVERALL STRUCTURE OF TANGIBLE FIXED ASSETS

The volume of tangible fixed assets increased in comparison with 2021 by CZK 132.15 million. . As at 31 December 2022, the total value of the fixed tangible assets in acquisition costs was CZK 7,871.31 million.

The structure of fixed assets (excluding land, perennial crops, other tangible fixed assets and unfinished tangible fixed assets) is as follows:

Buildings	5.19%	CZK 408.82 million
Reservoirs and fish ponds	43.56%	CZK 3,428.56 million CZK
Adaptation of watercourses	27.38%	CZK 2,155.46 million CZK
Weirs and stages	10.22%	CZK 804.20 million CZK
Other objects	4.48%	CZK 352.98 million CZK
Transport and working machinery	3.67%	CZK 288.97 million CZK
Energy machinery and equipment	2.71%	CZK 213.03 million CZK
Instruments, special technical equipment, VT:	2.66%	CZK 209.02 million CZK
Inventory	0.13%	CZK 10.27 million CZK
Total small tangible fixed assets	**100.00%**	**CZK 7,871.31 million CZK**

Fixed tangible assets



HUMAN RESOURCES

The employer fulfilled its commitments under the Collective Agreement, which was signed after collective bargaining between the General Director and the authorised representative of the trade union organisations.

Within the framework of the social programme, employees received contributions for encephalitis and jaundice vaccinations. Within the framework of occupational safety and health, all workplaces were verified with a focus on safety, fire protection, working hygiene and provision of PPE to employees.

Development of the employee numbers in individual years can be compared in the following table:

Number of employees	2020	2021	2022
Number of full-time equivalent employees	451.81	446.11	442.15
Average number of natural person employees	456.49	452.15	447.72
of which: White collar employees	243.30	240.38	240.34
Blue collar employees	213.19	211.77	207.38
Management of the state-owned company	170.03	170.26	169.40
Opava Plant	125.64	122.53	120.16
Frýdek-Místek Plant	160.82	159.36	158.16

Employees according to working location

District	2020	2021	2022
Opava	61	60	60
Bruntál	31	28	29
Šumperk	1	1	1
Nový Jičín	29	27	25
Karviná	24	25	25
Frýdek-Místek	105	106	104
Ostrava-město	191	189	190
Jeseník	12	12	12

PROVISION OF INFORMATION

The Povodí Odry state-owned enterprise is an obliged entity in the area of provision of information pursuant to Act No. 106/1999 Coll., on free access to information, as amended (hereinafter referred to as the "InfZ").

ACTIVITIES IN THIS AREA FOR 2022 ARE SUMMARISED BELOW:

- **The number of requests for information filed and the number of decisions issued to reject requests** – In 2022, 14 requests for information were delivered to the state-owned enterprise and three decisions to reject requests were issued.
- **Number of appeals against decisions** – No appeals were submitted in 2022.
- **A copy of the relevant parts of each of the court verdicts in the matter of examination of the legality of the decisions of the obliged entity regarding rejection of a request for the provision of information and an overview of all expenditure spent in connection with judicial proceedings on the rights and obligations under Act No. 106/1999 Coll.** – No lawsuits were filed and no costs were incurred for such purpose in 2022.
- **List of exclusive licences granted, including justification for the need to grant the exclusive licence** – No exclusive licences were granted in 2022.
- **Number of complaints filed under Section 16a of the InfZ and a brief description of how they were handled** – No complaints were filed in 2022.
- **Further information relating to the application of this Act** – all requests were handled in accordance with the InfZ.

WATER CONSUMPTION

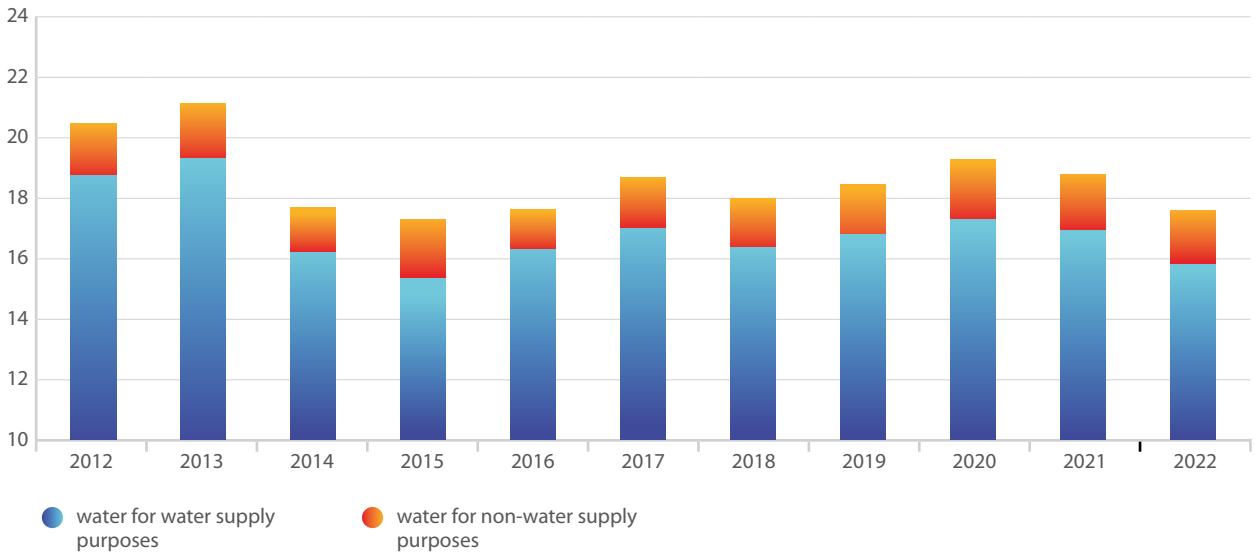
UNDERGROUND WATER OFF-TAKE

2022 was the year with the most significant decline in groundwater abstractions, with a year-on-year decrease of 1.3 million m³ and 7%. In total, 17.6 million m³ of water were abstracted, which is the lowest figure since 2015. The decrease in the total amount of abstracted groundwater was caused by a decrease in abstractions for water supply purposes in the Upper Oder sub-basin, where 15.8 million m³ were abstracted, which is 7% less year-on-year, and the largest decreases occurred in the sources of Ostravské vodovody a kanalizace a.s. Ostrava. The groundwater abstraction for non-water supply purposes stagnated year-on-year reaching 1.8 million m³ compared to 1.9 million m³ in 2021.

Underground water consumption (millions of m³)

Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water for water supply purposes	18.9	19.2	16.1	15.6	16.2	17.1	16.4	16.5	17.6	17.0	15.8
Water for non-water supply purposes	1.6	1.7	1.6	1.7	1.5	1.6	1.6	1.8	1.7	1.9	1.8
Total underground water	**20.5**	**20.9**	**17.7**	**17.3**	**17.7**	**18.7**	**18.0**	**18.3**	**19.3**	**18.9**	**17.6**

Underground water (in millions of m³ per year)



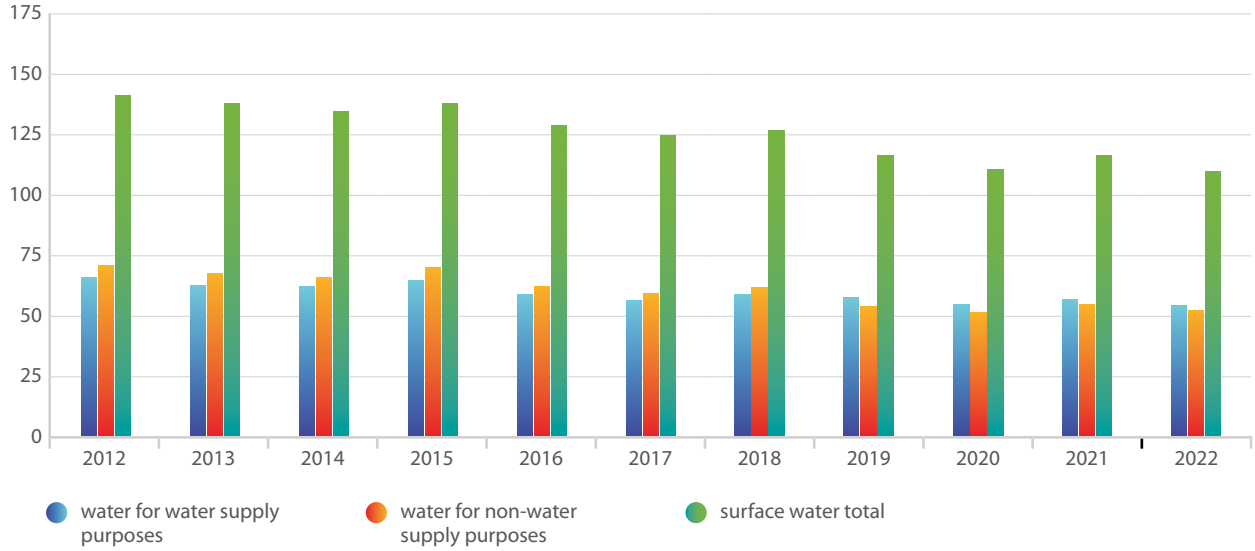
SURFACE WATER OFF-TAKE

In 2022, there was a reduction in the amount of abstracted surface water, mainly by industrial entities. In total, 109.4 million m³ of water was abstracted from the sources of the Povodí Odry state-owned enterprise, which meant a year-on-year decrease of 3.5 million m³ and more than 3%. Industrial entities took 52.7 million m³ compared to 55.3 million m³ in 2021. There was a slight decrease of 1.5% (from 57.6 to 56.7 million m³) in abstractions for the supply of drinking water to the population.

Surface water off-take (mil. m³)

Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water for water supply purposes	67.1	65.1	64.9	65.0	62.3	60.6	60.9	60.2	57.2	57.6	56.7
Water for non-water supply purposes	72.0	71.5	70.2	71.8	65.7	63.5	64.5	55.5	51.5	55.3	52.7
Surface water total	**139.1**	**136.6**	**135.1**	**136.8**	**128.0**	**124.1**	**125.4**	**115.7**	**108.7**	**112.9**	**109.4**

Surface water (millions of m³ per year)



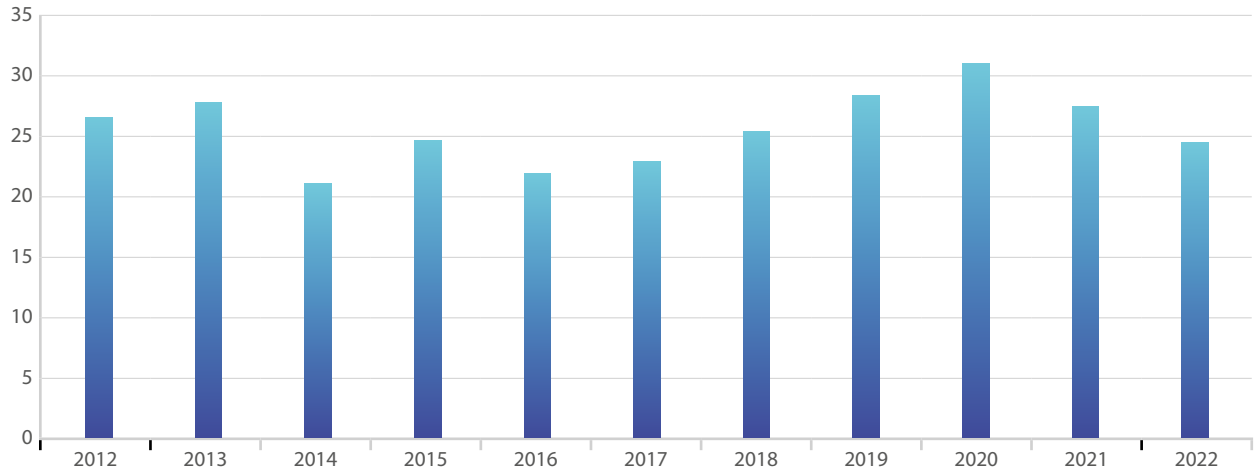
ELECTRICITY GENERATION

Even in 2022 the unfavourable hydrological situation persisted, resulting in the lowest total production in the hydroelectric power plants of the Povodí Odry state-owned enterprise in the last 5 years. The whole of 2022 was characterised by worse hydrological conditions, which affected the reservoirs' capacity and, for example, the hydroelectric power plant at the Slezská Harta hydraulic structure on the Moravice River only produced 46% of the total production, compared to 60% in 2021. In total, 24.9 million kWh of electricity was generated in the hydroelectric power plants of the Povodí Odry state-owned enterprise.

Production of electric power in millions of kWh

Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total	26.424	27.559	20.992	24.824	21.820	23.289	25.198	27.767	30.119	26.839	24.905

Annual production of electric power in millions of kWh



WATER QUALITY CONTROL

An important activity of our state enterprise under the Water Act is to ensure and evaluate the surface water level and quality. This is a long-term and systematic activity in the area of its monitoring and applies to both flowing water (rivers, streams) and still water (water supply and recreational reservoirs).

The measured results are used as the bases for all sorts of activities in the area of protecting water against pollution and are increasingly becoming more important in connection with implementation of European standards in Czech legislation. The objective is to achieve the so-called good water level, which is defined in the general Framework Agreement on Water and represents the fulfilment of many criteria and conditions in the aqueous environment. Monitoring water levels not only involves sampling basic physiochemical parameters, but also heavy metals, pesticides, and a broad spectrum of pollutants in the area of priority substances and specific organic substances that are created by human activity in many production processes. Great emphasis is also placed on the monitoring of biological elements, for instance, fish population, macrozoobenthos, phytoplankton, phytobenthos, and others. An integral part of the evaluation of the watercourses is also the assessment of its selected hydro-morphological characteristics, i.e., whether building constructions and other anthropogenic activities in the water channel have disrupted the conditions for the development of aqueous organisms. The results of such monitoring processes are the basic condition for the protection of water quality and the design of measures for its continuous improvement within the scope of the planning processes for water use. They represent a major category of information for the communicative activities of the state enterprise, particularly the issue of opinions and conveyances on any handling of water because the managers of the basins create the professional base for the water management authorities and, on a case-by-case basis, assess whether polluters' release of waste water violates the law in terms of the given requirements for the target quality condition of the water. The basin managers perform this activity free-of-charge and it is their duty to prepare and provide an opinion. In 2022, the water quality care department handled about 2.5 thousand record items.

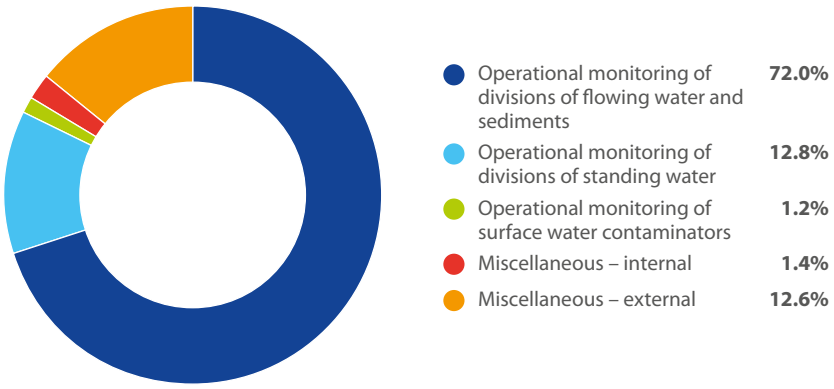
The water analyses carried out are evaluated annually and are further used both for state administration and for information of the professional and general public. They are the underlying basis for compiling the water balance and are also used for negotiations within bilateral agreements and for the activities of the International Commission for the Protection of the Oder River.

WATER QUALITY CONTROL – VHL

The monitoring of water quality in 2022 was accomplished in compliance with the annual plan prepared according to the existing legislation and the needs of our state enterprise. Within the framework of operational monitoring, 158 profiles were monitored in flowing watercourses with a sampling frequency of 12 times per year, and 12 profiles with a sampling frequency of 6 times per year. This also includes the monitoring of small water reservoirs and border waters. The scopes of the analysed parameters were optimised in such a manner that the relevant substances and groups of these substances as well as other quality indicators necessary for evaluation of the condition or ecological potential in the water bodies were monitored in the individual profiles. Monitoring of the quality of the water in our valley water supply and recreation reservoirs included the "mixed" and "zonal" off-takes from several vertical reservoirs (3 to 7, usually 5) with the frequency ranging from 3 to 12 off-takes per year. Basic monitoring was also done at the selected discharges of the contaminators of surface water.

The total volume of the outputs of the water management laboratories in 2022 was approximately CZK 21.98 million. . The percentage share of the individual types of analyses in the total outputs is given in the following graph:

Output of VHL in 2022

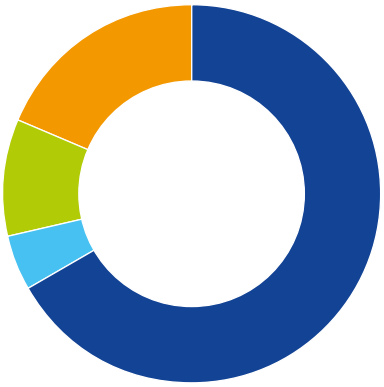


WATER PURITY FAILURE IN 2022

ACCIDENTS IN 2022

Reported accidents	**92**
Confirmed accidents	**81**
of which: reported after lapse of accident	1
of which: confirmed threat to the watercourse	55
Unconfirmed accidents	**11**

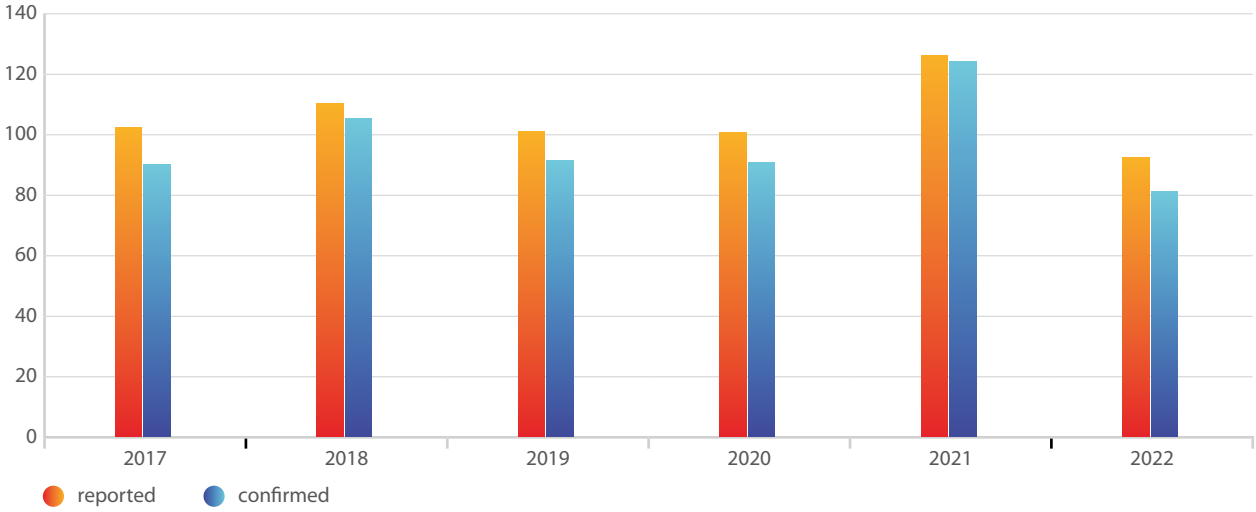
Division of confirmed accidents by type of contamination



oil	**54**
chemical	**4**
waste	**8**
other	**15**
agricultural	**0**

TREND OF REPORTED AND CONFIRMED ACCIDENTS IN THE 2017-2022 PERIOD

Year	2017	2018	2019	2020	2021	2022
reported	101	110	101	100	126	92
confirmed	91	107	92	91	122	81



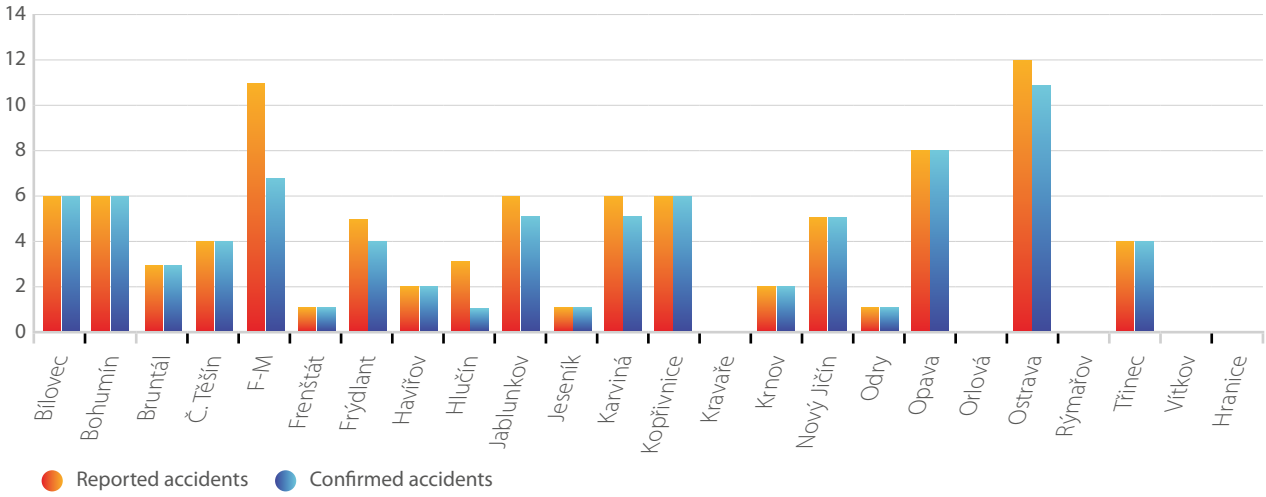
ACCIDENTS IN 2022 IN THE TERRITORIES OF THE INDIVIDUAL MUNICIPALITIES WITH EXTENDED POWERS

In 2022, a total of 92 accidents were confirmed, which resulted in deterioration of or danger to the quality of surface or ground waters. Overall, accidents involving petroleum products prevailed, accounting for about 78%.

ORP		Bílovec	Bohumín	Bruntál	Č. Těšín	F-M	Frenštát	Frýdlant	Havířov
Acci-dents	reported	6	6	3	4	11	1	5	2
	confirmed	6	6	3	4	7	1	4	2

ORP		Hlučín	Jablunkov	Jeseník	Karviná	Kopřivnice	Kravaře	Krnov	Nový Jičín
Acci-dents	reported	3	6	1	6	6	0	2	5
	confirmed	1	5	1	5	6	0	2	5

ORP		Odry	Opava	Orlová	Ostrava	Rýmařov	Třinec	Vítkov	Hranice
Acci-dents	reported	1	8	0	12	0	4	0	0
	confirmed	1	8	0	11	0	4	0	0



MORE SIGNIFICANT ACCIDENTS

22. 6. 2022 FOAM ON THE BÍLOVKA STREAM

A fisherman reported foam on the Bílovka stream in the location of the bus station in Bílovec to the control room of the Povodí Odry state-owned enterprise (hereinafter HS PO).

The Fire and Rescue Service, the Police of the Czech Republic, ORP (district of a municipality with extended powers) of Bílovec and HS PO were called to the scene. HS PO together with ORP Bílovec carried out a check of the Bílovka stream in a section of about 2 km, at the same time also carrying out an indicative measurement of water quality (TV – 17.5°C, pH – 7.8, O2 – 9 mg/l) and took water samples. Chemical analysis revealed a high zinc content in the water sample. The ORP of Bílovec together with the Czech Environmental Inspectorate (CEI) carried out an inspection in the premises of the company Massag, a. s. Bílovec, where leakages of processed water from the galvanising line into the old pumping pit of surface water had been detected, from where the pollution was entering the Bílovka stream. The line was shut down on 27 July and the water was ordered to be pumped out, cleaned and the process line repaired. On 30 July, there was also a request for pH and conductivity measurements at the location above the outfall of the Bílovec sewer, under the bridge at the entrance to Massag a. s., from the outlet structure and under the outlet structure of Massag a. s. At the emergency commission on 2 August 2022, the continuation of the leak was confirmed. An old, inherited well (pit) made of damaged bricks was discovered, with only stones left at the bottom, contrary to a required concrete sump, which should be impermeable. Through this pit, pollution was discharged into the sewerage system and subsequently into the Bílovka River. After the repair of the pit, a fluorescein leakage test of the pit and an inspection of the Bílovka flow, the emergency condition was terminated. On 13 December 2022, the final meeting of the emergency commission was held.

Handling the emergency was overseen by the Water Authority of the Town of Bílovec, Department of Environmental Protection along with the CEI, which handled the emergency in accordance with the provisions of Sections 40 and 41 of Act No. 254/2001 Coll., on water and on amendments to some acts, as amended.

11. 7. 2022 D48 TO PŘÍBOR

IBC Ostrava reported that a lorry accident had occurred on the D48 road in the direction from Frýdek-Místek to Příbor (31.5 km), during which the tank was punctured. Approximately 1,000 litres of operating fluids leaked onto the ground.

During a local investigation carried out by the HS PO, a traffic accident of a Polish lorry was confirmed, during which 1,000 l of operating fluids leaked onto the roadway and onto the terrain, which is drained towards the watercourse. The Moravian-Silesian region's Fire and Rescue Service removed the lorry and ŘSD, a.s. ordered Ekoaqua, ochrana vod, s.r.o. to remove the contaminated terrain. The company cleaned the roadway and dug a sump to collect the washed-out operating fluids. The watercourse was not affected. The investigation of the accident took place in the presence of the ORP of Kopřivnice, HS PO, Police of the Czech Republic and ŘSD, a. s.

The handling of the emergency was overseen by the Water Authority of Kopřivnice, Department of Environmental Protection, which operated in accordance with the provisions of Sections 40 and 41 of Act No. 254/2001 Coll., on water and on amendments to some acts, as amended.

29. 8. 2022 HNOJNÍK – CRAYFISH MORTALITY

The Water Authority of the City of Třinec, Department of Environmental Protection informed HS PO about the death of about 100 crayfish on a nameless watercourse in the cadastral community of Komorní Lhotka.

The investigation of the accident took place with the participation of the ORP of Třinec and HS PO. It was a nameless tributary of the Černý Brook, which is managed by the Povodí Odry state-owned enterprise. Two water samples were taken, the first from the outfall of the reclamation, the second from the beginning of the stream (below the outfall). The analysis of the collected crayfish samples was performed by Doc. Ing. Jiří Řehulka, DrSc. and confirmed bacterial infection as the cause of death. The investigation of the accident was completed and the dead crayfish were collected and disposed of by the local organisation of the Czech Angling Association. Crayfish mortality was not caused by pollution of the watercourse.

The handling of the emergency was overseen by the Water Authority of Třinec, Department of Environmental Protection, which operated in accordance with the provisions of Sections 40 and 41 of Act No. 254/2001 Coll., on water and on amendments to some acts, as amended.

UPPER ODER SUB-BASIN PLAN

In 2022, the Povodí Odry state-owned enterprise completed work on the next update of the basic water management document – the Upper Oder Sub-basin Plan including the Documentation of Areas with Significant Flood Risk, the so-called third planning cycle. Our Company is the maker of this concept document, which is now being prepared for the next 6-year planning period of 2022-2027.

The plan harmonises the fundamental public interests of protecting water as a component of the environment, reducing the adverse effects of drought and flooding, and the sustainable use of water resources, particularly for drinking water supply purposes. The main legislative bases are the 2000 Directive of the European Parliament and of the Council establishing a framework for Community action in the field of water policy (the Water Framework Directive) and the 2007 Directive of the European Parliament and of the Council on the assessment and management of flood risks (the Floods Directive). Our Company cooperated with the central water authorities, the Ministry of Agriculture and the Ministry of the Environment, at the national level, and with the Regional Authorities of the Moravian-Silesian Region and the Olomouc Region, which are the joint makers of the plan, at the regional level. AQUATIS a.s. Brno was the main developer of the plan with our Company. The activities of the entire water planning process were coordinated by the Commission for Planning in the Upper Oder Sub-basin, whose members include representatives of regional councils, regional authorities, Forests of the Czech Republic, Nature Conservation Agency of the Czech Republic, Czech Hydrometeorological Institute, T. G. Masaryk Water Research Institute and major water users.

The water planning and plan development process has several sub-timelines based on legislation. An important part of this is also the repeated discussion of the outputs and documents with the professional and lay public. An important part is the environmental impact assessment process SEA according to Act No.100/2001 Coll., on environmental impact assessment. The prepared SEA assessment was submitted to the Ministry of the Environment (MoE)

following the approval of the National Oder River Basin Plan by the Government of the Czech Republic and the entry into force of the general nature measure (February, March 2022). After the procedure we were issued a positive opinion on the "Upper Oder River Sub-basin Plan 2021-2027" concept on 30 June 2022, which fulfilled the last necessary basis for the approval of the plan in the regional councils.

In the first half of 2022 the update of the plan was discussed and presented to the relevant regions in preparation for the approval process (at the Environment Committee, the Committee for Spatial Planning and Strategic Development, at a seminar for councillors and water authorities, and at regional councils), without any comments or requests for refinement, and the plan was submitted to the Moravian-Silesian region and the Olomouc region for approval. This took place at the September 2022 regional council meetings and our plan took effect for the 2022-2027 planning period.

The basic element for the subdivision of a river basin is the so-called water bodies, namely for surface waters, bodies of flowing water (rivers) and standing water (reservoirs). An important part and basis is the assessment of the status of individual water bodies of surface water and groundwater. On the basis of the status assessment and its results, measures were then proposed to ensure the objectives of water protection and the achievement of good water status. In total, almost 400 specific measures to achieve good water status are presented in the Upper Oder River Basin Management Plan. These are investment plans of our Company and other investors (municipalities, Forests of the Czech Republic, Diamo, etc.) in the categories of sewerage systems and wastewater treatment plants and further improvement of water quality along with improvement of conditions for the life of organisms associated with the aquatic environment, removal of old contaminated sites, revitalisation and renaturation of watercourses, removal of migration barriers, flood protection measures in areas with significant flood risk and, outside these areas, building new retention areas, measures to reduce, mitigate and prevent the adverse effects of drought, reconstruction and repair of hydraulic structures, strengthening the safety of hydraulic structures and remediation and prevention of mining damage.

The printed versions of the updated plan were again accompanied by a "Brief Summary of the Plan", which provides a clear overview of its content and, in particular, the proposed measures to achieve good water status and targets. In addition to water authorities and other institutions, the brochure was also sent to all 330 towns and municipalities in the Oder River basin. The complete plan, including all annexes, is also available in an electronic version on the website of the Povodí Odry state-owned enterprise.

SUMMARY INFORMATION ON INVESTMENT COSTS OF MEASURES IN THE UPPER ODER SUB-BASIN

Measures in the Upper Oder sub-basin	Moravia-Silesia region		Olomouc region		Both regions		Total (for sub-basin)	
	Number of measures	Price (million CZK)	Number of measures	Price (million CZK)	Number of measures	Price (million CZK)	Number of measures	Price (million CZK)
Measures in the field of wastewater treatment	206	14,396.0	15	631.8	–	–	221	15,027.8
Prevention of the introduction of particularly hazardous substances	64	–	7	–	–	–	71	
Revitalisation measures	31	480.3	–	–	1	36.0	32	516.3
Measures to mitigate flood damage	36	9,609.0	2	75.0	2	570.0	40	10,254.0
Measures to reduce the adverse effects of drought	19	121.4	9	251.9	2	204.5	30	577.8

REDEVELOPMENT OF THE LEFT-BANK DYKE ALONG THE OSTRAVICE RIVER IN PASKOV

The aim of the redevelopment of the protection dyke around the left bank of the Ostravice River in Paskov was to raise the original dyke in the section of 15.400-16.755 km to the level of the design discharge, which corresponds to Q_{100} = 703 m^3/s with an elevation of 0.3 m. This modification of the dyke will ensure that the level of the backflow from the confluence of the Olešná and Ostravice Rivers will not reach the area of residential development north of Národního odboje Street in Paskov. The originally flooded site is called Zářičí, which suggests that it is not a place far from floods, yet both older and new houses have been built there.

The redeveloped section of the protection dyke is 976 m long, the height of the dyke above the existing terrain is 2.2 m, the width of the dyke at the crest is 3.5 m with a 3 m wide crushed aggregate reinforcement for maintenance access. The embankment of the dyke is homogeneous. The downstream slope of the dyke with a gradient of 1:2 and the upstream slope of the dyke with a gradient of 1:3 are grassed. In the route of the dyke there is a paved exit to Zářičí Street, an exit to the Ostravice berm and a crossing at 0.548 km, which serves as access for maintenance of gas pipelines located on the downstream side of the dyke. The expansion of the dyke necessitated the relocation of a 326 m long section of the special-purpose road along the Ostravice River, which serves for the maintenance of the stream.

The whole project started in March 2021 with the felling of trees on half of the length of the construction site so that the earthworks on the embankment could start with the arrival of summer. The progressing earthworks on the embankment of the dam were coordinated with the date of tree felling in the second half of the affected section. The contractor's construction equipment was partially restricted by the works in the protection zones of utility networks – gas pipelines, high and very high voltage lines. Two gas pipelines pass along the downstream toe along the entire length of the modified section of the dyke, whose owners have conditioned the construction of the dyke on the compaction of the embankment without vibrations and daily reporting of the movement of equipment in the protection zone of the gas pipelines. An unexpected situation was a collision with the remains of the original bridge over the Ostravice River, which was located about 100 m downstream from the present bridge on Národního odboje Street. In the embankment of the original dyke, excavators uncovered the remains of the concrete foundations and riveted structures of the original bridge, which were eventually removed without difficulty. With the onset of winter earthworks were suspended, and the completion of the embankment, strengthening of the dyke crest and final slope trimming took place from spring 2022. During the interruption of the works, replacement planting was also carried out for the relatively large number of trees felled at the site of the dam redevelopment. The construction works were completed in June 2022, with the onset of autumn the approval was given and the redeveloped dyke is already serving its purpose – to protect the built-up area of the Zářičí locality in Paskov from floods.

The cost of redevelopment of the dyke, provision of soil for the embankment and felling of woody plants at the construction site amounting to CZK 11,589 thousand was paid by the Povodí Odry state enterprise from its own resources.

LB dyke along the Ostravice River in Paskov before construction

LB dyke along the Ostravice River in Paskov after construction

FLOODS 2022

METEOROLOGICAL CAUSES OF AND HYDROLOGICAL RESPONSE TO THE 2022 FLOODS

Similarly to the previous two years, the Upper Oder sub-basin was also affected by several flood situations in 2022. The causes were mainly very intense precipitation of a torrential nature and only exceptionally heavy and persistent rains or melting snow cover. The floods were preceded by a mild winter with a cold pre-spring, and by warm weather in May and June. The spring period was mostly dry with sporadic short-term heavy rainfall.

In terms of the achieved return periods of flood peaks, the floods were most often around the value of Q2. The exceptions were apparently the 100-year discharge flowing into the reservoir area of the Kletná small water reservoir (MVN) on the Kletenský Brook, the 50-year discharge on the Polish territory of the Petrůvka in Zebrzydowice, the greater than 20-year discharge on the Stonávka in Hradiště and the 10-year discharge on the Lučina in Domaslavice.

Some unobserved small watercourses were also affected, such as the Bystrý Brook and the Říčka in the Frýdlant region, the right-side tributary (RST) of Olešná at 9.1 km and the Hlínský Brook in the Místek region, a RST of the Kotovský Brook in the Těšín region, and Vojtovický, Vlčický and Heřmanický brooks in the Javorník region. Locally, there were also widespread washouts of water from slopes and fields.

WINTER AND SPRING FLOOD SITUATIONS

Already on 1 and 2 January, as a result of the post-Christmas thaw associated with rainfall, saturation occurred, especially in the Beskydy part of the Oder basin, where water flows often exceeded the 30-day return period. On the Lučina River in Domaslavice, the 2-year discharge was exceeded in conjunction with the transfer of water through the Žermanice feeder.

On 17 February, unusually heavy rain for the winter season particularly hit the mountainous areas of the Oder basin. Discharges were most often between the 30- and 270-day water level, but a 1-year discharge was exceeded on the Moravice River in Valšov.

During Walpurgis Night on 30 April, a special flood occurred after vandals cut the bag of the spillway of the Baška hydraulic structure (HS), during which a part of the water was uncontrollably released from its storage area and an artificial discharge wave was created downstream the reservoir, the culmination of which is estimated to be about a 2-year discharge. The flood wave passed harmlessly through the riverbed of the Baštice watercourse, also thanks to the newly reconstructed flood barrier in Staré Město near Frýdek-Místek.

At the beginning of June the weather in the Czech Republic was influenced by a cold front associated with a pressure low advancing across central Europe to the north-east. On 9 June, mainly in the eastern half of the Oder basin, showers and strong thunderstorms occurred and daily rainfall totals of 20-45 mm were recorded in many places. However, the highest amount of precipitation was measured at the rain gauge station at the dam of the Olešná hydroelectric power station south-west of Místek, where the 24-hour total reached 87.0 mm. This was followed by a rapid discharge response on unobserved small watercourses in the area between the dam of the Olešná hydraulic structure and the inlet of the Hodoňovický Flume into the Olešná River, which to a large extent contributed to the magnitude of the peak discharge of the Olešná River at the Místek water distribution work, where a 2-year water level was exceeded. The most affected was the right-side tributary of the Olešná River at 9.1 km flowing from the former military area in the Místecký Forest, which could even exceed the 100-year water level at the time of the peak discharge.

The basin of the nearby Hlinský Brook was also significantly affected by the same flood episode. The culminating flood wave filled the flood storage areas of the two dry reservoirs located on this watercourse and was very effectively transformed into a roughly 1-year discharge that flowed away below the lower reservoir. The peak of the flood wave is estimated at an almost 10 year-discharge at the inflow to the upper reservoir. The flood wave caused clogging of the outlet structures of both reservoirs and damage to the debris screens on their inflows.

On the same day water level rises also occurred on the Olešná in Palkovice, where basements and garages of single-family homes were flooded with water at a greater-than-1-year discharge, then on the Polančica in Polanka nad Odrou, on the inflow into the Baška hydraulic structure, where a greater-than-1-year water level apparently flowed, and most significantly on the Ludgeřovický Brook in Ludgeřovice, where the discharge was higher than a 2-year discharge while the 2nd flood stage (SPA) was exceeded. Flood damage was recorded on the RST of the Podleský Brook in Ostrava-Bartovice.

SUMMER FLOOD SITUATIONS

At the turn of June and July, the weather in the Czech Republic was influenced by a deepening pressure low over the British Isles and the associated undulating cold front advancing across central Europe to the north-east. On 1 July, storms occurred in the early evening and evening hours, especially in the eastern half of the Oder basin, with very heavy precipitation in places. Daily rainfall totals were around 30 mm in several locations. However, the highest amount of precipitation was recorded at the rain-gauge station near the weir in Vyšní Lhoty, where the three-hour water volume reached 68.9 mm in the evening of the same day. The rainfall caused rises in the levels of mainly unobserved small watercourses. The worst situation occurred in the basin of the Bystrý Brook in

the Frýdlant region. Both the Říčka stream and the Bystrý Brook above their mouths into the Ostravice River probably exceeded the 20-year discharges at the time of the flood peak, while in the case of the Rzavý Brook it could have been a 5-year discharge. Both the Říčka and the Bystrý Brook experienced local swelling and significant damage to their stabilisation works.

The tributaries of the JERMANICEwater feeder were also affected by the same flood situation. The Lučina River culminated in Domaslavice downstream the confluence with the feeder with the duration of the 2nd flood stage at the 10-year discharge. The flood wave was mainly caused by streams flowing out of the Prašivá area and into the feeder, where a 2-year discharge may have been exceeded at Osiník and a 1-year discharge at Hlisník, as well as water inflows through drainage ditches from the surrounding fields and the Lučina River itself, which probably did not reach the 10-year discharge above its mouth into the feeder.

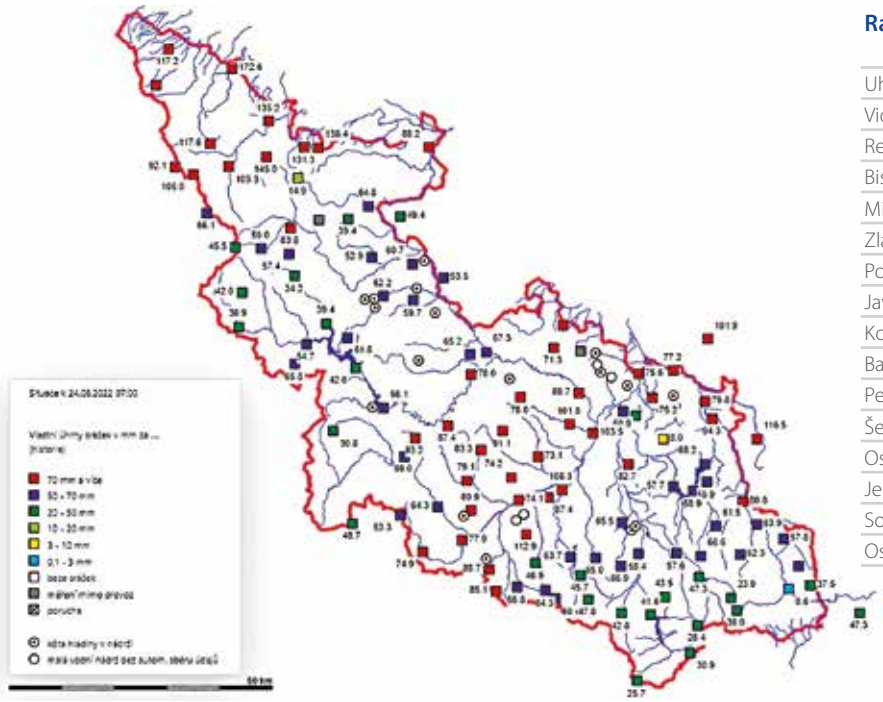
Further rises in watercourse levels were triggered, especially over the Beskydy part of the Oder basin, by very heavy and persistent rain on 29-31 July, when totals of 100 mm were exceeded at several rain-gauge stations. The first flood stage (SPA) thus occurred in the upper section of the Ropičanka swift creek and the tributaries of the Žermanice feeder were again affected.

The very warm summer weather peaked at the end of the second decade of August ahead of an undulating cold front that slowly moved eastwards across western Europe. It remained over central Europe for several days and brought heavy rainfall, followed by sharp rises in the levels of some watercourses. The five-day precipitation amounts for the period of 19-23 August exceeded 100 mm at many rain-gauge stations, most notably at Uhelná – Nové Vilémovice (181.7 mm) and Vidnava (172.6 mm). Already on 21 August, the 2nd flood stage exceeded the 2-year water level on the Ludgeřovický Brook in Ludgeřovice, 1-year discharges were recorded on the Luga in Jeseník nad Odrou, at the 3rd flood stage on the Polančice in Polanka nad Odrou, and also on the Porubka in Vřesina. The increased discharge drained away, exceeding the 1st SPA, also through the Starobělský Brook. The watercourses in Jeseník were also affected, namely the Černý Brook in Velká Kraš, by exceeding the 2nd SPA and the Vidnavka in Vidnava with the 1st SPA.

The largest amount of water flowed through the watercourses of the Upper Oder sub-basin after heavy rainfall and storms accompanied by torrential rain on 23 and 24 August. In the early morning hours of 23 August, the Černý Brook in Velká Kraš and the Vidnavka in Vidnava responded first by exceeding the 2-year discharges at the 2nd flood stage. Early in the morning of the same day, the Petrůvka River also peaked, with a 50-year discharge in the Polish territory at the Zebrzydowice stream-flow gauging station, and in the Czech territory there were water spills on local roads and gardens in Dolní Marklovice.

In the late evening hours of 24 August, after the occurrence of strong storms, when 48.9 mm of precipitation was measured at the Hradiště rain-gauge station in about 60 minutes, the level of the Stonávka River suddenly rose above the 3rd flood stage reaching a greater-than-20-year water level. In addition, the village was experiencing washouts of water from the surrounding land and flooding of gardens, driveways and cellars of some houses located in the cottage area near the river. A roughly 2-year discharge was also recorded on the Lučina River in Domaslavice and flood damage was recorded on the Kotovský Brook in Horní Žukov.

Distribution and maximum precipitation amounts for the period of 19-23 August 2022



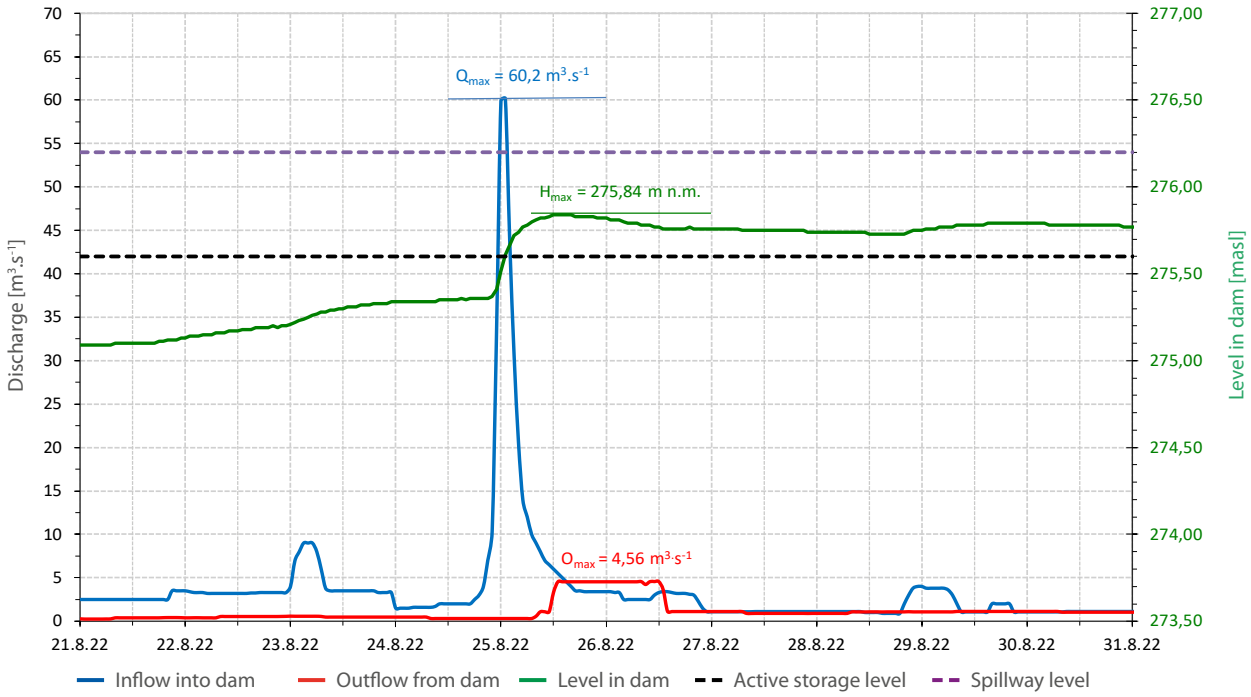
Rain-gauge station	Precipitation amount [mm]
Uhelná – Nové Vilémovice	181.7
Vidnava	172.6
Rejvíz	145.0
Biskupská kupa	138.4
Mikulovice	135.2
Zlaté Hory	131.3
Pomezí	117.6
Javorník	117.2
Konczyce (Poland)	116.5
Bartošovice	112.9
Petřvald	108.3
Šerák	106.0
Ostrava-Svinov	103.5
Jeseník	103.3
Sowiniec (Poland)	101.9
Ostrava-Poruba	101.8

The last episode of the 2022 flood season occurred towards the end of August when another cold front advanced from western to central Europe, intensifying the frequency of recurring showers and thunderstorms, especially in the Poodří region. In the evening hours of 28

August, a precipitation amount of 63.2 mm was measured near the dam of the Kletná small water reservoir for about 3 hours. Of the observed watercourses, the 2nd SPA was accompanied by a 2-year water level being exceeded on the Sedlnice River in Sedlnice and a 1-year water level being exceeded on the Starobělský Brook in Stará Bělá, the 1st SPA was recorded on the Lubina River in Petřvald and also at an almost 2-year water level on the Orlovská Stružka in Rychvald. The increased discharge then flowed again through the Vidnavka in Vidnava. In the Javorník region, the Vojtovický, Vlčický and Heřmanický brooks were heavily affected by the flood in the afternoon, where the Povodí Odry state-owned enterprise incurred flood damage of about CZK 3.6 million, which is already being continuously removed. The peak level of the Vojtovický Brook in Bernartice was roughly equivalent to the floodplain established for the theoretical 20-year water level.

The most dramatic situation, however, occurred on the night of 28-29 August at the inflow into the Kletná small water reservoir on the Kletenský (Suchdolský) Brook, where its forebay was clogged with gravel sediment and floating debris and the flood storage space of the reservoir itself was filled. Only about 1.5 $m^3.s^{-1}$ of water flowed through its lower outlet at the time of the flood peak, when most of it overflowed through the spillway and safely flowed down the Suchý Brook bed outside the built-up area of Suchdol nad Odrou into the Oder River bed. The total inflow of water into the reservoir area is estimated to almost be at the 100-year discharge.

Transformation of the August 2022 flood wave through the Těrlicko hydraulic structure



Spillway of the Kletná small water reservoir on the Kletenský Brook in operation on 29 August 2022

SAFETY FEATURES ON WEIRS

Since 2015, in cooperation with the Fire and Rescue Service of the Moravian-Silesian region, we have been securing the drop structures with information signs, fixed rescue elements that facilitate the rescue of drowning persons by the Fire and Rescue Service units, as well as rescue throwing devices for initial lay rescue.

In 2015, pilot security measures for three drop structures on the Ostravice River in Frýdlant nad Ostravicí were carried out. In the following years the above elements were gradually deployed on other selected structures, also in cooperation with the city of Ostrava, when the rescue throwing devices were installed at the Jambora sills on the Ostravice River in the centre of Ostrava.

In 2022 important drop structures (weirs) on the Odra and Ostravice rivers in Ostrava were also equipped with rescue elements and information signs, while the existing information signs were replaced by signs with new graphics, which clearly describe the risks associated with recreational use of these structures and more clearly describe the initial lay rescue of drowning persons. The rescue throwing devices themselves were then placed in new metal protective boxes, which are designed to prevent misuse or theft of the rescue throwing devices and to protect them from the weather. Each secured structure was also marked with a uniquely designated code of the rescue point for easier identification of the place of possible intervention of the Fire and Rescue Service units.

Currently, 25 drop structures are equipped with information signs and rescue throwing devices, including a rescue point.

ECONOMIC RESULTS FOR 2022

The year 2022 was influenced by many factors, but high inflation and the energy crisis were undoubtedly among the most important. The expected gradual recovery of the economy after the Covid-19 pandemic did not materialise and we gradually found ourselves in a mild recession. In relation to pessimistic forecasts and concerns about the future development of the economy, the negative impacts on the performance of companies in the region were slightly delayed in the second half of the calendar year, linked to lower surface water abstractions. However, thanks to significantly better revenues from surface water abstractions in early 2022, as well as higher other revenues and implemented cost-saving measures, a favourable profit of CZK 20,973 thousand was achieved.

Revenues were realised in 2022 in the total amount of CZK 762,227 thousand. The largest share of total revenues was accounted for by revenues from surface water abstractions, which were realised in the total amount of CZK 627,925 thousand, i.e., a year-on-year increase. Sales from electricity generation were also a significant item in total sales, reaching a total of CZK 75,162 thousand. . Most of the other revenue items were also better year-on-year, especially fish and rental income. At the same time financial revenues were higher both against plan and year-on-year, thanks to unusually high interest rates related to the CNB's anti-inflationary policy. Non-investment subsidies of CZK 500 thousand were provided to the enterprise by the Ministry of Agriculture under Programme No. 129 390 "Support for Measures on Small Watercourses and Small Water Reservoirs – Stage 2".

Costs were drawn in 2022 in a total amount of CZK 741,254 thousand . There were year-on-year savings in selected cost groups, but some cost items could not be influenced, e.g., due to significant increases in fuel prices. A significant cost item implemented in 2022 was repairs and maintenance of water management assets, totalling CZK 135,965 thousand, 99.6% of which was covered from the own resources of the Povodí Odry state-owned enterprise. The higher volume of repairs and maintenance of water management assets reflects an effort to ensure the best possible care of the water management assets entrusted to us.

In 2022 fixed assets were acquired in the total amount of CZK 205,829 thousand, of which CZK 52,844 thousand was paid from subsidy funds, CZK 150,043 thousand was paid from the company's own resources, and the acquisition of assets in the amount of CZK 2,942 thousand was realised through gratuitous transfers and re-invoicing of work for the removal of mining damage. . The subsidies were provided by the Ministry of Agriculture under Programme No. 129 360 "Support for Flood Prevention Stage IV" and Programme No. 129 390 "Support for Measures on Small Watercourses and Small Water Reservoirs – Stage 2".

In 2022 the Povodí Odry state-owned enterprise managed to achieve favourable economic results, despite the negative development of consumer prices with an impact on the cost area of the enterprise. The state enterprise's financial performance is stable and the ending cash balance as at 31 December 2022 has created a solid base for the upcoming challenging period, both in terms of the unfavourable development of the macroeconomic situation and in terms of the large volume of construction projects planned for implementation in 2023.

EXPENSES (IN THOUSANDS CZK)

Consumed purchases	41,724
Purchased services	167,120
of which: Repairs and maintenance	135,965
Other services	31,155
HR costs	324,293
of which: Wage costs	221,875
Social security and health insurance	76,702
Other social costs	25,716
Taxes and fees	2,424
Other operating costs	11,917
Depreciation, reserves and adjusting entries	179,036
of which: Depreciation	156,223
Reserves and adjusting entries	22,813
Change to status of inventory and capitalisation	-513
Financial costs	147
Deferred tax	15,106
Total costs	**741,254**

STRUCTURE OF COSTS

Consumed purchases	5.63%	41,724
Services	22.55%	167,120
HR costs	43.75%	324,293
Depreciation, reserves and adjusting entries	24.15%	179,036
Other costs	3.92%	29,081
Total costs	**100.00%**	**741,254**

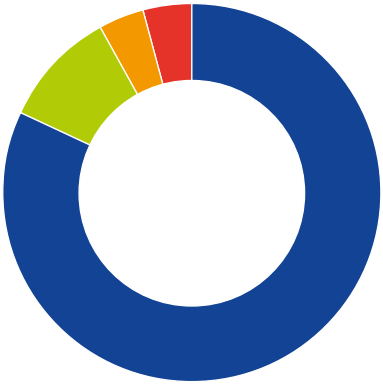
Consumed purchases	**5.63%**
Services	**22.55%**
HR costs	**43.75%**
Depreciation, reserves and adjusting entries	**24.15%**
Other costs	**3.92%**

REVENUES (IN THOUSANDS CZK)

Sales		732,617
of which:	For surface water	627,925
	For electricity	75,162
	For fish	15,196
	For services	14,334
Other operating revenues		14,021
Financial revenues		15,589
Total revenues		**762,227**

REVENUE STRUCTURE

Surface water sales	82.39%	627,925
Electricity sales	9.86%	75,162
Other revenues	3.87%	29,530
Other revenues	3.88%	29,610
Total revenues	**100.00%**	**762,227**



Surface water sales	**82.39%**
Electricity sales	**9.86%**
Other revenues	**3.87%**
Other revenues	**3.88%**

AUDITOR'S REPORT

AUDIT BARTOŠ

HB AUDITING

ZPRÁVA NEZÁVISLÉHO AUDITORA
pro zakladatele státního podniku
o ověření účetní závěrky a výroční zprávy za rok 2022

Povodí Odry, státní podnik
Varenská 3101/49, Moravská Ostrava, Ostrava, PSČ 702 00
státní podnik
IČ: 708 90 021

Výrok auditora

Provedli jsme audit přiložené účetní závěrky státního podniku Povodí Odry, státní podnik (dále také „Státní podnik") sestavené na základě českých účetních předpisů, která se skládá z rozvahy k 31. 12. 2022, výkazu zisku a ztráty, za rok končící 31. 12. 2022, a přílohy této účetní závěrky, která obsahuje popis použitých podstatných účetních metod a další vysvětlující informace, přehledu o peněžních tocích a přehledu o změnách vlastního kapitálu. Údaje o Státním podniku jsou uvedeny v bodě 1) přílohy této účetní závěrky.

Podle našeho názoru účetní závěrka podává věrný a poctivý obraz aktiv a pasiv státního podniku Povodí Odry, státní podnik k 31. 12. 2022 a nákladů a výnosů a výsledku jejího hospodaření a peněžních toků za rok končící 31. 12. 2022 v souladu s českými účetními předpisy.

Základ pro výrok

Audit jsme provedli v souladu se zákonem o auditorech a standardy Komory auditorů České republiky pro audit, kterými jsou mezinárodní standardy pro audit (ISA) případně doplněné a upravené souvisejícími aplikačními doložkami. Naše odpovědnost stanovená těmito předpisy je podrobněji popsána v oddílu Odpovědnost auditora za audit účetní závěrky. V souladu se zákonem o auditorech a Etickým kodexem přijatým Komorou auditorů České republiky jsme na Státním podniku nezávislí a splnili jsme i další etické povinnosti vyplývající z uvedených předpisů. Domníváme se, že důkazní informace, které jsme shromáždili, poskytují dostatečný a vhodný základ pro vyjádření našeho výroku.

AUDIT BARTOŠ

HB AUDITING

Ostatní informace uvedené ve výroční zprávě

Ostatními informacemi jsou v souladu s § 2 písm. b) zákona o auditorech informace uvedené ve výroční zprávě mimo účetní závěrku a naši zprávu auditora. Za ostatní informace odpovídá statutární orgán Státního podniku.

Náš výrok k účetní závěrce se k ostatním informacím nevztahuje. Přesto je však součástí našich povinností souvisejících s auditem účetní závěrky seznámení se s ostatními informacemi a posouzení, zda ostatní informace uvedené ve výroční zprávě nejsou ve významném (materiálním) nesouladu s účetní závěrkou či našimi znalostmi o účetní jednotce získanými během provádění auditu účetní závěrky nebo zda se jinak tyto informace nejeví jako významně (materiálně) nesprávné. Také posuzujeme, zda ostatní informace byly ve všech významných (materiálních) ohledech vypracovány v souladu s příslušnými právními předpisy. Tímto posouzením se rozumí, zda ostatní informace splňují požadavky právních předpisů na formální náležitosti a postup vypracování ostatních informací v kontextu významnosti (materiality), tj. zda případné nedodržení uvedených požadavků by bylo způsobilé ovlivnit úsudek činěný na základě ostatních informací.

Na základě provedených postupů, do míry, již dokážeme posoudit, uvádíme, že ostatní informace, které popisují skutečnosti, jež jsou též předmětem zobrazení v účetní závěrce, jsou ve všech významných (materiálních) ohledech v souladu s účetní závěrkou a že byly vypracovány v souladu s právními předpisy.

Dále jsme povinni uvést, zda na základě poznatků a povědomí o Státním podniku, k nimž jsme dospěli při provádění auditu, ostatní informace neobsahují významné (materiální) věcné nesprávnosti. V rámci uvedených postupů jsme v obdržených ostatních informacích žádné významné (materiální) věcné nesprávnosti nezjistili.

Odpovědnost statutárního orgánu, dozorčí rady a výboru pro audit Státního podniku za účetní závěrku

Statutární orgán Státního podniku odpovídá za sestavení účetní závěrky podávající věrný a poctivý obraz v souladu s českými účetními předpisy a za takový vnitřní kontrolní systém, který považuje za nezbytný pro sestavení účetní závěrky tak, aby neobsahovala významné (materiální) nesprávnosti způsobené podvodem nebo chybou.

Při sestavování účetní závěrky je statutární orgán Státního podniku povinen posoudit, zda je Státní podnik schopen nepřetržitě trvat, a pokud je to relevantní, popsat v příloze účetní závěrky záležitosti týkající se jejího nepřetržitého trvání a použití předpokladu nepřetržitého trvání při sestavení účetní závěrky, s výjimkou případů, kdy statutární orgán plánuje zrušení Státního podniku nebo ukončení jeho činnosti, resp. kdy nemá jinou reálnou možnost než tak učinit.

Za dohled nad procesem účetního výkaznictví ve Státním podniku odpovídá dozorčí rada ve spolupráci s výborem pro audit.

AUDIT BARTOŠ

HB AUDITING

Odpovědnost auditora za audit účetní závěrky

Naším cílem je získat přiměřenou jistotu, že účetní závěrka jako celek neobsahuje významnou (materiální) nesprávnost způsobenou podvodem nebo chybou a vydat zprávu auditora obsahující náš výrok. Přiměřená míra jistoty je velká míra jistoty, nicméně není zárukou, že audit provedený v souladu s výše uvedenými předpisy ve všech případech v účetní závěrce odhalí případnou existující významnou (materiální) nesprávnost. Nesprávnosti mohou vznikat v důsledku podvodů nebo chyb a považují se za významné (materiální), pokud lze reálně předpokládat, že by jednotlivě nebo v souhrnu mohly ovlivnit ekonomická rozhodnutí, která uživatelé účetní závěrky na jejím základě přijmou.

Při provádění auditu v souladu s výše uvedenými předpisy je naší povinností uplatňovat během celého auditu odborný úsudek a zachovávat profesní skepticismus. Dále je naší povinností:

- Identifikovat a vyhodnotit rizika významné (materiální) nesprávnosti účetní závěrky způsobené podvodem nebo chybou, navrhnout a provést auditorské postupy reagující na tato rizika a získat dostatečné a vhodné důkazní informace, abychom na jejich základě mohli vyjádřit výrok. Riziko, že neodhalíme významnou (materiální) nesprávnost, k níž došlo v důsledku podvodu, je větší než riziko neodhalení významné (materiální) nesprávnosti způsobené chybou, protože součástí podvodu mohou být tajné dohody (koluze), falšování, úmyslná opomenutí, nepravdivá prohlášení nebo obcházení vnitřních kontrol.
- Seznámit se s vnitřním kontrolním systémem Státního podniku relevantním pro audit v takovém rozsahu, abychom mohli navrhnout auditorské postupy vhodné s ohledem na dané okolnosti, nikoli abychom mohli vyjádřit názor na účinnost jejího vnitřního kontrolního systému.
- Posoudit vhodnost použitých účetních pravidel, přiměřenost provedených účetních odhadů a informace, které v této souvislosti statutární orgán Státního podniku uvedl v příloze účetní závěrky.
- Posoudit vhodnost použití předpokladu nepřetržitého trvání při sestavení účetní závěrky statutárním orgánem a to, zda s ohledem na shromážděné důkazní informace existuje významná (materiální) nejistota vyplývající z událostí nebo podmínek, které mohou významně zpochybnit schopnost Státního podniku nepřetržitě trvat. Jestliže dojdeme k závěru, že taková významná (materiální) nejistota existuje, je naší povinností upozornit v naší zprávě na informace uvedené v této souvislosti v příloze účetní závěrky, a pokud tyto informace nejsou dostatečné, vyjádřit modifikovaný výrok. Naše závěry týkající se schopnosti Státního podniku nepřetržitě trvat vycházejí z důkazních informací, které jsme získali do data naší zprávy. Nicméně budoucí události nebo podmínky mohou vést k tomu, že Státní podnik ztratí schopnost nepřetržitě trvat.
- Vyhodnotit celkovou prezentaci, členění a obsah účetní závěrky, včetně přílohy, a dále to, zda účetní závěrka zobrazuje podkladové transakce a události způsobem, který vede k věrnému zobrazení.

AUDIT BARTOŠ

HB AUDITING

Naší povinností je informovat statutární orgán, dozorčí radu a výbor pro audit mimo jiné o plánovaném rozsahu a načasování auditu a o významných zjištěních, která jsme v jeho průběhu učinili, včetně zjištěných významných nedostatků ve vnitřním kontrolním systému.

AUDIT BARTOŠ s.r.o.
Žernovník 42, 679 21 Černá Hora
Evidenční číslo oprávnění KA ČR č. 503

HB AUDITING, s.r.o.
Dolní 1730/25, 591 01 Žďár nad Sázavou
Evidenční číslo oprávnění KA ČR č. 078

Ing. Roman Bartoš, auditor
Evidenční číslo oprávnění č. 2148

Ing. Zdeněk Novotný, auditor
Evidenční číslo oprávnění č. 1131

Datum zprávy auditora: 9. března 2023

.....
Podpis auditora

.....
Podpis auditora

AUDIT BARTOŠ s.r.o.
Žernovník 42
679 21 Černá Hora
IČ: 28350138 ①
Auditorská společnost oprávnění č. 503

HB AUDITING, s.r.o.
Dolní 1730/25 ②
591 01 Žďár nad Sázavou
IČ: 60113219 DIČ: CZ60113219

BALANCE SHEET

In full format as at 31 December 2022 (in thousands of CZK)

Label	Item content	Current period			Prior period
		Gross	Correction	Net	
	TOTAL ASSETS	9,407,876	-4,319,713	5,088,163	5,037,076
B.	**Fixed assets**	**8,860,614**	**-4,318,884**	**4,541,730**	**4,545,354**
B.I.	Fixed intangible assets	175,668	-158,253	17,415	24,910
B.I.1.	Intangible results of research and development	13,948	-13,948	0	0
B.I.2.	Valuable rights	81,706	-68,730	12,976	13,770
B.I.2.1.	Software	81,706	-68,730	12,976	13,770
B.I.4.	Miscellaneous long-term intangible assets	79,968	-75,575	4,393	1,245
B.I.5.	Advance payments for intangible fixed assets and incomplete intangible fixed assets	46	0	46	9,895
B.I.5.2.	Incomplete intangible fixed assets	46	0	46	9,895
B.II.	Fixed tangible assets	8,684,946	-4,160,631	4,524,315	4,520,444
B.II.1.	Land and structures	7,683,681	-3,588,776	4,094,905	4,083,252
B.II.1.1.	Land	533,143	0	533,143	528,740
B.II.1.2.	Buildings and structures (constructions)	7,150,538	-3,588,776	3,561,762	3,554,512
B.II.2.	Tangible movables and sets thereof	720,771	-571,456	149,315	160,000
B.II.4.	Other tangible fixed assets	1,096	-399	697	742
B.II.4.1.	Perennial crops	87	-87	0	0
B.II.4.3.	Other tangible fixed assets	1,009	-312	697	742
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	279,398	0	279,398	276,450
B.II.5.1.	Provided advances for long-term tangible assets	1,212	0	1,212	22
B.II.5.2.	Incomplete tangible fixed assets	278,186	0	278,186	276,428
C.	**Current assets**	**546,213**	**-829**	**545,384**	**491,178**
C.I.	Inventory	8,518	0	8,518	8,564
C.I.1.	Materials	3,392	0	3,392	2,842
C.I.4.	Young and miscellaneous animals and groups thereof	5,126	0	5,126	5,625
C.I.5.	Advance payments for inventory	0	0	0	97
C.II.	Accounts receivable	134,469	-829	133,640	133,911
C.II.1.	Long term receivables	62	0	62	74
C.II.1.1.	Trade receivables	0	0	0	30
C.II.1.5.	Receivables – others	62	0	62	44
C.II.1.5.2.	Long-term provided advances	30	0	30	12
C.II.1.5.4.	Other receivables	32	0	32	32
C.II.2.	Short-term receivables	134,407	-829	133,578	133,837
C.II.2.1.	Trade receivables	127,396	-829	126,567	127,273
C.II.2.4.	Receivables – others	7,011	0	7,011	6,564
C.II.2.4.4.	Short-term advance payments made	1,133	0	1,133	1,328
C.II.2.4.5.	Contingent assets	74	0	74	1,702
C.II.2.4.6.	Other receivables	5,804	0	5,804	3,534
C.IV.	Monetary funds	403,226	0	403,226	348,703
C.IV.1.	Available cash	476	0	476	477
C.IV.2.	Funds in accounts	402,750	0	402,750	348,226
D.	**Asset accruals and deferrals**	**1,049**	**0**	**1,049**	**544**
D.1.	Costs for subsequent periods	797	0	797	542
D.3.	Accrued revenues	252	0	252	2

Label	Item content	Current period	Prior period
	TOTAL LIABILITIES	**5,088,163**	**5,037,076**
A.	**Equity**	**4,619,326**	**4,612,389**
A.I.	Registered capital	1,565,444	1,565,444
A.I.1.	Registered capital	1,565,444	1,565,444
A.II.	Share premium and capital funds	2,690,381	2,689,670
A.II.2.	Capital funds	2,690,381	2,689,670
A.II.2.1.	Other capital funds	2,690,381	2,689,670
A.III.	Funds from profit	342,528	340,051
A.III.1.	Other reserve funds	269,267	269,267
A.III.2.	Statutory and miscellaneous funds	73,261	70,784
A.V.	Profit/Loss for the current accounting period	20,973	17,224
B. + C.	**External resources**	**468,676**	**424,222**
B.	**Reserves**	**113,299**	**90,041**
B.4.	Other reserves	113,299	90,041
C.	**Liabilities**	**355,377**	**334,181**
C.I.	Long-term liabilities	315,734	299,228
C.I.8.	Deferred tax liability	308,754	293,648
C.I.9.	Other liabilities	6,980	5,580
C.I.9.3.	Miscellaneous liabilities	6,980	5,580
C.II.	Short-term liabilities	39,643	34,953
C.II.3.	Short-term received advances	45	56
C.II.4.	Liabilities from business relationships	7,140	5,855
C.II.8.	Other liabilities	32,458	29,042
C.II.8.3.	Obligations towards employees	16,173	15,601
C.II.8.4.	Social security and health insurance dues	8,763	8,551
C.II.8.5.	State – tax liabilities and subsidies	4,578	2,133
C.II.8.6.	Contingent liabilities	1,131	927
C.II.8.7.	Miscellaneous liabilities	1,813	1,830
D.	**Accrued liabilities**	**161**	**465**
D.1.	Expenses for subsequent periods	121	6
D.2.	Revenues for subsequent periods	40	459

Prepared on 3. 3. 2023

Name and signature of the governing body:
Ing. Jiří Tkáč, General Director

PROFIT AND LOSS STATEMENT

classified by nature in full format for the period from 1 January 2022 to 31 December 2022 (in thousands of CZK)

Label	Item content	Current period	Prior period
I.	Revenues from sale of products and services	732,617	724,343
A.	Output consumption	208,844	210,408
A.2.	Consumption of materials and energy	41,724	39,480
A.3.	Services	167,120	170,927
B.	Change in inventory of own production (+/-)	488	-149
C.	Capitalisation (-)	-1,001	-478
D.	HR costs	324,293	306,762
D.1.	Wage costs	221,875	210,817
D.2.	Social security, health insurance and miscellaneous costs	102,418	95,946
D.2.1.	Costs for social security and health insurance	76,718	73,562
D.2.2.	Other costs	25,700	22,384
E.	Value adjustments related to operations	155,777	147,579
E.1.	Adjustment of values of long-term intangible and tangible assets	156,223	147,863
E.1.1.	Adjustment of values of long-term intangible and tangible assets – permanent	156,223	147,863
E.2.	Adjustment of inventory values	0	-17
E.3.	Adjustment of receivable values	-445	-267
III.	Other operating income	14,021	12,252
III.1.	Revenues from the sale of long-term assets	3,691	4,738
III.3.	Other operating revenues	10,330	7,515
F.	Other operating costs	37,600	38,231
F.1.	Net book value of fixed assets sold	796	204
F.3.	Taxes and fees	2,424	2,914
F.4.	Position of operating reserves and complex accrued costs	23,259	23,659
F.5.	Other operating costs	11,121	11,455
*	**Operating profit/loss (+/-)**	**20,637**	**34,242**
VI.	Revenue interest and similar returns	15,587	1,111
VI.2.	Miscellaneous revenue interest and similar returns	15,587	1,111
Article VII	Other financial income	2	1
K.	Miscellaneous financial costs	147	227
*	**Financial profit/loss (+/-)**	**15,442**	**885**
**	**Profit/loss before taxation (+/-)**	**36,079**	**35,127**
L.	Income tax	15,106	17,904
L.2.	Deferred income tax (+/-)	15,106	17,904
**	**Profit/loss after taxation (+/-)**	**20,973**	**17,224**
***	**Profit/loss for the accounting period (+/-)**	**20,973**	**17,224**
*	**Net turnover for the accounting period**	**762,227**	**737,707**

Prepared on 3. 3. 2023

Name and signature of the governing body:
Ing. Jiří Tkáč, General Director

CASH FLOW STATEMENT

for the period ending on 31 December 2022 (in thousands of CZK)

				Current accounting period	Previous accounting period
P.			**Initial balance of cash and cash equivalents at the beginning of the accounting period**	**348,703**	**354,355**
			Cash flow from the main profitable activity (operations)		
Z.			**Profit/loss before taxation (+/-)**	**36,079**	**35,127**
A.	1.		Adjustment by non-monetary operations	160,128	165,739
A.	1.	1.	Depreciation of fixed assets (+) excluding the net book value of fixed assets sold and amortisation of the valuation difference to acquired assets and goodwill (+/-)	154,773	149,003
A.	1.	2.	Change in adjustments, reserves and contingent accounts	23,837	22,381
A.	1.	3.	Profit (loss) from sale of fixed assets (-/+)	-2,895	-4,534
A.	1.	4.	Revenues from shares of the profit (-)		
A.	1.	5.	Accounting for interest paid (+) excluding interest included in fixed assets valuation, and account for interest received (-)	-15,587	-1,111
A.	1.	6.	Potential adjustment by other non-monetary operations	0	0
A	*		**Net cash flow from operations before tax and changes in working capital**	**196,207**	**200,866**
A.	2.		Change in the non-monetary elements of working capital	3,617	-14,461
A.	2.	1.	Changes in the position of receivables from operations (+/-)	1,581	-14,809
A.	2.	2.	Changes in the position of short-term payables from operations (+/-)	1,992	821
A.	2.	3.	Changes in inventory (+/-)	44	-473
A.	2.	4.	Change of the position of short-term financial assets that are not in the category of cash and its equivalents	0	0
A	**		**Net cash flow from operations before tax**	**199,824**	**186,405**
A.	3.		Interest paid excluding interest included in fixed assets valuation (-)	0	0
A.	4.		Interest received (+)	15,587	1,111
A.	5.		Income tax paid and supplementary taxes for previous periods (-)	0	0
A.	7.		Shares of profit received (+)	0	0
A	***		**Net cash flow from operations**	**215,411**	**187,516**
			Cash flows from investment activities		
B.	1.		Expenses associated with acquisition of fixed assets	-150,043	-181,968
B.	2.		Revenue from sale of fixed assets	3,691	4,738
B.	3.		Change in investment advance payments, re-billing of investments	-1,189	396
B	***		**Net cash flow related to investment activities**	**-147,541**	**-176,834**
			Cash flows from financial activity		
C.	1.		Influence of changes in long-term payables or potentially such short-term payables that fall into the financial activity category (e.g. some operating loans) on cash and its equivalents	1,400	-1,850
C.	2.		Effect of equity changes on cash and its equivalents	-14,747	-14,484
C.	2.	1.	Increase in cash and its equivalents caused by an increase in registered capital, issue premium or funds from profit including deposits made for such an increase (+)	0	0
C.	2.	2.	Payment of equity shares to partners (-)	0	0
C.	2.	3.	Other cash contributions from partners and shareholders (+)	0	0
C.	2.	4.	Compensation of losses by partners (+)	0	0
C.	2.	5.	Direct payments from funds (-)	-14,747	-14,484
C.	2.	6.	Shares of profit paid including withholding tax paid in relation to such entitlements including financial settlement with partners in general partnerships and general partners in limited partnerships (-)	0	0
C	***		**Net cash flow related to financial activities**	**-13,347**	**-16,334**
F.			**Net increase/decrease of cash**	**54,523**	**-5,652**
R.			**Balance of cash and cash equivalents at end of the accounting period**	**403,226**	**348,703**

Prepared on 3. 3. 2023

Name and signature of the governing body:
Ing. Jiří Tkáč, General Director

STATEMENT OF EQUITY CHANGES

as at 31 December 2022 (in thousands of CZK)

	2020				2021				2022			
Item	**Balance as at 1/1**	**In-crease (+)**	**De-crease (-)**	**Balance as at 31/12**	**Balance as at 1/1**	**In-crease (+)**	**De-crease (-)**	**Balance as at 31/12**	**Balance as at 1/1**	**In-crease (+)**	**De-crease (-)**	**Balance as at 31/12**
Registered capital – ordinary stock (account 411)	1,565,444	0	0	1,565,444	1,565,444	0	0	1,565,444	1,565,444	0	0	1,565,444
Capital funds (account 413)	2,688,221	1,652	622	2,689,251	2,689,251	3,240	2,821	2,689,670	2,689,670	1,273	562	2,690,381
Reserve funds, other funds from profit	246,578	112,321	19,190	339,709	339,709	15,211	14,869	340,051	340,051	17,637	15,160	342,528
Statutory reserve fund (account 421)	171,222	98,045	0	269,267	269,267	0	0	269,267	269,267	0	0	269,267
Total statutory and other funds, of which:	75,356	14,276	19,190	70,442	70,442	15,211	14,869	70,784	70,784	17,637	15,160	73,261
Cultural and social welfare fund (account 423)	39,108	8,653	10,980	36,781	36,781	6,901	6,538	37,144	37,144	8,947	6,788	39,303
Bonus fund (account 427 AE)	35,498	5,373	7,900	32,971	32,971	8,000	8,141	32,830	32,830	8,500	8,357	32,973
Social fund (account 427 AE)	750	250	310	690	690	310	190	810	810	190	15	985
Profit/Loss from previous years	98,045	0	98,045	0	0	0	0	0	0	0	0	0
Profit/loss for the current accounting period	9,503	14,826	9,503	14,826	14,826	17,224	14,826	17,224	17,224	20,973	17,224	20,973
TOTAL EQUITY	**4,607,791**	**128,799**	**127,360**	**4,609,230**	**4,609,230**	**35,675**	**32,516**	**4,612,389**	**4,612,389**	**39,883**	**32,946**	**4,619,326**

Prepared on 3. 3. 2023

Name and signature of the governing body:
Ing. Jiří Tkáč, General Director

NOTES ON THE FINANCIAL STATEMENTS

As at 31 December 2022

1. COMPANY PROFILE

Business Name: Povodí Odry, státní podnik
Corporate Office: Varenská 3101/49, Moravská Ostrava, 702 00 Ostrava, delivery number: 701 26
Legal status: state enterprise
Identification number (Company Registration Number): 70 89 00 21

Main line of business:
Management of river basins, which means management of significant watercourses and designated small watercourses, activities related to the determination and evaluation of the condition of surface and ground water in the territorial powers of the state-owned company Povodí Odry, and other activities performed by river basin managers pursuant to Act No. 254/2001 Coll., on waters, and on amendment of certain acts (the Water Act), as amended, Act No. 305/2000 Coll., on river basins, and related legal regulations.

Other business activities related to the main line of business:
Generation of electricity, building project design, building construction, modification and demolition, road motor transport, production, trade and services not specified in Annexes 1 to 3 of the Trade Licensing Act.

Establishment of the Company: under Act No. 305/2000 Coll., on river basins.
Date of establishment of the Company (effective date of Act No. 305/2000 Coll.): 1. January 2001
Founder: Ministry of Agriculture
Legal predecessor of the state-owned company: Povodí Odry, joint stock company

Changes and amendments to the Commercial Register made during the accounting period:
In 2022, the following entries were made by the Commercial Register department of the Regional Court in Ostrava, concerning the amendment to the Memorandum of Association:

- On 18 October 2022, a resolution was issued regarding the change of the members of the Supervisory Board – registration of Ing. Jiří Pagáč, Ing. Antonino Milicio, PhD., MBA, Mgr. Monika Brzesková, Ing. Miroslav Krajíček, Ing. Jakub Sajdl, deletion of Ing. Michal Sirko, Ing. Pavel Schneider, Ing Jan Kocián, Ing. Aleš Kendík, Ing. Peter Suchý – the resolution took legal force on 4 November 2022.

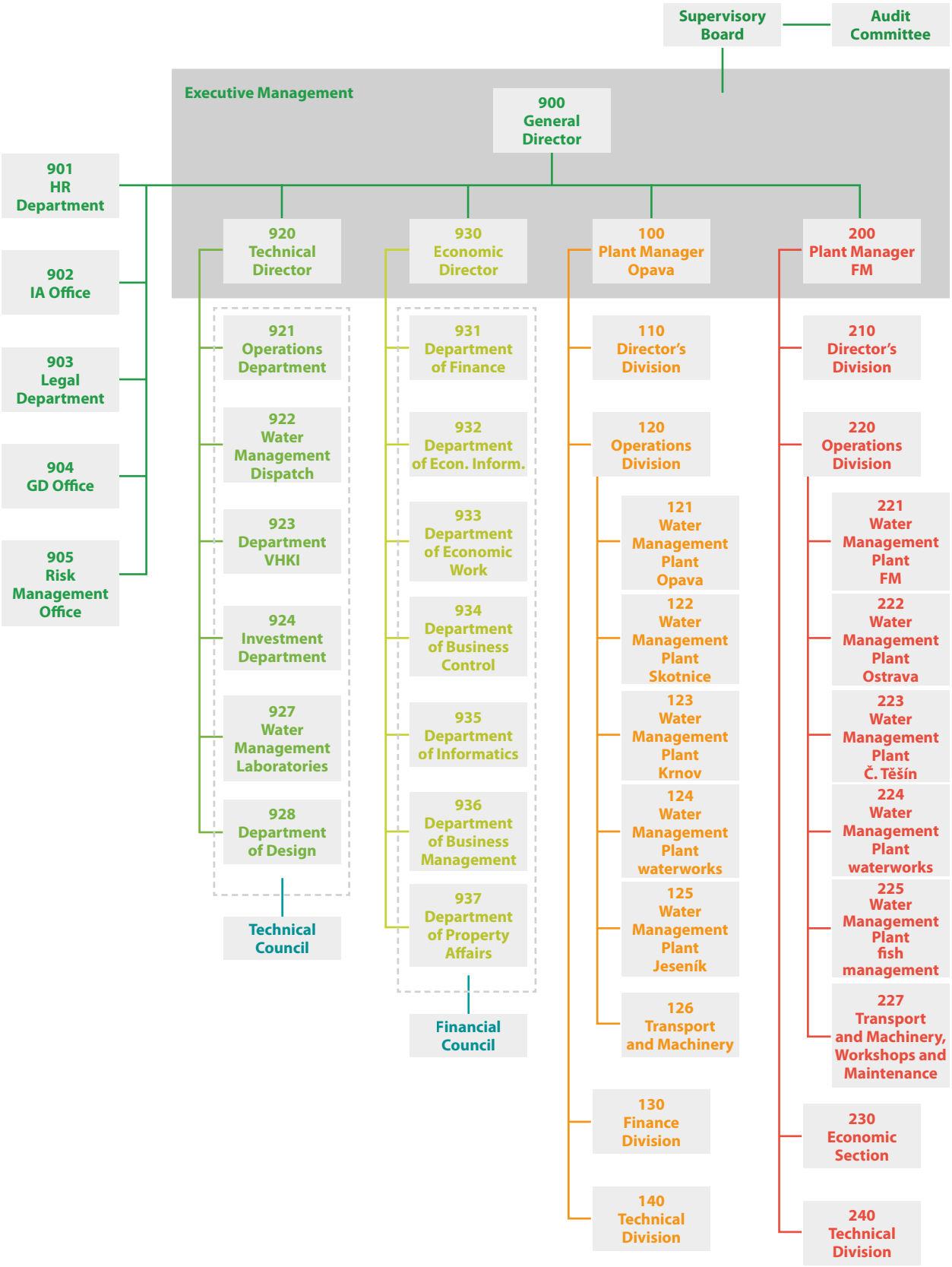
Governing body of the state-owned company (as at 31 December 2022):
Ing. Jiří Tkáč, General Director

Deputies of the statutory body of the state-owned company – General Director:
- First Deputy: Ing. Břetislav Tureček, Technical Director,
- Second Deputy: Ing. Michaela Bachoríková, Economic Director.

Supervisory Board (as at 31 December 2022):
Ing. Jiří Duda
Ing. Jiří Pagáč
Mgr. Monika Brzesková
Ing. Antonino Milicia, PhD., MBA
Ing. Miroslav Krajíček
Ing. Jakub Sajdl
Ing. Ivana Mojžíšková
Ing. Radek Pekař
Ing. Dalibor Kratochvíl

Changes in the organisational structure during the accounting period:
In 2022, the Company's organisational structure did not change.

ORGANISATIONAL CHART



2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

Balance sheet date: 31. December 2022

Date of preparation of the financial statements: 3. 3. 2023

Legal framework for keeping accounts and preparation of financial statements

The financial statements have been prepared in compliance with Act No. 563/1991 Coll., on accounting, as amended, and Decree No. 500/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on accounting, for accounting units – entrepreneurs keeping their accounts using the double-entry bookkeeping system. The state-owned enterprise Povodí Odry keeps accounts in compliance with the Czech Accounting Standards.

The state-owned enterprise Povodí Odry is a large accounting unit and since 2016 it has been included in the partial consolidation unit of the Czech Republic.

3. GENERAL ACCOUNTING PRINCIPLES AND METHODS

When applying the accounting and reporting methods, the main specifics of the line of business are taken into account, where the state-owned company manages a large volume of fixed assets of a hydraulic structural nature and adjustments on watercourses. These waterworks assets are subject to a significant risk of incidental climatic events, such as floods and droughts, thus generating a considerable risk of increased costs and uncertainty of future realised profits.

Valuation methods:

- purchased fixed assets – purchase price,
- fixed assets of own production (capitalisation) – own expenses,
- fixed assets acquired without consideration – replacement cost,
- fixed assets acquired without consideration from state-owned organisations – book prices,
- purchased inventory – acquisition prices,
- inventory created by own activities (including increases in fish volumes) – own expenses,
- decline in inventory (apart from fish) – FIFO,
- decline in fish volumes – weighted arithmetic average method,
- cash, valuables – nominal value,
- receivables, liabilities – nominal value.

LONG-TERM ASSETS

Fixed intangible assets particularly include intangible results of research and development, software and other intangible assets (studies, audiovisual works, plans in the area of water basins) valued over CZK 60,000. Assets with a lower value are accounted for as expenses and, from the value of CZK 2,000, the assets are recorded in off-balance sheet accounts.

Tangible fixed assets primarily comprise buildings, land, perennial crops, other tangible fixed assets (rights of users), and tangible movables and sets of movables worth more than CZK 80,000. Tangible movables worth up to CZK 80,000 are accounted for as expenses and, from the value of CZK 2,000, the items are recorded in off-balance sheet accounts.

The value of fixed assets is lowered by the value of grants received for acquisition of fixed assets, which are credited to the unfinished fixed assets account. The value of the grants is given in the note in the fixed asset card. Fully subsidised assets are recorded in off-balance sheet accounts.

DEPRECIATION PLANS – METHOD OF COMPILATION AND DEPRECIATION METHODS APPLIED

The method of depreciation of fixed assets is determined by the internal depreciation schedule. Tangible fixed assets are depreciated at annual rates stipulated for the individual asset groups based on their estimated useful life. Intangible fixed assets are depreciated at an annual depreciation rate of 25%.

The book depreciation of tangible and intangible fixed assets is applied from the first month of their activation.

The state-owned enterprise does not apply the component depreciation method.

INVENTORY

Inventory consists of material in stock, and young and other animals, especially fish.

SHORT-TERM FINANCIAL ASSETS AND CASH

This item includes cash in hand, valuables and cash in bank accounts. The funds to cover reserves are earmarked in separate bank accounts. The overview of changes in the cash flow in the 2022 accounting period is contained in a separate Cash Flow Statement.

METHOD APPLIED TO CONVERSION OF FOREIGN CURRENCY FIGURES TO CZECH CROWNS

For conversion of foreign currency, the daily exchange rates announced by the Czech National Bank applicable to the transaction date are applied.

SHORT-TERM RECEIVABLES

This item particularly includes trade receivables, namely receivables from sales of surface water and electricity.

ADJUSTING ENTRIES

Adjustments are created as of the balance sheet date based on the results of inventories in cases of temporary impairment of the value of assets, namely:

- to depreciated fixed assets – created in addition to depreciation in cases where the actual physical condition of the asset does not correspond to its valuation in the accounts and the utility value of the asset is lower than its net book value,
- to inventory – created to slow-moving, outdated or otherwise temporarily degraded inventory on the basis of individual assessment,
- to receivables – created to difficult-to-recover receivables on the basis of individual assessment of the respective debtors and the age structure of the receivables. Statutory adjusting entries are created pursuant to Act No. 586/1992 Coll., on income taxes, as amended, and Act No. 593/1992 Coll., on provisions for determining the tax base, as amended. The accounting adjusting entries are created above their framework.

EQUITY

Registered capital is reported in the amount stipulated in the Memorandum of Association filed in the collection of documents of the Commercial Register, or in the amount set by the founder in the event that the change was not made in the Commercial Register by the balance sheet date.

As regards **other capital funds,** subsidies for capital equipment from previous periods and gratuitous transfers of the right to manage the state property of the Czech Republic are recorded.

As regards **funds from profit,** a reserve fund, a cultural and social welfare fund, a remuneration fund and a social fund are reported as at the balance sheet date. Allocation to the funds takes place based on the founder's decision on the distribution of profit for the current accounting period or, as appropriate, profit/loss from previous years. The creation and use of funds is governed by internal regulations and, in the case of the cultural and social welfare fund, by the collective agreement.

The breakdown of changes in equity for the 2022 accounting period is presented in a separate Statement of Equity Changes.

RESERVES

The state-owned enterprise uses reserves to express and cover risks arising out of the Company's specific subject of business activity. The reserves are intended to cover liabilities or costs the nature of which are clearly defined and which will probably or certainly occur by the balance sheet date, but the amount or moment of occurrence of which is not certain. As at the balance sheet date, the reserve represents the best estimate of future probable costs. In compliance with these conditions, the following reserves are recognised in the state-owned company as at the balance sheet date:

- reserve for flood risk,
- reserve for repairs of fixed assets,
- reserve for the medium-term component of wages, litigation and other risks.

The reserves are created in accordance with the founder's unified methodology set for the creation and drawing of accounting reserves of the River Basin Authority state-owned enterprises.

LONG-TERM LIABILITIES

The item particularly includes bank guarantees received from construction contractors for the duration of the warranty period and deferred tax liability.

Deferred tax liability

Deferred tax liability reflects the tax impact of temporary differences between the values of assets and/or liabilities in terms of accounting and determination of the income tax base while taking into account the time of payment. Further, assessment is done according to the principle of conservatism in relation to Section 26(3) of Act No. 563/1991 Coll., on accounting, and if it is not clear that an adequate tax base will be achieved, the items relating to deferred tax receivables are not included in the calculation. This is based on the implementation of the principle that, in accordance with the principle of prudence, the realised profit is not reported if it is not adequately and demonstrably ascertained that such profit has been earned.

The major title for the deferred tax obligation is the temporary difference between the book and tax value of the fixed assets.

The major title for the deferred tax claim comprises tax losses and reserves. With regard to the fundamental specifics of the subject of the state-owned company's business activity, there is no assurance of achieving future profits in an adequate amount for the application of these items by reason of potential future losses that cannot be influenced. For this reason, these items are not included in the deferred tax calculation.

SHORT-TERM LIABILITIES

The item primarily includes trade liabilities arising from unfinished construction projects of investment and operational nature.

GRANTS

Grants are posted to the accounts upon receipt or unquestionable entitlement to receipt. Based on the experience with administration of the subsidy agenda, the state-owned enterprise adopted the assumption that the conditions of unquestionable entitlement are fulfilled at the moment of accounting for the liability (after approval of correctness in rem and compliance of the claim with the conditions for award of the grant), which is to be covered by the grant unless stipulated otherwise in a specific case.

A grant received to cover costs is posted to operational or financial revenues. A grant received for acquisition of fixed assets, including technical improvements and a grant for the payment of interest included in the acquisition price of the assets, reduces the acquisition price or the Company's own acquisition costs.

REVENUES AND COSTS

The decisive part of the revenues is generated by surface water sales, which are subject to price regulation. The calculation of the regulated price of surface water is prepared in accordance with Act No. 526/1990 Coll., on prices, as amended, and the relevant price assessment stated in the Price Bulletin valid for the given year. It is possible to only include the economically justified costs and reasonable profit in the calculation, while the specified unrecognisable costs are excluded.

Revenues and expenses are recognised on an accrual basis.

SUBSEQUENT EVENTS

The impact of events that occurred between the balance sheet date and the date of the financial statements is to be reflected in the financial statements if such events provide additional information about the facts that existed at the balance sheet date. If any significant events occurred in the period between the balance sheet date and the date of the financial statements, which affect the facts that occurred after the balance sheet date, the consequences of such facts are recorded in the Notes to the Financial Statements.

MUTUAL SETTLEMENTS

They do not occur in the 2022 accounting period.

CHANGES TO ACCOUNTING METHODS AS COMPARED TO THE PRECEDING REPORTING PERIOD

Deviations from the accounting methods

They do not occur in the 2022 accounting period.

Correction of errors from previous years

They do not occur in the 2022 accounting period.

4. ADDITIONAL INFORMATION TO THE ITEMS IN THE FINANCIAL STATEMENTS

LONG-TERM ASSETS

List of fixed assets – acquisition value (in CZK thousands)

Account group	Name	Balance as at 1 January 2022	Increase	Decrease	Balance as at 31 December 2022
01	Fixed intangible assets	160,577	15,045	-	175,622
02	Fixed tangible assets	7,739,933	141,314	9,149	7,872,098
03	Non-depreciated tangible fixed assets	529,048	6,021	1,619	533,450
04	Unfinished intangible and tangible fixed assets	286,323	205,829	213,920	278,232
05	Advance payments for intangible and tangible fixed assets	22	2,179	989	1,212
Total		**8,715,903**	**370,388**	**225,677**	**8,860,614**

Significant items in the area of fixed assets are the completed reconstruction of the weir on the Lomná watercourse at river kilometre 1.900 and the construction of a drop grade on the Ostravice watercourse at river kilometre 20.181.

Accumulated depreciation – fixed assets (in thousands CZK)

Account group	Name	Balance as at 1 January 2022	Increase	Decrease	Balance as at 31 December 2022
07	Accumulated depreciation to intangible fixed assets	145,562	12,691	-	158,253
08	Accumulated depreciation to tangible fixed assets	4,024,987	143,547	7,903	4,160,631
Total		**4,170,549**	**156,238**	**7,903**	**4,318,884**

Adjustments to fixed assets (in thousands of CZK)

For 2022, they are not created as the physical stocktaking done has verified that there are no grounds for temporary impairment of the assets.

The conditionality of the accounting records by legal force of the registration in the Land Register (in thousands CZK)

Land	as at 31 December 2021	as at 31 December 2022
– classification submitted for registration in the Land Register (not registered as at 31 December) unrecorded	908	330
– discharge submitted for registration in the Land Register (not registered as at 31 December) unrecorded	1	331

Grant for acquisition of fixed assets (in thousands CZK)

Purpose of grant / source	as at 31 December 2021	as at 31 December 2022
Flood prevention / state budget	201,756	48,900
Measures on small watercourses and small water reservoirs / state budget	12,315	3,944
Watercourse revitalisation / state budget	12,171	-
Total	**226,242**	**52,844**

Assets acquired from grants for acquisition of fixed assets

The state-owned enterprise records fixed assets acquired from grants for acquisition of fixed assets:

- in case of partially subsidised assets – by stating the value of the grant in the note on the asset record card,
- in case of fully subsidised assets – by stating the value of the grant on the given off-balance sheet account.

(in thousands CZK)

Subsidised assets	as at 31 December 2021	as at 31 December 2022
- partially subsidised assets	3,675,748	3,838,352
- fully subsidised assets	49,943	36,629

Povodí Odry, state-owned enterprise, does not have pledged real estate or movables.

CURRENT ASSETS

Inventory – acquisition values (in thousands CZK)

Account	Name	as at 31 December 2021	as at 31 December 2022
112	Material in stock	2,842	3,392
124	Young and other animals	5,625	5,126
	of which: fish	5,606	5,107
151	Advance payments for inventory	97	-
Total	**Total inventories**	**8,564**	**8,518**

Adjustments to inventory (in thousands CZK)

For 2022, they are not created as the physical stocktaking made has verified that there are no grounds for temporary impairment of inventory.

Receivables – acquisition values (in thousands CZK)

Receivables (short-term and long-term)	as at 31 December 2021	as at 31 December 2022
Overdue receivables	2,172	1,762
of which: – Receivables that are more than 5 years overdue	1,477	1,070
Receivables with maturity longer than 5 years	-	-
Receivables covered by security in rem	-	-

Adjustments to receivables (in thousands CZK)

Account	Name	as at 31 December 2021	as at 31 December 2022
391-1	Statutory adjusting entries for receivables	1,001	730
391-2	Accounting adjusting entries for receivables	273	99
Total		**1,274**	**829**

Amount of advances, deposits, loans and credits provided to members of managing, controlling and administrative bodies

The state-owned enterprise did not provide any of the above deliveries to the management, controlling or administrative bodies.

Profit/Loss and its distribution (in thousands CZK)

	Distribution of the 2021 profit/loss	Proposal for distribution of the 2022 profit/loss
Profit/Loss for the current period	**17,224**	**20,973**
- allocation to the cultural and social welfare fund	8,534	7,958
- allocation to the bonus fund	8,500	13,000
- allocation to the social fund	190	15

EXTERNAL RESOURCES

Reserves

Other (accounting) reserves – Account 459 (in thousands CZK)

Purpose	as at 31 December 2021	as at 31 December 2022
Reserve for floods	37,000	37,000
Reserves for major repairs to water management assets	24,000	47,400
Other reserves (medium-term component of wages, litigation, and other risks)	29,041	28,899
Total	**90,041**	**113,299**

Deferred tax liability – Account 481 (in thousands CZK)

Item	as at 31 December 2021	as at 31 December 2022
Net book value of small assets (NBV)	3,445,128	3,457,177
Tax residual value of small assets (TRV)	1,899,611	1,832,154
Difference between book and tax prices (NBV – TRV)	1,545,517	1,625,023
19%	293,648	308,754
Unpaid interest on late payments	-	-
19%	-	-
Total deferred tax liability	**293,648**	**308,754**

Deferred tax liability	- balance of Account 481 as at 31 December 2021	293,648
	- balance of Account 481 as at 31 December 2022	**308,754**
	difference – Account 592 Debit	15,106

Payables (in thousands CZK)

Short-term liabilities	as at 31 December 2021	as at 31 December 2022
Overdue liabilities	295	295
of which: – liabilities that are more than 5 years overdue	295	295
Liabilities with due period longer than 5 years	-	-
Liabilities covered by security in rem	-	-

Overdue liabilities are related to the former agenda of payments for pollution of surface water and off-take ground water for the State Environmental Fund and apply to the unpaid claims of the entities whose bankruptcy proceedings are not yet completed.

Long-term liabilities	as at 31 December 2021	as at 31 December 2022
Overdue liabilities	-	-
of which: – liabilities that are more than 5 years overdue	-	-
Liabilities with due period longer than 5 years	-	-
Liabilities covered by security in rem	-	-

Schedule of other long-term payables – Account 479 (in thousands CZK)

Contents	as at 31 December 2021	as at 31 December 2022
Guarantees received	5,580	6,980

The liabilities relate to the bank guarantees received from construction contractors for the period of the warranty period and the long-term refundable bonds to ensure the protection of leased assets.

Povodí Odry, state-owned enterprise, does not have any bank loans and financial assistance.

The state-owned enterprise does not have any liabilities that would not be recorded in the Balance Sheet.

SELECTED ITEMS NOT REPORTED IN THE BALANCE SHEET BUT RECORDED IN THE OFF-BALANCE SHEET ACCOUNTS

Item	as at 31 December 2021	as at 31 December 2022
Fully subsidised assets	49,943	36,629
Low-value tangible and intangible assets	85,899	84,862
Documentary bank guarantees	128,301	186,450

SELECTED COST AND REVENUE ITEMS

HR costs

Item	as at 31 December 2021	as at 31 December 2022
Average number of employees (adjusted)	446.11	442.15
of which: – White-collar category	239.69	239.35
– Blue-collar category	206.42	202.80
Personnel costs incl. other personnel costs (in CZK thousands) CZK)	208,657	219,725
Social security and health insurance costs (in CZK thousands)	73,547	76,702
Remuneration for supervisory body members	2,159	2,150

Auditing services (in thousands CZK)

Purpose	2021	2022
Mandatory audit of financial statements	173	174
Other auditing services	-	-

Non-investment grants (in thousands CZK)

Grant purpose / source	as at 31 December 2021	as at 31 December 2022
Measures on small watercourses and small water reservoirs / state budget	3,003	500
Total	**3,003**	**500**

Revenues from sale of goods, products and services by type of activities – Account Group 60 (in thousands CZK)

Type of activity	as at 31 December 2021	as at 31 December 2022
Surface water sales	617,420	627,925
Electricity sales	77,183	75,162
Fish sales	14,757	15,196
Rent revenue	7,035	7,272
Revenues from laboratory work	3,196	2,764
Other revenues	4,752	4,298
Total (all in the Czech market)	**724,343**	**732,617**

The state-owned enterprise does not report any expenses or revenues.

THE GOING CONCERN PRINCIPLE

The Povodí Odry state-owned enterprise, on the basis of the annual plan approved by the founder for the following accounting period, the Business Development Strategy for the period until 2024 and other long-term concept targets, assumes the future continuation of its activities. The financial statements of the Povodí Odry state-owned enterprise as at 31 December 2022 were prepared assuming the future continuation of its activities and do not include any arrangements arising from uncertainty regarding the continuous existence of the accounting entity.

CHANGES BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF THE FINANCIAL STATEMENTS

There have been no significant events between the balance sheet date and the date of preparation of the financial statements of the state-owned enterprise, which should be described in the notes to the financial statements.

The facts and data prescribed in the content specification of the Notes on the Financial Statements pursuant to Decree No. 500/2002 Coll., implementing some provisions of Act No. 563/1991 Coll., on accounting, for accounting entities that are entrepreneurs keeping accounts using the double-entry bookkeeping system, as amended, which do not occur in the accounting entity Povodí Odry, state-owned enterprise, are not presented in these Notes.

Ing. Jiří Tkáč

General Director

Ostrava, dated 3. 3. 2023

POVODÍ ODRY, state-owned enterprise

www.pod.cz

Company Management
Ostrava, 701 26, Varenská 3101/49
T: +420,596,657,111
E: info@pod.cz

Plant 1
Opava, 747 05, Kolofíkovo nábřeží 54
T: +420 596 657 511
E: zavod.op@pod.cz

Plant 2
Frýdek-Místek, 738 01, Horymírova 2347
T: +420 558 442 911
E: zavod.fm@pod.cz

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Photographs: archive of the state enterprise Povodí Odry