



PRESENTATION ON CEZ GROUP FINANCIAL RESULTS IN Q1 2018

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

May 10, 2018

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Financial Highlights, Selected Events and Full Year Guidance

Results and Selected Events—Development Team

Results and Selected Events—Operations Team

CEZ GROUP FINANCIAL AND OPERATING RESULTS



| (CZK bn) | | Q1 2017 | Q1 2018 | Change | % |
|--|--------|---------|---------|--------|------|
| Revenues | | 52.8 | 45.4 | -7.4 | -14% |
| EBITDA | | 19.0 | 17.5 | -1.5 | -8% |
| EBIT | | 11.7 | 10.4 | -1.3 | -11% |
| Net income | | 8.7 | 7.3 | -1.4 | -16% |
| Net income - adjusted * | | 8.8 | 7.3 | -1.5 | -17% |
| Operating CF | | 12.7 | 17.2 | +4.5 | +35% |
| CAPEX | | 4.3 | 3.1 | -1.2 | -27% |
| Net debt ** *** | | 139.2 | 121.0 | -18.2 | -13% |
| | | Q1 2017 | Q1 2018 | Change | % |
| Installed capacity ** | GW | 15.4 | 14.9 | -0.6 | -4% |
| Generation of electricity - traditional energy | TWh | 16.8 | 15.6 | -1.2 | -7% |
| Generation of electricity - new energy | TWh | 0.6 | 0.6 | 0.0 | +2% |
| Electricity distribution to end customers | TWh | 14.6 | 14.8 | +0.2 | +1% |
| Electricity sales to end customers | TWh | 10.4 | 10.7 | +0.2 | +2% |
| Sales of natural gas to end customers | TWh | 3.7 | 3.9 | +0.2 | +6% |
| Sales of heat | 000 TJ | 10.0 | 10.2 | +0.2 | +2% |
| Number of employees ** **** | 000 's | 26.7 | 30.3 | +3.6 | +14% |

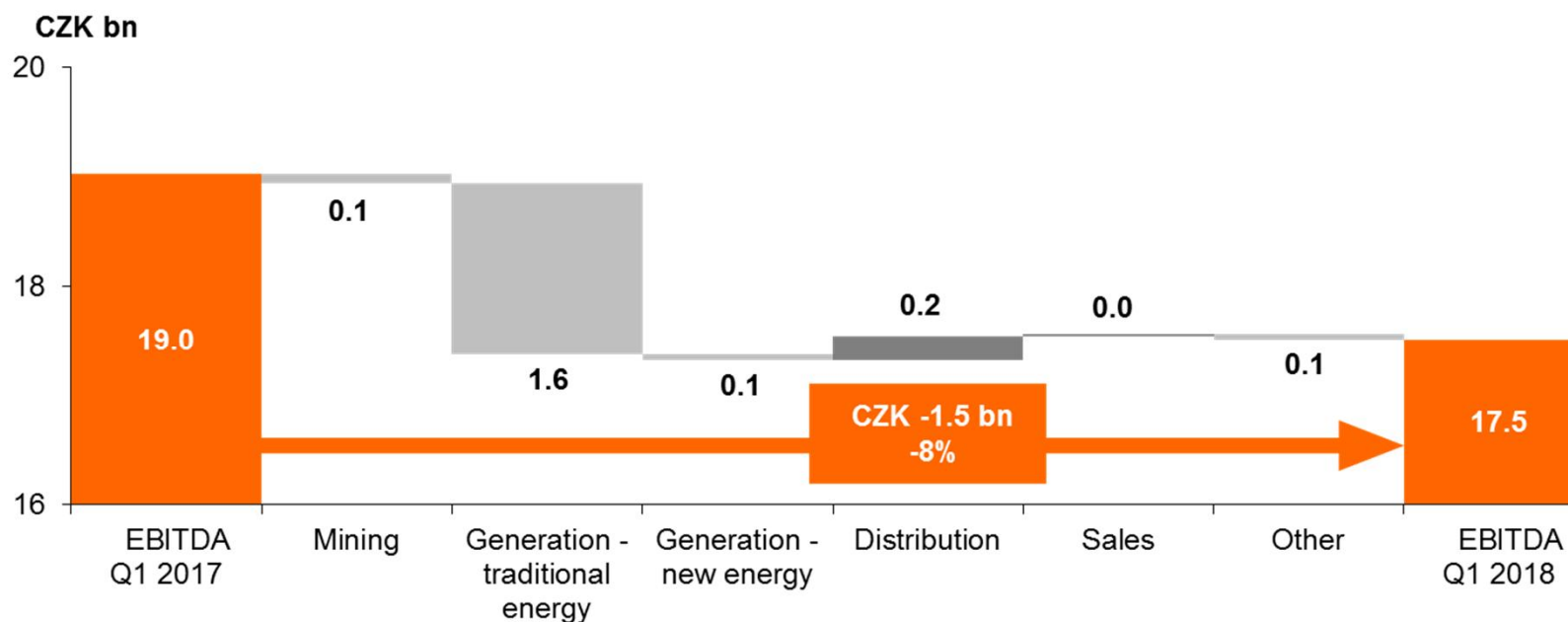
* Adjusted net income = Net income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill write-offs)

** At the last date of the period

*** Out of CZK 18.2bn decrease of net debt, CZK 11.3bn was due to the sale of MOL shares and redemption of exchangeable bond in Q2 2017

**** The increase is primarily related to new acquisitions, in particular of German company Elevion (almost 2,000 employees), and insourcing of purchased services in Czechia

YEAR-ON-YEAR CHANGE IN EBITDA BY SEGMENT



Main causes of year-on-year change in Q1 EBITDA:

- Effect of settlement agreement with Sokolovská uhelná in 2017 (CZK -0.7 billion)
- Lower realization prices of generated electricity in Czechia, including the effect of hedges (CZK -0.5 billion)
- Lower generation in coal-fired power plants and CCGT unit in Czechia (CZK -0.5 billion)

OTHER INCOME (EXPENSES)



| (CZK bn) | Q1 2017 | Q1 2018 | Change | % |
|--|-------------|-------------|-------------|-------------|
| EBITDA | 19.0 | 17.5 | -1.5 | -8% |
| Depreciation, amortization and impairments* | -7.4 | -7.1 | +0.3 | +4% |
| Other income (expenses) | -1.0 | -1.5 | -0.5 | -50% |
| Interest income (expenses) | -0.9 | -1.2 | -0.3 | -36% |
| Interest on nuclear and other provisions | -0.4 | -0.4 | 0.0 | -10% |
| Income (expenses) from investments and securities | -0.3 | 0.0 | +0.4 | - |
| Other | 0.6 | 0.1 | -0.5 | -84% |
| Income taxes | -2.0 | -1.6 | +0.3 | +17% |
| Net income | 8.7 | 7.3 | -1.4 | -16% |
| Net income - adjusted | 8.8 | 7.3 | -1.5 | -17% |

Depreciation, Amortization, and Impairments* (CZK +0.3 billion)

- Lower depreciation and amortization (CZK +0.4 billion), primarily due to updated long-term estimates of service life of ČEZ power plants, partly compensated by the started depreciation of the Ledvice power plant after completion of construction at the end of 2017
- Lower gains on sales of property, plant, and equipment (CZK -0.1 billion)

Other Income (Expenses) (CZK -0.5 billion)

- Higher interest expenses (CZK -0.3 billion) primarily due to lower interest capitalization
- Share in financial performance of Turkish JVs (CZK +0.3 billion)
- MOL stock option revaluation in 2017 (CZK -0.5 billion)

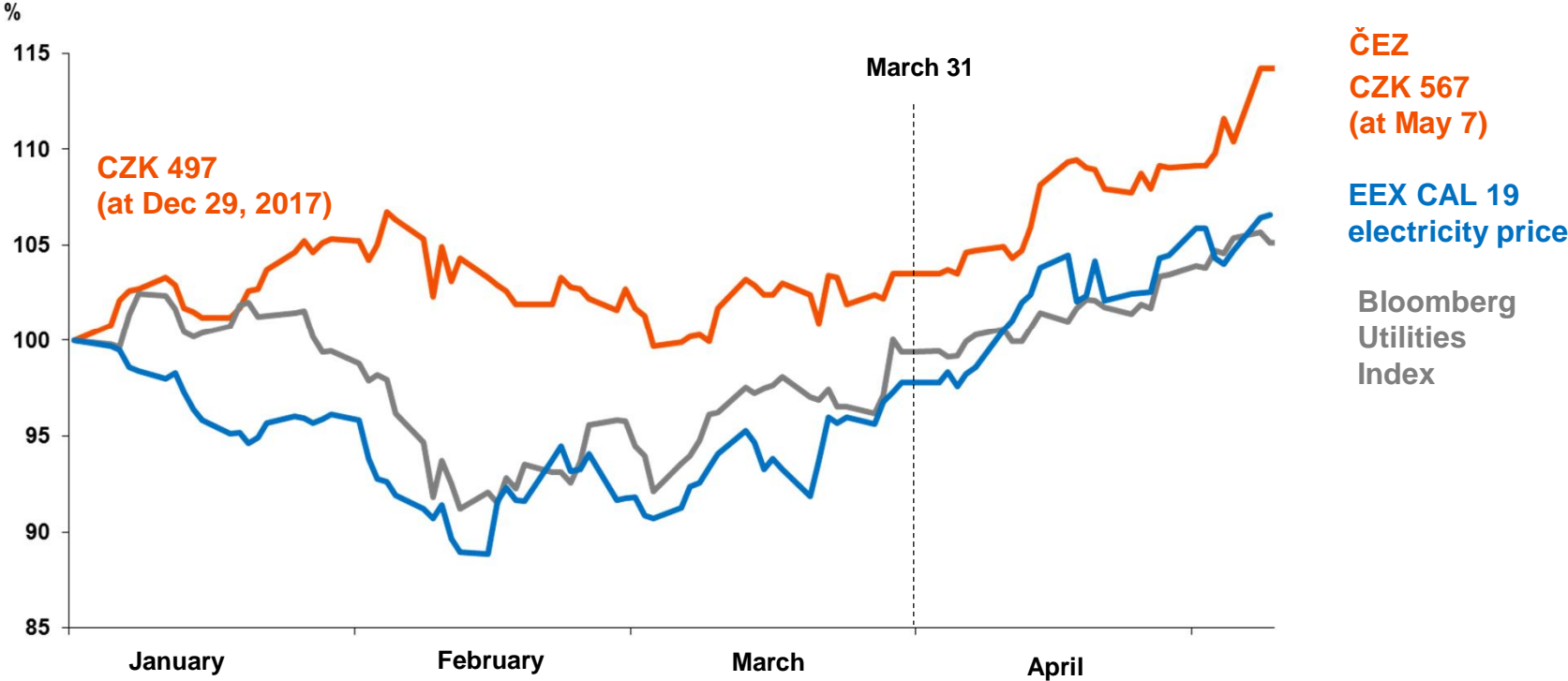
Net Income Adjustment

- 1–3/2017 net income is adjusted for the negative effect of partial goodwill write-offs in Turkey (CZK +0.1 billion)

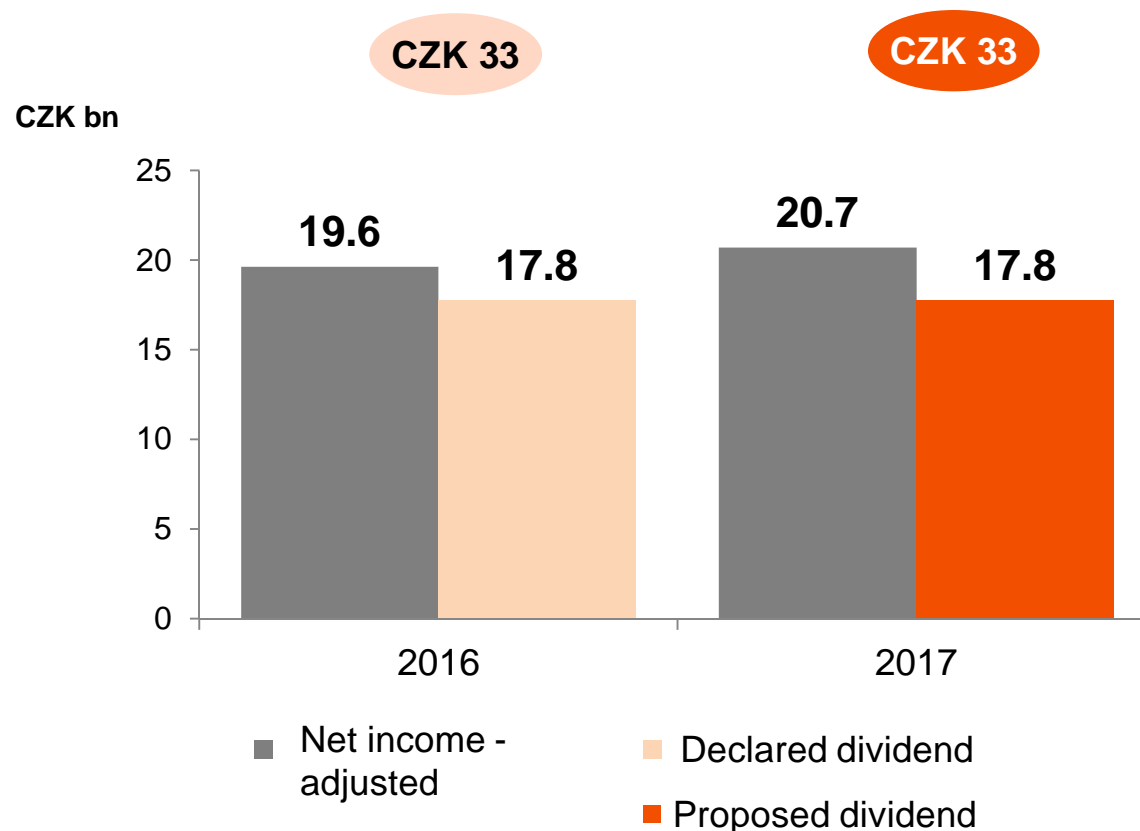
ČEZ SHARE PRICES IN 2018



Development of ČEZ Share Price and wholesale electricity price and Bloomberg index



2017 DIVIDEND WILL BE PROPOSED TO THE SHAREHOLDERS' MEETING OF ČEZ, A. S. ON JUNE 22



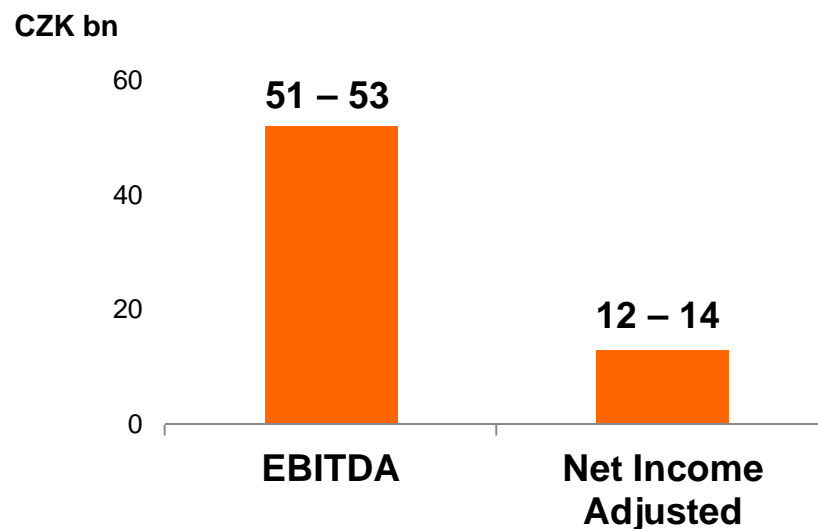
Dividend (CZK/share)

- The Board of Directors of ČEZ, a. s. decided on a proposal for a 2017 dividend to be presented to the Shareholders' Meeting on June 22, 2018.
- The Board of Directors shall propose a gross **dividend** at the amount of **CZK 33 per share**, which corresponds to 86% of the CEZ Group's consolidated net income for 2017 adjusted for extraordinary effects.
- The proposed dividend reflects the Company's updated dividend policy, whose last-year update consisted in temporarily widening the payout ratio to 60–100% of CEZ Group's consolidated net income adjusted for extraordinary effects.

EBITDA GUIDANCE REMAINS AT CZK 51BN TO 53BN, ADJUSTED NET INCOME AT CZK 12BN TO 14BN



CEZ Group Financial Outlook for 2018



Selected prediction risks and opportunities (reasons for the interval):

- Availability of generating facilities
- Completion of Bulgarian assets' sale
- New RES and ESCO acquisitions
- Payment of SŽDC debts from 2011

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Results and Selected Events—Development Team

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SELECTED EVENTS—DEVELOPMENT TEAM



CEZ GROUP STRENGTHENS ITS POSITION IN THE FIELD OF NEW ENERGY IN EUROPE

Preparation of construction of CEZ Group's renewable energy sources in France goes on according to our plans

- Permits were issued for the construction and operation of four wind farms with the total capacity of 42.4 MW in central and western France.
- Construction of the first of them, the Ascheres wind farm with the capacity of 13.6 MW, whose integrated permit entered into effect on March 9, 2018, is expected to start in the second half of 2018.

Acquisition-based and organic growth in the field of ESCO energy services continues

- Acquisition of a 100% stake in Polish company Metrolog sp. z o.o.
- Acquisition of a 25% stake in ENESA, by which ČEZ ESCO became the 100% owner of this company.
- The ESCO Group's non-commodity product sales in Q1 amounted to CZK 3 billion, of which nearly CZK 1.4 billion was in Czechia.

Inven Capital completed the transformation of its legal form to comply with the EIB's condition for the management of EUR 50 million

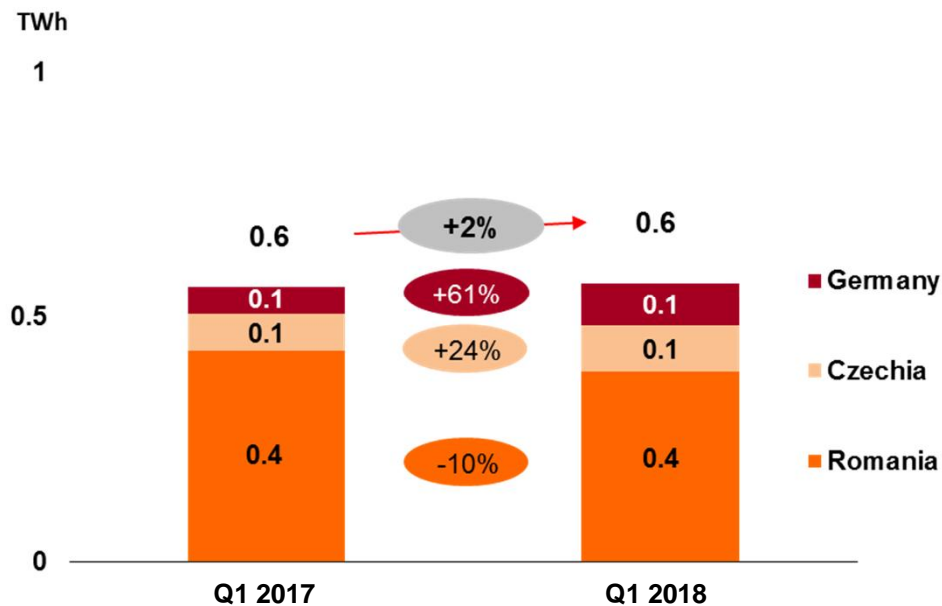
- The change in the legal form of Inven Capital from a closed-end investment fund to a variable-capital joint-stock company (SICAV) has been completed.
- The condition precedent for the entrusting of EUR 50 million by the EIB to Inven Capital to invest in innovative and fast-growing start-ups focused on clean energy and intelligent technologies has been fulfilled.

CEZ GROUP FURTHER CONSOLIDATES ITS POSITION IN EUROPE

Our strategy focuses on Central and Western Europe. In line with it, we sell our assets in Bulgaria

- On February 23, 2018, an agreement was concluded for the sale of Bulgarian distribution and other assets to Inercom.
- On March 14, 2018, Inercom filed an application for the approval of the transaction with the Bulgarian Office for the Protection of Competition.
- In accordance with the sales agreement, the completion of the transaction is expected by the end of 2018.
- The arbitration claims of ČEZ against Bulgaria are not part of the sale. The arbitration is carried on by ČEZ.

GENERATION—NEW ENERGY



Germany (+61%)

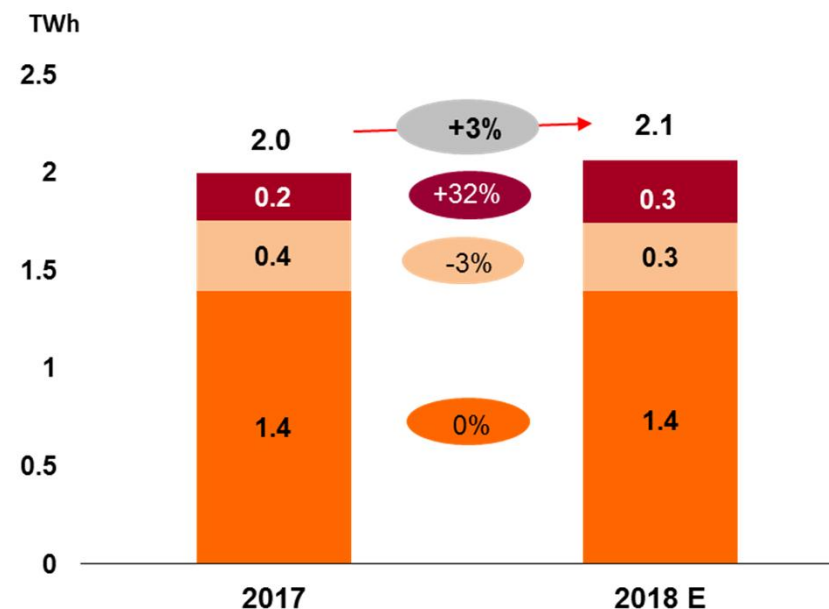
+ Effect of acquisition of wind farms in Lettweiler Höhe (belonging to the portfolio of CEZ Group since September 2017)

Czechia (+24%)

+ Higher generation by small hydroelectric and photovoltaic power plants due to climatic conditions

Romania (-10%)

- Worse wind conditions



Germany (+32%)

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

Czechia (-3%)

- Above-average weather conditions in year 2017

SEGMENT: GENERATION–NEW ENERGY



| EBITDA (CZK bn) | Q1 2017 | Q1 2018 | Change | % |
|--------------------------------|------------|------------|-------------|------------|
| Czechia | 0.3 | 0.4 | 0.0 | +11% |
| Romania | 0.7 | 0.5 | -0.2 | -25% |
| Germany | 0.1 | 0.2 | +0.1 | +58% |
| Generation - new energy | 1.1 | 1.1 | -0.1 | -4% |

Romania (CZK -0.2 billion)

- Lower allocation of green certificates (only one certificate for a generated MWh has been allocated to Romanian wind farms since January 1, 2018; in 2017, two certificates were allocated)

Germany (CZK +0.1 billion)

- Acquisition of wind farms with the installed capacity of 35.4 MW at Lettweiler Höhe (belonging to the portfolio of the CEZ Group since September 2017)

SEGMENT: DISTRIBUTION



| EBITDA (CZK bn) | Q1 2017 | Q1 2018 | Change | % |
|---------------------|------------|------------|-------------|------------|
| Czechia | 4.5 | 4.7 | +0.2 | +5% |
| Romania | 0.3 | 0.3 | +0.1 | +18% |
| Bulgaria | 0.4 | 0.3 | 0.0 | -10% |
| Distribution | 5.1 | 5.4 | +0.2 | +4% |

Czechia (CZK +0.2 billion)

- Higher gross margin on the electricity distribution (CZK +0.5 billion) primarily due to the year-on-year increase in allowed revenues
- Higher personnel expenses and overheads (CZK -0.2 billion) due to the increase in headcount in connection with higher investments in the distribution system and with the separation of services for distribution clients and sales customers
- Effect of the application of IFRS 15 on revenues from connection fees (CZK -0.1 billion)

Romania (CZK +0.1 billion)

- Higher gross margin on electricity distribution (CZK +0.1 billion) due to lower expenses on settlement of losses (lower losses in the grid and lower purchasing price of electricity)

Bulgaria (CZK 0.0 billion)

- Higher revenues from electricity distribution have been eliminated by higher expenses on settlement of losses in the grid (lower volume of losses, but higher purchasing price of electricity for the losses)

SEGMENT: SALES



| EBITDA (CZK bn) | Q1 2017 | Q1 2018 | Change | % |
|-----------------|------------|------------|------------|------------|
| Czechia | 1.4 | 1.0 | -0.4 | -29% |
| Romania | -0.1 | 0.1 | +0.2 | - |
| Bulgaria | 0.1 | 0.1 | 0.0 | +50% |
| Germany | 0.0 | 0.1 | +0.1 | - |
| Other states | -0.1 | 0.0 | +0.1 | +69% |
| Sales | 1.2 | 1.3 | 0.0 | +1% |

Czechia (CZK -0.4 billion)

- Lower gross margin, primarily due to higher expenses on electricity and gas purchases (CZK -0.4 billion)

Romania (CZK +0.2 billion)

- Higher gross margin due to higher expenses on electricity purchases in 2017 and to the increase in sale prices in 2018

Germany (CZK +0.1 billion)

- Elevion Group has been included in the consolidated results of CEZ Group since September 2017

Other States (CZK +0.1 billion)

- Primarily the effect of increase of expenses on electricity purchases in 2017 (CEZ Hungary and CEZ Slovensko)

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Results and Selected Events—Operations Team

SELECTED EVENTS—OPERATIONS TEAM



GENERATION—NUCLEAR INDUSTRY

Electricity generation in nuclear units amounted to 7.1 TWh in Q1 2018

- Temelín NPP generated 3.1 TWh, which is a decrease by 1.6 TWh due to scheduled outages in Q1 2018.
- Dukovany NPP generated 4.0 TWh, which is an increase by 1.5 TWh due to a scheduled outage in Q1 2017.

Operating license for an indefinite period of time for Dukovany Nuclear Power Plant units 3 and 4 became effective.

- The decision of SÚJB became effective on January 1, 2018.

The technical and economic study of the long-term operation of the Temelín Nuclear Power Plant (2060+) has been completed

- The study confirmed the feasibility of the long-term operation of NPP by 2060 for unit 1 and 2062 for unit 2; no significant safety-technical limitations of operations were identified in the study even beyond this horizon.
- The long-term operation is also conditioned by a stable economic development and rational regulatory requirements.

GENERATION—CONVENTIONAL ENERGY

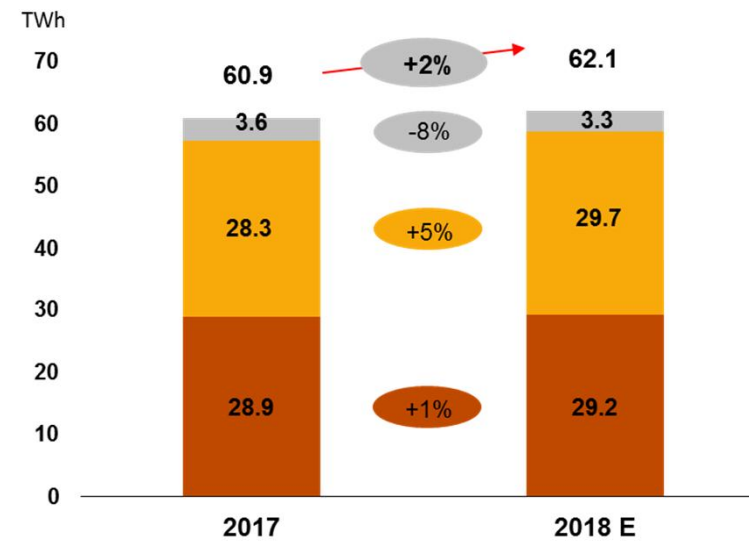
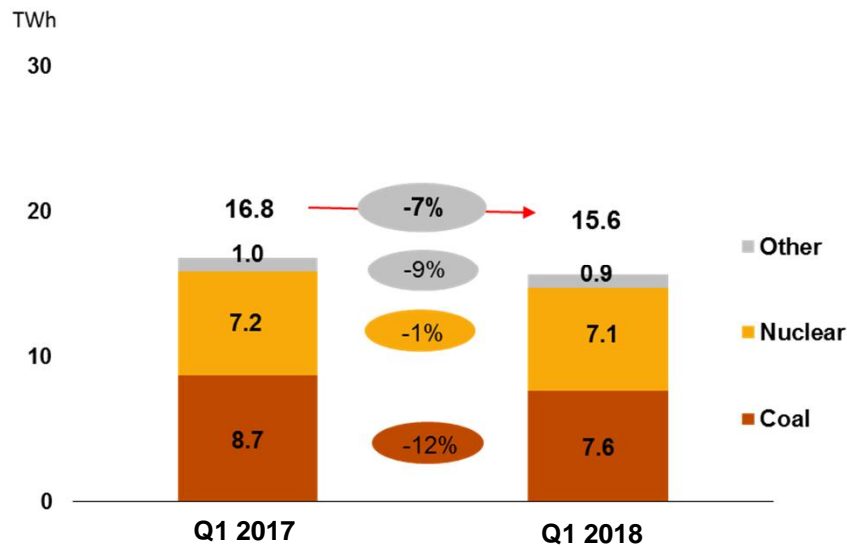
Electricity generation in coal- and gas-fired power plants and hydroelectric power plants amounted to 8.6 TWh in Q1 2018

- Coal-fired power plants generated 7.6 TWh, which is a decrease by 1.0 TWh compared to Q1 2017, mainly due to outages of Prunéřov, Dětmarovice and Mělník 3 power plants.
- It was decided to restore the desulfurization absorber at the Dětmarovice Power Plant after a fire in 2017. Completion of the restoration is expected in 2019. The restoration will allow the units 3 and 4 full operation after 2021 without any further investments in environmental upgrades.

Polish companies CEZ Chorzów and CEZ Skawina are preparing to participate in capacity auctions

- In Poland, similarly to Western Europe, a capacity market (CRM) is created to ensure capacity after the expected shutdown of significant generating capacity due to more strict emission legislation (BREF/BAT) after 2020.
- The first CRM auctions in Poland are expected at the end of 2018, dealing with capacities for 2021–2023.
- Mandatory process of certification of generating facilities of Chorzów and Skawina for these auctions has been launched.

GENERATION—TRADITIONAL ENERGY



Nuclear Power Plants (-1%)

- Optimization of outage timing of Temelín NPP during the year

Coal-Fired Power Plants (-12%)

Czechia (-14%)

- Longer outages at Mělník 3 and Prunéřov 2 power plants
- Lower generation by Dětmarovice power plant
- + Commercial operation of Ledvice 4 power plant (new facility)

Poland (+4%)

- + Longer outages in 2017
- + Lower generation of heat replaced by higher electricity generation

Other (-9%)

- Particularly the lower generation in the Počerady CCGT power plant due to less favorable market prices of electricity and gas

Nuclear Power Plants (+5%)

- + Optimization of outages in both power plants

Coal-Fired Power Plants (+1%)

Czechia (+1%)

- + Commercial operation of Ledvice 4 power plant (new facility)
- + Shorter outages at Tušimice 2 power plant
- Lower generation in Dětmarovice, Prunéřov and Mělník

Poland (+2%)

- + Lower generation of heat replaced by higher electricity generation
- + Higher electricity generation due to higher electricity prices

Other (-8%)

- Particularly the lower generation in the Počerady CCGT power plant due to less favorable market prices of electricity and gas

SEGMENT: GENERATION–TRADITIONAL ENERGY



| EBITDA (CZK bn) | Q1 2017 | Q1 2018 | Change | % |
|--|------------|------------|-------------|-------------|
| Czechia | 9.1 | 7.5 | -1.6 | -17% |
| Poland | 0.4 | 0.4 | 0.0 | 0% |
| Generation - traditional energy | 9.5 | 8.0 | -1.6 | -16% |

Czechia (CZK -1.6 billion)

- Lower realization prices of generated electricity, including the effect of hedging transactions (CZK -0.5 billion), mainly due to more favorable spot electricity prices and emission allowances in 2017
- Lower generation at coal-fired power plants (CZK -0.3 billion)
- Lower generation at Počerady CCGT power plant (CZK -0.2 billion) due to less favorable market prices of electricity and gas
- Higher expenses on emission allowances for production (CZK -0.1 billion)
- Higher profit on commodity trading (CZK +0.1 billion)
- Effect of settlement agreement with Sokolovská uhelná in 2017 (CZK -0.7 billion)

MINING SEGMENT AND OTHER SEGMENT



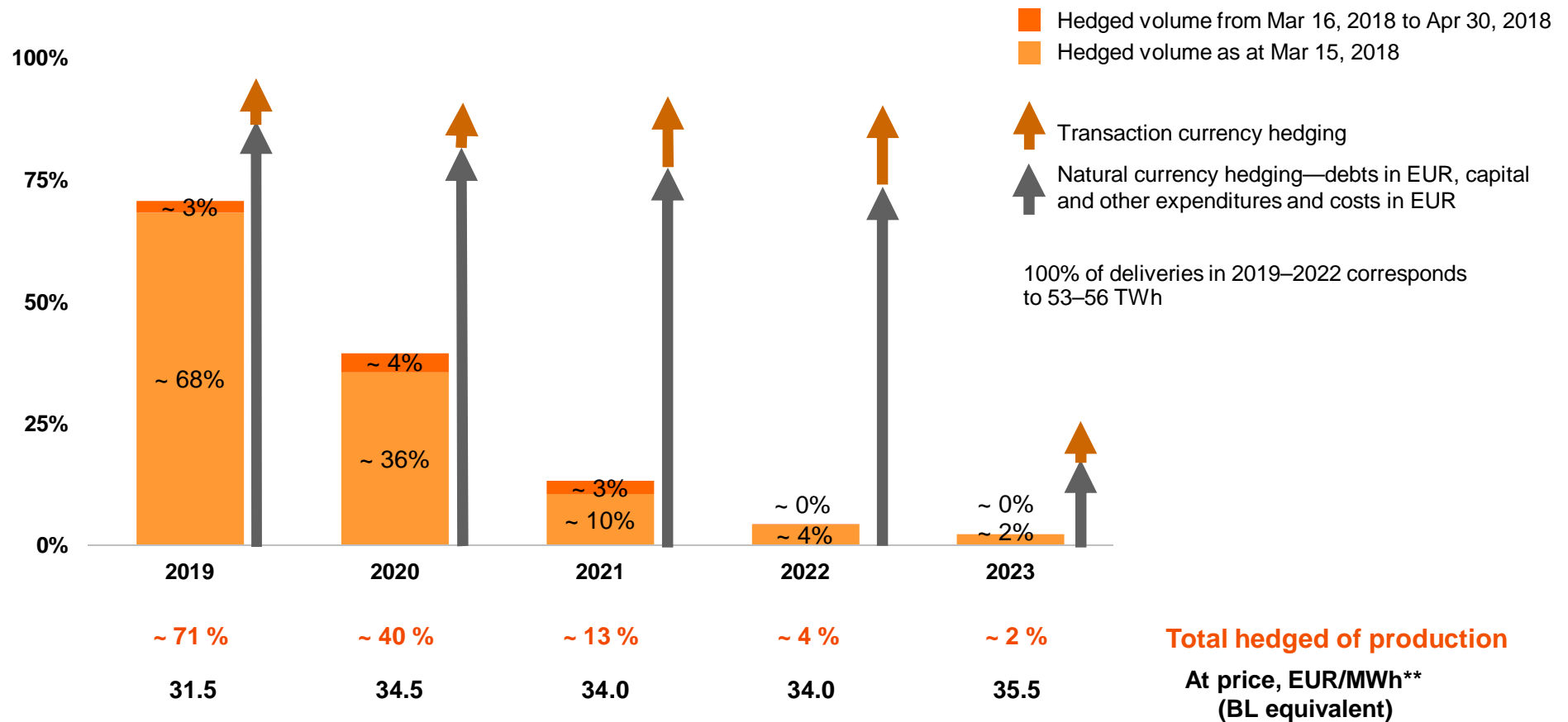
| EBITDA (CZK bn) | Q1 2017 | Q1 2018 | Change | % |
|-----------------|------------|------------|-------------|------------|
| Czechia | 1.3 | 1.2 | -0.1 | -7% |
| Mining | 1.3 | 1.2 | -0.1 | -7% |

| EBITDA (CZK bn) | Q1 2017 | Q1 2018 | Change | % |
|-----------------|------------|------------|-------------|------------|
| Czechia | 0.5 | 0.6 | 0.0 | +8% |
| Romania | 0.1 | 0.1 | 0.0 | -47% |
| Other states | 0.0 | 0.0 | -0.1 | - |
| Other | 0.6 | 0.6 | -0.1 | -9% |

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



Share of Hedged Production of ČEZ* Facilities as at Apr 30, 2018

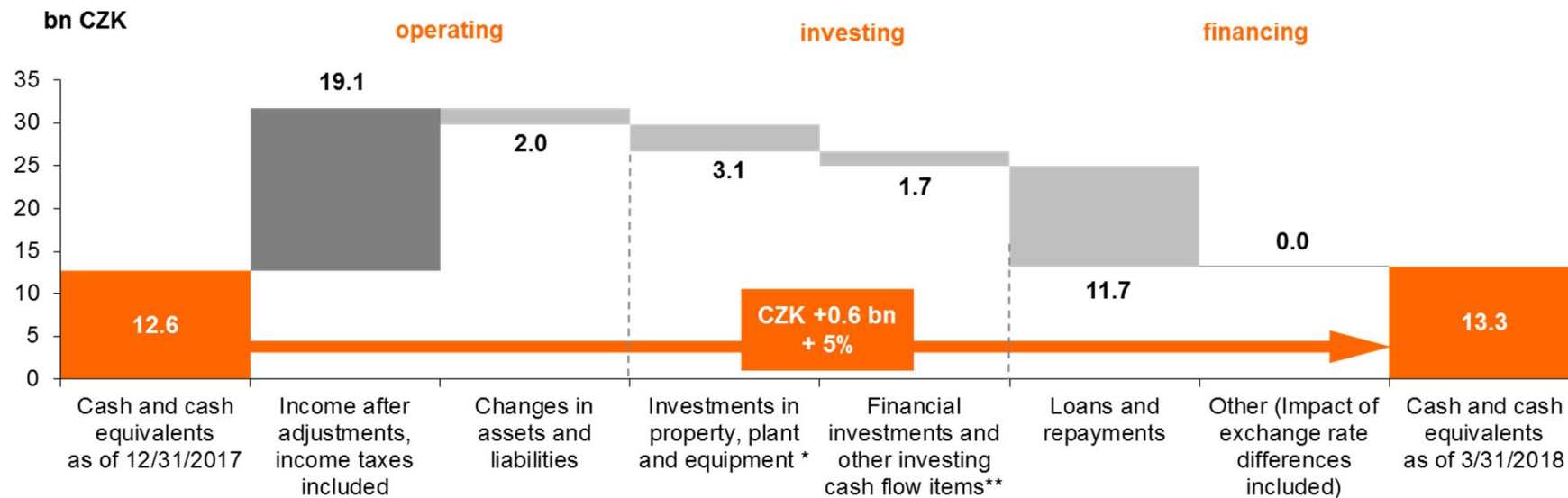


ANNEXES



- Cash Flows
- Credit Facilities and Bonds
- Investments in Fixed Assets
- Balance Sheet Overview
- Mining
- Electricity Consumption
- Market Developments
- Electricity Procured and Sold
- Definitions of Alternative Indicators According to ESMA

CASH FLOWS



Cash Flows from Operating Activities (CZK +17.2 billion)

- Income after adjustments, incl. income tax (CZK +19.1 billion): income before taxes (CZK +8.9 billion), depreciation and amortization of nuclear fuel (CZK +8.1 billion), other impairment and other adjustments (CZK +1.8 billion), change in provisions (CZK +0.5 billion)
- Changes in assets and liabilities (CZK -2.0 billion): change in net trade receivables and payables (CZK -2.6 billion), change in net payables and receivables from derivatives including options (CZK -0.6 billion), change in inventory of emission allowances (CZK +1.1 billion)

Cash Flows Used in Investing Activities (CZK -4.8 billion)

- Investments in fixed assets* (CZK -3.1 billion)
- Payables from acquisition of fixed assets (CZK -1.6 billion)
- Acquisition of Metrolog (CZK -0.2 billion)

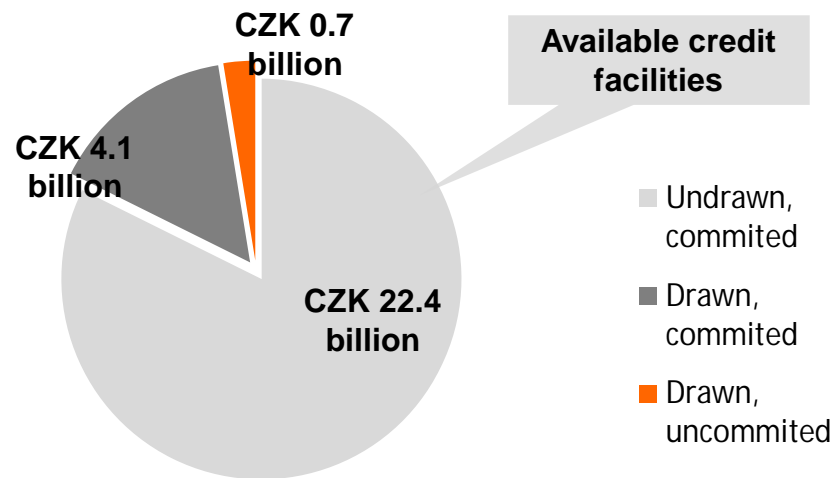
Cash Flows Used In Financing Activities (CZK -11.7 billion)***

- Balance of loans and repayments (CZK -11.7 billion)

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

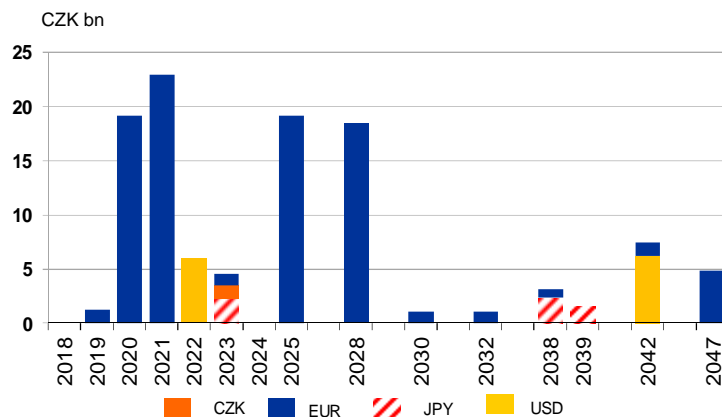


Utilization of Short-Term Lines (as at Mar 31, 2018)



- CEZ Group has access to CZK 26.5 billion in committed credit facilities, using CZK 4.1 billion as at Mar 31, 2018.
- Committed facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.

Bond Maturity Profile (as at Mar 31, 2018)



- In February 2018, the 32nd EUR 200 million bond issue was duly repaid.

CAPITAL EXPENDITURE

BROKEN DOWN BY SEGMENT



| (CZK billion) | Q1 2017 | Q1 2018 |
|--------------------------------------|------------|------------|
| Mining | 0.1 | 0.2 |
| Generation—Traditional Energy | 2.1 | 0.7 |
| Czechia | 2.1 | 0.7 |
| Of which: Nuclear fuel procurement | 1.0 | 0.3 |
| Poland | 0.0 | 0.0 |
| Generation—New Energy | 0.0 | 0.1 |
| Distribution | 1.7 | 1.8 |
| Czechia | 1.1 | 1.3 |
| Romania | 0.3 | 0.2 |
| Bulgaria | 0.3 | 0.2 |
| Sales | 0.0 | 0.0 |
| Other | 0.4 | 0.3 |
| Total | 4.3 | 3.1 |

- The year-on-year decrease in investments in the Generation–Traditional Energy segment reflects the lower procurement of nuclear fuel and further particularly the higher investments in the comprehensive renewal of Prunéřov coal power plant and the new Ledvice power plant in 2017.

BALANCE SHEET OVERVIEW

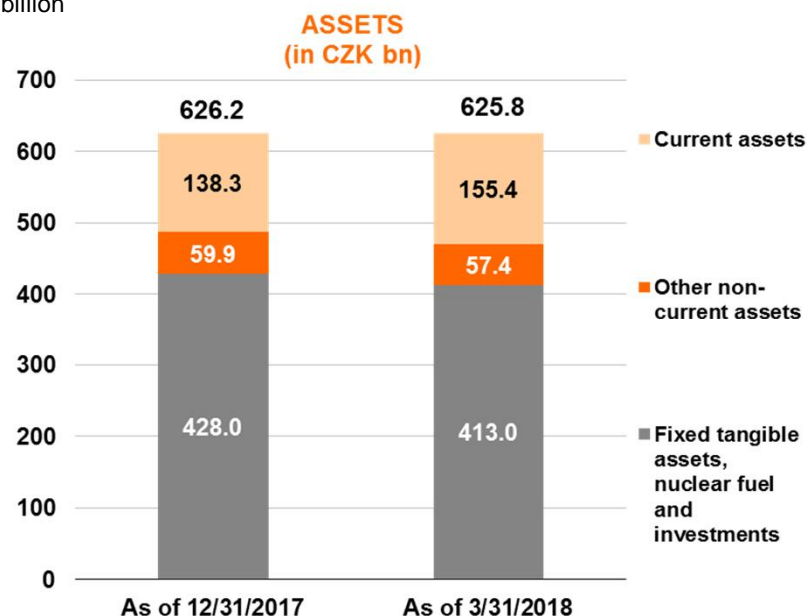


Property, plant and equipment, nuclear fuel, and investments decreased by CZK 15.0 billion

- Transfer of assets of Bulgarian companies into the “assets held-for-sale” category CZK -9.9 billion
- Depreciation and amortization of fixed assets exceeding investments CZK -5.0 billion

Other non-current assets decreased by CZK 2.5 billion

- Long-term financial assets CZK -1.1 billion, particularly the decrease in term deposits and derivatives
- Long-term intangible assets CZK -0.8 billion, particularly due to the effect of Bulgarian assets classified as assets held for sale
- Deferred tax receivable CZK -0.4 billion and restricted financial assets CZK -0.2 billion



Current assets increase by CZK 17.1 billion

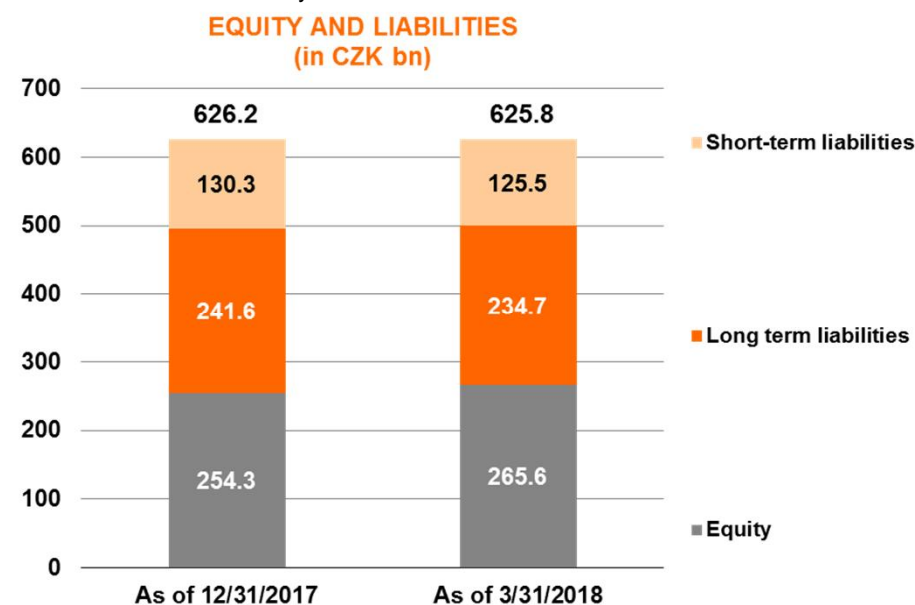
- Assets of Bulgarian companies classified as assets held for sale CZK +16.6 billion
- Trade receivables of CZK +7.2 billion
- Receivables from derivatives including options CZK -4.9 billion
- Cash and cash equivalents CZK -1.1 billion
- Emission allowances CZK -0.9 billion

Equity increased by CZK 11.3 billion

- Net income CZK +7.3 billion
- Effect of the application of the new IFRS standards CZK +2.4 billion
- Other comprehensive income of CZK +1.5 billion

Long-term liabilities decreased by CZK 6.9 billion

- Long-term liabilities resulting from connection fees (due to the changed IFRS) CZK -3.3 billion
- Long-term derivatives CZK -2.6 billion
- Long-term bank loans and issued bonds CZK -2.8 billion, of which liabilities related to the transfer of Bulgarian companies into held-for-sale assets CZK -1.4 billion
- Deferred tax liability CZK +1.9 billion

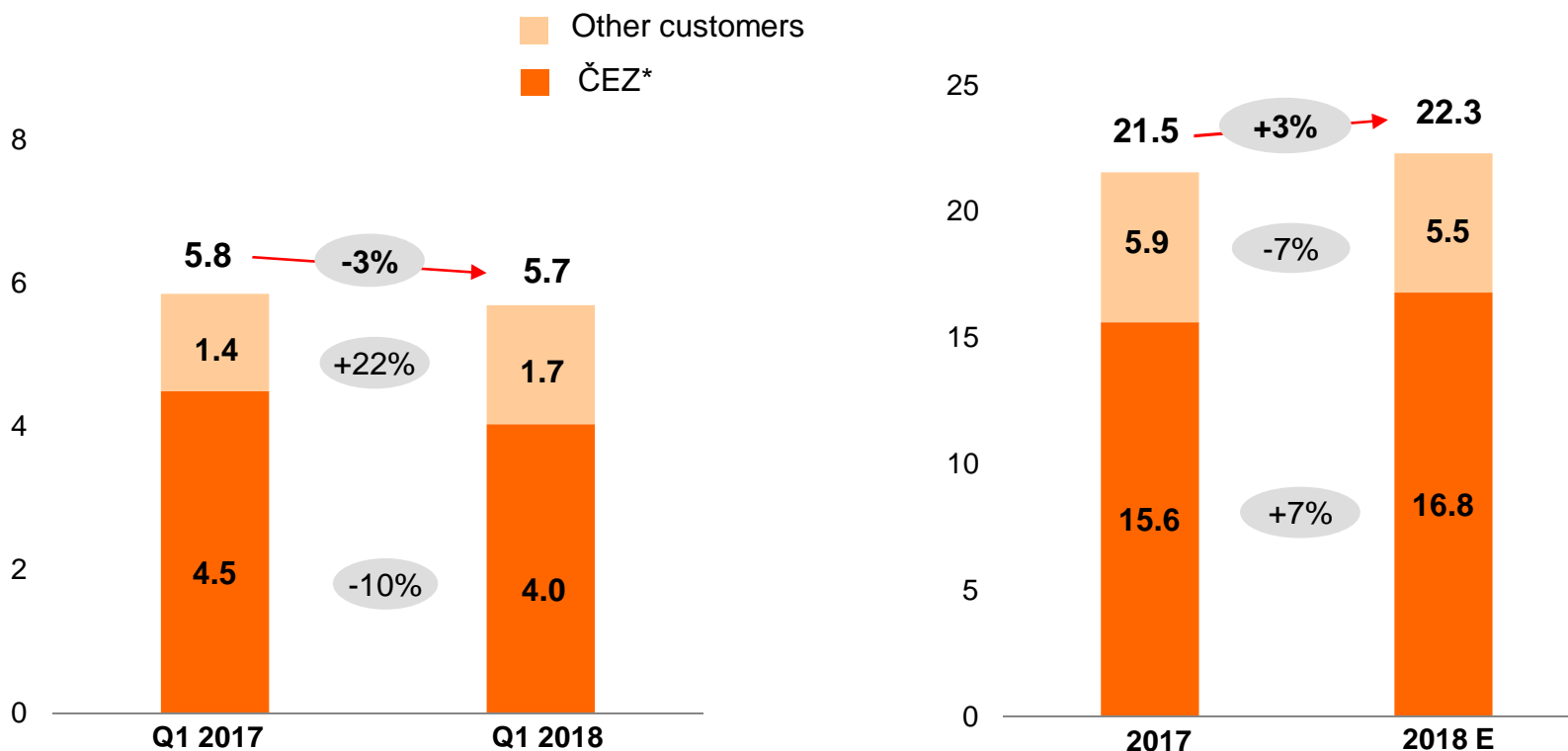


Current liabilities decreased by CZK 4.8 billion

- Short-term loans CZK -6.3 billion
- Current portion of long-term debt CZK -5.5 billion
- Liabilities related to assets classified as assets held for sale CZK +6.1 billion
- Other short-term liabilities CZK +0.9 billion



Severočeské doly—Coal Extraction (Millions of Tons)



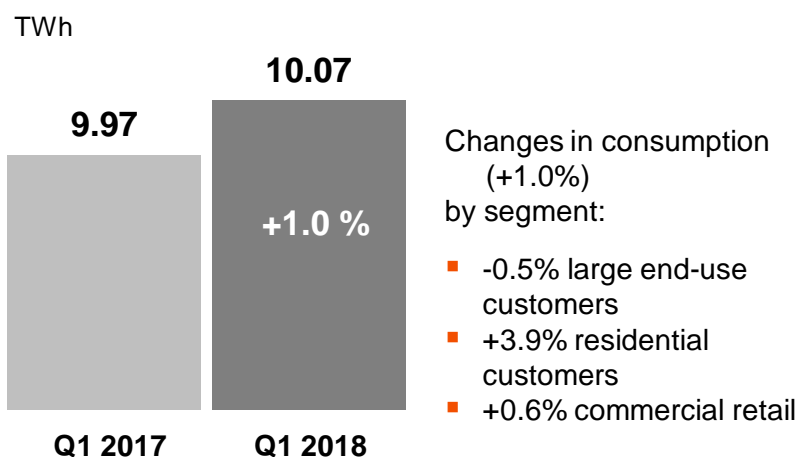
- Decrease in saleable output by approx. 160,000 tons of coal primarily due to decreased demand for coal by ČEZ

- Year-on-year increase in saleable production of 0.7 million tons of coal due to expected increase in thermal coal consumption by ČEZ

ELECTRICITY CONSUMPTION IN THE DISTRIBUTION AREA OF ČEZ DISTRIBUCE GREW YEAR-ON-YEAR



Consumption in the Distribution Area of ČEZ Distribuce

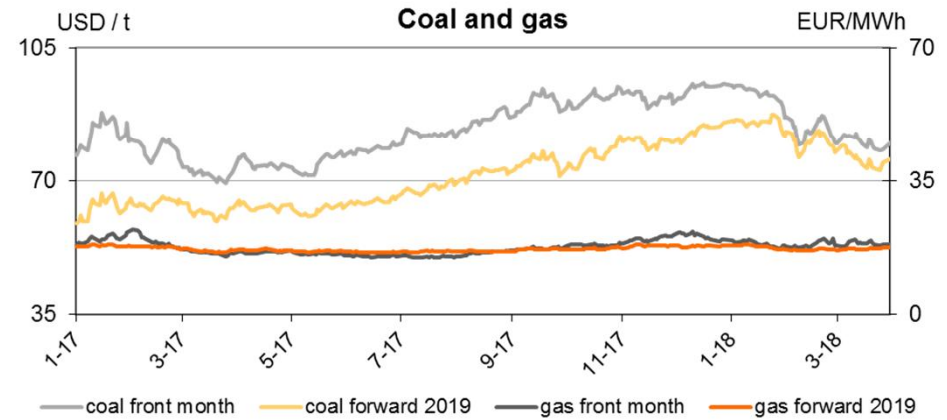
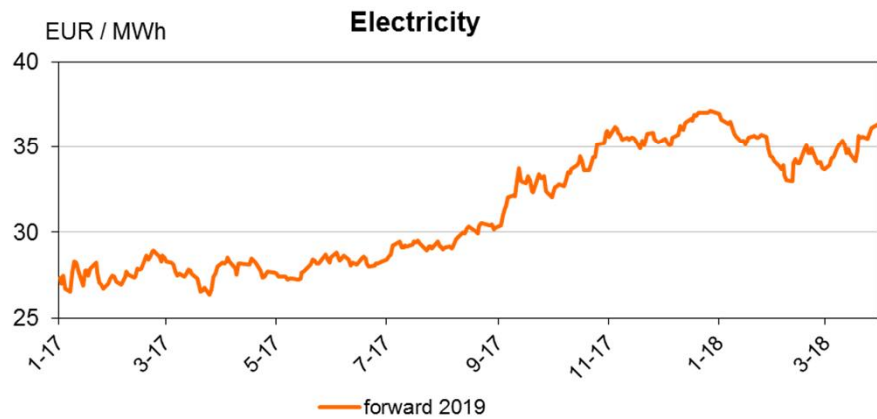
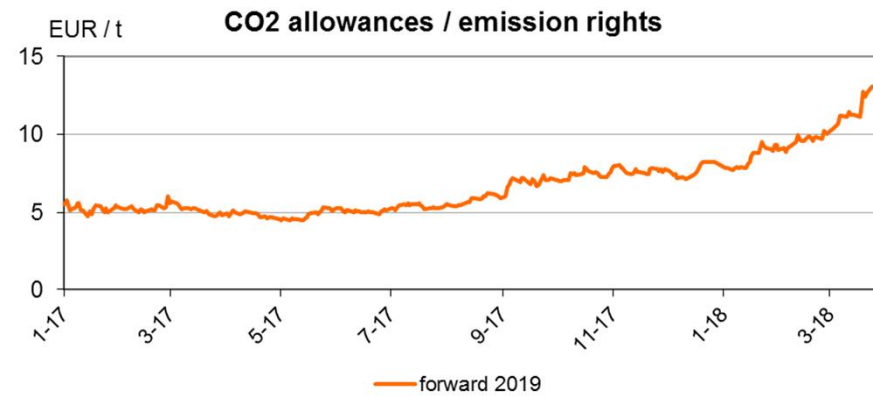
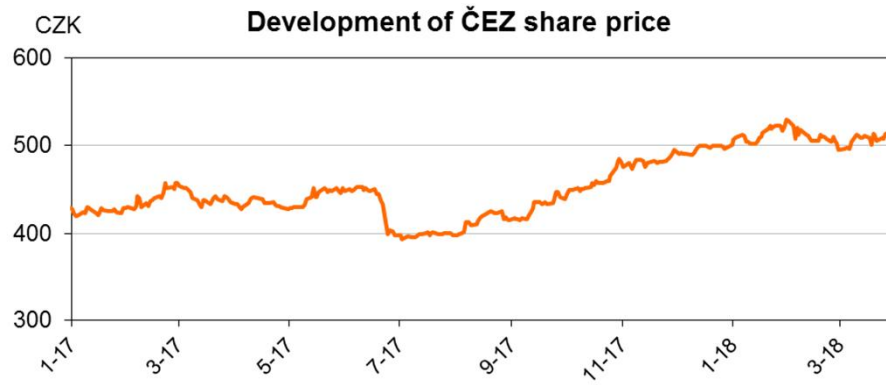


Temperature- and Calendar-Adjusted* Consumption (in the Distribution Area of ČEZ Distribuce)



- Analysis based on CEZ Group's internal data.
- CEZ Group's distribution area covers around 5/8 of Czechia's territory, so the data are a good indicator of nationwide consumption trends.

MARKET DEVELOPMENTS



Electricity balance (GWh)

| | Q1 2017 | Q1 2018 | Index 2018/2017 |
|--|----------------|----------------|--------------------|
| Electricity procured | 15,673 | 14,497 | -8% |
| Generated in-house (gross) | 17,409 | 16,214 | -7% |
| In-house and other consumption, including pumping in pumped-storage plants | -1,736 | -1,717 | -1% |
| Sold to end customers | -10,438 | -10,687 | +2% |
| Sold in the wholesale market (net) | -3,828 | -2,550 | -33% |
| Sold in the wholesale market | -63,318 | -78,983 | +25% |
| Purchased in the wholesale market | 59,490 | 76,433 | +28% |
| Grid losses | -1,407 | -1,260 | -10% |

Electricity generation by source (GWh)

| | | | |
|------------------|---------------|---------------|------------|
| Nuclear | 7,167 | 7,117 | -1% |
| Coal and lignite | 8,512 | 7,468 | -12% |
| Water | 573 | 685 | +20% |
| Biomass | 175 | 158 | -10% |
| Photovoltaic | 23 | 21 | -9% |
| Wind | 467 | 460 | -1% |
| Natural gas | 492 | 303 | -38% |
| Bio gas | 1 | 1 | +23% |
| Total | 17,409 | 16,214 | -7% |

Sales of electricity to end customers (GWh)

| | | | |
|---|----------------|----------------|------------|
| Households | -4,189 | -4,259 | +2% |
| Commercial (low voltage) | -1,472 | -1,453 | -1% |
| Commercial and industrial (medium and high voltage) | -4,777 | -4,975 | +4% |
| Sold to end customers | -10,438 | -10,687 | +2% |

Distribution of electricity (GWh)

| | Q1 2017 | Q1 2018 | Index 2018/2017 |
|--|---------|---------|--------------------|
| Distribution of electricity to end customers | 14,602 | 14,768 | +1% |

Electricity balance (GWh) by segment

| Q1 2018 | Generation - traditional energy | | Generation - new energy | | Distribution | | Sale | | Eliminations | | CEZ Group | |
|--|---------------------------------|-------------|-------------------------|------------|---------------|-------------|----------------|------------|--------------|------------|----------------|-------------|
| | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- |
| Electricity procured | 13,931 | -8% | 567 | +2% | 0 | - | 0 | - | 0 | - | 14,497 | -8% |
| Generated in-house (gross) | 15,642 | -7% | 572 | +2% | 0 | - | 0 | - | 0 | - | 16,214 | -7% |
| In-house and other consumption, including pumping in pumped-storage plants | -1,712 | -1% | -5 | -13% | 0 | - | 0 | - | 0 | - | -1,717 | -1% |
| Sold to end customers | -61 | +61% | 0 | - | 0 | - | -11,201 | +2% | 574 | -5% | -10,687 | +2% |
| Sold in the wholesale market (net) | -13,870 | -8% | -567 | +2% | 1,260 | -10% | 11,201 | +2% | -574 | -5% | -2,550 | -33% |
| Sold in the w hole sale market | -85,921 | +23% | -819 | +2% | 0 | - | -536 | -1% | 8,293 | +2% | -78,983 | +25% |
| Purchased in the w hole sale market | 72,051 | +31% | 252 | +3% | 1,260 | -10% | 11,737 | +2% | -8,868 | +1% | 76,433 | +28% |
| Grid losses | 0 | - | 0 | - | -1,260 | -10% | 0 | - | 0 | - | -1,260 | -10% |

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 | 7,117 | -1% | 0 | - | 0 | - | 0 | - | 0 | - | 7,117 | -1% |
| Coal and lignite | 7,468 | -12% | 0 | - | 0 | - | 0 | - | 0 | - | 7,468 | -12% |
| Water | 595 | +19% | 90 | +25% | 0 | - | 0 | - | 0 | - | 685 | +20% |
| Biomass | 158 | -10% | 0 | - | 0 | - | 0 | - | 0 | - | 158 | -10% |
| Photovoltaic | 0 | - | 21 | -9% | 0 | - | 0 | - | 0 | - | 21 | -9% |
| Wind | 0 | - | 460 | -1% | 0 | - | 0 | - | 0 | - | 460 | -1% |
| Natural gas | 303 | -38% | 0 | - | 0 | - | 0 | - | 0 | - | 303 | -38% |
| Bio gas | 0 | - | 1 | +23% | 0 | - | 0 | - | 0 | - | 1 | +23% |
| Total | 15,642 | -7% | 572 | +2% | 0 | - | 0 | - | 0 | - | 16,214 | -7% |

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 | - | -4,259 | +2% | 0 | - | -4,259 | +2% |
| Commercial (low voltage) | 0 | +20% | 0 | - | 0 | - | -1,453 | -1% | 0 | - | -1,453 | -1% |
| Commercial and industrial (medium and high voltage) | -60 | +61% | 0 | - | 0 | - | -5,489 | +3% | 574 | -5% | -4,975 | +4% |
| Sold to end customers | -61 | +61% | 0 | - | 0 | - | -11,201 | +2% | 574 | -5% | -10,687 | +2% |

Electricity balance (GWh) by country

| Q1 2018 | Czechia | | Poland | | Romania | | Bulgaria | | Germany | | Others | | Eliminations | | CEZ Group | |
|--|---------------|-------------|-------------|-------------|-------------|-------------|---------------|----------|------------|-------------|-------------|-------------|--------------|----------|----------------|-------------|
| | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- |
| Electricity procured | 13,378 | -8% | 648 | +3% | 382 | -10% | 1 | - | 88 | +61% | 0 | - | 0 | - | 14,497 | -8% |
| Generated in-house (gross) | 14,997 | -7% | 741 | +4% | 387 | -10% | 1 | - | 88 | +61% | 0 | - | 0 | - | 16,214 | -7% |
| In-house and other consumption, including pumping in pumped-storage plants | -1,619 | -2% | -93 | +7% | -5 | +4% | 0 | - | 0 | - | 0 | - | 0 | - | -1,717 | -1% |
| Sold to end customers | -5,096 | -0% | -687 | -8% | -899 | -0% | -3,123 | - | 0 | - | -882 | +17% | 0 | - | -10,687 | +2% |
| Sold in the wholesale market (net) | -7,678 | -13% | 39 | -66% | 830 | +1% | 3,465 | - | -88 | +61% | 882 | +17% | 0 | - | -2,550 | -33% |
| Sold in the wholesale market | -79,962 | +25% | -679 | +1% | -581 | +18% | -79 | - | -88 | +61% | -9 | -92% | 2,416 | +19% | -78,983 | +25% |
| Purchased in the wholesale market | 72,284 | +31% | 718 | -9% | 1,411 | +8% | 3,544 | - | 0 | - | 891 | +3% | -2,416 | +19% | 76,433 | +28% |
| Grid losses | -603 | -4% | 0 | - | -313 | -9% | -343 | - | 0 | - | 0 | - | 0 | - | -1,260 | -10% |

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 | 7,117 | -1% | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 7,117 | -1% |
| Coal and lignite | 6,780 | -14% | 688 | +4% | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 7,468 | -12% |
| Water | 667 | +21% | 1 | -56% | 18 | -8% | 0 | - | 0 | - | 0 | - | 0 | - | 685 | +20% |
| Biomass | 107 | -16% | 51 | +6% | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 158 | -10% |
| Photovoltaic | 20 | -9% | 0 | - | 0 | - | 1 | - | 0 | - | 0 | - | 0 | - | 21 | -9% |
| Wind | 2 | +48% | 0 | - | 369 | -10% | 0 | - | 88 | +61% | 0 | - | 0 | - | 460 | -1% |
| Natural gas | 303 | -38% | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 303 | -38% |
| Bio gas | 1 | +23% | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 0 | - | 1 | +23% |
| Total | 14,997 | -7% | 741 | +4% | 387 | -10% | 1 | - | 88 | +61% | 0 | - | 0 | - | 16,214 | -7% |

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 | -2,354 | +3% | 0 | - | -489 | +9% | -1,416 | - | 0 | - | 0 | - | 0 | - | -4,259 | +2% |
| Commercial (low voltage) | -631 | -1% | -64 | -28% | -240 | +4% | -474 | - | 0 | - | -44 | +41% | 0 | - | -1,453 | -1% |
| Commercial and industrial (medium and high) | -2,111 | -4% | -623 | -5% | -170 | -23% | -1,233 | - | 0 | - | -838 | +23% | 0 | - | -4,975 | +4% |
| Sold to end customers | -5,096 | -0% | -687 | -8% | -899 | -0% | -3,123 | - | 0 | - | -882 | +17% | 0 | - | -10,687 | +2% |

Distribution of electricity (GWh) by country

| Q1 2018 | Czechia | | Poland | | Romania | | Bulgaria | | Germany | | Others | | Eliminations | | CEZ Group | |
|--|---------|-----|--------|-----|---------|-----|----------|-----|---------|-----|--------|-----|--------------|-----|-----------|-----|
| | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- | GWh | +/- |
| Distribution of electricity to end customers | 10,067 | +1% | 0 | - | 1,791 | +5% | 2,909 | - | 0 | - | 0 | - | 0 | - | 14,768 | +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 | |
|--|---|
| Net Debt | <p><u>Purpose:</u> The indicator shows the real level of a company's financial debt, i.e., the nominal amount of debt net of cash, cash equivalents, and highly liquid financial assets held by the company. The indicator is primarily used to assess the overall appropriateness of the company's debt, e.g., in comparison with selected corporate profit or balance sheet indicators.</p> <p><u>Definition:</u> Long-Term Debt, Net of Current Portion + Current Portion of Long-Term Debt + Short-Term Loans – (Cash and Cash Equivalents + Highly Liquid Financial Assets).</p> |
| Adjusted Net Income (After-Tax Income, Adjusted) | <p><u>Purpose:</u> 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.</p> <p><u>Definition:</u> 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.</p> |
| Dividend per Share (Gross) | <p><u>Purpose:</u> 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.</p> <p><u>Definition:</u> Dividend awarded in the current year, before taxes, per outstanding share (paid in the reported year from the profits of prior periods).</p> |
| EBITDA (EBIT Before Depreciation and Amortization, Impairments, and Asset Sales) | <p><u>Purpose:</u> This is an important economic indicator showing a business's operating efficiency comparable to other companies, as it is unrelated to the company's depreciation and amortization policy and capital structure or tax treatment. It is one of the fundamental indicators used by companies to set their key financial and strategic objectives.</p> <p><u>Definition:</u> Earnings before taxes and other expenses and revenues + depreciation and amortization +/- impairments of property, plant, and equipment and intangible assets, including goodwill (including write-off of canceled investments) +/- sales of property, plant, and equipment and intangible assets.</p> |
| Net Debt / EBITDA | <p><u>Purpose:</u> This indicates a company's capability to decrease and pay back its debt as well as its ability to take on</p> |

Indicator

additional debt to grow its business. CEZ Group uses this indicator primarily to assess the adequacy of its capital structure to the structure and stability of its expected cash flows.

Definition: Net Debt / EBITDA. EBITDA is the running total for the past 12 months, i.e. EBITDA for the period from April 1 of previous year until March 31; Net Debt is the amount at the end of the period, i.e., March 31.

Most of the components used in the calculation of individual indicators 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:

Net Debt indicator—Highly Liquid Financial Assets item (CZK millions):

| | As at Mar 31, 2017 | As at Mar 31, 2018 |
|---|-----------------------|-----------------------|
| Short-term debt securities available for sale | 8 | 2,807 |
| Short-term debt securities held to maturity | 2,248 | 0 |
| Short-term deposits | 2,500 | 500 |
| Long-term deposits | 500 | 0 |
| Long-term debt securities available for sale | 4,647 | 1,783 |
| Highly liquid financial assets, total | 9,902 | 5,090 |

Adjusted Net Income indicator—individual components:

| Adjusted Net Income (After-Tax Income, Adjusted) | Unit | Q1 2017 | Q1 2018 |
|---|---------------------|--------------|--------------|
| Net income | CZK millions | 8,674 | 7,255 |
| Impairments of property, plant, and equipment and intangible assets, including goodwill | CZK millions | 1 | (5) |
| Impairments of developed projects*) | CZK millions | 0 | 0 |
| Impairments of property, plant, and equipment and intangible assets, including goodwill, at joint ventures**) | CZK millions | 75 | 0 |
| Effects of additions to or reversals of impairments on income tax***) | CZK millions | 0 | 1 |
| Other extraordinary effects | CZK millions | 0 | 0 |
| Adjusted net income | CZK millions | 8,750 | 7,251 |

*) 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