

ČEZ, a. s.

SEPARATE FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS OF JUNE 30, 2020

ČEZ, a. s.
BALANCE SHEET
AS OF JUNE 30, 2020

In CZK Millions

	June 30, 2020	December 31, 2019
ASSETS:		
Plant in service	476,537	475,880
Less accumulated depreciation and impairment	(266,174)	(258,822)
Net plant in service	210,363	217,058
Nuclear fuel, at amortized cost	13,172	14,191
Construction work in progress, net	9,883	8,302
Total property, plant and equipment	233,418	239,551
Restricted financial assets, net	15,441	14,303
Other non-current financial assets, net	181,580	181,201
Intangible assets, net	3,590	9,014
Total other non-current assets	200,611	204,518
Total non-current assets	434,029	444,069
Cash and cash equivalents, net	1,492	3,516
Trade receivables, net	42,689	58,042
Materials and supplies, net	7,293	6,599
Fossil fuel stocks	487	608
Emission rights	31,000	24,326
Other current financial assets, net	89,886	75,602
Other current assets, net	2,493	2,784
Assets classified as held for sale, net	7,390	6,540
Total current assets	182,730	178,017
Total assets	616,759	622,086

ČEZ, a. s.
BALANCE SHEET
AS OF JUNE 30, 2020

Continued

	June 30, 2020	December 31, 2019
EQUITY AND LIABILITIES:		
Stated capital	53,799	53,799
Treasury shares	(2,845)	(2,885)
Retained earnings and other reserves	147,843	152,565
Total equity	198,797	203,479
Long-term debt, net of current portion	140,549	133,848
Provisions	75,429	75,315
Other long-term financial liabilities	7,239	8,216
Deferred tax liability	8,966	8,044
Total non-current liabilities	232,183	225,423
Short-term loans	4,169	4,119
Current portion of long-term debt	7,779	24,760
Trade payables	40,947	53,748
Income tax payable	595	483
Provisions	7,433	9,282
Other short-term financial liabilities	123,726	99,954
Other short-term liabilities	1,130	838
Total current liabilities	185,779	193,184
Total equity and liabilities	616,759	622,086

ČEZ, a. s.
STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2020

In CZK Millions

	1-6/2020	1-6/2019 *	4-6/2020	4-6/2019 *
Sales of electricity, heat and gas	41,926	40,858	17,467	17,399
Sales of services and other revenues	2,510	2,455	1,264	1,270
Other operating income	710	586	505	339
Total revenues and other operating income	45,146	43,899	19,236	19,008
Gains and losses from commodity derivative trading	6,001	4,626	167	1,066
Purchase of electricity, gas and other energies	(15,337)	(17,189)	(6,545)	(7,091)
Fuel and emission rights	(8,380)	(8,106)	(3,325)	(3,900)
Services	(3,895)	(3,680)	(2,159)	(2,041)
Salaries and wages	(3,535)	(3,264)	(1,841)	(1,705)
Materials and supplies	(986)	(854)	(389)	(397)
Capitalization of expenses to the cost of assets and change in own inventories	1	40	27	18
Depreciation and amortization	(7,474)	(7,260)	(3,779)	(3,624)
Impairment of property, plant and equipment and intangible assets	-	(16)	-	-
Impairment of trade and other receivables	(8)	(23)	(6)	(12)
Other operating expenses	(665)	(786)	(392)	(486)
Income before other income (expenses) and income taxes	10,868	7,387	994	836
Interest on debt, net of capitalized interest	(2,915)	(2,885)	(1,429)	(1,457)
Interest on provisions	(852)	(799)	(426)	(399)
Interest income	627	642	300	322
Impairment of financial assets	(875)	-	(873)	1
Other financial expenses	(616)	(257)	(443)	(250)
Other financial income	11,197	13,299	11,028	13,157
Total other income (expenses)	6,566	10,000	8,157	11,374
Income before income taxes	17,434	17,387	9,151	12,210
Income taxes	(1,594)	(850)	(18)	151
Net income	15,840	16,537	9,133	12,361

* The accounting with impact on financial results published for I. and II. quarter 2019 was made in the past period. For more information about the adjustments see Note 2.2.2 of the notes to interim consolidated financial statement as of June 30, 2020.

ČEZ, a. s.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2020

In CZK Millions

	1-6/2020	1-6/2019 *	4-6/2020	4-6/2019 *
Net income	15,840	16,537	9,133	12,361
Change in fair value of cash flow hedges	(2,798)	4,918	(4,896)	(2,065)
Cash flow hedges reclassified to statement of income	(596)	4,265	750	2,185
Change in fair value of debt financial instruments	513	270	567	237
Deferred tax related to other comprehensive income	547	(1,796)	680	(68)
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods	<u>(2,334)</u>	<u>7,657</u>	<u>(2,899)</u>	<u>289</u>
Total comprehensive income, net of tax	<u><u>13,506</u></u>	<u><u>24,194</u></u>	<u><u>6,234</u></u>	<u><u>12,650</u></u>

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ČEZ, a. s.
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2020

In CZK Millions

	Stated capital	Treasury shares	Cash flow hedge reserve	Debt financial instruments	Equity financial instruments and other reserves	Retained earnings	Total equity
Balance as at January 1, 2019	53,799	(3,534)	(18,373)	110	117	151,093	183,212
Net income	-	-	-	-	-	16,537	16,537
Other comprehensive income	-	-	7,438	219	-	-	7,657
Total comprehensive income	-	-	7,438	219	-	16,537	24,194
Dividends	-	-	-	-	-	(12,850)	(12,850)
Sale of treasury shares	-	632	-	-	-	(388)	244
Share options	-	-	-	-	15	-	15
Exercised and forfeited share options	-	-	-	-	(15)	15	-
Balance as at June 30, 2019 *	<u>53,799</u>	<u>(2,902)</u>	<u>(10,935)</u>	<u>329</u>	<u>117</u>	<u>154,407</u>	<u>194,815</u>
Balance as at January 1, 2020	53,799	(2,885)	(2,867)	277	(156)	155,311	203,479
Net income	-	-	-	-	-	15,840	15,840
Other comprehensive income	-	-	(2,750)	416	-	-	(2,334)
Total comprehensive income	-	-	(2,750)	416	-	15,840	13,506
Effect of business combination	-	-	-	-	3	-	3
Dividends	-	-	-	-	-	(18,206)	(18,206)
Sale of treasury shares	-	40	-	-	-	(25)	15
Exercised and forfeited share options	-	-	-	-	(8)	8	-
Balance as at June 30, 2020	<u>53,799</u>	<u>(2,845)</u>	<u>(5,617)</u>	<u>693</u>	<u>(161)</u>	<u>152,928</u>	<u>198,797</u>

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ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2020

In CZK Millions

	<u>1-6/2020</u>	<u>1-6/2019 *</u>
OPERATING ACTIVITIES:		
Income before income taxes	17,434	17,387
Adjustments of income before income taxes to cash generated from operations:		
Depreciation and amortization	7,474	7,260
Amortization of nuclear fuel	1,975	2,019
(Gains) and losses on non-current asset retirements	(13)	(11)
Foreign exchange rate loss (gain)	(414)	247
Interest expense, interest income and dividend income	(8,403)	(10,909)
Change in provisions	(1,776)	(1,188)
Impairment of property, plant and equipment and intangible assets	-	16
Other impairment and other non-cash expenses and income	(2,334)	3,692
Changes in assets and liabilities:		
Receivables and contract assets	14,063	8,820
Materials, supplies and fossil fuel stocks	(591)	(444)
Receivables and payables from derivatives	2,993	265
Other assets	2,647	(2,038)
Trade payables	(13,923)	(7,714)
Other liabilities	288	386
Cash generated from operations	<u>19,420</u>	<u>17,788</u>
Income taxes paid	(11)	(13)
Interest paid, net of capitalized interest	(3,492)	(3,459)
Interest received	343	373
Dividends received	1,707	1,186
Net cash provided by operating activities	<u>17,967</u>	<u>15,875</u>
INVESTING ACTIVITIES:		
Acquisition of subsidiaries and joint-ventures	(2,009)	(1,603)
Proceeds from disposal of subsidiaries and joint-ventures and original investments repayments	66	709
Additions to non-current assets, including capitalized interest	(4,144)	(3,853)
Proceeds from sale of non-current assets	972	1,353
Loans made	(529)	(3,690)
Repayments of loans	929	1,494
Change in restricted financial assets	(619)	(597)
Total cash used in investing activities	<u>(5,334)</u>	<u>(6,187)</u>

ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2020

Continued

	<u>1-6/2020</u>	<u>1-6/2019 *</u>
FINANCING ACTIVITIES:		
Proceeds from borrowings	38,487	42,959
Payments of borrowings	(55,738)	(53,856)
Payments of lease liabilities	(736)	(618)
Change in payables/receivables from group cashpooling	2,963	1,856
Dividends paid	(30)	(39)
Sale of treasury shares	15	244
Net cash used in financing activities	<u>(15,039)</u>	<u>(9,454)</u>
Net effect of currency translation and allowances in cash	382	16
Net increase (decrease) in cash and cash equivalents	(2,024)	250
Cash and cash equivalents at beginning of period	<u>3,516</u>	<u>454</u>
Cash and cash equivalents at end of period	<u><u>1,492</u></u>	<u><u>704</u></u>

Supplementary cash flow information:

Total cash paid for interest	3,651	3,591
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