

ČEZ, a. s.

SEPARATE FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS OF MARCH 31, 2019

ČEZ, a. s.
BALANCE SHEET
AS OF MARCH 31, 2019

in CZK Millions

	March 31, 2019	December 31, 2018
ASSETS:		
Plant in service	458,003	454,354
Less accumulated depreciation and impairment	(248,413)	(244,830)
Net plant in service	209,590	209,524
Nuclear fuel, at amortized cost	14,442	14,331
Construction work in progress, net	6,673	7,242
Total property, plant and equipment	230,705	231,097
Restricted financial assets, net	13,424	13,336
Other non-current financial assets, net	179,363	177,479
Intangible assets, net	4,753	4,235
Total other non-current assets	197,540	195,050
Total non-current assets	428,245	426,147
Cash and cash equivalents, net	1,638	454
Trade receivables, net	55,566	64,287
Income tax receivable	13	7
Materials and supplies, net	6,293	6,526
Fossil fuel stocks	350	462
Emission rights	13,277	13,157
Other current financial assets, net	75,515	106,133
Other current assets, net	2,494	2,362
Assets classified as held for sale, net	6,540	6,540
Total current assets	161,686	199,928
Total assets	589,931	626,075

ČEZ, a. s.
BALANCE SHEET
AS OF MARCH 31, 2019

continued

	March 31, 2019	December 31, 2018
EQUITY AND LIABILITIES:		
Stated capital	53,799	53,799
Treasury shares	(3,319)	(3,534)
Retained earnings and other reserves	144,363	132,947
Total equity	194,843	183,212
Long-term debt, net of current portion	134,793	133,026
Provisions	63,010	62,971
Other long-term financial liabilities	10,197	13,776
Deferred tax liability	7,268	4,539
Total non-current liabilities	215,268	214,312
Short-term loans	704	11,709
Current portion of long-term debt	7,642	5,590
Trade payables	45,792	51,208
Provisions	7,439	6,889
Other short-term financial liabilities	117,347	152,544
Other short-term liabilities	896	611
Total current liabilities	179,820	228,551
Total equity and liabilities	589,931	626,075

ČEZ, a. s.
STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2019

in CZK Millions

	1-3/2019	1-3/2018 *
Sales of electricity, heat and gas	23,459	17,747
Sales of services and other revenues	1,185	1,148
Other operating income	247	268
Total revenues and other operating income	24,891	19,163
Gains and losses from commodity derivative trading	1,552	1,299
Purchase of electricity, gas and other energies	(10,098)	(7,964)
Fuel and emission rights	(4,206)	(2,837)
Services	(1,639)	(1,579)
Salaries and wages	(1,559)	(1,449)
Materials and supplies	(457)	(447)
Capitalization of expenses to the cost of assets and change in own inventories	22	27
Depreciation and amortization	(3,636)	(3,706)
Impairment of property, plant and equipment and intangible assets	(16)	-
Impairment of trade and other receivables	(10)	5
Other operating expenses	(300)	(319)
Income before other income (expenses) and income taxes	4,544	2,193
Interest on debt, net of capitalized interest	(1,428)	(1,252)
Interest on provisions	(400)	(389)
Interest income	320	201
Impairment of financial assets	(1)	1
Other financial expenses	(7)	(18)
Other financial income	142	204
Total other income (expenses)	(1,374)	(1,253)
Income before income taxes	3,170	940
Income taxes	(620)	(183)
Net income	2,550	757

* The way of presentation was changed for 2018 year-end. The prior year figures were changed accordingly to provide comparative information on the same basis.

ČEZ, a. s.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2019

in CZK Millions

	1-3/2019	1-3/2018
Net income	2,550	757
Change in fair value of cash flow hedges	8,991	811
Cash flow hedges reclassified to statement of income	2,080	1,515
Change in fair value of debt financial instruments	33	(118)
Deferred tax related to other comprehensive income	(2,110)	(420)
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods	8,994	1,788
Total comprehensive income, net of tax	<u>11,544</u>	<u>2,545</u>

ČEZ, a. s.
STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2019

In CZK Millions

	Stated capital	Treasury shares	Cash flow hedge reserve	Debt financial instruments	Equity financial instruments and other reserves	Retained earnings	Total equity
December 31, 2017	53,799	(4,077)	(7,794)	294	78	145,207	187,507
Application of IFRS 9	-	-	-	-	-	(32)	(32)
January 1, 2018 (restated)	53,799	(4,077)	(7,794)	294	78	145,175	187,475
Net income	-	-	-	-	-	757	757
Other comprehensive income	-	-	1,884	(96)	-	-	(1,788)
Total comprehensive income	-	-	1,884	(96)	-	757	2,545
Effect of merger	-	-	-	-	3	35	38
Sale of treasury shares	-	193	-	-	-	(119)	74
Share options	-	-	-	-	8	-	8
Transfer of exercised and forfeited share options within equity	-	-	-	-	(6)	6	-
March 31, 2018	53,799	(3,884)	(5,910)	198	83	145,854	190,140
January 1, 2019	53,799	(3,534)	(18,373)	110	117	151,093	183,212
Net income	-	-	-	-	-	2,550	2,550
Other comprehensive income	-	-	8,967	27	-	-	8,994
Total comprehensive income	-	-	8,967	27	-	2,550	11,544
Sale of treasury shares	-	215	-	-	-	(135)	80
Share options	-	-	-	-	7	-	7
Transfer of exercised and forfeited share options within equity	-	-	-	-	(8)	8	-
March 31, 2019	53,799	(3,319)	(9,406)	137	116	153,516	194,843

ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

In CZK Millions

	<u>1-3/2019</u>	<u>1-3/2018</u>
OPERATING ACTIVITIES:		
Income before income taxes	3,170	940
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	3,636	3,706
Amortization of nuclear fuel	986	942
(Gains) and losses on non-current asset retirements	3	(29)
Foreign exchange rate loss (gain)	(12)	172
Interest expense, interest income and dividend income	1,108	1,052
Provisions	494	8
Impairment of property, plant and equipment and intangible assets	16	-
Other impairment and other adjustments	3,214	1,756
Changes in assets and liabilities:		
Receivables and contract assets	8,272	(6,544)
Materials, supplies and fossil fuel stocks	343	536
Receivables and payables from derivatives	(1,030)	(551)
Other assets	(761)	2,246
Trade payables	(3,397)	11,908
Other liabilities	286	(1,454)
Cash generated from operations	<u>16,328</u>	<u>14,688</u>
Income taxes paid	(7)	(9)
Interest paid, net of capitalized interest	(395)	(606)
Interest received	201	242
Net cash provided by operating activities	<u>16,127</u>	<u>14,315</u>
INVESTING ACTIVITIES:		
Acquisition of subsidiaries and joint-ventures	(843)	(332)
Proceeds from disposal of subsidiaries and joint-ventures	-	76
Additions to non-current assets, including capitalized interest	(2,260)	(1,501)
Proceeds from sale of non-current assets	11	10
Loans made	(1,317)	(152)
Repayment of loans	357	696
Change in restricted financial assets	(58)	(33)
Total cash used in investing activities	<u>(4,110)</u>	<u>(1,236)</u>

ČEZ, a. s.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

continued

	<u>1-3/2019</u>	<u>1-3/2018</u>
FINANCING ACTIVITIES:		
Proceeds from borrowings	17,332	20,406
Payments of borrowings	(28,645)	(31,746)
Lease payments	(307)	-
Change in payables/receivables from group cashpooling	697	(1,449)
Dividends paid	(13)	(15)
Sale of treasury shares	80	72
Net cash used in financing activities	<u>(10,856)</u>	<u>(12,732)</u>
Net effect of currency translation and allowances in cash	<u>23</u>	<u>-</u>
Net increase in cash and cash equivalents	1,184	347
Cash and cash equivalents at beginning of period	<u>454</u>	<u>1,272</u>
Cash and cash equivalents at end of period	<u><u>1,638</u></u>	<u><u>1,619</u></u>
 Supplementary cash flow information:		
Total cash paid for interest	409	634