

ČEZ, a. s.

SEPARATE FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS OF MARCH 31, 2020

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

in CZK Millions

	March 31, 2020	December 31, 2019
ASSETS:		
Plant in service	476,277	475,880
Less accumulated depreciation and impairment	(262,459)	(258,822)
Net plant in service	213,818	217,058
Nuclear fuel, at amortized cost	14,047	14,191
Construction work in progress, net	8,136	8,302
Total property, plant and equipment	236,001	239,551
Restricted financial assets, net	14,313	14,303
Other non-current financial assets, net	186,734	181,201
Intangible assets, net	5,849	9,014
Total other non-current assets	206,896	204,518
Total non-current assets	442,897	444,069
Cash and cash equivalents, net	9,860	3,516
Trade receivables, net	56,645	58,042
Materials and supplies, net	6,381	6,599
Fossil fuel stocks	522	608
Emission rights	22,742	24,326
Other current financial assets, net	140,902	75,602
Other current assets, net	2,710	2,784
Assets classified as held for sale, net	6,540	6,540
Total current assets	246,302	178,017
Total assets	689,199	622,086

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

continued

	March 31, 2020	December 31, 2019
EQUITY AND LIABILITIES:		
Stated capital	53,799	53,799
Treasury shares	(2,875)	(2,885)
Retained earnings and other reserves	159,822	152,565
Total equity	210,764	203,479
Long-term debt, net of current portion	143,548	133,848
Provisions	75,355	75,315
Other long-term financial liabilities	6,150	8,216
Deferred tax liability	9,753	8,044
Total non-current liabilities	234,806	225,423
Short-term loans	3,290	4,119
Current portion of long-term debt	27,644	24,760
Trade payables	46,637	53,748
Income tax payable	478	483
Provisions	10,953	9,282
Other short-term financial liabilities	153,508	99,954
Other short-term liabilities	1,119	838
Total current liabilities	243,629	193,184
Total equity and liabilities	689,199	622,086

ČEZ, a. s.
STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2020

in CZK Millions

	1-3/2020	1-3/2019 *
Sales of electricity, heat and gas	24,459	23,459
Sales of services and other revenues	1,246	1,185
Other operating income	205	247
Total revenues and other operating income	25,910	24,891
Gains and losses from commodity derivative trading	5,834	3,560
Purchase of electricity, gas and other energies	(8,792)	(10,098)
Fuel and emission rights	(5,055)	(4,206)
Services	(1,736)	(1,639)
Salaries and wages	(1,694)	(1,559)
Materials and supplies	(597)	(457)
Capitalization of expenses to the cost of assets and change in own inventories	(26)	22
Depreciation and amortization	(3,695)	(3,636)
Impairment of property, plant and equipment and intangible assets	-	(16)
Impairment of trade and other receivables	(2)	(11)
Other operating expenses	(273)	(300)
Income before other income (expenses) and income taxes	9,874	6,551
Interest on debt, net of capitalized interest	(1,486)	(1,428)
Interest on provisions	(426)	(400)
Interest income	327	320
Impairment of financial assets	(2)	(1)
Other financial expenses	(173)	(7)
Other financial income	169	142
Total other income (expenses)	(1,591)	(1,374)
Income before income taxes	8,283	5,177
Income taxes	(1,576)	(1,001)
Net income	6,707	4,176

* The accounting with impact on financial results published for I. 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 March 31, 2020.

ČEZ, a. s.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2020

in CZK Millions

	1-3/2020	1-3/2019 *
Net income	6,707	4,176
Change in fair value of cash flow hedges	2,098	6,983
Cash flow hedges reclassified to statement of income	(1,346)	2,080
Change in fair value of debt financial instruments	(54)	33
Deferred tax related to other comprehensive income	(133)	(1,728)
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods	565	7,368
Total comprehensive income, net of tax	<u>7,272</u>	<u>11,544</u>

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ČEZ, a. s.
STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2020

in CZK Millions

	Stated capital	Treasury shares	Cash flow hedge reserve	Debt financial instruments	Equity financial instruments and other reserves	Retained earnings	Total equity
Balance as at January 1, 2019	53,799	(3,534)	(18,373)	110	117	151,093	183,212
Net income	-	-	-	-	-	4,176	4,176
Other comprehensive income	-	-	7,341	27	-	-	7,368
Total comprehensive income	-	-	7,341	27	-	4,176	11,544
Sale of treasury shares	-	215	-	-	-	(135)	80
Share options	-	-	-	-	7	-	7
Exercised and forfeited share options	-	-	-	-	(8)	8	-
Balance as at March 31, 2019 *	<u>53,799</u>	<u>(3,319)</u>	<u>(11,032)</u>	<u>137</u>	<u>116</u>	<u>155,142</u>	<u>194,843</u>
Balance as at January 1, 2020	53,799	(2,885)	(2,867)	277	(156)	155,311	203,479
Net income	-	-	-	-	-	6,707	6,707
Other comprehensive income	-	-	609	(44)	-	-	565
Total comprehensive income	-	-	609	(44)	-	6,707	7,272
Effect of business combination	-	-	-	-	3	-	3
Sale of treasury shares	-	28	-	-	-	(18)	10
Exercised share options	-	-	-	-	(1)	1	-
Balance as at March 31, 2020	<u>53,799</u>	<u>(2,857)</u>	<u>(2,258)</u>	<u>233</u>	<u>(154)</u>	<u>162,001</u>	<u>210,764</u>

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ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

in CZK Millions

	1-3/2020	1-3/2019 *
OPERATING ACTIVITIES:		
Income before income taxes	8,283	5,177
Adjustments of income before income taxes to cash generated from operations:		
Depreciation and amortization	3,695	3,636
Amortization of nuclear fuel	1,026	986
(Gains) and losses on non-current asset retirements	(3)	3
Foreign exchange rate loss (gain)	(165)	(12)
Interest expense, interest income and dividend income	1,159	1,108
Provisions	1,636	494
Impairment of property, plant and equipment and intangible assets	-	16
Other impairment and other non-cash expenses and income	3,024	3,214
Changes in assets and liabilities:		
Receivables and contract assets	2,252	8,272
Materials, supplies and fossil fuel stocks	297	343
Receivables and payables from derivatives	(8,673)	(3,037)
Other assets	2,338	(761)
Trade payables	(8,319)	(3,397)
Other liabilities	276	286
Cash generated from operations	6,826	16,328
Income taxes paid	(4)	(7)
Interest paid, net of capitalized interest	(394)	(395)
Interest received	203	201
Net cash provided by operating activities	6,631	16,127
INVESTING ACTIVITIES:		
Acquisition of subsidiaries and joint-ventures	(45)	(843)
Proceeds from disposal of subsidiaries and joint-ventures and original investments repayments	66	-
Additions to non-current assets, including capitalized interest	(2,171)	(2,260)
Proceeds from sale of non-current assets	964	11
Loans made	(249)	(1,317)
Repayments of loans	555	357
Change in restricted financial assets	(60)	(58)
Total cash used in investing activities	(940)	(4,110)

ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

continued

	1-3/2020	1-3/2019 *
FINANCING ACTIVITIES:		
Proceeds from borrowings	30,953	17,332
Payments of borrowings	(32,216)	(28,645)
Payments of lease liabilities	(365)	(307)
Change in payables/receivables from group cashpooling	1,803	697
Dividends paid	(22)	(13)
Sale of treasury shares	10	80
Net cash used in financing activities	163	(10,856)
Net effect of currency translation and allowances in cash	490	23
Net increase in cash and cash equivalents	6,344	1,184
Cash and cash equivalents at beginning of period	3,516	454
Cash and cash equivalents at end of period	9,860	1,638

Supplementary cash flow information:

Total cash paid for interest	409	409
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