

**BALANCE SHEET**

in accordance with IFRS as of March 31, 2018

in CZK Millions

	31. 3. 2018	31. 12. 2017
<b>ASSETS</b>		
Plant in service	448 787	448 250
Less accumulated depreciation and impairment	(234 636)	(231 024)
<b>Net plant in service</b>	214 151	217 226
Nuclear fuel, at amortized cost	14 219	15 100
Construction work in progress, net	8 008	7 903
<b>Total property, plant and equipment</b>	236 378	240 229
Restricted financial assets, net	12 934	13 026
Investments and other financial assets, net	161 618	169 340
Intangible assets, net	565	604
<b>Total other non-current assets</b>	175 117	182 970
<b>Total non-current assets</b>	411 495	423 199
Cash and cash equivalents, net	1 619	1 272
Receivables, net	57 527	49 968
Income tax receivable	336	323
Materials and supplies, net	5 514	5 921
Fossil fuel stocks	332	446
Emission rights	4 731	7 036
Other financial assets, net	39 341	43 509
Other current assets, net	1 053	1 096
Assets classified as held for sale	6 540	
<b>Total current assets</b>	116 993	109 571
<b>Total assets</b>	528 488	532 770
<b>EQUITY AND LIABILITIES</b>		
Stated capital	53 799	53 799
Treasury shares	(3 884)	(4 077)
Retained earnings and other reserves	140 225	137 785
<b>Total equity</b>	190 140	187 507
Long-term debt, net of current portion	120 763	121 743
Provisions	61 219	61 171
Deferred tax liability	8 818	8 232
Other long-term liabilities	8 981	11 571
<b>Total non-current liabilities</b>	199 781	202 717
Short-term loans	4 777	10 747
Current portion of long-term debt	2 143	7 259
Trade and other payables	120 100	112 266
Provisions	5 134	5 090
Accrued liabilities	6 413	7 184
<b>Total current liabilities</b>	138 567	142 546
<b>Total equity and liabilities</b>	528 488	532 770

**STATEMENT OF INCOME**

in accordance with IFRS as of March 31, 2018

in CZK Millions

	<u>1-3/2018</u>	<u>1-3/2017</u>
Sales of electricity	15 705	17 740
Sales of gas, heat and other revenues	3 190	2 953
Other operating income	<u>268</u>	<u>371</u>
<b>Total revenues and other operating income</b>	<b>19 163</b>	<b>21 064</b>
Gains and losses from commodity derivative trading, net	841	1 488
Fuel	(2 803)	(3 067)
Purchased power and related services	(8 001)	(9 110)
Repairs and maintenance	(423)	(412)
Depreciation and amortization	(3 706)	(4 085)
Salaries and wages	(1 449)	(1 357)
Materials and supplies	(447)	(385)
Emission rights, net	424	101
Other operating expenses	<u>(1 406)</u>	<u>(648)</u>
<b>Income before other income (expenses) and income taxes</b>	<b>2 193</b>	<b>3 589</b>
Interest on debt, net of capitalized interest	(1 252)	(850)
Interest on provisions	(389)	(351)
Interest income	201	169
Foreign exchange rate gains (losses), net and joint-ventures	(172)	(105)
	27	
Other financial expenses	(17)	(3)
Other financial income	<u>349</u>	<u>427</u>
<b>Total other income (expenses)</b>	<b>(1 253)</b>	<b>(713)</b>
<b>Income before income taxes</b>	<b>940</b>	<b>2 876</b>
Income taxes	<u>(183)</u>	<u>(517)</u>
<b>Net income</b>	<b><u>757</u></b>	<b><u>2 359</u></b>

**ČEZ, a. s.**

**STATEMENT OF COMPREHENSIVE INCOME**

in accordance with IFRS as of March 31, 2018

in CZK Millions

	<u>1-3/2018</u>	<u>1-3/2017</u>
<b>Net income</b>	757	2 359
Change in fair value of cash flow hedges recognized in equity	811	1 787
Cash flow hedges reclassified to income statement	1 515	722
Change in fair value of debt financial instruments recognized in equity	(118)	(403)
Deferred tax related to other comprehensive income	<u>(420)</u>	<u>(400)</u>
<b>Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods</b>	<u>1 788</u>	<u>1 706</u>
<b>Total comprehensive income, net of tax</b>	<u><u>2 545</u></u>	<u><u>4 065</u></u>

**STATEMENT OF CHANGES IN EQUITY**

in accordance with IFRS as of March 31, 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
<b>December 31, 2016</b>	53 799	(4 246)	(7 536)	842	84	157 755	200 698
Net income						2 359	2 359
Other comprehensive income			2 033	(327)			1 706
<b>Total comprehensive income</b>	-	-	2 033	(327)	-	2 359	4 065
Share options					6		6
Transfer of forfeited share options within equity					(1)	1	-
<b>March 31, 2017</b>	<u>53 799</u>	<u>(4 246)</u>	<u>(5 503)</u>	<u>515</u>	<u>89</u>	<u>160 115</u>	<u>204 769</u>
<b>December 31, 2017</b>	53 799	(4 077)	(7 794)	293	78	145 208	187 507
Effect of application of new IFRS						(32)	(32)
<b>January 1, 2018 (restated)</b>	53 799	(4 077)	(7 794)	293	78	145 176	187 475
Net income						757	757
Other comprehensive income			1 884	(96)			1 788
<b>Total comprehensive income</b>	-	-	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	-
<b>March 31, 2018</b>	<u>53 799</u>	<u>(3 884)</u>	<u>(5 910)</u>	<u>197</u>	<u>83</u>	<u>145 855</u>	<u>190 140</u>

**STATEMENT OF CASH FLOWS**

in accordance with IFRS as of March 31, 2018

in CZK Millions

	1-3/2018	1-3/2017
<b>OPERATING ACTIVITIES:</b>		
<b>Income before income taxes</b>	940	2 876
<b>Adjustments to reconcile income before income taxes to net cash provided by operating activities:</b>		
Depreciation and amortization	3 706	4 085
Amortization of nuclear fuel	942	915
Gain (loss) on non-current assets retirements, net	(29)	(115)
Foreign exchange rate losses (gains), net	172	105
Interest expense, interest income and dividends income, net	1 052	472
Provisions	8	(170)
Other impairment and other adjustments	1 756	(241)
<b>Changes in assets and liabilities:</b>		
Receivables	(6 544)	3 663
Materials, supplies and fossil fuel stocks	536	231
Receivables and payables from derivatives	(551)	(2 639)
Other current assets	2 246	462
Trade and other payables	11 908	2 569
Accrued liabilities	(1 454)	(2 723)
<b>Cash generated from operations</b>	14 688	9 490
Income taxes received (paid)	(9)	(327)
Interest paid, net of capitalized interest	(606)	(385)
Interest received	242	222
Dividends received		208
<b>Net cash provided by operating activities</b>	14 315	9 208
<b>INVESTING ACTIVITIES:</b>		
Acquisition of subsidiaries, associates and joint-ventures	(332)	(273)
Proceeds from disposal of subsidiaries, associates and joint-ventures including liquidation distribution received	76	943
Additions to non-current assets, including capitalized interest	(1 501)	(2 637)
Proceeds from sale of non-current assets	10	79
Loans made	(152)	(2 270)
Repayments of loans	696	904
Change in restricted financial assets	(33)	(37)
<b>Total cash used in investing activities</b>	(1 236)	(3 291)
<b>FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	20 406	36 927
Payments of borrowings	(31 746)	(37 222)
Change in payables/receivables from group cashpooling	(1 449)	423
Dividends paid	(15)	(39)
Sale of treasury shares	72	
<b>Net cash used in financing activities</b>	(12 732)	89
Net effect of currency translation and impairment in cash		25
<b>Net increase (decrease) in cash and cash equivalents</b>	347	6 031
<b>Cash and cash equivalents at beginning of period</b>	1 272	454
<b>Cash and cash equivalents at end of period</b>	1 619	6 485
Supplementary cash flow information:		
Total cash paid for interest	634	600