

BALANCE SHEET

in accordance with IFRS as of June 30, 2018

in CZK Millions

	30. 6. 2018	31. 12. 2017
ASSETS		
Plant in service	449 422	448 250
Less accumulated depreciation and impairment	(238 269)	(231 024)
Net plant in service	211 153	217 226
Nuclear fuel, at amortized cost	15 772	15 100
Construction work in progress, net	6 265	7 903
Total property, plant and equipment	233 190	240 229
Restricted financial assets, net	13 126	13 026
Investments and other financial assets, net	161 653	169 340
Intangible assets, net	550	604
Total other non-current assets	175 329	182 970
Total non-current assets	408 519	423 199
Cash and cash equivalents, net	1 010	1 272
Receivables, net	84 021	49 968
Income tax receivable	342	323
Materials and supplies, net	5 790	5 921
Fossil fuel stocks	358	446
Emission rights	6 337	7 036
Other financial assets, net	89 344	43 509
Other current assets, net	1 261	1 096
Assets classified as held for sale	6 540	
Total current assets	195 003	109 571
Total assets	<u>603 522</u>	<u>532 770</u>
EQUITY AND LIABILITIES		
Stated capital	53 799	53 799
Treasury shares	(3 551)	(4 077)
Retained earnings and other reserves	144 839	137 785
Total equity	195 087	187 507
Long-term debt, net of current portion	123 566	121 743
Provisions	61 092	61 171
Deferred tax liability	6 585	8 232
Other long-term liabilities	12 371	11 571
Total non-current liabilities	203 614	202 717
Short-term loans	5 472	10 747
Current portion of long-term debt	2 193	7 259
Trade and other payables	188 320	112 266
Provisions	4 068	5 090
Accrued liabilities	4 768	7 184
Total current liabilities	204 821	142 546
Total equity and liabilities	<u>603 522</u>	<u>532 770</u>

STATEMENT OF INCOME

in accordance with IFRS as of June 30, 2018

in CZK Millions

	1-6/2018	1-6/2017	4-6/2018	4-6/2017
Sales of electricity	29 736	32 811	14 031	15 071
Sales of gas, heat and other revenues	4 851	4 739	1 661	1 786
Other operating income	500	1 726	232	1 355
Total revenues and other operating income	35 087	39 276	15 924	18 212
Gains and losses from commodity derivative trading, net	102	559	(739)	(929)
Fuel	(5 138)	(5 515)	(2 335)	(2 448)
Purchased power and related services	(13 910)	(15 622)	(5 909)	(6 512)
Repairs and maintenance	(1 257)	(1 063)	(834)	(651)
Depreciation and amortization	(7 321)	(8 178)	(3 615)	(4 093)
Impairment of property, plant and equipment and intangible assets	(90)		(90)	-
Salaries and wages	(2 990)	(2 776)	(1 541)	(1 419)
Materials and supplies	(888)	(788)	(441)	(403)
Emission rights, net	(632)	(619)	(1 056)	(720)
Other operating expenses	(3 009)	(2 152)	(1 603)	(1 504)
Income before other income (expenses) and income taxes	(46)	3 122	(2 239)	(467)
Interest on debt, net of capitalized interest	(2 551)	(1 683)	(1 299)	(833)
Interest on provisions	(777)	(702)	(388)	(351)
Interest income	404	338	203	169
Foreign exchange rate gains (losses), net	(468)	501	(296)	606
Gain on sale of subsidiaries, associates and joint-ventures	29		2	-
Other financial expenses	(22)	(432)	(5)	(429)
Other financial income	32 603	13 465	32 254	13 038
Total other income (expenses)	29 218	11 487	30 471	12 200
Income before income taxes	29 172	14 609	28 232	11 733
Income taxes	551	(246)	734	271
Net income	29 723	14 363	28 966	12 004

ČEZ, a. s.

STATEMENT OF COMPREHENSIVE INCOME

in accordance with IFRS as of June 30, 2018

in CZK Millions

	<u>1-6/2018</u>	<u>1-6/2017</u>	<u>4-6/2018</u>	<u>4-6/2017</u>
Net income	29 723	14 363	28 966	12 004
Change in fair value of cash flow hedges recognized in equity	(7 211)	3 762	(8 022)	1 975
Cash flow hedges reclassified to income statement	1 720	2 737	205	2 015
Change in fair value of debt financial instruments recognized in equity	(339)	(430)	(221)	(27)
Deferred tax related to other comprehensive income	1 108	(1 153)	1 528	(753)
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods	<u>(4 722)</u>	<u>4 916</u>	<u>(6 510)</u>	<u>3 210</u>
Total comprehensive income, net of tax	<u>25 001</u>	<u>19 279</u>	<u>22 456</u>	<u>15 214</u>

STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS as of June 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						14 363	14 363
Other comprehensive income			5 264	(348)			4 916
Total comprehensive income	-	-	5 264	(348)	-	14 363	19 279
Dividends						(17 630)	(17 630)
Share options					12		12
Transfer of forfeited share options within equity					(15)	15	-
June 30, 2017	<u>53 799</u>	<u>(4 246)</u>	<u>(2 272)</u>	<u>494</u>	<u>81</u>	<u>154 503</u>	<u>202 359</u>
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						29 723	29 723
Other comprehensive income			(4 448)	(274)			(4 722)
Total comprehensive income	-	-	(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 within equity					(29)	29	-
June 30, 2018	<u>53 799</u>	<u>(3 551)</u>	<u>(12 242)</u>	<u>19</u>	<u>70</u>	<u>156 992</u>	<u>195 087</u>

STATEMENT OF CASH FLOWS

in accordance with IFRS as of June 30, 2018

in CZK Millions

	1-6/2018	1-6/2017
OPERATING ACTIVITIES:		
Income before income taxes	29 172	14 609
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	7 321	8 178
Amortization of nuclear fuel	1 934	1 804
Gain / loss on non-current assets retirements, net	(18)	(1 158)
Foreign exchange rate losses (gains), net	468	(501)
Interest expense, interest income and dividends income, net	(29 843)	(12 078)
Provisions	(1 242)	(860)
Impairment of property, plant and equipment and intangible assets	90	
Other impairment and other adjustments	1 435	225
Changes in assets and liabilities:		
Receivables	(2 291)	12 240
Materials, supplies and fossil fuel stocks	293	(106)
Receivables and payables from derivatives	418	(2 284)
Other current assets	3 172	177
Trade and other payables	3 111	(6 209)
Accrued liabilities	(1 804)	(2 956)
Cash generated from operations	12 216	11 081
Income taxes received (paid)	12	(330)
Interest paid, net of capitalized interest	(3 165)	(2 017)
Interest received	387	371
Dividends received	1 712	2 261
Net cash provided by operating activities	11 162	11 366
INVESTING ACTIVITIES:		
Acquisition of subsidiaries, associates and joint-ventures	(404)	(368)
Proceeds from disposal of subsidiaries, associates and joint-ventures including liquidation distribution received	156	1 418
Additions to non-current assets, including capitalized interest	(3 101)	(5 788)
Proceeds from sale of non-current assets	1 516	151
Loans made	(211)	(2 416)
Repayments of loans	705	1 169
Change in restricted financial assets	(443)	(482)
Total cash used in investing activities	(1 782)	(6 316)
FINANCING ACTIVITIES:		
Proceeds from borrowings	33 152	54 276
Payments of borrowings	(44 702)	(57 822)
Change in payables/receivables from group cashpooling	1 726	4 034
Dividends paid	(44)	(56)
Sale of treasury shares	204	
Net cash used in financing activities	(9 664)	432
Net effect of currency translation and impairment in cash	22	38
Net increase (decrease) in cash and cash equivalents	(262)	5 520
Cash and cash equivalents at beginning of period	1 272	454
Cash and cash equivalents at end of period	1 010	5 974
Supplementary cash flow information:		
Total cash paid for interest	3 314	3 169