



APPROVAL OF THE FINANCIAL STATEMENTS OF ČEZ, a. s., THE CONSOLIDATED FINANCIAL STATEMENTS OF CEZ GROUP, AND THE FINAL FINANCIAL STATEMENTS OF ČEZ KORPORÁTNÍ SLUŽBY, s.r.o., FOR THE YEAR 2020

Draft resolution (1):

The General Meeting of ČEZ, a. s., approves the financial statements of ČEZ, a. s., prepared as of December 31, 2020.

Draft resolution (2):

The General Meeting of ČEZ, a. s., approves the consolidated financial statements of CEZ Group prepared as of December 31, 2020.

Draft resolution (3):

The General Meeting of ČEZ, a. s., approves the final financial statements of ČEZ Korporátní služby, s.r.o., prepared as of December 31, 2020.

Rationale:

In accordance with the relevant provisions of the act and the Company's Articles of Association, the Board of Directors submits to the General Meeting the financial statements of ČEZ, a. s., and the consolidated financial statements of CEZ Group as of December 31, 2020.

Pursuant to Sec. 19a and Sec. 23a of the Accounting Act, the financial statements of ČEZ, a. s., and the consolidated financial statements of CEZ Group as of December 31, 2020, were prepared in accordance with International Financial Reporting Standards. Both sets of prepared financial statements comprise, respectively, the following financial statements, or the consolidated financial statements: a balance sheet, a statement of income, a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows and notes to the financial statements, or notes to the consolidated financial statements. In accordance with the relevant provisions of the Accounting Act, the financial statements and the consolidated financial statements have been audited by an independent auditor. The audit was performed by the company Ernst & Young Audit, s.r.o. According to the independent auditor's opinion dated March 15, 2021, the financial statements give a true and fair view of the financial position of ČEZ, a. s., as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union. According to the independent auditor's opinion dated March 15, 2021, the consolidated financial statements give a true and fair view of the consolidated financial position of CEZ Group as at December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

The financial statements of ČEZ, a. s., and the consolidated financial statements of CEZ Group are part of the CEZ Group's Annual Report in their entirety, available to shareholders at the General Meeting and on the Company's website. The values from the financial statements and the consolidated financial statements, i.e. the balance sheet, statement of income, statement of comprehensive income, statement of changes in equity, and statement of cash flows, are also presented within the documents on this agenda item of the General Meeting of ČEZ, a. s., published on the Company's website www.cez.cz under the link "Investors" in the section of "General Meetings" concerning the General Meeting of 2021.

The Board of Directors also submits the final financial statements of ČEZ Korporátní služby, s.r.o., as of December 31, 2020, for approval by the General Meeting. ČEZ Korporátní služby, s.r.o., was a wholly-owned subsidiary of ČEZ, a. s., and ceased to exist as a result of the merger by acquisition into the successor company ČEZ, a. s., with the record date and the effective date of the merger being January 1, 2021. The financial statements of the merging company were completed after the effective date of the merger and therefore could not be approved by the merging company's supreme body before its deletion from the Commercial Register. Pursuant to Sec. 95b(4) of the Act on the transformation of companies and cooperatives, the final financial statements of the merging company are in such case approved by the supreme body of the successor company.

The financial statements of ČEZ Korporátní služby, s.r.o., as of December 31, 2020, were prepared in accordance with Czech accounting regulations. The financial statements, the balance sheet in full extent, statement of income in full extent, statement of cash flows and statement of changes in equity, and notes to the financial statements were prepared. In accordance with the respective provision of the Accounting Act, the financial statements have been audited by an independent auditor. The audit was performed by the company Ernst & Young Audit, s.r.o. According to the independent auditor's opinion dated March 11, 2021, the financial statements give a true and fair view of the assets, equity and liabilities of ČEZ Korporátní služby, s.r.o., as at December 31, 2020, and the costs and revenues and financial results and cash flows for the year ended December 31, 2020, in accordance with Czech accounting regulations.

The financial statements of ČEZ Korporátní služby, s.r.o., are part of the annual report of ČEZ Korporátní služby, s.r.o., in their entirety, available to shareholders at the General Meeting and on the website of ČEZ, a. s. The financial statements, i.e. the balance sheet in full extent, statement of income in full extent, statement of cash flows and statement of changes in equity, are also presented within the documents on this agenda item of the General Meeting of ČEZ, a. s., published on the Company's website www.cez.cz under the link "Investors" in the section of "General Meetings" concerning the General Meeting of 2021.

All three financial statements were discussed by the Board of Directors of ČEZ, a. s., audited by an independent auditor giving the opinions cited above, and reviewed by the Company's Supervisory Board concluding that it recommends their approval to the General Meeting. Based on the independent auditor's reports, the Board of Directors proposes that the General Meeting approve the financial statements of ČEZ, a. s., as of December 31, 2020, the consolidated financial statements of CEZ Group as of December 31, 2020, and the final financial statements of ČEZ Korporátní služby, s.r.o., as of December 31, 2020.

SELECTED DATA FROM THE FINANCIAL STATEMENTS OF ČEZ, a. s., AS OF DECEMBER 31, 2020

ČEZ, a. s. BALANCE SHEET AS OF DECEMBER 31, 2020

In CZK Millions

	2020	2019
ASSETS:		
Plant in service	474,973	475,880
Less accumulated depreciation and impairment	(257,008)	(258,822)
Net plant in service	217,965	217,058
Nuclear fuel, at amortized cost	13,592	14,191
Construction work in progress, net	10,052	8,302
Total property, plant and equipment	241,609	239,551
Restricted financial assets, net	15,221	14,303
Other non-current financial assets, net	159,180	181,201
Intangible assets, net	3,367	9,014
Total other non-current assets	177,768	204,518
Total non-current assets	419,377	444,069
Cash and cash equivalents, net	1,009	3,516
Trade receivables, net	58,501	58,042
Income tax receivable	305	–
Materials and supplies, net	7,682	6,599
Fossil fuel stocks	223	608
Emission rights	34,323	24,326
Other current financial assets, net	76,976	75,602
Other current assets, net	2,787	2,784
Assets classified as held for sale, net	31,209	6,540
Total current assets	213,015	178,017
Total assets	632,392	622,086

ČEZ, a. s.

BALANCE SHEET

AS OF DECEMBER 31, 2020

continued

	2020	2019
EQUITY AND LIABILITIES:		
Stated capital	53,799	53,799
Treasury shares	(2,845)	(2,885)
Retained earnings and other reserves	150,491	152,565
Total equity	201,445	203,479
Long-term debt, net of current portion	113,929	133,848
Provisions	91,125	75,315
Other long-term financial liabilities	8,728	8,216
Deferred tax liability	8,235	8,044
Total non-current liabilities	222,017	225,423
Short-term loans	800	4,119
Current portion of long-term debt	27,514	24,760
Trade payables	63,093	53,748
Income tax payable	–	483
Provisions	9,096	9,282
Other short-term financial liabilities	107,583	99,954
Other short-term liabilities	844	838
Total current liabilities	208,930	193,184
Total equity and liabilities	632,392	622,086

STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

In CZK Millions

	2020	2019
Sales of electricity, heat and gas	84,374	81,943
Sales of services and other revenues	4,973	5,002
Other operating income	1,152	1,353
Total revenues and other operating income	90,499	88,298
Gains and losses from commodity derivative trading	6,313	7,159
Purchase of electricity, gas and other energies	(31,515)	(33,082)
Fuel and emission rights	(16,723)	(17,927)
Services	(9,462)	(9,549)
Salaries and wages	(7,642)	(7,165)
Materials and supplies	(1,646)	(1,851)
Capitalization of expenses to the cost of assets and change in own inventories	43	91
Depreciation and amortization	(13,641)	(14,535)
Impairment of property, plant and equipment and intangible assets	(27)	(114)
Impairment of trade and other receivables	(9)	(23)
Other operating expenses	(1,697)	(2,525)
Income before other income (expenses) and income taxes	14,493	8,777
Interest on debt, net of capitalized interest	(5,250)	(5,918)
Interest on provisions	(1,702)	(1,637)
Interest income	1,297	1,292
Impairment of financial assets	(5,129)	2,511
Other financial expenses	(666)	(462)
Other financial income	19,538	13,234
Total other income (expenses)	8,088	9,020
Income before income taxes	22,581	17,797
Income taxes	(1,504)	(404)
Net income	21,077	17,393
Net income per share (CZK per share):		
Basic	39.4	32.5
Diluted	39.4	32.5

ČEZ, a. s.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

In CZK Millions

	2020	2019
Net income	21,077	17,393
Change in fair value of cash flow hedges	(8,198)	10,891
Cash flow hedges reclassified to statement of income	2,916	8,253
Change in fair value of debt financial instruments	202	207
Deferred tax related to other comprehensive income	965	(3,678)
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods	(4,115)	15,673
Change in fair value of equity instruments	(1,050)	(347)
Deferred tax related to other comprehensive income	199	67
Net other comprehensive income not to be reclassified from equity	(851)	(280)
Total other comprehensive income, net of tax	(4,966)	15,393
Total comprehensive income, net of tax	16,111	32,786

ČEZ, a. s.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

In CZK Millions

	Stated capital	Treasury shares	Cash flow hedge reserve	Debt financial instruments	Equity financial instruments and other reserves	Retained earnings	Total equity
Balance as at January 1, 2019	53,799	(3,534)	(18,373)	110	117	151,093	183,212
Net income	–	–	–	–	–	17,393	17,393
Other comprehensive income	–	–	15,506	167	(280)	–	15,393
Total comprehensive income	–	–	15,506	167	(280)	17,393	32,786
Dividends	–	–	–	–	–	(12,806)	(12,806)
Sale of treasury shares	–	649	–	–	–	(400)	249
Share options	–	–	–	–	38	–	38
Exercised and forfeited share options	–	–	–	–	(31)	31	–
Balance as at December 31, 2019	53,799	(2,885)	(2,867)	277	(156)	155,311	203,479
Net income	–	–	–	–	–	21,077	21,077
Other comprehensive income	–	–	(4,279)	164	(851)	–	(4,966)
Total comprehensive income	–	–	(4,279)	164	(851)	21,077	16,111
Effect of business combination	–	–	–	–	3	–	3
Dividends	–	–	–	–	–	(18,163)	(18,163)
Sale of treasury shares	–	40	–	–	–	(25)	15
Exercised and forfeited share options	–	–	–	–	(14)	14	–
Balance as at December 31, 2020	53,799	(2,845)	(7,146)	441	(1,018)	158,214	201,445

ČEZ, a. s.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED

DECEMBER 31, 2020

In CZK Millions

	2020	2019
OPERATING ACTIVITIES:		
Income before income taxes	22,581	17,797
Adjustments of income before income taxes to cash generated from operations:		
Depreciation and amortization	13,641	14,535
Amortization of nuclear fuel	4,168	4,059
(Gains) and losses on non-current asset retirements	(5,795)	(38)
Foreign exchange rate loss (gain)	(1,221)	231
Interest expense, interest income and dividend income	(6,939)	(8,491)
Provisions	563	3,062
Impairment of property, plant and equipment and intangible assets	27	114
Other impairment and other non-cash expenses and income	(5,861)	5,244
Changes in assets and liabilities:		
Receivables and contract assets	(4,318)	5,541
Materials, supplies and fossil fuel stocks	(1,039)	(212)
Receivables and payables from derivatives	13,092	(15,163)
Other assets	5,934	(15,580)
Trade payables	5,172	4,791
Other liabilities	11	228
Cash generated from operations	40,016	16,118
Income taxes paid	(935)	(21)
Interest paid, net of capitalized interest	(5,733)	(5,886)
Interest received	1,250	1,295
Dividends received	10,869	13,117
Net cash provided by operating activities	45,467	24,623
INVESTING ACTIVITIES:		
Acquisition of subsidiaries, associates and joint-ventures	(4,126)	(2,860)
Proceeds from disposal of subsidiaries, associates and joint-ventures and original investments repayments	719	3,524
Additions to non-current assets, including capitalized interest	(8,816)	(8,397)
Proceeds from sale of non-current assets	977	1,364
Loans made	(10,309)	(4,361)
Repayment of loans	2,206	2,234
Change in restricted financial assets	(723)	(735)
Total cash used in investing activities	(20,072)	(9,231)

ČEZ, a. s.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

continued

	2020	2019
FINANCING ACTIVITIES:		
Proceeds from borrowings	157,340	210,254
Payments of borrowings	(176,909)	(202,352)
Payments of lease liabilities	(1,378)	(1,159)
Payments of other long-term liabilities	–	(750)
Change in payables/receivables from Group cashpooling	10,860	(5,721)
Dividends paid	(18,116)	(12,836)
Sale of treasury shares	15	249
Net cash used in financing activities	(28,188)	(12,315)
Net effect of currency translation and allowances in cash	286	(15)
Net increase (decrease) in cash and cash equivalents	(2,507)	3,062
Cash and cash equivalents at beginning of period	3,516	454
Cash and cash equivalents at end of period	1,009	3,516
Supplementary cash flow information:		
Total cash paid for interest	6,032	6,114

SELECTED DATA FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF CEZ GROUP AS OF DECEMBER 31, 2020

CEZ GROUP CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2020

In CZK Millions

	2020	2019
ASSETS:		
Plant in service	827,652	865,106
Less accumulated depreciation and impairment	(451,033)	(469,476)
Net plant in service	376,619	395,630
Nuclear fuel, at amortized cost	13,697	14,250
Construction work in progress, net	20,056	18,208
Total property, plant and equipment	410,372	428,088
Investments in associates and joint-ventures	4,075	3,283
Restricted financial assets, net	21,424	20,732
Other non-current financial assets, net	11,002	10,923
Intangible assets, net	24,244	37,429
Deferred tax assets	828	1,481
Total other non-current assets	61,573	73,848
Total non-current assets	471,945	501,936
Cash and cash equivalents, net	6,064	9,755
Trade receivables, net	63,648	65,030
Income tax receivable	664	707
Materials and supplies, net	9,898	8,889
Fossil fuel stocks, net	1,220	1,764
Emission rights	37,833	27,029
Other current financial assets, net	61,894	61,114
Other current assets, net	8,919	11,070
Assets classified as held for sale	40,373	17,280
Total current assets	230,513	202,638
Total assets	702,458	704,574

CEZ GROUP

CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 2020

continued

	2020	2019
EQUITY AND LIABILITIES:		
Stated capital	53,799	53,799
Treasury shares	(2,845)	(2,885)
Retained earnings and other reserves	182,917	199,847
Total equity attributable to equity holders of the parent	233,871	250,761
Non-controlling interests	4,692	4,603
Total equity	238,563	255,364
Long-term debt, net of current portion	122,102	142,570
Provisions	105,326	89,512
Other long-term financial liabilities	9,414	9,700
Deferred tax liability	19,383	20,626
Other long-term liabilities	34	31
Total non-current liabilities	256,259	262,439
Short-term loans	984	4,260
Current portion of long-term debt	28,741	25,063
Trade payables	73,189	66,244
Income tax payable	555	628
Provisions	13,665	14,253
Other short-term financial liabilities	72,114	63,187
Other short-term liabilities	6,759	7,544
Liabilities associated with assets classified as held for sale	11,629	5,592
Total current liabilities	207,636	186,771
Total equity and liabilities	702,458	704,574

CEZ GROUP

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

In CZK Millions

	2020	2019
Sales of electricity, heat, gas and coal	138,015	130,418
Sales of services and other revenues	71,507	71,363
Other operating income	4,215	4,411
Total revenues and other operating income	213,737	206,192
Gains and losses from commodity derivative trading	6,122	7,610
Purchase of electricity, gas and other energies	(56,335)	(55,545)
Fuel and emission rights	(23,262)	(21,357)
Services	(30,147)	(31,231)
Salaries and wages	(30,855)	(28,820)
Material and supplies	(10,576)	(10,262)
Capitalization of expenses to the cost of assets and change in own inventories	3,450	2,986
Depreciation and amortization	(28,284)	(29,016)
Impairment of property, plant and equipment and intangible assets	(24,062)	(4,860)
Impairment of trade and other receivables	(544)	(386)
Other operating expenses	(6,659)	(8,882)
Income before other income (expenses) and income taxes	12,585	26,429
Interest on debt	(5,269)	(5,473)
Interest on provisions	(1,955)	(1,893)
Interest income	377	403
Share of profit (loss) from associates and joint-ventures	188	18
Impairment of financial assets	(433)	(921)
Other financial expenses	(962)	(813)
Other financial income	3,375	661
Total other income (expenses)	(4,679)	(8,018)
Income before income taxes	7,906	18,411
Income taxes	(2,438)	(3,911)
Net income	5,468	14,500
Net income attributable to:		
Equity holders of the parent	5,438	14,373
Non-controlling interests	30	127
Net income per share attributable to equity holders of the parent (CZK per share):		
Basic	10.2	26.9
Diluted	10.2	26.8

CEZ GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

In CZK Millions

	2020	2019
Net income	5,468	14,500
Change in fair value of cash flow hedges	(8,198)	10,891
Cash flow hedges reclassified to statement of income	2,916	8,253
Change in fair value of debt instruments	277	326
Disposal of debt instruments	(1)	(7)
Translation differences – subsidiaries	980	(1,337)
Translation differences – associates and joint-ventures	191	21
Disposal of translation differences	3	–
Share on other equity movements of associates and joint-ventures	(5)	(8)
Deferred tax related to other comprehensive income	954	(3,696)
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods	(2,883)	14,443
Change in fair value of equity instruments	(1,046)	(347)
Re-measurement gains (losses) on defined benefit plans	(46)	(48)
Deferred tax related to other comprehensive income	199	70
Net other comprehensive income not to be reclassified from equity in subsequent periods	(893)	(325)
Total other comprehensive income, net of tax	(3,776)	14,118
Total comprehensive income, net of tax	1,692	28,618
Total comprehensive income attributable to:		
Equity holders of the parent	1,542	28,538
Non-controlling interests	150	80

CEZ GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

In CZK Millions

	Attributable to equity holders of the parent						Total	Non-controlling interests	Total equity	
	Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Debt instruments	Equity instruments and other reserves				Retained earnings
Balance as at January 1, 2019	53,799	(3,534)	(11,565)	(18,337)	388	113	213,857	234,721	4,560	239,281
Net income	–	–	–	–	–	–	14,373	14,373	127	14,500
Other comprehensive income	–	–	(1,269)	15,506	260	(280)	(52)	14,165	(47)	14,118
Total comprehensive income	–	–	(1,269)	15,506	260	(280)	14,321	28,538	80	28,618
Dividends	–	–	–	–	–	–	(12,806)	(12,806)	(25)	(12,831)
Sale of treasury shares	–	649	–	–	–	–	(400)	249	–	249
Share options	–	–	–	–	–	38	–	38	–	38
Exercised and forfeited share options	–	–	–	–	–	(31)	31	–	–	–
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	3	3
Acquisition of non-controlling interests	–	–	(1)	–	–	–	(92)	(93)	29	(64)
Put options held by non-controlling interests	–	–	(2)	–	–	–	116	114	(44)	70
Balance as at December 31, 2019	<u>53,799</u>	<u>(2,885)</u>	<u>(12,837)</u>	<u>(2,831)</u>	<u>648</u>	<u>(160)</u>	<u>215,027</u>	<u>250,761</u>	<u>4,603</u>	<u>255,364</u>

CEZ GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

continued

	Attributable to equity holders of the parent							Non-controlling interests	Total equity	
	Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Debt instruments	Equity instruments and other reserves	Retained earnings			Total
Balance as at January 1, 2020	53,799	(2,885)	(12,837)	(2,831)	648	(160)	215,027	250,761	4,603	255,364
Net income	–	–	–	–	–	–	5,438	5,438	30	5,468
Other comprehensive income	–	–	1,056	(4,279)	226	(847)	(52)	(3,896)	120	(3,776)
Total comprehensive income	–	–	1,056	(4,279)	226	(847)	5,386	1,542	150	1,692
Dividends	–	–	–	–	–	–	(18,163)	(18,163)	(36)	(18,199)
Sale of treasury shares	–	40	–	–	–	–	(25)	15	–	15
Exercised and forfeited share options	–	–	–	–	–	(15)	15	–	–	–
Contribution from owners of non-controlling interests	–	–	–	–	–	–	–	–	13	13
Acquisition of non-controlling interests	–	–	–	–	–	–	(309)	(309)	(766)	(1,075)
Put options held by non-controlling interests	–	–	4	–	–	–	21	25	728	753
Balance as at December 31, 2020	<u>53,799</u>	<u>(2,845)</u>	<u>(11,777)</u>	<u>(7,110)</u>	<u>874</u>	<u>(1,022)</u>	<u>201,952</u>	<u>233,871</u>	<u>4,692</u>	<u>238,563</u>

CEZ GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

In CZK Millions

	2020	2019
OPERATING ACTIVITIES:		
Income before income taxes	7,906	18,411
Adjustments of income before income taxes to cash generated from operations:		
Depreciation and amortization	28,284	29,016
Amortization of nuclear fuel	4,197	4,096
(Gains) and losses on non-current asset retirements	(252)	(165)
Foreign exchange rate loss (gain)	(1,244)	315
Interest expense, interest income and dividend income	4,879	4,929
Provisions	2,834	2,858
Impairment of property, plant and equipment and intangible assets	24,062	4,860
Valuation allowances and other non-cash expenses and income	(10,495)	8,630
Share of (profit) loss from associates and joint-ventures	(188)	(18)
Changes in assets and liabilities:		
Receivables and contract assets	(2,032)	6,695
Materials, supplies and fossil fuel stocks	(1,095)	(742)
Receivables and payables from derivatives	13,306	(15,528)
Other assets	4,458	(14,935)
Trade payables	7,072	3,570
Other liabilities	(503)	(50)
Cash generated from operations	81,189	51,942
Income taxes paid	(3,748)	(4,136)
Interest paid, net of capitalized interest	(5,649)	(5,426)
Interest received	342	403
Dividends received	23	148
Net cash provided by operating activities	72,157	42,931
INVESTING ACTIVITIES:		
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired	(1,347)	(3,529)
Disposal of subsidiaries, associates and joint-ventures, net of cash disposed of	59	187
Additions to non-current assets, including capitalized interest	(31,558)	(29,802)
Proceeds from sale of non-current assets	467	2,550
Loans made	(1,160)	(264)
Repayment of loans	221	41
Change in restricted financial assets	(405)	(1,546)
Total cash used in investing activities	(33,723)	(32,363)

CEZ GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

continued

	2020	2019
FINANCING ACTIVITIES:		
Proceeds from borrowings	158,320	210,765
Payments of borrowings	(178,869)	(204,416)
Payments of lease liabilities	(852)	(787)
Proceeds from other long-term liabilities	211	80
Payments of other long-term liabilities	(102)	(834)
Dividends paid to Company's shareholders	(18,116)	(12,836)
Dividends paid to non-controlling interests	(23)	(25)
Sale of treasury shares	15	249
Acquisition of non-controlling interests	(1,097)	(15)
Total cash used in financing activities	(40,513)	(7,819)
Net effect of currency translation and allowances in cash	342	(88)
Net increase (decrease) in cash and cash equivalents	(1,737)	2,661
Cash and cash equivalents at beginning of period	11,906	9,245
Cash and cash equivalents at end of period	10,169	11,906
Supplementary cash flow information:		
Total cash paid for interest	5,952	5,686

SELECTED DATA FROM THE FINANCIAL STATEMENTS OF ČEZ KORPORÁTNÍ SLUŽBY, s.r.o., AS OF DECEMBER 31, 2020

ČEZ KORPORÁTNÍ SLUŽBY, s.r.o. BALANCE SHEET IN FULL EXTENT AS OF DECEMBER 31, 2020

(in CZK Thousands)

Ident.	ASSETS	Current year			Prior year
		Gross	Adjustments	Net	Net
	TOTAL ASSETS	6,016,638	(1,752,713)	4,263,925	4,319,425
A.	Stock subscription receivable				
B.	Fixed assets	5,175,859	(1,746,077)	3,429,782	3,521,949
B. I.	Intangible fixed assets	4,882	(4,467)	415	578
B. I. 1.	Development				
B. I. 2.	Valuable rights	4,882	(4,467)	415	578
B. I. 2. 1.	Software	4,492	(4,392)	100	255
B. I. 2. 2.	Other valuable rights	390	(75)	315	323
B. I. 3.	Goodwill				
B. I. 4.	Other intangible fixed assets				
B. I. 5.	Advances granted for intangible fixed assets and intangible fixed assets in progress				
B. I. 5. 1.	Advances granted for intangible fixed assets				
B. I. 5. 2.	Intangible fixed assets in progress				
B. II.	Tangible fixed assets	5,168,846	(1,741,610)	3,427,236	3,519,173
B. II. 1.	Land and structures	4,861,157	(2,140,248)	2,720,909	2,694,474
B. II. 1. 1.	Land	177,141	(6,218)	170,923	170,649
B. II. 1. 2.	Structures	4,684,016	(2,134,030)	2,549,986	2,523,825
B. II. 2.	Movable assets and sets of movable assets	1,563,019	(981,088)	581,931	754,057
B. II. 3.	Gain or loss on revaluation of acquired property	(1,473,164)	1,426,316	(46,848)	(145,059)
B. II. 4.	Other tangible fixed assets	194,331	(46,590)	147,741	149,364
B. II. 4. 1.	Perennial crops				
B. II. 4. 2.	Livestock				
B. II. 4. 3.	Miscellaneous tangible fixed assets	194,331	(46,590)	147,741	149,364
B. II. 5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	23,503		23,503	66,337
B. II. 5. 1.	Advances granted for tangible fixed assets				
B. II. 5. 2.	Tangible fixed assets in progress	23,503		23,503	66,337

continued

Ident.	ASSETS	Current year			Prior year
		Gross	Adjustments	Net	Net
B. III.	Long-term investments	2,131		2,131	2,198
B. III. 1.	Interests – controlled or controlling entity				
B. III. 2.	Loans and borrowings – controlled or controlling entity				
B. III. 3.	Interests – associates				
B. III. 4.	Loans and borrowings to associates				
B. III. 5.	Other long-term securities and interests	2,131		2,131	2,198
B. III. 6.	Loans and borrowings – other				
B. III. 7.	Other long-term investments				
B. III. 7. 1.	Miscellaneous long-term investments				
B. III. 7. 2.	Advances granted for long-term investments				
C.	Current assets	831,802	(6,636)	825,166	779,780
C. I.	Inventories				
C. I. 1.	Materials				
C. I. 2.	Work in progress and semi-finished production				
C. I. 3.	Finished products and goods				
C. I. 3. 1.	Finished products				
C. I. 3. 2.	Goods				
C. I. 4.	Livestock				
C. I. 5.	Advances granted for inventories				

continued

Ident.	ASSETS	Current year			Prior year
		Gross	Adjustments	Net	Net
C. II.	Receivables	831,788	(6,636)	825,152	779,497
C. II. 1.	Long-term receivables	20,329	(20)	20,309	7,357
C. II. 1. 1.	Trade receivables				
C. II. 1. 2.	Receivables – controlled or controlling entity				
C. II. 1. 3.	Receivables – associates				
C. II. 1. 4.	Deferred tax asset				
C. II. 1. 5.	Other receivables	20,329	(20)	20,309	7,357
C. II. 1. 5. 1.	Receivables from partners				
C. II. 1. 5. 2.	Long-term advances granted	355		355	670
C. II. 1. 5. 3.	Unbilled revenue				
C. II. 1. 5. 4.	Miscellaneous receivables	19,974	(20)	19,954	6,687
C. II. 2.	Short-term receivables	811,459	(6,616)	804,843	772,140
C. II. 2. 1.	Trade receivables	136,076	(6,585)	129,491	150,691
C. II. 2. 2.	Receivables – controlled or controlling entity	594,549		594,549	532,689
C. II. 2. 3.	Receivables – associates				
C. II. 2. 4.	Other receivables	80,834	(31)	80,803	88,760
C. II. 2. 4. 1.	Receivables from partners				
C. II. 2. 4. 2.	Social security and health insurance				
C. II. 2. 4. 3.	Due from government – tax receivables	19,674		19,674	10,239
C. II. 2. 4. 4.	Short-term advances granted	30,118		30,118	25,718
C. II. 2. 4. 5.	Unbilled revenue	23,164	(23)	23,141	25,214
C. II. 2. 4. 6.	Miscellaneous receivables	7,878	(8)	7,870	27,589
C. III.	Short-term financial assets				
C. III. 1.	Interests – controlled or controlling entity				
C. III. 2.	Other short-term financial assets				
C. IV.	Cash	14		14	283
C. IV. 1.	Cash in hand				270
C. IV. 2.	Cash at bank	14		14	13
D.	Prepaid expenses and accrued income	8,977		8,977	17,696
D. 1.	Prepaid expenses	8,962		8,962	17,223
D. 2.	Prepaid expenses (specific-purpose expenses)				
D. 3.	Accrued income	15		15	473

continued

Ident.	EQUITY & LIABILITIES	Current year	Prior year
	TOTAL EQUITY & LIABILITIES	4,263,925	4,319,425
A.	Equity	3,863,109	3,673,280
A. I.	Stated capital	3,435,610	3,435,610
A. I. 1.	Stated capital	3,435,610	3,435,610
A. I. 2.	Own ownership interests		
A. I. 3.	Changes in stated capital		
A. II.	Share premium and capital reserves	23,088	23,507
A. II. 1.	Share premium	1,810	1,810
A. II. 2.	Capital reserves	21,278	21,697
A. II. 2. 1.	Other capital reserves	7	7
A. II. 2. 2.	Gains or losses on revaluation of assets and liabilities		
A. II. 2. 3.	Gains or losses on revaluation upon corporate transformation		
A. II. 2. 4.	Differences arising on corporate transformation	21,271	21,690
A. II. 2. 5.	Differences arising between balance sheet date and transformation date		
A. III.	Reserves from profit		
A. III. 1.	Other reserves		
A. III. 2.	Statutory and other reserves		
A. IV.	Profit (loss) for previous years	214,163	
A. IV. 1.	Retained earnings (accumulated loss)	214,163	
A. IV. 2.	Other profit (loss) for previous years		
A. V.	Profit (loss) for the year	190,248	214,163
A. VI.	Approved decision on advances for profit distribution		
B. + C.	Provisions and liabilities	398,898	645,422
B.	Provisions	46,421	85,577
B. 1.	Provision for pensions and similar obligations		
B. 2.	Provision for corporate income tax		
B. 3.	Provisions recognized under special legislation		
B. 4.	Other provisions	46,421	85,577

continued

Ident.	EQUITY & LIABILITIES	Current year	Prior year
C.	Liabilities	352,477	559,845
C. I.	Long-term liabilities	187,391	249,684
C. I. 1.	Bonds payable		
C. I. 1. 1.	Convertible bonds		
C. I. 1. 2.	Other bonds		
C. I. 2.	Liabilities to credit institutions		
C. I. 3.	Long-term advances received		
C. I. 4.	Trade payables	612	
C. I. 5.	Long-term notes payable		
C. I. 6.	Liabilities – controlled or controlling entity		100,000
C. I. 7.	Liabilities – associates		
C. I. 8.	Deferred tax liability	178,151	143,736
C. I. 9.	Other liabilities	8,628	5,948
C. I. 9. 1.	Liabilities to partners		
C. I. 9. 2.	Unbilled deliveries		
C. I. 9. 3.	Miscellaneous liabilities	8,628	5,948
C. II.	Short-term liabilities	165,086	310,161
C. II. 1.	Bonds payable		
C. II. 1. 1.	Convertible bonds		
C. II. 1. 2.	Other bonds		
C. II. 2.	Liabilities to credit institutions		
C. II. 3.	Short-term advances received	833	777
C. II. 4.	Trade payables	13,761	148,762
C. II. 5.	Short-term notes payable		
C. II. 6.	Liabilities – controlled or controlling entity		
C. II. 7.	Liabilities – associates		
C. II. 8.	Other liabilities	150,492	160,622
C. II. 8. 1.	Liabilities to partners		
C. II. 8. 2.	Short-term borrowings		
C. II. 8. 3.	Liabilities to employees	9,806	19,082
C. II. 8. 4.	Liabilities arising from social security and health insurance	4,778	9,336
C. II. 8. 5.	Due to government – taxes and subsidies	16,727	11,075
C. II. 8. 6.	Unbilled deliveries	103,757	119,247
C. II. 8. 7.	Miscellaneous liabilities	15,424	1,882

continued

Ident.	EQUITY & LIABILITIES	Current year	Prior year
D.	Accruals and deferred income	1,918	723
D. 1.	Accruals		46
D. 2.	Deferred income	1,918	677

ČEZ KORPORÁTNÍ SLUŽBY, s.r.o.

STATEMENT OF INCOME IN FULL EXTENT AS OF DECEMBER 31, 2020

(in CZK Thousands)

Ident.	Text	Accounting period	
		current	prior
I.	Revenues from sale of finished products and services	1,460,864	1,780,888
II.	Revenues from sale of goods		
A.	Production-related consumption	890,192	943,598
A. 1.	Costs of goods sold		
A. 2.	Consumption of material and energy	257,486	281,295
A. 3.	Services	632,706	662,303
B.	Change in inventory produced internally		
C.	Own work capitalized	(3,459)	(3,025)
D.	Personnel expenses	208,609	411,578
D. 1.	Wages and salaries	140,531	278,294
D. 2.	Social security and health insurance costs and other costs	68,078	133,284
D. 2. 1.	Social security and health insurance costs	46,977	93,355
D. 2. 2.	Other costs	21,101	39,929
E.	Value adjustments in respect of operating activities	271,513	282,540
E. 1.	Value adjustments in respect of intangible and tangible fixed assets	271,014	282,655
E. 1. 1.	Value adjustments in respect of intangible and tangible fixed assets – permanent	311,278	297,178
E. 1. 2.	Value adjustments in respect of intangible and tangible fixed assets – temporary	(40,264)	(14,523)
E. 2.	Value adjustments in respect of inventories		
E. 3.	Value adjustments in respect of receivables	499	(115)
III.	Other operating income	198,514	176,333
III. 1.	Income from sale of fixed assets	59,671	40,131
III. 2.	Income from sale of materials	771	783
III. 3.	Miscellaneous operating income	138,072	135,419

continued

Ident.	Text	Accounting period	
		current	prior
F.	Other operating expenses	59,178	80,118
F. 1.	Net book value of fixed assets sold	17,657	6,332
F. 2.	Material sold		
F. 3.	Taxes and charges relating to operations	13,721	12,773
F. 4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	(39,155)	13,430
F. 5.	Miscellaneous operating expenses	66,955	47,583
*	Profit (loss) on operating activities	233,345	242,412
IV.	Income from long-term investments - interests	215	215
IV. 1.	Income from interests – controlled or controlling entity		
IV. 2.	Other income from interests	215	215
G.	Costs of interests sold		
V.	Income from other long-term investments		
V. 1.	Income from other long-term investments – controlled or controlling entity		
V. 2.	Other income from other long-term investments		
H.	Expenses relating to other long-term investments		
VI.	Interest receivable and similar income	1,939	5,881
VI. 1.	Interest receivable and similar income – controlled or controlling entity	1,939	5,881
VI. 2.	Other interest receivable and similar income		
I.	Value adjustments and provisions relating to financial activities		
J.	Interest payable and similar expenses	1	44
J. 1.	Interest payable and similar expenses – controlled or controlling entity		2
J. 2.	Other interest payable and similar expenses	1	42
VII.	Other financial income	1,297	
K.	Other financial expenses	494	1,094
*	Profit (loss) on financial activities	2,956	4,958
**	Profit (loss) before income tax	236,301	247,370
L.	Income tax	46,053	33,207
L. 1.	Income tax due	7,362	8,143
L. 2.	Income tax deferred	38,691	25,064

continued

Ident.	Text	Accounting period	
		current	prior
**	Profit (loss) after income tax	190,248	214,163
M.	Transfer of share of profit or loss to partners		
***	Profit (loss) for the year	190,248	214,163
*	Net turnover = I.+ II.+ III.+ IV.+ V.+ VI.+VII.	1,662,829	1,963,317

ČEZ KORPORÁTNÍ SLUŽBY, s.r.o.

STATEMENT OF CASH FLOWS

FOR THE YEAR 2020

(in CZK Thousands)

Ident.	Text	Accounting period	
		current	prior
P.	Cash and cash equivalents at beginning of year	283	189
Z.	<u>Cash flows from operating activities</u>		
	Profit or loss before income tax	236,301	247,370
A.1.	Adjustments to reconcile profit or loss to net cash provided by operating activities	96,752	159,016
A.1.1.	Depreciation and amortization of fixed assets and write-off of receivables	210,468	197,403
A.1.2.	Change in allowances, provisions and accruals and deferrals	(69,663)	1,194
A.1.2.1.	Change in allowances	(39,764)	(14,638)
A.1.2.2.	Change in provisions	(39,156)	13,430
A.1.2.3.	Change in accruals and deferrals	9,257	2,402
A.1.3.	(Gain)/Loss on disposal of fixed assets, own ownership interests	(42,014)	(33,799)
A.1.4.	Interest expense and interest income	(1,938)	(5,837)
A.1.5.	Other non-cash movements	114	270
A.1.6.	Income from profit shares	(215)	(215)
A.2.	Change in non-cash components of working capital	(56,399)	(4,545)
A.2.1.	Change in operating receivables	29,659	(10,637)
A.2.2.	Change in short-term operating liabilities	(86,058)	6,092
A.2.3.	Change in inventories		
A.3.	Interest paid, net of capitalized interest	(43)	(2)
A.4.	Interest received	2,397	5,721
A.5.	Income tax paid, incl. tax assessments for previous years	(19,804)	(30,030)
A.6.	Profit shares received	215	215
A.	Net cash provided by operating activities	259,419	377,745
B.1.	<u>Cash flows from investing activities</u>		
	Purchase of fixed assets	(259,223)	(352,624)
B.2.	Proceeds from sale of fixed assets	58,202	40,331
B.	Net cash used in investing activities	(201,021)	(312,293)
C.1.	<u>Cash flows from financing activities</u>		
	Change in long-term liabilities and short-term loans	3,193	99,772
C.2.	Change in receivables/payables from Group cashpooling	(61,860)	19,374
C.3.	Effect of changes in equity on cash		(184,504)
C.	Net cash used in financing activities	(58,667)	(65,358)
F.	Net increase (decrease) in cash and cash equivalents	(269)	94
R.	Cash and cash equivalents at end of year	14	283

ČEZ KORPORÁTNÍ SLUŽBY, s.r.o.

STATEMENT OF CHANGES IN EQUITY

AS OF DECEMBER 31, 2020

(in CZK Thousands)

	Stated capital	Other capital reserves	Reserves from profit	Accumulated profit or loss	Total
Opening balance at January 1, 2019	3,435,610	23,507		184,504	3,643,621
Profit for the year 2019				214,163	214,163
Profit share				(184,504)	(184,504)
Closing balance at December 31, 2019	3,435,610	23,507		214,163	3,673,280
Effect of transformation		(418)			(418)
Opening balance after transformation at January 1, 2020	3,435,610	23,089		214,163	3,672,862
Profit for the year 2020				190,248	190,248
Change in fair value of available-for-sale financial assets recognized in equity					
Rounding		(1)			(1)
Closing balance at December 31, 2020	3,435,610	23,088		404,411	3,863,109