

ČEZ, a. s.

SEPARATE FINANCIAL STATEMENTS

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

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

In CZK Millions

	September 30, 2020	December 31, 2019
ASSETS:		
Plant in service	476,770	475,880
Less accumulated depreciation and impairment	(269,620)	(258,822)
Net plant in service	207,150	217,058
Nuclear fuel, at amortized cost	13,018	14,191
Construction work in progress, net	10,193	8,302
Total property, plant and equipment	230,361	239,551
Restricted financial assets, net	15,509	14,303
Other non-current financial assets, net	187,801	181,201
Intangible assets, net	3,580	9,014
Total other non-current assets	206,890	204,518
Total non-current assets	437,251	444,069
Cash and cash equivalents, net	360	3,516
Trade receivables, net	47,666	58,042
Income tax receivable	170	-
Materials and supplies, net	7,566	6,599
Fossil fuel stocks	500	608
Emission rights	27,411	24,326
Other current financial assets, net	60,583	75,602
Other current assets, net	3,240	2,784
Assets classified as held for sale, net	6,582	6,540
Total current assets	154,078	178,017
Total assets	591,329	622,086

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

Continued

	September 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	145,654	152,565
Total equity	196,608	203,479
Long-term debt, net of current portion	143,736	133,848
Provisions	75,420	75,315
Other long-term financial liabilities	8,048	8,216
Deferred tax liability	8,612	8,044
Total non-current liabilities	235,816	225,423
Short-term loans	7,623	4,119
Current portion of long-term debt	8,616	24,760
Trade payables	43,055	53,748
Income tax payable	-	483
Provisions	8,445	9,282
Other short-term financial liabilities	89,907	99,954
Other short-term liabilities	1,259	838
Total current liabilities	158,905	193,184
Total equity and liabilities	591,329	622,086

ČEZ, a. s.
STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

In CZK Millions

	1-9/2020	1-9/2019	7-9/2020	7-9/2019
Sales of electricity, heat and gas	60,550	58,771	12,848	17,913
Sales of services and other revenues	3,778	3,731	844	1,276
Other operating income	888	777	126	191
Total revenues and other operating income	65,216	63,279	13,818	19,380
Gains and losses from commodity derivative trading	6,245	5,107	21	481
Purchase of electricity, gas and other energies	(22,327)	(24,678)	(4,820)	(7,489)
Fuel and emission rights	(12,096)	(12,644)	(2,817)	(4,538)
Services	(6,152)	(6,123)	(1,556)	(2,443)
Salaries and wages	(5,382)	(4,994)	(1,174)	(1,730)
Materials and supplies	(1,369)	(1,430)	(248)	(576)
Capitalization of expenses to the cost of assets and change in own inventories	23	64	15	24
Depreciation and amortization	(11,110)	(10,883)	(2,421)	(3,623)
Impairment of property, plant and equipment and intangible assets	-	(19)	-	(3)
Impairment of trade and other receivables	(8)	(22)	(2)	1
Other operating expenses	(937)	(1,061)	(157)	(275)
Income before other income (expenses) and income taxes	12,103	6,596	659	(791)
Interest on debt, net of capitalized interest	(4,083)	(4,380)	(780)	(1,495)
Interest on provisions	(1,277)	(1,207)	(283)	(408)
Interest income	944	972	223	330
Impairment of financial assets	(1,700)	(1)	(824)	(1)
Other financial expenses	(1,078)	(508)	(347)	(251)
Other financial income	11,497	13,199	152	(100)
Total other income (expenses)	4,303	8,075	(1,859)	(1,925)
Income before income taxes	16,406	14,671	(1,200)	(2,716)
Income taxes	(1,527)	(351)	106	499
Net income	14,879	14,320	(1,094)	(2,217)

ČEZ, a. s.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

In CZK Millions

	<u>1-9/2020</u>	<u>1-9/2019</u>	<u>7-9/2020</u>	<u>7-9/2019</u>
Net income	14,879	14,320	(1,094)	(2,217)
Change in fair value of cash flow hedges	(5,598)	4,009	(6,145)	(909)
Cash flow hedges reclassified to statement of income	674	5,486	(70)	1,221
Change in fair value of debt financial instruments	527	420	56	150
Deferred tax related to other comprehensive income	835	(1,884)	1,170	(88)
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods	<u>(3,562)</u>	<u>8,031</u>	<u>(4,989)</u>	<u>374</u>
Total comprehensive income, net of tax	<u><u>11,317</u></u>	<u><u>22,351</u></u>	<u><u>(6,083)</u></u>	<u><u>(1,843)</u></u>

ČEZ, a. s.
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 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	-	-	-	-	-	14,320	14,320
Other comprehensive income	-	-	7,691	340	-	-	8,031
Total comprehensive income	-	-	7,691	340	-	14,320	22,351
Dividends	-	-	-	-	-	(12,806)	(12,806)
Sale of treasury shares	-	649	-	-	-	(400)	249
Share options	-	-	-	-	23	-	23
Exercised and forfeited share options	-	-	-	-	(24)	24	-
Balance as at September 30, 2019	<u>53,799</u>	<u>(2,885)</u>	<u>(10,682)</u>	<u>450</u>	<u>116</u>	<u>152,231</u>	<u>193,029</u>
Balance as at January 1, 2020	53,799	(2,885)	(2,867)	277	(156)	155,311	203,479
Net income	-	-	-	-	-	14,879	14,879
Other comprehensive income	-	-	(3,989)	427	-	-	(3,562)
Total comprehensive income	-	-	(3,989)	427	-	14,879	11,317
Effect of business combination	-	-	-	-	3	-	3
Dividends	-	-	-	-	-	(18,206)	(18,206)
Sale of treasury shares	-	40	-	-	-	(25)	15
Exercised and forfeited share options	-	-	-	-	(13)	13	-
Balance as at September 30, 2020	<u>53,799</u>	<u>(2,845)</u>	<u>(6,856)</u>	<u>704</u>	<u>(166)</u>	<u>151,972</u>	<u>196,608</u>

ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

In CZK Millions

	<u>1-9/2020</u>	<u>1-9/2019</u>
OPERATING ACTIVITIES:		
Income before income taxes	16,406	14,671
Adjustments of income before income taxes to cash generated from operations:		
Depreciation and amortization	11,110	10,883
Amortization of nuclear fuel	3,028	2,949
(Gains) and losses on non-current asset retirements	(4)	(19)
Foreign exchange rate loss (gain)	(506)	306
Interest expense, interest income and dividend income	(7,753)	(9,709)
Change in provisions	(827)	(158)
Impairment of property, plant and equipment and intangible assets	-	19
Other impairment and other non-cash expenses and income	(1,058)	6,715
Changes in assets and liabilities:		
Receivables and contract assets	9,702	5,212
Materials, supplies and fossil fuel stocks	(884)	(361)
Receivables and payables from derivatives	6,568	866
Other assets	5,948	(5,947)
Trade payables	(12,231)	(3,642)
Other liabilities	416	237
Cash generated from operations	<u>29,915</u>	<u>22,022</u>
Income taxes paid	(777)	(15)
Interest paid, net of capitalized interest	(3,884)	(4,020)
Interest received	542	575
Dividends received	8,958	12,396
Net cash provided by operating activities	<u>34,754</u>	<u>30,958</u>
INVESTING ACTIVITIES:		
Acquisition of subsidiaries and joint-ventures	(2,028)	(2,577)
Proceeds from disposal of subsidiaries and joint-ventures and original investments repayments	207	713
Additions to non-current assets, including capitalized interest	(5,633)	(5,353)
Proceeds from sale of non-current assets	972	1,360
Loans made	(10,122)	(4,075)
Repayments of loans	1,417	2,000
Change in restricted financial assets	(671)	(666)
Total cash used in investing activities	<u>(15,858)</u>	<u>(8,598)</u>

ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

Continued

	<u>1-9/2020</u>	<u>1-9/2019</u>
FINANCING ACTIVITIES:		
Proceeds from borrowings	118,813	124,762
Payments of borrowings	(130,892)	(127,204)
Payments of lease liabilities	(1,105)	(924)
Change in payables/receivables from group cashpooling	8,786	(5,761)
Dividends paid	(18,064)	(12,771)
Sale of treasury shares	15	249
Net cash used in financing activities	<u>(22,447)</u>	<u>(21,649)</u>
Net effect of currency translation and allowances in cash	395	37
Net increase (decrease) in cash and cash equivalents	(3,156)	748
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>360</u></u>	<u><u>1,202</u></u>

Supplementary cash flow information:

Total cash paid for interest	4,073	4,172
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