

Independent Auditors' Report to the Directors of EDF Energy Holdings Limited and its Licensees

We have audited the accompanying statement (the 'Consolidated Segmental Statement' or 'CSS') of EDF Energy Holdings Limited and its Licensees (as listed in Appendix 1 of the CSS) as at 31 December 2018 in accordance with the terms of our agreement dated 28 February 2019. The CSS has been prepared by the Directors of EDF Energy Holdings Limited and its Licensees based on the requirements of Ofgem's Standard Condition 19A of the Gas and Electricity Supply Licences and Standard Condition 16B of the Electricity Generation Licences (together, the 'Licences') and the basis of preparation on pages 5 to 9.

Directors' responsibility

The Directors are responsible for the preparation of the CSS in accordance with the Licences and the basis of preparation on pages 5 to 9 and for maintaining the underlying accounting records and such internal control as the Directors determine is necessary to enable the preparation of the CSS that is free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the CSS based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the CSS is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the CSS. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the CSS, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the CSS in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the CSS.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the attached CSS of EDF Energy Holdings Limited and its Licensees for the year ended 31 December 2018 is prepared, in all material respects, in accordance with:

- i. the requirements of Ofgem's Standard Condition 19A of the Gas and Electricity Supply Licences and Standard Condition 16B of the Electricity Generation Licences established by the Regulator Ofgem; and
- ii. the basis of preparation on pages 5 to 9.

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Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to pages 5 to 9 of the CSS, which describes the basis of preparation. The CSS is prepared in order for EDF Energy Holdings Limited and its Licensees to meet the Licence requirements of the Regulator Ofgem rather than in accordance with a generally accepted accounting framework. The CSS should therefore be read in conjunction with both the Licences and the basis of preparation on pages 5 to 9. This basis of preparation is not the same as segmental reporting under IFRS and/or statutory reporting. As a result, the schedule may not be suitable for any other purpose.

This report, including our conclusions, has been prepared solely for the Directors of EDF Energy Holdings Limited and its Licensees in accordance with the agreement between us, to assist the Directors in reporting on the CSS to the Regulator Ofgem. We permit this report to be displayed on the EDF Energy website www.edfenergy.com¹, to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the CSS. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and EDF Energy Holdings Limited and its Licensees for our work or this report except where terms are expressly agreed between us in writing.



Deloitte LLP
25 April 2019
London

¹ The maintenance and integrity of the EDF Energy Holdings Limited website is the responsibility of the Directors of EDF Energy Holdings Limited; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the CSS since it was initially presented on the website

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



CONSOLIDATED SEGMENTAL STATEMENT

This audited Consolidated Segmental Statement ("CSS") has been prepared in accordance with Standard Licence Condition 19A of the Gas and Electricity Supply Licences and Standard Licence Condition 16B of the Electricity Generation Licence.

EDF Energy Holdings Limited ("EDF Energy") is the intermediate holding company for all Ofgem licensed entities. The activities of EDF Energy include:

- o Generation of electricity from sources including nuclear, coal, gas and renewables ("Generation");
- o Provision and supply of electricity and gas to residential, commercial and industrial customers ("Supply");
- o Management of the wholesale energy market risk, including the purchasing of fuel (excluding nuclear fuels) for power generation ("Optimisation");
- o Development and construction of new nuclear power plants in the United Kingdom ("Nuclear New Build");
- o Corporate functions which are responsible for the provision of services including HR, Finance, Property and IT ("Corporate & Steering Functions").

The individual supply and generation licences are held by legal entities which are reported in the consolidated financial statements of EDF Energy Holdings Limited. See Appendix 1 for a summarised group structure and an indication of how the licensed entities are reported in each Segment.

The results of EDF Energy are fully consolidated into the financial statements of EDF S.A. which are publicly available. EDF Energy has been included within the United Kingdom segment of the segmental note in the EDF S.A. statutory accounts which can be found on pages 61-64 via the link below:

<https://www.edf.fr/sites/default/files/contrib/groupe-edf/espaces-dedies/espace-finance-en/financial-information/publications/financial-results/2018-annual-results/pdf/fy-results-2018-consolidated-financial-statements-20190215.pdf>

Reconciliations of Earnings Before Interest and Tax ("EBIT"); Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") and Revenue between the EDF S.A. financial statements and the CSS are included in Appendix 2.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



CONSOLIDATED SEGMENTAL STATEMENT

EDF Energy Consolidated Segmental Statement year ended 31 December 2018

	Unit	Generation			Aggregate generation business	Electricity supply		Gas supply		Aggregate supply business
		Nuclear ⁽¹⁾	Conventional	Renewable		Domestic	Non-domestic	Domestic	Non-domestic	
		2018	2018	2018		2018	2018	2018	2018	
Total revenue	£M	2,398.4	700.9	59.4	3,158.7	1,906.9	3,622.9	1,068.7	4.8	6,603.3
Revenue from sale of electricity and gas	£M	2,331.9	666.5	28.1	3,026.5	1,909.7	3,622.9	1,070.3	4.8	6,607.7
Other revenues	£M	66.5	34.4	31.3	132.2	(2.8)	0.0	(1.6)	0.0	(4.4)
Total operating costs	£M	1,773.7	738.2	19.9	2,531.8	1,819.2	3,581.6	1,038.1	5.6	6,444.5
Direct fuel costs	£M	506.3	390.1	0.9	897.3	641.5	1,611.3	521.1	1.8	2,775.7
<i>Direct costs:</i>		215.5	225.8	0.6	441.9	903.7	1,858.9	342.8	1.7	3,107.1
Transportation costs	£M	215.0	32.9	0.4	248.3	455.3	834.0	292.4	1.2	1,582.9
Environmental and social obligations costs	£M	0.4	186.4	0.0	186.8	413.8	995.4	18.8	0.0	1,428.0
Other direct costs		0.0	6.5	0.2	6.7	34.6	29.4	31.6	0.5	96.1
Indirect costs	£M	1,051.9	122.3	18.4	1,192.6	274.0	111.4	174.2	2.1	561.7
EBITDA	£M	624.7	(37.3)	39.5	626.9	87.7	41.3	30.6	(0.8)	158.8
Depreciation and amortisation	£M	708.2	45.0	20.1	773.3	40.3	16.1	25.6	0.1	82.1
EBIT	£M	(83.5)	(82.3)	19.4	(146.4)	47.4	25.2	5.0	(0.9)	76.7
Volume⁽²⁾	TWh, m therms	58.5	11.2	0.5	70.2	11.6	32.3	982.0	5.7	
WACO⁽³⁾ F/E/G	£/MWh, p/th	8.7	51.2	0.0	59.9	55.1	49.9	53.1	31.8	
Customer numbers⁽⁴⁾	000s	N/A	N/A	N/A	N/A	3,064.4	319.3	1,948.4	9.2	5,341.3

(1) Figures shown represent 100% of nuclear capacity, shared 80/20 by EDF Energy and Centrica plc.

(2) Volume measured net of losses i.e. National Balancing Point for Generation and Customers Meter Point for electricity supply and Local Distribution Zone for Gas supply.

(3) WACO is calculated as the direct fuel cost per MWh. For Generation this reflects the delivered cost of fuel and emissions costs, and for the Supply business, it covers the wholesale energy costs, the energy element of Reconciliation by Difference costs as well as balancing and shaping costs.

(4) Dual Fuel customers are included within Customer numbers in both Electricity and Gas supply segments. Customer numbers are based on average number of meters.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



BASIS OF PREPARATION

The following notes show the basis of preparation of the 2018 Consolidated Segmental Statement:

Segments¹

- Nuclear Generation is the generation of electricity using the fleet of nuclear power plants. By its nature, Nuclear Generation has relatively high fixed costs and relatively low fuel costs compared with Conventional and Renewable Generation and hence Nuclear Generation is shown separately within the CSS.
- Conventional Generation includes coal and gas fired generation.
- Renewable Generation includes wind farms and Independent Power Purchase agreements. The wind farms are held on an associate basis and these are accounted for by recognising the proportion of income and assets on a line by line basis. EDF Energy's share of their results is included within the Renewable Generation segment on a line by line basis.
- Domestic Supply reflects the supply of electricity, gas and associated services to domestic users.
- Non-Domestic Supply reflects the supply of electricity, gas and associated services to Small and Medium Enterprises (SME) and Industrial and Commercial (I&C) users. This includes users that are on domestic (Profile Class 1 & 2) meters, but are billed in the name of a company.

EDF Energy has an Optimisation division whose purpose is to manage the wholesale market risk of EDF Energy in one place within pre-defined risk limits and control framework. While each segment designs its own hedging approach for the medium to long term, Optimisation compiles the resulting positions from these hedging strategies into a portfolio and manages price and volume until delivery. The hedging strategies are all designed to strictly and gradually reduce the impact of energy market risk over time, consistent with the guidelines of the EDF Group Energy Market Risk Policy. As a service provider, the Optimisation division is not separately identified as part of the Consolidated Segmental Statement because the costs and revenues attached to transactions are allocated between Generation and Supply according to where the gross margin is derived based on volume supplied or generated, as further explained in the 'Revenue', 'Direct fuel costs' and 'Transfer pricing' sections below.

¹Segments in the CSS have been determined in accordance with Ofgem Guidelines, which differ from the requirements of International Financial Reporting Standard 8 under which the Segmental note of EDF S.A.'s statutory accounts is prepared. The Ofgem Guidelines require greater granularity.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



BASIS OF PREPARATION

Revenue

- Generation revenues from sales of electricity generated include sales to external third parties as well as sales to internal customers within EDF Energy, principally the Electricity Supply segments.
- Supply revenues from sales of electricity and gas include revenues from the direct sale of electricity and gas to customers, both domestic and non-domestic.
- Other revenues for the reported segments include:
 - Nuclear Generation: Provision of miscellaneous services to other nuclear facilities.
 - Conventional Generation: Sale of Renewable Obligation / Carbon Certificates, by-products (e.g. ash, gypsum) and ancillary service income.
 - Renewable Generation: Renewable Obligation Certificate Recycle income and sales of Levy Exception Certificates.
 - Supply – Domestic electricity and Domestic gas: Other revenue primarily relates to weather hedge income and charges to customers for non-energy supply services provided, e.g. energy saving products.
 - Supply – Non-Domestic electricity: Other revenue relates primarily to energy services.

Direct fuel costs

- Direct fuel costs relating to Nuclear Generation principally include the cost of uranics (including fabrication), spent fuel management costs plus the release of fair value adjustments on fuel contracts which arose on the acquisition of the Nuclear Generation business.
- Direct fuel costs for Conventional Generation reflects the direct costs of coal, oil, and gas purchase costs.
- Direct fuel costs for the Supply segments include the cost of purchasing energy in advance, as well as retrospectively through the industry imbalance mechanisms, the energy costs of Reconciliation by Difference ("RBD") and Residual Cashflow Reallocation Cashflow ("RCRC"). Such purchases include external parties as well as from the Generation segments within EDF Energy.

Please note that:

- EDF Energy's hedging policy leads to volumes of energy being sold or purchased in advance of delivery dates. The hedging policy attempts to reduce the impact of market volatility on the prices we offer our customers, and on our gross margin. Each Generation or Supply segment designs its hedging approach based on its view of an efficient risk management approach.
- Expected Generation and Supply volumes from the relevant segments are consolidated by Optimisation. In doing so, each transaction for the relevant delivery period is at market price.
- All energy purchased for our residential customers is either purchased from the wholesale market or provided by our upstream activities at wholesale market reflective prices. Where volume is transacted internally, no bid-offer spread costs are borne by either side.

Transportation costs

- Transportation Costs include all costs incurred in delivering energy to customers (e.g. Transmission ("TNUoS"), Balancing Services Systems ("BSUoS"), Distribution ("DUoS") and the transportation costs for gas including the transport element of RBD.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT

YEAR ENDED 31 DECEMBER 2018



BASIS OF PREPARATION

Environmental and social obligation costs

- These include costs such as Carbon Certificates, Carbon Price Floor costs, Energy Company Obligations ("ECO"), Renewable Obligation Certificates ("ROCs"), Warm Home Discount, Levy Exemption Certificates ("LECs"), Feed in Tariffs ("FiT"), and Assistance for Areas with High Electricity Distribution Costs ("AAHEDC"). FiT and ROCs are allocated to segments based on electricity supply volumes. There were no free carbon allowances during 2018.

Other direct costs

- These include all other gross margin costs but do not include customer or business support costs (e.g. Customer service costs and HR costs, which are included in indirect costs). Other direct costs also include Third Party Intermediaries (TPI) costs and Aggregator element of Acquisition costs.

Indirect costs

- Indirect costs contain marketing costs, smart meter related costs, metering charges (net of income received), staff costs, property costs, Corporate recharges and bad debt expenses.
- The costs relating to EDF Energy Corporate functions are allocated to the operational business units based on clearly defined rules agreed with the business unit Finance Directors as being equitable. Where costs can be specifically allocated to a particular business unit, these costs are allocated directly to that unit, for example: insurance costs based on policies, property on floor space. Where costs are not directly attributable to a single business unit, costs are allocated based on key drivers, either number of employees, pre-agreed contributions or a combination of employee numbers and direct costs. For example: strategic support, brand and HR policies.
- Indirect costs within business units, allocation per segment:
 - Indirect costs relating to Conventional Generation, Renewable Generation and the Supply segments are allocated where the costs are principally incurred within that segment. Where a function cannot be linked directly to a segment (e.g. HR, Finance) the associated costs are apportioned to each segment based on drivers such as number of employees, number of product accounts, percentage of product spend, occupancy rates, other verified allocations or on an equal basis. The most appropriate driver is chosen to reflect the nature of the costs incurred.
 - Nuclear Generation operates as a standalone segment and hence no judgment is required in apportioning of NG indirect costs.
 - Indirect costs relating to Optimisation are allocated to the Segments as further described under "Transfer Pricing" below.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



BASIS OF PREPARATION

EBITDA/EBIT

- EBITDA is earnings before interest, tax, depreciation and amortisation, calculated by subtracting the total Segment operating costs from Segment revenue.
- EBIT is earnings before interest and tax, calculated by subtracting depreciation and amortisation from EBITDA.

Exceptional items

- In accordance with the licence condition, the Consolidated Segmental Statement has been prepared to reflect the operations of EDF Energy in 2018. On this basis, impairment charges relating to the Generation segment, guaranteed minimum pensions adjustment costs and restructuring provision costs have been excluded in accordance with Ofgem guidelines. The gain/loss arising on the revaluation of contracts to buy commodities and power in future periods, known as the impact of IAS39 (now IFRS 9), has also been excluded under Ofgem guidelines. The impact of these can be identified in the appendices which show the reconciliation of key figures between the statutory accounts and the Ofgem segmentals.
- The suspension of the capacity market had no impact on the financial result.
- The results of the Nuclear Generation segment include the impact of acquisition accounting fair value adjustments. To account for the acquisition of British Energy in 2009, all of the assets and liabilities within Nuclear Generation were revalued in accordance with International Financial Reporting Standards so that their carrying values reflected their fair value at that date. These revaluations are recognised through the profit and loss account in subsequent years to match the economic benefits they relate to and are not excluded as exceptional items.

WACO

- As required by Ofgem's guidance, the weighted average input cost of fuel ("WACO") for Supply of electricity/gas covers the wholesale energy cost, losses, the energy element of RBD costs, balancing and shaping costs. It does not include other direct costs such as distribution, transportation, metering and renewable obligations.
- The weighted average input cost of fuel for Conventional Generation is based on the cost of coal, gas, carbon, oil and biomass.
- The weighted average input cost of fuel for Nuclear Generation is based on the cost of uranium (including fabrication) and spent fuel management costs.
- The weighted average input cost of Nuclear Generation has been calculated on a consistent manner to the WACO calculation for Supply and Conventional Generation. The WACO for Nuclear Generation is lower than for the other segments due to the nature of Nuclear Generation. The fixed costs in relation to a nuclear power station are higher than for other types of plant due to the capital cost of the power stations and other non-fuel costs of increased safety measures, security and regulation, but the direct fuel cost of generating each TWh is lower.

Volume

- The Supply volume is as recorded at the customer meter point (i.e. net of losses) for electricity and at the Local Distribution Zone (LDZ) for gas (i.e. purchased volumes which are net of shrinkage but before subsequent losses). Generation volume is the volume of power that can actually be sold in the wholesale market, i.e. generation volumes after the losses up to the point where power is received under the Balancing and Settlement Code, but before subsequent losses.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



BASIS OF PREPARATION

Transfer Pricing

All power, gas and commodity transfers between Segments are based on market traded prices and products, either from price reporting agencies, or live market prices observed on broker screens. The methodology is designed to reflect the costs and revenues which would be achieved if the segments were standalone businesses, operating in accordance with the EDF Energy's policy which leads to volumes of energy being sold or purchased in advance of delivery date.

Gains and losses accumulated within the Optimisation Division relating to its role in managing EDF Energy's wholesale energy sales and direct fuel purchases are reallocated on a volume basis to the Generation and Supply Segments.

Non-fuel operating costs in relation to Optimisation are generally apportioned without mark-up based on the percentage of time spent on Generation and Supply activities with the remainder, allocated evenly between Generation and Supply.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



QUESTIONNAIRE ON BUSINESS FUNCTIONS

The table below outlines where responsibility for each business function lies:

Business Function	Generation	Supply	Another part of the business
Operates and maintains generation assets	✓	-	-
Responsible for scheduling decisions	P/L	-	F
Responsible for interactions with the Balancing Market	P/L	P/L	F
Responsible for determining hedging policy ⁽¹⁾	F P/L	F P/L	F
Responsible for implementing hedging policy / makes decisions to buy/sell energy ⁽²⁾	P/L	F P/L	F
Interacts with wider market participants to buy/sell energy	P/L	P/L	F
Holds unhedged positions (either short or long) ⁽³⁾	F P/L	F P/L	F
Procures fuel for generation ⁽⁴⁾	F P/L	-	F
Procures allowances for generation	P/L	-	F
Holds volume risk on positions sold (either internal or external)	P/L	P/L	F
Matches own generation with own supply ⁽⁵⁾	P/L	P/L	F
Forecasts total system demand	-	-	F
Forecasts wholesale price	P/L	P/L	F
Forecasts customer demand ⁽⁶⁾	-	F P/L	F
Determines retail pricing and marketing strategies	-	✓	-
Bears shape risk after initial hedge until market allows full hedge	P/L	P/L	F
Bears short term risk for variance between demand and forecast	P/L	P/L	F

Key: ✓ : Function and P&L impacting that area

P/L: Profit and loss of that function recorded in that area

F: Function performed in that area

Within the EDF Group, EDF Trading Ltd ("EDF Trading") provides market access services to execute most of the trades performed across the Group on wholesale commodity markets. In this context, EDF Trading effectively acts as a broker to EDF Energy (and other Group entities) and receives a commercial arms length transaction fee for providing this service. For the avoidance of doubt, EDF Trading is a fully separate legal entity from EDF Energy, regulated by the Financial Conduct Authority, with separate accounts, a separate Board, separate governance processes and is not controlled by EDF Energy. Therefore EDF Trading activities do not fall within the scope of Ofgem Consolidated Segmental Statements.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



QUESTIONNAIRE ON BUSINESS FUNCTIONS

Notes

(1) Responsible for determining hedging policy

The Generation and Supply divisions independently define their hedging strategies. In addition there is a hedging strategy, defined by the Optimisation division, which ensures that EDF Energy bears the appropriate amount of consolidated energy market risk in total, in line with the risk mandate as approved by the EDF Energy Holdings Limited board.

(2) Responsible for implementing hedging policy / makes decisions to buy/sell energy

The hedging policies defined above are implemented in each of the relevant divisions.

(3) Holds unhedged positions (either short or long)

The hedging policies defined above are implemented in each of the relevant divisions.

(4) Procures fuel for generation

Nuclear fuel is procured by the Generation division, whilst financial and physical coal, biomass, oil, gas and carbon are procured by the Optimisation division.

(5) Matches own generation with own supply

Generation and Supply hedging strategies are defined independently. EDF Energy only nets its Generation and Supply hedging volume on the occasions that each divisions order flow overlaps.

(6) Forecasts customer demand

Customer demand is forecast in the short-term (within month) by the Optimisation division and by the Supply division for the longer-term horizon.

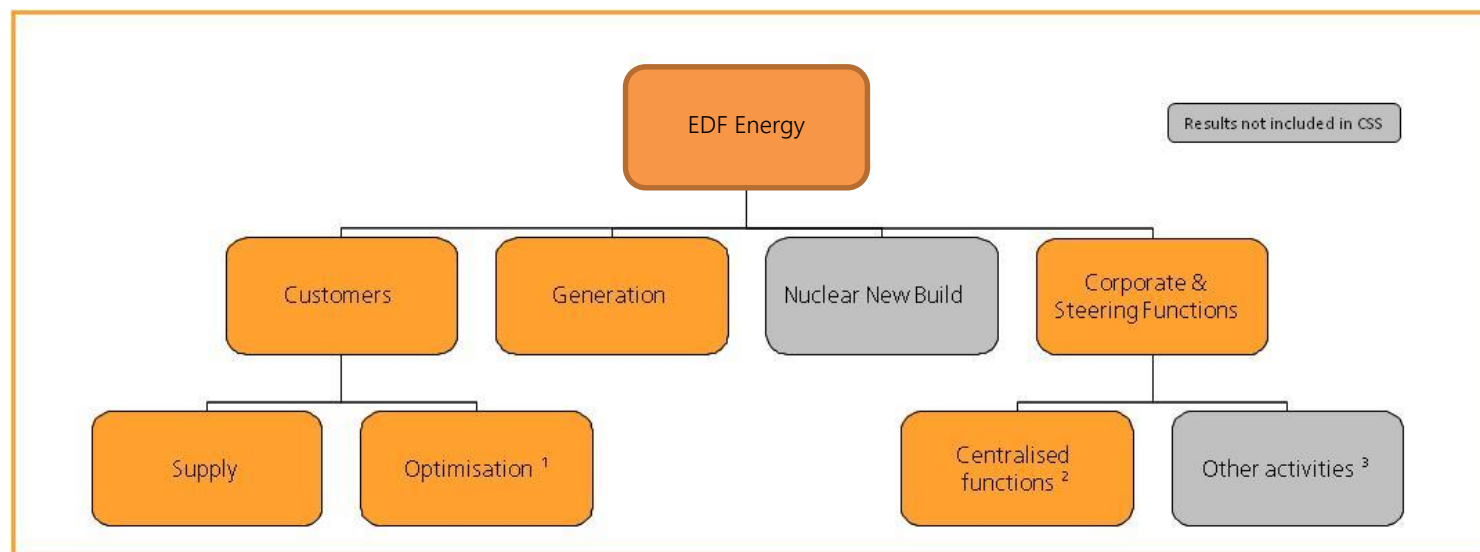
EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



APPENDIX 1: SUMMARY OF GROUP AND LICENSEES

Appendix 1: Summary of Group and licensees

Certain activities performed within EDF Energy are not related to or carried out by licensed entities. These activities have been excluded from the Consolidated Segmental Statement. The diagram and notes below demonstrate and explain the key areas included and excluded.



(1) The purpose of this division is to manage the wholesale market risk of EDF Energy. All of its costs and revenues are allocated between Supply and Generation as further described in the Basis of Preparation section of the CSS.

(2) These costs are costs that have been incurred on behalf of the business in scope for Ofgem reporting and are recharged as indirect costs across the business based on transfer pricing methodology as discussed on page 9.

(3) These include indirect costs which are not recharged across the business such as management recharges from EDF S.A. and hence which do not form part of the Supply or Generation segment.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



APPENDIX 1: SUMMARY OF GROUP AND LICENSEES

The individual supply and generation licences which are held by EDF Energy Holdings Limited's subsidiaries, joint arrangements and associates are as follows:

Entity	Licence	Ownership at 31 December 2018	CSS Segment
EDF Energy Customers Limited	Supply	100%	Electricity Supply Gas Supply
EDF Energy Nuclear Generation Limited	Generation	80%	Nuclear Generation
EDF Energy (Cottam Power) Limited (i)	Generation	100%	Conventional Generation
EDF Energy (Thermal Generation) Limited	Generation	100%	Conventional Generation
EDF Energy Renewables Limited	Generation	49%	Renewables Generation
NNB Generation Company (HPC) Limited	Generation	66.5%	(ii)

- i. In 2018, EDF Energy (Cottam Power) Limited transferred its assets to EDF Energy (Thermal Generation) Limited therefore no longer carries out generation activity.
- ii. Although NNB Generation Company (HPC) Limited has a generation licence, the operational activities are deemed immaterial, with turnover of £0.8m and EBIT of £0.4m relating to wind farm activities.

EDF Energy's ultimate parent company, EDF S.A. has two subsidiaries in the UK which are not part of EDF Energy but which have Ofgem licences. These companies are EDF Development Company Limited and EDF Trading Limited. These companies do not have any generation or supply activities which would be in scope of the Ofgem Consolidated Segmental Statement.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



APPENDIX 2: RECONCILIATIONS TO AUDITED FINANCIAL STATEMENTS

Reconciliation of EBITDA and EBIT to the EDF S.A. financial statements

		2018		2018	
		£M	£M	£M	£M
		EBITDA		EBIT	
Per Segmental Analysis		786		(70)	
	Generation	627		(146)	
	Supply	159		77	
Per EDF SA statutory accounts (in GBP)		693		(352)	
	In EUROS	783		(397)	
	Exchange rate used	1.13037		1.13037	
Variance		93		282	
Reconciled as Follows:		(93)		(282)	
EBITDA/EBIT of Non Supply / Generation Business Units (Corporate and Nuclear New Build) ⁽¹⁾		(57)		(119)	
	Corporate & Steering Functions	(63)		(116)	
	Gas Storage	0		(4)	
	Generation Development Division	0		0	
	Energy Services	4		0	
	Nuclear New Build	2		1	
Profit from disposals (one-off items) ⁽²⁾		2		(153)	
	Restructuring costs	-		(4)	
	Profit on disposal	2		2	
	Pension Adjustments	0		(11)	
	Impairment	-		(139)	
Revaluation of derivative contracts under IAS39 ⁽³⁾		-		6	
Results of Associates ⁽⁴⁾		(39)		(19)	
Results of EDF Development Company ⁽⁵⁾		2		2	
Difference		-		-	

1) The Corporate & Steering Functions, Nuclear New Build and the Gas storage plants are not licensed by Ofgem and hence are excluded from the scope of the Ofgem report.

2) Ofgem guidance dictates that the CSS should reflect the year of operations and that exceptional items should be excluded which would generally be included in the statutory accounts. For 2018, the impairment of assets, pensions adjustment, profit on disposal and restructuring costs have all been excluded from the CSS.

3) The impact of the revaluation of derivative contracts under IAS39 is excluded from the segmental reporting in line with Ofgem guidance however it is reported in EBIT for statutory reporting.

4) These adjustments relate to the results of the Group's associates. Per Ofgem guidance they have been included within the Segmental analysis, however for statutory reporting, they are excluded from EBITDA and EBIT.

5) This relates to the results of EDF Development Company Limited which are included within the UK segment of the EDF S.A. financial statements but which are excluded from the results of EDF Energy.

EDF ENERGY'S CONSOLIDATED SEGMENTAL STATEMENT YEAR ENDED 31 DECEMBER 2018



APPENDIX 2: RECONCILIATIONS TO AUDITED FINANCIAL STATEMENTS

Reconciliation of Revenue to the EDF S.A. financial statements

		2018	
		£M	£M
Revenue per Segmental Analysis			9,762
Generation		3,159	
Supply		6,603	
Revenue per EDF SA statutory accounts (in GBP)			7,935
In EUROs	8,970		
Exchange rate used	1.13037		
Variance			1,827
Reconciled as follows:			(1,827)
Revenue of Non Supply / Generation activities			202
Gas storage ⁽¹⁾	4		
Nuclear New Build ⁽²⁾	1		
Energy services ⁽³⁾	197		
Elimination of intra- segment sales ⁽⁴⁾			(1,970)
Results of associates ⁽⁵⁾			(59)
Difference			-

1) Gas storage plants are not licensed by Ofgem and hence are excluded from the scope of the Ofgem report.

2) The operational licenced activities within Nuclear New Build are deemed immaterial and hence excluded from the scope of the Ofgem Report.

3) The Energy Services provided are not licensed by Ofgem and hence are excluded from the scope of the Ofgem report.

4) This represents the elimination of sales between the Generation and Supply segments.

5) This adjustment relates to the results of the Group's associates. Per Ofgem guidance they have been included within the Segmental analysis, however for statutory reporting, they are equity accounted and hence excluded from revenue.