

**ČEZ, a. s.**

SEPARATE FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING  
STANDARDS AS ADOPTED BY THE EUROPEAN UNION  
AS OF DECEMBER 31, 2024

(Translation of Separate Financial Statements Originally Issued in Czech)

**ČEZ, a. s.**  
**BALANCE SHEET**  
**AS OF DECEMBER 31, 2024**

In CZK Millions

	Note	2024	2023
<b>ASSETS:</b>			
Plant in service		562,571	545,946
Less accumulated depreciation and impairment		(330,620)	(311,853)
<b>Net plant in service</b>		<b>231,951</b>	<b>234,093</b>
Nuclear fuel		20,574	16,002
Construction work in progress		19,684	13,457
<b>Total property, plant and equipment</b>	3	<b>272,209</b>	<b>263,552</b>
Restricted financial assets	4	20,049	18,224
Other non-current financial assets	5	195,499	182,991
Intangible assets	6	1,969	1,705
Investment properties	7	440	382
<b>Total other non-current assets</b>		<b>217,957</b>	<b>203,302</b>
<b>Total non-current assets</b>		<b>490,166</b>	<b>466,854</b>
Cash and cash equivalents	8	32,868	5,680
Trade and other receivables	9	56,047	86,885
Income tax receivable		-	2
Materials and supplies	10	11,853	10,488
Fossil fuel stocks		1,180	2,056
Emission rights	11	24,532	23,196
Derivatives and other current financial assets	5	59,780	126,010
Other current assets	12	14,859	4,795
Assets classified as held for sale	13	1,356	-
<b>Total current assets</b>		<b>202,475</b>	<b>259,112</b>
<b>Total assets</b>		<b>692,641</b>	<b>725,966</b>

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

**ČEZ, a. s.**  
**BALANCE SHEET**  
**AS OF DECEMBER 31, 2024**

continued

	Note	2024	2023
<b>EQUITY AND LIABILITIES:</b>			
Stated capital		53,799	53,799
Treasury shares		(1,334)	(1,334)
Retained earnings and other reserves		113,335	129,117
<b>Total equity</b>	16	165,800	181,582
Long-term debt, net of current portion	17	148,667	122,644
Provisions	21	159,707	143,009
Other long-term financial liabilities	22	7,982	4,363
Deferred tax liability	37	18,582	28,116
<b>Total non-current liabilities</b>		334,938	298,132
Short-term loans	23	2,199	7,240
Current portion of long-term debt	17	24,173	29,456
Trade payables	18	30,723	45,654
Income tax payable		852	356
Provisions	21	26,349	20,677
Derivatives and other short-term financial liabilities	22	106,649	139,881
Other short-term liabilities	24	958	2,988
<b>Total current liabilities</b>		191,903	246,252
<b>Total equity and liabilities</b>		692,641	725,966

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

**ČEZ, a. s.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

In CZK Millions

	Note	2024	2023
Sales of electricity, heat and gas		182,643	206,998
Sales of services and other revenues		7,987	10,938
Other operating income		946	1,138
<b>Total revenues and other operating income</b>	26	191,576	219,074
Gains and losses from commodity derivative trading	27	6,059	16,499
Purchase of electricity, gas and other energies	28	(39,636)	(74,560)
Fuel and emission rights	29	(42,098)	(38,916)
Services	30	(16,162)	(14,377)
Salaries and wages	31	(11,551)	(10,828)
Materials and supplies		(2,762)	(2,526)
Capitalization of expenses to the cost of assets and change in own inventories		229	175
Depreciation and amortization	3, 6, 7	(22,347)	(19,670)
Impairment of property, plant and equipment and intangible assets		(6)	20
Impairment of trade and other receivables		(240)	97
Other operating expenses	32	(1,400)	(11,517)
<b>Income before other income (expenses) and income taxes</b>		61,662	63,471
Interest on debt		(8,162)	(9,611)
Interest on provisions	21	(7,033)	(6,300)
Interest income	33	5,190	8,114
Impairment of financial assets	34	5,051	140
Other financial expenses	35	(806)	(1,159)
Other financial income	36	10,519	15,257
<b>Total other income (expenses)</b>		4,759	6,441
<b>Income before income taxes</b>		66,421	69,912
Income taxes	37	(46,736)	(41,818)
<b>Net income</b>		19,685	28,094
Net income per share (CZK per share):	40		
Basic		36.7	52.3
Diluted		36.7	52.3

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

**ČEZ, a. s.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

In CZK Millions

	Note	2024	2023
<b>Net income</b>		19,685	28,094
Change in fair value of cash flow hedges	20.3	(4,645)	83,603
Cash flow hedges reclassified to statement of income	20.3	(15,249)	22,371
Cash flow hedges reclassified to assets	20.3	40	(131)
Change in fair value of debt financial instruments		(571)	1,925
Deferred tax related to other comprehensive income	37	11,716	(75,260)
<b>Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods</b>		(8,709)	32,508
Change in fair value of equity instruments		953	(305)
Re-measurement gains (losses) on defined benefit plans		158	-
Deferred tax related to other comprehensive income	37	(33)	-
<b>Net other comprehensive income not to be reclassified from equity</b>		1,078	(305)
<b>Total other comprehensive income, net of tax</b>		(7,631)	32,203
<b>Total comprehensive income, net of tax</b>		12,054	60,297

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

**ČEZ, a. s.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

In CZK Millions

	Stated capital	Treasury shares	Cash flow hedge reserve	Debt financial instruments	Equity financial instruments and other reserves	Retained earnings	Total equity
<b>Balance as at January 1, 2023</b>	53,799	(1,334)	(22,429)	(1,300)	(1,987)	171,691	198,440
Net income	-	-	-	-	-	28,094	28,094
Other comprehensive income	-	-	30,907	1,601	(305)	-	32,203
<b>Total comprehensive income</b>	-	-	30,907	1,601	(305)	28,094	60,297
Effect of business combinations	-	-	-	-	97	558	655
Dividends	-	-	-	-	-	(77,810)	(77,810)
<b>Balance as at December 31, 2023</b>	<u>53,799</u>	<u>(1,334)</u>	<u>8,478</u>	<u>301</u>	<u>(2,195)</u>	<u>122,533</u>	<u>181,582</u>
Net income	-	-	-	-	-	19,685	19,685
Other comprehensive income	-	-	(8,141)	(568)	953	125	(7,631)
<b>Total comprehensive income</b>	-	-	(8,141)	(568)	953	19,810	12,054
Effect of business combinations	-	-	-	-	-	39	39
Dividends	-	-	-	-	-	(27,875)	(27,875)
<b>Balance as at December 31, 2024</b>	<u>53,799</u>	<u>(1,334)</u>	<u>337</u>	<u>(267)</u>	<u>(1,242)</u>	<u>114,507</u>	<u>165,800</u>

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

**ČEZ, a. s.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

In CZK Millions

	Note	2024	2023*
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes		66,421	69,912
<b>Adjustments of income before income taxes to cash generated from operations:</b>			
Depreciation and amortization	3, 6, 7	22,347	19,670
Amortization of nuclear fuel	3	3,821	3,706
(Gains) and losses on non-current asset retirements		(83)	(1,484)
Foreign exchange rate loss (gain)		(833)	(899)
Interest expense, interest income and dividend income		(6,284)	(10,650)
Provisions		10,026	2,988
Impairment of property, plant and equipment and intangible assets		6	(20)
Other non-cash expenses and income	15	(17,285)	24,826
<b>Changes in assets and liabilities:</b>			
Receivables and contract assets		21,151	87,645
Materials, supplies and fossil fuel stocks		(504)	4,656
Receivables and payables from derivatives		36,957	(10,393)
Other assets		206	4,195
Trade payables		(14,594)	(31,757)
Other liabilities		2,019	(4,147)
<b>Cash from operations</b>		<b>123,371</b>	<b>158,248</b>
Income taxes paid		(44,095)	(56,307)
Interest paid, net of capitalized interest		(7,511)	(9,516)
Interest received		5,273	8,087
Dividends received	5, 36	9,256	12,147
<b>Net cash flow from operating activities</b>		<b>86,294</b>	<b>112,659</b>
<b>INVESTING ACTIVITIES:</b>			
Acquisition of subsidiaries, associates and joint-ventures		(24,371)	(10,927)
Proceeds from disposal of subsidiaries, associates and joint-ventures and original investments repayments	14	1,003	2,959
Additions to non-current assets before deducting grants, including capitalized interest		(22,544)	(20,337)
Proceeds from grants to non-current assets		487	28
Proceeds from sale of non-current assets		208	906
Loans made		(80)	(5,147)
Repayment of loans		2,574	8,813
Change in restricted financial assets		(2,267)	(1,484)
<b>Net cash flow from investing activities</b>		<b>(44,990)</b>	<b>(25,189)</b>

\* The way of presentation of this statement was changed in 2024 (see Note 2.2.3). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the financial statements as at December 31, 2023.

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

**ČEZ, a. s.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

continued

	Note	2024	2023*
<b>FINANCING ACTIVITIES:</b>			
Proceeds from borrowings		315,535	113,483
Payments of borrowings		(304,329)	(149,956)
Payments of lease liabilities	25	(321)	(259)
Proceeds from other long-term liabilities		6	5
Payment of other long-term liabilities		(908)	(1,822)
Change in payables/receivables from Group cash pooling		4,025	1,546
Dividends paid		(27,935)	(77,435)
<b>Net cash flow from financing activities</b>		<b>(13,927)</b>	<b>(114,438)</b>
Net effect of currency translation and allowances in cash		(189)	(364)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>27,188</b>	<b>(27,332)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>5,680</b>	<b>33,012</b>
<b>Cash and cash equivalents at end of period</b>	8	<b>32,868</b>	<b>5,680</b>

Supplementary cash flow information:

Total cash paid for interest	8,005	9,959
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- \* The way of presentation of this statement was changed in 2024 (see Note 2.2.3). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the financial statements as at December 31, 2023.

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



**ČEZ, a. s.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2024**

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# **ČEZ, a. s.**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **AS OF DECEMBER 31, 2024**

#### **1. Description of the Company**

ČEZ, a. s. (ČEZ or the Company), company reg. No. 45274649, is a Czech joint-stock company, in which at December 31, 2024, 69.8% of the share capital (69.9% of voting rights) owned the Czech Republic represented by the Ministry of Finance. The remaining shares of the Company are held by legal persons and individuals and they are traded on stock exchange markets in Prague and Warsaw. The address of the Company's registered office is Duhová 2/1444, Praha 4, 140 53, Czech Republic.

The company was incorporated by entry in the Commercial Register kept by the Municipal Court in Prague (section B, entry 1581) on May 6, 1992.

The main subject of the Company's business is the production of electricity, trade in electricity, gas and other commodities and production and distribution of thermal energy. ČEZ is a parent company of the CEZ Group, which is one of the largest economical entities in Central Europe.

The average full-time equivalent number of employees was 6,698 and 6,345 in 2024 and 2023, respectively.

The Company's business environment is significantly affected by regulation and legislation at the level of the European Union and in the Czech Republic. Responsibility for public administration in the energy sector is exercised by the Ministry of Industry and Trade, the Energy Regulatory Office and the State Energy Inspection Board.

#### **1.1. Strategy of the Company in the Context of Climate Changes**

The "VISION 2030 – Clean Energy of Tomorrow" strategy is focused on dynamic transformation of the generation portfolio to low-emission one and achievement of full climate neutrality already by 2040. The strategy includes a commitment to fundamentally limit the production of heat and electricity from coal and fundamentally reduce the emission intensity by 2030. In areas of distribution and sales, the basic goal is to provide the most advantageous energy solutions and the best customer experience on the market. The goal to develop CEZ Group responsibly and sustainably in accordance with ESG principles is also among the main priorities.

This strategy considers and responds to the regulatory environment of the European Union and its expected development. A key element is the EU's climate goals contained in particular in the European Green Deal communication from 2019, which includes, among other things, an increase in the goal in the area of reducing greenhouse gas emissions and the full decarbonization of Europe (the goal for reducing emissions by 2030 compared to 1990 was increased to 55%). Furthermore, in 2021, the European Commission came up with the Fit for 55 package and, in response to the Russian invasion of Ukraine, with the REPowerEU measure, which ultimately led to the setting of a target for the share of renewable energies in the total gross final energy consumption at a level of at least 42.5% in 2030. In December 2024, the government of the Czech Republic approved the updated National Energy and Climate Plan, which main points cover the continuance of generation of electricity by nuclear and renewable sources to decrease emissions; gas should be used as a temporary source of energy, which will be fully replaced by renewable sources and low-emission gasses, mainly by hydrogen, by the year 2050. The goal is to reduce green-house gas emissions by 55% until the year 2030 through the expansion of renewable sources, energy savings and gradual cessation of use of fossil fuels, including the cessation of coal mining and combustion by the year 2033.

As one of the tools for achieving these climate goals, which has a significant impact on the Company, is the emission rights market in Europe. The European Union influences the market for these emission rights, for example by introducing a Market Stability Reserve (MSR), by reducing the total number of emission rights or by releasing them onto the market (back-loading). With increased decarbonization efforts, the market price of CO<sub>2</sub> emission rights receives a long-term growth stimulus; older, less

efficient coal-fired power plants and heating plants or, in general, equipment cost-linked to the price of emission rights get under considerable economic pressure.

The biggest impact of these trends is on the Company's coal and gas generation assets. The Company's strategy anticipated this development in the long term, and therefore measures and strategic steps are being continuously implemented with the aim of minimizing the negative impact of these factors on the Company's value and at the same time making maximum use of the new opportunities that these trends bring for the Company.

The impacts of climate changes, but also a number of other factors, are evaluated in the various estimates and accounting judgments that the preparation of financial statements according to IFRS requires (see Note 2.3). Mainly it relates to determination of recoverable amount of property, plant and equipment and intangible assets (see Note 3), of the provision for demolition and dismantling of fossil-fuel power plants (see Note 21.2) and of remaining useful life and depreciation methods used for depreciation of property, plant and equipment (see Note 2.6).

## **2. Summary of Significant Accounting Policies**

### **2.1. Financial Statements**

These separate financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU).

The financial statements are prepared based on a historical cost approach, except where IFRS require a different measurement basis as disclosed in the description of accounting policies below.

Due to the economic substance of transactions and the environment in which the Company operates, the Czech crowns (CZK) is used as the functional currency and reporting currency.

The Company has also prepared CEZ Group's consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union for the same period.

#### Explanation Added for Translation into English

These financial statements represent a translation of financial statements originally issued in Czech.

### **2.2. Changes in Accounting Policies**

#### **2.2.1. Adoption of New IFRS Standards in 2024**

The accounting policies adopted are consistent with those of the previous financial year, except for as follows. The Company has adopted the following amended standards endorsed by EU as at January 1, 2024:

- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments),
- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (amendments),
- IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants (amendments),
- IAS 7 Statements of Cash Flows and IFRS 7 Financial Instruments: Disclosures (amendments).

The application of those standards and amendments did not have significant impact to the Company's financial statements.

## 2.2.2. New and Revised IFRS Standards Either Not Yet Effective or Not Yet Adopted by the EU

The Company is currently assessing the potential impacts of the new or revised standards that will be effective or adopted by the EU from January 1, 2025, or later:

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

The Company assesses the impact of IFRS 18 to the financial statements. The Company does not expect early adoption of any other of the above-mentioned new or amended standards and does not expect any significant impact to the Company's financial statements.

## 2.2.3. The Change of Presentation of Statement of Cash Flows

In 2024, the presentation of the statement of cash flows was changed to increase the relevance of information regarding cash flows associated to grants related to assets. The original line item Additions to non-current assets, including capitalized interest, is no longer affected by grants and the receipt of cash and cash equivalents related to grants is reported on a separate line item Proceeds from grants to non-current assets within investing activities. Operating activities are no longer affected by grants related to non-current assets. As a result, some items of the comparative period have been reclassified to be fully comparable with the current period.

The overview of performed adjustments of previous period is as follows (in CZK millions):

	Adjustment 2023
<b>Statement of cash flows:</b>	
Receivables and contract assets	3,108
Other liabilities	(2,472)
<b>Cash from operations</b>	<b>636</b>
<b>Net cash flow from operating activities</b>	<b>636</b>
Additions to non-current assets before deducting grants, including capitalized interest	(664)
Proceeds from grants to non-current assets	28
<b>Net cash flow from investing activities</b>	<b>(636)</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>

## 2.3. Estimates and Accounting Judgments

The Company makes significant estimates when determining the recoverable amounts of property, plant and equipment and non-current financial assets (see Notes 3 and 5), for nuclear provisions (see Notes 2.20 and 21.1), provision for demolition and dismantling of fossil-fuel power plants (see Notes 2.21 and 21.2), for provision for waste storage restoration (see Note 21.2), and when determining the fair value of commodity contracts (see Notes 2.13 and 19) and non-commodity derivatives (see Notes 2.12 and 19), incremental interest rates and lease terms to measure lease liabilities (see Notes 2.22 and 25) and deferred tax calculation (see Notes 2.18 and 37). Actual outcome may vary from these estimates.

The most significant changes in estimates in 2024 related to the provision for long-term spent fuel storage due to the increase of expected contribution to the nuclear account depending on electricity generated in nuclear power plants and to the change of the discount rate and provision for nuclear decommissioning due to the change of the discount rate.

Another significant change in estimates in 2024 related to adjustment of depreciations and depreciating methods of certain asset classes. IFRS accounting standards require depreciation methods to be reviewed periodically and that the depreciation methods used reflect the expected way in which the economic benefits of the assets will be consumed. When significant changes occur in the expected distribution of consumption of future economic benefits from certain assets, the method is being changed to reflect the changed distribution of consumption of benefits.

Regarding the effects of decarbonization and the assumptions of further market development, the Company examined depreciation methods. The result is a change in the accounting estimate for the depreciation method for coal generation resources (collectively "coal assets"). Up to September 30, 2024, coal assets were depreciated on a linear basis over the expected remaining useful life. From October 1, 2024, the Company depreciates coal assets using a method in which depreciation decreases evenly over the remaining useful life (the so-called sum-of years' digits method). This method for coal assets appropriately captures the expected way of consumption of economic benefits in the future, when the gradually decreasing usage of these assets is expected.

The depreciable amount of the Company's coal assets was CZK 60.5 billion as at September 30, 2024. The following table shows the depreciation schedule as a percentage of the depreciable amount as at September 30, 2024, after the change in the depreciation method until 2030, which represents the currently expected end of operation of the coal assets:

	Q4 2024	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Total
Share of depreciation on the depreciable amount after changing the depreciation method	8%	28%	23%	18%	13%	7%	3%	100%

Compared to the linear method of depreciation previously used, there is therefore a significant change in the distribution of depreciation over time. With regard to the different effective income tax rate in individual future years, which is affected by the windfall tax, which applies in the Czech Republic until December 31, 2025, and is relevant for the Company, there is a change in the estimate of when the taxable temporary differences related to the different net book value for accounting and tax purposes of the coal assets will be realized by depreciation (tax-deductible depreciation does not change). Higher temporary differences realized in periods with a higher effective tax rate led to an increase in the deferred tax liability in the amount of CZK 4,885 million as at September 30, 2024. The related deferred income tax expense was reported as a one-off item in the line item Income tax in the statement of income as at September 30, 2024.

The most significant changes in estimates in 2023 related to the provision for nuclear decommissioning due to update of the expert decommissioning studies for Dukovany and Temelín Nuclear Power Plants and to the change of the discount rate.

## **2.4. Revenues and Other Income**

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

The largest part of the Company's revenues is from the supply of electricity, heat and gas, which are charged (see also below) based on contractual terms at the time of delivery. Any deviations between the quantities specified in the contracts and actual deliveries are settled through the market operator.

### **Revenues from the sales of electricity**

The Company generates, sells and trades in electricity. Revenues from the sale of electricity are generated from sales on organized markets and from sales to traders. Invoicing to customers takes place according to the agreed contractual terms and volumes taken mainly on monthly basis.

### **Revenues from the sales of gas**

The Company sells and trades in gas. Revenues from the sale of gas are generated from sales to traders. Invoicing to customers takes place according to the agreed contractual terms and volumes taken mainly on monthly basis.

### **Revenues from the sale of heat**

The Company generates heat mainly through cogeneration, which ensures efficient fuel use and lower pollutant emissions. The generation of heat energy and its subsequent sale are subject to regulation by the Energy Regulatory Office. The main customer of heat is the subsidiary ČEZ Teplárenská, a.s., which ensures the distribution of heat to end customers or other distributors. Invoicing to customers takes place according to the agreed contractual terms and volumes taken mainly on monthly basis.

### **Revenues from sales of services**

The largest portion of revenue from the sale of services is generated by sales of ancillary services, services related to imbalance compensation and management and support services for the Group. Invoicing to customers takes place mainly on monthly basis.

Dividend income is recognized when the Company is awarded the right to the payment of the dividend.

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

## **2.5. Fuel Costs**

Fuel is recognized as costs when it is consumed. Fuel costs include the depreciation of nuclear fuel (see Note 2.7).

## **2.6. Property, Plant and Equipment**

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

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

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

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

The Company depreciates the cost of property, plant and equipment (if any, adjusted for impairment losses) less the residual value over the estimated useful life of the relevant asset. Coal assets are depreciated using the sum-of years' digits method (see Note 2.3). The Company depreciates other assets, except nuclear fuel (see Note 2.7), on a straight-line basis. Each part of an item of property, plant and equipment that is significant in relation to the total amount of the asset is recognized and depreciated separately.

The estimated useful life of property, plant and equipment as at December 31, 2024, is determined as follows:

	Useful lives (years)
Buildings and structures	13–60
Machinery and equipment	4–45
Vehicles	4–37
Furniture and fixtures	4–15

The average depreciation period depending on useful life as at December 31, 2024, is determined as follows:

	Average life (years)
Hydro plants	
Buildings and structures	48
Machinery and equipment	17
Fossil fuel plants	
Buildings and structures	29
Machinery and equipment	18
Nuclear power plant	
Buildings and structures	50
Machinery and equipment	38

## 2.7. Nuclear Fuel

The Company recognizes nuclear fuel as part of property, plant and equipment because the period for which it is used for electricity generation exceeds 1 year. Nuclear fuel is measured at cost less accumulated depreciation and, if applicable, impairments. Nuclear fuel includes a capitalized portion of the provision for interim storage of spent nuclear fuel. The depreciation of nuclear fuel in a reactor is determined on the basis of the amount of energy generated and presented in the statement of income in the line item Fuel and emission rights. The depreciation of nuclear fuel includes additions to the provision for interim storage of spent nuclear fuel.

## 2.8. Intangible Assets

Intangible assets are measured at costs, including the purchase price and related expenses.

At each reporting date, the Company assesses whether there are any indicators that a non-current intangible asset may have been impaired. Non-current intangible assets under development are tested for possible impairment annually regardless of whether there are indicators of possible impairment. Any impairment of non-current intangible assets is recognized in profit or loss and presented in the line item Impairments of property, plant and equipment and intangible assets.

Non-current intangible assets are amortized using the straight-line method over their estimated useful life.

The estimated useful life of intangible assets as at December 31, 2024, is determined as follows:

	Average life (years)
Software	3–24
Rights	6–29
Easements	6

## 2.9. Investment Property

Investment property is a property held to earn rentals or for capital appreciation, or both, rather than use for ordinary course of business. If the property is also used for ordinary business, it is an investment in property only if the owner-occupied portion is not significant.

Investment property is initially measured at cost, which consists of the purchase cost and any directly attributable transaction costs. After initial recognition, investment property is recognized in accordance with the cost model. The average depreciation period based on useful life is 49 years.

## 2.10. Emission Rights

The greenhouse gas emission right (hereinafter the emission right) represents the right of the operator of a facility that generates greenhouse gas emissions by its operation to emit the equivalent of a ton of carbon dioxide into the atmosphere in a given calendar year. The Company is obliged to determine and report the amount of greenhouse gas emissions from the facilities for each calendar year and this amount must be audited by an accredited person. The Company was allocated a certain amount of emission rights on the basis of the National Allocation Plan.

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

Allocated emission rights are measured at nominal, i.e., zero value in financial statements. Purchased emission rights are measured at cost (except for emission rights held for trading). The Company makes a provision for covering released emissions corresponding to the difference between the



actually released amount of emissions and its inventory of allocated emission rights. The provision is measured primarily at the cost of emission rights that were purchased with the intention of covering greenhouse gas emissions in the reporting period. The provision for released emissions exceeding such rights is measured at the market price effective at the end of the reporting period. Emission rights purchased for use in the next year are recognized as current assets in the line item Emission rights. Emission rights with a later planned time of use are recognized as part of non-current intangible assets.

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

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

Sale and repurchase agreements concerning emission rights are accounted for as collateralized loans.

## **2.11. Classification of Financial Instruments**

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

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

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

Financial liabilities are presented as current if they are payable within 12 months of the end of the reporting period. Assets and liabilities held for trade are also presented as current assets and liabilities.

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

### **2.11.1. Financial Assets**

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

The Company classifies assets into the following categories:

#### **a) Financial asset measurement at amortized cost**

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

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

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

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

- Without future transfer to profit or loss – used for equity financial assets  
Impairments are neither calculated nor recognized. Changes in fair value are recognized in other comprehensive income. When a financial asset is sold, no gain or loss is recognized in profit or loss, so it never affects profit or loss. If an equity financial asset is sold, the accumulated revaluation amount is transferred to retained earnings. Exchange differences are recognized in other comprehensive income as part of the revaluation amount. Dividends on such financial assets are recognized in profit or loss provided that the payment of such dividends does not reduce the value of the investment.
- With future transfer to profit or loss – used for debt financial assets  
Additions to impairment are recognized in profit or loss. Changes in fair value are recognized in other comprehensive income. On the disposal of a financial asset, the gain or loss is recognized in profit or loss (the gain/loss is transferred from other comprehensive income to profit or loss). Exchange differences in relation to revaluation surplus are recognized in other comprehensive income. Exchange differences in relation to impairment are recognized in profit or loss. Interest revenue is recognized in profit or loss.

c) Financial asset measurement at fair value through profit or loss

A category of financial assets for which the Company's strategy is to actively trade the asset. The collection of contractual cash flows is not the main objective of the strategy. Examples of such financial assets are securities held for trading and derivatives which are not designated as cash flow hedge instruments. Impairments are neither calculated nor recognized. Changes in fair value and exchange differences are recognized in profit or loss.

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

d) Financial asset measurement at cost

This category of financial assets comprises investments in subsidiaries, associates and joint-ventures. Additions to impairment are recognized in profit or loss.

At each reporting date, the Company assesses whether there are any indicators that a financial asset measurement at cost may have been impaired. Where there are such indicators of impairment, the Company checks whether the recoverable amount of the item of financial asset is less than its net value. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Any impairment of financial asset is recognized in profit or loss and presented in the line item Impairment of financial assets.

### 2.11.2. Financial Liabilities

Financial liabilities are classified into two core categories of at amortized cost and at fair value through profit or loss. If a financial liability is not in the category of fair value through profit or loss and it is neither a financial guarantee contract nor a commitment to provide a loan at below-market interest rate, then the financial liability is classified in the category at amortized cost.

For fair value option financial liabilities, i.e., those measured at fair value through profit or loss, a change in fair value that is attributable to changes in credit risk is presented in other comprehensive income; the remaining amount is presented in profit or loss. However, if the treatment of changes in fair value that are attributable to credit risk created or enlarged an accounting mismatch in profit or loss, the entity would present all gains or losses on such a liability in profit or loss.

### 2.11.3. Derivatives

Derivatives are a special category of financial assets and liabilities. The manner of recognizing gains or losses from the revaluation of derivatives to fair value depends on whether a derivative is classified as a hedging instrument and on the nature of the item being hedged. More information on the reporting of derivatives can be found in Note 2.12.

### 2.11.4. Impairment of Financial Assets

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

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

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

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

## **2.12. Non-commodity Derivatives**

The Company uses financial derivatives, such as interest rate swaps and foreign exchange contracts, to hedge risks associated with interest rate and exchange rate fluctuations. Derivatives are measured at fair value. They are recognized as part of non-current and current other financial assets and liabilities in the balance sheet.

The manner of recognizing gains or losses from the revaluation of derivatives to fair value depends on whether a derivative is classified as a hedging instrument and on the nature of the item being hedged.

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

At the inception of a hedge, the Company prepares a documentation identifying the hedged item and the hedging instrument used, describes economic relationship between hedged item and the hedging instrument, evaluation of effectivity and also describes targets and strategy for managing risks for various hedging transactions.

The Company applies IFRS 9 Financial instruments to hedge transactions in hedge accounting.

### **2.12.1. Fair Value Hedging Derivatives**

Changes in the fair values of fair value hedging derivatives are recognized in expenses or income, as appropriate, together with the relevant change in the fair value of the hedged asset or liability that is related to the hedged risk. Where an adjustment to the carrying amount of a hedged item is made for a debt financial instrument, the adjustment is amortized in profit or loss over time until the maturity of such a financial instrument.

### **2.12.2. Cash Flow Hedging Derivatives**

Changes in the fair values of derivatives hedging expected cash flows are recognized in other comprehensive income. The gain or loss attributable to the ineffective portion is presented in the statement of income in the line item Other financial expenses or Other financial income.

Amounts accumulated in equity are recognized in profit or loss in the period when the expenses or income associated with the hedged items are accounted for.

When a hedging instrument expires or a derivative is sold or it no longer meets the criteria for hedge accounting, the cumulative gain or loss recognized in equity remains in equity until the forecast transaction is closed and then recognized in the statement of income. If a forecast transaction is no longer likely to occur, the cumulative gain or loss, originally recognized in other comprehensive income, is transferred to profit or loss.

### **2.12.3. Other Derivatives**

Some derivatives are not intended for hedge accounting. A change in the fair value of such derivatives is recognized directly in profit or loss.

### 2.13. Commodity Contracts

According to IFRS 9, certain commodity contracts are considered to be financial instruments and accounted for in accordance with the standard. Most commodity purchases and sales carried out by the Company assume physical delivery of the commodity in amounts intended for use or sale in the course of the Company's ordinary activities. Therefore, such contracts (so-called "own use" contracts) are not within the scope of IFRS 9 and are specifically registered to allow differentiation from contracts within the scope of IFRS 9.

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

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

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

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

The Company as well concludes trades to hedge gross margin from generation of electricity, from which fair value revaluation are not part of hedge accounting, mainly due to uncertainty of hedged electricity deliveries from generation sources, when expected electricity deliveries could be not realized at the end, but trading positions would be closed, with connected emission rights positions and fuels, e.g., deliveries from CCGT Počerady and thus those commodity contracts are treated under IFRS 9.

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

Changes in the fair values of commodity contracts that are within the scope of IFRS 9 and that hedge expected cash flows are recognized in other comprehensive income. The gain or loss attributable to the ineffective portion is presented in the statement of income in the item Gains and losses from commodity derivative trading.

Subsequently, in accordance with the description in Note 2.12.2 amounts accumulated in equity are recognized in profit or loss in the period when the expenses or income associated with the hedged items are accounted for.

When a hedging instrument expires or a commodity contract is sold or it no longer meets the criteria for hedge accounting, the cumulative gain or loss recognized in equity remains in equity until the expected transaction is closed and then recognized in the statement of income. If the expected transaction is no longer likely to occur, the cumulative gain or loss, originally recognized in other comprehensive income, is transferred to profit or loss.

### 2.14. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, current accounts with banks and short-term financial deposits with maturity of no more than 6 months. Foreign currency cash and cash equivalents are translated to the Czech crowns at the exchange rate applicable at the end of the reporting period.

## **2.15. Restricted Financial Assets**

Cash and other financial assets that are recognized as restricted funds (see Note 4) are intended for the funding of nuclear decommissioning, for the waste storage reclamation and rehabilitation of waste dumps, or are cash guarantees given to counterparties. Such funds are classified as non-current assets due to the time at which they are expected to be released for the Company's purposes.

## **2.16. Materials and Supplies**

Purchased inventories are measured at actual cost, using the weighted average cost method. Upon use, they are recognized in expenses or capitalized as non-current assets. Work in progress is measured at actual cost. The costs include, primarily, direct material and labor costs. Obsolete inventories are written down using impairments recognized in expenses.

Gas inventories are acquired mainly for purpose of trading. Gas in a gas storage, which is intended for trading, is measured at fair value less cost to sell at the date of the financial statements. Changes in fair value are recognized in the statement of income in the item Gains and losses from commodity derivative trading.

## **2.17. Fossil Fuel Stocks**

Inventories of fossil fuels are measured at actual cost, determined on a weighted average cost basis.

## **2.18. Income Taxes**

The amount of income taxes is determined in compliance with Czech tax laws and is based on the Company's profit or loss determined in accordance with Czech accounting regulations and adjusted for permanently or temporarily non-deductible expenses and untaxed income (e.g., a difference in the depreciation and amortization of non-current assets for tax and accounting purposes). The current income tax at December 31, 2024 and 2023, was calculated from income before tax in accordance with Czech accounting regulations, adjusted for some items that are non-deductible or non-taxable for tax purposes, using a base rate of 21% and 19%, respectively. In the period of 2023–2025 the taxable income of the Company (above the tax base derived from average tax base from years 2018–2021 increased by 20%) is, and will be, respectively, burdened by an increased tax rate of 60%, windfall tax (see Note 37). The applicable income tax rate including windfall tax is 75% for 2024. Expected tax rate from 2026 is 21%.

The Company obligatorily applies the international tax reform – model rules of BEPS Pillar Two for the period from January 1, 2024. The impact of this tax reform on the Company is not significant for the year 2024, especially with regard to the so-called safe harbors.

Deferred tax is calculated on the basis of the liability method based on a balance sheet approach. Deferred tax is calculated from temporary differences between accounting measurement and measurement for the purposes of determining the income tax base. Deferred tax is determined using rates and laws that have been enacted by the end of the reporting period and are expected to apply when the deferred tax asset is realized, or the deferred tax liability is settled. The Company applies a mandatory temporary exception for the calculation and disclosure of deferred tax from transactions in connection with the application of the international tax reform – OECD BEPS Pillar Two model rules.

A deferred tax asset or liability is not discounted. A deferred tax asset is recognized when it is probable that the Company will generate sufficient taxable profit in the future against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. A deferred tax liability is recognized for all taxable temporary differences.

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

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

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

## **2.19. Long-term Debt**

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

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

## **2.20. Nuclear Provisions**

The Company makes a provision for nuclear decommissioning, a provision for interim storage of spent nuclear fuel and other radioactive waste and a provision for the funding of subsequent permanent disposal of spent nuclear fuel and irradiated reactor components (see Note 21.1).

The provisions made correspond to the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The estimate, expressed at the price level at the date of estimate, is discounted using an estimated long-term risk-free real interest rate of 1.9% and 2.1% per annum as at December 31, 2024 and 2023, respectively, so as to take into account the timing of expenditure. While estimating future expenses, an associated risk related to these future expenses is taken into account. This risk adjustment can be expressed as a reduction of the used discount rate by 1.5% and 1.9% as at December 31, 2024 and 2023, respectively. Initial discounted costs are capitalized as part of property, plant and equipment and then amortized for the duration of time for which nuclear power plants will generate electricity. The provision is increased by the estimated inflation and real interest rate annually. Such expenses are recognized in the statement of income in the line item Interest on provisions. The effect of the expected rate of inflation is estimated at 2.2% and 2.6% as at December 31, 2024 and 2023, respectively.

The process of nuclear power plant decommissioning is estimated to continue for approximately 45 years after the termination of electricity generation. It is assumed that a permanent repository for the storage of spent nuclear fuel will be ready for operation in 2050 and the disposing of stored spent nuclear fuel at the repository will continue until approximately 2090. Although the Company has made the best estimate of the amount of nuclear provisions, potential changes in technology, changes in safety and environmental requirements and changes in the duration of such activities may result in actual costs varying considerably from the Company's current estimates.

Changes in estimates concerning the provisions for nuclear decommissioning and permanent disposal of spent nuclear fuel resulting from new estimates of the amount or timing of cash flows required to settle these obligations or from a change in the discount rate are added to, or deducted from, the amount recognized as an asset in the balance sheet. Should the amount of the asset be negative, i.e., should the deducted amount exceed the amount of the asset, the difference is recognized directly in profit or loss.

## **2.21. Provision for Demolition and Dismantling of Fossil-fuel Power Plants**

The Company has recognized provision for demolition and dismantling of fossil-fuel power plants (see Note 21.2) after their decommissioning. The provision created corresponds to the best estimate of the expenditures required to settle the present obligation at the balance sheet date. The estimate, expressed at the price level at the date of estimate, is discounted using an estimated risk-free real interest rate of 1.5% and 1.7% per annum as at December 31, 2024 and 2023, respectively, in order to take into account the timing of expenditure. While estimating future expenses, an associated risk related to these future expenses is taken into account. This risk adjustment can be expressed as a reduction of the used discount rate by 1.7% and 1.8% as at December 2024 and 2023, respectively. Initial discounted costs are capitalized as part of property, plant and equipment and then depreciated over the period during which coal power plants will generate electricity. The provision is updated annually of the estimated inflation and real interest rate. These expenses are recognized in the statement of income in the line item Interest on provisions. The effect of the expected rate of inflation is estimated at 2.2% and 2.9% as at December 31, 2024 and 2023, respectively.

Although the Company has made the best estimate of the amount of provision for demolition and dismantling of fossil-fuel power plants, potential changes in technology, changes in safety and environmental requirements and changes in the duration of such activities may result in actual costs varying considerably from the Company's current estimates.

Changes in estimates concerning the provision resulting from new estimates of the amount or timing of cash flows required to settle these obligations or from a change in the discount rate are added to, or deducted from, the amount recognized as an asset in the balance sheet. Should the amount of the asset be negative, i.e., should the deducted amount exceed the amount of the asset, the difference is recognized directly in profit or loss.

## **2.22. Leases**

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

The Company does not apply IFRS 16 to leases of intangible assets.

### **2.22.1. Company as a Lessee**

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

#### **a) Lease Liability**

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

When calculating the present value of lease payments, the Company uses an incremental interest rate at the commencement date of the lease. After the commencement date, the amount of lease liabilities is increased by accrued interest and decreased by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a lease modification, i.e., a change in the lease term, a change in lease payments (e.g., changes in future payments resulting from a change in an index or a rate used to determine the amount of the lease payment), or a change in the assessment of the option to purchase the underlying asset.



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

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

#### b) Right-of-Use Assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date when the underlying assets are available for use). Right-of-use assets are reported in the same asset category as they would be reported if the Company owned them. Right-of-use assets are measured at cost less accumulated amortization and impairment losses and adjusted for any reassessment of lease liabilities. The cost of right-of-use assets comprises the amount of recognized lease liabilities, initial direct costs and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortized using the straight-line method over the lease term or the estimated life of the assets as follows:

	Depreciation period (years)
Lands	4–30
Buildings	6–13
Vehicles, machinery and equipment	3–29
Furniture and fixtures and other tangible assets	12–14

#### 2.22.2. Company as a Lessor

The Company leases out its tangible assets including own tangibles and right-of-use assets. The Company has classified the leases as financial or operating leases. Operating lease is a lease whereby the Company does not transfer substantially all the risks and rewards incidental to the ownership of assets.

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

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

#### 2.23. Employee Benefits

The Company provides short-term employee benefits, defined benefit plans after the termination of employment and other long-term employee benefits. Short-term employee benefits are those that are expected to be settled within twelve months from the end of the accounting period. Defined benefit plans include mainly one-time lump sum payments depending on the salary at the time of termination of employment and the length of the period for which the employee has worked for the Group. Other long-term employee benefits include mainly jubilee. Employee benefits at the time of termination of employment and other long-term employee benefits are provided by the Company in accordance with valid collective agreement.

Short-term employee benefits include salaries (both fixed and variable components in the form of annual bonuses), vacation entitlement and other short-term employee benefits, and are measured undiscounted upon initial recognition.

The liability for defined benefits and other long-term employee benefits are measured at the balance sheet date at the present value of the expected future payments necessary to satisfy the obligations arising from services provided by employees in the current and prior periods. The change in the liability for these employee benefits, which is recognized in profit or loss, results from the cost of the service provided by employees in the current and prior periods, gains and losses on the settlement of the benefits upon payment, and from interest expense reflecting the passage of time. The change in the liability from defined benefit plans, which is recognized in other comprehensive income and will not be reclassified to statement of income in subsequent periods, results from actuarial gains and losses. The change in the liability from other long-term employee benefits arising from actuarial gains and losses is charged to profit or loss.

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

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

#### **2.24. Share-based Payments**

Members of the Board of Directors and selected managers are in the new long-term bonus program since January 1, 2020 (Note 31). The amount of the bonus is partially based on the value of the Company's shares and it is settled in cash. The expense and related liability are recognized when the services are provided to the Company and in the fair value of the expected cash-settled transactions. The liability is subsequently revalued at fair value for each reporting period and at the settlement date, with any changes in fair value being reported in the relevant period in the statement of income in the line item Salaries and wages.

## 2.25. Treasury Shares

Treasury shares are reported in the balance sheet as an item reducing equity. The acquisition of treasury shares is recognized in the statement of changes in equity as a deduction from equity. No gain or loss is recognized in the statement of income on the sale, issue, or cancellation of treasury shares. Consideration received is recognized in financial statements as a direct increase in equity.

## 2.26. Foreign Currency Transactions

Assets and liabilities in foreign currencies are translated into the Czech currency at the exchange rate applicable at the date of the accounting transaction as published by the Czech National Bank for that date. In annual financial statements, such monetary assets and liabilities are translated at the exchange rate applicable at December 31. Exchange differences arising on the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currencies are recognized in profit or loss, except when exchange differences arise in connection with a liability that is classified as an effective hedge of cash flows. Such exchange differences are recognized directly in equity.

The Company used the following exchange rates to translate assets and liabilities in foreign currencies at December 31, 2024 and 2023:

	2024	2023
CZK per 1 EUR	25.185	24.725
CZK per 1 USD	24.237	22.376
CZK per 1 PLN	5.890	5.694
CZK per 1 BGN	12.877	12.642
CZK per 1 RON	5.062	4.969
CZK per 100 JPY	15.449	15.811
CZK per 100 TRY <sup>1)</sup>	68.539	75.700
CZK per 1 GBP	30.378	28.447
CZK per 100 HUF	6.121	6.455
CZK per 100 RSD	21.531	21.115

<sup>1)</sup> With effect from January 2, 2024, the quantity changes from 1 to 100.

## 2.27. Assets Classified as Held for Sale

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

### 3. Property, Plant and Equipment

The overview of property, plant and equipment at December 31, 2024 and 2023, was as follows (in CZK millions):

	Buildings	Plant and equipment	Land and other	Total plant in service	Nuclear fuel	Construction work in progress	Total
Cost at January 1, 2024	141,558	402,606	1,782	545,946	23,314	13,496	582,756
Additions	500	101	38	639	-	21,788	22,427
Disposals	(493)	(3,131)	(48)	(3,672)	(4,478)	(41)	(8,191)
Bring into use	1,758	5,466	509	7,733	7,816	(15,549)	-
Change in capitalized part of the provision	(2,580)	14,337	-	11,757	-	-	11,757
Effect of business combinations	-	183	-	183	-	-	183
Other	40	(4)	(51)	(15)	-	29	14
Cost at December 31, 2024	140,783	419,558	2,230	562,571	26,652	19,723	608,946
Accumulated depreciation and impairment at January 1, 2024	(70,484)	(241,194)	(175)	(311,853)	(7,312)	(39)	(319,204)
Depreciation and amortization of nuclear fuel <sup>1)</sup>	(6,131)	(16,013)	(25)	(22,169)	(3,244)	-	(25,413)
Net book value of assets disposed	(7)	(51)	(32)	(90)	-	-	(90)
Disposals	493	3,131	40	3,664	4,478	-	8,142
Effect of business combinations	-	(148)	-	(148)	-	-	(148)
Other	(44)	-	-	(44)	-	-	(44)
Impairment losses recognized	(8)	(1)	-	(9)	-	-	(9)
Impairment losses reversed	24	1	4	29	-	-	29
Accumulated depreciation and impairment at December 31, 2024	(76,157)	(254,275)	(188)	(330,620)	(6,078)	(39)	(336,737)
Property, plant and equipment at December 31, 2024	64,626	165,283	2,042	231,951	20,574	19,684	272,209

<sup>1)</sup> The amortization of nuclear fuel as at December 31, 2024, also includes the creation of a provision for temporary storage of spent nuclear fuel in the amount of CZK 577 million.

	Buildings	Plant and equipment	Land and other	Total plant in service	Nuclear fuel	Construction work in progress	Total
Cost at January 1, 2023	132,811	380,261	1,582	514,654	20,467	13,512	548,633
Additions	54	68	18	140	-	17,741	17,881
Disposals	(1,097)	(3,081)	(15)	(4,193)	(4,586)	(24)	(8,803)
Bring into use	4,351	5,876	123	10,350	7,371	(17,721)	-
Change in capitalized part of the provision	990	12,689	-	13,679	62	-	13,741
Effect of business combinations	4,331	6,789	69	11,189	-	-	11,189
Other	118	4	5	127	-	(12)	115
Cost at December 31, 2023	141,558	402,606	1,782	545,946	23,314	13,496	582,756
Accumulated depreciation and impairment at January 1, 2023	(62,519)	(224,489)	(163)	(287,171)	(8,594)	(39)	(295,804)
Depreciation and amortization of nuclear fuel <sup>1)</sup>	(5,698)	(13,787)	(20)	(19,505)	(3,304)	-	(22,809)
Net book value of assets disposed	(22)	(99)	(2)	(123)	-	-	(123)
Disposals	1,097	3,081	9	4,187	4,586	-	8,773
Effect of business combinations	(3,296)	(5,899)	-	(9,195)	-	-	(9,195)
Other	(66)	-	-	(66)	-	-	(66)
Impairment losses recognized	(1)	(1)	-	(2)	-	-	(2)
Impairment losses reversed	21	-	1	22	-	-	22
Accumulated depreciation and impairment at December 31, 2023	(70,484)	(241,194)	(175)	(311,853)	(7,312)	(39)	(319,204)
Property, plant and equipment at December 31, 2023	71,074	161,412	1,607	234,093	16,002	13,457	263,552

<sup>1)</sup> The amortization of nuclear fuel as at December 31, 2023, also includes the creation of a provision for temporary storage of spent nuclear fuel in the amount of CZK 402 million.

In 2024 and 2023, a composite depreciation rate of plant in service was 4.0% and 3.7%, respectively.

In 2024 and 2023, capitalized interest costs amounted to CZK 530 million and CZK 447 million, respectively, and the interest capitalization rate was 3.4% and 3.3%, respectively.

Construction work in progress contains mainly investments related to the acquisition of nuclear fuel, photovoltaic power plants and refurbishments performed on Temelín, Dukovany and Tušimice power plants.

The Company drew in 2024 and 2023 grants related to the property, plant and equipment in the amount of CZK 279 million and CZK 664 million, respectively.

#### Company as a Lessee

The following table shows selected information as at December 31, 2024, and for the year ended 2024, respectively, relating to right-of-use assets according to the classes of leased tangible fixed assets (in CZK millions):

	2024			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	500	100	38	638
Depreciation charge for right-of-use assets	(140)	(54)	(16)	(210)
Carrying amounts as at December 31	830	194	95	1,119

The following table shows selected information as at December 31, 2023, and for the year ended 2023, respectively, relating to right-of-use assets according to the classes of leased tangible fixed assets (in CZK millions):

	2023			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	54	68	18	140
Depreciation charge for right-of-use assets	(134)	(32)	(17)	(183)
Carrying amounts as at December 31	470	149	99	718

#### Company as a Lessor

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

	Buildings	Vehicles	Land and other	Total plant in service
Carrying amount as at December 31, 2024	2,230	358	151	2,739
Carrying amount as at December 31, 2023	2,302	131	381	2,814

## Testing Assets for Impairment

The Company's generation assets are tested for potential impairment as a single cash-generating unit at December 31, 2024. At December 31, 2023, Company's generation assets were divided to two cash generating units for purpose of testing for potential impairment - CCGT plant at Počerady and other generation assets. The cash-generating unit of the Company's generation assets is characterized by portfolio management in the deployment of generating facilities, in their maintenance and in the cash flows arising from this activity.

Testing of the recoverable amount of non-current assets of the ČEZ, a. s., cash-generating unit (hereinafter the ČEZ value) included an analysis of the sensitivity of test results to change in selected significant parameters of the model used – change in wholesale electricity prices (hereinafter the EE prices), the discount rate used in calculating the present value of future cash flows, and the CZK/EUR exchange rate.

The development of commodity prices and, in particular, the development of the wholesale price in Germany, which has a major impact on the development of wholesale power prices in the Czech Republic, are the key assumptions used for the ČEZ value model. Developments in wholesale prices are determined primarily by the EU's political decisions, developments in global commodity demand and supply, security situation in Europe and technological progress.

Developments in EE prices are affected by a number of external factors, in particular, changes in the structure and availability of generating facilities in the Czech Republic and its neighboring countries, macroeconomic developments in the region of Central Europe, and energy sector regulation in the EU and Germany. The model is built for a period matching the operating life of generating facilities, which means that its time frame greatly exceeds the period for which commodities, including electricity, are traded in public liquid markets. In addition, there are discussions being held about structural changes in the electricity market ("Market Design") and about substantial sector regulation. So it is realistically possible that market mechanisms for electricity pricing will be abandoned completely within the lifetime of generating facilities and centrally regulated payments will be introduced alternatively for the availability and deliveries of generating facilities or eventually mechanism combining market aspects and regulatory support would be introduced.

Due to the long-term nature of the model, the sensitivity of the ČEZ value to developments in electricity prices is also affected by internal factors and assumptions. It relates, in particular, to generation portfolio deployment varying with different changes in the prices of electricity, emission rights, and variable generation costs and, in the longer term, also with respect to changes in fixed costs reflecting changes in the gross margin of generating facilities.

The result of the sensitivity test shown below reflects an expert estimation of the status and changes of the above-mentioned factors within the modeled period time frame and the status of price and currency hedges for future generation as at December 31, 2024.

The test is based on the business plan of ČEZ for 2025–2030 and on the assumptions of long-term development of relevant electricity prices. The business plan was prepared in the fourth quarter 2024 whereas the plan was based on the active market parameters observed in September 2024 (electricity prices on the EEX energy exchange in Germany, prices on the PXE energy exchange in the Czech Republic, prices of emission rights, foreign exchange rates, interest rates, etc.). Electricity contracts traded on EEX are liquid for the whole period covering the business plan time frame and considering the interconnectedness of the German and Czech transmission grids, it makes them a fundamental market indicator for EE prices in the Czech Republic. Impact of windfall tax on year 2025 was considered as part of all tests.

The Company did not recognize any impairment losses on generation assets in 2024 and 2023. A change in the assumed EE prices as per models by 1%, while other parameters remain unchanged, has an impact of approximately CZK 5.7 billion on the ČEZ value test result. Future cash flows were discounted at a rate of 7.3%. A change of 0.1 percentage point in the discount factor, while other parameters remain unchanged, would change the ČEZ value by approximately CZK 2.4 billion. A 1% change in the CZK/EUR exchange rate, while other parameters remain unchanged, would result in a change of approximately CZK 6.1 billion in the ČEZ value. Above-mentioned changes in ČEZ value would not lead to an impairment of assets.

#### 4. Restricted Financial Assets

The overview of restricted financial assets at December 31, 2024 and 2023, was as follows (in CZK millions):

	2024	2023
Czech government bonds	19,910	18,090
Cash in banks	139	134
Total restricted financial assets	20,049	18,224

The Czech government bonds are measured at fair value through other comprehensive income. At December 31, 2024 and 2023, the most significant restricted financial assets are the financial assets to cover the costs of nuclear decommissioning totaling CZK 19,924 million and CZK 18,103 million, respectively, and financial assets to cover the costs for waste storage reclamation totaling CZK 70 million and CZK 66 million, respectively.



## 5. Derivatives and Other Financial Assets

The overview of derivatives and other financial assets at December 31, 2024 and 2023, was as follows (in CZK millions):

	2024			2023		
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total
Loans granted	35,276	2,633	37,909	29,795	2,549	32,344
Receivables from Group cash pooling	-	3,878	3,878	-	6,458	6,458
Receivables from the sale of subsidiaries	-	10	10	10	31	41
Sublease receivables	283	132	415	250	100	350
Other financial receivables	411	83	494	4,301	70	4,371
<b>Total financial assets at amortized cost</b>	<b>35,970</b>	<b>6,736</b>	<b>42,706</b>	<b>34,356</b>	<b>9,208</b>	<b>43,564</b>
Equity financial assets (Inven Capital, SICAV, a.s., ČEZ sub-funds)	5,244	-	5,244	5,624	-	5,624
Commodity and other derivatives	-	32,918	32,918	126	87,849	87,975
<b>Total financial assets at fair value through profit or loss</b>	<b>5,244</b>	<b>32,918</b>	<b>38,162</b>	<b>5,750</b>	<b>87,849</b>	<b>93,599</b>
Equity financial assets (Veolia Energie ČR, a.s.) <sup>1)</sup>	-	-	-	403	-	403
Cash flow hedge derivatives	8,699	17,049	25,748	20,706	22,296	43,002
Debt financial assets	-	3,077	3,077	-	6,657	6,657
<b>Total financial assets at fair value through other comprehensive income</b>	<b>8,699</b>	<b>20,126</b>	<b>28,825</b>	<b>21,109</b>	<b>28,953</b>	<b>50,062</b>
<b>Financial assets at cost – share on subsidiaries, associates and joint-ventures</b>	<b>145,586</b>	<b>-</b>	<b>145,586</b>	<b>121,776</b>	<b>-</b>	<b>121,776</b>
<b>Total</b>	<b>195,499</b>	<b>59,780</b>	<b>255,279</b>	<b>182,991</b>	<b>126,010</b>	<b>309,001</b>

<sup>1)</sup> The share in Veolia Energie ČR, a.s., was reclassified to assets classified as held for sale in 2024 (See Note 13).

The following table analyses the value of receivables from commodity derivatives by the period of delivery as at December 31, 2024 and 2023 (in CZK millions):

	2024	2023
Delivery in 2024	-	72,803
Delivery in 2025	27,771	13,957
Delivery in 2026	4,378	1,039
Delivery in 2027	713	113
Delivery in 2028 and thereafter	56	63
Total commodity and other derivatives	<u>32,918</u>	<u>87,975</u>

The following table provides an overview of the value of receivables from commodity derivatives by the commodities and other derivatives as at December 31, 2024 and 2023 (in CZK millions):

	2024	2023
Electricity including cross-border capacities	12,221	48,698
Gas	16,182	35,612
Emission rights, guarantees of origin	3,595	1,541
Financial derivatives	920	2,124
Total commodity and other derivatives	<u>32,918</u>	<u>87,975</u>

The decrease of total receivables from commodity and other derivatives in 2024 is caused mainly due to physical delivery of the commodity or by financial settlement. Year-to-year total decrease is also influenced by volatility of the market prices and total year-to-year decrease of market prices of electricity, gas, emission rights and other commodities. Related decrease of liabilities from commodity and other derivatives is disclosed in Note 22.

Movements in impairment provisions of financial assets at amortized cost and equity interests at cost were as follows (in CZK millions):

	2024	2023
Balance at January 1	(28,334)	(32,066)
Additions (see Note 34)	(79)	(79)
Reversals (see Note 34)	5,138	11
Derecognition of financial assets	212	3,800
Balance at December 31	<u>(23,063)</u>	<u>(28,334)</u>

In 2024, an impairment loss was derecognized in the amount of CZK 189 million and CZK 23 million in connection with the liquidation of company CEZ Bulgarian Investments B.V. and company CEZ Ukraine LLC, respectively.

In 2023, an impairment loss was derecognized in the amount of CZK 3,753 million due to sale of the company Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş. Further impairment loss was derecognized due to liquidation of the company CEZ Srbija d.o.o. – u likvidaciji and the company CEZ Finance B.V. in the amount of CZK 42 million and CZK 5 million, respectively.

The contractual maturity of loans granted and other financial assets at December 31, 2024, is shown in the following table (in CZK millions):

	Loans granted	Receivables from Group cash pooling	Receivables from the sale of subsidiaries	Sublease receivables	Debt financial assets	Other financial receivables
Due in 2025	2,633	3,878	10	132	3,077	83
Due in 2026	1,914	-	-	128	-	36
Due in 2027	1,882	-	-	75	-	69
Due in 2028	18,880	-	-	45	-	57
Due in 2029	1,882	-	-	11	-	59
Thereafter	10,718	-	-	24	-	190
Total	<u>37,909</u>	<u>3,878</u>	<u>10</u>	<u>415</u>	<u>3,077</u>	<u>494</u>

The contractual maturity of loans granted and other financial assets at December 31, 2023, is shown in the following table (in CZK millions):

	Loans granted	Receivables from Group cash pooling	Receivables from the sale of subsidiaries	Sublease receivables	Debt financial assets	Other financial receivables
Due in 2024	2,549	6,458	31	100	6,657	70
Due in 2025	2,302	-	10	103	-	2,935
Due in 2026	1,882	-	-	97	-	348
Due in 2027	1,882	-	-	23	-	854
Due in 2028	18,880	-	-	4	-	56
Thereafter	4,849	-	-	23	-	108
Total	<u>32,344</u>	<u>6,458</u>	<u>41</u>	<u>350</u>	<u>6,657</u>	<u>4,371</u>

The structure of provided loans and other financial assets, according to effective interest rates as at December 31, 2024, is shown in the following table (in CZK millions):

	Loans granted	Receivables from Group cash pooling	Receivables from the sale of subsidiaries	Sublease receivables	Debt financial assets	Other financial receivables
Less than 2.00%	165	-	10	2	-	183
From 2.00% to 2.99%	5,205	-	-	-	-	-
From 3.00% to 3.99%	17,045	1,613	-	-	1,178	78
From 4.00% to 4.99%	7,854	2,265	-	192	721	-
From 5.00% to 5.99%	7,640	-	-	186	1,178	64
From 6.00% to 6.99%	-	-	-	27	-	66
From 7.00% to 7.99%	-	-	-	8	-	103
Total	<u>37,909</u>	<u>3,878</u>	<u>10</u>	<u>415</u>	<u>3,077</u>	<u>494</u>

The structure of provided loans and other financial assets, according to effective interest rates as at December 31, 2023, is shown in the following table (in CZK millions):

	Loans granted	Receivables from Group cash pooling	Receivables from the sale of subsidiaries	Sublease receivables	Debt financial assets	Other financial receivables
Less than 2.00%	-	-	41	8	-	4,159
From 2.00% to 2.99%	6,637	-	-	-	-	-
From 3.00% to 3.99%	17,045	-	-	-	-	103
From 4.00% to 4.99%	-	2,493	-	191	-	-
From 5.00% to 5.99%	8,662	1,376	-	1	-	2
From 6.00% to 6.99%	-	-	-	11	6,633	11
From 7.00% to 7.99%	-	2,589	-	139	24	96
Total	<u>32,344</u>	<u>6,458</u>	<u>41</u>	<u>350</u>	<u>6,657</u>	<u>4,371</u>

The structure of provided loans and other financial assets by currency as at December 31, 2024, is shown in the following overview (in CZK millions):

	Loans granted	Receivables from Group cash pooling	Receivables from the sale of subsidiaries	Sublease receivables	Debt financial assets	Other financial receivables
CZK	37,909	1,914	10	207	3,077	477
EUR	-	1,940	-	208	-	17
USD	-	24	-	-	-	-
Total	<u>37,909</u>	<u>3,878</u>	<u>10</u>	<u>415</u>	<u>3,077</u>	<u>494</u>

The structure of provided loans and other financial assets by currency as at December 31, 2023, is shown in the following overview (in CZK millions):

	Loans granted	Receivables from Group cash pooling	Receivables from the sale of subsidiaries	Sublease receivables	Debt financial assets	Other financial receivables
CZK	32,344	2,589	10	210	6,657	4,358
EUR	-	3,733	3	140	-	13
USD	-	136	-	-	-	-
RSD	-	-	28	-	-	-
Total	<u>32,344</u>	<u>6,458</u>	<u>41</u>	<u>350</u>	<u>6,657</u>	<u>4,371</u>

The investments in subsidiaries, associates and joint-ventures and other ownership interests at December 31, 2024 and 2023, are shown in the following overview:

Company	Country	% Interest <sup>2)</sup>	2024		2023	
			Interest, net in CZK millions	Dividends in CZK millions	Interest, net in CZK millions	Dividends in CZK millions
ČEZ Distribuce, a. s.	CZ	100.00	32,742	2,235	32,742	3,806
CEZ Holdings B.V.	NL	100.00	24,160	-	22,072	-
Energotrans, a.s.	CZ	100.00	16,659	-	13,370	-
Severočeské doly a.s.	CZ	100.00	14,344	3,106	14,344	3,850
Czech Gas Networks S.à r.l.	LU	55.21	13,727	548	-	-
ČEZ ESCO, a.s.	CZ	100.00	10,234	-	7,066	-
ČEZ OZ uzavřený investiční fond a.s.	CZ	99.57	9,621	1,120	10,545	2,115
ČEZ ICT Services, a. s.	CZ	100.00	6,578	-	6,007	-
Elektrárna Dukovany II, a. s.	CZ	100.00	3,683	-	2,563	-
ČEZ Teplárenská, a.s.	CZ	100.00	3,167	-	3,165	-
ČEZ Invest Slovensko, a.s.	CZ	100.00	2,598	-	2,598	-
Elektrárna Temelín II, a. s.	CZ	100.00	2,044	-	2,054	-
ČEZ Prodej, a.s.	CZ	100.00	1,396	1,812	1,396	2,344
ŠKODA JS a.s.	CZ	100.00	925	-	925	-
Nuclear Property Services, s.r.o.	CZ	100.00	678	-	678	-
ČEZ PV & Wind a.s.	CZ	100.00	596	-	-	-
ČEZ Energetické produkty, s.r.o.	CZ	100.00	472	15	472	10
ÚJV Řež, a. s.	CZ	69.85	424	-	424	-
MARTIA a.s.	CZ	100.00	358	-	373	-
CEZ MH B.V.	NL	100.00	251	-	251	-
CEZ Hungary Ltd.	HU	100.00	233	309	-	9
Ústav aplikované mechaniky Brno, s.r.o.	CZ	100.00	175	-	220	-
LOMY MOŘINA spol. s r.o.	CZ	51.05	133	4	133	-
ČEZ ENERGOSERVIS spol. s r.o.	CZ	100.00	121	-	121	2
ČEZ Obnovitelné zdroje, s.r.o.	CZ	100.00	78	-	78	-
OSC, a.s.	CZ	100.00	66	-	66	-
VLTA VOTÝNSKÁ TEPLÁRENSKÁ a.s.	CZ	41.87	55	-	55	-
CEZ Bulgarian Investments B.V.	NL	-	-	-	48	-
Other			68	31	10	11
<b>Total financial assets at cost</b>			<b>145,586</b>	<b>9,180</b>	<b>121,776</b>	<b>12,147</b>
Inven Capital, SICAV, a.s., ČEZ sub-fund (A)	CZ	99.84	3,173	-	3,714	-
Inven Capital, SICAV, a.s., ČEZ sub-fund (C)	CZ	99.95	2,071	-	1,910	-
Veolia Energie ČR, a.s. <sup>1)</sup>	CZ	-	-	75	403	-
<b>Total financial assets at fair value</b>			<b>5,244</b>	<b>75</b>	<b>6,027</b>	<b>-</b>
<b>Total</b>			<b>150,830</b>	<b>9,255</b>	<b>127,803</b>	<b>12,147</b>

<sup>1)</sup> The share in Veolia Energie ČR, a.s., was reclassified to assets classified as held for sale in 2024 (see Note 13).

<sup>2)</sup> Equity interest is equal to voting rights as at December 31, 2024.

Used country shortcuts: CZ – Czech Republic, HU – Hungary, LU – Luxembourg, NL – Netherlands.

Movements in investments in share of subsidiaries, associates and joint-ventures at cost in 2024 and 2023 were as follows (in CZK millions):

<b>Net investments at January 1, 2024</b>	121,776
Additions – new companies:	
Czech Gas Networks S.à r.l.	13,727
ČEZ PV & Wind a.s.	596
ČEZ Trade, a.s.	50
FVE Mydlovary, s.r.o.	8
Additions – cash and non-monetary contributions to equity:	
ČEZ ESCO, a.s.	3,168
Elektrárna Dukovany II, a. s.	1,120
ČEZ ICT Services, a. s.	571
CEZ Holdings B.V.	480
<b>Total additions</b>	19,720
Decreases – decrease of equity with payment:	
ČEZ OZ uzavřený investiční fond a.s.	(924)
CEZ Bulgarian Investments B.V.	(48)
<b>Total decreases</b>	(972)
Impairment provisions – additions (see Note 34):	
Ústav aplikované mechaniky Brno, s.r.o.	(45)
MARTIA a.s.	(15)
Elektrárna Temelín II, a. s.	(10)
Impairment provisions – reversals (see Note 34):	
Energotrans, a.s. <sup>1)</sup>	3,289
CEZ Holdings B.V.	1,608
CEZ Hungary Ltd.	233
ČEZ Teplárenská, a.s.	2
<b>Total impairment provisions</b>	5,062
<b>Net investments at December 31, 2024</b>	145,586

<sup>1)</sup> The reversal of impairment loss related to interest in the company Energotrans, a.s., in 2024 was mainly due to the reduction in the discount rate from 8.3% to 7.3%, as a result of a change in the technical configuration of new combined cycle power sources, and also with regard to the positive outlook for future regulatory support for combined heat and power generation from combined cycle power plants.

<b>Net investments at January 1, 2023</b>	113,197
Additions – cash and non-monetary contributions to equity:	
CEZ Holdings B.V.	9,139
ČEZ ICT Services, a. s.	577
Elektrárna Dukovany II, a. s.	540
MARTIA a.s.	300
ÚJV Řež, a. s.	239
Other	171
<b>Total additions</b>	10,966
Decreases – decrease of equity with payment:	
CEZ Bulgarian Investments B.V.	(234)
Decreases – merger:	
Elektrárna Dětmarovice, a.s.	(2,046)
Decreases – liquidation:	
CEZ Srbija d.o.o. – u likvidaciji	(31)
CEZ Finance B.V.	(1)
<b>Total decreases</b>	(2,312)
Impairment provisions – additions (see Note 34):	
Ústav aplikované mechaniky Brno, s.r.o.	(28)
ČEZ Teplárenská, a.s.	(25)
CEZ Bulgarian Investments B.V.	(10)
Elektrárna Temelín II, a. s.	(9)
Other	(3)
<b>Total impairment provisions</b>	(75)
<b>Net investments at December 31, 2023</b>	121,776

## 6. Intangible Assets

Intangible assets at December 31, 2024 and 2023, are as follows (in CZK millions):

	Software	Rights and other	Intangibles in progress	Total
Cost at January 1, 2024	3,531	1,791	642	5,964
Additions	-	-	421	421
Disposals	(18)	(181)	-	(199)
Bring to use	178	344	(522)	-
Effect of business combinations	16	-	-	16
Other	7	1	(2)	6
Cost at December 31, 2024	3,714	1,955	539	6,208
Accumulated amortization at January 1, 2024	(3,073)	(1,186)	-	(4,259)
Amortization	(135)	(30)	-	(165)
Disposals	18	181	-	199
Effect of business combinations	(14)	-	-	(14)
Accumulated amortization at December 31, 2024	(3,204)	(1,035)	-	(4,239)
Intangible assets at December 31, 2024	510	920	539	1,969

  

	Software	Rights and other	Intangibles in progress	Total
Cost at January 1, 2023	2,381	1,726	318	4,425
Additions	-	-	506	506
Disposals	(13)	(8)	-	(21)
Bring to use	135	72	(207)	-
Effect of business combinations	1,006	1	25	1,032
Other	22	-	-	22
Cost at December 31, 2023	3,531	1,791	642	5,964
Accumulated amortization at January 1, 2023	(2,113)	(1,169)	-	(3,282)
Amortization	(126)	(24)	-	(150)
Disposals	13	8	-	21
Effect of business combinations	(847)	(1)	-	(848)
Accumulated amortization at December 31, 2023	(3,073)	(1,186)	-	(4,259)
Intangible assets at December 31, 2023	458	605	642	1,705

Research and development costs, net of grants and subsidies received, that are not eligible for capitalization have been expensed in the period incurred and amounted to CZK 415 million and CZK 383 million in 2024 and 2023, respectively.



## 7. Investment Properties

Investment properties at December 31, 2024 and 2023, are as follows (in CZK millions):

	Buildings	Land	Construction work in progress	Total
Cost at January 1, 2024	714	39	10	763
Additions	-	-	13	13
Disposals	(8)	-	-	(8)
Bring into use	2	-	(2)	-
Reclassification	(34)	51	(1)	16
Cost at December 31, 2024	674	90	20	784
Accumulated depreciation at January 1, 2024	(379)	(2)	-	(381)
Depreciation	(13)	-	-	(13)
Net book value of assets disposed	(4)	-	-	(4)
Disposals	8	-	-	8
Reclassification	44	-	-	44
Impairment losses reversed	2	-	-	2
Accumulated depreciation and impairment at December 31, 2024	(342)	(2)	-	(344)
Investment properties at December 31, 2024	332	88	20	440

  

	Buildings	Land	Construction work in progress	Total
Cost at January 1, 2023	820	44	10	874
Additions	-	-	16	16
Disposals	-	-	(1)	(1)
Bring into use	12	-	(12)	-
Reclassification	(118)	(5)	(3)	(126)
Cost at December 31, 2023	714	39	10	763
Accumulated depreciation at January 1, 2023	(435)	(2)	-	(437)
Depreciation	(15)	-	-	(15)
Reclassification	66	-	-	66
Impairment losses reversed	5	-	-	5
Accumulated depreciation and impairment at December 31, 2023	(379)	(2)	-	(381)
Investment properties at December 31, 2023	335	37	10	382

The most significant investments properties were subject to an expert assessment in order to determine their fair value. Considering the current situation on the real estate market, it was determined using the income method that the fair value of the assessed investments as at December 31, 2024 and 2023, is by CZK 48 million and CZK 74 million, respectively, higher compared

to their book value. Therefore, the best estimate of the fair value of investment property is CZK 488 million and CZK 456 million as at December 31, 2024 and 2023, respectively.

Investment properties mainly represent investments in buildings and land, where an insignificant part is used by the Company in the ordinary course of business, whereas these assets are leased to the Group's companies.

The following are the amounts related to investment properties and recognized in profit or loss (in CZK millions):

	2024	2023
Rental income from investment properties	43	51
Direct operating expenses (including repairs and maintenance) related to investment properties generating rental income	(43)	(41)
Total profit arising from investment properties	-	10

## 8. Cash and Cash Equivalents

The overview of cash and cash equivalents at December 31, 2024 and 2023, was as follows (in CZK millions):

	2024	2023
Current accounts with banks	498	1,256
Term deposits	32,378	2,473
Reverse repurchase agreements	-	1,952
Allowances	(8)	(1)
Total	32,868	5,680

At December 31, 2024 and 2023, cash and cash equivalents included balances in foreign currencies in the amount of CZK 17,810 million and CZK 3,363 million, respectively.

At December 31, 2024 and 2023, weighted average interest rate for term deposits including transactions of reverse repurchase agreements was 3.4% and 4.7%, respectively. For the years 2024 and 2023, the weighted average interest rate was 4.8% and 6.5%, respectively.

## 9. Trade and Other Receivables

The overview of trade and other receivables at December 31, 2024 and 2023, was as follows (in CZK millions):

	2024	2023
Trade receivables	38,522	65,336
Margin calls	17,089	19,926
Collaterals	910	1,869
Allowances	(474)	(246)
Total	<u>56,047</u>	<u>86,885</u>

The information about receivables from related parties is included in Note 38.

At December 31, 2024 and 2023, the ageing analysis of trade and other receivables was as follows (in CZK millions):

	2024	2023
Not past due	55,947	86,809
Past due:		
less than 3 months	79	71
3–6 months	2	2
6–12 months	19	3
Total	<u>56,047</u>	<u>86,885</u>

Receivables include impairment allowances based on the collective assessment of impairment of receivables that are not individually significant.

The overview of movements in allowances for doubtful receivables was as follows (in CZK millions):

	2024	2023
Balance at January 1	(246)	(322)
Additions	(294)	(48)
Reversals	59	124
Effect of business combinations	7	-
Balance at December 31	<u>(474)</u>	<u>(246)</u>

## 10. Materials and Supplies

The overview of materials and supplies at December 31, 2024 and 2023 (in CZK millions):

	2024	2023
Material in stock	8,293	7,319
Gas storage	3,190	3,098
Advances on inventory provided	395	86
Other supplies	41	28
Allowances for obsolescence	(66)	(43)
Total	<u>11,853</u>	<u>10,488</u>

## 11. Emission Rights

The following table summarizes the movements in the quantity (in thousand tons) and book value of emission rights held by the Company during 2024 and 2023 (in CZK millions):

	2024		2023	
	in thousands tons	in CZK millions	in thousands tons	in CZK millions
<u>Emission rights for own use:</u>				
Emission rights for own use at January 1	12,661	17,575	12,644	14,789
Merger Elektrárna Dětmarovice, a.s.	-	-	1,515	2,289
Emission rights granted	105	-	157	-
Settlement with register	(11,175)	(15,507)	(12,220)	(15,101)
Emission rights purchased	9,913	20,083	10,565	15,598
Emission rights for own use at December 31	<u>11,504</u>	<u>22,151</u>	<u>12,661</u>	<u>17,575</u>
<u>Emission rights held for trading:</u>				
Emission rights held for trading at January 1	2,930	5,595	3,291	6,415
Settlement with register	(596)	(963)	(737)	(1,640)
Emission rights purchased	7,900	12,916	47,190	95,543
Emission rights sold	(8,905)	(13,934)	(46,814)	(94,458)
Fair value adjustment	-	(1,239)	-	(265)
Emission rights held for trading at December 31	<u>1,329</u>	<u>2,375</u>	<u>2,930</u>	<u>5,595</u>

At December 31, 2024 and 2023, guarantees of origin are part of the line item Emission rights in the amount of CZK 6 million and CZK 26 million, respectively.

In 2024 and 2023, total emissions of greenhouse gases made by the Company amounted to an equivalent of 11,797 thousand tons and 11,771 thousand tons of CO<sub>2</sub>, respectively. At December 31, 2024 and 2023, the Company recognized a provision for CO<sub>2</sub> emissions in total amount of CZK 22,625 million and CZK 16,645 million, respectively (see Notes 2.10 and 21). As a result of the merger, the net assets of the defunct company Elektrárna Dětmarovice, a.s., were transferred to ČEZ, a. s., as the successor company on January 1, 2023. The Company merged a provision for CO<sub>2</sub> emissions in total amount of CZK 1,616 million and made settlement of emissions for 2022 in the amount of 1,072 thousand tons of CO<sub>2</sub>.

## 12. Other Current Assets

Other current assets at December 31, 2024 and 2023, were as follows (in CZK millions):

	2024	2023
Prepayments	638	694
Grants, taxes and fees, except income tax	2,275	1,699
Advances paid	1,700	1,079
Accruals	10,246	1,323
Total	<u>14,859</u>	<u>4,795</u>

### 13. Assets Classified as Held for Sale

On February 4, 2025, an agreement with the company VEOLIA ENERGIE INTERNATIONAL S.A. on the sale of a 15% interest of the company Veolia Energie ČR, a.s., was signed. The book value of 15% interest held by the Company at December 31, 2024, is CZK 1,356 million.

### 14. Proceeds from Disposal of Subsidiaries, Associates and Joint-ventures and Original Investments Repayments

The following table summarizes total cash flows related to the proceeds from the sale of subsidiaries, associates and joint-ventures and the repayments of original investments at December 31, 2024 and 2023 (in CZK millions):

	2024	2023
Cash received from sale of share in company Elektrárna Počerady, a.s.	-	2,500
Cash received from sale of share in Akcez group	-	223
Repayments of original investments	1,003	235
Cash received from other sales	-	1
Total cash flow	1,003	2,959

### 15. Other Non-cash Expenses and Income

The following table provides the overview of other non-cash expenses and income at December 31, 2024 and 2023 (in CZK millions):

	2024	2023
Cash flow hedges reclassified to statement of income without effect of foreign exchange rate loss (gain)	(14,684)	22,230
Impairment of non-current financial assets	(5,051)	140
Fair value adjustment of emission rights held for trading and guarantees of origin	1,293	265
Creation of long-term bonus recognized in profit or loss	515	1,756
Revaluation of the investments in ČEZ's investment funds at Inven Capital, SICAV, a.s., to fair value	380	565
Impairment of trade and other receivables	240	(97)
Allowance for obsolescence	28	49
Other	(6)	(82)
Total	(17,285)	24,826

### 16. Equity

The Company's stated capital registered in the Commercial Register is CZK 53,798,975,900 as at December 31, 2024 and 2023. It consists of 537,989,759 shares with a par value of CZK 100. All shares are fully paid; they are dematerialized, bearer, quoted shares. The rights and obligations attached to the Company's shares are governed by applicable law as set down in Section 210 et seq. of Act No. 89/2012 Coll., Civil Code, as amended, and Section 243 et seq. of Act No. 90/2012 Coll., Business Corporations Act, as amended. No special rights or restrictions are attached to the Company's shares. Pursuant to Section 256(1) of the Business Corporations Act, shareholder rights attached to the shares are to participate, in compliance with the Act and the Company's bylaws, in Company management and receive a portion of its profits or its liquidation surplus when wound up with liquidation.

As at December 31, 2024 and 2023, the Company held 1,179,512 pieces of treasury shares. Treasury shares are recognized at cost in the balance sheet as an item reducing equity.

The payment of dividends of CZK 52 and CZK 145 per share, before tax, was approved in 2024 and 2023, respectively. Dividends for 2024 will be approved at the Company's General Meeting that will be held in the first half of 2025.

### Capital Structure Management

The primary objective of the Company's capital structure management is to maintain its credit rating at an investment grade and a level that is standard in the sector and to maintain a healthy ratio of equity to borrowed capital to support the Group's business and maximize value for shareholders. The Company monitors its capital structure and makes adjustments to it with a view to changes in the business environment.

The Company monitors its capital structure using the net debt to EBITDA ratio. Considering the current structure and stability of its cash flows and its development strategy, the Group aims to keep the ratio at 3.5 as maximum.

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

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

	2024	2023
Total long-term debt	243,597	161,596
Total short-term loans	2,552	7,314
Total long-term debt associated with assets classified as held for sale	99	-
Total debt	246,248	168,910
Less:		
Cash and cash equivalents	(40,324)	(10,892)
Cash and cash equivalents classified as held for sale	(95)	-
Highly liquid financial assets:		
Short-term debt financial assets	(3,077)	(6,657)
Long-term term deposits	-	(66)
Total net debt	202,752	151,295
Income before income taxes and other income (expenses)	93,443	84,512
Depreciation and amortization	41,709	35,336
Impairment of property, plant and equipment and intangible assets	2,558	5,300
Gains and losses on sale of property, plant and equipment	(248)	(309)
EBITDA	137,462	124,839
Net debt to EBITDA ratio	1.47	1.21

## 17. Long-term Debt

The overview of long-term debt at December 31, 2024 and 2023, is as follows (in CZK millions):

	2024	2023
3.005% Eurobonds, due 2038 (JPY 12,000 million)	1,866	1,910
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,245	1,274
4.875% Eurobonds, due 2025 (EUR 750 million)	19,540	19,173
4.375% Eurobonds, due 2042 (EUR 50 million)	1,265	1,241
4.500% Eurobonds, due 2047 (EUR 50 million)	1,262	1,238
4.383% Eurobonds, due 2047 (EUR 80 million)	2,044	2,006
3.000% Eurobonds, due 2028 (EUR 725 million)	18,731	18,433
0.875% Eurobonds, due 2026 (EUR 750 million)	18,840	18,464
2.375% Eurobonds, due 2027 (EUR 600 million)	15,323	15,020
4.250% Eurobonds, due 2032 (EUR 750 million)	19,230	-
4.125% Eurobonds, due 2031 (EUR 700 million)	17,759	-
5.625% U.S. bonds, due 2042 (USD 300 million)	7,319	6,754
4.500% Registered bonds, due 2030 (EUR 40 million)	1,003	984
4.700% Registered bonds, due 2032 (EUR 40 million)	1,040	1,021
4.270% Registered bonds, due 2047 (EUR 61 million)	1,522	1,493
3.550% Registered bonds, due 2038 (EUR 30 million)	774	760
Total bonds and debentures	128,763	89,771
Less: Current portion	(21,071)	(1,469)
Bonds and debentures, net of current portion	107,692	88,302
Long-term bank loans, other loans <sup>1)</sup> and lease liabilities:		
Less than 2% p.a.	4,703	5,439
2.00 to 2.99% p.a.	16	430
3.00 to 3.99% p.a.	23,084	24,943
4.00 to 4.99% p.a.	15,775	18,633
5.00 to 5.99% p.a.	328	12,584
From 6.00% p.a.	171	300
Total long-term bank loans, other loans and lease liabilities	44,077	62,329
Less: Current portion	(3,102)	(27,987)
Long-term bank loans, other loans and lease liabilities, net of current portion	40,975	34,342
Total long-term debt	172,840	152,100
Less: Current portion	(24,173)	(29,456)
Total long-term debt, net of current portion	148,667	122,644

<sup>1)</sup> At December 31, 2023, other loans represent mainly long-term loan provided by the Ministry of Finance of the Czech Republic in the amount of EUR 1 billion to cover the liquidity risk associated to potential immediate increase of requests for extraordinary increase of margin calls on energy stock exchange and towards business counterparties. The loan was repaid in 2024.

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

All long-term debt is recognized in original currencies while the related hedging derivatives are recognized using the method described in Note 2.12.

Future maturities of long-term debt are as follows (in CZK millions):

	2024	2023
Current portion	24,173	29,456
Between 1 year and 2 years	21,815	23,020
Between 2 and 3 years	19,341	22,951
Between 3 and 4 years	23,570	20,346
Between 4 and 5 years	9,558	28,171
Thereafter	74,383	28,156
Total long-term debt	<u>172,840</u>	<u>152,100</u>

The following table analyses long-term debt by currency (in millions):

	2024		2023	
	Foreign currency	CZK	Foreign currency	CZK
EUR	6,427	161,874	5,730	141,673
USD	302	7,319	302	6,754
JPY	20,138	3,111	20,135	3,184
CZK		536		489
Total long-term debt		<u>172,840</u>		<u>152,100</u>

Long-term debt exposes the Company to interest rate risk. The following table summarizes long-term debt by reprising dates of interest rates at December 31, 2024 and 2023, without considering interest rate hedging (in CZK millions):

	2024	2023
Floating rate long-term debt with interest rate fixed from 3 months to 1 year	37,804	30,927
Fixed rate long-term debt	<u>135,036</u>	<u>121,173</u>
Total long-term debt	<u>172,840</u>	<u>152,100</u>

Fixed rate long-term debt exposes the Company to the risk of changes in fair values of these financial instruments. For related fair value information and risk management policies of all financial instruments see Notes 19 and 20.



The following table analyses changes in liabilities and receivables arising from financing activities in 2024 and 2023 (in CZK millions):

	Debt	Other long-term financial liabilities	Derivatives and other short-term financial liabilities	Derivatives and other current financial assets	Total liabilities / assets from financing activities
Amount at December 31, 2022	193,706	38,659	358,311	(304,894)	244,404
Less: Liabilities / assets from other than financing activities	-	(37,410)	(303,932)	299,964	
Liabilities / assets from financing activities at January 1, 2023	193,706	1,249	54,379	(4,930)	244,404
Cash flows	(36,732)	5	(75,857)	(1,854)	(114,438)
Additions of leases and premature termination	297	-	-	-	297
Foreign exchange movement	(1,517)	-	(30)	-	(1,547)
Changes in fair values	3,626	-	-	-	3,626
Effect of business combinations	(9)	-	(304)	269	(44)
Approved dividends	-	-	77,809	-	77,809
Reclassification	-	(935)	935	-	-
Other <sup>1)</sup>	(31)	847	(80)	(12)	724
Liabilities / assets from financing at December 31, 2023	159,340	1,166	56,852	(6,527)	210,831
Liabilities / assets arising from other than financing activities	-	3,197	83,029	(119,483)	
Total amount on balance sheet at December 31, 2023	<u>159,340</u>	<u>4,363</u>	<u>139,881</u>	<u>(126,010)</u>	
Less: Liabilities / assets from other than financing activities		(3,197)	(83,029)	119,483	
Liabilities / assets arising from financing activities at January 1, 2024	159,340	1,166	56,852	(6,527)	210,831
Cash flows	10,886	4	(27,363)	2,546	(13,927)
Additions of leases and premature termination	823	-	-	-	823
Foreign exchange movement	168	-	(25)	-	143
Changes in fair values	3,166	-	-	-	3,166
Approved dividends	-	-	27,875	-	27,875
Reclassification	-	(1,019)	1,019	-	-
Other <sup>1)</sup>	656	601	(186)	20	1,091
Liabilities / assets from financing at December 31, 2024	175,039	752	58,172	(3,961)	230,002
Liabilities / assets arising from other than financing activities	-	7,230	48,477	(55,819)	
Total amount on balance sheet at December 31, 2024	<u>175,039</u>	<u>7,982</u>	<u>106,649</u>	<u>(59,780)</u>	

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

The column Debt consists of balance sheet items Long-term debt, net of current portion, Current portion of long-term debt and Short-term loans. In terms of financing activities, item Other long-term financial liabilities consists of long-term payables, which have the financing character, item Derivatives and other short-term financial liabilities consists of dividend payables, payables from Group cash pooling and other short-term financial payables including current portion of long-term financial liability, item Derivatives and other current financial assets consists of receivables from Group cash pooling and advanced payments to dividend administrator.

## 18. Trade Payables

The overview of trade payables at December 31, 2024 and 2023 (in CZK millions):

	2024	2023
Payables to suppliers, excluding payables from non-current assets purchase	19,899	36,170
Accruals	5,681	3,377
Payables from non-current assets purchase	1,961	2,106
Collaterals	1,596	2,208
Payables to employees	498	448
Other trade payables	1,088	1,345
Total	30,723	45,654

## 19. Fair Value of Financial Instruments

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

The Company uses the following methods and assumptions to determine the fair value of each class of financial instruments:

### Cash, Cash Equivalents and Short-term Investments

The fair value of cash and other current financial assets is deemed to be the carrying amount due to their relatively short maturity.

### Securities Held for Trading

The fair value of current equity and debt securities held for trading is based on their market price.

### Non-current Debt and Equity Financial Assets

The fair value of non-current debt and equity financial assets that are publicly traded in an active market is based on their quoted market price. The fair value of non-current and equity financial assets that are not publicly traded in an active market is determined using appropriate valuation techniques.

### Short-term Receivables and Payables

The fair value of receivables and payables is deemed to be the carrying amount due to their relatively short maturity.

### Short-term Borrowings

The fair value of these financial instruments corresponds to the carrying amount due to their short maturity.

### Long-term Debt

The fair value of long-term debt is deemed to be the market value of identical or similar instruments, or the measurement is based on current interest rates on debt with the same maturity. The fair value of long-term debt with a variable interest rate is deemed to be the carrying amount.

### Derivatives

The fair value of derivatives corresponds to their market value.

The overview of carrying amounts and the estimated fair values of financial assets (except for derivatives) at December 31, 2024 and 2023, is as follows (in CZK millions):

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Non-current assets at amortized cost:</u>				
Loans granted	35,276	36,118	29,795	29,668
Receivables from the sale of subsidiaries	-	-	10	10
Other financial receivables	694	713	4,551	4,551
<u>Non-current assets at fair value through other comprehensive income:</u>				
Restricted debt securities	19,910	19,910	18,090	18,090
Equity financial assets	-	-	403	403
<u>Non-current assets at fair value through profit or loss:</u>				
Equity financial assets	5,244	5,244	5,624	5,624
<u>Current assets at fair value through other comprehensive income:</u>				
Debt financial assets	3,077	3,077	6,657	6,657
<u>Current assets at amortized cost:</u>				
Cash and cash equivalents	32,868	32,868	5,680	5,680
Trade and other receivables	56,047	56,047	86,885	86,885
Loans granted	2,633	2,633	2,549	2,549
Receivables from the sale of subsidiaries	10	10	31	31
Other financial receivables	4,093	4,093	6,628	6,628
<u>Assets classified as held for sale at fair value through other comprehensive income:</u>				
Equity financial assets	1,356	1,356	-	-

The overview of carrying amounts and the estimated fair values of financial liabilities (except for derivatives) at December 31, 2024 and 2023, is as follows (in CZK millions):

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt <sup>1)</sup>	(171,262)	(172,551)	(151,035)	(149,974)
Other long-term financial liabilities	(830)	(830)	(1,166)	(1,166)
Short-term loans	(2,199)	(2,199)	(7,240)	(7,240)
Other short-term financial liabilities	(61,447)	(61,447)	(56,852)	(56,852)

<sup>1)</sup> The value of long-term debt is disclosed without lease liabilities, whose fair value is not disclosed (carrying amount as at December 31, 2024 and 2023, is CZK (1,578) million and CZK (1,065) million, respectively).

The overview of carrying amounts and the estimated fair values of derivatives at December 31, 2024 and 2023, is as follows (in CZK millions):

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<u>Cash flow hedges:</u>				
Short-term receivables	17,049	17,049	22,296	22,296
Long-term receivables	8,699	8,699	20,706	20,706
Short-term liabilities	(1,793)	(1,793)	(8,236)	(8,236)
Long-term liabilities	(7,152)	(7,152)	(2,578)	(2,578)
<u>Commodity derivatives:</u>				
Short-term receivables	31,997	31,997	85,850	85,850
Short-term liabilities	(41,896)	(41,896)	(73,655)	(73,655)
<u>Other derivatives:</u>				
Short-term receivables	921	921	1,999	1,999
Long-term receivables	-	-	126	126
Short-term liabilities	(1,513)	(1,513)	(1,138)	(1,138)
Long-term liabilities	-	-	(619)	(619)

### 19.1. Fair Value Hierarchy of Financial Instruments

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

- Level 1: Measured at fair value using the market prices of identical assets and liabilities quoted in active markets.
- Level 2: Measured at fair value using methods under which significant inputs are directly or indirectly derived from data observable in active markets.
- Level 3: Measured at fair value using methods under which significant inputs are not derived from data observable in active markets.

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

In 2024, there was a transfer of financial instrument measured at fair value from level 3 to level 2, which was connected to a 15% interest in the company Veolia Energie ČR, a.s., in the portfolio of equity financial assets at fair value through other comprehensive income. At December 31, 2024, the fair value was stated based on market price – concluded sales contract. There were no transfers between levels of financial instruments measured at fair value in 2023.

As at December 31, 2024, the fair value hierarchy was the following (in CZK millions):

Assets measured at fair value:

	Total	Level 1	Level 2	Level 3
Commodity derivatives	31,997	16,859	14,293	845
Cash flow hedge derivatives	25,748	19,266	6,482	-
Other derivatives	921	-	921	-
Restricted debt financial assets	19,910	19,910	-	-
Debt instruments at fair value through other comprehensive income	3,077	3,077	-	-
Equity financial assets classified as held for sale at fair value through other comprehensive income	1,356	-	1,356	-
Equity financial assets at fair value through profit or loss	5,244	-	-	5,244

Liabilities measured at fair value:

	Total	Level 1	Level 2	Level 3
Commodity derivatives	(41,896)	(19,735)	(20,846)	(1,315)
Cash flow hedge derivatives	(8,945)	(2,569)	(6,376)	-
Other derivatives	(1,513)	-	(1,513)	-

Assets and liabilities for which fair value is disclosed:

	Total	Level 1	Level 2	Level 3
Loans granted	36,118	-	36,118	-
Receivables from the sale of subsidiaries	10	-	10	-
Other financial receivables	4,806	-	4,806	-
Long-term debt	(172,551)	(125,682)	(46,869)	-
Short-term loans	(2,199)	-	(2,199)	-
Other financial liabilities	(62,277)	-	(62,277)	-

As at December 31, 2023, the fair value hierarchy was the following (in CZK millions):

Assets measured at fair value:

	Total	Level 1	Level 2	Level 3
Commodity derivatives	85,850	10,831	70,830	4,189
Cash flow hedge derivatives	43,002	31,954	11,048	-
Other derivatives	2,125	-	2,125	-
Restricted debt securities	18,090	18,090	-	-
Debt instruments at fair value through other comprehensive income	6,657	6,657	-	-
Equity financial assets at fair value through profit or loss	403	-	-	403
Equity financial assets at fair value through profit or loss	5,624	-	-	5,624

Liabilities measured at fair value:

	Total	Level 1	Level 2	Level 3
Commodity derivatives	(73,655)	(36,700)	(32,517)	(4,438)
Cash flow hedge derivatives	(10,814)	(5,495)	(5,319)	-
Other derivatives	(1,757)	-	(1,757)	-

Assets and liabilities for which fair value is disclosed:

	Total	Level 1	Level 2	Level 3
Loans granted	29,668	-	29,668	-
Receivables from the sale of subsidiaries	41	-	41	-
Other financial receivables	11,179	-	11,179	-
Long-term debt	(149,974)	(84,395)	(65,579)	-
Short-term loans	(7,240)	-	(7,240)	-
Other financial liabilities	(58,018)	-	(58,018)	-

The Company negotiates derivative financial instruments with various counterparties, especially large groups operating in the energy sector and large financial institutions with high credit ratings. Derivatives that are measured by means of techniques using market inputs include, in particular, commodity forward and futures contracts, foreign exchange forward contracts, interest rate swaps, and options. The most frequently applied valuation methods use commodity price curves, swap models, present value calculations, and option pricing models (e.g., Black-Scholes, Black-76). The models use various inputs including the forward curves of underlying commodities, foreign exchange spot and forward rates, and interest rate curves.

The following table shows roll forward of the financial assets measured at fair value – Level 3, for the years ended December 31, 2024 and 2023 (in CZK millions):

	Equity financial assets at fair value through profit or loss	Equity financial assets at fair value through other comprehensive income	Commodity derivatives
Balance at January 1, 2023	5,360	709	1,294
Additions	1,450	-	-
Disposals	(622)	-	(16,381)
Revaluation	(564)	(306)	14,838
Balance at December 31, 2023	5,624	403	(249)
Additions	-	-	-
Disposals	-	-	(6,661)
Revaluation	(380)	-	6,440
Reclassification to level 2 <sup>1)</sup>	-	(403)	-
Balance at December 31, 2024	5,244	-	(470)

<sup>1)</sup> As at December 31, 2024, there was reclassification to level 2 with regard to available market price resulting from the concluded sales contract. The revaluation gain as at December 31, 2024, was CZK 953 million and is disclosed already within the fair value level 2.

The most significant investment in the portfolio of Equity financial assets at fair value through other comprehensive income (including assets classified as held for sale) is a 15% interest in company Veolia Energie ČR, a.s. The company's shares are not traded in any market. The fair value at December 31, 2024, corresponds to the sale price of the asset according to the concluded sales contract (see Note 13). The fair value at December 31, 2023, was determined using available public information on EBITDA and usual EBITDA multiples which corresponds to the purchase price of a 100% stake in a company in transactions observed in the market in the industry in question before adjustment for the amount of debt. The fair value at December 31, 2023, was determined using 5 EBITDA multiple as the best estimate of the fair value.

Equity financial assets at fair value through profit or loss include an investment in ČEZ's investment funds at Inven Capital, SICAV, a.s. (see Note 5). The fair value of the investments as at December 31, 2024 and 2023, was determined by a valuation expert. The determination of fair value takes into consideration, in particular, capital contributions and other forms of funding recently provided by co-investors. In addition, the measurement takes into account future development and any subsequent significant events, such as received offers to buy a share.

Commodity derivatives measured at fair value in Level 3 include cross-border electricity transmission rights (hereinafter referred to as "cross-border capacities") and gas contracts with delivery in regions where the market is not sufficiently active throughout the duration of the contract. Cross-border capacities are sold in auctions organized by auction offices covering transmission system operators or in auctions organized directly by transmission system operators. Cross-border capacities are not traded on an organized market. The fair value of cross-border capacities, which represents an estimate of the expected value of compensation for unused cross-border capacities, takes into account especially the acquisition price of purchased capacities and the forward prices of electricity in the respective countries. The fair value of contracts for the purchase and sale of gas on insufficiently active markets is derived from the nearest active market, and the location spread is determined using a valuation model that makes maximum use of available market data.

## 19.2. Offsetting of Financial Instruments

The following table shows the recognized financial instruments that are offset, or subject to enforceable master netting agreement or other similar agreements but not offset, as at December 31, 2024 and 2023 (in CZK millions):

	2024		2023	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Derivatives	58,667	(52,353)	130,976	(86,226)
Other financial instruments <sup>1)</sup>	43,047	(44,241)	85,183	(55,325)
Collaterals paid (received) <sup>2)</sup>	910	(1,596)	1,869	(2,208)
Gross financial assets / liabilities	102,624	(98,190)	218,028	(143,759)
Assets / liabilities set off under IAS 32	-	-	-	-
Amounts presented in the balance sheet	102,624	(98,190)	218,028	(143,759)
Effect of master netting agreements	(73,393)	73,393	(114,414)	114,414
Net amount after master netting agreements	<u>29,231</u>	<u>(24,797)</u>	<u>103,614</u>	<u>(29,345)</u>

<sup>1)</sup> Other financial instruments consist of invoices from derivative trading and are included in the line item Trade and other receivables, or in the line item Trade payables.

<sup>2)</sup> Collaterals paid are included in the line item Trade and other receivables and collaterals received are included in the line item Trade payables.

The Company trades in derivatives under EFET and ISDA master agreements. The agreements allow mutual setoff of receivables and payables on early termination of contracts. The reason for early termination is the counterparty's insolvency or failure to fulfill agreed contract terms. All agreed contracts are settled financially on early termination. Their mutual setoff is either embedded in a contractual provision of the master agreements or results from the collateral provided. In addition, a CSA (Credit Support Annex) has been signed with several partners, defining the permitted limit of exposure between the partners. When the limit is exceeded, cash is transferred to reduce exposure below an agreed level. The deposited cash is also included in the final offset.

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



## 20. Financial Risk Management

### Risk Management Approach

A risk management system is being successfully developed in order to protect the Group's value while taking the level of risk acceptable for the shareholders. In the Group, the risk is defined as a potential difference between the actual and the expected (planned) developments and is measured by means of the extent of such difference in CZK and the likelihood with which such a difference may occur.

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

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

The main business plan market risks are quantified in the Group (EBITDA@Risk based on MonteCarlo simulation in Y+1 to Y+5 horizon). The market risks are actively managed through gradual electricity sales and emission allowances' purchases in the following 6-year horizon, closed long-term contracts for electricity sale and emission allowances' purchase and the FX and IR risk hedging in medium-term horizon. In business plan horizon, the risk management is also based on debt capacity concept which enables to assess the impact of main investment and other activities (incl. the risk characteristics), on expected cash flow and total debt of the Group in order to maintain corporate rating.

Since 2021, a new uniform Enterprise Risk Management scheme is adopted by the Group to be applied to all group-level significant risks. For this level of risks, the scheme integrates, across the process areas of the whole Group, all decentral risk management activities into one, uniform and centrally coordinated process of group-level significant risks management, with the use of the software tool. Since 2024, the scheme is used also for evidence of significant ESG risks which may have adverse material impact on Group's financial statements.

### Risk Management Organization

The supreme authority responsible for risk management is the CFO, ČEZ, a. s., except for approval of the aggregate annual budget risk capital limit (Profit@Risk) within the competence of the ČEZ, a. s., Board of Directors. CFO decides, based on the recommendation of the Risk Management Committee, on the development of a system of risk management, on an overall allocation of risk capital to the individual risks and organizational units, he approves obligatory rules, responsibilities and limit structure for the management of partial risks.

The Risk Management Committee continuously monitors an overall risk impact on the Group, including Group risk limits utilization, status of risks linked to business plan horizon, hedging strategies status, assessment of impact of investment and other activities on potential Group debt capacity and cash flow in order to maintain corporate rating. Since 2021, it also monitors overviews regarding new uniform Enterprise Risk Management scheme.

## Overview and Methods of Risk Management

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

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

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

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

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

- market risks: financial (currency, interest and stock price) risks, commodity prices (electricity, emission allowances, coal, gas, crude oil), volume (volume of electricity produced by wind power plants);
- credit risks: financial and business counterparty risk and electricity, gas and heat end customer risk;
- operational risks: risks of nuclear and fossil power plants operation, investment risks.

The development of quantified risks is reported to the Risk Management Committee every month through 3 regular reports:

- Annual budget risks (aggregated annual risk capital, resp. Profit@Risk limit utilization);
- Business plan risks (EBITDA@Risk based on MonteCarlo simulation);
- Debt capacity (actual deviation from the optimal debt within Y+5 horizon, derived from rating agency requirements on debt indicators in order to preserve the ČEZ rating).

### **20.1. Qualitative Description of ČEZ, a. s., Risks Associated with Financial Instruments**

#### Commodity Risks

The development of electricity, emission allowances, coal and gas prices is a key risk factor of the ČEZ value. The current system of commodity risk management is focused on (i) the margin from the own electricity production sales, i.e., from trades resulting in optimizing the sales of ČEZ's production and in optimizing the emission allowances position for production (the potential risk is managed on the EaR, VaR and the EBITDA@Risk bases), and (ii) the margin from the proprietary trading of commodities (the potential risk is managed on the VaR basis).

## Market Financial Risks (Currency and Interest Risks)

The development of foreign exchange rates and interest rates is a significant risk factor of the ČEZ value. The current system of financial risk management is focused mainly on (i) the future cash flows and (ii) financial trades which are realized for the purposes of an overall risk position management in accordance with the risk limits (the potential risk is managed on the basis of VaR, EBITDA@Risk and complementary position limits). Own financial instruments (i.e., active and passive financial trades and derivative trades) are realized entirely in the context of an overall expected cash flows (including operational and investment foreign currency flows).

## Credit Risks

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

Company's maximum exposure to credit risk to receivables and other financial instruments as at December 31, 2024 and 2023, is the carrying value of each class of financial assets except for financial guarantees.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

In accordance with the credit risk methodology applied to the banking sector per Basel II, every month the expected and potential losses are quantified on a 95% confidence level. It means that the share of all the above credit risks in the aggregate annual risk capital limit (Profit@Risk) limit is quantified and evaluated.

## Liquidity Risks

Liquidity risk is primarily perceived as an operational risk (risk of liquidity management) and a risk factor is the internal ability to effectively manage the future cash flows planning process and to secure the adequate liquidity and effective short-term financing (the risk is managed on a qualitative basis). The fundamental liquidity risk management (i.e., liquidity risk within the meaning for banking purposes) is covered by the risk management system as a whole. In any given period, the future deviations of the expected cash flows are managed in accordance with the aggregate risk limit and in the context of the actual and the targeted debt/equity ratio of ČEZ. Other tools used for liquidity risk management are the regularly evaluated Margin@Risk reports and liquidity stress scenario reports, which are mainly used to manage the liquidity risk related to the margin calls requirements. These reports also evaluate the effects of the transactions of the sliding sale of electricity and the purchase of emission rights in the horizon of the next 6 years.

## **20.2. Quantitative Description of ČEZ, a. s., Risks Associated with Financial Instruments**

### Commodity Risks

The required quantitative information on risks (i.e., a potential change of market value resulting from the effects of risk factors as at December 31) was prepared based on the assumptions given below:

- the indicator of risk associated with financial instruments is defined as the monthly parametric VaR (95% confidence) which expresses a maximum potential decrease in fair value of contracts classified as derivatives under IFRS 9 (the underlying commodities in the Company's derivative transactions are: electricity, EUA emission rights, gas, coal ARA, Richards Bay, Newcastle and crude oil and crude oil products) on the given confidence level;
- highly probable forecasted future electricity generation sales with the delivery in the CZ power grid are included in the VAR calculation to reflect the hedging character of significant portion of the existing derivative sales of electricity with delivery in Germany;
- for the calculation of volatility and correlations (between commodity prices), the SMA (Simple Moving Average) method is applied to 60 daily time series;

- the source of market data is mainly EEX, PXE and ICE;
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned financial instruments to Income Statement.

Potential impact of the above risk factors as at December 31 (in CZK millions):

	2024	2023
Monthly VaR (95%) – impact of changes in commodity prices	2,922	1,785

### Currency Risks

The required quantitative information on risks (i.e., a potential change of market value resulting from the effects of currency risk as at December 31) was prepared based on the assumptions given below:

- the indicator of currency risk is defined as the monthly VaR (95% confidence);
- for the calculation of VaR, which is based on volatility and internal correlations of each considered currency, the method of historical simulation VaR is applied to 90 daily historical time series;
- the relevant currency position is defined mainly as a value of foreign currency cash flows from all contracted financial instruments, from expected foreign currency operational revenues and costs in 2025 and from highly probable forecasted foreign currency revenues, costs or capital expenditures that are being hedged by financial instruments etc.;
- the relevant currency positions reflect all significant foreign-currency flows in the monitored basket of foreign currencies;
- the source of market FX and interest rate data is mainly IS Reuters and IS Bloomberg;
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned currency position to Income Statement.

Potential impact of the currency risk as at December 31 (in CZK millions):

	2024	2023
Monthly currency VaR (95% confidence)	289	301

### Interest Risks

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

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

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

	2024	2023
IR sensitivity to parallel yield curve shift (+10bp)	(34)	(22)

## Credit Exposure

The Company is exposed to credit risk on all financial assets presented in the balance sheet as well as credit risk from provided guarantees. Credit exposure from provided guarantees that are not included in the balance sheet, as at December 31 (millions of CZK):

	2024	2023
Guarantees provided to subsidiaries not recorded on balance sheet	11,141	10,363

Provided guarantees are, in particular, warranties for performed contracts and guarantees for bank loans and other liabilities of relevant companies. A beneficiary may only make a warranty claim under the conditions set out in the warranty document, usually following the nonpayment of an amount arising from the contract or on default. At present, companies whose obligations are covered by warranty meet their obligations. Warranties have various expiration dates. At December 31, 2024, there is no latest legal limitation for making a warranty claim and at December 31, 2023, the latest deadline is September 2053.

## Liquidity Risk

Maturity profile of financial liabilities based on contractual undiscounted payments as at December 31, 2024 (in CZK millions):

	Bonds and debentures	Loans and lease payables	Derivatives <sup>1)</sup>	Other financial liabilities	Trade payables	Guarantees issued <sup>2)</sup>
Due in 2025	21,825	3,852	669,360	61,460	30,723	11,141
Due in 2026	20,844	3,992	133,461	607	-	-
Due in 2027	16,911	5,131	32,750	194	-	-
Due in 2028	19,911	5,755	999	31	-	-
Due in 2029	946	9,917	1,841	4	-	-
Thereafter	66,081	19,504	24,808	1	-	-
<b>Total</b>	<b>146,518</b>	<b>48,151</b>	<b>863,219</b>	<b>62,297</b>	<b>30,723</b>	<b>11,141</b>

Maturity profile of financial liabilities based on contractual undiscounted payments as at December 31, 2023 (in CZK millions):

	Bonds and debentures	Loans and lease payables	Derivatives <sup>1)</sup>	Other financial liabilities	Trade payables	Guarantees issued <sup>2)</sup>
Due in 2024	2,805	28,612	438,688	56,852	45,654	10,363
Due in 2025	21,339	5,571	71,023	727	-	-
Due in 2026	20,352	5,451	11,114	368	-	-
Due in 2027	16,500	6,390	1,286	55	-	-
Due in 2028	19,513	10,614	802	15	-	-
Thereafter	29,652	10,533	24,289	1	-	-
<b>Total</b>	<b>110,161</b>	<b>67,171</b>	<b>547,202</b>	<b>58,018</b>	<b>45,654</b>	<b>10,363</b>

<sup>1)</sup> Contractual maturities for derivatives represent contractual cash out-flows of these instruments, but at the same time the Company will receive corresponding consideration. For fair values of derivatives see Note 19.

<sup>2)</sup> Maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Following table shows the exposure to liquidity risk related to requirements for margin calls connected to existing contracts of electricity, gas and emission rights for next 6 years (in CZK millions):

Year	Maximum net amount of margin calls and collaterals	Peak day	Average daily net amount of margin calls and collaterals	Market price <sup>1)</sup> (EUR/MWh)	
				Electricity CAL DE BL Y+1	Gas TTF Y+1
2021	60,816	December 27, 2021	3,680	271	98
2022	195,240	August 29, 2022	86,612	985	312
2023	76,737	January 2, 2023	30,681	214	78
2024	23,986	September 20, 2024	19,137	82	35

<sup>1)</sup> Market price is stated for the trading day preceding the indicated day of the maximum. The product for electricity is calendar baseload with delivery in Germany for following year (Y+1) - at December 31, 2024, the price of this product CAL 2025 DE BL was 97 EUR/MWh, the price of gas relates to natural gas at the trade point TTF with delivery following year – at December 31, 2024, the price of TTF 2025 was 48 EUR/MWh.

The committed credit facilities available to the Company as at December 31, 2024 and 2023, amounted to CZK 57.5 billion and CZK 53.2 billion, respectively. In addition, from the committed loan facility agreements with the European Investment Bank to support financing of the program of renewal and further development of the distribution grid in the Czech Republic the amount of EUR 400 million and EUR 540 million remained available to be drawn down as at December 31, 2024 and 2023, respectively.

### 20.3. Hedge Accounting

The Company hedges cash flows arising from highly probable future sales of electricity in the Czech Republic. Hedging instruments are futures and forward contracts for electricity sales in Germany. The fair value of these derivatives hedging instruments amounted CZK 16,157 million and CZK 32,552 million at December 31, 2024 and 2023, respectively. The result of own-use presales (see Note 2.13) and this hedging strategy as at December 31, 2024, is that for 2025 approximately 90% of expected generation in the Czech Republic was hedged at an average price of EUR 117 per MWh, for 2026 approximately 60% of expected generation at an average price EUR 94 per MWh, for 2027 approximately 28% of expected generation at an average price EUR 80 per MWh and for 2028 approximately 7% at an average price of EUR 73 per MWh.

The Company also hedges cash flows arising from highly probable future revenue in EUR for the purposes of currency risk hedging. The hedged cash flows are expected to occur in 2025–2042. The relevant hedging instruments as at December 31, 2024 and 2023, are the EUR denominated liabilities from the issued Eurobonds and bank loans in the total amount of EUR 6.3 billion and EUR 5.6 billion, respectively, and currency forward contracts and interest rate swaps. The fair value of these derivatives hedging instruments amounted to CZK 648 million and CZK (364) million at December 31, 2024 and 2023, respectively.

In 2024 and 2023, the Company also hedged selected cash flows connected to purchase of emission rights, to cover its CO<sub>2</sub> emission for the year 2024 and 2023 for the purpose of hedging the currency risk associated with the time difference between the time when the emission rights are expensed and the payment for their purchase. The hedge was made by currency swaps. As at December 31, 2024 and 2023, the accumulated value of changes of fair value revaluation, transferred from the equity to the price of emission rights connected with the hedge for purchase of emission rights amounted to CZK 40 million and CZK (131) million, respectively.

The following tables provide an overview of the fair value of hedging derivatives as at December 31, 2024 and 2023 (in CZK millions):

2024			
Unit of measure	Quantity / nominal value <sup>1)</sup>	Carrying amount <sup>2)</sup> (in CZK millions)	Effective hedge amount before tax <sup>3)</sup> (in CZK millions)
Cash flow hedge			
Commodity risk – presale of electricity:			
2025	GWh	(13,061)	15,276
2026	GWh	(15,321)	1,708
2027 and thereafter	GWh	(12,639)	(827)
Commodity risk – electricity, total	GWh	(41,021)	16,157
Foreign currency risk in years 2025–2042	mil. EUR	(6,621)	(159,644)
Foreign currency risk in years 2025–2042	mil. USD	(300)	1,909
Interest rate risk in years 2025–2032	mil. EUR	-	-
Foreign currency and interest rate risk total		(157,735)	(6,034)
Total cash flow hedge		(141,578)	8,880

2023			
Unit of measure	Quantity / nominal value <sup>1)</sup>	Carrying amount <sup>2)</sup> (in CZK millions)	Effective hedge amount before tax <sup>3)</sup> (in CZK millions)
Cash flow hedge			
Commodity risk – presale electricity:			
2024	GWh	(12,033)	14,993
2025	GWh	(18,037)	14,144
2026 and thereafter	GWh	(10,706)	3,415
Commodity risk – electricity, total	GWh	(40,776)	32,552
Foreign currency risk in years 2025–2042	mil. EUR	(8,207)	(140,944)
Foreign currency risk in years 2025–2042	mil. USD	(300)	1,359
Interest rate risk in years 2025–2032	mil. EUR	(100)	(1)
Foreign currency and interest rate risk total		(139,586)	(1,464)
Total cash flow hedge		(107,034)	28,735

<sup>1)</sup> Positive values represent purchase, negative values represent sale.

<sup>2)</sup> Positive values represent receivables, negative values represent payables.

<sup>3)</sup> The value in the column Effective hedge amount before tax also includes values in equity related to terminated hedging instruments (until the realization of the cash flow).

In 2024 and 2023, the amounts removed from equity in respect of cash flow hedges were recognized in profit or loss and included in the line items Sales of electricity, heat and gas, Gains and losses from commodity derivative trading, Other financial expenses and Other financial income. In 2024 and 2023, the Company recognized in profit or loss the ineffectiveness that arises from cash flow hedges in the amount of CZK 2,505 million and CZK (76) million, respectively. The ineffectiveness in 2024 and 2023

was primarily caused by the volatility of electricity price on Czech / German market and unequal price increase / decrease of the electricity on Czech and German market.

The following tables provide an overview of movements in equity before tax, which is related to cash flow hedge in 2024 and 2023 (in CZK millions):

	2024		
	Change in fair value of financial instruments recorded in equity, gross	Reclassification of effective part of hedge to profit or loss / assets	Transfer of ineffective part of hedge to profit or loss
Commodity risk – presale of electricity	1,452	(14,230)	(2,506)
Foreign currency risk – presale of electricity, purchase of emission rights	(3,611)	(1,036)	1
Interest rate risk – interest costs from issued bonds	19	57	-
Total cash flow hedge	<u>(2,140)</u>	<u>(15,209)</u>	<u>(2,505)</u>

  

	2023		
	Change in fair value of financial instruments recorded in equity, gross	Reclassification of effective part of hedge to profit or loss / assets	Transfer of ineffective part of hedge to profit or loss
Commodity risk – presale of electricity	87,735	25,487	92
Foreign currency risk – presale of electricity, purchase of emission rights	(4,206)	(3,305)	(16)
Interest rate risk – interest costs from issued bonds	(2)	58	-
Total cash flow hedge	<u>83,527</u>	<u>22,240</u>	<u>76</u>

The following table provides an overview of movements in equity before tax, which are related to cash flow hedge in 2024 and 2023 and their reconciliation to the statement of comprehensive income (in CZK millions):

	2024	2023
Change in fair value of financial instruments recorded in equity, gross	(2,140)	83,527
Transfer of ineffective part of hedge to profit or loss	<u>(2,505)</u>	<u>76</u>
Change in fair value of cash flow hedges	<u>(4,645)</u>	<u>83,603</u>
Cash flow hedges reclassified to statement of income	(15,249)	22,371
Cash flow hedges reclassified to assets	<u>40</u>	<u>(131)</u>
Total reclassifications of effective part of hedge	<u>(15,209)</u>	<u>22,240</u>



## 21. Provisions

The following is a summary of the provisions at December 31, 2024 and 2023 (in CZK millions):

	2024			2023		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Nuclear provisions	143,170	2,506	145,676	126,226	3,031	129,257
Provision for demolition and dismantling of fossil-fuel power plants	13,378	343	13,721	13,659	125	13,784
Provision for waste storage reclamation	503	8	511	488	8	496
Provision for CO <sub>2</sub> emissions (see Note 11)	-	22,625	22,625	-	16,645	16,645
Provision for employee benefits	2,621	211	2,832	2,567	222	2,789
Provision for legal and commercial disputes	-	627	627	-	617	617
Other provisions	35	29	64	69	29	98
Total	159,707	26,349	186,056	143,009	20,677	163,686

## 21.1. Nuclear Provisions

The Company operates two nuclear power plants. The Dukovany Nuclear Power Plant comprises four units commissioned for continuous operation between 1985 and 1987. The Temelín Nuclear Power Plant consists of two units that were commissioned for continuous operation in 2002 and 2003. The Nuclear Energy Act sets down obligations for nuclear facility decommissioning and disposal of radioactive waste and spent nuclear fuel. In accordance with the Nuclear Energy Act, all the nuclear parts and equipment of a nuclear power plant must be disposed of after the end of operation. For the purpose of determining the amount of nuclear provisions, it is estimated that the Dukovany Nuclear Power Plant will stop generating electricity in 2047, the Temelín Nuclear Power Plant in 2062. Decommissioning cost studies for Dukovany Nuclear Power Plant from 2022 and for Temelín Nuclear Power Plant from 2023 assume that the total costs of decommissioning of so-called nuclear island and conventional part of these power plants will reach the amount CZK 45.3 billion and CZK 36.9 billion, respectively. The Company makes contributions to a restricted bank accounts in the amount of the nuclear provisions recorded under the Nuclear Energy Act. These funds can be invested in government bonds in accordance with legislation. These restricted financial assets are reported in the balance sheet as part of the line item Restricted financial assets (see Note 4).

The Ministry of Industry and Trade established the Radioactive Waste Repository Authority (SÚRAO) as the central organizer and operator of facilities for the final disposal of radioactive waste and spent fuel. The SÚRAO operates, supervises and is responsible for disposal facilities and for disposal of radioactive waste and spent fuel therein. The activities of the SÚRAO are financed through a nuclear account funded by the originators of radioactive waste. Contribution to the nuclear account is stated by Nuclear Energy Act at CZK 55 per MWh produced at nuclear power plants. In 2024 and 2023, the payments to the nuclear account amounted to CZK 1,633 million and CZK 1,673 million, respectively. The originator of radioactive waste and spent fuel directly covers all costs associated with interim storage of radioactive waste and spent fuel.

The Company has established provisions for estimated future expenses on nuclear decommissioning and interim storage and permanent disposal of spent nuclear fuel in accordance with the principles described in Note 2.20.

The following is a summary of the nuclear provisions for the years ended December 31, 2024 and 2023 (in CZK millions):

	Nuclear decommis- sioning	Accumulated provision		
		Spent fuel storage		Total
		Interim	Long-term	
Balance at January 1, 2023	58,901	11,043	40,968	110,912
Discount accretion and effect of inflation	2,886	541	2,007	5,434
Provision charged in profit or loss	-	555	-	555
Effect of change in estimate recognized in profit or loss	-	579	-	579
Effect of change in estimate added to fixed assets	12,367	62	1,835	14,264
Current cash expenditures	-	(815)	(1,672)	(2,487)
Balance at December 31, 2023	74,154	11,965	43,138	129,257
Discount accretion and effect of inflation	3,560	573	2,071	6,204
Provision charged in profit or loss	-	784	-	784
Effect of change in estimate recognized in profit or loss	-	(459)	-	(459)
Effect of change in estimate added to (deducted from) fixed assets	(10,721)	-	22,852	12,131
Current cash expenditures	-	(608)	(1,633)	(2,241)
Balance at December 31, 2024	66,993	12,255	66,428	145,676

The use of the provision for permanent disposal of spent nuclear fuel in a current year comprises payments made to the government-controlled nuclear account and the use of the provision for interim storage represents, in particular, purchases of containers for spent nuclear fuel and other related equipment for these purposes.

In 2024, the Company recorded the change in estimated provision for interim storage of spent nuclear fuel. The change relates to the change in expected future storage costs and change in discount rate. The change in estimated provision for nuclear decommissioning is due to the change in the amount of costs for decommissioning of Dukovany Nuclear Power Plant and Temelín Nuclear Power Plant and due to the change in discount rate. The change in estimated provision for long-term spent fuel storage is connected with the modification of the expected output of the nuclear power plants, change of expected contribution to the nuclear account per MWh in future years and change in discount rate.

In 2023, the Company recorded the change in estimated provision for interim storage of spent nuclear fuel. The change relates to the change in expected future storage costs and change in discount rate. The change in estimated provision for nuclear decommissioning is due to the update of the expert decommissioning studies for Dukovany Nuclear Power Plant and for Temelín Nuclear Power Plant and due to the change in discount rate. The change in estimated provision for long-term spent fuel storage is connected with the modification of the expected output of the nuclear power plants, change of expected contribution to the nuclear account per MWh in future years and change in discount rate.

The actual costs of nuclear decommissioning, interim storage, and permanent disposal of spent nuclear fuel may vary substantially from the above estimates due to changes in legislation or technology or increase in labor costs and the costs of materials and equipment, as well as due to a different timing of all activities relating to nuclear decommissioning and storage and disposal of spent nuclear fuel.

The following table shows the sensitivity of nuclear provisions to changes in the discount rate, keeping all other parameters unchanged as at December 31, 2024 (in CZK millions):

	Accumulated provision				
	Nuclear decommissioning	Spent fuel storage		Total	Change in %
		Interim	Long-term		
Effect of discount rate decrease:					
(20)bp	7,402	475	2,075	9,952	+6.8%
(10)bp	3,596	233	1,026	4,855	+3.3%
Balance at December 31, 2024 – base scenario <sup>1)</sup>	66,993	12,255	66,428	145,676	
Effect of discount rate increase:					
+10bp	(3,399)	(224)	(1,004)	(4,627)	(3.2%)
+20bp	(6,613)	(439)	(1,985)	(9,037)	(6.2%)

<sup>1)</sup> Base scenario as at December 31, 2024, corresponds to long-term risk-free real interest rate 1.9% and expected inflation rate 2.2% (see Note 2.20).

## 21.2. Provisions for Demolition and Dismantling of Fossil-fuel Power Plants and Waste Storage Reclamation

The following table shows the movements of the provisions for the years ended December 31, 2024 and 2023 (in CZK millions):

	Accumulated provision	
	Demolition and dismantling of fossil-fuel power plants	Waste storage reclamation
Balance at January 1, 2023	12,712	498
Discount accretion and effect of inflation	722	23
Change in estimate deducted from fixed assets	(514)	(9)
Effect of business combinations	2,424	-
Current cash expenditures	(1,560)	(16)
Balance at December 31, 2023	13,784	496
Discount accretion and effect of inflation	634	23
Change in estimate added to (deducted from) fixed assets	(378)	3
Current cash expenditures	(319)	(11)
Balance at December 31, 2024	13,721	511

The use of the provision for demolition and dismantling of fossil-fuel power plants in 2023 was related especially to generation unit Prunéřov I, whose demolition and dismantling was completed in 2023. For the next years, the use of provision is expected mainly in 2029–2030 for power plant Dětmarovice (CZK 2.3 billion in present value), in 2031–2034 for remaining coal-fired power plants (CZK 9.9 billion in present value) and in 2047–2048 for combined-cycle gas turbine in Počerady (CZK 0.5 billion in present value). This expected future time course of using the provision is uncertain and corresponds to the current strategy of the Company (Note 1.1). In 2024 and 2023, the Company recorded the change in estimate in provision for demolition and dismantling of fossil-fuel power plants due to the update of the amount and scope of the decommissioning costs and due to change in discount rate.

### 21.3. Provision for Employee Benefits

The following table shows the movements of the provision for the years ended December 31, 2024 and 2023 (in CZK millions):

	Employee benefits
Balance at January 1, 2023	2,405
Interest costs incurred	119
Provision charged in profit or loss	273
Effect of business combinations	109
Current cash expenditures	(117)
Balance at December 31, 2023	2,789
Interest costs incurred	169
Provision charged in profit or loss	167
Actuarial gains and losses booked to other comprehensive income	(158)
Current cash expenditures	(135)
Balance at December 31, 2024	2,832

The Company in accordance with the standard IAS 19 Employee Benefits created the provision for employee benefits agreed in the valid collective agreement. These are amounts paid for age of 50 years and for retirement. Weighted average remaining due date of the provision at December 31, 2024 and 2023, was 11.7 years and 12.1 years, respectively.

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

	2024	2023
The most significant assumptions:		
Turnover rate	2.0%	2.0%
Expected increase in the nominal average wages	5.4%	6.1%
Nominal corporate discount rate	6.0%	6.1%

## 22. Derivatives and Other Financial Liabilities

Derivatives and other financial liabilities at December 31, 2024, were as follows (in CZK millions)

	2024		
	Long-term liabilities	Short-term liabilities	Total
Payables from Group cash pooling	-	56,360	56,360
Payables from acquisition of subsidiaries and from outstanding equity contributions	78	3,276	3,354
Other	752	1,811	2,563
Financial liabilities at amortized cost	830	61,447	62,277
Cash flow hedge derivatives	7,152	1,793	8,945
Commodity and other derivatives	-	43,409	43,409
Financial liabilities at fair value	7,152	45,202	52,354
Total	7,982	106,649	114,631

Derivatives and other financial liabilities at December 31, 2023, were as follows (in CZK millions):

	2023		
	Long-term liabilities	Short-term liabilities	Total
Payables from Group cash pooling	-	55,036	55,036
Other	1,166	1,816	2,982
Financial liabilities at amortized cost	1,166	56,852	58,018
Cash flow hedge derivatives	2,578	8,236	10,814
Commodity and other derivatives	619	74,793	75,412
Financial liabilities at fair value	3,197	83,029	86,226
Total	4,363	139,881	144,244

The following table analyses the value of liabilities from commodity and other derivatives by the period of delivery as at December 31, 2024 and 2023 (in CZK millions):

	2024	2023
Delivery in 2024	-	60,691
Delivery in 2025	33,458	13,284
Delivery in 2026	7,356	957
Delivery in 2027	1,847	56
Delivery in 2028 and thereafter	748	424
Total commodity and other derivatives	43,409	75,412

The following table provides an overview of the value of liabilities from commodity derivatives by the commodities and other derivatives at December 31, 2024 and 2023 (in CZK millions):

	2024	2023
Electricity including cross-border capacities	20,313	37,138
Gas	20,576	30,062
Emission rights, guarantees of origin	999	6,455
Oil	8	-
Financial derivatives	1,513	1,757
Total commodity and other derivatives	<u>43,409</u>	<u>75,412</u>

The decrease of liabilities from commodity and other derivatives in 2024 was caused mainly due to physical delivery of the commodity or by financial settlement. Year-to-year total decrease is also influenced by volatility of the market prices and total year-to-year decrease of market prices of electricity, gas, emission rights and other commodities. Related decrease of receivables from commodity and other derivatives is disclosed in Note 5.

### 23. Short-term Loans

Short-term loans as at December 31, 2024 and 2023, were as follows (in CZK millions):

	2024	2023
Bank loans	2,092	7,240
Bank overdrafts	107	-
Total	<u>2,199</u>	<u>7,240</u>

Short-term loans bear interest at fixed interest rates. The weighted average interest rate was 4.3% and 5.5% at December 31, 2024 and 2023, respectively. For the years 2024 and 2023, the weighted average interest rate was 2.9% and 8.2%, respectively.

### 24. Other Short-term Liabilities

Other short-term liabilities as at December 31, 2024 and 2023, were as follows (in CZK millions):

	2024	2023
Taxes and fees, except income tax	701	2,589
Deferred income	3	8
Advances received	254	391
Total	<u>958</u>	<u>2,988</u>

## 25. Leases

### 25.1. Company as a Lessee

The Company has lease contracts for various items of offices, vehicles, buildings and land used to place its own electricity and heat production facilities. Leases of vehicles generally have lease terms between 3–4 years, while buildings and lands between 6–15 years.

The Company has entered into lease contracts with fixed and variable payments. The variable payments are regularly adjusted according to the inflation index or are based on use of the underlying assets.

The Company leases buildings, machinery or equipment with lease terms of 12 months or less or with low value. In this case the Company applies recognition exemption for these leases.

The net book values of the right-of-use assets presented under Property, plant and equipment are described in the Note 3.

The amounts of lease liability are presented under Long-term debt (see Note 17).

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

	2024	2023
Payments of principal	320	259
Payments of interests	49	39
Lease payments not included in valuation of lease liability	1,460	334
Total cash outflow for leases	1,829	632

The following are the amounts related to leasing and recognized in profit or loss (in CZK millions):

	2024	2023
Expense relating to short-term leases	70	90
Expense relating to leases of low-value assets	7	4
Variable lease payments	1,460	334
Depreciation charge for right-of-use assets	210	183
Interest expenses	49	39

The most significant part of variable lease payments are costs related to contract to rent of photovoltaic power plants with the company ČEZ OZ uzavřený investiční fond a.s.

Next year, the Company expects to pay lease payments that are not included in valuation of lease liability of CZK 1,485 million.



## 25.2. Company as a Lessor

### Finance Lease

The most significant lease under finance lease is the lease of administrative premises to the Group's companies.

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

	2024	2023
Up to 1 year	151	117
Between 1 year and 2 years	140	115
Between 2 and 3 years	81	103
Between 3 and 4 years	47	26
Between 4 and 5 years	12	6
Thereafter	27	26
Total undiscounted lease payments	458	393
Unearned finance income	(42)	(43)
Net investment in the lease	416	350

The Company recognized interest income on net investments in the lease of CZK 22 million and CZK 16 million at December 31, 2024 and 2023, respectively.

### Operating Lease

Rental income recognized by the Company during 2024 and 2023 was CZK 648 million and CZK 603 million, respectively. Investment property rental income is disclosed in the Note 7. In the following years, the Company expects similar rental income as in the year 2024.

The net book values of the property, plant and equipment leased out under operating lease are disclosed in the Note 3.

## 26. Revenues and Other Operating Income

The overview of revenues and other operating income for the years ended December 31, 2024 and 2023, is as follows (in CZK millions):

	2024	2023
<u>Sale of electricity, heat and gas:</u>		
Electricity sales – domestic:		
ČEZ Prodej, a.s.	66,238	100,504
OTE, a.s.	46,269	53,261
E.ON Energie, a.s.	9,762	3,056
Pražská energetika, a.s.	5,412	10,066
Pražská plynárenská, a.s.	2,055	966
MVM Partner Zrt.	1,678	3,428
Severočeské doly a.s.	1,360	2,674
Entauri trading s.r.o.	777	2,275
Sokolovská uhelná, právní nástupce, a.s.	737	-
Veolia Energie ČR, a.s.	670	493
LAMA energy a.s.	579	761
Veolia Komodity ČR, s.r.o.	552	118
ARMEX ENERGY a.s.	536	383
CENTROPOL ENERGY, a.s.	408	503
Energotrans, a.s.	347	513
Energie2, a.s.	313	-
TAURON Czech Energy s.r.o.	302	76
ČEZ ESCO, a.s.	299	75
VEMEX Energie a.s.	296	118
innogy Energie, s.r.o.	283	602
Uniper Global Commodities SE	229	73
TEDOM power s.r.o.	220	14
Teplárna Otrokovice a.s.	208	76
Slovenské elektrárne, a.s.	-	1,137
MND a.s.	-	933
Energy Financing Team	-	929
Other customers	336	2,193
Total sales of electricity – domestic	139,866	185,227
Sales of electricity – foreign	10,123	9,364
Effect of hedging – presales of electricity (Note 20.3)	14,230	(25,487)
Effect of hedging – currency risk hedging (Note 20.3)	431	3,276
Total sales of electricity	164,650	172,380
Sales of gas	14,802	32,034
Sales of heat	3,191	2,584
Total sales of electricity, heat and gas	182,643	206,998
<u>Sale of services and other income:</u>		
Sales of ancillary services for transmission grid	2,470	5,799
Sales of other services	4,631	4,317
Rental income	691	653
Other revenues	195	169
Total sales of services and other revenues	7,987	10,938
Other operating income	946	1,138
Total revenues and other operating income	191,576	219,074

Revenues from contracts with customers for the years ended December 31, 2024 and 2023, were CZK 175,278 million and CZK 239,494 million, respectively, and can be linked to the figures in the previous table as follows:

	2024	2023
Sales of electricity, gas and heat	182,643	206,998
Sales of services and other revenues	7,987	10,938
Total revenues	190,630	217,936
Adjustments:		
Effect of hedging – presales of electricity	(14,230)	25,487
Effect of hedging – currency risk hedging	(431)	(3,276)
Rental income	(691)	(653)
Revenues from contracts with customers	175,278	239,494

## 27. Gains and Losses from Commodity Derivative Trading

The overview of gains and losses from commodity derivative trading for the years ended December 31, 2024 and 2023, is as follows (in CZK millions):

	2024	2023
Gain from electricity derivative trading	7,467	17,472
Loss from gas derivative trading	(994)	(856)
Loss from emission rights and guarantees of origin derivative trading	(391)	(137)
Loss from oil derivative trading	(35)	-
Gain from coal derivative trading	12	20
Total gains and losses from commodity derivative trading	6,059	16,499

## 28. Purchase of Electricity, Gas and Other Energies

The overview of cost for the purchase of electricity, gas and other energies at December 31, 2024 and 2023, is as follows (in CZK millions):

	2024	2023
Purchase of electricity for resale	(23,485)	(44,575)
Purchase of gas for resale	(14,452)	(28,214)
Purchase of other energies	(1,699)	(1,771)
Total purchase of electricity, gas and other energies	<u>(39,636)</u>	<u>(74,560)</u>

## 29. Fuel and Emission Rights

The overview of fuel cost and emission rights as at December 31, 2024 and 2023, is as follows (in CZK millions):

	2024	2023
Emission rights for generation	(22,449)	(16,975)
Consumption of biomass and fossil energy fuel except gas	(12,105)	(14,541)
Amortization of nuclear fuel	(3,821)	(3,706)
Consumption of gas	(3,723)	(3,694)
Total fuel and emission rights	<u>(42,098)</u>	<u>(38,916)</u>

## 30. Services

The overview of services as at December 31, 2024 and 2023, is as follows (in CZK millions):

	2024	2023
Repairs and maintenance	(6,466)	(5,652)
Rental, property management and security	(2,489)	(1,203)
Technology and operation support services	(1,425)	(1,378)
IT related services	(1,334)	(1,095)
Equipment operation services	(506)	(451)
Demolition	(206)	(1,432)
Other services	(3,736)	(3,166)
Total services	<u>(16,162)</u>	<u>(14,377)</u>

Information about fees charged by independent auditor is provided in the annual financial report of CEZ Group.

### 31. Salaries and Wages

The overview of salaries and wages for the years ended December 31, 2024 and 2023, is as follows (in CZK millions):

	2024		2023	
	Total	Key management <sup>1)</sup>	Total	Key management <sup>1)</sup>
Salaries and wages including remuneration of board members	(8,362)	(195)	(7,808)	(136)
Social and health security	(2,620)	(26)	(2,348)	(21)
Other personal expenses	(569)	(14)	(672)	(13)
<b>Total</b>	<b>(11,551)</b>	<b>(235)</b>	<b>(10,828)</b>	<b>(170)</b>

<sup>1)</sup> Members of Supervisory Board and Board of Directors of the Company. The remuneration of former board members is also included in personal expenses.

The individual components of the remuneration of the members of the Board of Directors and Supervisory Board are described in the Remuneration Policy of ČEZ, a. s. The Remuneration Policy was approved by the Company's General Meeting on June 29, 2020.

Members of the Board of Directors and selected managers are in the new long-term bonus program since January 1, 2020. The program of long-term performance bonus is based on performance units that will be allocated to each beneficiary every year. The number of performance units allocated is based on the defined yearly value of a given long-term bonus and the price of share before the allocation. The Supervisory Board sets out the performance indicators for each year's allocation of the performance units. The defined performance indicators will be evaluated by the Supervisory Board and number of performance units allocated to a beneficiary will be adjusted accordingly. Then a two-year holding period will follow. The long-term performance bonus will be paid three years after the initial allocation, and the amount will be based on the adjusted number of performance units as well as on the share price at the end of the holding period and the amount of dividends distributed during the holding period.

Cost of cash-settled share-based payments related to the long-term performance bonus program for 2024 and 2023 was CZK 29 million and CZK 91 million, respectively. Liabilities from payments tied to shares as at December 31, 2024 and 2023, amounted to CZK 156 million and CZK 200 million, respectively.

### 32. Other Operating Expenses

Other operating expenses as at December 31, 2024 and 2023, were as follows (in CZK millions):

	2024	2023
Change in provisions	2,832	3,360
Taxes and fees	(2,285)	(2,084)
Levy on revenues above price caps	46	(10,065)
Costs related to trading of commodities	(582)	(1,152)
Insurance	(534)	(508)
Gifts	(218)	(167)
Other	(659)	(901)
<b>Total</b>	<b>(1,400)</b>	<b>(11,517)</b>

The taxes and fees include payment the contributions to the nuclear account (see Note 21.1). The settlement of the provision for long-term spent fuel storage is accounted for in the amount of contributions to nuclear account. Settlement of provision for long-term spent fuel storage is included in Change in provisions.

### 33. Interest Income

Interest income for each category of financial instruments for the years ended December 31, 2024 and 2023, was as follows (in CZK millions):

	2024	2023
Bank accounts	1,568	3,927
Loans, receivables and other debt financial assets at amortized cost	1,761	2,156
Debt financial assets at fair value through other comprehensive income	1,052	1,192
CEZ Group cash pooling	787	823
Finance lease	22	16
Total	5,190	8,114

### 34. Impairment of Financial Assets

Additions and reversals of impairment of financial assets for each category for the years ended December 31, 2024 and 2023, were as follows (in CZK millions):

	2024	2023
Shares in subsidiaries, associates and joint-ventures (see Note 5)		
Additions	(70)	(75)
Reversals	5,132	-
Loans granted	(6)	3
Financial guarantee for Akcez group loans	-	208
Other	(5)	4
Total	5,051	140

The Company was a guarantor for the liabilities of companies within the joint-venture Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş. By the sale of company Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş., the impairment was reversed.

### 35. Other Financial Expenses

Other financial expenses for the years ended December 31, 2024 and 2023, were as follows (in CZK millions):

	2024	2023
Loss from revaluation of financial assets	(541)	(583)
Loss on sale of restricted debt instruments	(8)	(312)
Creation and settlement of provisions	(10)	(36)
Other	(247)	(228)
Total	(806)	(1,159)

### 36. Other Financial Income

Other financial income as at December 31, 2024 and 2023, was as follows (in CZK millions):

	2024	2023
Dividends received (see Note 5)	9,255	12,147
Foreign exchange rate gain	833	899
Gain on sale of share in Akcez group	-	1,594
Gain on revaluation of financial assets	162	18
Gain on sale of debt instruments	161	9
Gain on financial derivatives	62	509
Other	46	81
Total	<u>10,519</u>	<u>15,257</u>

### 37. Income Taxes

The Company income tax for 2024 and 2023 corresponds to the rate of 75% and 71%, respectively, due to the application of windfall tax.

Pursuant to Act No. 366/2022 Coll., the Company's taxable income in the years 2023–2025 is burdened with an increased tax rate of 60%, windfall tax. It is a component of corporate income tax. The tax base for windfall tax is the difference between the comparative tax base and the average of the comparative tax bases from years 2018–2021 increased by 20%. The Company applies the legal ability to move tax bases within the group of companies with windfall profits.

This increased tax rate affects the calculation of deferred income tax. Tax rates for calculation of deferred tax in individual years were calculated as a share of total corporate income tax including windfall tax and tax base.

The estimated effective income tax rates for the calculation of deferred tax in the future years are as follows:

2025	72%
2026 and thereafter	21%

The Company's management believes that the tax expense was recognized in the financial statements in an appropriate amount. However, it cannot be ruled out that the relevant tax authorities may take a different view on issues allowing for different interpretations of the law, which could have an impact on the reported income.

The components of the income tax provision were as follows (in CZK millions):

	2024	2023
Current income tax charge	(44,594)	(41,219)
Deferred income taxes	(2,142)	(599)
Total	<u>(46,736)</u>	<u>(41,818)</u>

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

	2024	2023
Income before income taxes	66,421	69,912
Statutory income tax rate	75%	71%
“Expected” income tax expense	(49,550)	(49,393)
Adjustments:		
Non-tax-deductible allowances, net	3,766	(66)
Non-tax gains/losses associated with changes in shareholding interest	(283)	727
Non-taxable income from dividends	6,901	8,582
Reversal (creation) of non-tax-deductible provision	5	51
Tax incentives, tax discounts	2	1
Impact of different tax rate for calculation of deferred tax	(3,310)	(2,081)
Change in depreciation method (see Note 2.3)	(4,885)	-
Interest Income	790	821
Other non-tax-deductible items, net	(172)	(460)
Income tax	<u>(46,736)</u>	<u>(41,818)</u>
Effective tax rate	70%	60%

The overview of deferred income tax at December 31, 2024 and 2023 (in CZK millions):

	2024	2023
Nuclear provisions	28,513	27,228
Other provisions	20,413	16,341
Allowances	687	504
Revaluation of financial instruments	973	-
Lease liabilities	331	224
Other temporary differences	1,906	2,894
Total deferred tax assets	<u>52,823</u>	<u>47,191</u>
Difference between financial statement value and tax value of net book value of fixed assets	(44,892)	(43,001)
Revaluation of financial instruments	(9,446)	(20,257)
Right-of-use assets	(230)	(144)
Investment in finance lease – lessor	(87)	(74)
Emission rights	(16,264)	(11,649)
Other temporary differences	(486)	(182)
Total deferred tax liability	<u>(71,405)</u>	<u>(75,307)</u>
Total deferred tax liability, net	<u>(18,582)</u>	<u>(28,116)</u>



Movements of deferred tax in the balance sheet in 2024 and 2023 were as follows (in CZK millions):

	2024	2023
Balance at January 1	(28,116)	47,885
Effect of business combinations	(7)	(142)
Deferred tax recognized in profit or loss	(2,142)	(599)
Deferred tax recognized in other comprehensive income	11,683	(75,260)
Balance at December 31	<u>(18,582)</u>	<u>(28,116)</u>

Tax impact related to individual items of other comprehensive income was as follows (in CZK millions):

	2024			2023		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges	(4,645)	367	(4,278)	83,603	(59,224)	24,379
Cash flow hedges reclassified to statement of income	(15,249)	11,376	(3,873)	22,371	(15,805)	6,566
Cash flow hedges reclassified to assets	40	(30)	10	(131)	93	(38)
Change in fair value of debt instruments	(571)	3	(568)	1,925	(324)	1,601
Change in fair value of equity instruments	953	-	953	(305)	-	(305)
Re-measurement gains (losses) on defined benefit plans	158	(33)	125	-	-	-
Total	<u>(19,314)</u>	<u>11,683</u>	<u>(7,631)</u>	<u>107,463</u>	<u>(75,260)</u>	<u>32,203</u>

### 38. Related Parties

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

The following table shows receivables from related parties and payables to related parties as at December 31, 2024 and 2023 (in CZK million):

	Receivables		Payables	
	2024	2023	2024	2023
AZ KLIMA a.s.	216	216	-	-
BELECTRIC GmbH	117	44	64	3
CEZ Deutschland GmbH	-	-	123	117
CEZ Erneuerbare Energien Beteiligungs GmbH	558	336	-	-
CEZ Erneuerbare Energien Beteiligungs II GmbH	147	251	-	-
CEZ Holdings B.V.	-	-	150	166
CEZ Hungary Ltd.	1,882	2,038	999	1,035
CEZ Chorzów S.A.	88	1,351	97	69
CEZ MH B.V.	320	220	-	-
CEZ Polska sp. z o.o.	7	9	1,702	941
CEZ RES International B.V.	-	-	504	525
CEZ Skawina S.A.	102	1,952	39	117
Czech Gas Networks S.à r.l.	7,784	-	-	-
ČEZ Distribuce, a. s.	30,601	32,838	5,590	6,265
ČEZ Energetické produkty, s.r.o.	37	96	765	983
ČEZ ESL, s.r.o.	97	55	130	156
ČEZ Energo, s.r.o.	33	218	542	542
ČEZ ENERGOSEKVIS spol. s r.o. <sup>1)</sup>	437	380	1,368	943
ČEZ ESCO, a.s.	530	2,507	3,902	772
ČEZ ICT Services, a. s.	1,103	689	413	197
ČEZ Invest Slovensko, a.s.	1	-	104	136
ČEZ Obnovitelné zdroje, s.r.o.	74	108	402	270
ČEZ OZ uzavřený investiční fond a.s.	122	16	3,219	3,569
ČEZ Prodej, a.s.	10,037	17,492	16,976	20,908
ČEZ Teplárenská, a.s.	433	404	623	997
Elektrárna Dukovany II, a. s.	19	21	456	89
Elevion Group B.V.	516	1,241	144	-
Energetické centrum s.r.o.	-	-	144	155
Energotrans, a.s.	3,661	3,689	9,135	8,307
ENESA a.s.	277	1	-	189
EP Rožnov, a.s.	-	-	304	447
Inven Capital, SICAV, a.s.	-	-	1,586	2,012
MARTIA a.s.	11	22	391	578
Nuclear Property Services, s.r.o.	1	-	218	-
PRODECO, a.s.	7	7	255	171
PV Design and Build s.r.o.	124	618	52	4
Revitrans, a.s.	2	45	154	2
SD - Kolejová doprava, a.s.	5	5	386	301
Severočeské doly a.s.	215	315	13,440	12,666
ŠKODA JS a.s.	1,112	766	750	823
ŠKODA PRAHA a.s.	298	32	115	25
Telco Infrastructure, s.r.o.	24	1	1	223
Telco Pro Services, a. s.	37	28	336	157
TENAUR, s.r.o.	13	1	251	122
ÚJV Řež, a. s.	26	29	539	442
Other	345	316	635	564
Total	61,419	68,357	67,004	65,988

The following table provides the total amount of transactions (sales and purchases), which were entered into with related parties in 2024 and 2023 (in CZK millions):

	Sales to related parties		Purchases from related parties	
	2024	2023	2024	2023
Akenerji Elektrik Enerjisi Ithalat Ihracat ve				
Toptan Ticaret A.Ş.	10	23	224	35
BELECTRIC GmbH	749	324	199	205
CAPEXUS s.r.o.	1	-	5	49
CE Insurance Limited	-	-	217	199
CEZ Hungary Ltd.	8,872	9,712	546	1,138
CEZ Chorzów S.A.	842	1,254	789	-
CEZ Skawina S.A.	1,134	1,818	1,078	2
Czech Gas Networks S.à r.l.	127	-	-	-
ČEZ Distribuce, a. s.	2,215	2,185	136	44
ČEZ Energetické produkty, s.r.o.	57	52	1,360	2,891
ČEZ ESL, s.r.o.	62	57	34	465
ČEZ Energo, s.r.o.	130	326	174	179
ČEZ ENERGOSERVIS spol. s r.o. <sup>1)</sup>	71	65	2,900	2,085
ČEZ ESCO, a.s. <sup>2)</sup>	42,858	67,007	6,940	23,644
ČEZ ICT Services, a. s.	150	142	1,534	1,292
ČEZ Obnovitelné zdroje, s.r.o.	146	59	396	502
ČEZ OZ uzavřený investiční fond a.s.	137	44	1,371	275
ČEZ Prodej, a.s. <sup>2)</sup>	48,914	95,170	9,382	29,192
ČEZ Teplárenská, a.s.	3,116	2,524	150	120
Elektrárna Dukovany II, a. s.	77	72	4	1
Elektrárna Temelín II, a. s.	7	7	1	34
Energotrans, a.s.	4,416	4,637	4,125	4,456
LOMY MOŘINA spol. s r.o.	-	-	404	362
MARTIA a.s.	28	26	1,256	852
OSC, a.s.	-	-	250	169
PV Design and Build s.r.o.	-	-	52	40
SD - Kolejová doprava, a.s.	15	14	427	379
Severočeské doly a.s.	1,478	2,780	9,122	11,638
ŠKODA JS a.s.	14	10	1,983	2,158
ŠKODA PRAHA a.s.	8	11	402	78
Telco Pro Services, a. s.	67	65	-	-
ÚJV Řež, a. s.	10	14	969	885
Ústav aplikované mechaniky Brno, s.r.o.	-	-	125	113
Výzkumný a zkušební ústav Plzeň s.r.o.	4	1	78	68
Other	138	145	73	64
<b>Total</b>	<b>115,853</b>	<b>188,544</b>	<b>46,706</b>	<b>83,614</b>

<sup>1)</sup> The company MD projekt, s.r.o., merged with the succession company ČEZ ENERGOSERVIS spol. s r.o. with the legal effective date of November 1, 2024.

<sup>2)</sup> Due to re-invoicing in the company ČEZ Prodej, a.s., in 2024 and 2023, the relevant part of sales was transferred to the company ČEZ ESCO, a.s., in the amount of CZK 32,113 million and CZK 43,819 million, respectively.

The Company and some of its subsidiaries are included in the cash pool system. Receivables from subsidiaries related to cash pooling are included in balance sheet on the line item Derivatives and other financial assets (see Note 5), payables to subsidiaries related to cash pooling and similar borrowings are included in balance sheet on the line item Derivatives and other financial liabilities (see Note 22).

Information about salaries and wages of key management is included in Note 31. Information about guarantees provided is included in Note 20.2.

### 39. Segment Information

The Company is mainly engaged in the generation of electricity and trade in electricity and other commodities, which is a separate operating segment. Most of the Company's activities take place in the markets of the European Union. The Company did not identify other separate operating segments.

### 40. Net Income per Share

	2024	2023
Numerator (in CZK millions)		
Basic and diluted:		
Net income	19,685	28,094
Denominator (in thousands shares)		
Basic:		
Weighted average shares outstanding	536,810	536,810
Dilutive effects	-	-
Diluted:		
Adjusted weighted average shares	536,810	536,810
Net income per share (CZK per share)		
Basic	36.7	52.3
Diluted	36.7	52.3

### 41. Commitments and Contingencies

#### Investment Plans

Capital expenditures for the next six years as at December 31, 2024, are estimated as follows (in CZK billion):

2025	30.4
2026	31.6
2027	37.1
2028	26.0
2029	26.6
2030	28.2
Total	179.9

The above-mentioned values do not include planned acquisitions of subsidiaries, associates and joint-ventures.

The Company reviews regularly investment plan and actual capital expenditures may vary from the above estimates. At December 31, 2024, significant purchase commitments were outstanding in connection with the investment plan.

#### Insurance Matters

The Nuclear Energy Act sets limits on liability for nuclear damages so that the operator of nuclear installations is liable for up to CZK 8 billion per incident. The Nuclear Energy Act limits the liability for damage caused by other activities (such as transportation) to CZK 2 billion. The Nuclear Energy Act also requires the operator to insure its liability in connection with the operation of a nuclear power plant up to a minimum of CZK 2 billion and up to a minimum of CZK 300 million for other activities (such as transportation). The Company has concluded the above insurance policies with company Generali Česká pojišťovna a.s. (representing the Czech Nuclear Insurance Pool) and European

Liability Insurance for the Nuclear Industry. The Company has taken out all insurance policies with the minimum limits as required by the law.

The Company also maintains the insurance policies covering the assets of its coal-fired, hydroelectric, CCGT and nuclear power plants, as well as general liability insurance in connection with the Company's main activities.

#### **42. Events after the Balance Sheet Date**

On January 2, 2025, a non-cash contribution of 100% interest in ČEZ Teplárenská, a.s., was made in the form of a contribution to equity other than the stated capital of the 100% subsidiary ČEZ ESCO, a.s. The book value of the contributed interest was CZK 3,167 million.

On January 13, 2025, the Company concluded committed loan facility agreement with European Investment Bank to support modernization and further development of the electricity distribution grid in the Czech Republic during years 2025 and 2026 in the amount of EUR 400 million. The drawing is expected in 2025.

On February 4, 2025, an agreement with the company VEOLIA ENERGIE INTERNATIONAL S.A. on the sale of a 15% interest in the company Veolia Energie ČR, a.s., was signed.

On February 26, 2025, the International Chamber of Commerce (ICC) arbitral tribunal fully upheld the claim of ČEZ, which in international arbitration sought compensation for damages exceeding CZK 1 billion from the Russian gas company Gazprom. The damage arose because Gazprom significantly reduced the supply of natural gas during 2022, which ČEZ had ordered from it before the Russian invasion of Ukraine, and ČEZ had to cover this shortfall with gas purchased at the then high prices. According to the ICC arbitral award, Gazprom must pay ČEZ not only the aforementioned damages, but also interest on late payment and compensation for the costs of the proceedings. If it does not do so voluntarily, ČEZ will proceed to enforce the arbitral award, i.e., it will enforce its claims by execution.

These separate financial statements have been authorized for issue on April 7, 2025.

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Daniel Beneš  
Chairman of the Board of Directors

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Martin Novák  
Member of the Board of Directors