CONFERENCE CALL ON CEZ GROUP FINANCIAL RESULTS IN 2018

AUDITED CONSOLIDATED RESULTS
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Prague, March 19, 2019

YEAR 2018

CEZ GROUP YEAR-END CONFERENCE CALL

CEZ Group in the Context of the European Energy Sector and 2018 Summary

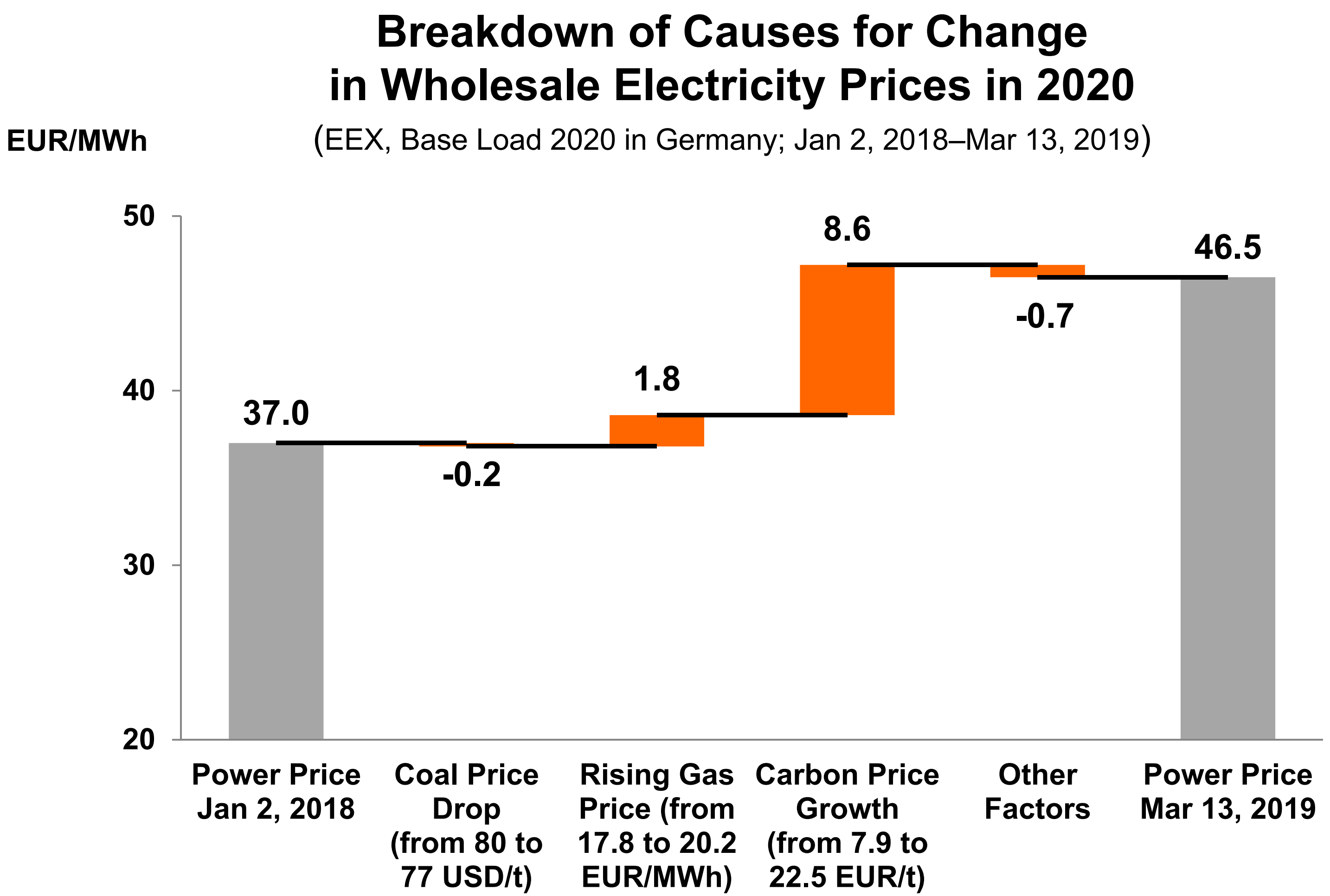
Summarized Financial Results

Operations Team Results

Development Team Results

Ambitions for 2019

ELECTRICITY PRICES HAVE INCREASED SINCE THE BEGINNING OF 2018 PRIMARILY DUE TO THE RISING PRICE OF CO_2 ALLOWANCES



MAIN TRENDS IN THE ENERGY SECTOR

Factors for Developments in the Energy Sector

Commodity Prices	EU's Political Decisions	Technological Advancement

Main Trends

Traditional energy is stagnating but remains an indispensable part of the energy sector

- Environmental legislation applying to the operation of coal-fired power plants and mines is getting stricter.
- Requirements for the operational safety of nuclear power plants are increasing.
- Countries that put emphasis on energy security establish various mechanisms for retaining conventional generating facilities; other countries are phasing them out.

RES and decentralized energy are growing

- Ongoing pressure from legislation and the EU's political decisions creates opportunities for further growth in renewables and decentralized energy.
- Technological advancement in renewables and decentralized energy means that investment in their construction can generate return even without support beyond market conditions.
- The renewables and decentralized energy sector is being entered by new competitors from among big oil and gas corporations.

Customers focus on comprehensive services associated with energy use

- Customers' orientation toward energy self-sufficiency and modern energy solutions is supported by EU legislation's continued pressure on energy efficiency and corporate social responsibility.
- New technologies allow massive energy savings while resulting in higher utilization of electricity.
- More and more new, specialized players are establishing themselves in the energy services market.

Implications for CEZ Group: **– Growing opportunities for the development of decentralized energy and renewables**
– Increasingly restrictive regulatory environment for conventional generation

CLIMATE & ENERGY TARGETS SET FOR 2030 ARE HIGHLY AMBITIOUS EVEN THOUGH THERE WAS A COMPROMISE BETWEEN EU COUNCIL AND EP AMBITIONS

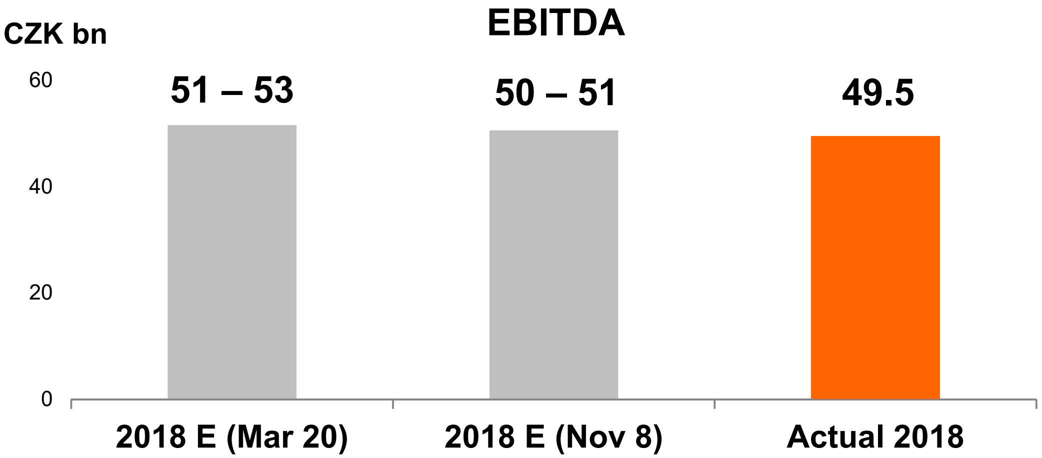
	2020	2030 (March 2018)	2030 (passed)*
Reduction of greenhouse gas emissions from 1990 levels	**20%** ▪ **Binding EU-wide** target ▪ Partial target for EU ETS: 21% reduction from 2005 levels by 2020	**At least 40%** ▪ **Binding EU-wide** target ▪ Partial target for EU ETS: 43% reduction from 2005 levels by 2030	**At least 40%** ▪ **Binding** at **EU-wide** level ▪ Can be reached as a side effect while going for the other two targets
Share of renewable energy sources in total final energy consumption**	**20%** ▪ **Binding national** target ▪ Initially supported primarily by means of feed-in tariffs, auctions since 2017	**Proposals for 27–35%** ▪ Compromise between EU Council target (27%) and European Parliament target (35%) in Trilogue	**At least 32%** ▪ **Binding at EU-wide** level, national targets may differ ▪ Fulfillment in electricity, heat, and transportation ▪ RES electricity in the EU should grow to 55% (from 34% in 2020)
Energy savings (EED*) in comparison with levels in 2007 predictions**	**20%** ▪ **Indicative national** target ▪ Mandatory energy-saving measures in final consumption	**Proposals for 30–35%** ▪ Compromise between EU Council target (30%) and European Parliament target (35%) in Trilogue	**At least 32.5%** ▪ **Indicative at EU-wide level** ▪ **Binding annual savings of 0.8%** of consumer energy **at national level** (for Czechia in total app. 32.3%) ****

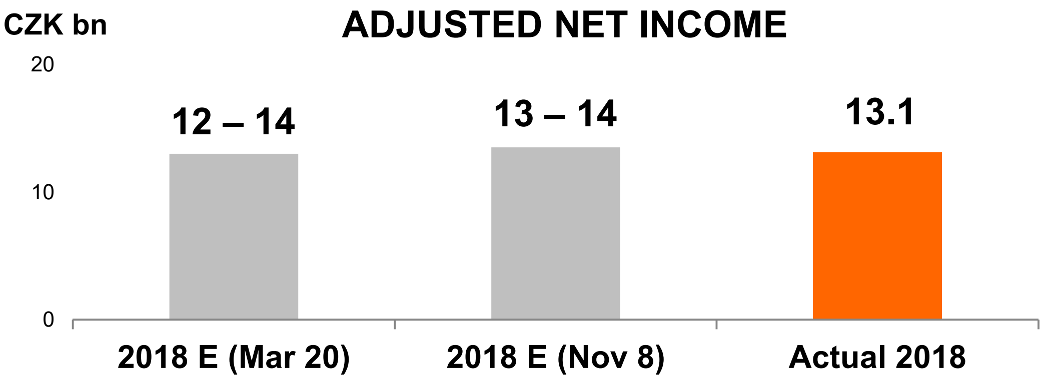
Implications for CEZ Group

- Potential for increased emission allowance prices and thus **higher generation margin** by virtue of low CO_2 emission factor
- Further potential for **ESCO development** (as a result of pressure on energy savings) and **RES development**

* The 2030 targets may be revised in 2023; ** RES: applicable to all kinds of energy, not just electricity; *** EED—Energy Efficiency Directive; ****Proposed National Integrated Climate and Energy Plan (NICEP) sent to Brussels anticipates Czech savings of 30.2%

2018 RESULTS IN LINE WITH ESTIMATES: EBITDA OF CZK 49.5 BN, ADJUSTED INCOME OF CZK 13.1 BN





Selected effects on EBITDA and Net Income

(as compared to estimate from Mar 20, 2018)

Positive effects:

- Lower fixed operating expenses
- Higher profit from commodity trading
- Income from interest on refunded gift tax on emission allowances
- Lower depreciation and amortization, interest expenses, and lower deferred tax

Negative effects:

- Delay in court decision on payment of SŽDC debt to ČEZ Prodej from 2011 (CZK -1.3 bn)
- Lower generation by coal-fired power plants
- Fewer acquisitions in development (especially in RES)
- Addition to provisions for potential refund of Čekanice PV plant‘s revenue

The values of adjusted net income exclude extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill write-off).

SELECTED KEY EVENTS IN 2018

OPERATIONS Team

- Operating license for an indefinite period of time for Dukovany NPP Units 3 and 4 came into effect on Jan 1, 2018.
- Achievable capacity of Temelín NPP increased by 2 MW_e at both units, to a total of 2,164 MW_e.
- Generation by nuclear power plants was almost 30 TWh.
- Contract for heat supply from Temelín NPP to České Budějovice city signed and steps initiated to build a hot-water pipe; supply estimated to start in 2020.
- Project for a 3 MW lithium-ion battery system at Tušimice started.
- Decision taken to restore a desulfurization absorber at Dětmarovice power plant after a fire so as to keep the plant in operation after 2021.

DEVELOPMENT Team

- Sales from ESCO activities increased by 120% (by CZK +8.7 bn) to CZK 15.9 bn due to organic growth and new acquisitions, especially in Germany. Additionally, new acquisitions were made in Poland, Slovakia, and Romania.
- In RES, CEZ Group bought into joint ventures in Germany with potential for development of wind turbines with almost 200 MW.
- Construction of our first RES project in France, the Ascheres wind farm with an installed capacity of 13.6 MW, started.
- European Investment Bank (EIB) entrusted EUR 50 m in the Inven Capital fund. The fund completed successful sale of its first investment in sonnen (Feb 2019).
- Trading's business income was CZK 3 bn, 50% more y-o-y.

CEZ Group

- S&P credit rating reaffirmed at "A−" with a stable outlook; Moody's reaffirmed at „Baa1" while improving outlook to positive.
- Project for "Centralized and Supporting Activities Redesign & Optimization" launched with an ambition to permanently cut fixed annual expenses by approx. CZK 0.5 bn a year and reduce headquarters and supporting staff by 15–20%.
- Segments' development strategies updated and strategic options for the realization of a new nuclear power plant discussed.

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CEZ GROUP FINANCIAL RESULTS

(CZK bn)	2017	2018	Change	%
Revenues	205.1	184.5	-20.6	-10%
Revenues - comparable *	173.7	184.5	+10.8	+6%
EBITDA	53.9	49.5	-4.4	-8%
EBIT	25.6	19.8	-5.9	-23%
Net income	19.0	10.5	-8.5	-45%
Net income - adjusted **	20.7	13.1	-7.6	-37%
Operating CF	45.8	35.4	-10.5	-23%
CAPEX	29.1	26.4	-2.7	-9%
Net debt ***	136.1	151.3	+15.2	+11%

		2017	2018	Change	%
Installed capacity ***	GW	14.9	15.0	+0.1	+1%
Generation of electricity from traditional sources	TWh	60.9	61.3	+0.4	+1%
Generation of electricity from renewable sources	TWh	2.0	1.8	-0.2	-11%
Electricity distribution to end customers	TWh	52.0	52.3	+0.3	+1%
Electricity sales to end customers	TWh	37.0	37.6	+0.6	+2%
Sales of natural gas to end customers	TWh	9.9	9.6	-0.3	-3%
Sales of heat	000´TJ	23.7	23.2	-0.4	-2%
Number of employees *** ****	000´s	29.8	31.4	+1.5	+5%

* Comparison applying IFRS 15 (changing the manner of reporting since Jan 1, 2018) to 2017; according to the standard, neither distribution revenues nor distribution expenses are reported where an energy group sells electricity in an area in which it does not own the distribution grid. Application of this part of the standard significantly affects energy groups' total revenues and expenses (without affecting total reported profit).

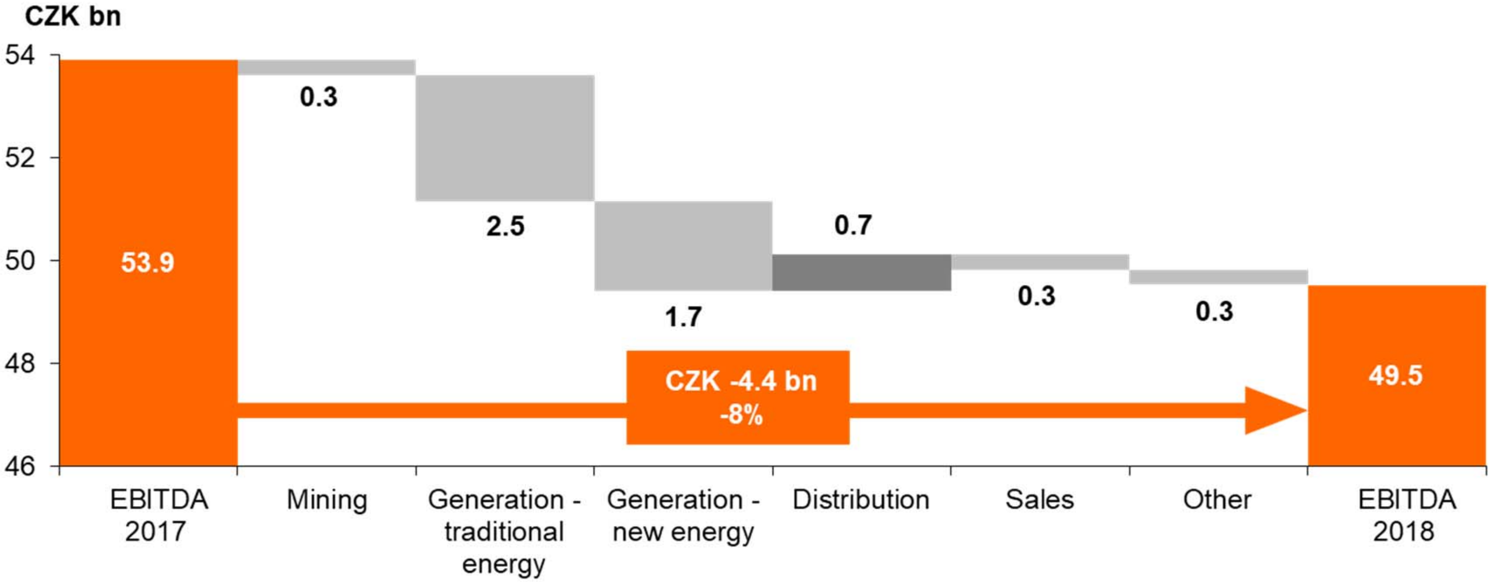
** Adjusted net income = Net income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill write-off)

*** On the last date of the period

**** Headcount increase is primarily related to new acquisitions of ESCOs and in Czechia, it is also related to insourcing of sales companies' external employees

When calculating net debt, we newly include interest accrual and financial leasing directly in debt (in preparation for IFRS 16).

Y-O-Y CHANGE IN EBITDA
BROKEN DOWN BY SEGMENT



Main causes of y-o-y change in EBITDA:

- Higher expenses on emission allowances for generation (CZK -1.3 bn) due to increase in their prices and lower allocation of free allowances
- Effect of settlement agreement with Sokolovská uhelná in 2017 (CZK -0.7 bn)
- Positive effect of change in Romanian RES regulation in 2017, resulting from valuation of allocated green certificates (CZK -0.8 bn)
- Lower allocation of green certificates to wind farms (CZK -0.6 bn), only one certificate per generated MWh allocated since Jan 1, 2018; two certificates were allocated in 2017
- Total allowed distribution revenues were higher thus reflecting increased investment in distribution grids (CZK +1.0 bn)

OTHER INCOME (EXPENSES)

(CZK bn)	2017	2018	Change	%
EBITDA	53.9	49.5	-4.4	-8%
Depreciation, amortization and impairments*	**-28.3**	**-29.8**	**-1.5**	**-5%**
Other income (expenses)	**-2.9**	**-6.2**	**-3.4**	**-118%**
Interest income (expenses)	-3.5	-4.9	-1.3	-38%
Interest on nuclear and other provisions	-1.6	-1.8	-0.2	-11%
Income (expenses) from investments and securities	2.6	0.1	-2.4	-95%
Other	-0.3	0.3	+0.6	-
Income taxes	**-3.8**	**-3.0**	**+0.8**	**+20%**
Net income	19.0	10.5	-8.5	-45%
Net income - adjusted	**20.7**	**13.1**	**-7.6**	**-37%**

Depreciation, Amortization, and Impairments* (CZK -1.5 bn)

- Additions to fixed asset impairments including goodwill write-off (CZK -1.5 bn)
- Effect of nonrecurrent income from sale of residential property in Prague in 2017 (CZK -1.1 bn)
- Lower depreciation and amortization (CZK +1.2 bn), primarily due to updated long-term service life estimates for ČEZ power plants

Other Income (Expenses) (CZK -3.4 bn)

- Effect of termination of MOL stockholding in 2017, including related operations (CZK -4.5 bn)
- Higher interest income (expenses) (CZK -1.3 bn) primarily due to lower interest capitalization after completion of the new Ledvice facility
- Share in profit or loss of Turkish companies, including effect of associated ČEZ provisions and impairments (CZK +1.6 bn)
- Income from refunded interest on gift tax on emission allowances for 2011 and 2012 (CZK +0.7 bn)
- Other effects (CZK +0.1 bn), primarily foreign exchange effects and revaluation of financial derivatives

Net Income Adjustments

- In 2018 adjusted for the negative effect of additions to ČEZ provisions and impairments corresponding to the value of potential partial performance under provided guarantees for Akcez group companies' loans due to continued weakening of the TRY/USD exchange rate in 2018, reflecting Turkey's macroeconomic and political developments (CZK +0.9 bn), and for the effect of fixed asset impairments and goodwill primarily in Czechia (CZK +1.0 bn), Bulgaria (CZK +0.6 bn), Poland (CZK +0.2 bn), and Romania (CZK -0.3 bn)
- In 2017 adjusted for the negative effect of fixed asset impairments and goodwill write-off in Turkey (CZK +1.3 bn), fixed asset impairments in Bulgaria (CZK +0.9 bn), impairments of projects under development in Poland (CZK +0.5 bn), impairments of other assets (CZK +0.3 bn), and for the positive effect of reversal of impairments for the Počerady CCGT plant (CZK -1.3 bn)

* Including profit/loss from sales of tangible and intangible fixed assets

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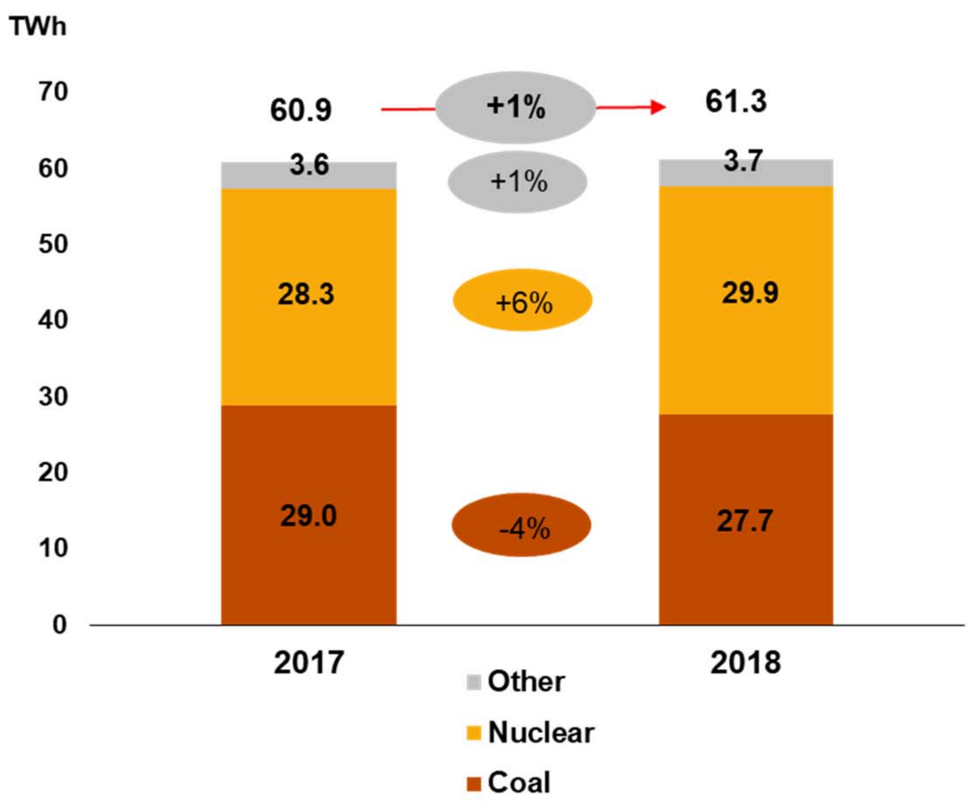
Ambitions for 2019

GENERATION FROM TRADITIONAL SOURCES WAS 61.3 TWH, INCLUDING NEARLY 30 TWH OF NUCLEAR ELECTRICITY



Nuclear Power Plants (+6%)
+ Optimized outages at both power plants and higher-than-average availability of Temelín NPP

Coal-Fired Power Plants (-4%)

Czechia (-5%)
− Longer outages at Prunéřov 2, Mělník 3, and Mělník 1 power plants
− Lower generation by Dětmarovice power plant
+ Shorter outages at Tušimice 2 & Prunéřov 1 power plants
+ Commercial operation of Ledvice 4 power plant (new facility)

Poland (0%)
+ Shorter outages (Chorzów)
− Longer outages (Skawina)

Other (+1%)
− Worse-than-average hydrometeorological conditions in Czechia and reconstruction of Dlouhé Stráně pumped storage plant
+ ČEZ Energo included in the consolidation group
+ Higher generation by Počerady CCGT plant

 Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

OPERATIONS TEAM—NUCLEAR PLANTS
SELECTED EVENTS IN 2018

Nuclear Facilities

Temelín Nuclear Power Plant

- An engineering economy study of long-term operation of the Temelín Nuclear Power Plant (2060+) was completed, confirming the feasibility of the plant's long-term operation by 2060 for Unit 1 and 2062 for Unit 2; no significant safety engineering limitations for operation even beyond this horizon were identified in the study.
- Achievable capacity increased by 2 MW_e at both units, to a total of 2,164 MW_e.
- A contract for heat supply from the Temelín NPP was signed by ČEZ, a. s., the statutory city of České Budějovice, and city-owned joint-stock company Teplárna České Budějovice, initiating steps for building a hot-water pipe with estimated start of heat supply in 2020.

Dukovany Nuclear Power Plant

- Operating license for an indefinite period of time for Units 3 and 4 came into effect on Jan 1, 2018.

New Nuclear Plants

- EIA report for the construction of a new unit at Dukovany submitted to MoE.
- An application for extension of validity of the EIA opinion issued in 2013 for the new Temelín unit project was submitted.

 NPP—Nuclear Power Plant; EIA—Environmental impact assessment; MoE—Ministry of the Environment

OPERATIONS TEAM—CONVENTIONAL PLANTS AND HEATING
SELECTED EVENTS IN 2018

Conventional generating facilities

- A decision was taken to restore a desulfurization absorber at Dětmarovice power plant after a fire in 2017 so as to keep the plant in operation after 2021. Restoration is estimated to be completed in 2020.
- A project was launched for a 3 MW lithium-ion battery system at Tušimice to provide ancillary services to ČEPS. Pilot operation is estimated to start by the end of 2019.
- Unfavorable hydrological conditions in Czechia limited the operation of both hydroelectric and conventional plant, having the greatest impact on the operation of hydroelectric power plants, Hodonín power plant, and Poříčí power plant.
- Both Polish companies, CEZ Chorzów and CEZ Skawina, were preparing for the introduction of a capacity market in electricity (CRM) aiming to ensure sufficient electricity generation capacity in Poland after the expected shutdown of significant generation capacities due to stricter emission legislation (BREF/BAT) after 2020 (similarly to western Europe). ČEZ Skawina succeeded in auctions and won contracts for 2021 and for 2022–2026.

Heat Sector

- A 100% stake was acquired in July in AYIN, s.r.o., a company operating the district heating system for the town of Nejdek under a lease contract valid until the end of 2027.
- A contract was made for transfer of 100% of shares in ITX Media a.s., a company owning and operating 22 heat pumps in Teplice. The share transfer came into effect on Jan 1, 2019.

 BREF—Best available techniques reference document; BAT—Best available techniques

OPERATIONS TEAM—MINING, FINANCE, & ADMINISTRATION
SELECTED EVENTS IN 2018

Mining

- Saleable output was 21 million tons of coal.
- The Bílina Mines site started to be supplied with power directly from the Ledvice power plant.
- Reconstruction and overhaul of excavator KU300/K68 at Bílina Mine completed.
- Following the Czech government's decision modifying environmental limits for mining at Bílina Mine, the process of obtaining an EIA and mining license until 2035 continued.

Finance and Administration

Finance

- S&P credit rating reaffirmed at "A−" with a stable outlook; Moody's reaffirmed at „Baa1" while improving outlook to positive.
- International rankings of U.S. journal Institutional Investor assessed ČEZ as having the best investor relations and the best corporate governance system among all EMEA utilities.

Supporting and Centralized Activities

- Project for "Centralized and Supporting Activities Redesign & Optimization" launched with an ambition to permanently cut expenses by approx. CZK 0.5 bn a year primarily by enhancing process efficiency and reducing central and supporting unit staff by 15–20%.

EIA—Environmental Impact Assessment

SEGMENT: GENERATION–TRADITIONAL ENERGY

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	17.9	15.6	-2.4	-13%
Poland	1.1	1.0	-0.1	-12%
Other states	0.0	0.0	0.0	-
Generation - traditional energy	**19.1**	**16.6**	**-2.5**	**-13%**

Czechia (CZK -2.4 bn)

- Higher expenses on emission allowances for generation (CZK -1.3 bn) due to increased market prices and lower allocation of free allowances
- Higher generation by nuclear power plants (CZK +1.0 bn)
- Lower generation by coal-fired plants (CZK -0.2 bn), lower generation by other plants (CZK -0.2 bn), lower heat generation (CZK -0.1 bn)
- Higher fixed expenses (CZK -0.8 bn), primarily higher personnel expenses and facility maintenance expenses
- Lower gross margin on non-energy activities (CZK -0.3 bn), primarily due to lower revenues from other CEZ Group segments
- Effect of settlement agreement with Sokolovská uhelná in 2017 (CZK -0.7 bn)
- Other effects (CZK +0.2 bn), primarily higher profit from commodity trading

Poland (CZK -0.1 bn)

- Most importantly lower amounts of heat supplied, primarily due to climatic conditions at the beginning of 2018, and effect of y-o-y increase in market prices of biomass and emission allowances

MINING & OTHER SEGMENTS

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	4.1	3.8	-0.3	-8%
Mining	**4.1**	**3.8**	**-0.3**	**-8%**

Czechia (CZK -0.3 bn)

- Higher additions to provisions and impairments (CZK -0.2 bn)
- Other effects (CZK -0.1 bn), primarily higher electricity and personnel expenses

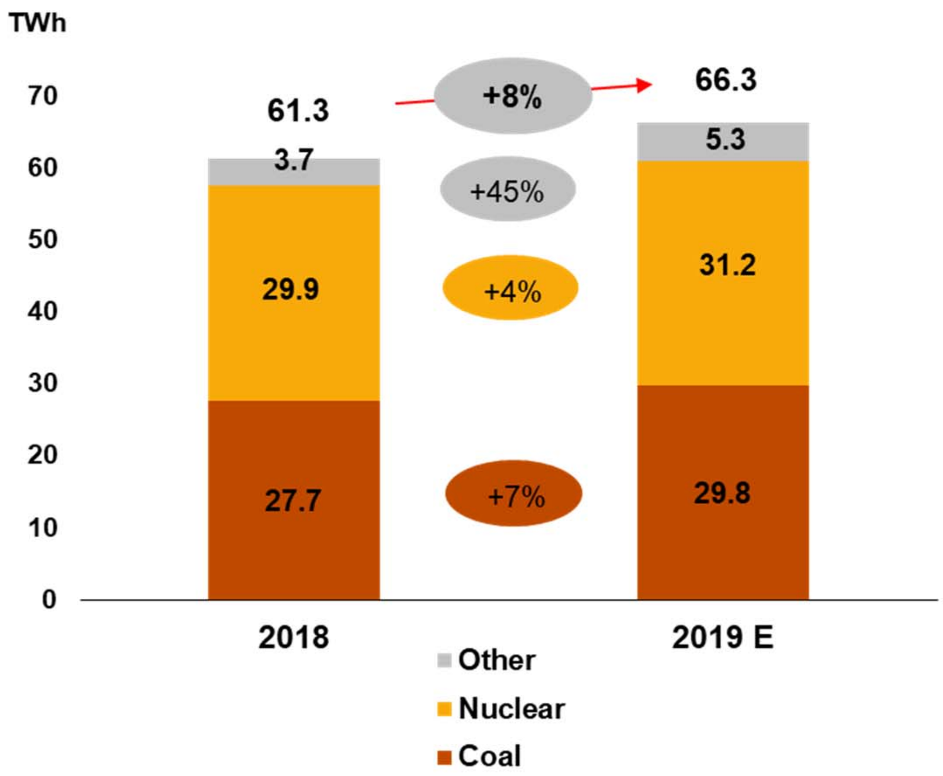
EBITDA (CZK bn)	2017	2018	Change	%
Czechia	2.2	2.0	-0.2	-10%
Other states	-0.1	-0.2	-0.1	-105%
Other	**2.2**	**1.9**	**-0.3**	**-13%**

Czechia (CZK -0.2 bn)

- Most importantly a positive effect of Škoda Praha Invest's nonrecurrent revenue in 2017 from settlement with a contractor participating in the construction of the new Ledvice facility and renovation of the Prunéřov power plant

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

GENERATION FROM TRADITIONAL SOURCES—WE HAVE AN AMBITION TO RAISE GENERATION BY 8% IN 2019



Nuclear Power Plants (+4%)
+ Optimization of outages at both power plants

Coal-Fired Power Plants (+7%)

Czechia (+11%)
+ Shorter outages at Prunéřov 2 and Ledvice 4 power plants

Poland (-27%)
− Lower generation due to gross margin maximization and compliance with NO_x limits (Skawina)
+ Shorter outages (Chorzów)

Other (+45%)
+ Primarily higher generation by Počerady CCGT plant due to favorable market prices of electricity and gas

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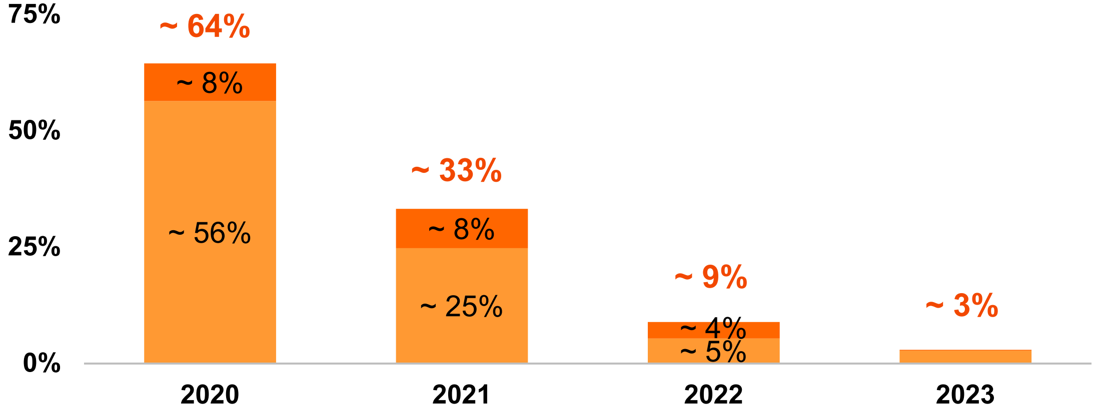
ČEZ CONTINUES HEDGING ITS GENERATION REVENUES IN THE MEDIUM TERM IN LINE WITH STANDARD POLICY

Hedge price of generated electricity and EUA purchase price as at Feb 28, 2019

€41.0	€41.5	€41.5	€38.5	Electricity selling price (EUR/MWh)
€10.6	€14.8	€13.1	€5.4	EUA purchase price (EUR/t)

Note: The average purchase price of EUA in 2020 includes allowances allocated under derogations (with zero value).

Share of Hedged Production of ČEZ* Facilities as at Feb 28, 2019



Production hedged

- Hedged volume from Nov 1, 2018, to Feb 28, 2019
- Hedged volume as at Oct 31, 2018

100% of deliveries in 2020–2023 corresponds to 51–55 TWh.

	2020	2021	2022	2023
Total currency hedges (natural & transactional) as at Feb 28, 2019	**90%**	**90%**	**82%**	**49%**
Of which, natural currency hedges (debts in EUR, capital and other expenditures and costs in EUR)	90%	85%	82%	49%

The foreign exchange position for 2020 is hedged at an average rate of 26.95 CZK/EUR, for the years 2021–2023 is hedged at approx. 26–27 CZK/EUR on average.

* ČEZ, a. s., including the Energotrans, Počerady, and Dětmarovice power plants

OPERATIONS TEAM
KEY OBJECTIVES FOR 2019

Mining

- Minimize expenses associated with continued mining beyond environmental limits.
- Closely coordinate mining operations and development with planned operation of conventional facilities.
- Maintain the required level of commercial reserves for the future.
- Optimize capital expenditures on mining machinery projects.

Generation—Traditional Energy

Existing Generating Facilities

- Continually enhance the safety of nuclear and nonnuclear generating facilities.
- Ensure NPP availability at the level of the world's best practice.
- Maximize the creation of the segment's operating cash flow in 2019 and ensure optimum compliance with environmental and regulatory requirements for the operation of coal-fired plants, in particular, in 2020+.
- Continue to prepare development projects with margin benefits resulting from increasing nuclear generation to over 31 TWh a year (combining change in fuel incl. campaign optimization as well as modifications to conventional island technology) with significant economic benefits from 2022.
- Ensure the conditions for long-term NPP operation (fulfilling the Dukovany LTO and Temelín PSR action plans).

Heat Sector

- Start the construction of a hot-water pipe from Temelín to České Budějovice.

New Nuclear Plants

- Ensure fulfillment of the targets of the New NPP strategic program for 2019 with emphasis on the EIA process at Dukovany.

Finance and Administration

Finance

- Effectively support maintaining CEZ Group's medium-term financial stability.
- Minimize average financing costs.

Supporting and Centralized Activities

- Ensure nuclear fuel deliveries for 2019 and optimum purchase of fuel for 2020+.
- Manage expenditure on supporting activities efficiently.
- Complete the construction and commission a new corporate data center at Tušimice.
- Fulfill the objectives of the "Centralized and Supporting Activities Redesign & Optimization" project with a permanent gain of approx. CZK 0.5 bn a year.

NPP—Nuclear power plant; LTO—Long-term operation; PSR — Periodic Safety Review for all 14 areas according to IAEA guidelines

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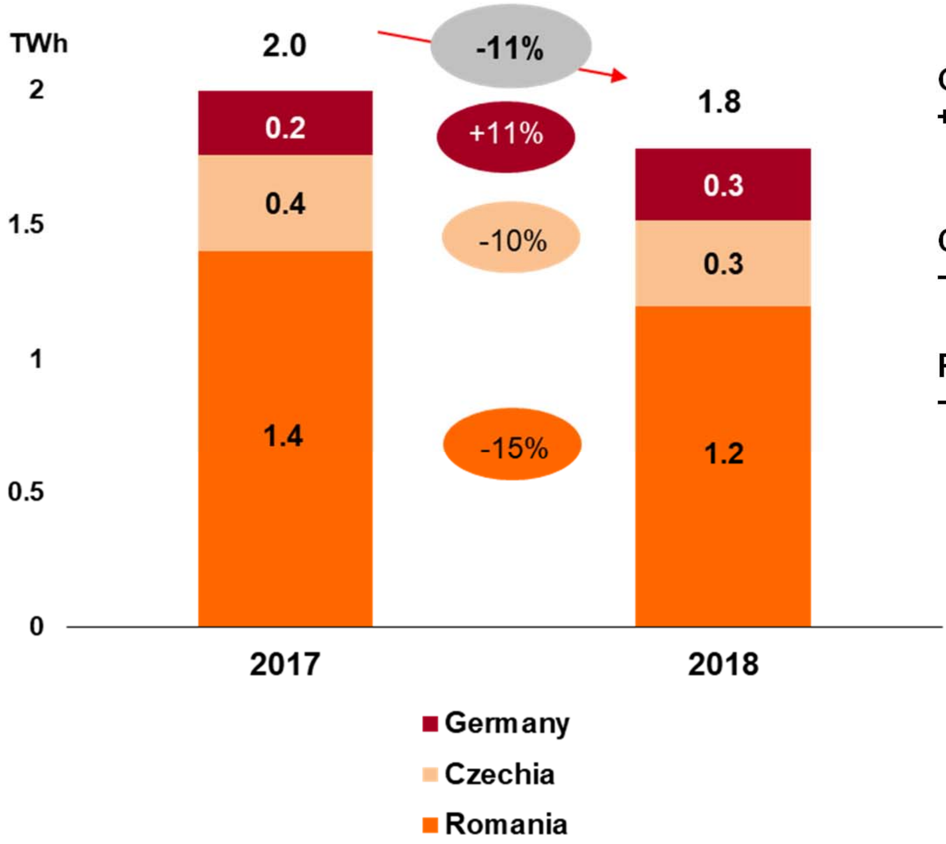
RENEWABLE GENERATION WAS 1.8 TWH



Germany (+11%)

+ Effect of acquisition of wind farms in Lettweiler Höhe (belonging to the CEZ Group portfolio since September 2017)

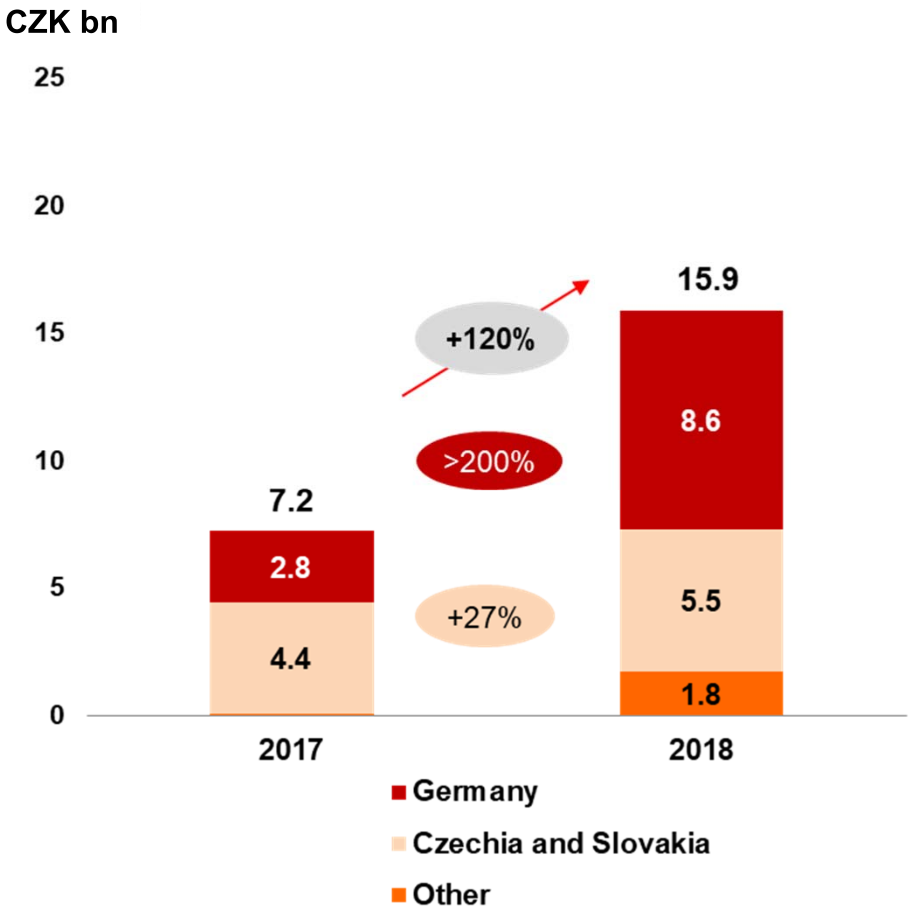
Czechia (-10%)

− Lower generation by small hydroelectric power plants due to worse hydrometeorological conditions

Romania (-15%)

− Worse weather conditions

ESCO SALES INCREASED BY 120% TO CZK 16 BN



Germany (>200%)
+ Effect of Elevion group acquisition (since Sep 1, 2017)
+ Effect of Kofler Energies group acquisition (since Aug 1, 2018)

Czechia and Slovakia (+27%)
+ Organic growth and new acquisitions by ČEZ ESCO in late 2017

Other Countries
+ Acquisition of Polish companies Metrolog and OEM Energy (acquired at the turn of 2018) and organic growth

 ESCO sales in 2017 reported in accordance with the sales reporting methodology applied to 2018 for comparison purposes

DEVELOPMENT TEAM—SALES SEGMENT, TRADING
SELECTED EVENTS IN 2018

ESCO Activities

- Revenue from sales of noncommodity products and services in Czechia and Slovakia: CZK 5.5 bn (+27% y-o-y).
- In Slovakia, the ESCO group acquired a 55% share in SPRAVBYTKOMFORT Prešov, a 49% share in Bytkomfort, a 100% share in SERVISKOMFORT (newly ČEZ Servis, s.r.o.), and a 50% share in KLF-Distribúcia (construction and operation of a local distribution system substation) and 100% in TMT Energy (newly ČEZ Distribučné sústavy a.s.). In Czechia, it acquired a 100% share in Domat Holding.
- Revenue from sales of noncommodity products and services abroad: CZK 10.4 bn (more than a 200% increase y-o-y).
- Acquisition of a 100% share in Kofler group in Germany, 100% share in Polish company Metrolog, and 100% share in Romanian company High-Tech Clima.

Sales—Retail

- Transfer of corporate and municipal customers (“B2B portfolio”) from ČEZ Prodej to ČEZ ESCO completed.
- Service ČEZ SERVIS VYTÁPĚNÍ was used by more than 12,000 new end-use customers since Jan 1, 2018.
- Redesign of customer care centers based on actual customer requirements continued in Czechia.
- Customer care transformed to ČEZ Vanzare in Romania.

Trading*

- Excellent results achieved in commodity trading in 2017 were even surpassed in 2018.
- Business income of Trading* in 2018 was CZK 3 bn, i.e., 50% more y-o-y.

* The economic effect of Trading activities is generated primarily at ČEZ, a. s. (i.e., reported in the financial results of the Operations team within the Generation—Traditional Energy segment); in addition, a portion of the business income (corresponding to the difference between internal demand for the transaction and the contracted external trade of CEZ Group) is only reflected in CEZ Group’s financial results in the year of delivery, i.e., future years. In particular, this concerns ongoing hedging of future electricity generation, emission allowance purchases for generation, or electricity and gas purchases for end-use customers.

DEVELOPMENT TEAM—DISTRIBUTION & NEW ENERGY GENERATION SEGMENTS - SELECTED EVENTS IN 2018

Distribution

Czechia

- Investments in distribution grids totaling CZK 10.4 bn, aimed at efficient maintenance and preparation for decentralized energy.
- 11 fiber-optic telecommunications infrastructure construction projects executed as an important condition for future development of decentralized energy and digitization.
- ČEZ Distribuce's strategy updated in order to increase 2022 EBITDA by CZK 2 bn as compared to the current business plan.

Abroad

- Significant reduction of distribution losses in Romania (8.6% losses in 2018 as compared to 9.8% in 2017).
- Implementing legislation to Emergency Ordinance No. 114/2018 passed in Romania, including a methodology for the determination of regulated prices for household consumers. Based on available proposals for secondary legislation, there can be a negative effect for CEZ Group companies of up to CZK 0.1 bn in 2019.
- Significant reduction of distribution losses in Bulgaria (9.1% losses in 2018 as compared to 10.4% in 2017).
- The Bulgarian Commission for Protection of Competition disapproved the Bulgarian asset sale transaction in July 2018 and subsequently interrupted the proceedings related to Inercom's second application for transaction review. Both ČEZ and Inercom brought an appeal in cassation against the Commission's decision to Supreme Administrative Court.

Generation—New Energy

- A 50% share was acquired in a joint venture with GP Joule for the development of 8 wind farms in Germany with an installed capacity of up to 130 MW. The first turbines are expected to start operation in 2020.
- A 50% share was acquired in 4 project companies in collaboration with Baywa, an important German developer, for the purpose of development of up 63 MW in Germany.
- The construction of our first project in France, the Ascheres wind farm with an installed capacity of 13.6 MW, started in October. Commissioning is expected in H2 2019.
- Finalization of our Bordeaux transaction (8 wind farms in France in an advanced stage of development) with an installed capacity of up to 119 MW. The first turbines are expected to start operation in 2022.

DEVELOPMENT TEAM—NEW ENERGY SEGMENT (INVEN CAPITAL)

SELECTED EVENTS IN 2018 & FIRST SUCCESSFUL EXIT

INV/E/N CAPITAL

- Inven Capital SICAV, a.s., is ČEZ's wholly-owned subsidiary with variable capital, focusing on investments in clean-tech startups in a later stage of growth.

Selected Events in 2018

- A co-investment contract was signed in March 2018 with the European Investment Bank (EIB), which undertook to entrust up to EUR 50 m to the fund. Inven Capital then changed its legal form and manages two sub-funds: Inven Capital—Sub-Fund A (CEZ Group) and Inven Capital—Sub-Fund B (EIB).
- The fund invested in five companies up to 2017: **sonnen, SunFire, tado, Cloud&Heat Technologies,** and **VU LOG**.
- Additional investments were made in 2018: **Cosmo Tech** (vendor of a SW platform for the optimization of decision-making in asset management), **Driivz** (vendor of SW platform for charging station management); additionally, investments were made in existing companies **sonnen, SunFire,** and **Cloud&Heat Technologies**.

First successful exit: Sale of the Fund's first acquisition—sonnen

- Investment in a minority share in sonnen, a German manufacturer of battery storage systems, was the Fund's first investment back in 2015.
- In February 2019 sale of Inven Capital's stake in sonnen (jointly with other investors) to Shell was finalized.
- The sale was in accordance with the company's strategy to seek companies with high potential for investment appreciation and hold shares for 3–7 years. Achieved selling price and achieved return on invested capital considerably exceeded its initial expectations of ČEZ.

SEGMENT: SALES

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	4.1	3.9	-0.2	-6%
Germany	0.1	0.5	+0.3	>200%
Bulgaria	0.6	0.2	-0.4	-67%
Other states	-0.2	-0.2	0.0	+19%
Sales	**4.6**	**4.3**	**-0.3**	**-6%**

Czechia (CZK -0.2 bn)

- Lower gross margin, primarily due to higher expenses on electricity and natural gas purchases (CZK -0.8 bn)
- Settlement of unbilled electricity and gas (CZK +0.3 bn)
- Other effects (CZK +0.3 bn): primarily lower intragroup expenses of ČEZ Prodej and development of ESCO activities

Germany (CZK +0.3 bn)

- Elevion group and Kofler Energies group have been included in CEZ Group's consolidated results since September 2017 and August 2018, respectively

Bulgaria (CZK -0.4 bn)

- Positive effect of out-of-court settlement agreement made between CEZ Elektro Bulgaria and state-owned energy company NEK in 2017

Other Countries (CZK 0.0 bn)

- Slovakia (CZK -0.2 bn): Primarily due to nonrecurrent revenue from portfolio sale in 2017
- Poland (CZK +0.1 bn): Contribution of acquisitions made in 2018 partially eliminated by increased purchase prices of electricity for end-use customers
- Romania (CZK +0.1 bn): Primarily higher gross margin related to increased expenses on electricity purchases in 2017 that were not reflected in regulated revenue until 2018

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

SEGMENT: DISTRIBUTION

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	16.0	17.2	+1.2	+7%
Romania	1.7	1.6	-0.1	-6%
Bulgaria	1.3	1.0	-0.3	-26%
Distribution	**19.0**	**19.7**	**+0.7**	**+4%**

Czechia (CZK +1.2 bn)

- Higher gross margin on electricity distribution (CZK +1.5 bn) primarily due to y-o-y increase in permitted revenues reflecting increased investments in the distribution grid (CZK +1.0 bn)
- Effect of the application of IFRS 15 on revenues from activities to ensure input power and connection (CZK -0.3 bn)

Romania (CZK -0.1 bn)

- Lower gross margin on electricity distribution due to lower tariffs (CZK -0.2 bn)
- Higher reversal of provisions (CZK +0.1 bn)
- Effect of the application of IFRS 15 on revenues from activities to ensure input power and connection (CZK -0.1 bn)

Bulgaria (CZK -0.3 bn)

- Lower gross margin on electricity distribution (CZK -0.1 bn)
- Higher additions to provisions for litigation (CZK -0.1 bn)
- Effect of the application of IFRS 15 on revenues from activities to ensure input power and connection (CZK -0.1 bn)

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

SEGMENT: GENERATION—NEW ENERGY

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	1.8	1.4	-0.4	-23%
Romania	2.9	1.4	-1.5	-53%
Germany	0.5	0.5	0.0	+3%
Other states	-0.2	0.0	+0.2	-
Generation - new energy	**5.0**	**3.2**	**-1.7**	**-35%**

Czechia (CZK -0.4 bn)

- Addition to provisions for potential refund of Čekanice PV plant revenue (CZK -0.5 bn)
- Higher gross margin on the electricity generation (CZK +0.2 bn) primarily due to favorable generation mix

Romania (CZK -1.5 bn)

- Positive effect of change in RES regulation in 2017, resulting from valuation of allocated green certificates (CZK -0.8 bn)
- Lower allocation of green certificates to wind farms (CZK -0.6 bn), only one certificate per generated MWh allocated since Jan 1, 2018; two certificates were allocated in 2017
- Lower generation (CZK -0.4 bn) primarily due to worse weather conditions
- Increase in market prices of electricity (CZK +0.3 bn)

Germany (CZK 0.0 bn)

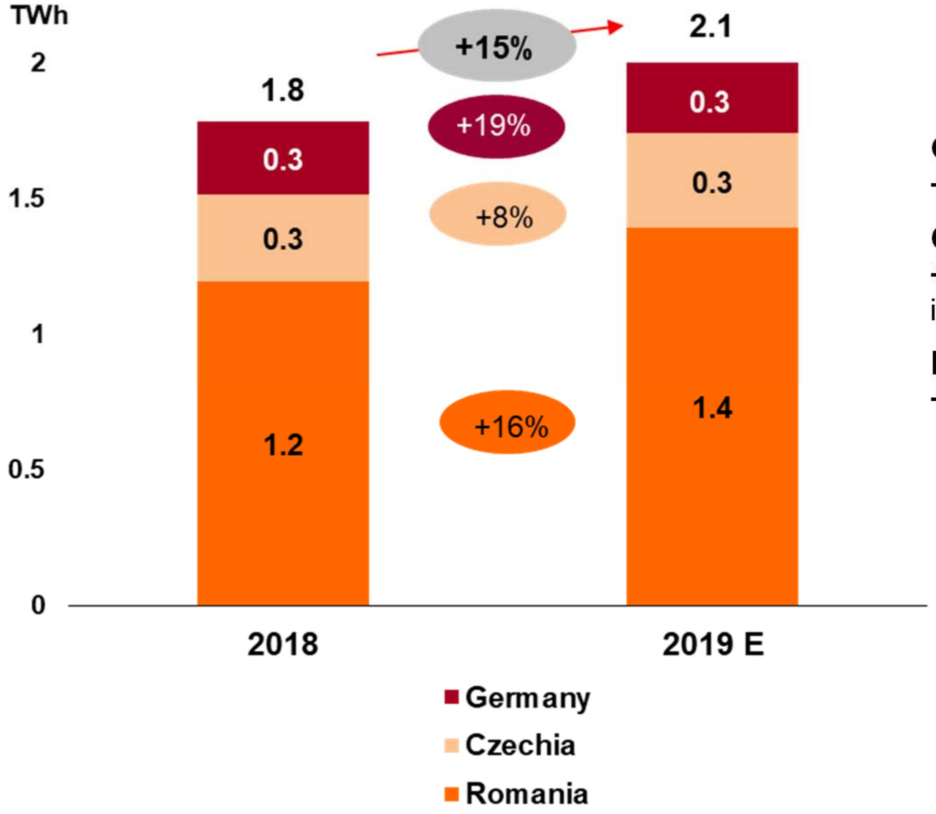
- Acquisition of wind parks with an installed capacity of 35.4 MW at Lettweiler Höhe from September 2017 (CZK +0.1 bn)
- Worse weather conditions (CZK -0.1 bn)

Other Countries (CZK +0.2 bn)

- Lower impairments and fixed expenses in Poland

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

2019 AMBITION FOR RENEWABLE GENERATION GROWTH OF 15%

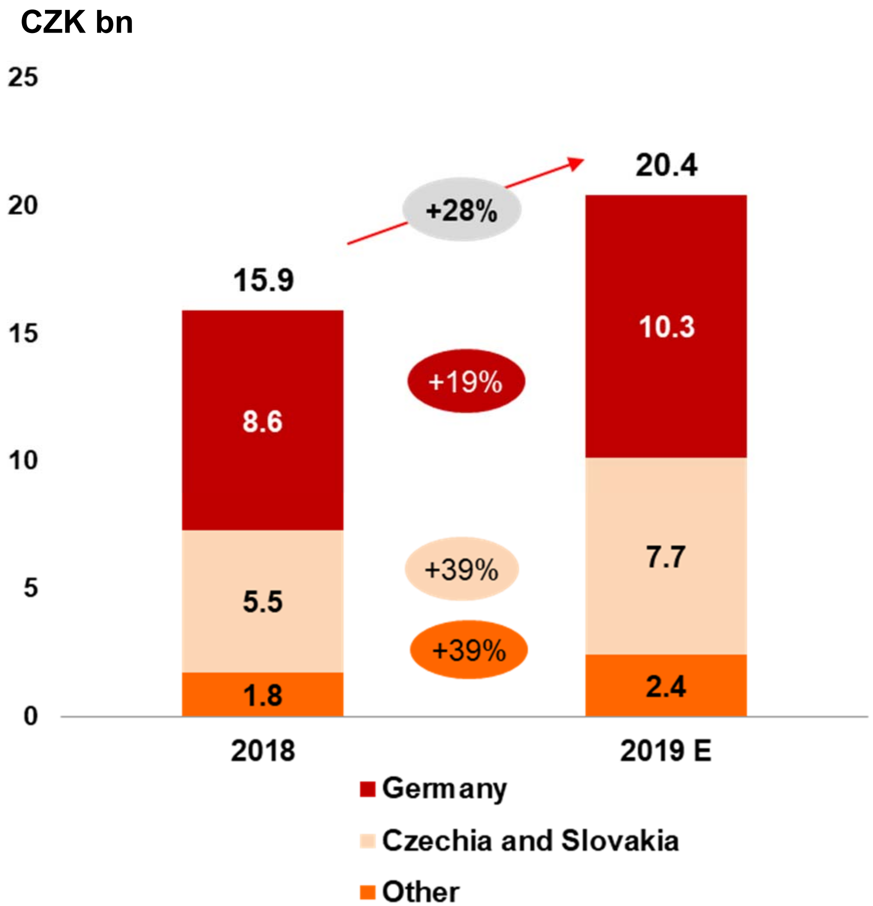


Germany (+19%)
+ Worse-than-average weather conditions in 2018

Czechia (+8%)
+ Worse-than-average hydrometeorological conditions in 2018

Romania (+16%)
+ Worse-than-average weather conditions in 2018

2019 AMBITION FOR ESCO SALES' GROWTH TO OVER CZK 20 BN



Germany (+19%)
+ Organic growth and new acquisitions in 2018

Czechia and Slovakia (+39%)
+ Organic growth and new acquisitions by ČEZ ESCO in 2018

Other Countries (+39%)
+ Organic growth in Poland and acquisition of High-Tech Clima in Romania in 2018

DEVELOPMENT TEAM
KEY OBJECTIVES FOR 2019

Distribution

Czechia
- Prepare the distribution system for the development of decentralized generation, accumulation, electric mobility, and change in consumption structure.
- Implement measures from ČEZ Distribuce's updated strategy (maximize revenue, increase cost and investment effectiveness, ensure reliability and safety of electricity supply).

Abroad
- Protect ČEZ's legal rights in Bulgaria and complete the sale of assets
- Maximize return on investment in Romania.

Sales—Retail

Czechia
- Maintain market share in electricity (No. 1 in the market) and reinforce our position in natural gas (No. 2) with unique services and product packages.
- Further develop noncommodity products and services (photovoltaics, heating maintenance, heating systems, ČEZ Mobil, etc.).
- Improve the care of and be closer to our customers (increasing the overall CX index by 6%, strengthening online tools, completing redesign of customer care centers) and continue cultivating the market and enhancing consumer protection.
- Increase sales and cost effectiveness.

Abroad, maximize gross margin and reduce fixed expenses.

ESCO Activities

Czechia & Slovakia
- Reinforce ČEZ ESCO's position in the domestic market and in Slovakia through organic growth and acquisitions.
- Increase existing ESCO group companies' revenue from sale of noncommodity products in Czechia to CZK 7.7 bn.

Abroad (other than Slovakia)
- Continue to develop ESCO activities through organic growth and selective acquisitions (especially in Germany)
- Increase existing foreign companies' revenue from sale of noncommodity products to CZK 12.7 bn.

New Energy

Renewables
- Execute the RES development strategy in Czechia.
- Operate the RES portfolio efficiently in Czechia and abroad.
- Complete the construction of the Ascheres, France wind park with an installed capacity of 13.6 MW.
- Increase the value of development acquisitions abroad.

Inven Capital
- Expand investment activities and make 1–2 new growth investments.
- Define exit strategies and financial parameters for sale of companies in the portfolio.

CX – customer experience

YEAR 2018

CEZ GROUP YEAR-END CONFERENCE CALL

CEZ Group in the Context of the European Energy Sector and 2018 Summary

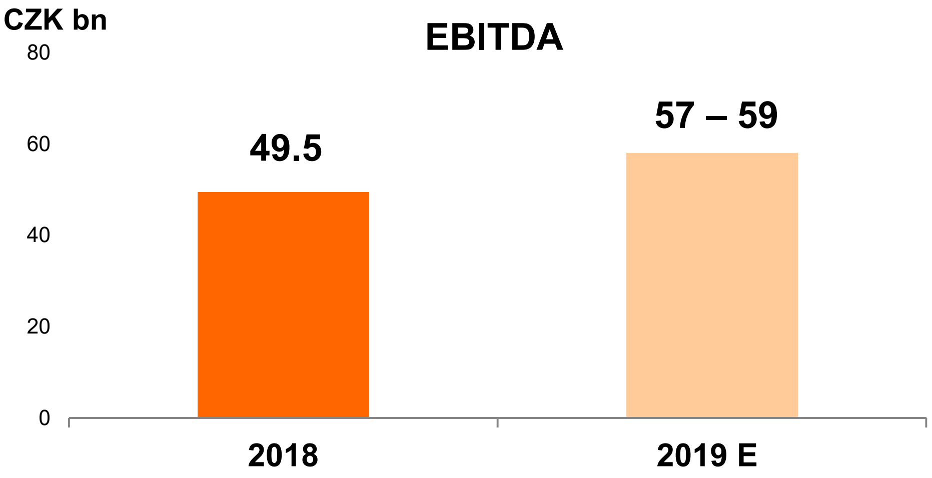
Summarized Financial Results

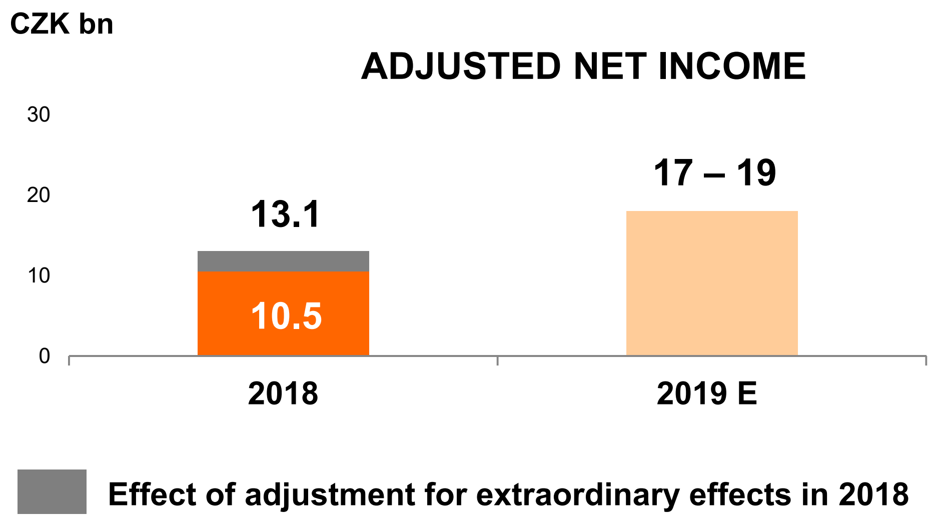
Operations Team Results

Development Team Results

Ambitions for 2019

WE ESTIMATE 2019 EBITDA AT CZK 57 TO 59 BN, NET INCOME AT CZK 17 TO 19 BN





Selected y-o-y positive effects:
- Higher realization prices of electricity incl. hedging effects
- Higher generation by both nuclear and coal-fired power plants
- Growth ambitions in energy services and savings
- Effect of a new IFRS 16 standard concerning leases (positive effect on EBITDA only)

Selected y-o-y negative effects:
- Higher expenses on emission allowances for generation
- Lower gross margin on electricity sales due to higher purchase prices of electricity

Selected prediction risks and opportunities (reasons for the interval):
- Availability of generating facilities
- New development acquisitions
- Legal disputes (in particular, with SŽDC)
- Realization of Sale of Bulgarian assets

The values of adjusted net income exclude extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill write-off).

KEY SUBSTANTIVE OBJECTIVES FOR 2019

OPERATIONS Team	DEVELOPMENT Team
▪ Ensure safe operations of power plants and their optimal availability. ▪ Maximize the creation of operating cash flow in generation and ensure optimum compliance with environmental and regulatory requirements for the operation of coal-fired plants, in particular, in 2020+. ▪ Prepare an increase in nuclear generation to over 31 TWh a year (combining change in fuel incl. campaign optimization as well as modifications to conventional island technology) with significant economic benefits from 2022. ▪ Ensure the conditions for long-term operation of nuclear plants (fulfilling the Dukovany LTO and Temelín PSR action plans). ▪ Ensure fulfillment of the targets of the NNPP strategic program with emphasis on the EIA process at Dukovany.	▪ Prepare the Czech distribution system for the development of decentral generation, accumulation, electric mobility, and change in consumption structure. ▪ Increase existing ESCO group companies' revenue from sale to over CZK 20 bn. ▪ Increase the sales and cost effectiveness of sales companies and further improve care for our customers (increasing the overall CX index by 6%). ▪ Execute the RES development strategy in Czechia and operate the existing RES portfolio efficiently in Czechia and abroad. ▪ Expand investment activities and make 1–2 new Inven Capital growth investments. ▪ Complete the sale of Bulgarian assets.

CEZ Group

- Fulfill the objectives of the "Centralized and Supporting Activities Redesign & Optimization" project with a benefit of approx. CZK 0.5 bn a year and with estimated reduction in central and supporting unit staff by 15–20%.
- Decide in a qualified way whether to use the opportunity of ČEZ's option to cancel sale of the Počerady Power Plant.
- Validate the business & investment model for NNPP construction in Czechia and sign a contract with the Czech government.
- Update the business policy and strategies in the context of European trends and regulation.

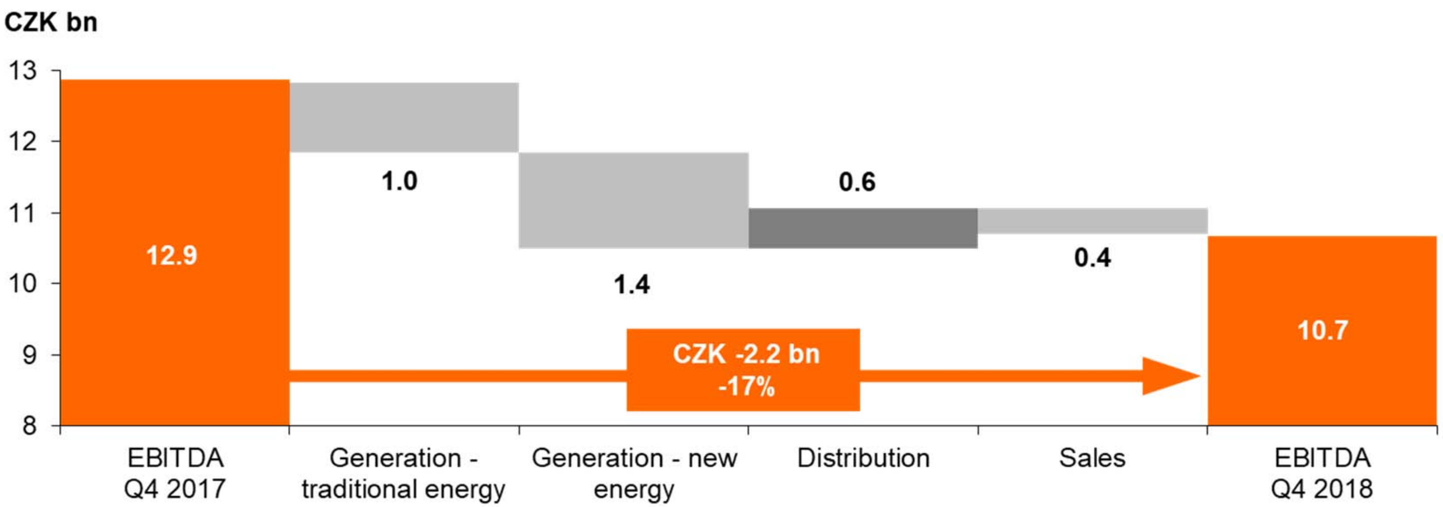
NNPP—New nuclear power plant, LTO – Long term operation, PSR — Periodic Safety Review for all 14 areas according to IAEA guidelines, CX – customer experience

ANNEXES

- EBITDA—Q4 Year-on-Year Comparison
- Net Income—Q4 Year-on-Year Comparison
- EBITDA—Main Reasons for Estimated Year-on-Year Change
- Net Income—Main Reasons for Estimated Year-on-Year Change
- Cash Flows
- Credit Facilities and Bonds
- Investments in Fixed Assets
- Balance Sheet Overview
- Mining
- Electricity Consumption
- Market Developments
- Change in Segment Structure from Jan 1, 2019
- Electricity Procured and Sold
- Definitions of Alternative Indicators according to ESMA

EBITDA

Q4 YEAR-ON-YEAR COMPARISON



CEZ Group EBITDA (CZK -2.2 bn):

- **Generation—Traditional Energy (CZK -1.0 bn):** Revaluation of trading derivatives (CZK -0.4 bn); lower generation by coal-fired power plants (CZK -0.2 bn), lower heat generation (CZK -0.2 bn), consolidation effects (CZK -0.2 bn)
- **Generation—New Energy (CZK -1.4 bn):** Romania (CZK -0.9 bn): of which, positive effect of change in RES regulation in 2017 resulting from valuation of allocated green certificates (CZK -0.8 bn); Czechia (CZK -0.6 bn): of which, addition to provisions for potential revenues refund of Čekanice PV plant in 2018 (CZK -0.5 bn)
- **Distribution (CZK +0.6 bn):** Czechia (CZK +0.6 bn): primarily higher allowed revenue reflecting increased investments in distribution grids (CZK +0.3 bn) and lower fixed operating expenses (CZK +0.2 bn)
- **Sales (CZK -0.4 bn):** Romania (CZK -0.2 bn) primarily due to increase in electricity purchasing prices; Slovakia (CZK -0.2 bn) primarily due to extraordinary revenue from sale of portfolio in 2017

RES—Renewable energy sources

NET INCOME

Q4 Y-O-Y COMPARISON

(CZK bn)	Q4 2017	Q4 2018	Change	%
EBITDA	12.9	10.7	-2.2	-17%
Depreciation, amortization and impairments*	-6.7	-7.8	-1.2	-17%
Other income (expenses)	-2.9	-1.1	+1.8	+63%
Income taxes	-0.9	-0.5	+0.4	+40%
Net income	2.4	1.3	-1.1	-47%
Net income - adjusted	**3.4**	**1.5**	**-1.9**	**-55%**

Depreciation, Amortization, and Impairments* (CZK -1.2 bn)

- Higher depreciation and amortization (CZK -0.3 bn), primarily due to updated long-term service life estimates for ČEZ power plants
- Higher additions to fixed asset impairments including goodwill write-off (CZK -0.9 bn)

Other Income (Expenses) (CZK +1.8 bn)

- Share in profit or loss of Turkish companies, including effect of associated ČEZ provisions and impairments (CZK +1.8 bn)

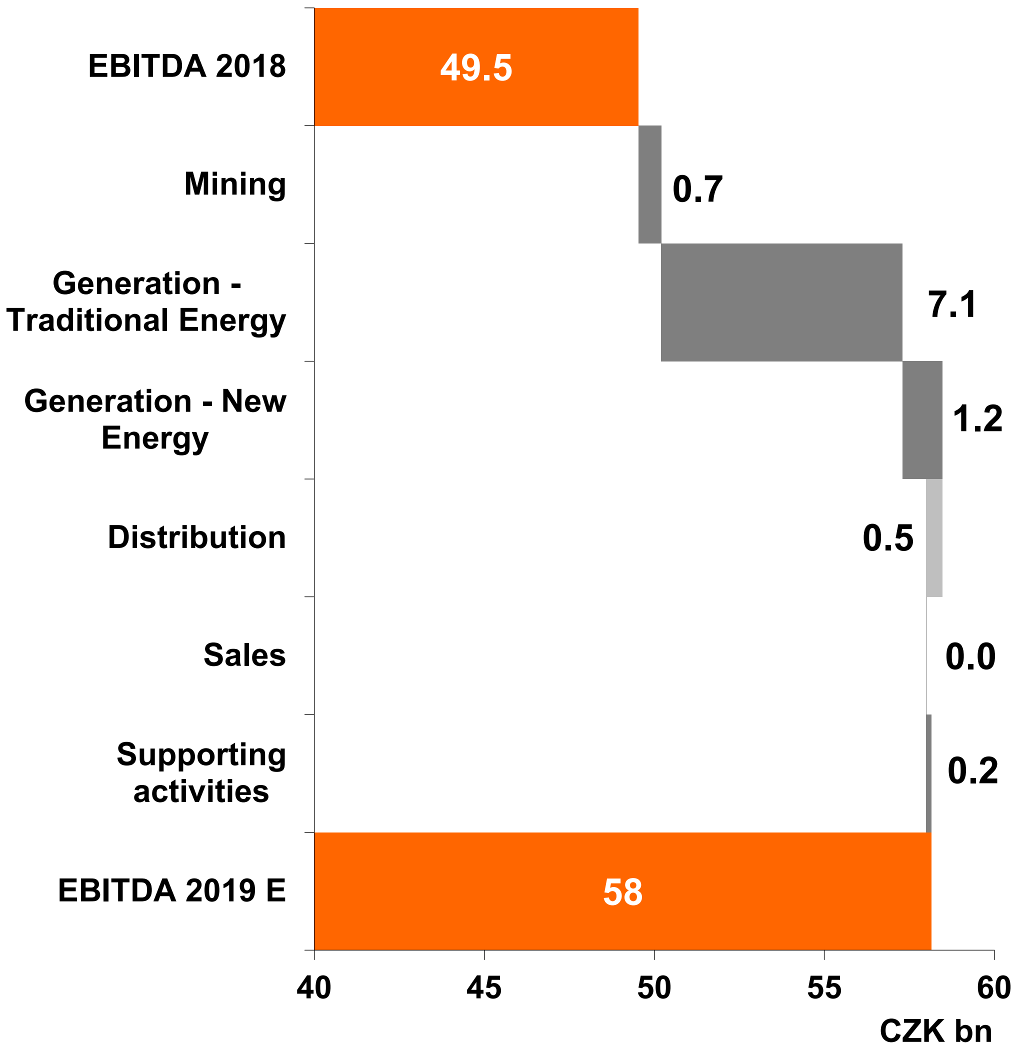
Net Income Adjustments

- In y-o-y comparison of Q4, 2018 adjusted for the negative effect of fixed asset impairments, including goodwill, primarily in Czechia (CZK +0.7 bn), Poland (CZK +0.2 bn), and Bulgaria (CZK +0.1 bn) and for ČEZ‘s additions to allowances for receivables from Akcez (CZK +0.2 bn) and for the positive effect of reversal of a portion of ČEZ provisions for potential performance under provided guarantee for Akcez group companies' loans due to appreciation of TRY/USD exchange rate in Q4 2018 (CZK -0.6 bn) and for the positive effect of reversal of a portion of fixed asset impairments in Romania (CZK -0.4 bn)
- In y-o-y comparison of Q4, 2017 adjusted for the negative effect of fixed asset impairments in Bulgaria (CZK +0.9 bn), goodwill write-off and fixed asset impairments in Turkey (CZK +0.8 bn), impairments of projects under development in Poland (CZK +0.2 bn), impairments of other assets (CZK +0.4 bn), and for the positive effect of reversal of impairments for the Počerady CCGT plant (CZK -1.3 bn)

* Including profit/loss from sales of tangible and intangible fixed assets

ESTIMATED Y-O-Y CHANGE IN EBITDA

MAIN CAUSES BY SEGMENT



Mining
- Higher volumes of coal extraction
- Higher coal prices

Generation—Traditional Energy
- Higher realization prices of electricity, including hedging effects
- Higher generation by both nuclear and coal-fired power plants
- Higher expenses on emission allowances for generation

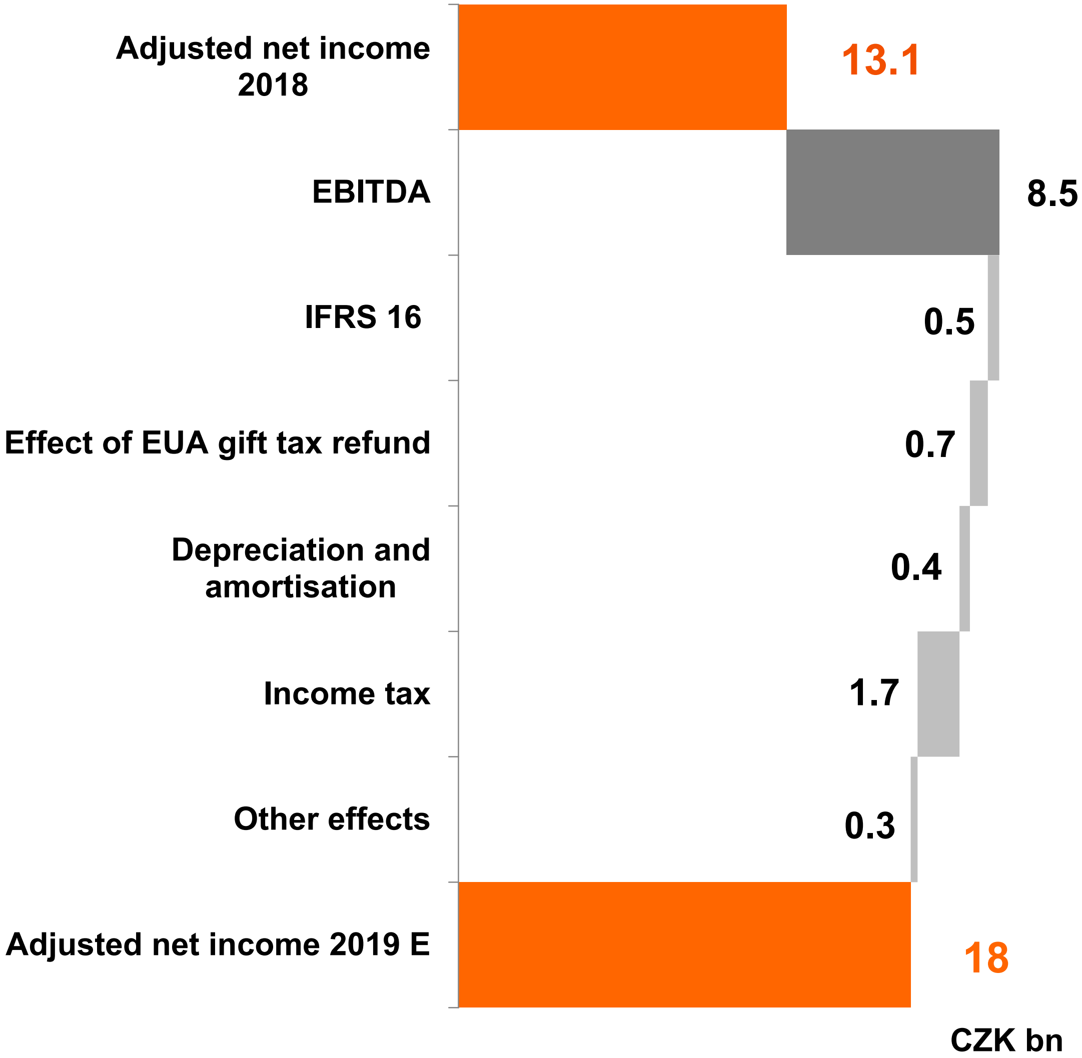
Generation—New Energy
- Higher electricity prices and generation volume in Romania
- Addition to provisions for potential refund of Čekanice PV plant revenue in 2018

Distribution
- Romania: higher fixed expenses and effect of provision reversal in 2018
- Czechia: higher expenses on distribution equipment repairs and effect of unbilled electricity settlement

Sales
- Lower gross margin on electricity sales due to higher purchase prices for deliveries in 2019
- Benefit from new ESCO acquisitions

Supporting Activities
- Effect of a new IFRS 16 standard concerning leases (positive on EBITDA, neutral on net income)

ESTIMATED Y-O-Y CHANGE IN NET INCOME MAIN CAUSES



IFRS 16—a new standard for leases
(change in the structure of reported expenses without effect on total net income)

- Increase in depreciation and amortization (CZK -0.4 bn)
- Increase in interest expense (CZK -0.1 bn)

Effect of refund of EUA gift tax

- Nonrecurrent income in 2018 from refunded interest on gift tax on emission allowances for 2011 and 2012

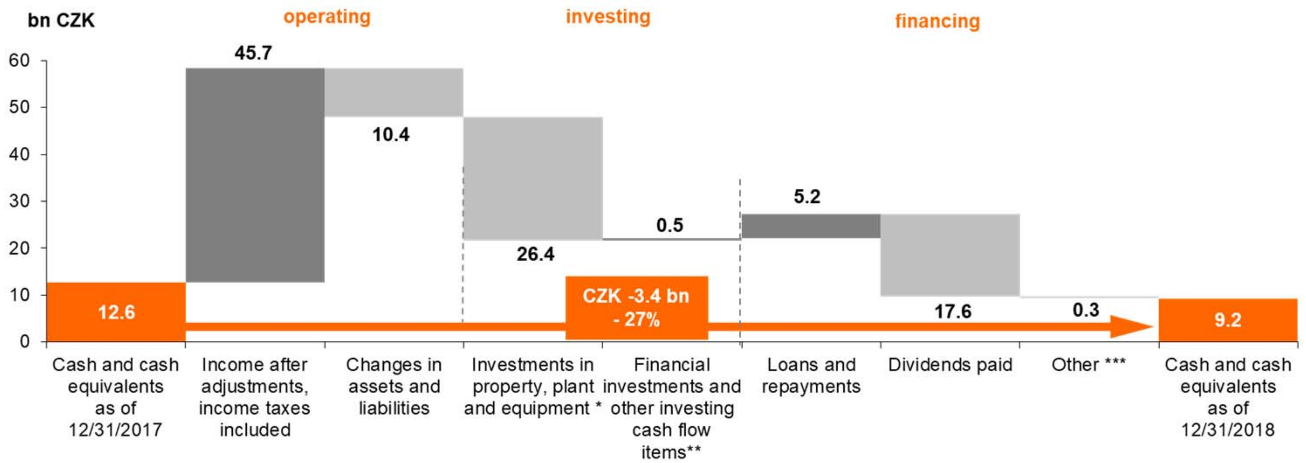
Income tax:

- Higher earnings before tax
- Deferred tax asset of ČEZ, a. s., in 2018

Other effects:

- Primarily foreign exchange effects and revaluation of financial derivatives

CASH FLOWS



Cash Flows from Operating Activities (CZK +35.4 bn)

- Income after adjustments, including income tax (CZK +45.7 bn): earnings before tax (CZK +13.5 bn), depreciation and amortization of nuclear fuel (CZK +32.2 bn), changes in provisions (CZK +2.8 bn), foreign exchange gains and losses (CZK +0.8 bn), impairments and other noncash income and expenses (CZK -0.3 bn), income tax paid (CZK -3.3 bn)
- Changes in assets and liabilities (CZK -10.4 bn): change in net trade receivables and payables including advances and unbilled electricity (CZK -5.9 bn), change in emission allowances (CZK -4.5 bn), change in net payables and receivables from derivatives including options (CZK +1.5 bn), change in inventories (CZK +0.9 bn), change in short-term liquid securities and term deposits (CZK +0.5 bn), change in other receivables and payables (CZK -2.9 bn)

Cash Flows Used in Investing Activities (CZK -25.9 bn)

- Investments in fixed assets* (CZK -26.4 bn)
- Acquisition of subsidiaries, associates, and joint ventures (CZK -2.2 bn)—of which, Germany (CZK -1.0 bn), Czechia and Slovakia (CZK -1.0 bn), other (CZK -0.2 bn)
- Change in financial assets with limited availability (CZK -0.7 bn)
- Proceeds from sale of noncurrent assets—liquid bonds (CZK +3.1 bn)

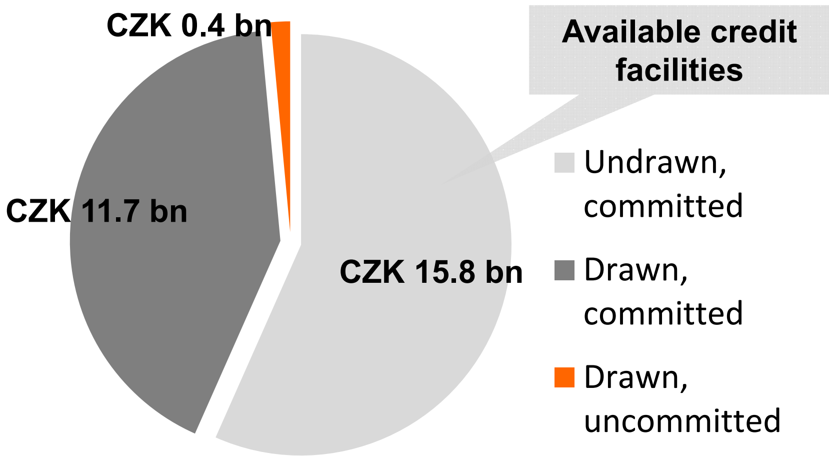
Cash Flows Provided by Financing Activities (CZK -12.8 bn)***

- Dividends paid to shareholders (CZK -17.6 bn)
- Balance of loans and repayments (CZK +5.2 bn)
- Balance of repayments of and additions to other long-term liabilities (CZK -0.5 bn)
- Sale of treasury stock (CZK +0.2 bn)

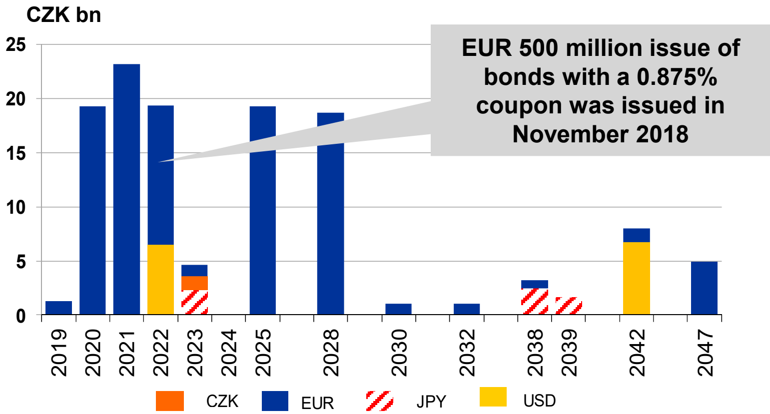
* CAPEX; ** Including change in payables from the acquisition of fixed assets, balance of loans granted, divestments, and change of restricted funds;
*** Including net effect of currency translation in cash and impairments

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

Utilization of Short-Term Lines* (as at Dec 31, 2018)



Bond Maturity Profile (as at Dec 31, 2018)



- CEZ Group has access to CZK 27.5 bn in committed credit facilities, using CZK 11.7 bn as at Dec 31, 2018.
- The average maturity of CEZ Group's financial debt was more than 6 years as at Dec 31, 2018.
- Net Debt/EBITDA* was 3.05 as at Dec 31, 2018.
- Causes of a slight increase in debt above the medium-term target indicator value (3.0) included the following specific, mostly temporary, factors:

Specific factors affecting the value of Net Debt/EBITDA in 2018	(CZK bn)	Impact on indicator
(1) Purchase of emission allowances for electricity generation in 2020 & 2021**)	3.6	+0.07
(2) Higher margin deposits on commodity exchanges—resulting from increasing electricity prices	3.4	+0.07
(3) Direct inclusion of interest accrual in debt (new methodology)	2.2	+0.04
(4) Direct inclusion of financial leasing in debt (preparation for implementation of IFRS 16)	0.2	+0.00
Net Debt/EBITDA after debt adjustment for the above factors		**2.86**

Note: The first two factors are temporary.

* Including data for assets held for sale ** Taking advantage of market opportunities to make physical (spot) purchases of allowances instead of conventional forward purchases, which are normally used to secure future needs of emission allowances

CAPITAL EXPENDITURE

BROKEN DOWN BY SEGMENT

CZK bn	2017	2018
Generation—Traditional Energy	**11.9**	**8.0**
Of which: Nuclear fuel acquisition	3.6	2.4
Generation—New Energy	**0.7**	**0.4**
Mining	**1.6**	**1.6**
Distribution	**12.9**	**12.9**
Czechia	9.8	10.4
Romania	1.3	1.2
Bulgaria	1.8	1.2
Sales	**0.3**	**0.7**
Other *	**1.7**	**2.7**
Total	**29.1**	**26.4**

Y-o-y changes in capital expenditure in segments:

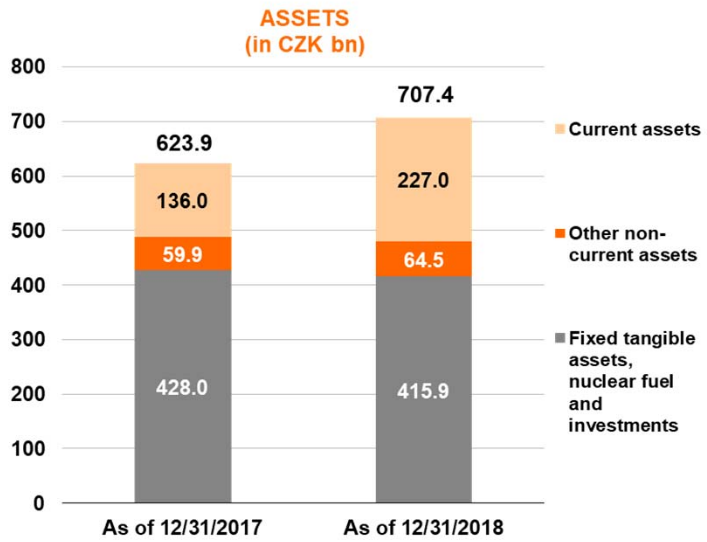
- **Generation—Traditional Energy**: Reflects lower procurement of nuclear fuel as well as, in particular, higher investments in the comprehensive renovation of the Prunéřov power plant and a new unit at the Ledvice power plant in 2017.
- **Generation—New Energy**: Effect of RES acquisitions in France in 2017.
- **Sales**: Increase due to new ESCO acquisitions, including gaining control of ČEZ Energo (fully consolidated since Jul 1, 2018).
- **Other ***: Primarily in connection with major investments in license purchases and renewals by ČEZ ICT Services and the construction of a corporate data center at Tušimice.

* Including the amount of intersegment eliminations

BALANCE SHEET OVERVIEW

Property, plant and equipment, nuclear fuel, and investments decreased by CZK 12.1 bn
- Reclassification of Bulgarian companies as assets held for sale CZK -9.8 bn
- Depreciation and amortization, impairments, and disposal of assets exceeding investments CZK -1.5 bn
- Nuclear fuel CZK -0.8 bn

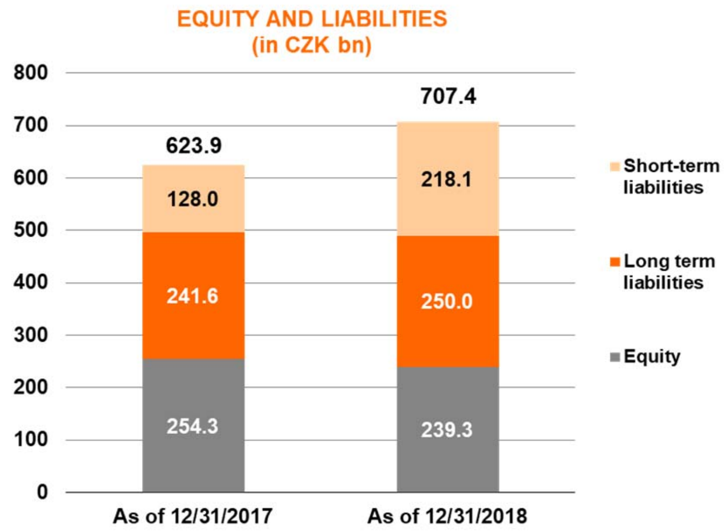
Other noncurrent assets increased by CZK 4.6 bn
- Noncurrent intangible assets CZK +4.3 bn, of which transfer of emission allowances that will not be used in the next year CZK +3.6 bn and goodwill primarily due to new investments CZK +0.9 bn
- Restricted Financial assets CZK +0.4 bn
- Investments in associates and joint ventures CZK -0.2 bn, primarily inclusion of ČEZ Energo in fully consolidated companies



Current assets increased by CZK 91.0 bn
- Receivables from derivatives including options CZK +51.7 bn due to increased trading volume
- Reclassification of Bulgarian companies as assets held for sale CZK +17.5 bn
- Net trade receivables CZK +21.7 bn
- Emission allowances CZK +7.3 bn
- Cash and cash equivalents CZK -5.3 bn
- Other CZK -1.9 bn, primarily decrease in debt financial assets

Equity decreased by CZK 15.0 bn
- Dividends CZK -17.6 bn
- Net income CZK +10.5 bn
- Other comprehensive income CZK -10.6 bn
- Effect of the application of new IFRS standards CZK +2.4 bn
- Sale of treasury shares CZK +0.2 bn

Long-term liabilities increased by CZK 8.4 bn
- Long-term debt CZK +10.0 bn
- Long-term payables from derivatives including options CZK +3.3 bn
- Long-term provisions CZK +2.5 bn, primarily nuclear provisions
- Long-term liabilities resulting from connection fees (primarily due to IFRS change) CZK -3.3 bn
- Deferred tax liability CZK -3.3 bn, other CZK -0.8 bn

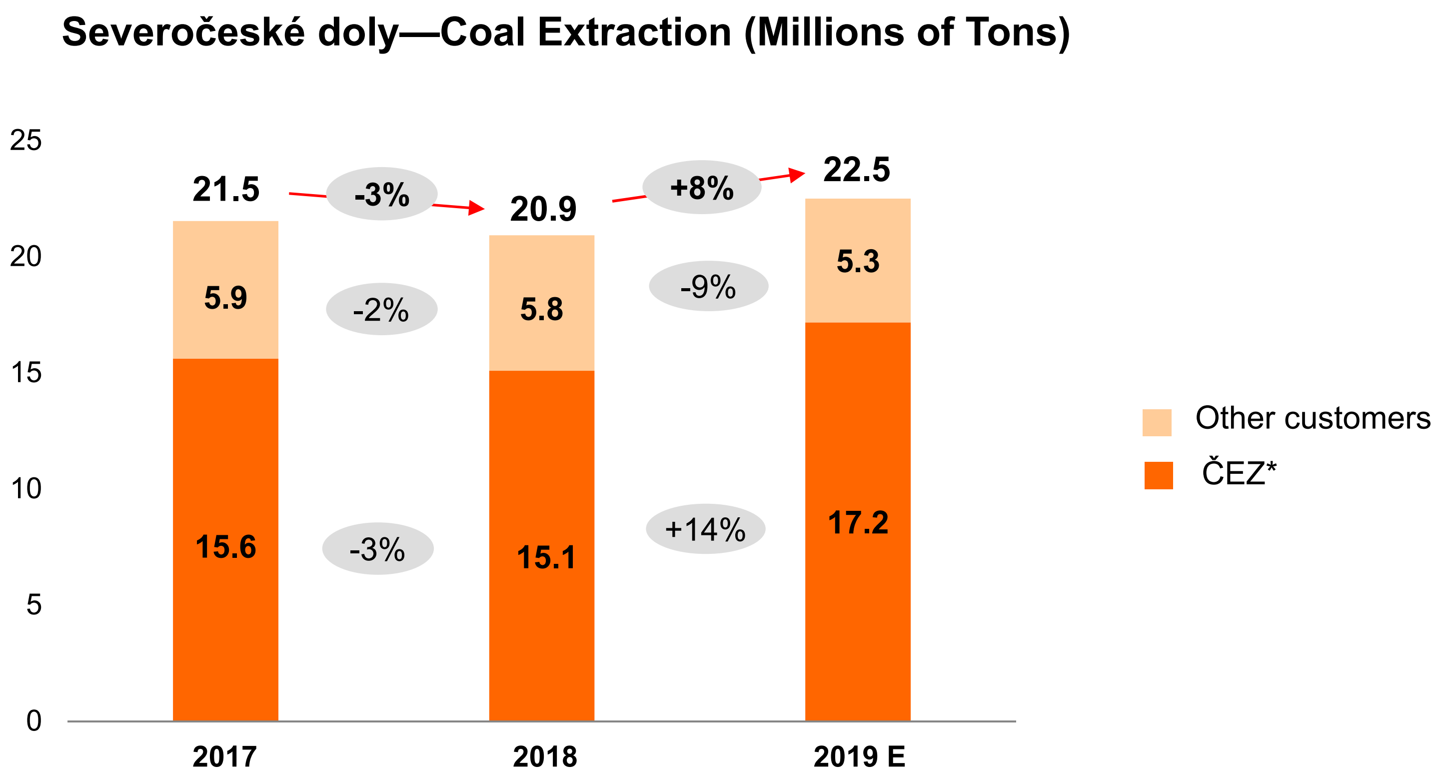


Current liabilities increased by CZK 90.2 bn
- Payables from derivatives including options CZK +66.7 bn
- Trade payables CZK +15.0 bn
- Liabilities associated with assets held for sale CZK +6.2 bn
- Short-term provisions CZK +3.1 bn, in particular for emission allowances
- Current portion of long-term debt CZK -4.0 bn, short-term borrowings CZK +0.7 bn
- Other CZK +2.5 bn

Due to precise mathematical rounding, the sum of partial values can sometimes differ from the total value.

MINING IN 2019

WE EXPECT COAL EXTRACTION TO GROW BY 8%



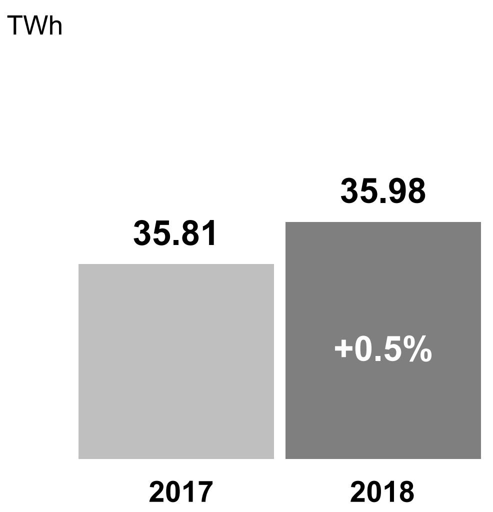
- Decrease in coal sale of 0.6 million tons in 2018 was primarily due to lower demand for thermal coal by CEZ Group power plants and heating plants and to lower demand for sorted coal by customers outside CEZ Group.
- We estimate production will grow by 1.6 million tons in 2019 due to higher demand for thermal coal by CEZ Group power plants and heating plants.

* ČEZ, a. s., incl. Počerady power plant and Energotrans

ELECTRICITY CONSUMPTION

IN THE DISTRIBUTION AREA OF ČEZ DISTRIBUCE

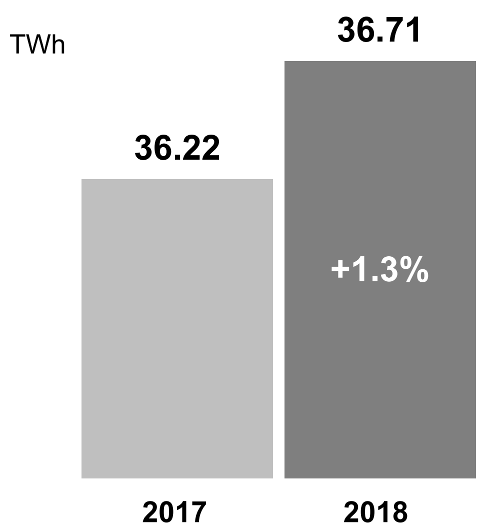
Consumption in the Distribution Area of ČEZ Distribuce



Changes in consumption (+0.5%) by segment:

- +1.4% large end-use customers
- -0.7% residential customers
- -1.1% commercial retail

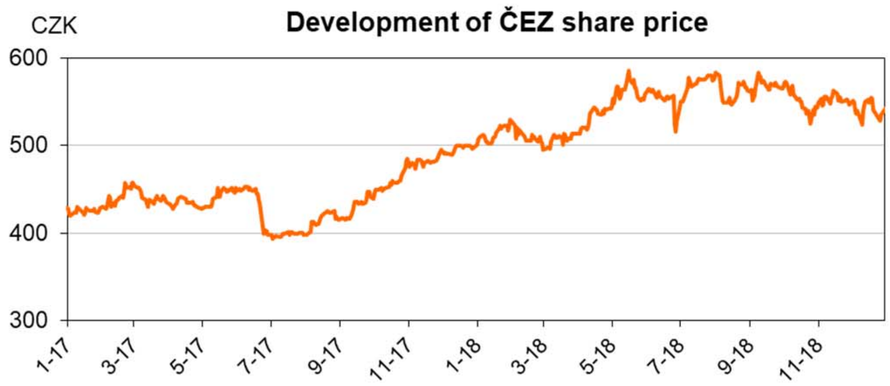
Temperature- and Calendar-Adjusted Consumption*

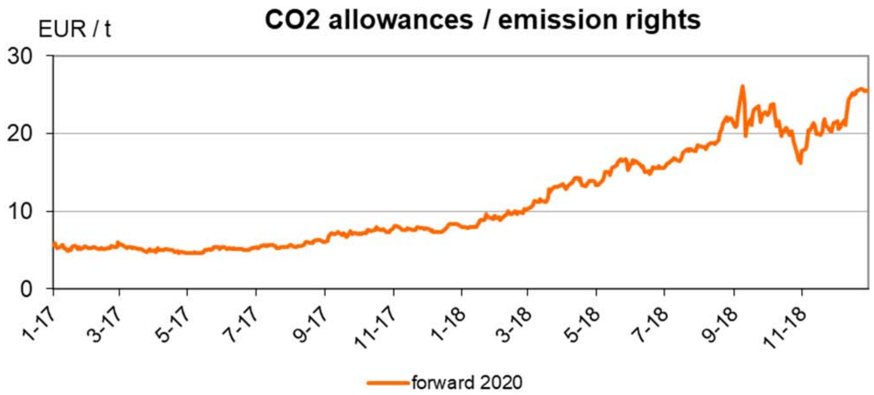


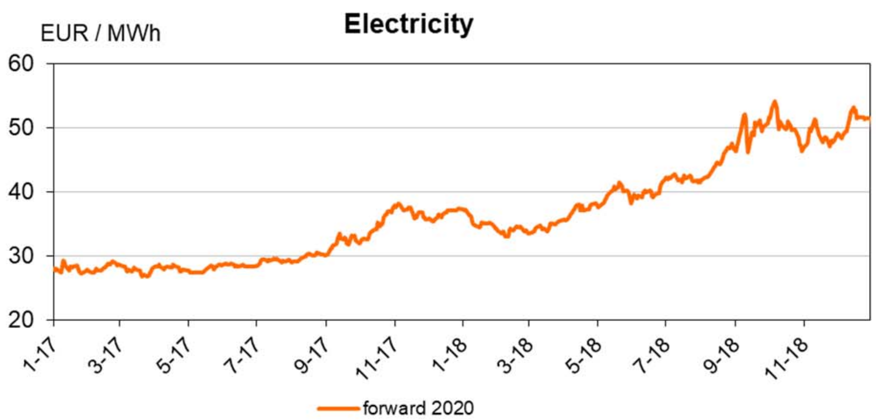
- Analysis based on CEZ Group’s internal data.
- CEZ Group’s distribution area covers around ⅝ of Czechia’s territory, so the data are a good indicator of nationwide consumption trends.

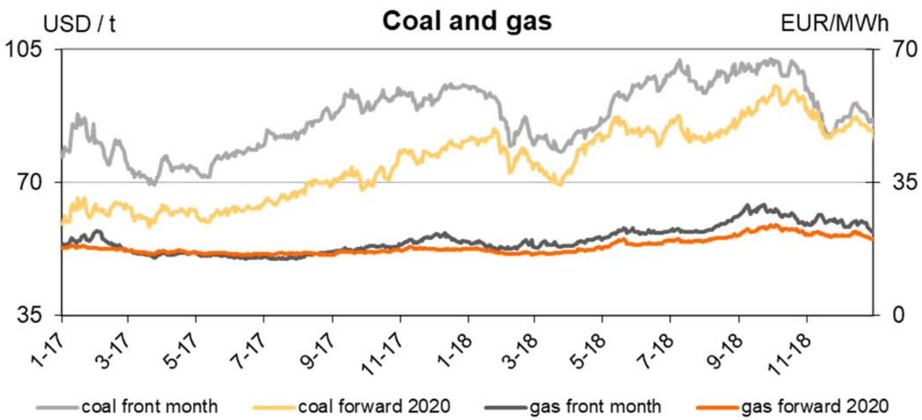
According to data of ČEZ Distribuce, a. s.; * Adjustment as per ČEZ Distribuce, a. s., model

MARKET DEVELOPMENTS IN 2017 - 2018









CHANGE IN SEGMENT STRUCTURE FROM JAN 1, 2019

A change in the classification of CEZ Group companies into segments was made with effect from Jan 1, 2019. In particular, most companies from the “Other” segment were transferred to different segments and the segment was renamed to “Supporting Activities.”

The original segmentation primarily reflected core business activities; now more account is taken of mutual business relations making up the overall segment chain. For example, SD Kolejová doprava (a service subsidiary of Severočeské doly) was transferred from the “Other” segment to the “Mining” segment.

The change also reflects CEZ Group’s internal management and breakdown into the Operations team and the Development team.

Starting from Jan 1, 2019, the classification of companies into segments matches exactly their classification into the Operations team (Mining, Generation—Traditional Energy, and Supporting Activities segments) and Development team (Sales, Distribution, and Generation—New Energy segments).

The classification of key companies as of Jan 1, 2019, and changes from the previous segmentation are shown on the following pages, including a global comparison of 2018 and 2017 EBITDA in both structures.

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: GENERATION–TRADITIONAL ENERGY

Segment companies:

ČEZ, a. s.
Energotrans, a.s.
Elektrárna Počerady, a.s.
ČEZ Teplárenská, a.s.
Elektrárna Dětmarovice, a.s.
Energetické centrum s.r.o.
Tepelné hospodářství města Ústí n. Labem
Areál Třeboradice, a.s.
Elektrárna Dukovany II, a.s.
Elektrárna Temelín II, a.s.
Elektrárna Mělník III, a. s.
OSC, a.s.
AYIN, s.r.o.
~~ČEZ Energo, s.r.o.~~ 5)
~~Energocentrum Vítkovice, a. s.~~ 5)

ÚJV Řež, a. s. d)
ČEZ Energetické produkty, s.r.o. d)
ŠKODA PRAHA a.s. d)
ČEZ ENERGOSERVIS spol. s r.o. d)
MARTIA a.s. d)
EGP Invest d)
Centrum výzkumu Řež s.r.o. d)
ČEZ Bohunice a.s. d)

CEZ Chorzów II sp. z o.o. b)
CEZ Chorzów S.A.
CEZ Skawina S.A.
CEZ Towarowy Dom Maklerski sp. z o.o.
CEZ Produkty Energetyczne Polska d)

CEZ Trade Romania S.R.L.

Jadrová energetická spoločnosť Slovenska* d)
CEZ Hungary Ltd. e)
CEZ Srbija d.o.o.

AK-EL Kemah Elektrik Üretim ve Ticaret *
AK-EL Yalova Elektrik Üretim A.S. *
Aken. El. Enerjisi Ithalat Ihracat ve TT *
Akenerji Dogal Gaz Ithal. Ihr.ve TT A.S. *
Akenerji Elektrik Üretim A.S. *

Legend:

Bold = new company in the segment (lettered note)

Strikethrough = company transferred out of the segment (numbered note)

Moved to segment:

1) to Traditional Energy
2) to New Energy
3) to Mining
4) to Other
5) to Sales
6) to Distribution

Moved from segment:

a) from Traditional energy
b) from New Energy
c) from Mining
d) from Other
e) from Sales
f) from Distribution

* Joint ventures consolidated using the equity method (i.e., excluded from EBITDA)

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: GENERATION–TRADITIONAL ENERGY

Effective until Dec 31, 2018:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	17.9	15.6	-2.4	-13%
Poland	1.1	1.0	-0.1	-12%
Other states	0.0	0.0	0.0	-
Generation - traditional energy	**19.1**	**16.6**	**-2.5**	**-13%**

Effective from Jan 1, 2019:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	18.2	15.7	-2.5	-14%
Poland	1.1	1.0	-0.1	-13%
Other states	-0.1	0.0	+0.1	+78%
Generation - traditional energy	**19.2**	**16.7**	**-2.5**	**-13%**

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: MINING

Segment companies:
Severočeské doly a.s.
LOMY MOŘINA spol. s r.o. *
PRODECO, a.s. [d)]
Revitrans, a.s. [d)]
SD - Kolejová doprava, a.s. [d)]

Legend:
Bold = new company in the segment (lettered note)

Moved between segments:
d) from Other

Effective until Dec 31, 2018:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	4.1	3.8	-0.3	-8%
Mining	**4.1**	**3.8**	**-0.3**	**-8%**

Effective from Jan 1, 2019:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	4.9	4.5	-0.4	-7%
Mining	**4.9**	**4.5**	**-0.4**	**-7%**

* Joint ventures consolidated using the equity method (i.e., excluded from EBITDA)

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: DISTRIBUTION

Segment companies:

ČEZ Distribuce, a. s.

CEZ Distributie S.A.
CEZ Romania S.A. [d)]

CEZ Razpredelenie Bulgaria AD
CEZ Bulgaria EAD [d)]
CEZ ICT Bulgaria EAD [d)]

Sakarya Elektrik Dagitim A.S. *
Akcez Enerji A.S. * [d)]

Legend:
Bold = new company in the segment (lettered note)

Moved between segments:
d) from Other

Effective until Dec 31, 2018:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	16.0	17.2	+1.2	+7%
Romania	1.7	1.6	-0.1	-6%
Bulgaria	1.3	1.0	-0.3	-26%
Distribution	**19.0**	**19.7**	**+0.7**	**+4%**

Effective from Jan 1, 2019:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	16.0	17.2	+1.2	+7%
Romania	1.8	1.7	-0.1	-7%
Bulgaria	1.5	1.1	-0.4	-26%
Distribution	**19.3**	**19.9**	**+0.7**	**+3%**

* Joint ventures consolidated using the equity method (i.e., excluded from EBITDA)

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: GENERATION–NEW ENERGY

Segment companies:

ČEZ OZ uzavřený investiční fond a.s.
ČEZ Obnovitelné zdroje, s.r.o.
ČEZ Recyklace, s.r.o.
Inven Capital, SICAV (podfondy ČEZ) [d)]
REN Development s.r.o.

CEZ Bulgarian Investments B.V. [d)]
CEZ Holdings B.V. [d)]
CEZ New Energy Investments B.V. [d)]
CEZ France SAS
Ferme Eolienne d´Andelaroche SAS
FERME EOLIENNE DE LA PIBALLE SAS
FERME EOLIENNE DE NEUVILLE-AUX-BOIS SAS
FERME EOLIENNE DE SAINT-AULAYE SAS
FERME EOLIENNE DE SAINT-LAURENT-DE-CERIS
FERME EOLIENNE DE SEIGNY SAS
FERME EOLIENNE DE THORIGNY SAS
FERME EOLIENNE DES BREUILS SAS
FERME EOLIENNE DES GRANDS CLOS SAS
FERME EOLIENNE DU GERMANCE SAS

CEZ Deutschland GmbH [d)]
BANDRA Mobiliengesellschaft mbH & Co. KG
CASANO Mobiliengesellschaft mbH & Co. KG
CEZ Erneuerbare Energien Beteiligungs II GmbH
GP JOULE PP X Verwaltungs GmbH
GP JOULE PP1 GmbH & Co. KG
Green Wind Deutschland GmbH
juwi Wind Germany 100 GmbH & Co. KG
Windpark Moringen Nord GmbH & Co. KG
Windpark Prezelle GmbH & Co. KG
CEZ Erneuerbare Energien Beteiligungs
CEZ Erneuerbare Energien Verwaltungs
CEZ Windparks Lee GmbH
CEZ Windparks Luv GmbH
CEZ Windparks Nordwind GmbH
Windpark Baben Erweiterung GmbH & Co. KG
Windpark Badow GmbH & Co. KG
Windpark Fohren Linden GmbH & Co. KG
Windpark Frauenmark III GmbH & Co. KG
Windpark Gremersdorf GmbH & Co. KG
Windpark Cheinitz-Zethlingen GmbH & Co. KG
Windpark Mengeringhausen GmbH & Co. KG
Windpark Naundorf GmbH & Co. KG
Windpark Zagelsdorf GmbH & Co. KG

A.E. Wind S.A.
Baltic Green Construction sp. z o.o.
Baltic Green I sp. z o.o.
Baltic Green II sp. z o.o.
Baltic Green III sp. z o.o.
Baltic Green IX sp. z o.o.
Baltic Green V sp. z o.o.
Baltic Green VI sp. z o.o.
Baltic Green VIII sp. z o.o.
~~CEZ Chorzów II sp. z o.o.~~ [1)]

Tomis Team S.R.L.
Ovidiu Development S.R.L.
M.W. Team Invest S.R.L.
TMK Hydroenergy Power S.R.L.

Free Energy Project Oreshets EAD
Bara Group EOOD

Legend:

Bold = new company in the segment (lettered note)
Strikethrough = company transferred out of the segment (numbered note)

Moved between segments:

1) to Traditional Energy
d) from Other

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: GENERATION–NEW ENERGY

Effective until Dec 31, 2018:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	1.8	1.4	-0.4	-23%
Romania	2.9	1.4	-1.5	-53%
Germany	0.5	0.5	0.0	+3%
Other states	-0.2	0.0	+0.2	-
Generation - new energy	**5.0**	**3.2**	**-1.7**	**-35%**

Effective from Jan 1, 2019:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	1.7	1.3	-0.4	-23%
Romania	2.9	1.4	-1.5	-53%
Germany	0.4	0.4	0.0	-1%
Other states	-0.4	-0.2	+0.2	+49%
Generation - new energy	**4.6**	**2.9**	**-1.8**	**-38%**

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: SALES

Segment companies:

ČEZ Prodej, s.r.o.
ČEZ Energetické služby, s.r.o.
ČEZ ESCO, a.s.
AirPlus, spol. s r.o.
AZ KLIMA a.s.
ČEZ Bytové domy, s.r.o.
ČEZ Energo, s.r.o.
ČEZ LDS, s.r.o.
ČEZ Solární, s.r.o.
Domat Control System s.r.o.
Domat Holding s.r.o.
EASY POWER s.r.o.
ENESA a.s.
HORMEN CE a.s.
KART, spol. s r.o.
TENAUR, s.r.o.
Energocentrum Vítkovice, a. s.[a]
ČEZ Energo, s.r.o.[a]

CEZ ESCO I GmbH
CEZ ESCO II GmbH
D-I-E ELEKTRO AG
EAB Automation Solutions GmbH
EAB Elektroanlagenbaus GmbH Rhein/Main
Elektro Decker GmbH
Elevion Co-Investment GmbH & Co. KG
Elevion GmbH
ETS Efficient Technical Solutions GmbH
ETS Efficient Technical Solutions Shanghai Co. Ltd.
HAu.S GmbH
Hybridkraftwerk Culemeyerstraße Projekt GmbH
Kofler Energies Energieeffizienz GmbH
Kofler Energies Ingenieurgesellschaft GmbH
Kofler Energies International GmbH
Kofler Energies Italia S.r.l.
Kofler Energies Systems GmbH
NEK Facility Management GmbH
Rudolf Fritz GmbH
TGS Engineering Kft
WPG Projekt GmbH

CEZ Trade Polska Sp. z o.o.
ESCO CITY I Sp. z o.o.
ESCO CITY II Sp. z o.o.
ESCO CITY III Sp. z o.o.
ESCO City IV sp. z o.o.
ESCO City V sp. z o.o.
ESCO City VI sp. z o.o.
Metrolog sp. z o.o.
OEM Energy Sp. z o.o.
CEZ ESCO Polska sp. z o.o.

CEZ Vanzare S.A.
CEZ ESCO ROMANIA S.A.
HIGH-TECH CLIMA DOO
HIGH-TECH CLIMA S.R.L

CEZ Elektro Bulgaria AD
CEZ ESCO Bulgaria EOOD
CEZ Trade Bulgaria EAD

AZ KLIMA SK, s.r.o.
CEZ Slovensko, s.r.o.
~~CEZ Hungary Ltd.~~ [1]
Bytkomfort, s.r.o.
ČEZ Distribučné sústavy a.s.
KLF-Distribúcia, s.r.o.
SERVISKOMFORT s.r.o.
SPRAVBYTKOMFORT, a.s. Prešov

Sakarya Elektrik Perakende Satis A.S. *

Legend:

Bold = new company in the segment (lettered note)
Strikethrough = company transferred out of the segment (numbered note)

Moved between segments:

1) to Traditional Energy
a) from Traditional energy

* Joint ventures consolidated using the equity method (i.e., excluded from EBITDA)

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: SALES

Effective until Dec 31, 2018:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	4.1	3.9	-0.2	-6%
Germany	0.1	0.5	+0.3	>200%
Bulgaria	0.6	0.2	-0.4	-67%
Other states	-0.2	-0.2	0.0	+19%
Sales	**4.6**	**4.3**	**-0.3**	**-6%**

Effective from Jan 1, 2019:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	4.1	3.8	-0.3	-7%
Germany	0.1	0.5	+0.3	>200%
Bulgaria	0.6	0.2	-0.4	-67%
Other states	-0.1	-0.1	0.0	-14%
Sales	**4.7**	**4.3**	**-0.4**	**-9%**

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: SUPPORTING ACTIVITIES (PREVIOUSLY "OTHER")

Segment companies:

ČEZ ICT Services, a. s.
Telco Pro Services, a. s.
ČEZ Korporátní služby, s.r.o.
ČEZ Asset Holding, a.s.

CEZ Polska Sp. z o.o.

CEZ Ukraine LLC
CEZ MH B.V.

~~ÚJV Řež, a. s.~~ 1)
~~ČEZ Energetické produkty, s.r.o.~~ 1)
~~ŠKODA PRAHA a.s.~~ 1)
~~ČEZ ENERGOSERVIS spol. s r.o.~~ 1)
~~MARTIA a.s.~~ 1)
~~EGP Invest~~ 1)
~~Centrum výzkumu Řež s.r.o.~~ 1)
~~ČEZ Bohunice a.s.~~ 1)

~~Inven Capital, SICAV, a.s.~~ 2)
~~PRODECO, a.s.~~ 3)
~~Revitrans, a.s.~~ 3)
~~SD - Kolejová doprava, a.s.~~ 3)

~~CEZ Produkty Energetyczne Polska~~ 1)

~~CEZ Romania S.A.~~ 6)

~~CEZ Bulgaria EAD~~ 6)
~~CEZ ICT Bulgaria EAD~~ 6)

~~CEZ Deutschland GmbH~~ 2)

~~CEZ Holdings B.V.~~ 2)
~~CEZ New Energy Investments B.V.~~ 2)
~~CEZ Bulgarian Investments B.V.~~ 2)

~~Akcez Enerji A.S.~~* 6)

Legend:

Strikethrough = company transferred out of the segment (numbered note)

Moved between segments:

1) to Traditional Energy
2) to New Energy
3) to Mining
6) to Distribution

* Joint ventures consolidated using the equity method (i.e., excluded from EBITDA)

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2019

SEGMENT: SUPPORTING ACTIVITIES (PREVIOUSLY "OTHER")

Effective until Dec 31, 2018:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	2.2	2.0	-0.2	-10%
Other states	-0.1	-0.2	-0.1	-105%
Other	**2.2**	**1.9**	**-0.3**	**-13%**

Effective from Jan 1, 2019:

EBITDA (CZK bn)	2017	2018	Change	%
Czechia	1.2	1.3	0.0	+2%
Other states	0.0	0.0	0.0	+61%
Support activities	**1.2**	**1.3**	**0.0**	**+2%**

Electricity balance (GWh)

	2017	2018	Index 2018/2017
Electricity procured	**56,620**	**56,930**	**+1%**
Generated in-house (gross)	62,887	63,080	+0%
In-house and other consumption, including pumping in pumped-storage plants	-6,268	-6,150	-2%
Sold to end customers	**-37,036**	**-37,634**	**+2%**
Sold in the wholesale market (net)	**-15,408**	**-15,332**	**-0%**
Sold in the wholesale market	-264,140	-333,262	+26%
Purchased in the wholesale market	248,732	317,931	+28%
Grid losses	**-4,176**	**-3,965**	**-5%**

Electricity generation by source (GWh)

Nuclear	28,339	29,920	+6%
Coal and lignite	28,176	26,974	-4%
Water	2,156	1,974	-8%
Biomass	808	789	-2%
Photovoltaic	138	146	+5%
Wind	1,571	1,380	-12%
Natural gas	1,696	1,894	+12%
Bio gas	4	4	-4%
Total	**62,887**	**63,080**	**+0%**

Sales of electricity to end customers (GWh)

Households	-13,418	-13,014	-3%
Commercial (low voltage)	-4,892	-4,909	+0%
Commercial and industrial (medium and high voltage)	-18,726	-19,711	+5%
Sold to end customers	**-37,036**	**-37,634**	**+2%**

Distribution of electricity (GWh)

	2017	2018	Index 2018/2017
Distribution of electricity to end customers	52,042	52,347	+1%

Electricity balance (GWh) by segment

2018	Generation - traditional energy		Generation - new energy		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**55,039**	**+1%**	**1,761**	**-11%**	**0**	**-**	**130**	**-**	**0**	**-**	**56,930**	**+1%**
Generated in-house (gross)	61,161	+0%	1,782	-11%	0	-	136	-	0	-	63,080	+0%
In-house and other consumption, including pumping in pumped-storage plants	-6,122	-2%	-21	-19%	0	-	-7	-	0	-	-6,150	-2%
Sold to end customers	**-237**	**+5%**	**0**	**-**	**0**	**-**	**-39,296**	**+1%**	**1,899**	**-6%**	**-37,634**	**+2%**
Sold in the wholesale market (net)	**-54,802**	**+1%**	**-1,761**	**-11%**	**3,965**	**-5%**	**39,166**	**+1%**	**-1,899**	**-6%**	**-15,332**	**-0%**
Sold in the wholesale market	-351,669	+22%	-2,530	-9%	0	-	-3,097	+27%	24,034	-19%	-333,262	+26%
Purchased in the wholesale market	296,867	+27%	768	-3%	3,965	-5%	42,264	+2%	-25,933	-18%	317,931	+28%
Grid losses	**0**	**-**	**0**	**-**	**-3,965**	**-5%**	**0**	**-**	**0**	**-**	**-3,965**	**-5%**

Electricity generation by source (GWh) by segment

	Generation - traditional energy		Generation - new energy		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	29,920	+6%	0	-	0	-	0	-	0	-	29,920	+6%
Coal and lignite	26,974	-4%	0	-	0	-	0	-	0	-	26,974	-4%
Water	1,721	-8%	253	-11%	0	-	0	-	0	-	1,974	-8%
Biomass	789	-2%	0	-	0	-	0	-	0	-	789	-2%
Photovoltaic	0	-	146	+5%	0	-	0	-	0	-	146	+5%
Wind	0	-	1,380	-12%	0	-	0	-	0	-	1,380	-12%
Natural gas	1,758	+4%	0	-	0	-	136	-	0	-	1,894	+12%
Bio gas	0	-	4	-4%	0	-	0	-	0	-	4	-4%
Total	**61,161**	**+0%**	**1,782**	**-11%**	**0**	**-**	**136**	**-**	**0**	**-**	**63,080**	**+0%**

Sales of electricity to end customers (GWh) by segment

	Generation - traditional energy		Generation - new energy		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	0	-	0	-	-13,014	-3%	0	-	-13,014	-3%
Commercial (low voltage)	-1	+6%	0	-	0	-	-4,908	+0%	0	-	-4,909	+0%
Commercial and industrial (medium and high voltage)	-236	+5%	0	-	0	-	-21,374	+4%	1,899	-6%	-19,711	+5%
Sold to end customers	**-237**	**+5%**	**0**	**-**	**0**	**-**	**-39,296**	**+1%**	**1,899**	**-6%**	**-37,634**	**+2%**

Electricity balance (GWh) by country

2018	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**53,004**	**+1%**	**2,486**	**+0%**	**1,168**	**-15%**	**6**	**-3%**	**266**	**+11%**	**0**	**-**	**0**	**-**	**56,930**	**+1%**
Generated in-house (gross)	58,798	+1%	2,821	+0%	1,188	-15%	6	-3%	266	+11%	0	-	0	-	63,080	+0%
In-house and other consumption, including pumping in pumped-storage plants	-5,794	-2%	-335	+1%	-20	+8%	0	-	0	-	0	-	0	-	-6,150	-2%
Sold to end customers	**-17,504**	**-2%**	**-2,739**	**-5%**	**-3,425**	**+4%**	**-10,565**	**+5%**	**0**	**-**	**-3,401**	**+13%**	**0**	**-**	**-37,634**	**+2%**
Sold in the wholesale market (net)	**-33,352**	**+2%**	**253**	**-37%**	**3,124**	**+10%**	**11,509**	**+3%**	**-266**	**+11%**	**3,401**	**+13%**	**0**	**-**	**-15,332**	**-0%**
Sold in the wholesale market	-337,617	+26%	-2,777	+2%	-1,787	+4%	-602	>200%	-266	+11%	-132	-64%	9,918	+14%	-333,262	+26%
Purchased in the wholesale market	304,264	+29%	3,030	-3%	4,910	+8%	12,111	+7%	0	-	3,533	+4%	-9,918	+14%	317,931	+28%
Grid losses	**-2,147**	**-0%**	**0**	**-**	**-866**	**-6%**	**-951**	**-14%**	**0**	**-**	**0**	**-**	**0**	**-**	**-3,965**	**-5%**

Electricity generation by source (GWh) by country

	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	29,920	+6%	0	-	0	-	0	-	0	-	0	-	0	-	29,920	+6%
Coal and lignite	24,416	-5%	2,557	-0%	0	-	0	-	0	-	0	-	0	-	26,974	-4%
Water	1,884	-9%	6	-40%	83	+19%	0	-	0	-	0	-	0	-	1,974	-8%
Biomass	531	-7%	258	+10%	0	-	0	-	0	-	0	-	0	-	789	-2%
Photovoltaic	140	+6%	0	-	0	-	6	-3%	0	-	0	-	0	-	146	+5%
Wind	9	+14%	0	-	1,105	-16%	0	-	266	+11%	0	-	0	-	1,380	-12%
Natural gas	1,894	+12%	0	-	0	-	0	-	0	-	0	-	0	-	1,894	+12%
Bio gas	4	-4%	0	-	0	-	0	-	0	-	0	-	0	-	4	-4%
Total	**58,798**	**+1%**	**2,821**	**+0%**	**1,188**	**-15%**	**6**	**-3%**	**266**	**+11%**	**0**	**-**	**0**	**-**	**63,080**	**+0%**

Sales of electricity to end customers (GWh) by country

	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-6,946	-3%	0	-	-1,724	-1%	-4,344	-2%	0	-	0	-	0	-	-13,014	-3%
Commercial (low voltage)	-2,107	-1%	-261	-4%	-912	+10%	-1,472	-5%	0	-	-156	+31%	0	-	-4,909	+0%
Commercial and industrial (medium and high voltage)	-8,451	-1%	-2,478	-5%	-789	+8%	-4,748	+16%	0	-	-3,245	+17%	0	-	-19,711	+5%
Sold to end customers	**-17,504**	**-2%**	**-2,739**	**-5%**	**-3,425**	**+4%**	**-10,565**	**+5%**	**0**	**-**	**-3,401**	**+13%**	**0**	**-**	**-37,634**	**+2%**

Distribution of electricity (GWh) by country

2018	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	35,980	+0%	0	-	6,826	+3%	9,541	-0%	0	-	0	-	0	-	52,347	+1%

Methods Used to Calculate Indicators Unspecified in IFRS

In accordance with ESMA guidelines, ČEZ provides detailed information on indicators that are not reported as standard in IFRS statements or the components of which are not directly available from standardized statements (financial statements). Such indicators represent supplementary information in respect of financial data, providing reports' users with additional information for their assessment of the financial position and performance of CEZ Group or ČEZ. In general, these indicators are also commonly used in other commercial companies, not only in the energy sector.

Indicator	
Adjusted Net Income (After-Tax Income, Adjusted)	Purpose: This is a supporting indicator, intended primarily for investors, creditors, and shareholders, which allows interpreting achieved financial results with the exclusion of extraordinary, usually nonrecurring effects that are generally unrelated to ordinary financial performance and value creation in a given period. Definition: Net income (after-tax income) +/− additions to and reversals of impairments of property, plant, and equipment and intangible assets, including goodwill +/− additions to and reversals of impairments of developed projects +/− other extraordinary effects that are generally unrelated to ordinary financial performance in a given year and value creation in a given period +/− effects of the above on income tax.
Dividend per Share (Gross)	Purpose: The indicator expresses a shareholder's right to the payment of a share in a joint-stock company's profits (usually for the past year) corresponding to the holding of one share. The subsequent payment of the share in profits is usually subject to taxes, which may be different for different shareholders; therefore, the value before taxes is reported. Definition: Dividend awarded in the current year, before taxes, per outstanding share (paid in the reported year from the profits of prior periods).

Most of the components used in the calculation of individual indicators (including EBITDA and Net Debt) are directly shown in financial statements. The components of calculations that are not included in the financial statements are usually shown directly in a company's books and are defined as follows:

Adjusted Net Income indicator—individual components:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1—Q4 2017	Q1—Q4 2018
Net income	CZK millions	18,959	10,500
Impairments of property, plant, and equipment and intangible assets, including goodwill	CZK millions	(142)	1,766
Impairments of developed projects*)	CZK millions	523	0
Impairments of property, plant, and equipment and intangible assets, including goodwill, at joint ventures**)	CZK millions	1,251	0
Effects of additions to or reversals of impairments on income tax***)	CZK millions	107	(150)
Other extraordinary effects****)	CZK millions	0	938
Adjusted net income	**CZK millions**	**20,698**	**13,055**

**) Included in the row Other operating expenses (impairments of inventories) in the Consolidated Statement of Income*
***) Included in the row Share of profit (loss) from associates and joint-ventures in the Consolidated Statement of Income*
****) Included in the row Income taxes (deferred tax) in the Consolidated Statement of Income*
*****) Negative effect of additions to provisions and impairments of a ČEZ receivable corresponding to the value of potential partial performance under provided guarantees for Turkish Akcez group companies' loans due to continued weakening of the TRY/USD exchange rate in 2018 (reflecting Turkey's macroeconomic and political developments); this is included in the Consolidated Statement of Income in the row Share of Profit (Loss) from Associates and Joint Ventures (CZK 425 m) and in the row Impairments of Financial Assets (CZK 513 m).*