

**ČEZ, a. s.**

SEPARATE FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH  
INTERNATIONAL FINANCIAL REPORTING STANDARDS  
AS OF JUNE 30, 2019

**ČEZ, a. s.**  
**BALANCE SHEET**  
**AS OF JUNE 30, 2019**

in CZK Millions

	June 30, 2019	December 31, 2018
<b>ASSETS:</b>		
Plant in service	459,467	454,354
Less accumulated depreciation and impairment	(251,913)	(244,830)
<b>Net plant in service</b>	<b>207,554</b>	<b>209,524</b>
Nuclear fuel, at amortized cost	14,135	14,331
Construction work in progress, net	7,119	7,242
<b>Total property, plant and equipment</b>	<b>228,808</b>	<b>231,097</b>
Restricted financial assets, net	14,207	13,336
Other non-current financial assets, net	178,978	177,479
Intangible assets, net	4,650	4,235
<b>Total other non-current assets</b>	<b>197,835</b>	<b>195,050</b>
<b>Total non-current assets</b>	<b>426,643</b>	<b>426,147</b>
Cash and cash equivalents, net	704	454
Trade receivables, net	54,007	64,287
Income tax receivable	19	7
Materials and supplies, net	6,954	6,526
Fossil fuel stocks	475	462
Emission rights	15,975	13,157
Other current financial assets, net	87,440	106,133
Other current assets, net	2,952	2,362
Assets classified as held for sale, net	6,540	6,540
<b>Total current assets</b>	<b>175,066</b>	<b>199,928</b>
<b>Total assets</b>	<b>601,709</b>	<b>626,075</b>

**ČEZ, a. s.**  
**BALANCE SHEET**  
**AS OF JUNE 30, 2019**

continued

	June 30, 2019	December 31, 2018
<b>EQUITY AND LIABILITIES:</b>		
Stated capital	53,799	53,799
Treasury shares	(2,902)	(3,534)
Retained earnings and other reserves	144,437	132,947
<b>Total equity</b>	<b>195,334</b>	<b>183,212</b>
Long-term debt, net of current portion	112,964	133,026
Provisions	64,091	62,971
Other long-term financial liabilities	10,453	13,776
Deferred tax liability	7,306	4,539
<b>Total non-current liabilities</b>	<b>194,814</b>	<b>214,312</b>
Short-term loans	1,884	11,709
Current portion of long-term debt	24,676	5,590
Trade payables	43,060	51,208
Provisions	5,923	6,889
Other short-term financial liabilities	135,022	152,544
Other short-term liabilities	996	611
<b>Total current liabilities</b>	<b>211,561</b>	<b>228,551</b>
<b>Total equity and liabilities</b>	<b>601,709</b>	<b>626,075</b>

**ČEZ, a. s.**  
**STATEMENT OF INCOME**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2019**

in CZK Millions

	1-6/2019	1-6/2018 *	4-6/2019	4-6/2018 *
Sales of electricity, heat and gas	40,858	32,312	17,399	14,565
Sales of services and other revenues	2,455	2,275	1,270	1,127
Other operating income	586	500	339	232
<b>Total revenues and other operating income</b>	<b>43,899</b>	<b>35,087</b>	<b>19,008</b>	<b>15,924</b>
Gains and losses from commodity derivative trading	1,876	437	324	(862)
Purchase of electricity, gas and other energies	(17,189)	(13,830)	(7,091)	(5,866)
Fuel and emission rights	(8,106)	(6,105)	(3,900)	(3,268)
Services	(3,680)	(3,724)	(2,041)	(2,145)
Salaries and wages	(3,264)	(2,990)	(1,705)	(1,541)
Materials and supplies	(854)	(888)	(397)	(441)
Capitalization of expenses to the cost of assets and change in own inventories	40	52	18	25
Depreciation and amortization	(7,260)	(7,321)	(3,624)	(3,615)
Impairment of property, plant and equipment and intangible assets	(16)	(90)	-	(90)
Impairment of trade and other receivables	(23)	(45)	(13)	(50)
Other operating expenses	(786)	(629)	(486)	(310)
<b>Income (loss) before other income (expenses) and income taxes</b>	<b>4,637</b>	<b>(46)</b>	<b>93</b>	<b>(2,239)</b>
Interest on debt, net of capitalized interest	(2,885)	(2,551)	(1,457)	(1,299)
Interest on provisions	(799)	(777)	(399)	(388)
Interest income	642	404	322	203
Impairment of financial assets	-	3	1	2
Other financial expenses	(257)	(493)	(250)	(475)
Other financial income	13,299	32,632	13,157	32,428
<b>Total other income (expenses)</b>	<b>10,000</b>	<b>29,218</b>	<b>11,374</b>	<b>30,471</b>
<b>Income before income taxes</b>	<b>14,637</b>	<b>29,172</b>	<b>11,467</b>	<b>28,232</b>
Income taxes	(327)	551	293	734
<b>Net income</b>	<b>14,310</b>	<b>29,723</b>	<b>11,760</b>	<b>28,966</b>

\* 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 SIX MONTHS ENDED JUNE 30, 2019**

in CZK Millions

	1-6/2019	1-6/2018	4-6/2019	4-6/2018
<b>Net income</b>	14,310	29,723	11,760	28,966
Change in fair value of cash flow hedges	8,308	(7,211)	(683)	(8,022)
Cash flow hedges reclassified to statement of income	4,265	1,720	2,185	205
Change in fair value of debt financial instruments	270	(339)	237	(221)
Deferred tax related to other comprehensive income	(2,440)	1,108	(330)	1,528
<b>Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods</b>	10,403	(4,722)	1,409	(6,510)
<b>Total comprehensive income, net of tax</b>	<u>24,713</u>	<u>25,001</u>	<u>13,169</u>	<u>22,456</u>

**ČEZ, a. s.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED JUNE 30, 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
<b>December 31, 2017</b>	53,799	(4,077)	(7,794)	294	78	145,207	187,507
Adoption of IFRS 9	-	-	-	-	-	(32)	(32)
<b>January 1, 2018 (restated)</b>	53,799	(4,077)	(7,794)	294	78	145,175	187,475
Net income	-	-	-	-	-	29,723	29,723
Other comprehensive income	-	-	(4,448)	(274)	-	-	(4,722)
<b>Total comprehensive income</b>	-	-	(4,448)	(274)	-	29,723	25,001
Effect of merger	-	-	-	-	3	35	38
Dividends	-	-	-	-	-	(17,648)	(17,648)
Sale of treasury shares	-	526	-	-	-	(322)	204
Share options	-	-	-	-	17	-	17
Transfer of exercised and forfeited share options	-	-	-	-	(29)	29	-
<b>June 30, 2018</b>	53,799	(3,551)	(12,242)	20	69	156,992	195,087
<b>January 1, 2019</b>	53,799	(3,534)	(18,373)	110	117	151,093	183,212
Net income	-	-	-	-	-	14,310	14,310
Other comprehensive income	-	-	10,184	219	-	-	10,403
<b>Total comprehensive income</b>	-	-	10,184	219	-	14,310	24,713
Dividends	-	-	-	-	-	(12,850)	(12,850)
Sale of treasury shares	-	632	-	-	-	(388)	244
Share options	-	-	-	-	15	-	15
Transfer of exercised and forfeited share options	-	-	-	-	(15)	15	-
<b>June 30, 2019</b>	53,799	(2,902)	(8,189)	329	117	152,180	195,334

**ČEZ, a. s.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2019**

In CZK Millions

	<u>1-6/2019</u>	<u>1-6/2018</u>
<b>OPERATING ACTIVITIES:</b>		
<b>Income before income taxes</b>	14,637	29,172
<b>Adjustments to reconcile income before income taxes to net cash provided by operating activities:</b>		
Depreciation and amortization	7,260	7,321
Amortization of nuclear fuel	2,019	1,934
(Gains) and losses on non-current asset retirements	(11)	(18)
Foreign exchange rate loss (gain)	247	468
Interest expense, interest income and dividend income	(10,909)	(29,843)
Provisions	(1,188)	(1,242)
Impairment of property, plant and equipment and intangible assets	16	90
Other impairment and other adjustments	3,692	1,435
<b>Changes in assets and liabilities:</b>		
Receivables and contract assets	8,820	(2,291)
Materials, supplies and fossil fuel stocks	(444)	293
Receivables and payables from derivatives	3,015	418
Other assets	(2,038)	3,172
Trade payables	(7,714)	3,111
Other liabilities	386	(1,804)
<b>Cash generated from operations</b>	<u>17,788</u>	<u>12,216</u>
Income taxes received (paid)	(13)	12
Interest paid, net of capitalized interest	(3,459)	(3,165)
Interest received	373	387
Dividends received	1,186	1,712
<b>Net cash provided by operating activities</b>	<u>15,875</u>	<u>11,162</u>
<b>INVESTING ACTIVITIES:</b>		
Acquisition of subsidiaries and joint-ventures	(1,603)	(404)
Proceeds from disposal of subsidiaries and joint-ventures and original investments repayments including on liquidation	709	156
Additions to non-current assets, including capitalized interest	(3,853)	(3,101)
Proceeds from sale of non-current assets	1,353	1,516
Loans made	(3,690)	(211)
Repayment of loans	1,494	705
Change in restricted financial assets	(597)	(443)
<b>Total cash used in investing activities</b>	<u>(6,187)</u>	<u>(1,782)</u>

**ČEZ, a. s.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2019**

continued

	<u>1-6/2019</u>	<u>1-6/2018</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	42,959	33,152
Payments of borrowings	(53,856)	(44,702)
Lease payments	(618)	-
Change in payables/receivables from group cashpooling	1,856	1,726
Dividends paid	(39)	(44)
Sale of treasury shares	244	204
<b>Net cash used in financing activities</b>	<u>(9,454)</u>	<u>(9,664)</u>
Net effect of currency translation and allowances in cash	<u>16</u>	<u>22</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	250	(262)
<b>Cash and cash equivalents at beginning of period</b>	<u>454</u>	<u>1,272</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>704</u></u>	<u><u>1,010</u></u>
 Supplementary cash flow information:		
Total cash paid for interest	3,591	3,314