

BALANCE SHEET

in accordance with IFRS as of September 30, 2018

in CZK Millions

	30. 9. 2018	31. 12. 2017
ASSETS		
Plant in service	452,996	448,250
Less accumulated depreciation and impairment	(241,760)	(231,024)
Net plant in service	211,236	217,226
Nuclear fuel, at amortized cost	14,934	15,100
Construction work in progress, net	6,100	7,903
Total property, plant and equipment	232,270	240,229
Restricted financial assets, net	13,168	13,026
Investments and other financial assets, net	162,101	169,340
Intangible assets, net	525	604
Total other non-current assets	175,794	182,970
Total non-current assets	408,064	423,199
Cash and cash equivalents, net	3,841	1,272
Receivables, net	92,664	49,968
Income tax receivable	24	323
Materials and supplies, net	6,696	5,921
Fossil fuel stocks	450	446
Emission rights	8,315	7,036
Other financial assets, net	144,341	43,509
Other current assets, net	1,071	1,096
Assets classified as held for sale	6,540	
Total current assets	263,942	109,571
Total assets	672,006	532,770
EQUITY AND LIABILITIES		
Stated capital	53,799	53,799
Treasury shares	(3,534)	(4,077)
Retained earnings and other reserves	135,109	137,785
Total equity	185,374	187,507
Long-term debt, net of current portion	121,620	121,743
Provisions	63,537	61,171
Deferred tax liability	4,657	8,232
Other long-term liabilities	17,423	11,571
Total non-current liabilities	207,237	202,717
Short-term loans	15,955	10,747
Current portion of long-term debt	2,167	7,259
Trade and other payables	250,841	112,266
Provisions	6,284	5,090
Accrued liabilities	4,148	7,184
Total current liabilities	279,395	142,546
Total equity and liabilities	672,006	532,770

ČEZ, a. s.

STATEMENT OF INCOME

in accordance with IFRS as of September 30, 2018

in CZK Millions

	1-9/2018	1-9/2017	7-9/2018	7-9/2017
Sales of electricity	47,671	48,441	17,935	15,630
Sales of gas, heat and other revenues	6,777	6,527	1,926	1,788
Other operating income	572	2,036	72	310
Total revenues and other operating income	55,020	57,004	19,933	17,728
Gains and losses from commodity derivative trading, net	1,006	(212)	904	(771)
Fuel	(8,348)	(8,091)	(3,210)	(2,576)
Purchased power and related services	(22,772)	(23,676)	(8,862)	(8,054)
Repairs and maintenance	(2,140)	(2,077)	(883)	(1,014)
Depreciation and amortization	(10,901)	(12,349)	(3,580)	(4,171)
Impairment of property, plant and equipment and intangible assets	(179)	-	(89)	-
Salaries and wages	(4,532)	(4,190)	(1,542)	(1,414)
Materials and supplies	(1,394)	(1,175)	(506)	(387)
Emission rights, net	(1,843)	(1,125)	(1,211)	(506)
Other operating expenses	(4,578)	(3,676)	(1,569)	(1,524)
Income (loss) before other income (expenses) and income taxes	(661)	433	(615)	(2,689)
Interest on debt, net of capitalized interest	(3,924)	(2,518)	(1,373)	(835)
Interest on provisions	(1,166)	(1,053)	(389)	(351)
Interest income	614	504	210	166
Foreign exchange rate gains (losses), net	(432)	779	36	278
Gain on sale of subsidiaries, associates and joint-ventures	29	-	-	-
Other financial expenses	(2,300)	(945)	(2,278)	(513)
Other financial income	33,384	13,470	781	5
Total other income (expenses)	26,205	10,237	(3,013)	(1,250)
Income before income taxes	25,544	10,670	(3,628)	(3,939)
Income taxes	944	437	393	683
Net income	26,488	11,107	(3,235)	(3,256)

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STATEMENT OF COMPREHENSIVE INCOME

in accordance with IFRS as of September 30, 2018

in CZK Millions

	<u>1-9/2018</u>	<u>1-9/2017</u>	<u>7-9/2018</u>	<u>7-9/2017</u>
Net income	26,488	11,107	(3,235)	(3,256)
Change in fair value of cash flow hedges recognized in equity	(16,515)	(965)	(9,304)	(4,727)
Cash flow hedges reclassified to income statement	2,952	3,633	1,232	896
Change in fair value of debt financial instruments recognized in equity	(337)	(551)	2	(121)
Deferred tax related to other comprehensive income	<u>2,641</u>	<u>(402)</u>	<u>1,533</u>	<u>751</u>
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods	<u>(11,259)</u>	<u>1,715</u>	<u>(6,537)</u>	<u>(3,201)</u>
Total comprehensive income, net of tax	<u><u>15,229</u></u>	<u><u>12,822</u></u>	<u><u>(9,772)</u></u>	<u><u>(6,457)</u></u>

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STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS as of September 30, 2018

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, 2016	53,799	(4,246)	(7,536)	842	84	157,755	200,698
Net income						11,107	11,107
Other comprehensive income			2,161	(446)			1,715
Total comprehensive income	-	-	2,161	(446)	-	11,107	12,822
Dividends						(17,586)	(17,586)
Share options					19		19
Transfer of forfeited share options within equity					(22)	22	-
September 30, 2017	53,799	(4,246)	(5,375)	396	81	151,298	195,953
December 31, 2017	53,799	(4,077)	(7,794)	293	79	145,207	187,507
Effect of application of new IFRS						(32)	(32)
January 1, 2018 (restated)	53,799	(4,077)	(7,794)	293	79	145,175	187,475
Net income						26,488	26,488
Other comprehensive income			(10,986)	(273)			(11,259)
Total comprehensive income	-	-	(10,986)	(273)	-	26,488	15,229
Effect of merger					3	35	38
Dividends						(17,603)	(17,603)
Sale of treasury shares		543				(333)	210
Share options					25		25
Transfer of exercised and forfeited share options within equity					(36)	36	-
September 30, 2018	53,799	(3,534)	(18,780)	20	71	153,798	185,374

STATEMENT OF CASH FLOWS

in accordance with IFRS as of September 30, 2018

in CZK Millions

	1-9/2018	1-9/2017
OPERATING ACTIVITIES:		
Income before income taxes	25,544	10,670
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	10,901	12,349
Amortization of nuclear fuel	2,828	2,650
Gain (loss) on non-current assets retirements, net	(14)	(1,159)
Foreign exchange rate losses (gains), net	432	(779)
Interest expense, interest income and dividends income, net	(28,678)	(11,410)
Provisions	823	(228)
Impairment of property, plant and equipment and intangible assets	179	
Other impairment and other adjustments	1,373	1,851
Changes in assets and liabilities:		
Receivables	(13,794)	8,267
Materials, supplies and fossil fuel stocks	(711)	(451)
Receivables and payables from derivatives	823	(1,951)
Other current assets	1,937	(1,231)
Trade and other payables	22,172	(1,491)
Accrued liabilities	(3,353)	(3,141)
Cash generated from operations	20,462	13,946
Income taxes received (paid)	329	229
Interest paid, net of capitalized interest	(3,629)	(2,426)
Interest received	628	527
Dividends received	5,889	13,417
Net cash provided by operating activities	23,679	25,693
INVESTING ACTIVITIES:		
Acquisition of subsidiaries, associates and joint-ventures	(1,132)	(2,713)
Proceeds from disposal of subsidiaries, associates and joint-ventures including liquidation distribution received	156	1,418
Additions to non-current assets, including capitalized interest	(5,076)	(7,283)
Proceeds from sale of non-current assets	2,832	1,420
Loans made	(710)	(5,762)
Repayments of loans	1,250	1,450
Change in restricted financial assets	(492)	(517)
Total cash used in investing activities	(3,172)	(11,987)
FINANCING ACTIVITIES:		
Proceeds from borrowings	62,943	116,755
Payments of borrowings	(64,291)	(107,536)
Change in payables/receivables from group cashpooling	721	(4,962)
Dividends paid	(17,537)	(17,544)
Sale of treasury shares	210	
Net cash used in financing activities	(17,954)	(13,287)
Net effect of currency translation and impairment in cash	16	11
Net increase (decrease) in cash and cash equivalents	2,569	430
Cash and cash equivalents at beginning of period	1,272	454
Cash and cash equivalents at end of period	3,841	884
Supplementary cash flow information:		
Total cash paid for interest	3,788	3,810