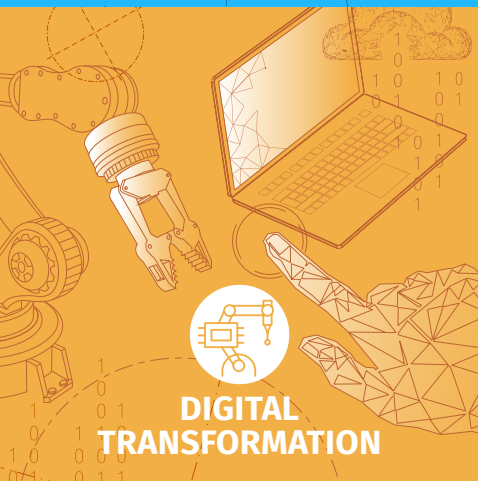


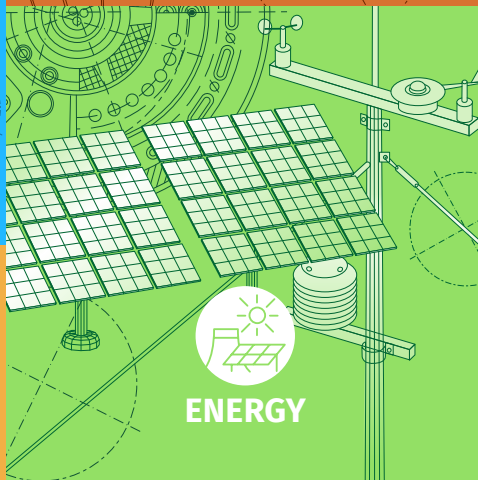
**DEFENCE  
AND SECURITY**



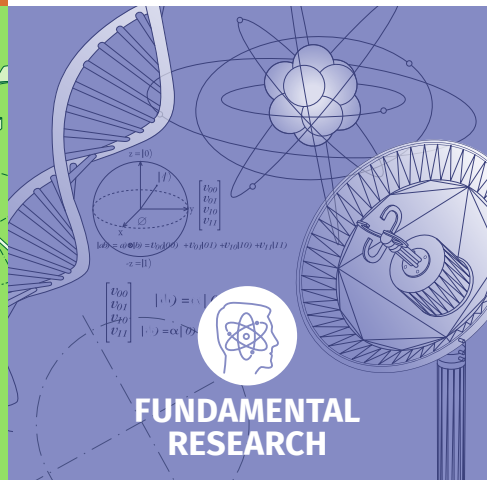
**HEALTH  
TECHNOLOGIES**



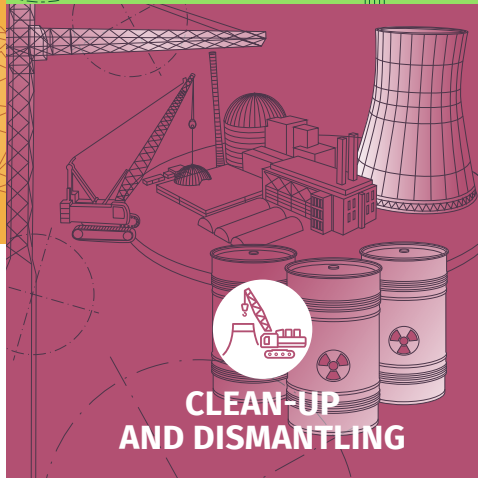
**DIGITAL  
TRANSFORMATION**



**ENERGY**



**FUNDAMENTAL  
RESEARCH**



**CLEAN-UP  
AND DISMANTLING**

# CEA Financial Report 2020



# Contents

## **MANAGEMENT REPORT**

Implementation of the budget .....	p. 1
Income .....	p. 2
Expenditure .....	p. 3
Staff numbers .....	p. 4
Purchasing management .....	p. 6
Budget outlook for 2021 .....	p. 7

## **ANNUAL FINANCIAL STATEMENTS**

Profit and loss statement .....	p. 8
Income statement .....	p. 9
Balance sheet .....	p. 11
Reconciliation with the budget .....	p. 13
Cash flow schedule .....	p. 14
Notes to the financial statements .....	p. 16
Auditors' report .....	p. 41

# Management report

## 1. Implementation of the budget

The CEA's management accounts for 2020 showed a surplus of €227 million in the civil sector and €68 million in the defence sector.

	2019	2020	Variation 2020/2019 %
<b>Civil sector</b>			
Total income	2,975	2,835	-5
Total expenditure	3,018	2,674	-11
Balance of civil-defence flow	-56	-67	+20
Total expenditure on civil programmes	2,962	2,607	-12
<b>MANAGEMENT BALANCE - CIVIL SECTOR</b>	<b>13</b>	<b>227</b>	<b>ns</b>
<b>Defence sector</b>			
Total income	1,993	2,215	+11
Total expenditure	1,902	2,080	+9
Balance of civil-defence flow	56	67	+20
Total expenditure on defence programmes	1,958	2,147	+10
<b>MANAGEMENT BALANCE - DEFENCE SECTOR</b>	<b>35</b>	<b>68</b>	<b>+95</b>

(in millions of €)

## 2. Income

In 2020, the CEA's income was €5,050 million, up by €81 million (2%) compared to 2019.

The increase in the CEA's income between 2019 and 2020 is the result of various contrasting changes, and the increase in subsidies, particularly in the defence sector, is partly offset by the reduction in external income due to the pandemic.

The civil subsidy accounts for 47% of civil income and the defence subsidy for 93% of defence income.

Under France's Investment for the Future Programme, €109 million was paid to the CEA in 2020 for the Jules Horowitz Reactor (JHR).

	2019		2020		Variation 2020/2019 %
	in millions of €	%	in millions of €	%	
<b>Civil sector</b>					
Subsidies other than under Investment for the Future Programme or for ITER	1,034	35	1,062	38	+3
ITER subsidy	150	5	153	5	+2
Investment for the Future subsidy	169	6	109	4	-35
External income	835	28	802	28	-4
Funds for civil and defence clean-up operations	679	23	565	20	-17
Use of CSA* funds	3	0	2	0	-13
Carried over from previous year	105	4	142	5	ns
<b>TOTAL CIVIL SECTOR</b>	<b>2,975</b>	<b>100</b>	<b>2,835</b>	<b>100</b>	<b>-5</b>
<b>Defence sector</b>					
Subsidy	1,831	92	2,063	93	+13
External income	78	4	69	3	-12
Funds for defence clean-up operations	58	3	48	2	-17
Carried over from previous year	25	1	35	2	+36
<b>TOTAL DEFENCE SECTOR</b>	<b>1,993</b>	<b>100</b>	<b>2,215</b>	<b>100</b>	<b>+11</b>

\* CSA: Complementary Safety Assessments

### a. Changes in State subsidies

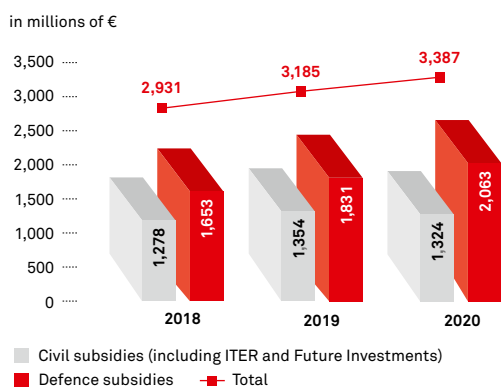
#### Civil sector:

The €29 million decrease in civil subsidies between 2019 and 2020 breaks down as follows:

- A €28 million increase in the State subsidy, excluding funds under the Investment for the Future Programme and for ITER;
- A €3 million increase in the ITER subsidy;
- A €60 million decrease in credits under the Investment for the Future Programme, which breaks down into an increase of €3 million for the JHR project, a decrease of €10 million for high-performance computing, following the signature of an amendment ending the agreement of 19 September 2014 between the State and the CEA on high-performance computing, and a decrease of €53 million following the finalisation of the conceptual design phase of the ASTRID programme at the end of 2019, which marks the end of the funding under the Investment for the Future Programme.

#### Defence sector:

The 13% increase in the subsidy between 2019 and 2020 is linked to the funds needed for the various stages of progress of the projects in the defence sector.

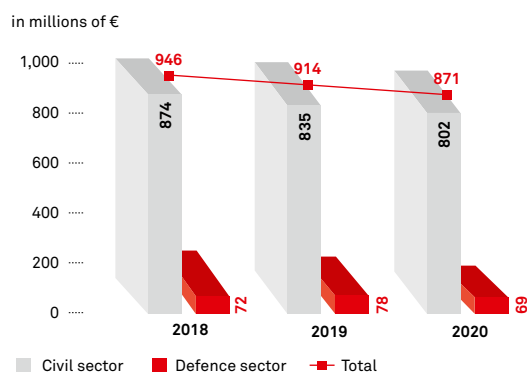


### b. Changes in external income by sector

Total external income decreased by 4.6% between 2019 and 2020, including a 4.4% fall for the civil sector and an 11.5% fall for the defence sector.

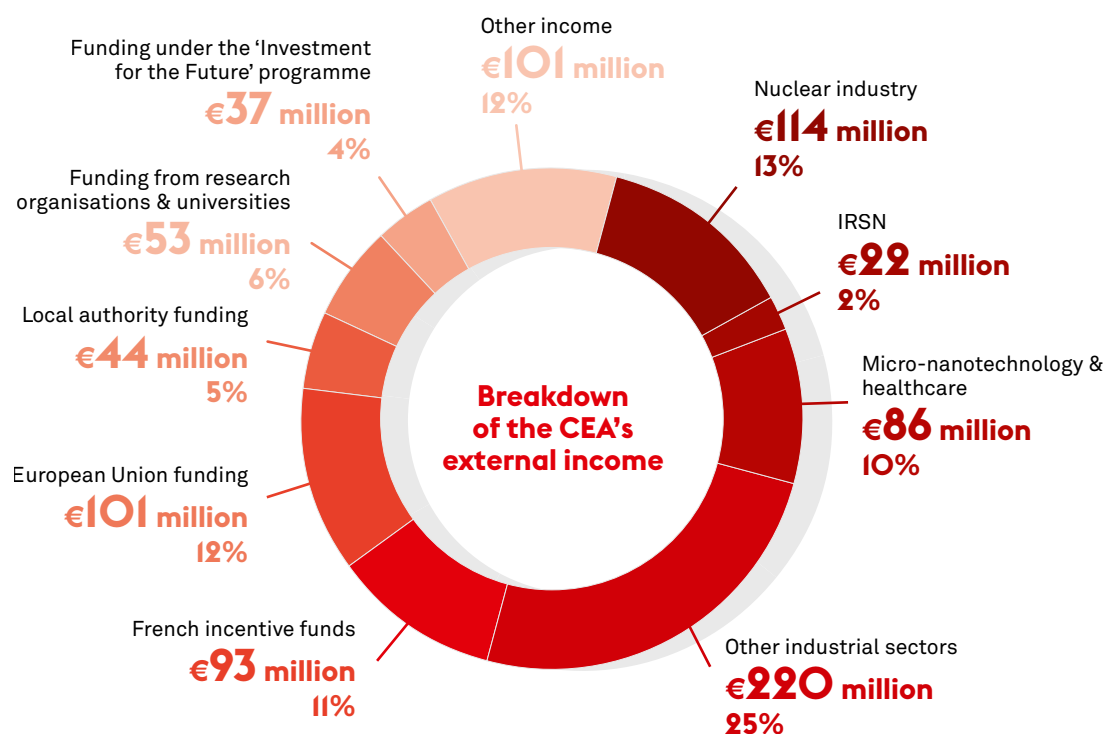
External income is made up of funding from industrial partners, local authorities, the European Union, French incentive funds, the Investment for the Future Programme (except where the CEA is the direct operator) and other research organisations.

Total external income from industry decreased by €55 million between 2019 and 2020, mainly due to delays or reductions in programmes associated with the pandemic.



### c. External income by type of partner

External income comes from industrial partners (50.8%) and institutional partners (49.2%).



## 3. Expenditure

In 2020, CEA expenditure was €4,754 million, i.e. €166 million less than in 2019.

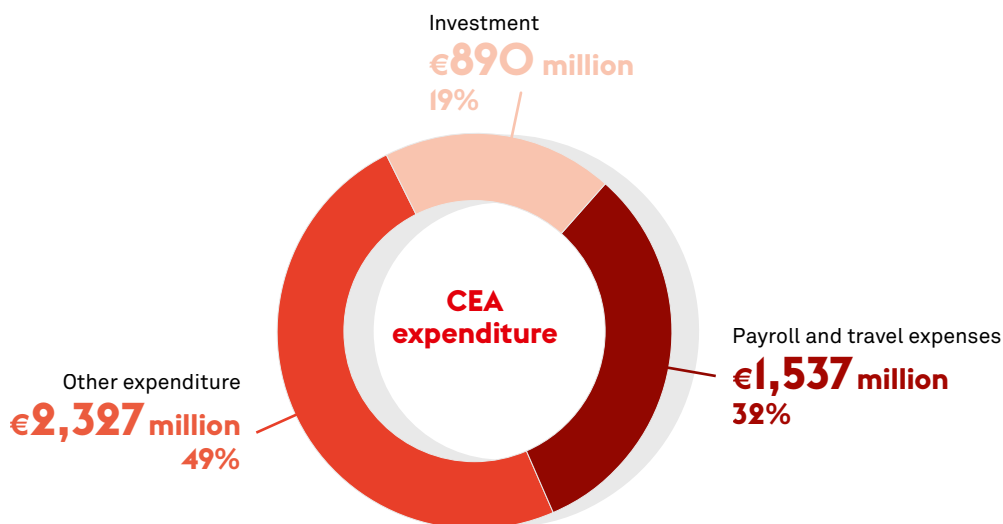
This decrease is primarily related to the repayment of the balance of the CEA's debt to ORANO Cycle at the end of 2019, as required by the addendum to the 2004 Memorandum of Understanding signed with ORANO at the end of 2018. As a reminder:

- At the end of 2018, €541 million was paid to ORANO Cycle;
- At the end of 2019, the debt balance was paid off (€177 million), as required by the addendum to the 2004 Memorandum of Understanding signed with ORANO at the end of 2018.

After offsetting the impact of this transaction (€177 million), expenditure increased by €11 million between 2019 and 2020. This change breaks down as follows:

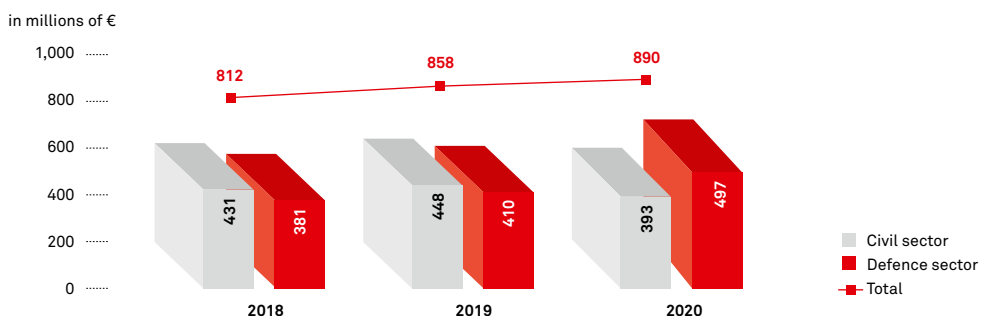
- An increase of €199 million in defence sector expenditure, excluding dedicated funds, in line with progress on programmes developed by the CEA's Military Applications Division (DAM);
- A decrease of €119 million in civil sector expenditure, excluding dedicated funds, mainly due to the pandemic. This included increases of €3 million on the ITER project and €44 million on the construction part of the JHR project, and decreases of €8 million on very large research infrastructure projects, €123 million on R&D programmes and €35 million on general support and assets;
- A decrease of €69 million in expenditure from funds set aside to cover end-of-cycle costs.

	2019		2020		Variation 2020/2019 %
	in millions of €	%	in millions of €	%	
<b>Civil sector</b>					
Payroll and travel expenses	1,134	38	1,122	43	-1
Expenditure not including payroll or investments	448	15	393	15	-12
Investments	1,437	49	1,159	45	-19
Balance of civil-defence flow	-56	-2	-67	-3	+20
<b>TOTAL CIVIL SECTOR</b>	<b>2,962</b>	<b>100</b>	<b>2,607</b>	<b>100</b>	<b>-12</b>
<b>Defence sector</b>					
Payroll and travel expenses	418	21	415	19	-1
Expenditure not including payroll or investments	410	21	497	23	+21
Investments	1,073	55	1,168	55	+9
Balance of civil-defence flow	56	3	67	3	+20
<b>TOTAL DEFENCE SECTOR</b>	<b>1,958</b>	<b>100</b>	<b>2,147</b>	<b>100</b>	<b>+10</b>



The structure of the 2020 expenditure shows an increase in investments compared to 2019, due to the higher investments in the defence sector, associated with the schedule of projects.

### Investments

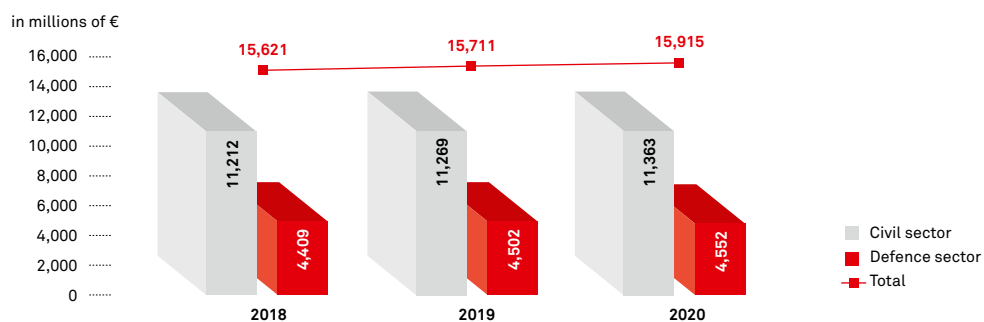


## 4. Staff numbers

### a. Changes in staff numbers by sector

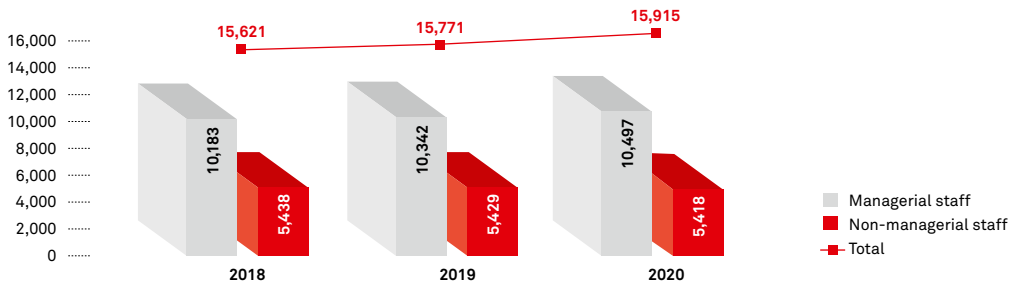
In 2020 the CEA had 15,915 FTE staff on permanent employment contracts, with 11,363 in the civil sector and 4,552 in the defence sector.

The overall increase of 144 FTE compared to 2019 breaks down to increases of 94 FTE in the civil sector and 50 FTE in the defence sector.

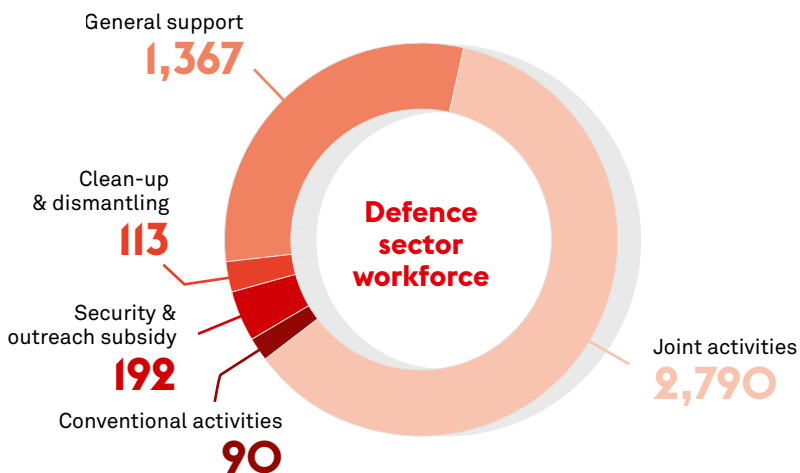
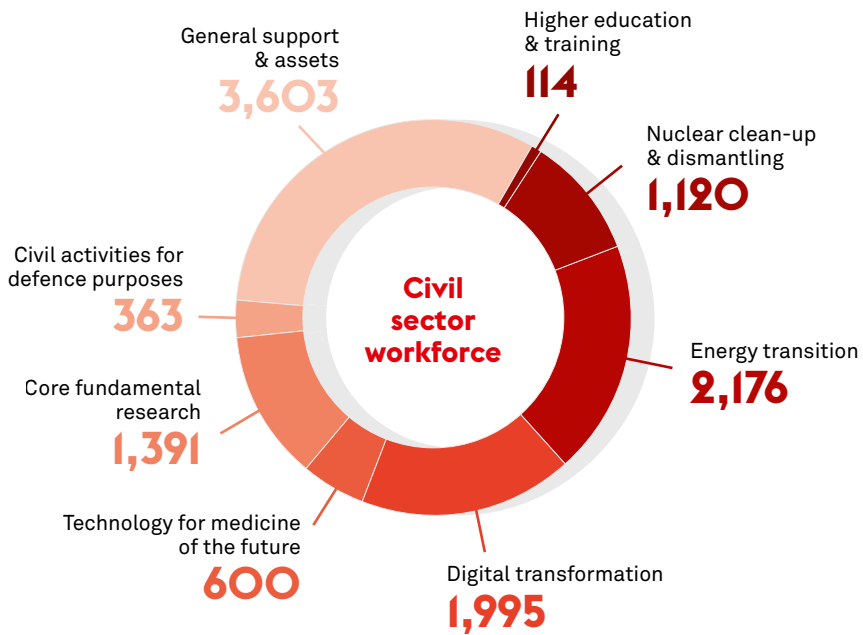


**b. Change in staff numbers by status**

Managerial staff account for 66.0% of the workforce, slightly more than in 2019 (an increase of 0.4%).



**c. Staff numbers by field in each sector**



## 5. Purchasing management

As a public body, the CEA must abide by the principles of free access to public procurement contracts, equal treatment of economic operators, and transparent procedures, as laid down by European Community legislation (Directive 2014/24/EU of 26 February 2014) and transposed into French law. These principles seek to guarantee efficient purchasing and proper use of public funds given that, for a number of years, approximately half of the CEA's budget is spent on purchasing.

The CEA's purchasing activities are subject to the regulatory framework of the French Public Procurement Code, which came into force on 1 April 2019, and its implementing instruments (orders and opinions).

In terms of official oversight, an Advisory Committee for Procurements and Contracts, which is independent of the CEA, was set up by the Order of 6 December 1952 (amended). This Committee examines the CEA's major draft contracts and framework agreements against certain thresholds defined in the Order mentioned above. It publishes an annual activity report that is examined by the Audit Committee of the CEA's Executive Board, which reports its findings to the Executive Board.

In 2020, 380 contracts worth a total of €2,631 million ex-tax were referred to the Advisory Committee's Chairperson for ex-ante examination. A further 358 procurement procedures subsequently eligible for review, worth €214 million ex-tax, were also examined. The opinions and recommendations issued by the Advisory Committee help to make the CEA's purchasing process more efficient and improve its procurement procedures. In 2020 the Advisory Committee turned down one choice of a bidder offering the most competitive tender on the basis that this choice had been insufficiently substantiated.

After a year of trial operation with a digital document exchange platform, the Advisory Committee secretariat has developed a process to optimise the interactions between the various stakeholders, including its chairperson, the members of the Advisory Committee and the rapporteurs, and the examination of procurement documents. This process of continuous improvement will be extended with the incorporation of the Advisory Committee's requirements within the framework of the Convergence project to renovate the CEA's information system.

The CEA's programmes are often highly complex. It therefore endeavours to improve its contract drafting process by anticipating any endogenous or exogenous contingencies that might affect contract performance. The purpose of this approach is to establish contract solutions designed to limit the need to amend contracts, and thereby ensure better control over project lead times and costs at completion. Suppliers

are regularly reviewed to ensure that their capabilities meet the CEA's stringent requirements regarding safety and security, especially in the field of clean-up and dismantling in the nuclear industry.

Decree No. 2016-311 of 17 March 2016 concerning the organisation and operation of the French Alternative Energies and Atomic Energy Commission requires the CEA to help boost France's competitiveness through technological development and the transfer of knowledge, skills and technology to industry, especially at regional level, and to exploiting the results of its scientific research.

To this end, the CEA seeks to enable as many small and medium-sized businesses as possible to participate in the tendering process. Such economic operators are often highly innovative, and the CEA helps to stimulate this innovation capacity in order to meet its needs, which is also consistent with French State's objectives for encouraging innovative growth. In 2020, the CEA awarded approximately 16% of its expenditure, worth around €740 million, to small and medium-sized businesses. 79% of these are innovative businesses as defined by the French State's Directorate of Public Procurement (DAE). They are defined as high-growth, competitive businesses which have received funding to support their R&D, or tax incentives such as R&D tax credit (CIR) or innovation tax credit (CII), or which have been innovative start-ups (JEI) for 8 years.

In 2010, the CEA committed itself to responsible relations with suppliers, by signing the "*Relation fournisseurs responsables*" (responsible supplier relations) charter, like ORANO, EDF, the Ministry of the Armed Forces, French national railways (SNCF) and 2000 other organisations. This charter is jointly managed by the companies' ombudsman ("*Médiateur des entreprises*") and the national purchasing council (CNA). One of its objectives is to commit large contractors that have signed the charter to implement a process to improve relations with their suppliers, in particular small and medium-sized businesses. Article L. 2111-1 of the French Public Procurement Code requires that the nature and scope of needs must be precisely defined prior to initiating procurement procedures, and that sustainable development goals must be taken into account in all their economic, social and environmental aspects. The CEA has therefore undertaken to gradually improve its economic, environmental and social performance at the various stages of the procurement process wherever circumstances permit. In 2017, the CEA drew up a responsible procurement policy, which is reflected in the plan to promote socially and environmentally responsible procurement by the CEA in accordance with Article L-2111-3 of the Public Procurement Code. This plan, which is published on the CEA's website, is monitored by means of quarterly indicators. In



2020, approximately 17% of all contracts included environmental or social provisions. The CEA's Purchasing and Strategic Partnerships Division also works constructively with the French State's Directorate of Public Procurement (DAE), going

well beyond its statutory obligations to the DAE as a public body since, under the DAE's procurement action plan, the CEA makes a significant contribution to the procurement performance of public bodies.

## 6. Outlook for the 2021 CEA budget

In the CEA's budget for 2021, funding is up by 4.3% from the 2020 budget. The State subsidy in the 2021 budget, including funding under the Investment for the Future Programme, accounts for 69% of all income, a 7.0% increase on the 2020 budget, mainly because of the needs of the 2021 schedule of defence projects. External income is expected to fall by 4.4% on the 2020 budget, with a 7.0% reduction in the civil sector which is due in particular to the decrease in external income for funding the construction of the JHR (part of the additional funding expected from industry and the Ministry of the Armed Forces being included in the 2021 budget in a specific income category). The two dismantling funds, one for civil and one for defence facilities, will account for 15% of the CEA's total income. Expenditure, excluding the dismantling funds, is expected to rise compared to the 2020 budget, increasing by 1.0% in the civil sector and 10.0% in the defence sector, related to the expected progress on projects.

Payroll costs for staff who come under the collective bargaining agreement should rise by 1.6% in the civil sector compared to the 2020 budget, based on a 0.3% increase in staff numbers. Payroll costs for staff who come under the collective bargaining agreement are relatively stable in the defence sector, rising by 0.1% compared to the 2020 budget, based on a 1.4% increase in staff numbers. Staff numbers in the general support branches will remain more or less stable compared to the 2020 budget, with a decrease of 0.5% in the civil sector and an increase of 0.2% in the defence sector compared to the 2020 budget. Staff numbers in the defence sector general support branches will be stable, increasing by 0.2% compared to the 2020 budget. The increase in staff numbers across the CEA as a whole (up by 0.3% in the civil sector and 1.4% in the defence sector) is in line with the increase in the CEA's limit on jobs in 2021.

# Annual financial statements

## 1. Profit and loss statement

The 2020 income statement shows a profit of **€142.9 million**, having increased by **€121.3 million** compared with the previous financial year. This is mainly due to the year's higher financial income (€+119.6 million) resulting from the bonus dividend paid by CEA Investissement (€+99.3 million) following the transfer of 1,065,000 SOITEC shares in 2020 as part of an investment for accredited investors.

**The funds set aside to cover the costs of end-of-cycle operations as stipulated in the framework agreement amounted to €-1.8 million.** This can be explained by the operating loss (€2.4 million) associated with cross-functional costs charged to these funds (unfunded) and the operating income of €0.6 million associated with investing activities.

**The funds for new civil facilities amounted to €-22.9 million.** This is due to the operating loss (€-26.1 million) associated with the provisions allocated to clean-up & dismantling estimate revisions amounting to €-26.9 million (mainly for AGATE and MAGENTA) and the financial income of €+3.1 million (including €2.7 million from investing activities).

**The funds for new defence facilities amounted to €41.8 million.** This is due to the operating income of €+30.9 million mainly due to write-backs of provisions for the LMJ facility (€31 million) and financial income of €+10.9 million generated from financial assumptions (€8.6 million) and investing activities (€2.2 million).

	31.12.2020	31.12.2019
Total budgeted expenditure excluding carry-over from previous financial years	4,259.1	4,100.7
Total budgeted expenditure	-4,135.4	-4,057.3
<b>BUDGET BALANCE FOR THE FINANCIAL YEAR EXCLUDING CARRY-OVER AND FUNDS</b>	<b>123.7</b>	<b>43.4</b>
Variation in provisions for paid leave for the financial year	-7.9	-9.2
Variation in provisions for time savings accounts (CET) for the financial year	0.0	-4.9
<b>SUB-TOTAL</b>	<b>-7.9</b>	<b>-14.7</b>
Unbudgeted financial operation (Soitec)	11.7	0.0
Balance for the year on the funds set aside under the framework agreement	-1.8	0.7
Balance for new civil facilities (INC)	-22.9	4.7
Balance for new defence facilities (IND)	41.8	-14.9
Balance for I2EN	-0.2	0.3
Balance for DSND	1.0	0.3
Balance for DDCG	-0.1	-0.1
Balance for AFNI	0.0	0.0
Balance for ITER	-2.4	1.3
Balance for IRT	-0.1	0.0
<b>ANNUAL ALLOCATION TO THE SPECIAL RESERVE</b>	<b>142.9</b>	<b>21.6</b>

(in millions of €)

## 2. Income statement

INCOME	Reference notes	31.12.2020	31.12.2019
<b>OPERATING INCOME</b>			
<b>Operating income</b>	<b>NOTE 2</b>	<b>416.1</b>	<b>477.7</b>
• Sales		13.3	15.1
• Roadworks		244.4	270.9
• Provision of services		158.4	191.7
<b>NET INCOME</b>		<b>416.1</b>	<b>477.7</b>
<b>Production added to inventory</b>		<b>191.1</b>	<b>136.3</b>
• Goods-in-progress		-551.9	175.4
• Services-in-progress		743.0	-39.1
• Finished products		0.0	0.0
<b>Capitalised production</b>		<b>40.2</b>	<b>16.0</b>
<b>Budgeted operating income</b>	<b>NOTE 3</b>	<b>2,279.2</b>	<b>2,137.6</b>
<b>Operating subsidy</b>		<b>229.3</b>	<b>321.6</b>
<b>Write-backs of provisions (and depreciation)</b>	<b>NOTE 4</b>	<b>677.7</b>	<b>738.1</b>
<b>Write-backs of equipment grants received from the State</b>		<b>480.2</b>	<b>476.3</b>
<b>Write-back of equipment grants received from third parties</b>		<b>59.3</b>	<b>62.0</b>
<b>Transfers of charges</b>		<b>31.5</b>	<b>65.0</b>
<b>Other income</b>		<b>28.6</b>	<b>28.5</b>
<b>TOTAL</b>		<b>4,433.2</b>	<b>4,459.1</b>
<b>FINANCIAL INCOME</b>	<b>NOTE 5</b>	<b>1,267.3</b>	<b>1,176.2</b>
Equity shares and receivables from equity interests		103.7	5.5
Receivables on non-current assets		0.0	0.0
Other interest and similar income		452.2	608.2
Write-backs of provisions		709.7	562.1
Exchange gains		1.7	0.4
<b>EXTRAORDINARY INCOME</b>	<b>NOTE 6</b>	<b>24.2</b>	<b>38.3</b>
On management operations		5.1	2.8
On capital transactions			
• Income from the disposal of assets		3.7	0.9
• Write-backs of equipment grants received from the government		12.3	23.1
• Other		0.3	0.0
Write-backs of provisions and transfers of charges		2.8	11.5
<b>ANNUAL ALLOCATION TO THE SPECIAL RESERVE</b>			<b>0.0</b>
<b>OVERALL TOTAL</b>		<b>5,724.7</b>	<b>5,673.6</b>

(in millions of €)

EXPENSES	Reference notes	31.12.2020	31.12.2019
<b>OPERATING EXPENDITURE</b>			
<b>YEAR'S EXPENDITURE FROM THIRD PARTIES</b>	NOTE 7	2,046.8	2,088.1
Supplies in inventory			
• Raw materials		17.3	33.2
• Other supplies		18.0	17.5
Variation in supply inventories		-39.3	-50.8
Sub-contracting purchases		618.9	646.4
Purchases of non-inventory materials and supplies		428.2	390.9
External services:			
• Non-CEA staff		37.2	30.4
• Lease payments		0.0	0.0
• Other		966.5	1,020.5
<b>TAXES, DUTIES AND SIMILAR PAYMENTS</b>	NOTE 8	235.3	231.9
On payments		92.9	91.0
Other		142.4	140.9
<b>PAYROLL EXPENSES</b>	NOTE 9	1,507.6	1,506.2
Salaries and wages		1,061.5	1,060.7
Social security contributions		446.1	445.5
<b>ALLOCATIONS TO DEPRECIATION AND PROVISIONS</b>	NOTE 4	617.3	619.1
On fixed assets: allocation to depreciation		541.5	539.4
On fixed assets: allocation to provisions		7.1	7.9
On current assets: allocation to provisions		12.0	7.3
For liabilities and charges: allocation to provisions		56.7	64.5
<b>OTHER EXPENSES</b>	NOTE 10	2.7	10.6
<b>SHARE OF PROFITS FROM JOINT OPERATIONS</b>	NOTE 11	0.1	0.0
<b>TOTAL</b>		<b>4,409.8</b>	<b>4,455.9</b>
<b>FINANCIAL EXPENSES</b>	NOTE 5	1,147.6	1,161.7
Allocation to provisions		447.9	607.1
Interest and related expenses		697.4	553.1
Exchange losses		2.3	1.5
<b>EXTRAORDINARY EXPENSES</b>	NOTE 6	23.9	34.4
On management operations		11.6	11.3
On capital transactions			
• Book value of fixed and financial assets sold		12.3	23.1
• Other		0.0	0.0
Allocations to depreciation and provisions		0.0	-
<b>CORPORATE INCOME TAX</b>		0.5	-
<b>ANNUAL ALLOCATION TO THE SPECIAL RESERVE</b>		142.9	21.6
<b>OVERALL TOTAL</b>		<b>5,724.7</b>	<b>5,673.6</b>

(in millions of €)

### 3. Balance sheet

ASSETS	Reference notes	31.12.2020			31.12.2019
		Gross amounts	Depreciation & provisions	Net amounts	Net amounts
<b>INTANGIBLE ASSETS</b>	<b>NOTE 12</b>				
Research & development costs					
Concessions, patents, licences, trademarks & processes		288.6	238.9	49.7	54.0
Other rights and assets					
Storage rights and other intangible assets		36.5	21.9	14.6	15.2
Current intangible assets		21.0	0.0	21.0	17.1
Advance payments and deposits		0.0		0.0	0.0
<b>TANGIBLE ASSETS</b>	<b>NOTE 12</b>				
Land		225.5	138.9	86.6	82.7
Constructions		3,240.1	2,321.5	918.6	917.0
Technical facilities, equipment and industrial tools		9,646.5	5,728.1	3,918.4	3,899.2
Other		383.3	312.7	70.6	74.4
Current tangible assets		3,542.0	0.5	3,541.5	3,152.7
Advance payments and deposits		223.9		223.9	188.1
<b>DISMANTLING ASSETS – THIRD PARTIES</b>	<b>NOTE 13</b>	<b>6.9</b>		<b>6.9</b>	<b>6.9</b>
<b>FINANCIAL INVESTMENTS</b>	<b>NOTE 14</b>				
Equity interests		190.2		190.2	190.2
Receivables from equity interests		11.2		11.2	14.2
Loans		2.9		2.9	3.0
Other		2.6		2.6	2.5
<b>TOTAL I</b>		<b>17,821.2</b>	<b>8,762.5</b>	<b>9,058.7</b>	<b>8,617.2</b>
<b>INVENTORY AND WORK-IN-PROCESS</b>	<b>NOTE 15</b>				
Raw materials and other supplies		3,523.2	17.3	3,505.9	3,466.4
Work-in-progress (goods and services)		1,348.2	0.0	1,348.2	1,900.2
Semi-finished and finished products		1,104.8	0.0	1,104.8	1,149.3
<b>ADVANCE PAYMENTS AND DEPOSITS ON ORDERS</b>		<b>30.1</b>		<b>30.1</b>	<b>27.6</b>
<b>OPERATING RECEIVABLES</b>	<b>NOTE 16</b>				
Accounts receivables and related accounts		504.0	44.9	459.1	476.6
Other		243.4	0.0	243.4	323.5
<b>CLAIMS ON THE GOVERNMENT</b>	<b>NOTE 17</b>	<b>17,138.2</b>		<b>17,138.2</b>	<b>17,158.6</b>
<b>MISCELLANEOUS RECEIVABLES</b>	<b>NOTE 18</b>	<b>658.5</b>	<b>0.0</b>	<b>658.5</b>	<b>722.4</b>
<b>CASH BALANCES AND INVESTMENT SECURITIES</b>	<b>NOTE 19</b>	<b>446.0</b>	<b>0.3</b>	<b>445.7</b>	<b>207.3</b>
<b>PREPAID EXPENSES</b>		<b>21.7</b>	<b>0.0</b>	<b>21.7</b>	<b>22.1</b>
<b>TOTAL II</b>		<b>25,018.1</b>	<b>62.5</b>	<b>24,955.6</b>	<b>25,454.0</b>
<b>EXCHANGE GAIN OR LOSS – ASSETS (III)</b>		<b>0.2</b>		<b>0.2</b>	<b>0.1</b>
<b>REDUCTION IN CLAIMS ON THE GOVERNMENT</b>		<b>0.0</b>		<b>0</b>	<b>0.0</b>
<b>GENERAL TOTAL (I + II + III + IV)</b>		<b>42,839.5</b>	<b>8,825.0</b>	<b>34,014.5</b>	<b>34,071.3</b>

(in millions of €)

LIABILITIES	Reference notes	31.12.2020	31.12.2019
<b>SPECIAL RESERVES</b>			
	NOTE 20		
Special reserves received from the State		7,442.3	8,000.8
Equipment grants received from the State		7,225.0	6,939.6
Balance from previous financial years		-1,292.4	-1,315.7
Balance for the year		142.9	21.6
<b>SUB-TOTAL</b>		<b>13,517.8</b>	<b>13,646.3</b>
<b>EQUIPMENT GRANTS AND CONTRIBUTIONS RECEIVED FROM THIRD PARTIES</b>			
	NOTE 21		
		1,407.9	1,305.3
<b>TOTAL I</b>		<b>14,925.7</b>	<b>14,951.6</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Provisions for end-of-cycle operations	NOTE 22	16,969.9	16,881.0
Other provisions for liabilities and charges	NOTE 24	134.0	120.7
<b>TOTAL II</b>		<b>17,103.9</b>	<b>17,001.7</b>
<b>FINANCIAL DEBTS</b>			
	NOTE 25		
Loans and debts with lending institutions		207.4	133.5
Miscellaneous loans and financial debts		34.1	40.2
<b>ADVANCES AND DEPOSITS RECEIVED ON ORDERS</b>		<b>20.6</b>	<b>25.7</b>
<b>OPERATING PAYABLES</b>			
	NOTE 26		
Trade and accounts payable		638.1	687.4
Tax and social security payables		351.4	487.3
Other		7.6	3.7
<b>MISCELLANEOUS PAYABLES</b>			
	NOTE 27		
Debts on fixed assets and related accounts		368.7	371.0
Other		273.6	303.5
<b>DEFERRED INCOME</b>		<b>83.0</b>	<b>65.2</b>
<b>TOTAL III</b>		<b>1,984.5</b>	<b>2,117.5</b>
<b>EXCHANGE GAIN OR LOSS – LIABILITIES (IV)</b>		<b>0.4</b>	<b>0.5</b>
<b>INCREASE IN CLAIMS ON GOVERNMENT – LIABILITIES (V)</b>		<b>0.0</b>	<b>0.0</b>
<b>GENERAL TOTAL (I + II + III + IV + V)</b>		<b>34,014.5</b>	<b>34,071.3</b>

(in millions of €)

## 4. Reconciliation with the budget

The accounting transactions for the financial year (operations and investment) and the budget balance are reconciled after eliminating off-budget operations<sup>(1)</sup> and offsetting the supplementary budgets, and funds for dismantling, the IRT, AFNI (France International Nuclear Agency), DSND, DDCG, I2EN and Agence ITER France.

	Income statement	Income and expenses without budgetary impact	Expenditure and funding without impact on the income statement	Offsetting of peripheral units	Reassignments	Budget balance excluding carry-overs from peripheral units
<b>OPERATING INCOME</b>	4,433.2	-446.0	926.8	-8.8		4,905.1
Operating income	416.1	6.2				422.3
Production added to inventory	191.1	-191.1				
Capitalised production	40.2	-40.2				
Budgeted operating income	2,279.2	1,007.0		-8.2		3,278.0
Operating subsidy	229.3	-2.4	77.6	-0.6		303.9
Subsidy of dedicated funds			740.0			740.0
Write-backs of provisions (and depreciation)	677.7	-654.6				23.1
Write-backs of equipment grants received from the State	480.2	-480.2				
Write-back of equipment grants received from third parties	59.3	-59.3	109.2			109.2
Transfers of charges	31.5	-31.5				
Budget allocation to new dedicated funds						
Other income	28.6					28.6
<b>FINANCIAL INCOME</b>	1,267.3	-1,173.3				94.0
<b>EXTRAORDINARY INCOME</b>	24.2	-24.2				0.0
<b>TOTAL INCOME</b>	5,724.7	-1,643.6	926.8	-8.8		4,999.1
<b>OPERATING EXPENDITURE</b>	4,409.8	-535.6	889.9	-10.5		4,753.7
Year's expenditure from third parties	2,046.8	14.0		-3.2	-17.3	2,040.3
Taxes, duties and similar payments	235.3	32.9		-8.8		268.2
Payroll expenses	1,507.6	-7.9				1,509.7
Allocations to depreciation and provisions	617.3	-574.6				42.7
Other expenses	2.8					2.8
Investments			889.9			889.9
<b>FINANCIAL EXPENSES</b>	1,147.6	-1,147.3				0.3
<b>EXTRAORDINARY EXPENSES</b>	23.9	-23.9				
Corporate income tax	0.5					0.5
<b>TOTAL EXPENSES</b>	5,581.8	-1,706.8	889.9	-10.5		4,754.4
<b>BALANCE FOR THE YEAR</b>	142.9	63.2	36.9	1.7		244.6

<sup>(1)</sup> Referring to variations in supply inventories, allocations to and write-backs of depreciations, allocations to and write-backs of provisions on inventory, some extraordinary expenses/income, write-backs of equipment grants, capitalised production

(in millions of €)

## 5. Cash flow schedule

### Economic presentation of the CEA's financial statement

Part III of this report presents the CEA's financial statement in compliance with the general chart of accounts (see [BALANCE SHEET](#)). However, this presentation does not offer a complete description of all the financial indicators. To highlight the CEA's key economic levers, the presentation below has been drawn up to include the following adjustments:

- Reassignment of inventories and work-in-progress (excluding consumable inventory) to fixed assets to take into account the characteristics of the latter (defence activities) and their funding by equity capital;
- Reassignment of claims on the State (excluding the working capital requirement, WCR) to fixed assets offset by the provisions for end-of-cycle obligations;
- Reassignment of long-term financial debt to the top of the financial statement.

	31.12.2020			31.12.2019
	Gross amounts	Depreciation & provisions	Net amounts	Net amounts
<b>ASSETS</b>				
<b>FIXED ASSETS</b>	<b>40,578.3</b>	<b>8,779.5</b>	<b>31,798.8</b>	<b>31,941.8</b>
Intangible assets	346.1	260.8	85.3	86.3
Tangible assets	17,261.3	8,501.7	8,759.6	8,314.1
Financial assets	206.9	0.0	206.9	209.9
Inventory and work-in-progress	5,927.7	17.0	5,910.7	6,473.5
Claims on the State	16,829.4		16,829.4	16,851.1
Dismantling assets – third parties	6.9		6.9	6.9
<b>CURRENT ASSETS</b>	<b>1,815.2</b>	<b>45.2</b>	<b>1,770.0</b>	<b>1,922.2</b>
Inventory and work-in-progress	48.5	0.3	48.2	42.4
Advance payments and deposits paid on orders	30.1		30.1	27.6
Operating receivables	747.4	44.9	702.5	800.1
Claims on the government	308.8		308.8	307.5
Miscellaneous receivables	658.5	0.0	658.5	722.4
Prepaid expenses	2.9	0.0	2.9	22.2
<b>CASH BALANCES AND INVESTMENT SECURITIES</b>	<b>446.0</b>	<b>0.3</b>	<b>445.7</b>	<b>207.3</b>
<b>TOTAL</b>	<b>42,839.5</b>	<b>8,825.0</b>	<b>34,014.5</b>	<b>34,071.3</b>

(in millions of €)

	31.12.2020	31.12.2019
<b>LIABILITIES</b>		
<b>EQUITY CAPITAL</b>	<b>31,899.4</b>	<b>31,836.5</b>
Special reserves	13,517.8	13,646.3
<i>Including adjustment for claims on the State</i>	55.8	53.5
Equipment grants received from third parties	1,407.9	1,305.3
Provisions for end-of-cycle obligations	16,969.9	16,881.0
Financial debt	3.8	3.9
<b>CURRENT LIABILITIES</b>	<b>1,970.2</b>	<b>2,163.1</b>
Financial debt	30.3	36.3
Advance payments and deposits received on orders	20.6	25.7
Operating payables	997.1	1,178.4
Provisions for liabilities and charges	134.0	120.7
Miscellaneous debts	642.3	674.5
Deferred income	83.4	65.7
Provisions for current assets	62.5	61.8
<b>LOANS AND DEBTS WITH LENDING INSTITUTIONS</b>	<b>207.4</b>	<b>133.5</b>
<b>TOTAL</b>	<b>34,014.5</b>	<b>34,071.3</b>

(in millions of €)



## Cash provided by operations

	CEA Total	Excluding funds	Funds
<b>CASH PROVIDED BY OPERATIONS</b>			
Balance for the year	142.9	125.8	17.1
+ Allocations to depreciations, impairments and provisions	1,065.2	590.5	474.7
- Write-backs of depreciations, impairments and provisions	-1,390.2	-36.1	-1,354.1
+ net book value of assets sold	12.3	12.3	0.0
- income from the disposal of assets	-3.7	-3.7	0.0
- share of profit from funding related to assets	-551.8	-551.8	0.0
<b>CASH PROVIDED BY OPERATIONS BEFORE ADJUSTMENTS</b>	<b>-725.3</b>	<b>137.0</b>	<b>-862.3</b>
Adjustment of cash provided by operations specific to the CEA			
+ subsidy of dedicated funds <sup>(1)</sup>	740.0	0.0	740.0
- interest and similar income <sup>(2)</sup>	-443.5	0.0	-443.5
+ interest and related expenses <sup>(2)</sup>	695.8	0.0	695.8
<b>CASH PROVIDED BY OPERATIONS AFTER ADJUSTMENTS</b>	<b>267.1</b>	<b>137.0</b>	<b>130.1</b>

<sup>(1)</sup> The budgeted credits corresponding to Action 15 in Programme 190 guarantee the liquidity of claims on the State, which cover the dismantling liabilities remaining from the former fund. The corresponding income does not appear in the income statement because of this mechanism; it must therefore be added to the CEA's cash flow from operations.

(in millions of €)

<sup>(2)</sup> According to the framework agreement between the State and the CEA, which covers the former fund, changes to provisions for clean-up & dismantling within the scope of the law are offset by the claims of the State. As a result of this mechanism, the financial allocations and write-backs impacting this scope (see **Financial expenses and income relating to clean-up & dismantling provisions in note 5**) are offset by the financial expenses and income that must not be included in the calculation of the cash flow from operations.

## Change in assets based on accrual accounting

CHANGE IN ASSETS BASED ON ACCRUAL ACCOUNTING	31.12.2020	31.12.2019
<b>APPLICATION OF FUNDS</b>		
Inadequate cash flow	0.0	0.0
Investments (intangible assets, tangible assets, financial assets & changes in inventories)	1,230.0	1,090.6
Repayment of financial debts	0.1	0.3
<b>TOTAL APPLICATION OF FUNDS</b>	<b>1,230.1</b>	<b>1,090.9</b>
<b>FUNDING</b>		
Cash provided by operations	267.1	86.3
Government funding of assets	1,007.1	886.5
Funding of assets by third parties	161.9	180.1
Other funds	0.0	0.0
Increase in financial debts	0.0	0.0
<b>TOTAL FUNDING</b>	<b>1,436.0</b>	<b>1,152.9</b>
<b>INCREASE IN WORKING CAPITAL</b>	<b>205.9</b>	<b>62.0</b>
<b>DECREASE IN WORKING CAPITAL</b>	<b>0,0</b>	<b>0,0</b>

(in millions of €)

## Variation and level of working capital, working capital requirement and cash flow

VARIATION AND LEVEL OF WORKING CAPITAL, WORKING CAPITAL REQUIREMENT AND CASH FLOW	31.12.2020	31.12.2019
Increase in working capital	205.9	62.0
Decrease in working capital requirement	41.3	90.2
Increase in cash flow	164.6	-28.2
Final level of working capital	83.6	-122.3
Final level of working capital requirement	-155.0	-196.3
Final level of cash flow	238.6	74.0

(in millions of €)

**A - INTRODUCTION****• The CEA's statutory provisions**

The French Alternative Energies and Atomic Energy Commission (CEA) is a scientific, technical and industrial establishment governed by Articles L. 332-1 to L. 332-7 of the French Research Code, which codifies the legal provisions of the founding Order of the CEA of 18 October 1945.

The CEA falls within the category of public institutions with industrial and commercial activities (EPIC) and operates under the joint authority of the Ministries of Energy, Research, Industry and Defence in France. As an establishment with legal personality and administrative and financial autonomy, the CEA is authorised to conduct its own financial management and to present its accounts in accordance with business rules and practices.

Decree No. 2016-311 of 17 March 2016 pertaining to the organisation and operation of the CEA establishes:

- The CEA's missions and the resources it has at its disposal to accomplish these missions.
- The rules of governance of the CEA and its relationships with its supervisory bodies, as well as the economic and financial control procedures exercised by the French State.
- The CEA's administrative setup and its scientific and technical framework.

**• Key events of the financial year 2020**

- The year 2020 was marked by a major health and economic crisis. Throughout the pandemic, the CEA has striven to protect its employees (implementing business continuity plans and shutting down facilities securely during the first lockdown, facilitating mass working from home, providing PPE for employees, maintaining salaries, etc.) while upholding its commitments to its partners (the State and its industrial partners) and playing an active role in the fight against the pandemic, not only through its research activities but also by donating masks and hand sanitiser to healthcare workers from the beginning of March 2020.
- Analysis of the accounting implications of the pandemic has not led to the CEA depreciating any assets or setting aside any significant provisions for liabilities and charges.
- A grant of €740 million was received from the State to finance spending from the dedicated funds set up under the Framework Agreement.
- The claim on the State, which covers clean-up and dismantling liabilities from before 1 January 2010, was €17,138 million at the end of 2020, compared with €17,300 million at the end of 2019. A new agreement relating to funding the CEA's long-term costs was signed on 10 November 2020 as approved by the Executive Board in December 2019. The main purpose of this new agreement is to take account of the change in the way the funds have been financed since 2016 (annual budget subsidy). This claim mainly incorporates the effects of (i)

the revaluation to 2020 economic conditions and accretion of the former fund (+€401 million); (ii) revision of the forecasting assumptions for inflation and performance (-€551 million); (iii) budgeted credits paid by the State (-€740 million); and (iv) revisions of estimates and payment schedules (+€867 million).

- The provisions relating to end-of-cycle costs (old and new funds) were €16,970 million at year closing, compared with €16,881 million at the end of 2019. The variation in end-of-cycle provisions (+€89 million) is mainly due to (i) the revaluation to 2020 economic conditions and accretion of assets (+€405 million); (ii) revision of the forecasting assumptions for inflation and performance (-€565 million) based on a forecast inflation rate of 1.09% versus 1.32% in 2019 and an unchanged nominal discount rate of 3.75%; (iii) revisions of estimates and payment schedules for the year (+€865 million); and (iv) the write-back corresponding to work completed during the financial year (-€615 million).
- Further to the comments raised by France's General Directorate for Energy and Climate (DGEC) in a letter to the CEA in December 2018 concerning the final state of its facilities, the CEA will incorporate these implications in its accounts for 2021 and subsequent financial years. These implications may be significant and have already been mentioned in the Notes (see the table of risks and uncertainties in [Note 34](#)).
- Further to the ASN's opinion document No. 2020-AV-0363 dated 8 October 2020 pertaining to the principles for assessing the potential reuse of radioactive material, the CEA will conduct a study during 2021 and subsequent financial years to ascertain (i) the reuse of radioactive material included in assets declared on its balance sheet, and (ii) the consequences in terms of liabilities associated with reprocessing and storage of any downgraded waste material.
- Revisions of estimates relating to future dismantling costs of new civil facilities (INC) made in 2020 (MAGENTA and AGATE) have not been covered by contributions from the Energy Division (DES) to the INC fund. However, the percentage of coverage of this fund remains positive because of the funds contributed by the CEA in 2011, originally intended to cover the future dismantling costs of the Jules Horowitz Reactor (JHR). The issue of funding long-term costs from new funds will be examined by the CEA in conjunction with its supervisory bodies over the coming financial years.
- A partial provision – corresponding to the first nuclear commissioning phase of the Laser Mégajoule facility (LMJ) – was recorded on the liabilities side of the balance sheet in 2019. In 2020, following an in-depth analysis of the dismantling obligations arising from the Defence Code, it transpired that the conditions necessary for creating a provision had not been met.

Consequently, the provision relating to dismantling the LMJ was written back in the accounts for 31 December 2020 at €31 million.

- Following the study on the JHR launched at the end of 2018 in conjunction with the State, the Prime Minister confirmed at the Atomic Energy Committee meeting in May 2019 that the project would continue, provided that the CEA deployed a plan in liaison with nuclear industry stakeholders to bring the project under control. A project director, reporting to the Chairman, was appointed in June 2019. The Atomic Energy Committee also decided that the project should be funded by an additional contribution from the CEA, industry stakeholders and the State. Within this framework, a new agreement was signed between the French National Research Agency (ANR) and the CEA in December 2019, which allocated €599 million in project funding under the Investment for the Future Programme. The first payment of €106.1 million was received in 2019, followed by a further €109.2 million in 2020. The project control plan was deployed in 2020 within the defined time scales. This led to the CEA launching a new study with the State at the end of 2020 to assess various future investment scenarios. In line with previous financial years, and the expected completion of this work, the value of investment has been maintained at its historical cost.
- The CEA's assumptions for calculating its staff-related commitments as at 31 December 2020 remain unchanged compared with 2019: a discount rate of 0.50% and forecast inflation rate of 1.50%.

### Note 1 - Accounting principles

The CEA's Annual Financial Statements are drawn up using the methods and principles set out in the general chart of accounts in accordance with Regulation No. 2014-03 of the French Accounting Standards Authority (ANC), as ratified by the Order dated 8 September 2014 and published in the Official Journal of the French Republic on 15 October 2014. Exemptions have been allowed if, in the valuation of certain assets and liabilities and their calculation, the application of the accounting regulations stipulated by these texts has been deemed unlikely to produce a true representation of the business and assets, given their specific nature (inventory and work-in-progress) or their financing method.

Funds received at the end of the financial year, intended for the funding of services that have not yet been provided, are entered under "Budgeted operating income" and allocated to the "Special reserves" account.

Similarly, if, after appropriation of funds, the balance of transactions for the financial year results in a negative balance, including in the event of cancellation of grants recorded over the financial year, in circumstances that do not allow a corresponding reduction in expenditure because of commitments already fulfilled, this balance is allocated to "Special reserves".

### 1.1. Intangible assets

Intangible assets include patents and licences acquired, which are depreciated over the useful life of said assets or according to their likely conditions of use. These conditions correspond to the straight-line method and the depreciation rates applied to these asset categories, not exceeding a period of five years. They also include the pre-financing of ANDRA investments for the acquisition of waste disposal rights, for which depreciation is calculated in proportion to the actual use of these rights, compared to the reserved volume.

Research and development costs, whatever their outcome, are treated as expenditure for the financial year.

### 1.2. Tangible assets

Tangible assets are valued at the historical acquisition cost or production cost, excluding financial expenses and administrative costs.

The CEA applies the component approach for each of its major investments.

Tangible assets are subject to depreciation schedules determined on the basis of their useful life or their likely conditions of use. These conditions correspond to the straight-line method and the depreciation rates normally applied to these asset categories.

Depreciations entered under the "Land" line correspond to depreciation of developments on these investments. The key depreciation periods applied are as follows:

- Buildings ..... 20 years
- Light constructions ..... 10 years
- Technical facilities ..... 10 to 30 years
- Equipment and tools ..... 3 to 10 years
- Transport equipment ..... 4 years
- Furniture, office and IT equipment ..... 3 to 10 years

Investment subsidies received for the purchase of fixed assets are recorded under "Equipment grants received from the State" or "Equipment grants received from third parties".

### 1.3. Dismantling assets – third parties

The share of provisions for end-of-cycle operations corresponding to funding expected from third parties (IRSN) is entered under "Dismantling assets - third parties".

These assets are valued symmetrically with the corresponding provisions, on discounted bases (see [Note 1.1.1.2](#)).

### 1.4. Financial assets

Financial assets are valued at their historical cost. Their book value is calculated on the basis of the share of the net worth of the subsidiary on the accounting date, or on the values of any transactions. A provision is set aside when this book value, calculated on a share-by-share basis, is lower than the historical cost.

### 1.5. Inventory

Inventories of raw materials, basic materials and strategic materials are valued at their estimated weighted average cost.

Inventories of consumable materials are valued at their weighted average cost.

Work-in-progress, goods-in-process and finished products are valued at their cost price. Cost price corresponds to the purchase cost of goods and services or the production cost excluding overheads and financial expenses.

For presentation purposes, the value applied to weapons systems and resources made available to the armed forces is the value of the materials alone, which will ultimately be recovered by the CEA.

As these materials were procured and funded under specific programmes, they cannot be converted into realisable or disposable assets and therefore do not result in any depreciation.

Inventories of consumable and basic materials are considered used once they have been made available to the end user or have entered the reactor or become part of a cycle involving exposure to radiation.

At the end of the financial year, the value of inventories of consumable materials is assessed on the basis of their value in use or the utility value of the materials.

### 1.6. Claim on the State

The balance of the CEA's nuclear costs is covered by a claim on the State in the CEA's former funds as a coverage asset for the organisation's nuclear costs corresponding to facilities commissioned before 31 December 2009, approved every year by the CEA's Executive Board at the time the accounts are closed. The procedures for the annual review of this claim are established in the agreement relating to funding the CEA's long-term costs signed on 10 November 2020.

### 1.7. Impairment of trade receivables

Impairments are valued on a case-by-case basis according to the assessment of the risk involved. Unless duly justified, a provision will be recognised on 31 December for any receivables still outstanding six months after their due date for which a provision has not yet already been made.

### 1.8. Investment securities

Investment securities are recorded in the balance sheet at their acquisition cost. Furthermore, as at the closure date, any unrealised gains or losses are calculated on the basis of the last known net asset value of the units or shares for UCITS, and, in the case of bonds, on the basis of the last rate for December.

A provision is made for unrealised losses recorded at the end of the financial year.

### 1.9. Budget subsidy received from the State

The budget subsidy awarded by the State is entered under "Equipment grants", "Special reserves" or "Budgeted operating income" depending on the type of expenditure it is being used to cover. Since the CEA's activities are of national importance, these resources are allocated first and foremost to cover ongoing requirements, and the balance is

used to finance net operating expenditure over the financial year.

The amount entered under "Equipment grants" corresponds to the residual value of intangible and tangible fixed assets, excluding non-budgeted transactions concerning advances and deposits paid on orders for fixed assets.

The amount entered under "Special reserves" mainly represents the financing of financial assets and inventories.

The amount entered under "Budgeted operating income" represents the share of funds received from the State allocated to net operating expenditure over the financial year.

### 1.10. Equipment grants received from the State and third parties

These are credited to the income statement according to the estimated service life or length of use of the fixed assets that they were used to finance.

### 1.11. Provisions for liabilities and charges

A provision is created where there is an obligation towards a third party on the year-closing date which the CEA is able to estimate with sufficient reliability, whether this obligation is legal, contractual or implicit and whether or not it is the subject of a probable disbursement to a third party.

*No provision is made for contingent liabilities corresponding to an obligation that is neither likely nor definite at year closing. A note is included in the Notes if these liabilities are significant.*

#### 1.11.1. Staff-related commitments

In view of how the CEA is funded, its staff commitments regarding retirement benefits and other post-employment commitments are not recognised as provisions, but recorded as off-balance sheet commitments, with the exception of those actually invoiced to partners, for which a provision for charges is entered.

#### 1.11.2. End-of-cycle commitments

##### a) Funds for dismantling nuclear facilities

The provisions associated with dismantling nuclear facilities correspond to the total cost of the operation where the CEA is the nuclear facility operator, or to the share attributable to the CEA through its past involvement in a programme, or as joint operator of a facility if it is not considered as the nuclear operator. As the deterioration is immediate, these provisions are set up as soon as the facility is commissioned for active operation.

The corresponding share of the provisions to be funded by third parties is broken down into the following categories:

- Entry in a "Dismantling assets to be funded by third parties" account. These assets are not subject to depreciation, but are converted into accrued income for the financial years in which dismantling will take place, to represent the amounts owed to the fund by third parties under the agreed contractual provisions.

- Future funding expected from the French State is now recognised in an account entitled "Claim on the State", in accordance with the provisions of the Government-CEA framework agreement. The liquidity of this claim was represented by rolling three-year agreements until the 2016 financial year. It is now shown through budget credits provided to Programme 190 of the CEA's "Research and Higher Education" activities, under which all State funding to the CEA for nuclear facility dismantling and clean-up is grouped together.

In a letter dated 1 December 2008, France's General Directorate for Energy and Climate (DGEC), the administrative authority, which oversees coverage of dismantling provisions by nuclear operators, confirmed that these assets were acceptable to cover the provisions as defined in Article 20 of the French law of 28 June 2006 during the transition period provided for under that law.

Similarly, the CEA has worked on the assumption that the cash provided by these assets will meet its cash flow requirements.

#### b) Assessing the cost of dismantling nuclear facilities

The methods used to assess the costs of dismantling facilities are designed to give the best estimate of the costs and lead times of operations at any time:

- In the earliest phases, from commissioning onwards, technical and economical modelling is applied to the various types of facilities to be dismantled, based on an inventory of the facility's equipment and its projected radiological conditions, and on models using scenarios and elemental cost ratios. If this initial modelling has not been completed, an initial assessment is performed, based on 15% of the investment cost, which is consistent with the ratio used by EDF following work carried out by the French Nuclear Power Advisory Authority (PEON) on the cost of nuclear power.

This method is also used at the investment stage for facilities that are used for end-of-cycle operations (storage facilities, etc.).

- Given the wide variety of facilities to be dismantled and the resulting differing situations from one facility to another, assessment models are based on standard scenarios applied to the dismantling of standard cells which correspond to functions (pools, basins, fabricated equipment and piping, conduits, etc.), together with radiation and contamination levels, accessibility and the possibility of carrying out work (existence of handling equipment, equipment for cutting inside the cell, etc.).
- Once a dismantling project has been started, successive studies are carried out to assess the clean-up and dismantling costs with a constantly decreasing margin of error.
- Finally, during the work phase, the costs at completion are regularly reviewed, based on current purchase orders and contracts.

Provisions relating to the dismantling of nuclear facilities and waste recovery and conditioning are established based on the following:

- An inventory of the cost of bringing the facility's site to the decommissioning stage, which, unless there are specific requirements, generally involves the total, unconditional deregulation of the site, i.e. completely eliminating any areas presenting a radioactive hazard, while keeping the engineered structures in place.
- Operations being started immediately after the final shutdown of "production", which means that the cost assessments do not take into account any projected site monitoring costs.
- Assessment of expenditure on the basis of estimated costs which take into account the labour of operational staff (operators), managerial staff and radiation protection staff, consumables and equipment, and the treatment of the resulting waste, including final disposal. The assessment also takes into account a share of the technical support costs of the CEA units in charge of dismantling.
- Lastly, it takes into account the financial impact arising from risk analyses carried out for each project. For ongoing projects, the analysis is based on a list of contingencies and risks, and an estimation of their impact in terms of cost and time, weighted according to the probability of their occurrence. If such an analysis is not available, the CEA has adopted a macro-level approach that takes into account the difficulty of the project and its knowledge of the remaining work, which is determined by whether or not the following stages have been completed: internal pre-conceptual designs, conceptual design, basic design, calls for tenders, work initiation or completion. This is an interim approach, pending the outcomes of the risk analyses. For other projects, scheduled for completion in the medium and long term, the analysis is based on feedback from ongoing projects according to the type of facility (reactor, laboratory, etc.) and the expenditure items (project and works management, operation and waste).
- Inclusion of VAT, calculated on the basis of the applicable VAT rate (20% as at 31 December 2020) and the flat-rate tax coefficient.

#### c) Long-term management of radioactive waste packages

- Up to the end of 2014, future expenditure related to deep geological disposal was assessed at the end of each financial year, based on the quantities of high and intermediate-level waste (LL-HLW and LL-ILW) produced, as stipulated in the French law of 28 June 2006, and the assumption that a deep geological disposal facility would enter service. A working group was set up in 2004, under the auspices of the DGEC, with representatives from Andra, EDF, AREVA and the CEA. It delivered its findings in the second half of 2005. The CEA carried out a realistic assessment of the working group's findings and chose to calculate the unit costs for each waste category based on a total estimate of €14.1 billion (under 2003 economic conditions) for the deep geological disposal facility, up to the end of 2014.

- Following a State-initiated process to update this, the Ministry for Ecology, Sustainable Development and Energy announced a revised estimate in mid-January 2016. This established the cost of implementing long-term management solutions for high and intermediate-level long-lived waste (hereafter called the "CIGEO" project) at €25 billion (under 2011 economic conditions), covering a 140-year period from 2016. This cost, which was generated in the CIGEO project conceptual design phase, replaces the 2005 estimate of €14.1 billion (under 2003 economic conditions), on which the corresponding end-of-cycle provision had been based. The promulgation of this new CIGEO baseline cost led to the CEA setting aside an additional end-of cycle provision of €858 million at discounted net value at the end of 2015. This provision covers the entire CEA inventory at completion. The historic allocation formula for joint costs corresponds to the most likely estimated share and remains unchanged. It also includes a share of risks and contingencies that could increase the published estimate. The CIGEO project is funded by EDF, the CEA and AREVA, according to an allocation formula based on each organisation's share of the projected volume of waste for geological disposal. The main factors that could affect the amount of this provision are the cost of the CIGEO project, the funding allocation formula, compliance with the schedules and the discount rate. Provisions have also been made for interim multi-purpose storage facilities, to take account of the four-year delay before the first packages will be received at the CIGEO facility (2029 instead of 2025). In addition, a review of the impacts of transport issues and packaging standards was in progress at year closing.
- The provisions also incorporate the share of the monitoring costs of two disposal facilities (CSM and CSA), which accept or have accepted low-level short-lived waste, as well as expenses associated with the removal and planned sub-surface disposal of low-level long-lived waste owned by the CEA (composed of graphite and radium-bearing waste).

d) Recognition of end-of-cycle obligations in the accounts

**The effects of accretion** over time are taken into account each year in the balance sheet as an increase in the provisions for end-of-cycle operations, which are offset by the "Financial expenses" entry. The part relating to funding to be received from third parties and the State is recorded as an increase in the claim on the State, and offset against the "Financial income" entry.

**The changes in the assumptions** regarding changes in estimates, discount rate and payment schedules are recorded in the accounts as follows:

- For obligations originating from before 1 January 2010, governed by the agreement on funding the CEA's long-term costs and subject to an approval process for the revision of estimates, the provisions

will be increased, with a corresponding increase in the claim on the State.

- For obligations originating on or after 1 January 2010, the provisions will be increased, with a corresponding entry under Expenditure. These obligations are covered by additional ring-fenced financial contributions from the CEA, entered as assets, with a corresponding entry under Income..

e) Systems and equipment made available to the French armed forces

The analyses carried out during the 2012 financial year resolved uncertainties, enabling the irradiated fuel elements from defence facilities to be taken into account in the end-of-cycle provisions for that year.

The costs of dismantling weapons systems and equipment provided to the armed forces are not shown as provisions, as they are met by the armed forces themselves. The same applies to the costs of recovering corresponding materials considered necessary to the CEA's business.

f) Main sources of uncertainty and of significant risks relating to year closing and contingent liabilities

The additional provisions entered in the accounts at year closing 2017 made the provisions substantially more robust.

Nonetheless, the CEA is still exposed to certain risks and uncertainties mentioned in the Notes to the financial statements. These are summarised below. Such risks and uncertainties are chiefly because the CEA facilities being dismantled and cleaned up are very old and all have specific requirements due to the research activities carried out there.

**Summary of the main sources of uncertainty and of significant risks relating to year closing and contingent liabilities, as mentioned in the Notes to the CEA's financial statements.**

The assessments used for the end-of-cycle provisions are the CEA's best estimates, at the time of closing the accounts, of the funds that will be required to fulfil its current and future dismantling and clean-up obligations for its facilities (including waste recovery and conditioning).

Moreover, some of its obligations are likely to lead to disbursements, but given the information available at the time of closing, it is not possible to reliably estimate their cost. Other obligations (contingent liabilities) are only potential, and their existence will only be recognised if one or more uncertain future events (not totally under the CEA's control) occur. The end-of-cycle cost estimate thus includes significant uncosted uncertainties, which must be mentioned in the Notes to the Financial Statements, since they are inherent to the planned duration of operations (several decades). The main reasons are as follows:

- **Inadequate knowledge of the initial state:** detailed knowledge of the physical condition of some older facilities sometimes requires the addition of

radiological inventory and characterisation studies, which will only be possible at future stages in the dismantling process. Dismantling scenarios must be adapted as and when knowledge of the facilities and associated sites progresses (in particular the level of soil remediation required).

- **Safety requirements and changes in the regulations:** safety, security and environmental protection requirements established by the State and the safety authorities may change, which will affect work schedules and operations.
- **Changes in the definition of the final state:** the intended final state of facilities and sites to be dismantled may change in line with requirements set by the State and the safety authorities.
- **Changes in the availability dates of waste disposal facilities, and in disposal costs or waste conditioning specifications:**
  - The estimated future costs associated with the deep geological disposal of high and intermediate-level waste is currently based on the French State's costing of €25 billion (under 2011 economic conditions) given in mid-January 2016, and based on the conceptual design phase. This estimate includes a provision for risks and contingencies. Additional costings are currently being drawn up for the associated transport and logistics. Risks and uncertainties remain concerning the acceptability of packages, how the costs will be allocated between producers, and any potential future changes to the cost estimates and work schedule.
  - End-of-cycle operations at nuclear facilities require ongoing coordination and negotiation between the various waste producers, in order to coordinate their individual scenarios with the financial needs, the transport capabilities and the physical capacities of the waste disposal facilities to accept waste packages. The CEA may have to revise its own scenarios according to these constraints.
  - The scope and conditions for future waste management by Andra at its LL-LLW and Cigeo disposal facilities.
- **Financial resource planning:**
  - The timing of the dismantling operations leads to disbursement schedules that are included in the financial scenarios.
  - A mid to long-term (10-year) plan established in late 2017, which is consistent with future budgetary flows from the State up to 2022, has reduced this risk. Post-2022 scenarios are currently being examined with the State. However, the decisions made in this context have led to scheduling delays for some lower-priority projects, leading to additional fixed costs for which provision has had to be made.
- **Technical issues not covered by contingency provisions, including:**
  - Potential changes in waste processing and in waste & facility clean-up technologies could affect the final cost of end-of-cycle operations.
  - Since project schedules are often closely linked, any delay on one project may lead to delays and additional costs for all end-of-cycle operations. For example,

if waste disposal facilities are not available on the planned dates, this will have a significant impact on end-of-cycle scenarios, particularly on the waste recovery and conditioning programmes.

- The early shutdown of some facilities or projects may lead to clean-up and dismantling work being required much earlier than planned in the initial scenarios.

#### *g) Outlook*

Following the letter of 25 July 2015 from the safety authorities, a joint review was carried out to redefine the priorities and overall strategy for clean-up and dismantling operations.

On 16 December 2016, the CEA sent the French Nuclear Safety Authority (ASN) its overall proposal, setting out:

- The dismantling strategy for the next fifteen years, with clear priorities and consolidated, binding dismantling programmes.
- An updated strategy for managing the radioactive materials and waste held by the CEA.
- An update of the organisation and resources the CEA is devoting to these projects.
- A review of the required annual funding schedule over the next 15 years for dismantling and waste management operations, taking into account the updated dismantling strategy and development of the Cigeo project.

The safety authorities' examination of the prioritisation strategy for dismantling projects ended in June 2018 with meetings of the Advisory Committee and of the Laboratory, Plant and Waste Management Safety Commission (CSLUD), a group of experts that supports the ASN and the DSND. The commitments made by the CEA (in a letter sent to the authorities dated 28 July 2018) and the recommendations of the safety authorities (follow-up letter sent on 27 May 2019) do not affect the CEA's dismantling and waste recovery and conditioning priorities.

However, there are still significant risks and uncertainties, as shown in Table I.5.34, which could lead to revisions of estimates in the short term.

### **1.12. Tax and social security payables**

The CEA's commitments to its staff in respect of paid leave due but not yet taken, and paid leave accrued but not yet due, have been entered in the accounts since the 2006 financial year.

In 2012, the CEA extended this to include leave entitlements registered by staff in a working time account (CET-PERCO).

### **Note 2 - Operating income**

Operating income represents research, work and services invoiced by the CEA to third parties in connection with its programmes or the provision of services.

### **Note 3 - Budgeted operating income**

This entry corresponds to the balance of the State grant for the financial year allocated to operating expenditure for the year.

## Note 4 - Allocations And Write-Backs Of Operating Depreciation And Provisions

### Allocations

Allocations decreased by €1.8 million to €617.3 million in 2020 compared with €619.1 million in 2019.

This breaks down as follows:

- A decrease of €7.8 million in the allocation to provisions for liabilities and charges to €56.7 million in 2020 versus €64.5 million in 2019;

The allocation to provisions for liabilities and charges for the financial year (€56.7 million) mainly covers the following:

- staff-related or business-related liabilities and disputes (€18.6 million),
- dismantling provisions (€26.9 million) from new funds
- worksite claims and other liabilities (asbestos) (€4.4 million),
- normal waste treatment (€0.1 million),
- the provision for EPURE (€6.5 million),

- An increase of €2.1 million in the allocation to depreciation for the financial year 2020 to €541.5 million at the end of 2020 compared with €539.4 million at the end of 2019;

The allocation to depreciation for the financial year (€541.5 million) relates to tangible and intangible assets.

- A decrease of €0.8 million in the allocation to provisions for depreciation of fixed assets to €7.1 million in 2020 versus €7.9 million in 2019;
- An increase of €4.7 million in the allocation to provisions on current assets to €12 million in 2020 versus €7.3 million in 2019.

The 2020 allocation (€12 million) essentially covers allocations for depreciation of doubtful receivables (€11.6 million) and an allocation for depreciation of inventory and work-in-progress (€0.3 million).

### Write-backs

Write-backs on provisions and depreciation of €677.7 million for the financial year 2020 mainly relate to:

- Provisions for depreciation of tangible assets (€8 million);
- Provisions for depreciation of inventory (€0.4 million);
- Provisions for doubtful receivables (€10.9 million);
- Provisions for liabilities and charges (€658.3 million), specifically for:
  - Miscellaneous liabilities and disputes (€13.5 million),
  - Dismantling of licensed nuclear facilities, treatment of radioactive sources, waste and spent fuel (€644.8 million) for work completed in 2020.

	31.12.2020	31.12.2019	Variation
<b>FINANCIAL INCOME EXCLUDING CLEAN-UP AND DISMANTLING PROVISIONS</b>	<b>114.3</b>	<b>21.4</b>	<b>-91.7</b>
Dividends	103.7	5.5	-98.2
Investment income	7.4	5.3	-2.0
Interest on receivables	0.7	0.7	0.0
Write-back of provisions for depreciation of investment securities	0.2	8.7	8.5
Miscellaneous	0.6	0.6	0.0
Foreign exchange gains	1.8	0,5	
<b>FINANCIAL EXPENSES EXCLUDING CLEAN-UP AND DISMANTLING PROVISIONS</b>	<b>-4.3</b>	<b>-7.5</b>	<b>-3.2</b>
Losses on investment activity	-1.5	-0.8	0.7
Allocations to provisions for depreciation of investment securities	-0.3	-0.2	0.1
Allocations to financial provisions	-0.2	-0.1	0.1
Interest and related expenses	-0.1	-4.9	-4.8
Foreign exchange losses	-2.3	-1.5	0.7
<b>FINANCIAL EXPENSES AND INCOME RELATING TO CLEAN-UP AND DISMANTLING PROVISIONS</b>	<b>9.6</b>	<b>0.8</b>	<b>-8.8</b>
Allocations to financial provisions	-447.5	-606.8	-159.3
Financial income - coverage asset offset	443.5	601.6	158.1
Write-backs of financial provisions	709.4	553.3	-156.0
Financial expenses - coverage asset offset	-695.8	-547.4	148.5

(in millions of €)

The main components of the net financial income for 2020 are as follows:

- The interim dividend paid by CEA Investissement (€99.3 million) and the TechnicAtome dividend (€4.3 million);
- Gains or losses generated within the scope of portfolio management for a net amount of €5.9 million, mainly for the new facilities fund (€4.5 million);
- The net impact of the €9.6 million change in clean-up and dismantling provisions: this corresponds to

allocations and write-backs of provisions associated with the accretion of liabilities (-€447.5 million); revision of the inflation rate assumptions (+€565 million); revaluation (+€43 million); and the effects of payment schedules (+€101.4 million), neutralised by offsetting coverage assets (mainly the claim on the State) in line with the provisions set out in the agreement relating to funding the CEA's long-term costs.



## Note 6 - Extraordinary income/expenditure

### Extraordinary income

Extraordinary income fell to €24.2 million in 2020 compared with €38.3 million in 2019.

This breaks down as follows:

- Extraordinary income on management operations (€5.1 million);
- Proceeds from the disposal of assets (€3.7 million);
- Write-backs of provisions (€2.8 million);
- Write-backs on equipment grants received from the State for the net book value of assets sold or retired during the financial year (€12.3 million).

### Extraordinary expenditure

Extraordinary expenditure for 2020 is down by €10.5 million to €23.9 million compared with €34.4 million in 2019.

This breaks down as follows:

- Extraordinary expenditure on management operations worth €11.6 million, consisting mainly of grants awarded, worth €11.2 million;
- The net book value of assets sold or retired over the financial year, worth €12.3 million (see Note 12).

## Note 7 - Purchases from third parties over the tax year

This entry records a negative variation of €41.3 million (€2,046.8 million in 2020 versus €2,088.1 million in 2019) mainly attributable to the following:

- A decrease in supplies inventory purchases (-€15.4 million);

- An increase in the variation of supplies inventory (+€11.5 million);
- A €27.5 million decrease in subcontracting purchases resulting primarily from variations in the following:
  - Nuclear works (+€16.6 million),
  - Materials and equipment (+€12.1 million),
  - Study contracts (-€29.3 million),
  - Dismantling works (-€21.2 million);
- An increase in non-inventory purchases of €37.3 million resulting mainly from variations in the following:
  - Materials for naval propulsion projects (+€18.9 million),
  - IT supplies (+€7.9 million),
  - Energy purchases (+€7.3 million),
  - Laboratory materials and equipment (+€6.4 million),
  - Metals, wood, chemical products (-€4.4 million);
- A €47.2 million decrease in external services resulting mainly from variations in the following items:
  - Staff seconded to the CEA (+€7.2 million),
  - Temporary staff (+€0.6 million),
  - Insurance premiums (+€5.7 million),
  - Payments to intermediaries and fees (+€4.2 million),
  - Studies and research (+€3.2 million),
  - Travel, business trips, entertainment (-€33.3 million),
  - General subcontracting (-€13.6 million),
  - Maintenance and repair (-€7.1 million),
  - Training and refresher courses (-€5.1 million),
  - Transport (-€3.9 million).

The following tables show these line items in detail.

## Analysis of subcontracting purchases and non-inventory purchases

PURCHASES	2020	2019	Variation	
			in millions of €	%
<b>SUBCONTRACTING PURCHASES</b>				
Study contracts	402.9	432.2	-29.3	-6.8
Nuclear works	60.8	44.2	16.6	37.6
Materials and equipment	116.2	104.1	12.1	11.6
Non-capital equipment	0.0	0.1	-0.1	-100.0
Third-party purchases	-6.2	-4.4	-1.8	40.9
Dismantling works	44.6	65.8	-21.2	-32.2
Equipment for dismantling operations	0.6	4.4	-3.8	-86.4
<b>TOTAL</b>	<b>618.9</b>	<b>646.4</b>	<b>-27.5</b>	<b>-4.3</b>
<b>PURCHASES OF NON-INVENTORY MATERIALS AND SUPPLIES</b>				
Energy purchases	77.5	70.2	7.3	10.4
Metals, wood, chemical products	28.0	32.4	-4.4	-13.6
Spare parts	5.6	7.1	-1.5	-21.1
Electrical and electronic equipment	15.6	15.0	0.6	4.0
Laboratory materials and equipment (excluding DPN)	49.0	42.6	6.4	15.0
Materials for naval propulsion projects	176.8	157.9	18.9	12.0
IT supplies	32.8	24.9	7.9	31.7
Other materials and supplies	21.8	17.6	4.2	23.9
Other purchases	21.1	23.2	-2.1	-9.1
<b>TOTAL</b>	<b>428.2</b>	<b>390.9</b>	<b>37.3</b>	<b>9.5</b>

(in millions of €)

## Analysis of external services

	2020	2019	Variation	
			in millions of €	%
<b>NON-CEA STAFF</b>				
Temporary staff	20.3	19.7	0.6	3.0
Staff seconded to the CEA	16.5	9.3	7.2	77.4
Incidental expenses - non-CEA staff	0.4	1.4	-1.0	-71.4
<b>TOTAL</b>	<b>37.2</b>	<b>30.4</b>	<b>6.8</b>	<b>22.4</b>
<b>LEASE PAYMENTS</b>				
Equipment leasing	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NS</b>
<b>OTHER</b>				
General subcontracting	363.4	377.0	-13.6	-3.6
Rentals and rental costs	33.5	34.2	-0.7	-2.0
Maintenance and repair	326.3	333.4	-7.1	-2.1
Insurance premiums	35.0	29.3	5.7	19.5
Studies and research	35.8	32.6	3.2	9.8
General and technical documentation	6.6	6.7	-0.1	-1.5
Training and refresher courses	14.0	19.1	-5.1	-26.7
Intermediary salaries and fees	88.6	84.4	4.2	5.0
Publications and public relations	4.5	5.9	-1.4	-23.7
Transport of property and staff	26.0	29.9	-3.9	-13.0
Travel, business trips, entertainment	18.1	51.4	-33.3	-64.8
Postal and telecommunication costs	4.6	5.0	-0.4	-8.0
Contributions and donations	7.0	6.5	0.5	7.7
Other miscellaneous costs	3.1	5.1	-2.0	-39.2
<b>TOTAL</b>	<b>966.5</b>	<b>1,020.5</b>	<b>-54.0</b>	<b>-5.3</b>

(in millions of €)

### Note 8 - Taxes, duties and similar payments

These rose by €3.4 million to €235.3 million in 2020, compared with €231.9 million in 2019, and break down as follows:

	31.12.2020	31.12.2019	Variation
Payroll taxes	61.6	60.1	1.5
Personal training leave	11.0	10.7	0.3
Business tax	2.3	1.9	0.4
Property tax	3.8	4.8	-1.0
Transport tax	15.6	15.4	0.2
Housing tax	4.7	4.7	0.0
Non-deductible VAT	70.8	68.3	2.5
Rights and taxes on patents and licences	4.4	4.8	-0.4
Taxes on licensed nuclear facilities	56.7	57.0	-0.3
Other duties and taxes	4.4	4.2	0.2
<b>TOTAL</b>	<b>235.3</b>	<b>231.9</b>	<b>3.4</b>

(in millions of €)

### Note 9 - Staff costs

Staff costs rose from €1,506.2 million in 2019 to €1,507.6 million in 2020.

This €1.4 million increase is a result of variations in the following:

- Wages and salaries (+€0.8 million),
- Social security contributions (+€0.6 million).

### Note 10 - Other expenses

	31.12.2020	31.12.2019	Variation
Concession fees	0.1	1.1	-1.0
Losses on non-recoverable receivables	2.3	9.4	-7.1
Other rights	0.3	0.1	0.2
<b>TOTAL</b>	<b>2.7</b>	<b>10.6</b>	<b>-7.9</b>

(in millions of €)

### Note 11 - Income from joint operations

This entry records the CEA's share in the III-V Lab joint venture for a sum of €0.1 million.

### Note 12 - Intangible and tangible assets

Movements in **gross** intangible and tangible assets in 2020 break down as follows:

GROSS VALUES	31.12.2019	Acquisitions	Disposal/ scrap	Transfers	31.12.2020
<b>INTANGIBLE ASSETS</b>	<b>357.2</b>	<b>17.9</b>	<b>-24.7</b>	<b>-4.3</b>	<b>346.1</b>
Concessions and other rights	303.7	1.5	-24.7	8.1	288.6
Leasehold rights	5.6				5.6
Storage rights and other intangible assets	30.9				30.9
Current intangible assets	17.1	16.4		-12.4	21.0
Advances and deposits on intangible assets	0.0				0.0
<b>TANGIBLE ASSETS</b>	<b>16,391.1</b>	<b>979.7</b>	<b>-113.6</b>	<b>4.1</b>	<b>17,261.3</b>
Land and developments	216.0		-0.4	9.9	225.5
Constructions	3,147.6	3.7	-22.6	111.5	3,240.2
Technical facilities, equipment and tools	9,316.0	16.0	-73.0	387.5	9,646.5
Other tangible assets	370.3	3.0	-9.5	19.5	383.3
Current tangible assets	3,153.1	921.2	-8.1	-524.3	3,541.9
Advances and deposits on tangible assets	188.1	35.8			223.9
<b>GROSS INTANGIBLE AND TANGIBLE ASSETS</b>	<b>16,748.3</b>	<b>997.6</b>	<b>-138.3</b>	<b>-0.2</b>	<b>17,607.4</b>

(in millions of €)

AMORTISATION AND DEPRECIATION	31.12.2019	Allocations	Write-backs on disposals or scrap	Transfers	Other write- backs	31.12.2020
<b>INTANGIBLE ASSETS</b>	<b>-271.0</b>	<b>-14.4</b>	<b>24.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-260.8</b>
Concessions and other rights	-249.7	-13.8	24.6	0	0.0	-238.9
Leasehold rights	-0.8	-0.1	0	0	0.0	-0.9
Storage rights and other intangible assets	-20.5	-0.5	0	0	0.0	-21.0
Current intangible assets						
<b>TANGIBLE ASSETS</b>	<b>-8,076.8</b>	<b>-534.3</b>	<b>101.5</b>	<b>0.0</b>	<b>7.9</b>	<b>-8,501.7</b>
Land and developments	-133.3	-6	0.4	0	0.0	-138.9
Constructions	-2,230.5	-113.7	22.7	0	0.0	-2,321.5
Technical facilities, equipment and tools	-5,416.7	-388.3	69	0	7.9	-5,728.1
Other tangible assets	-295.8	-26.3	9.4	0	0.0	-312.7
Current tangible assets	-0.5	0	0.0	0.0	0.0	-0.5
<b>AMORTISATION AND DEPRECIATION OF INTANGIBLE AND TANGIBLE ASSETS</b>	<b>-8,347.8</b>	<b>-548.7</b>	<b>126.1</b>	<b>0.0</b>	<b>7.9</b>	<b>-8,762.5</b>

(in millions of €)

Movements in **net** intangible and tangible assets in 2020 break down as follows:

NET VALUES	31.12.2019	Acquisitions	Disposal/ scrap	Transfers	Allocations	Write- backs	31.12.2020
<b>INTANGIBLE ASSETS</b>	<b>86.2</b>	<b>17.9</b>	<b>-0.1</b>	<b>-4.3</b>	<b>-14.4</b>	<b>0.0</b>	<b>85.3</b>
Concessions and other rights	54.0	1.5	-0.1	8.1	-13.8	0	49.7
Leasehold rights	4.8	0.0	0.0	0.0	-0.1	0	4.7
Storage rights and other intangible assets	10.4	0.0	0.0	0.0	-0.5	0	9.9
Current intangible assets	17.1	16.4	0.0	-12.4	0.0	0	21.0
Advances and deposits on intangible assets	0.0	0.0	0.0	0.0	0.0	0	0.0
<b>TANGIBLE ASSETS</b>	<b>8,314.3</b>	<b>979.7</b>	<b>-12.1</b>	<b>4.1</b>	<b>-534.3</b>	<b>7.9</b>	<b>8,759.6</b>
Land and developments	82.7	0.0	0.0	9.9	-6.0	0.0	86.6
Constructions	917.1	3.7	0.1	111.5	-113.7	0.0	918.7
Technical facilities, equipment and tools	3,899.3	16.0	-4.0	387.5	-388.3	7.9	3,918.4
Other tangible assets	74.5	3.0	-0.1	19.5	-26.3	0.0	70.6
Current tangible assets	3,152.6	921.2	-8.1	-524.3	0.0	0.0	3,541.4
Advances and deposits on tangible assets	188.1	35.8	0.0	0.0	0.0	0.0	223.9
<b>NET INTANGIBLE AND TANGIBLE ASSETS</b>	<b>8,400.5</b>	<b>997.6</b>	<b>-12.2</b>	<b>-0.2</b>	<b>-548.7</b>	<b>7.9</b>	<b>8,844.9</b>

(in millions of €)

### Note 13 - Dismantling assets – third parties

The sum of €6.9 million as at 31 December 2020 represents the expected future financing by the IRSN for its share of the CABRI facility clean-up costs.

### Note 14 - Financial assets

Financial assets include the following:

- **Les Equity interests** worth a net value of €190.2 million at the end of 2020, which is stable compared with 2019.  
The investments shown as assets at year closing 2020 mainly relate to holdings in TechnicAtome and CEA Investissement.
- **Receivables from equity interests** and joint ventures, down by €3 million to €11.2 million at year-end 2020 compared with €14.2 million at year-end 2019. This variation is due to the decrease in receivables owed by the GANIL joint venture.
- **“Loans”**, presenting a net balance of €2.9 million at year-end 2020, down by €0.1 million compared with 2019.  
This decrease relates to staff loans.
- **“Other financial assets”**, worth €2.6 million at year-end 2020, up slightly on the 2019 figure of €2.5 million.  
This increase relates to rent security deposits.

### Note 15 - Inventories and work-in-progress

Inventories and work-in-progress have fallen from a net value of €6,515.9 million at the end of 2019 to €5,958.9 million at year-end 2020. These inventories essentially record the flows of the basic material cycle and the systems and resources made available to the armed forces. Only €48.2 million of the total relates to inventories of consumable materials (office supplies, components, lab supplies, etc.).

The €557 million reduction is explained by:

- A €39.5 million increase in the value of raw material inventories and other supplies, including a €28.3 million increase in the inventory of nuclear material,
- A decrease of €552 million in the net value of goods-in-process,
- A decrease of €44.5 million in the value of semi-finished and finished products.

### Note 16 - Trade receivables

“Trade and accounts receivables” fell by €17.5 million in 2020, with a net value of €459.1 million on 31 December 2020 versus €476.6 million at year-end 2019. This negative variation is accounted for mainly by changes in the following:

- “Trade” (+€3.9 million),
  - “Invoices to be issued” (-€20.6 million).
- “Other trade receivables” came to €243.4 million at year-end 2020 compared with €323.5 million at year-end 2019, down by €80.1 million, accounted for mainly by changes in the following:
- VAT credit (-€83.8 million),
  - VAT on receipt accruals (+€1.3 million),
  - Deductible VAT (+€1.3 million).

### Payment schedule for receivables at year closing

	Amount gross	Degree of liquidity of the asset	
		Payable within one year	Payable in more than one year
<b>RECEIVABLES</b>			
<b>RECEIVABLES ON NON-CURRENT ASSETS</b>			
Receivables from equity interests	11.2	3.0	8.2
Loans	2.9		2.9
Other	2.6	1.3	1.3
<b>RECEIVABLES ON CURRENT ASSETS</b>			
<b>ADVANCES AND DEPOSITS PAID ON OUTSTANDING ORDERS</b>	30.1	30.1	
<b>TRADE RECEIVABLES</b>			
Trade and accounts receivables	504.0	504.0	
Other	243.4	243.1	0.3
<b>CLAIM ON THE GOVERNMENT</b>	17,138.2	740.0	16,398.2
<b>MISCELLANEOUS RECEIVABLES</b>	658.5	622.6	35.9
<b>PREPAID EXPENSES</b>	21.7	20.1	1.6
<b>TOTAL</b>	<b>18,612.6</b>	<b>2,164.2</b>	<b>16,448.4</b>

(in millions of €)

#### **Note 17 - Claim on the government**

The agreement relating to funding the CEA's long-term costs sets out the method for valuing the claim on the State, ensuring the liquidity of the claim and guaranteeing coverage of provisions for end-of-cycle obligations in accordance with the law of 26 July 2006.

As at 31 December 2020, the balance of the CEA's nuclear costs for facilities commissioned before

31 December 2009 was guaranteed almost entirely by this claim entered in the assets of the former fund, since all the CEA's assets previously allocated to cover these decommissioning liabilities had been sold at the State's request.

Since 2016, the liquidity of this claim has been guaranteed solely by an annual budget allocation paid by the Ministry of Ecological Transition (programme 190, action 15).

### Note 18 - Miscellaneous receivables

RECEIVABLES	31.12.2020	31.12.2019
Grants to be received from third parties	122.8	160.3
Grant to be received from the State	374.7	276.5
European grants to be received	113.6	104.9
Associated - Joint operations and joint ventures	2.9	2.6
Miscellaneous accounts receivable	15.6	158.2
Invoices pending	28.9	19.9
Other		
<b>TOTAL</b>	<b>658.5</b>	<b>722.4</b>

(in millions of €)

“Miscellaneous receivables” decreased by €63.9 million from €722.4 million at year-end 2019 to a net amount of €658.5 million at year-end 2020, mainly due to:

- A decrease in “Grants received from third parties” (-€37.5 million),
- An increase in “Grants to be received from European funding” (+€8.7 million),

- An increase in “Invoices pending” (+€9 million);
- An increase in payment credits to be received from the State (+€98.2 million),
- A decrease in miscellaneous accounts receivable (-€142.6 million).

### Note 19 - Cash balances and investment securities

This entry shows the position of all bank accounts and investments, recording a gross value of €446 million as at 31 December 2020. Bank accounts with a credit balance are entered under “Financial debt”.

The breakdown is as follows:

	31.12.2020	31.12.2019
Liquid assets and investments allocated to current activities	279.1	21.0
Liquid assets allocated to future investment	-	32.0
Liquid assets and investments committed to end-of-cycle operations:		
• Old facilities	4.4	4.0
• New facilities	162.4	151.0
<b>TOTAL</b>	<b>446.0</b>	<b>208.0</b>

(in millions of €)

The portfolio to cover end-of-cycle operations breaks down as follows:

	31.12.2020	31.12.2019
<b>At market value:</b>		
• Stocks and shares funds	89.6	96.0
• Bond and cash funds	77.2	59.0
<b>TOTAL</b>	<b>166.8</b>	<b>155.0</b>
<b>By geographical origin:</b>		
• Euro zone	103.9	124.0
• World	62.9	31.0
• Other	-	-
<b>TOTAL</b>	<b>166.8</b>	<b>155.0</b>

(in millions of €)

## PURPOSE OF THE DEDICATED PORTFOLIO

There are three dedicated funds: (i) the fund for facilities commissioned before 31 December 2009, merging the former Dedicated Civil Fund and the Dedicated Defence Fund since 2018 in view of the sole source of funding via programme 190 action 15, governed by the Framework Agreement between the State and the CEA; and (ii + iii), the New Civil Facilities Fund (INC) and the New Defence Facilities Fund (IND), created on 1 January 2010, which are managed separately. The Dedicated Civil Fund and Dedicated Defence Fund were originally formed in line with the planned expenditure schedule, which is largely spread over a period up to 2040 and beyond, and the corresponding portfolios were initially managed with a long-term approach. Due to a lack of sufficient payments into the funds, the investment terms were shortened with the imminent drying-up of the two former Funds, in 2011 (Defence) and 2012 (Civil) respectively. These portfolios are now only made up of venture capital funds taken out at the start, which are

still active, and cash funds used to cover decommissioning expenses after annual grants have been paid out.

These portfolios are dedicated to expenditure that will only be made several decades after the facilities are commissioned (from 2010) and are managed under a very long-term approach with a strategic investment allocation (55% shares/45% interest-bearing instruments), with room to manoeuvre of up to 20% in shares, in order to adapt to changing market contexts.

The New Civil Facilities and New Defence Facilities portfolios are invested in unit trusts and other similar funds, the management of which is outsourced. On 31 December 2020 they were made up of 55% equity funds, 45% bond funds and 0% money market funds. The three dedicated Funds are valued at year-end on the basis of the net asset value (NAV) as on 31/12 of the financial year for each investment line in the portfolio.

## Note 20 - Special reserves

### Special reserves received from the State

The negative change of -€558.5 million for this entry breaks down as follows:

	2020	2019
Allocation of State grant to the cost of finished products inventory (excluding materials, 2020-2019 variations)	-787.5	6.3
Other funding	229.1	186.1
<b>TOTAL</b>	<b>-558.5</b>	<b>192.4</b>

(in millions of €)

### Equipment grants received from the State

The positive change of €285.4 million for this entry, associated mainly with the general budget, breaks down as follows:

	2020	2019
<b>Allocation for investments in the financial year</b>	<b>778.0</b>	<b>700.5</b>
Acquisitions and production of tangible and intangible assets	961.8	902.5
Grants received from third parties	-183.8	-202.0
Write-back of grant for:		
The amount of the allocation or write-back to depreciation and provisions of intangible and tangible assets for the financial year	480.2	476.3
Allocation to depreciation	541.5	539.3
Allocation to provisions for depreciation of fixed assets	7.1	7.9
Write-back on depreciation and provisions for depreciation of fixed assets	-8.0	-7.8
Write-back of equipment grants received from third parties	-59.3	-62.0
Write-back on dismantling provision allocated to funding facilities	-1.1	-1.1
<b>The net book value entered in the income statement for asset retirement</b>	<b>-12.3</b>	<b>-23.1</b>
<b>TOTAL</b>	<b>285.4</b>	<b>201.1</b>

(in millions of €)

### Accumulated balance of the financial years

The accumulated balance of the financial years, after allocation of the 2020 balance (+€142.9 million), comes to -€1,149.5 million.

This breaks down as follows:

	2020	2019
General budget	-165.5	-293.0
Civil fund	-994.9	-995.4 <sup>(1)</sup>
New civil facilities	-6.7	16.2
New defence facilities	12.9	-28.9
Supplementary budgets	0.7	0.7
ITER	0.9	3.3
DSND	3.5	2.5
DDCG	-0.3	-0.2
AFNI	-0.1	-0.1
I2EN	-0.2	0.5
IRT	0.2	0.3
<b>TOTAL</b>	<b>-1,149.5</b>	<b>-1,294.1</b>

<sup>(1)</sup> After adjustment of cover to 100% of decommissioning liabilities.

(in millions of €)

This negative balance is mainly due to management of the former fund, which initially produced a financial imbalance when it was set up.

This situation is not expected to jeopardise the future of the CEA as a going concern.

The change in 2020 breaks down as follows:

	Total	Budget general	Funds dedicated framework agreement	INC	IND	Budgets Supplementary	ITER	DSND	DDCG	AFNI	I2EN	IRT
SITUATION AS AT 01/01/2020	-1,294.1	-293.0	-995.4	16.2	-28.9	0.7	3.3	2.5	-0.2	-0.1	0.5	0.3
2020 balance	142.8	127.5	-1.8	-22.9	41.8	0.0	-2.4	1.0	-0.1	0.0	-0.2	-0.1
Adjustment of decommissioning liabilities cover to 100%	2.3		2.3									
Adjustment of I2EN balance	-0.5										-0.5	
<b>SITUATION AS AT 31/12/2020</b>	<b>-1,149.5</b>	<b>-165.5</b>	<b>-994.9</b>	<b>-6.7</b>	<b>12.9</b>	<b>0.7</b>	<b>0.9</b>	<b>3.5</b>	<b>-0.3</b>	<b>-0.1</b>	<b>-0.2</b>	<b>0.2</b>

(in millions of €)

### Note 21 - Equipment grants and contributions received from third parties

Equipment grants and contributions received from third parties rose by €102.6 to €1,407.9 million in 2020 compared with €1,305.3 million in 2019.

This breaks down as follows:

	2020	2019
Grants and contributions received during the financial year	161.9	180.1
Write-back of depreciation in the financial year	-59.3	-62.0
<b>TOTAL</b>	<b>102.6</b>	<b>118.1</b>

(in millions of €)

The main grants and contributions received in 2020 relate to:

- Investments for the Jules Horowitz reactor:

- Government loan: **€109.2 million**, corresponding to payment of credits under the Investments for the Future Programme on the JHR project for 2020 in line with the amount stated in the CEA-ANR agreement signed at the end of 2019;

- In-kind contributions of **€2.2 million** from VTT, **€3.1 million** from the IAEC and **€9.5 million** from CIEMAT for the heat exchangers.
- Funds received from the British Ministry of Defence (**€23.5 million**) for the EPURE programme.



## Note 22 – Provision for end-of-cycle operations

The change in provisions for end-of-cycle operations in 2020 breaks down as follows:

PROVISION FOR DISMANTLING COSTS	CEA	Former fund	INC	IND
PROVISION AS AT 31 DECEMBER 2019	16,880.9	16,732.9	20.8	127.2
INCLUDING PROVISION FOR RETROSPECTIVE ADJUSTMENT OF THE CIGEO CONTRIBUTION	15.8	15.8		
Revaluation to 2020 economic conditions and accretion	404.5	400.9	0.5	3.1
Impact of changes to forecasting assumptions	-565.0	-550.8	-1.5	-12.7
Estimate revisions/commissioning, effects of payment schedules	864.8	867.1	26.9	-29.2 <sup>(1)</sup>
2020 works	-615.3	-614.7	-0.7	
Impact of variation in VAT exemption ratio	0.0			
PROVISION AS AT 31 DECEMBER 2020	16,969.8	16,835.4	46.1	88.3
INCLUDING PROVISION FOR RETROSPECTIVE ADJUSTMENT OF THE CIGEO CONTRIBUTION	15.8	15.8		

<sup>(1)</sup> An in-depth analysis of the dismantling obligations arising from the Defence Code led to the CEA writing back the provision relating to LMJ dismantling on 31 December 2020.

(in millions of €)

The provisions for the dismantling of facilities and treatment of waste and spent fuel within the scope of the Decree of 23 February 2007 on securing funding to cover nuclear costs break down as follows, as at 31 December 2020 and 2019:

### Provisions shown under CEA liabilities (nomenclature in Art. 2 of Decree of 23 February 2007)

	Gross value		Discounted value	
	Year-end 2020	Year-end 2019	Year-end 2020	Year-end 2019
<b>1. DISMANTLING COSTS</b>				
1.1 to 1.4 Facilities where the CEA is the nuclear operator	11,857.7	10,139.8	7,434.5	7,017.2
1.1 to 1.4 Share payable by the CEA for facilities where the operator is a third party				0.0
1.5 Third-party nuclear operator	134.1	156.5	113.3	135.0
<b>SUB-TOTAL</b>	<b>11,991.8</b>	<b>10,296.3</b>	<b>7,547.8</b>	<b>7,152.2</b>
<b>2. FUEL MANAGEMENT COSTS</b>				
2.1 Fuel that can be recycled in industrial facilities which already exist or are under construction				
2.2 Other fuel	1,341.7	1,359.8	681.7	736.5
<b>SUB-TOTAL</b>	<b>1,341.7</b>	<b>1,359.8</b>	<b>681.7</b>	<b>736.5</b>
<b>3. COST OF RECOVERY AND CONDITIONING OF LEGACY WASTE</b>				
3.1 Operations to recover and condition waste stored at CEA facilities	4,076.2	4,385.1	2,792.0	3,040.8
<b>SUB-TOTAL</b>	<b>4,076.2</b>	<b>4,385.1</b>	<b>2,792.0</b>	<b>3,040.8</b>
<b>4. RADIOACTIVE WASTE PACKAGE MANAGEMENT COSTS</b>				
4.1 Waste package management by the CEA	3,950.5	3,791.4	2,815.3	2,729.4
4.2 Long-term management of waste packages	6,084.9	6,055.1	2,489.9	2,587.4
<b>SUB-TOTAL</b>	<b>10,035.4</b>	<b>9,846.5</b>	<b>5,305.2</b>	<b>5,316.8</b>
<b>5. POST-CLOSURE MONITORING COSTS</b>				
5. 5.1 Post-closure monitoring costs	562.5	564.1	70.7	76.6
<b>SUB-TOTAL</b>	<b>562.5</b>	<b>564.1</b>	<b>70.7</b>	<b>76.6</b>
<b>TOTAL PROVISIONS WITHIN SCOPE OF THE LAW EXCLUDING NON-DEDUCTIBLE VAT CHARGES</b>	<b>28,007.6</b>	<b>26,451.8</b>	<b>16,397.4</b>	<b>16,322.9</b>
Non-deductible vat within scope of the law	453.7	409.0	248.5	234.9
<b>TOTAL PROVISIONS WITHIN SCOPE OF THE LAW OF 28 JUNE 2006</b>	<b>28,461.3</b>	<b>26,860.8</b>	<b>16,645.9</b>	<b>16,557.8</b>
Provisions for costs outside scope of the law (environmentally regulated facilities, etc.)	429.8	454.4	303.6	303.8
Non-deductible VAT outside scope of the law	6.1	4.5	4.5	3.5
<b>TOTAL PROVISIONS OUTSIDE SCOPE OF THE LAW</b>	<b>435.9</b>	<b>458.9</b>	<b>308.1</b>	<b>307.3</b>
<b>TOTAL PROVISIONS WITHIN/OUTSIDE SCOPE OF THE LAW</b>	<b>28,437.4</b>	<b>26,906.2</b>	<b>16,701.0</b>	<b>16,626.7</b>
NON-DEDUCTIBLE VAT WITHIN/OUTSIDE SCOPE OF THE LAW	459.8	413.5	253.0	238.4
<b>TOTAL PROVISIONS AS AT 31 DECEMBER</b>	<b>28,897.2</b>	<b>27,319.8</b>	<b>16,954.0</b>	<b>16,865.2</b>

(in millions of €)

**Note 23 – Asset/liability balance of end-of-cycle costs**

ASSET	31.12.2020	31.12.2019	LIABILITY	31.12.2020	31.12.2019
Claim on the State <sup>(4)</sup>	17,138.2	17,158.7	Provisions for end-of-cycle operations <sup>(1)</sup>	16,969.9	16,881.0
			Including:		
			- Former fund	16,835.5	16,733.0
			- New Civil Facilities fund	46.1	20.8
			- New Defence Facilities fund	88.3	127.2
Dismantling assets – third parties <sup>(5)</sup>	18.0	19.0	CEA debts <sup>(2)</sup>	316.7	297.9
Claim on the CEA (general budget) <sup>(6)</sup>	3.0	19.4	CEA's advance/ORANO Cycle debt <sup>(3)</sup>	0.0	153.1
Cash balances and investments <sup>(4)</sup>	190.5	175.0			
<b>TOTAL</b>	<b>17,349.6</b>	<b>17,372.1</b>	<b>TOTAL</b>	<b>17,286.6</b>	<b>17,332.0</b>

(in millions of €)

(in millions of €)

The table above summarises the various entries in the CEA's balance sheet affected by end-of-cycle operations, together with their funding:

Clean-up and dismantling liabilities comprise the following:

<sup>(1)</sup> Provisions for end-of-cycle operations, as detailed in [Note 22](#);

<sup>(2)</sup> The advance paid by the CEA to cover clean-up and dismantling operations;

<sup>(3)</sup> The CEA's advance in 2019 to repay the ORANO Cycle debt (repaid by the former fund in 2020).

These liabilities are covered by the following assets:

<sup>(4)</sup> A claim on the State in the assets of the former fund (end-of-cycle obligations from before 31 December 2009), the change in which is detailed in [Note 17](#);

<sup>(5)</sup> Third-party assets:

- Relating to the IRSN for the future dismantling costs of the CABRI research reactor (€6.9 million);
- Relating to the British State for its contribution to the future dismantling costs of the Franco-British EPURE – TEUTATES programme (€11.1 million);

<sup>(6)</sup> Claims relating to the CEA's general budget corresponding to contributions from the DAM (€2 million) and the DES (€1 million) for reprocessing spent fuel in 2020;

<sup>(7)</sup> Liquid assets from dedicated funds, with a market value of €190.5 million (made up mainly of investment security portfolios from new funds), including €23.9 million of unreported unrealised gains.

## Note 24 – Other provisions for liabilities and charges

This entry records the provisions for other liabilities and charges incurred by the CEA.

These represent a sum of €134 million as at 31 December 2020 and mainly cover the following:

- Staff-related or business-related disputes (€35.8 million);
- Future costs invoiced to third parties, retirements (€19.9 million);
- Normal waste treatment (€20.5 million);
- Funding of investments allocated to end-of-cycle operations (€17.5 million). This provision is written back

from the facility commissioning date according to the depreciation schedule for the facility in question;

- Service awards (€6.9 million);
- Other provisions (€33.4 million).

The €13.2 million increase recorded on 31 December 2020 compared with the situation at year-end 2019 is mainly attributable to allocations to provisions for staff-related or business-related disputes, EPURE VAT and asbestos.

The following tables give a detailed overview of these provisions at year closing 2020 and 2019, as well as the movements in 2020.

### Provisions for liabilities and charges

PROVISIONS	31.12.2020	31.12.2019
Provisions for staff-related and business-related disputes	35.8	27.3
Provision for dismantling of facilities and treatment of waste and spent fuel	16,954.1	16,865.2
Dismantling provision allocated to financing of facilities	17.5	18.7
Provision for adjustment of CIGEO contribution	15.8	15.8
Provision for retirement	19.9	23.2
Provision for normal waste treatment	20.5	21.9
Provision for service awards	6.9	6.8
Other provisions	33.4	22.9
<b>TOTAL</b>	<b>17,103.9</b>	<b>17,001.7</b>

(in millions of €)

### Analysis of movements in provisions for liabilities and charges

PROVISIONS	Amount on 01.01.2020	Allocations for 2020			Write-backs for 2020			Other movements	Amount on 31.12.2020
		Op.	Financ.	Extraord.	Op.	Financ.	Extraord.		
Provisions for staff-related and business-related disputes	27.3	18	-	0.1	8.2	-	1.4	-	35.8
Dismantling provision allocated to financing of facilities	18.7	-	-	-	1.1	-	-	-	17.5
Dismantling provision	16,865.1	995.4 <sup>(1)</sup>	447.5 <sup>(2)</sup>	-	644.5 <sup>(3)</sup>	709.4	-	-	16,954.1
Provision for retrospective adjustment of the CIGEO contribution	15.8	-	-	-	-	-	-	-	15.8
Provision for retirement	23.2	0.1	-	-	1.6	-	1.8	-	19.9
Provision for normal waste treatment	21.9	0.5	-	-	2	-	-	-	20.5
Provision for service awards	6.8	0.1	-	-	-	-	-	-	6.9
Other provisions	22.9	10.9	0.2	-	0.5	0.1	-	-	33.4
<b>TOTAL</b>	<b>17,001.7</b>	<b>995.8</b>	<b>447.6</b>	<b>0.1</b>	<b>628.8</b>	<b>709.5</b>	<b>3.2</b>	<b>-</b>	<b>17,103.9</b>

<sup>(1)</sup> €968.5 million: estimate revisions within the scope of the former fund accounted for to offset the claim on the State (no impact on the income statement).

€26.9 million: estimate revisions within the scope of the New Civil Facilities fund.

<sup>(2)</sup> €443.5 million: accretion of provisions entered in the liabilities of the former fund offset by the claim on the State, see NOTE 5 (no impact on the income statement).

€4 million: accretion of provisions entered in the liabilities of the new funds.

<sup>(3)</sup> €615.3 million: write-back of provisions for clean-up and dismantling operations.

€29.2 million: write-back of the LMJ dismantling provision, see NOTE 22.

<sup>(4)</sup> €694.8 million: effect of revising forecasting assumptions and the change to payment schedules of the former fund, offset by the claim on the State, see NOTE 5 (no impact on the income statement).

+€14.6 million: effect of revising forecasting assumptions and the change to payment schedules of the new funds.

(in millions of €)

## Note 25 - Financial debts

DEBTS	Net value as at 01.01.2020	Increases for 2020	Decreases for 2020	Net value as at 31.12.2020
<b>Loans and debts with lending institutions</b>				
• Creditor banks	133.5	73.9	0.0	207.4
<b>TOTAL</b>	<b>133.5</b>	<b>73.9</b>	<b>0.0</b>	<b>207.4</b>
<b>Miscellaneous loans and financial debts</b>				
• Advances for research grants	40.2	13.5	19.6	34.1
<b>TOTAL</b>	<b>40.2</b>	<b>13.5</b>	<b>19.6</b>	<b>34.1</b>

(in millions of €)

### • Loans and debts with lending institutions

Loans and debts with lending institutions are up by €73.9 million to €207.4 million at year-end 2020 compared with €133.5 million at year-end 2019.

### • Miscellaneous loans and financial debts

These are down by €6.1 million to €34.1 million at year-end 2020 compared with €40.2 million at year-end 2019, mainly due to conditional advances from the State (Investments for the Future).

## Note 26 - Accounts payable

The total sum of **debts owed to operating suppliers** is down by €49.3 million to €638.1 million at year-end 2020 versus €687.4 million at year-end 2019.

This decrease is mainly accounted for by changes in the following:

- Suppliers (-€54.1 million),
- Receipt accrual liability (+€1.3 million).

### Debt repayment schedule at year closing

DEBTS	Gross amount	Degree of liquidity of liability	
		Payable within one year	Payable in more than one year
<b>Financial debts</b>			
Loans and debts with lending institutions, including:			
• up to a maximum of two years originally	207.4	198.3	9.1
• more than two years originally	-	-	-
Miscellaneous loans and financial debts	34.1	23.0	11.1
<b>Advances and deposits received on outstanding orders</b>	<b>20.6</b>	<b>20.6</b>	-
<b>Accounts payable</b>			
Trade and accounts payable	638.1	638.0	0.1
Tax and social security payables	351.4	351.4	-
Other accounts payable	7.6	7.6	-
<b>Miscellaneous debts</b>			
Debts on fixed assets and related accounts	368.7	368.7	-
Other miscellaneous debts	273.6	266.2	7.4
<b>Deferred income</b>	<b>83.0</b>	<b>48.0</b>	<b>35.0</b>
<b>TOTAL</b>	<b>1,984.5</b>	<b>1,921.8</b>	<b>62.7</b>

(in millions of €)

**Note 27 - Miscellaneous debts**

• The total sum of **debts owed to suppliers of fixed assets** is down by €2.3 million to €368.7 million at year-end 2020 versus €371 million at year-end 2019.

**Miscellaneous debts**

• **Debts on fixed assets and related accounts** break down as follows:

DEBTS	31.12.2020	31.12.2019
Suppliers of capital purchases	184.1	215.2
Retention payments	7.4	7.8
Receipt accrual liability	177.2	148.0
<b>TOTAL</b>	<b>368.7</b>	<b>371.0</b>

(in millions of €)

• **Other miscellaneous debts** are down by €29.9 million to €273.6 million at year-end 2020 compared with €305.5 million at year-end 2019.

This decrease is mainly associated with:

- Grants allocated under the Investments for the Future programme: (-€19 million), corresponding to repayment to the State of the balance of unused credits under the Investments for the Future Programme for the ASTRID project, completed at the end of 2019;
- Other: (-€36.6 million), mainly attributable to the Naval Group (-€23.9 million) regarding the gradual use of the compensation paid during its withdrawal from the JHR project and European grants (-€11.1 million);
- Horizon 2020 grants (+€25.8 million).

**Note 28 - Information on subsidiaries and holdings as at 31 december 2020**

COMPANY	Capital	Reserves <sup>(1)</sup> and balance brought forward before allocation of income	Share of capital held (%)	Book value of shares held		Loans and advances granted by the company and not repaid	Guarantees and surety granted by the company	Sales in the last financial year excl. VAT	Net income/ loss in the last financial year <sup>(2)</sup>	Dividends collected by the company during the financial year	Observations on provisions for impairment of receivables
				Gross	Net						
<b>1) FRENCH SUBSIDIARIES (DETAILED INFORMATION)</b>											
<b>ORANO</b>											
1 Place Jean Miller Tour AREVA 92400 COURBEVOIE		-	pm	pm	pm	-	-	-	-	0	-
<b>TECHNICATOME</b>											
Route de Saint-Aubin 91190 VILLIERS LE BÂCLE	22.1	87.66	20	113.6	113.6	-	-	399.9 <sup>(2)</sup>	56.6 <sup>(2)</sup>	4.3	-
<b>CO-COURTAGE NUCLÉAIRE</b>											
(389518853) Le Ponant D 25 rue Leblanc 75015 PARIS	ns	0.8	90	ns	ns	-	-	-	-	0.3	-
<b>CEA-INVESTISSEMENT<sup>(2)</sup></b>											
(423426899) Le Ponant D 25 rue Leblanc 75015 PARIS	72.2	15.9	100	72.2	72.2	-	-	<sup>(3)</sup>	89.9	99.3	-
<b>2) FRENCH HOLDINGS (DETAILED INFORMATION)</b>											
<b>MINATEC<sup>(3)</sup></b>											
Hôtel du Département 7 rue Fantin Latour BP 1096 38022 GRENOBLE Cedex 1	6.9	4.3	22	1.5	1.5	-	-	<sup>(3)</sup>	<sup>(3)</sup>	<sup>(3)</sup>	-
<b>SEML Route des Lasers<sup>(3)</sup></b>											
20, rue de Suson 33830 BELIN BELIET	15.5	<sup>(3)</sup>	11.6	1.8	1.8	-	-	<sup>(3)</sup>	<sup>(3)</sup>	-	-
<b>GIE III V LAB<sup>(2)</sup></b>											
Route de Nozay 91460 MARCOUSSIS	5	0	20	1	1	-	-	<sup>(3)</sup>	<sup>(3)</sup>	-	-

<sup>(1)</sup> Including statutory provisions and investment subsidies

<sup>(2)</sup> Net income/loss before approval of the 2019 accounts

<sup>(3)</sup> Data from the last financial year not available

(in millions of €)

**Note 29 - Off-balance sheet commitments (in millions of €)**

<b>COMMITMENTS RECEIVED</b>	<b>2020</b>	<b>2019</b>
Guarantees received from banks to cover retention payments to suppliers	69.3	63.5
Various bank guarantees	0.2	1.8
<b>TOTAL</b>	<b>69.5</b>	<b>65.3</b>
<b>COMMITMENTS GIVEN</b>	<b>2020</b>	<b>2019</b>
Commitments regarding ILL	8.9	9.1
<b>Commitments regarding SOLEIL (synchrotron)</b>	<b>10.6</b>	<b>10.8</b>
<i>These concern the share of the CEA's funding in the provision for dismantling recorded in the SOLEIL accounts on 31 December 2020</i>		
<b>Staff housing loans (capital guarantee)</b>	<b>0.4</b>	<b>0.5</b>
<b>Leasing (outstanding lease payments on 31 December 2020)</b>	<b>/</b>	<b>/</b>
<b>Foreign exchange hedging</b>		
<i>Forward currency purchases to be carried out at year closing</i>	3.2	0.6
<b>CEA counter-guarantee on guarantees</b>		
<i>Guarantees regarding European Community transport operations</i>	0.0	0.0
<b>Staff benefits</b>	<b>916.7</b>	<b>972.0</b>
<b>Retirement commitments (entitlement acquired at end of 2020) <sup>(1)</sup></b>		
<i>Retirement benefits</i>	442.5	458.1
<i>Early retirement</i>		
<i>CEA agreement NIG 119/419</i>	382.0	399.7
<i>Commitments regarding AREVA NC staff</i>	/	/
<b>Pensioners' healthcare expenses scheme</b>	<b>92.2</b>	<b>114.2</b>
<i>for the CEA's share of the funding</i>		

<sup>(1)</sup> Including €19.9 million provisioned commitments

(in millions of €)

The commitments for staff benefits are calculated on a discounted basis at a rate of 2%, which includes 1.50% for long-term inflation. The discount rate applied to staff-related liabilities is set on the basis of market conditions as at the end of November, based on State borrowing rates covering the same period as the staff-related liabilities in question. An average risk premium is then added,

based on high-rated industrial and commercial corporate bonds. The resulting rate is rounded up or down in 25 bp steps, taking into account the interest rate trend (0.5% for 2020).

These commitments are down by €55.3 million on financial year 2019 (€916.7 million at the end of 2020, as against €972.0 million at the end of 2019).

This decrease breaks down as follows:

	<b>2020</b>	<b>2019</b>
Pension entitlements acquired for the financial year/benefits paid out	-15.6	-19.5
Impact of the change in discount rate	-17.7	97.6
Impact of labour force movements, changes of assumptions and variations in experience	-22.0	-20.4
<b>TOTAL</b>	<b>-55.3</b>	<b>57.7</b>

(in millions of €)

## Disputes and contingent liabilities

Risks for which no provision has been made as there is no definite obligation and/or because it is not possible to produce a reliable valuation of the amount of the liability are set out below. As such, they are considered as contingent liabilities in accordance with accounting regulations.

The risks concern potential disputes arising in connection with direct local taxation. The situation on this has changed considerably since the historic disputes the CEA faced in the late 1990s. Most of the legal decisions were in favour of the CEA. In addition, following numerous tax audits commissioned by unit 23 of the French national and international tax audit department (DVNI) over the last ten years (on civil centres and also centres which come under the Military Applications Division), the taxation rules applicable to the CEA have been clarified.

The CEA considers that it is not liable for the French Territorial Economic Contribution (formerly known as business tax) since its defence-related activities are directly associated with national defence, and its civil activities comply with for-profit/not-for-profit criteria established by jurisprudence.

The CEA also considers that it is not liable for property tax because some of its sites are either included in the French State property register or because the land is assigned to a service of general interest and is not income-producing.

It should be noted that with regard to property tax, the DVNI considers that the CEA falls within the scope of article 1382 of the French General Tax Code since it is a public scientific organisation and most of its buildings do not generate any income.

The DVNI's work during the tax audits consisted of identifying income-producing buildings in order to make them legally liable for property tax. Liability for property tax has to be determined for each building and not for the organisation. This concept is specific to French corporate property tax (CFE).

Thus, the DVNI lawfully defined which of the CEA's buildings are subject to property tax by building evidence-based examination. Under the CFE, only those parts of buildings assigned to activities deemed to be for-profit are subject to tax.

The DVNI's most recent audit, which began in 2017, examined the Saclay, Grenoble, DAM-Ile-de-France and Valduc centres and the focussed on the following taxes: 2016 property tax and 2014 to 2016 French Territorial Economic Contribution (CET). At the end of this procedure, which was finalised by the judgement of the Director of the DVNI in April 2019, it is clear that no disagreement remained between the CEA and the French directorate-general for public finance (DGFIP) concerning the taxation methodology.

In terms of recourse to full litigation, it should be noted that there are no longer any legal proceedings between the CEA and the DGFIP. In fact, the audits carried out recently have given the authorities a better understanding of the specific characteristics

of the CEA's activities and have, in turn, clarified the rules for the CEA's liability for direct local taxes.

The only proceedings still pending, since 2013, are liability actions against the State instituted by the Saclay township committee, followed by other communities in the Saclay area (Villiers-le-Bâcle, Saclay and Saint Aubin).

The applicants claim that the DGFIP has under-taxed the CEA Saclay centre, despite repeated audits (virtually constant over the last ten years) carried out by the DVNI.

The communities making the claim consider in particular that the provisions of article 1382 of the French General Tax Code with regard to property tax do not apply to the CEA in view of its status as a public industrial and commercial organisation. The Versailles administrative court ruled in favour of the communities in the first few cases. The French State has regularly lodged appeals.

It should be noted that the CEA is not a party in the proceedings (the State is the defendant), but it may have to submit written evidence and give verbal comments through its tax advisor during the hearings.

The direct impact for the CEA of the outcome of these proceedings, which is uncertain, cannot be measured at the moment, and provisions have therefore been made.

### Note 30 - Staff numbers

Staff numbers (FTE calculated to be below the cap on jobs) as at 31 December 2020:

Permanent employment contracts (excluding regional technology transfer platforms)	15,735
Other contracts below the cap	466
<b>TOTAL</b>	<b>16,201</b>

*(in millions of €)*

### Note 31 - Other information

#### 31.1. Situation concerning corporate income tax

The CEA's corporate income tax status is subject to Article 207-1-9 of the French General Tax Code (incorporated in the Code by the Research Programming Law of 18 April 2006). This article exempts public research organisations from paying corporate income tax on income derived from public research activities.

The tax authorities have commented on this tax status, most recently in Official Tax Bulletin BOI-IS-CHAMP-50-10 of 4 April 2018.

The CEA's earnings from equity shares have been subject to corporate income tax since the 2006 financial year, in accordance with the activity sectorisation principle established by the tax authorities.

### 31.2. Policy on insurance

The CEA's policy concerning insurance is built on a set of clear, consistent and coordinated principles resulting from regular discussions between the Insurance Department and the various operational, functional and central divisions.

These discussions led to a consensus on the purposes of the CEA's policy on insurance and its implementation procedures. These are set out in a series of documents (memoranda and circulars) that together form an insurance charter which is distributed to those concerned at all levels of management to guide them in their management decisions and actions. Policy in this area is defined according to management level. The general principles are proposed by the Insurance Department and approved by the CEA's senior management team. Depending on the area concerned, the specific principles are approved by the Financial Division, the Human Resources and Industrial Relations Division, and the other divisions concerned.

The policy is implemented within a long-term perspective, based on a set of discussions and decisions to determine, coordinate and manage resources, and carry out actions to help achieve the policy's defined general objectives (e.g. site inspections to monitor the condition of buildings and regulated facilities, and fire inspections).

The CEA's policy on insurance is implemented as part of a general risk management approach, which has become standard practice in all high-risk sectors. This entails identifying risks, managing insurance programmes designed to cover the consequences of their occurrence, and using dashboards to monitor efficiency.

Wherever possible, to limit risks, the CEA transfers risks to contractors with which it does business. This only applies to risks associated with its contractual liability.

In addition, in order to reduce the financial impact of certain potential events, the CEA has decided to transfer some of its risks to insurers. As well as the preventive aspect of this approach, insurance has the financial advantage of converting the unpredictable costs of some incidents that might compromise its budget into fixed operating expenditure (payment of insurance premiums).

The CEA's decision to transfer the financial burden of cover for unpredictable risks to insurers reflects its wish to protect itself against the consequences of damage to third parties and to safeguard its assets and employees.

#### a) Third-party liability insurance

##### 1) Third-party liability in the nuclear field

Given the special provisions governing third-party liability in the nuclear field, the CEA is required to have a financial guarantee, in accordance with the Paris Convention on Third Party Liability in the Field of Nuclear Energy and the obligations under Articles L. 597-1 et seq. of the French Environmental Code.

Following the publication in France's Official Journal of the Order dated 22 December 2020 granting the CEA the State guarantee to cover third-party liability in the field of nuclear energy, the CEA is now covered by this State guarantee.

The CEA also has insurance policies covering its liability as a holder and user of ionising radiation sources, and as a service provider, and for the transport of radioactive substances for which it is responsible.

#### 2) Conventional third-party liability

The CEA is covered by a third-party liability insurance programme which covers it against the financial consequences of any liability, under applicable law, including contractual commitments, for physical injury, material damage and consequential damage caused to third parties resulting from acts committed when carrying out its activities.

#### 3) Third-party liability relating to motor vehicles

To comply with motor vehicle third-party liability insurance obligations established by the French law of 27 February 1958, the CEA insures all the vehicles which it owns or leases on a long-term basis. Many of these vehicles also have damage insurance.

In addition, to manage risks and to save money, the CEA has implemented a "retention" mechanism. The insurance policy covering the CEA's fleet of vehicles (whether owned or on long-term lease) generally applies over and above an annual "retention" deductible. This mechanism means that the CEA remains liable for part of the costs arising in the event of incidents involving its vehicles, whether under the third-party liability or the damage insurance cover. The insurer manages the amount paid for the "retention" insurance. It then uses this reserve amount primarily to pay out for claims under the same conditions as if the vehicles were fully insured, until the reserve has been used up. If the annual cost of claims remains below the amount of the reserve paid at the beginning of the financial year, the remaining unused balance is automatically reimbursed to the CEA. This mechanism significantly reduces insurance tax as the retention reserve is tax-exempt.

#### b) Insurance covering the CEA's assets

Given the extensive safety and preventive measures in place at its centres, particularly in relation to nuclear safety requirements, the CEA has opted not to systematically insure all its equipment, buildings and facilities. Instead it outsources the partial cover (in terms of the amount) of the identified risks to insurance companies.

By retaining some of its risks, or part of the risks when it considers insurance costs to be too high, it optimises management of the financial benefits of its insurance programmes for material damage.



The CEA's policy on insurance distinguishes between damage caused to its assets during the construction phase, damage of any kind during the operating phase and damage resulting from work during the dismantling phase.

### 1) Material damage caused during construction

The CEA takes out insurance to cover risks associated with construction or civil engineering work, whether or not the work concerns nuclear activities. This cover gives the CEA the assurance that, in the event of a claim, it will quickly receive financial compensation. It therefore takes out a contractor's all risks policy on behalf of all those involved in the work, if the construction operation exceeds €2 million.

This type of policy covers accidental material damage affecting building, civil engineering or process work during the construction period and up to acceptance. It also covers, as an option, damage caused to existing structures, for example during renovation work, or to any neighbouring buildings.

To cover damage occurring after acceptance for operations costing over €2 million, the CEA takes out insurance covering structural property damage or, for civil engineering structures, ten-year inherent defects insurance.

### 2) Damage caused to assets during operation

The CEA has a comprehensive industrial insurance policy covering all moveable and immovable assets (buildings, plant, machinery and equipment, including licensed nuclear facilities) which the CEA owns, leases, uses or holds under any arrangement whatsoever.

Under the clauses and conditions of this policy, material damage resulting from events such as fire, lightning, explosion, collapse, natural disaster, water damage or acts of terrorism and sabotage are covered, as well as, under certain conditions, nuclear damage resulting from a criticality accident, contamination or irradiation.

Fire and related risk prevention inspections of CEA facilities are organised by the Insurance Department in conjunction with its insurers. The purpose of these inspections is to identify the main potential dangers and assess fire detection systems, particularly with regard to their compliance with current standards. The risk prevention engineers from the insurance companies issue recommendations for improving the condition of facilities with respect to the identified risks.

The comprehensive industrial insurance policy also covers all clean-up and dismantling operations carried out according to the operating safety baseline, prior to the publication in the French Official Journal of the facility dismantling decree for civil facilities, or an equivalent decree for military facilities.

The CEA's insurance programme also includes insurance policies specially designed to cover its plant, machinery and equipment.

This includes policies to cover machinery breakage, all risks IT insurance (covering equipment owned, leased or rented by the CEA) and all risks transport insurance.

### 3) Material damage caused during dismantling

The CEA has insurance to cover risks associated with dismantling operations following publication in the French Official Journal of a facility dismantling decree or a change to the safety baseline.

It therefore has an all risks dismantling work insurance policy, where the dismantling operation exceeds €2 million, taken out on behalf of all those involved in the work, with the insurer having no right to recourse against them. This guarantees the CEA rapid, full financial compensation in the event of a claim.

### c) Employee insurance

The CEA takes out disability and death insurance policies for its staff, with optional or compulsory participation.

The main purpose of insurance for which cover is compulsory is to provide:

- A lump sum payment to the beneficiary (or beneficiaries) in the event of an employee's death,
- An educational annuity for any dependent children,
- An invalidity pension, payable to the employee in addition to Social Security benefits

Coverage and assistance is also provided, including a lump-sum payment, in the event of personal injury resulting from accidents during assignments in France or abroad.

The CEA also offers optional schemes such as insurance for loans, death/disability insurance, insurance for pensioners, and for expatriates and foreigners working in France.

The insurance for expatriates/foreigners covers the healthcare costs of CEA employees working abroad and of foreigners coming to work for the CEA in France. The CEA has two types of cover: one for short assignments (less than 3 months) and one for long assignments (more than 3 months).

### Note 32 - Time limits for payment

The Ministerial Order of 6 April 2016 requires that all companies whose financial statements are certified by an auditor to provide information in their management report on their payment time limits for suppliers and clients for all financial years starting from 1 July 2016 (Ministerial Decree No. 2015-1553 of 27 November 2015, Art. 1; C.com Art. D441-4, I).

**Invoices received and issued that remain unpaid at year closing**

	SUPPLIERS						CUSTOMERS					
	Unpaid invoices received as of 31/12/2020						Unpaid invoices received as of 31/12/2020					
	0 day (approx- mative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	TOTAL (1 day and more)	0 day (approx- mative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	TOTAL (1 day and more)
<b>A. LATE PAYMENT CATEGORY</b>												
Number of invoices in question												
Total invoiced amount in question (including tax)		20.5	5.0	5.6	11.6	42.5	-	16.1	12.1	4.3	16.6	49.0
% of the total purchasing amount excluding VAT for the financial year	-	1	0.2	0.3	0.57	2.1						
% of sales excluding VAT							-	3.88	2.91	1.02	3.98	11.79
<b>B. INVOICES NOT INCLUDED IN A. PERTAINING TO CONTENTIOUS OR UNACCOUNTED DEBTS AND RECEIVABLES</b>												
Number of invoices not included	NEANT						NEANT					
Total non-invoiced amount	NEANT						NEANT					
<b>C. REFERENCE PAYMENT TIME LIMITS USED (CONTRACTUAL OR LEGAL LIMITS - ART L.441-6 OR ART L. 443-1 OF THE FRENCH COMMERCIAL CODE)</b>												
Payment time limits used to calculate payment delays	<b>X Contractual time limits:</b> in compliance with the CEA general purchasing conditions (CGA), i.e. net 30 days end of month  <b>Legal time limits</b>						<b>X Contractual time limits:</b> Net 30 days end of month except if specific terms have been negotiated  <b>Legal time limits</b>					

(in millions of €)

**Note 33 - Events after closing of accounts**

N/A

# Auditors' report on the annual financial statements

Financial year ending on 31 December 2020

Dear Sir/ Madam,

## Opinion

As part of our duties entrusted to us by the French Ministry of the Economy and Finance, we have audited the annual financial statements of the French Alternative Energies & Atomic Energy Commission for the year ending on 31 December 2020, as appended to this report.

Taking into consideration the accounting principles and rules applicable in France, we hereby certify that the annual financial statements provide a complete and truthful view of the results of operations over the past year and of the institution's assets and financial position at the end of the year.

## Basis of our opinion

### *Reference framework for the audit*

We have carried out this audit in compliance with the professional standards applicable in France.

We consider the information collected has provided us with reasonable assurance on which to base our opinion.

Our responsibilities according to these standards are detailed in the section called "Auditor responsibilities in auditing annual financial statements" of this report.

### *Indépendance*

We have carried out this audit for period starting 1 January to the publication date of this report, in compliance with the rules governing auditing independence stipulated in the Commercial Code and the Code of Ethics for auditors.

## Remark

Without detracting from the opinion above, we would like to draw your attention to the following points:

- Note 1.6 "Claims on the State" in the Notes on Accounting Principles, which refer to the accounting implications of the Framework Agreement on the financing of long-term nuclear costs whereby the State agrees to balance the CEA's long-term nuclear cost burden.
- Paragraphs a) and f) of Note 1.11.2 "End-of-cycle commitments" in the Notes on Accounting Principles, which recall the key assumption on which the 2016 accounts were based whereby the CEA's cash funds must be compatible with the schedule of dismantling operations currently planned.
- Paragraphs c) and f) of Note 21.11.2 "End-of-cycle commitments" in the Notes on Accounting Principles, and the paragraph "Key events of the financial year 2020" in the same notes, which refer to the main sources of uncertainty and judgement inherent to assessing end-of-cycle costs, including the cost of long-term management of radioactive waste packages, the target final state of sites to be decommissioned, and the physical and radiological characterisation of facilities to be dismantled.
- Paragraph "Key events of the financial year 2020" in the Notes on Accounting Principles, which refer to the discussions with the State on the Jules Horowitz Reactor and the assessment of the different future investment scenarios.

### Substantiation of our assessment

The global crisis resulting from the Covid-19 pandemic meant that the financial statements for this year were prepared and audit under unusual conditions. The exceptional measures applied during this pandemic state of emergency had a significant impact on companies, in particular their business and financing, not to mention the heightened uncertainties with respect to their future.

Some of these measures, such as travel restrictions and working from home, also had an impact on the internal organisation of companies and how audits could be conducted.

It is in this complex and every-changing context that we have reached what we believe to be the key points of the audit of this year's annual financial statements, in compliance with the provisions of Articles L. 823-9 and R. 823-7 of the Commercial Code concerning the substantiation of our assessment.

#### • Accounting rules and methods

As part of our assessment of the accounting rules and principles applied by the CEA, we checked the relevance of the accounting principles used to represent the institution's activities and assets as accurately as possible.

#### • End-of-cycle commitments

The provisions for dismantling and waste retrieval, amounting to €16,970 million in the balance sheet, were calculated in accordance with the accounting rules and methods and the assessment principles described in Note 1.11.2 "End-of-cycle commitments" and in Note 22 "Provisions for end-of-cycle commitments" in the Notes on Accounting Principles.

To offset these provisions, as part of covering liabilities and according to the provisions stipulated in the Framework Agreement with the State, the CEA recognises a claim on the State as specified in paragraph a) of Note 1.11.2 "End-of-cycle commitments" and in Note 17 "Claims on State" in the Notes on Accounting Principles.

As part of our audit, we reviewed the estimations of dismantling liabilities and the share to be financed by the State, assessing whether the assumptions made were reasonable and particularly taking into account the change in estimates and ongoing negotiations with the relevant authorities.

#### • Financial assets

Note 1.4 D "Long-term investments" in the Notes on Accounting Principles describes the method applied to value equity interests. We have analysed the methods used by the CEA to ensure that the asset value of the securities on the balance sheet are at least equal to their net book values.

#### • Subsidies

Note 1.9 "Budget subsidy received from the State" and Note 1.10 "Equipment grants received from the State and third parties" in the Notes on Accounting Principles explain the method of accounting for subsidies received from the State and its partners. During our audit, we made sure that this method had been correctly applied and that the presentation complied with requirements.

#### • Pension commitments

Note 1.12 "Tax and social security payables" and Note 29 "Off-balance sheet commitments" in the Notes on Accounting Principles explain the methods used to estimate pension commitments and the assumptions applied to calculate them. During our audit, we made sure that this method had been correctly applied.

The assessment thus established complies with our audit procedure which concerns the annual accounts taken as a whole, and it has been used to formulate the opinion given in the first part of this report. We do not give our opinion on any individual items comprising these financial statements.

### Specific checks

In compliance with the professional practices applicable in France, we have also carried out a certain number of specifics as required by the law and regulations.

We have no other comments to make as to the faithfulness and consistency with the annual financial statements of the information presented in the Executive Board's management report and in the documents sent to the Executive Board on the financial position and the annual financial statements.

### Management & Corporate Governance responsibilities with respect to the annual financial statements

Management is responsible for compiling faithful annual financial statements in accordance with French accounting rules and principles, and for implementing the internal control required to ensure that the annual financial statements do not contain any significant anomalies, whether as a result of fraud or error.

When preparing the annual financial statements, Management must assess the organisation's ability to continue operating, and where applicable, provide information relevant to its continuing operation in the financial statements, and implement the accounting continuity principle, unless there are plans to liquidate or wind up the organisation. The annual accounts have been approved by the Executive Board.

**Auditor responsibilities in auditing annual financial statements**

Our task as auditor is to issue a report on the annual financial statements. The objective is to obtain reasonable assurance that these annual financial statements as a whole do not contain any significant anomalies. 'Reasonable' assurance implies a high level of assurance without being able to guarantee that an audit carried out in compliance with professional standards can systematically identify every significant anomaly. Anomalies may occur as a result of fraud or error; they are deemed significant if they have reasonable potential - either separately or altogether - to influence economic decisions made by those using the financial statements.

As stipulated in Article L.823-10-1 of the French Commercial Code, our task of certifying these annual financial statements does not mean that we guarantee the viability of your organisation or the quality of its management.

When performing an audit in compliance with the professional standards applicable in France, auditors exercise their professional discretion throughout the auditing process. In addition, auditors are required to:

- Identify and assess if there is any risk that the annual financial statements contain significant anomalies, whether as a result of fraud or error. This involves defining and implementing auditing procedures to address these risks and find sufficient evidence to substantiate their opinion. Failing to detect a significant anomaly due to fraud represents a higher risk than failing to detect a significant anomaly due to error, considering the fact that fraud can involve

- collusion, falsification, voluntary omissions, false statements or circumventing internal control.
- Understand the internal control processes relevant to the audit in order to define appropriate auditing procedures; the objective of their task is not to express an opinion on the effectiveness of internal control.
- Assess the appropriate nature of the accounting methods used and the reasonableness of accounting forecasts made by Management, and the relevant information provided in the annual financial statements.
- Assess whether Management's implementation of the accounting policy on continuing operation is appropriate and, depending on the information collected, whether there is significant uncertainty related to events or circumstances which could jeopardise the organisation's ability to continue operating. Their assessment is based on information collected up to the date of the report, though it must be remembered that subsequent events or circumstances may jeopardise the organisation's continuing operation. If the auditors find there is reason for significant uncertainty, they must draw the reader's attention to the information provided in the annual financial statements regarding that uncertainty or, if the information is not provided or is irrelevant, they may either issue certification with reservations or refuse certification.
- Assess the overall presentation of the annual financial statements and decide whether they reflect the underlying operations and events in such a way as to convey an accurate picture.

Signed in Paris-La Défense, on 27 April 2021

**MAZARS**



**Thierry Blanchetier**  
Auditor



**Juliette Decoux**  
Auditor

**KPMG AUDIT**



**Laurent Genin**  
Auditor

# 10 CEA's centres in France

## 1 Headquarter

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### Civil research centres

2 Paris-Saclay  
établissements de  
Fontenay-aux-Roses et Saclay

3 Grenoble

4 Marcoule

5 Cadarache

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### Centres for military applications

6 DAM Île-de-France

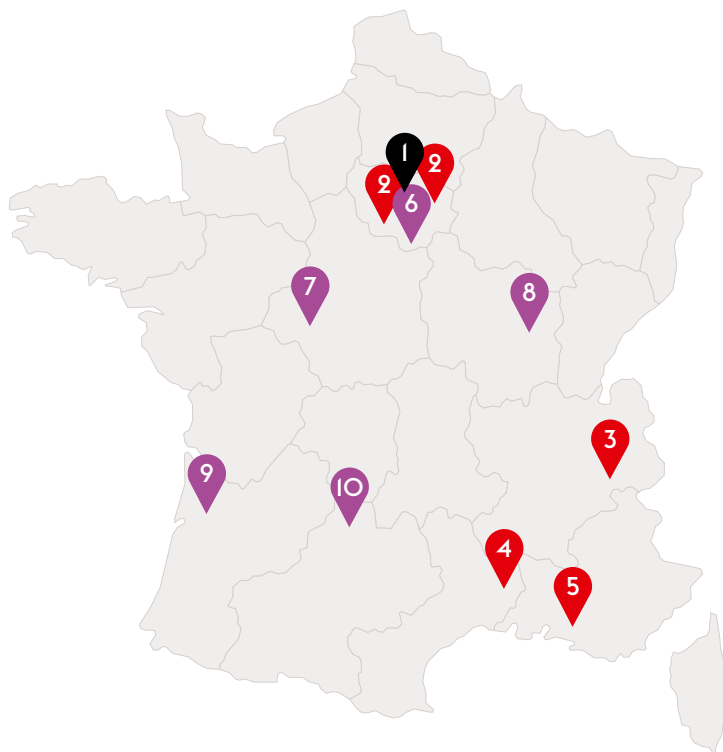
7 Le Ripault

8 Valduc

9 Cesta

10 Gramat

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**French atomic energy and  
alternative energy Commission**  
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