

ČEZ, a. s.

SEPARATE FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS OF SEPTEMBER 30, 2021

ČEZ, a. s.
BALANCE SHEET
AS OF SEPTEMBER 30, 2021

In CZK Millions

	September 30, 2021	December 31, 2020
ASSETS:		
Plant in service	480,698	474,973
Less accumulated depreciation and impairment	(268,958)	(257,008)
Net plant in service	211,740	217,965
Nuclear fuel, at amortized cost	12,693	13,592
Construction work in progress, net	10,781	10,052
Total property, plant and equipment	235,214	241,609
Restricted financial assets, net	15,514	15,221
Other non-current financial assets, net	151,341	159,180
Intangible assets, net	919	3,367
Total other non-current assets	167,774	177,768
Total non-current assets	402,988	419,377
Cash and cash equivalents, net	3,340	1,009
Trade receivables, net	73,047	58,501
Income tax receivable	336	305
Materials and supplies, net	11,111	7,682
Fossil fuel stocks	239	223
Emission rights	62,840	34,323
Other current financial assets, net	608,540	76,976
Other current assets, net	3,713	2,787
Assets classified as held for sale, net	-	31,209
Total current assets	763,166	213,015
Total assets	1,166,154	632,392

ČEZ, a. s.
BALANCE SHEET
AS OF SEPTEMBER 30, 2021

continued

	September 30, 2021	December 31, 2020
EQUITY AND LIABILITIES:		
Stated capital	53,799	53,799
Treasury shares	(1,447)	(2,845)
Retained earnings and other reserves	90,261	150,491
Total equity	142,613	201,445
Long-term debt, net of current portion	95,896	113,929
Provisions	91,036	91,125
Other long-term financial liabilities	27,877	8,728
Deferred tax liability	38	8,235
Total non-current liabilities	214,847	222,017
Short-term loans	12,685	800
Current portion of long-term debt	24,074	27,514
Trade payables	70,465	63,093
Provisions	8,077	9,096
Other short-term financial liabilities	692,600	107,583
Other short-term liabilities	793	844
Total current liabilities	808,694	208,930
Total equity and liabilities	1,166,154	632,392

ČEZ, a. s.
STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

In CZK Millions

	1-9/2021	1-9/2020	7-9/2021	7-9/2020
Sales of electricity, heat and gas	67,672	60,550	23,371	18,624
Sales of services and other revenues	4,103	3,778	1,450	1,268
Other operating income	964	888	370	178
Total revenues and other operating income	72,739	65,216	25,191	20,070
Gains and losses from commodity derivative trading	(175)	6,245	2,052	244
Purchase of electricity, gas and other energies	(24,718)	(22,327)	(9,075)	(6,990)
Fuel and emission rights	(13,470)	(12,096)	(4,097)	(3,716)
Services	(6,407)	(6,152)	(2,476)	(2,257)
Salaries and wages	(5,564)	(5,382)	(1,912)	(1,847)
Materials and supplies	(1,509)	(1,369)	(455)	(383)
Capitalization of expenses to the cost of assets and change in own inventories	89	23	27	22
Depreciation and amortization	(11,643)	(11,110)	(4,757)	(3,636)
Impairment of property, plant and equipment and intangible assets	(25)	-	-	-
Impairment of trade and other receivables	12	(8)	(1)	-
Other operating expenses	(996)	(937)	(278)	(272)
Income before other income (expenses) and income taxes	8,333	12,103	4,219	1,235
Interest on debt, net of capitalized interest	(3,170)	(4,083)	(1,025)	(1,168)
Interest on provisions	(1,326)	(1,277)	(442)	(425)
Interest income	1,082	944	371	317
Impairment of financial assets	(5,067)	(1,700)	(565)	(825)
Other financial expenses	(335)	(1,078)	(51)	(462)
Other financial income	11,577	11,497	2,479	300
Total other income (expenses)	2,761	4,303	767	(2,263)
Income (loss) before income taxes	11,094	16,406	4,986	(1,028)
Income taxes	(1,277)	(1,527)	(672)	67
Net income (loss)	9,817	14,879	4,314	(961)

ČEZ, a. s.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

In CZK Millions

	1-9/2021	1-9/2020	7-9/2021	7-9/2020
Net income (loss)	9,817	14,879	4,314	(961)
Change in fair value of cash flow hedges	(52,844)	(5,598)	(36,649)	(2,800)
Cash flow hedges reclassified to statement of income	3,032	674	2,243	1,270
Change in fair value of debt financial instruments	(825)	527	(166)	14
Deferred tax related to other comprehensive income	9,621	835	6,569	288
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods	<u>(41,016)</u>	<u>(3,562)</u>	<u>(28,003)</u>	<u>(1,228)</u>
Total comprehensive income, net of tax	<u><u>(31,199)</u></u>	<u><u>11,317</u></u>	<u><u>(23,689)</u></u>	<u><u>(2,189)</u></u>

ČEZ, a. s.
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

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, 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>
Balance as at January 1, 2021	53,799	(2,845)	(7,146)	441	(1,018)	158,214	201,445
Net income	-	-	-	-	-	9,817	9,817
Other comprehensive income	-	-	(40,348)	(668)	-	-	(41,016)
Total comprehensive income	-	-	(40,348)	(668)	-	9,817	(31,199)
Effect of merger	-	-	-	-	30	(403)	(373)
Dividends	-	-	-	-	-	(27,909)	(27,909)
Sale of treasury shares	-	1,398	-	-	-	(749)	649
Exercised and forfeited share options	-	-	-	-	(54)	54	-
Balance as at September 30, 2021	<u>53,799</u>	<u>(1,447)</u>	<u>(47,494)</u>	<u>(227)</u>	<u>(1,042)</u>	<u>139,024</u>	<u>142,613</u>

ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

In CZK Millions

	<u>1-9/2021</u>	<u>1-9/2020</u>
OPERATING ACTIVITIES:		
Income before income taxes	11,094	16,406
Adjustments of income before income taxes to cash generated from operations:		
Depreciation and amortization	11,643	11,110
Amortization of nuclear fuel	2,959	3,028
(Gains) and losses on non-current asset retirements	(2,401)	(4)
Foreign exchange rate loss (gain)	(977)	(506)
Interest expense, interest income and dividend income	(5,522)	(7,753)
Change in provisions	(1,467)	(827)
Impairment of property, plant and equipment and intangible assets	25	-
Other impairment and other non-cash expenses and income	(16,422)	(1,058)
Changes in assets and liabilities:		
Receivables and contract assets	(16,384)	9,702
Materials, supplies and fossil fuel stocks	(3,451)	(884)
Receivables and payables from derivatives	15,899	6,568
Other assets	(1,828)	5,948
Trade payables	11,842	(12,231)
Other liabilities	(69)	416
Cash generated from operations	<u>4,941</u>	<u>29,915</u>
Income taxes paid	(15)	(777)
Interest paid, net of capitalized interest	(3,122)	(3,884)
Interest received	640	542
Dividends received	7,605	8,958
Net cash provided by operating activities	<u>10,049</u>	<u>34,754</u>
INVESTING ACTIVITIES:		
Acquisition of subsidiaries, associates and joint-ventures	(1,501)	(2,028)
Proceeds from disposal of subsidiaries, associates and joint-ventures and original investments repayments	36,205	207
Additions to non-current assets, including capitalized interest	(7,545)	(5,633)
Proceeds from sale of non-current assets	129	972
Loans made	(473)	(10,122)
Repayments of loans	2,088	1,417
Change in restricted financial assets	(951)	(671)
Net cash provided by (used in) investing activities	<u>27,952</u>	<u>(15,858)</u>

ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

continued

	<u>1-9/2021</u>	<u>1-9/2020</u>
FINANCING ACTIVITIES:		
Proceeds from borrowings	191,207	118,813
Payments of borrowings	(197,370)	(130,892)
Payments of lease liabilities	(129)	(1,105)
Change in payables/receivables from group cashpooling	(2,181)	8,786
Dividends paid	(27,645)	(18,064)
Sale of treasury shares	649	15
Net cash used in financing activities	<u>(35,469)</u>	<u>(22,447)</u>
Net effect of currency translation and allowances in cash	(201)	395
Net increase (decrease) in cash and cash equivalents	2,331	(3,156)
Cash and cash equivalents at beginning of period	<u>1,009</u>	<u>3,516</u>
Cash and cash equivalents at end of period	<u><u>3,340</u></u>	<u><u>360</u></u>
 Supplementary cash flow information:		
Total cash paid for interest	3,327	4,073