

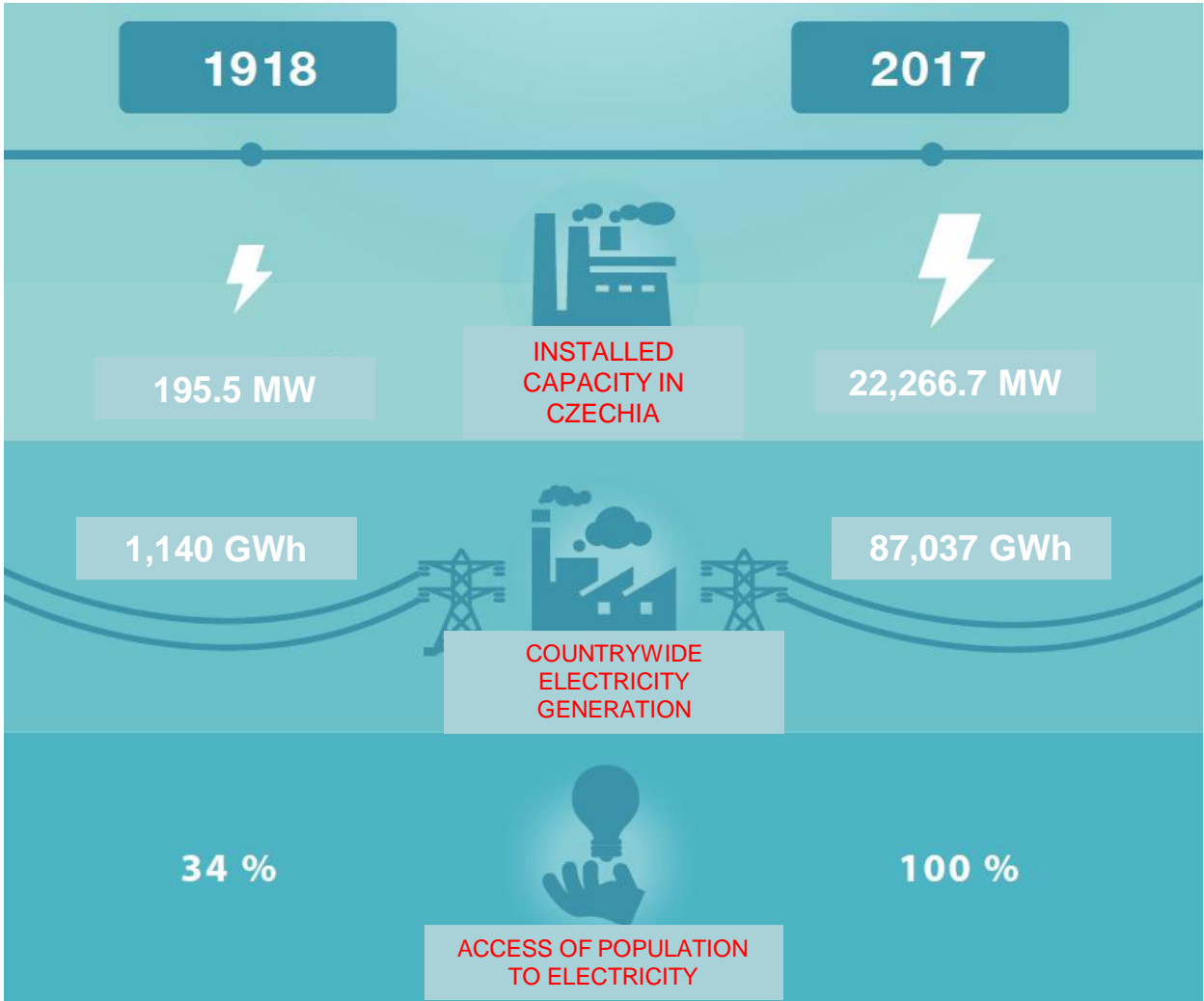


PRESENTATION ON CEZ GROUP FINANCIAL RESULTS IN Q1–Q3 2018

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

November 8, 2018

A LITTLE ENERGY RETROSPECTIVE AS CZECH REPUBLIC * CELEBRATES ITS 100TH BIRTHDAY



Electricity consumption in Czechia has grown 74 times during the past 100 years.

Gross consumption in Bohemia, Moravia, and Silesia totaled 1 TWh in 1918 when the republic came to being, while now it is almost 74 TWh.



Financial Highlights, Selected Events, and Annual Outlook

Results and Selected Events—Development Team

Results and Selected Events—Operations Team

CEZ GROUP FINANCIAL AND OPERATING RESULTS



(CZK bn)		Q1 - Q3 2017	Q1 - Q3 2018	Change	%
Revenues		146.7	129.3	-17.4	-12%
Revenues - comparable *		124.7	129.3	+4.6	+4%
EBITDA		41.1	38.7	-2.4	-6%
EBIT		19.4	16.7	-2.7	-14%
Net income		16.6	9.1	-7.5	-45%
Net income - adjusted **		17.3	11.3	-6.0	-35%
Operating CF		36.2	36.5	+0.4	+1%
CAPEX		19.2	15.3	-4.0	-21%
Net debt ***		136.9	135.6	-1.3	-1%
		Q1 - Q3 2017	Q1 - Q3 2018	Change	%
Installed capacity ***	GW	15.5	15.0	-0.5	-3%
Generation of electricity - traditional energy	TWh	44.6	44.3	-0.3	-1%
Generation of electricity - new energy	TWh	1.4	1.3	-0.1	0%
Electricity distribution to end customers	TWh	38.3	38.4	+0.1	0%
Electricity sales to end customers	TWh	27.2	27.5	+0.3	+1%
Sales of natural gas to end customers	TWh	6.7	6.4	-0.3	-4%
Sales of heat	000 TJ	15.8	14.8	-1.1	-7%
Number of employees *** ****	000 's	29.3	30.9	+1.6	+5%

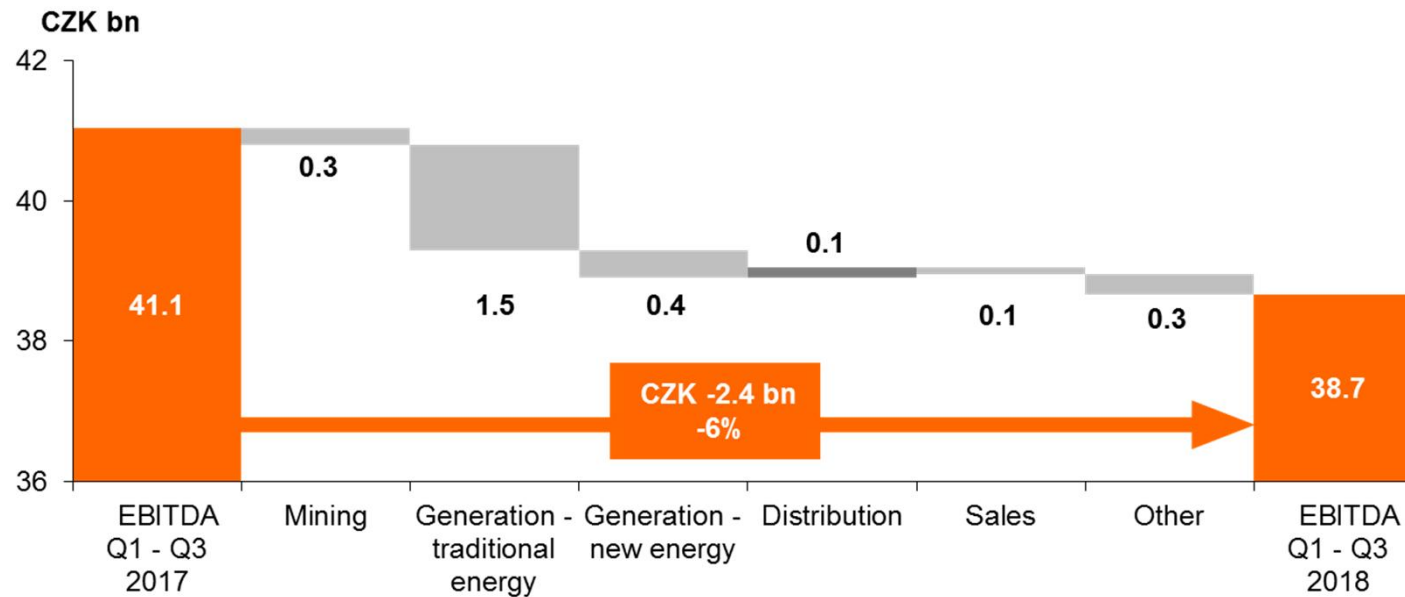
* Comparison applying IFRS 15 (changing the method of reporting since Jan 1, 2018) to Q1–Q3 2017; in line with the standard, neither distribution revenue nor distribution costs are reported where the energy Group sells electricity in an area in which it does not own the distribution grid. The application 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-offs)

*** On the last date of the period

**** The increase is primarily related to acquisitions of foreign ESCOs and the in-sourcing of external employees at sales companies in Czechia and Bulgaria

YEAR-ON-YEAR CHANGE IN EBITDA BY SEGMENT



Main causes of year-on-year change in Q1–Q3 EBITDA:

Generation—Traditional Energy Segment (CZK -1.5 billion)

- Higher expenses on emission allowances for generation (CZK -1.3 billion)
- Effect of settlement agreement with Sokolovská uhelná in 2017 (CZK -0.7 billion)
- Higher generation at nuclear power plants (CZK +0.9 billion)

Generation—New Energy Segment (CZK -0.4 billion)

- Lower allocation of green certificates to Romanian wind farms—only one certificate per generated MWh allocated since Jan 1, 2018; two certificates allocated in 2017 (CZK -0.6 billion)



OTHER INCOME (EXPENSES)

(CZK bn)	Q1 - Q3 2017	Q1 - Q3 2018	Change	%
EBITDA	41.1	38.7	-2.4	-6%
Depreciation, amortization and impairments*	-21.6	-22.0	-0.3	-1%
Other income (expenses)	0.0	-5.2	-5.2	-
Interest income (expenses)	-2.5	-3.6	-1.1	-45%
Interest on nuclear and other provisions	-1.2	-1.3	-0.1	-11%
Income (expenses) from investments and securities	3.8	-0.5	-4.3	-
Other	0.0	0.3	+0.3	-
Income taxes	-2.9	-2.4	+0.4	+15%
Net income	16.6	9.1	-7.5	-45%
Net income - adjusted	17.3	11.3	-6.0	-35%

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

- Effect of non-recurrent income from sale of residential property in Prague in 2017 (CZK -1.1 billion)
- Additions to impairments of fixed assets and goodwill write-off (CZK -0.6 billion)
- Lower depreciation and amortization (CZK +1.4 billion), primarily due to updated long-term service life estimates of ČEZ power plants, which exceeded the effect of the start of depreciation of the new Ledvice facility after its completion at the end of 2017

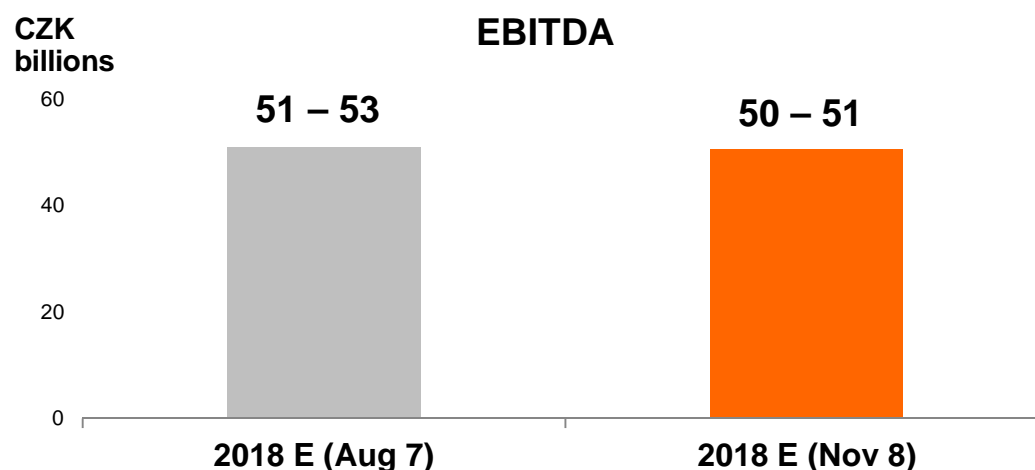
Other Income (Expenses) (CZK -5.2 billion)

- Effect of termination of MOL stockholding in 2017, including related operations (CZK -4.5 billion)
- Higher interest expenses (CZK -1.1 billion), primarily due to lower interest capitalization after completion of the new Ledvice facility
- Share in profit or loss of Turkish companies, incl. additions to provisions for potential partial obligation in case of claim of guarantee for Akcez group companies' loans due to sharp depreciation of TRY against USD (CZK -0.2 billion)
- Other effects (CZK -0.1 billion), primarily exchange rate differences
- Income from lost interest on refunded gift tax on emission allowances for 2011 and 2012 (CZK +0.7 billion)

Net Income Adjustments

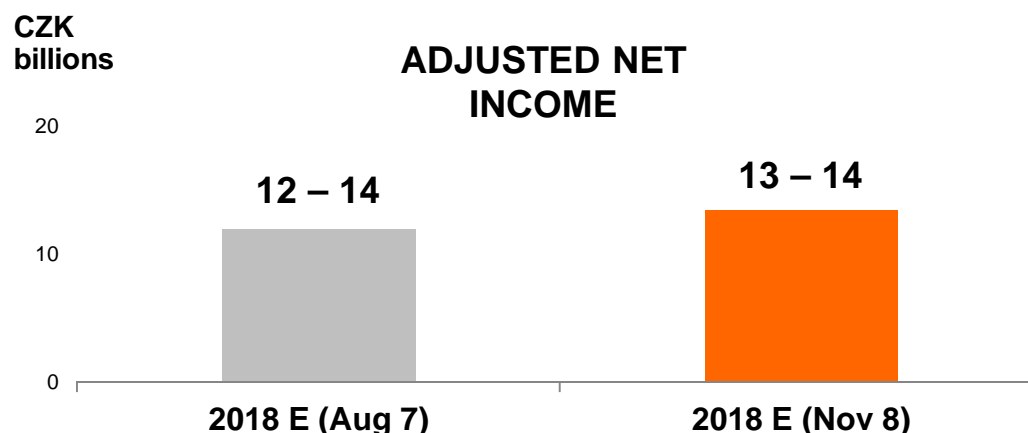
- Net income in Q1–Q3 2018 is adjusted for the negative effect of CEZ provisioning the value of which corresponds to potential partial obligation in case of claim of guarantee for Akcez group companies' loans due to continued weakening of the TRY/USD exchange rate in Q3 2018 reflecting Turkey's macroeconomic and political developments (CZK +1.4 billion) and for the negative effect of fixed asset impairments in Bulgaria (CZK +0.4 billion) and for negative effect of fixed asset impairments incl. Goodwill write-off in Czechia (CZK +0.4 billion)
- Net income in Q1–Q3 2017 is adjusted for the negative effect of partial goodwill write-off in Turkey (CZK +0.5 billion)** and the negative effect of fixed asset impairments (CZK +0.2 billion) primarily in Poland

REFINING FINANCIAL OUTLOOK FOR 2018: ESTIMATED EBITDA OF CZK 50 - 51 BILLION, ADJUSTED NET INCOME OF CZK 13 - 14 BILLION



Selected negative effects not anticipated in CEZ Group's outlook from Aug 7, 2018:

- Delay in expected court decision on payment of SŽDC debt to ČEZ Prodej from 2011 (CZK -1.3 billion)
- Lower generation at coal-fired power plants
- Fewer new acquisitions in development made (especially in RES)



Selected positive effects not anticipated in CEZ Group's outlook from Aug 7, 2018:

- Income on account of interest on refunded gift tax on emission allowances (CZK +0.7 billion)
- Other effects (primarily lower depreciation and amortization, lower interest expenses, and lower deferred tax)

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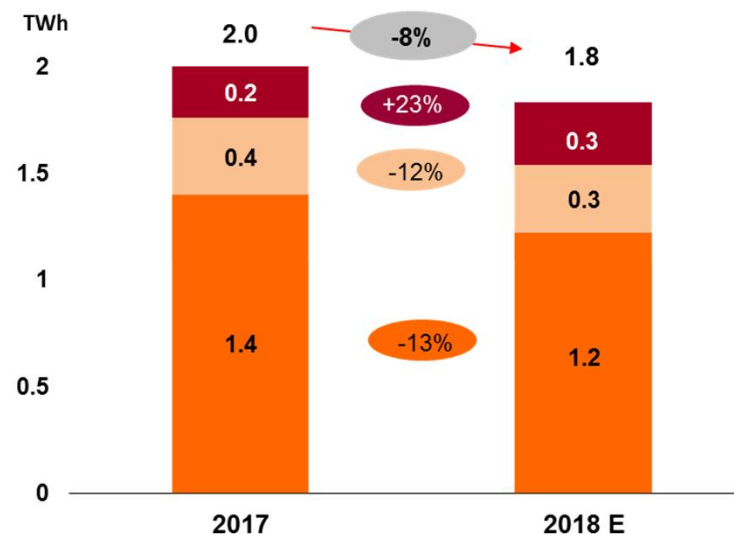
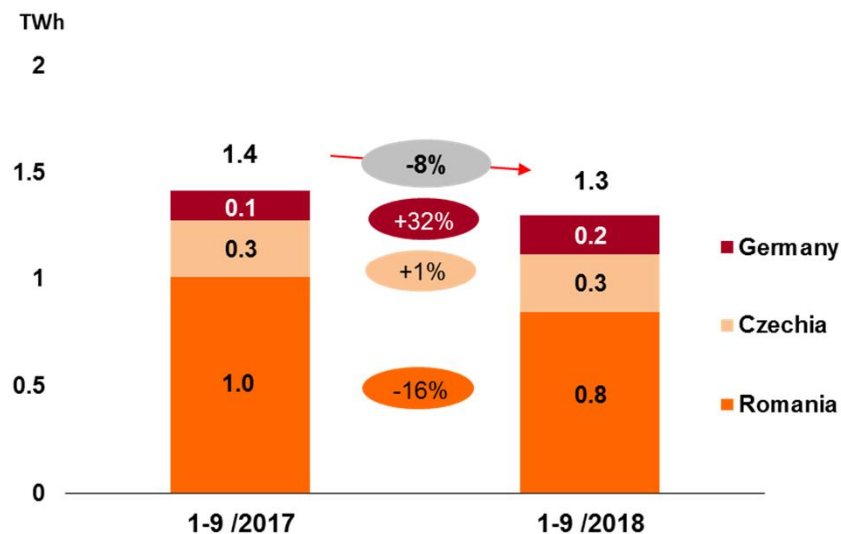
Financial Highlights, Selected Events, and Annual Outlook



Results and Selected Events—Development Team

Results and Selected Events—Operations Team

GENERATION–NEW ENERGY



Germany (+32%)

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

Czechia (+1%)

+ Lower generation of small hydropower plants compensated by higher generation of photovoltaic power plants

Romania (-16%)

- Worse wind conditions

Germany (+23%)

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

Czechia (-12%)

- Lower generation of small hydropower plants

Romania (-13%)

- Worse wind conditions

SEGMENT: GENERATION–NEW ENERGY



EBITDA (CZK bn)	Q1 - Q3 2017	Q1 - Q3 2018	Change	%
Czechia	1.6	1.7	+0.2	+12%
Romania	1.6	0.9	-0.6	-40%
Germany	0.3	0.3	+0.1	+25%
Generation - new energy	3.4	3.0	-0.4	-11%

Czechia (CZK +0.2 billion)

- Primarily higher generation at photovoltaic power plants

Romania (CZK -0.6 billion)

- Primarily lower allocation of green certificates to wind farms—only one certificate per generated MWh allocated since Jan 1, 2018; two certificates allocated in 2017

Germany (CZK +0.1 billion)

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

SEGMENT: DISTRIBUTION



EBITDA (CZK bn)	Q1 - Q3 2017	Q1 - Q3 2018	Change	%
Czechia	12.1	12.6	+0.6	+5%
Romania	1.4	1.3	-0.1	-9%
Bulgaria	1.1	0.8	-0.3	-26%
Distribution	14.6	14.7	+0.1	+1%

Czechia (CZK +0.6 billion)

- Higher gross margin on electricity distribution, primarily due to a year-on-year increase in allowed revenue, partially offset by the application of IFRS 15 on revenues from activities to ensure power input and connection and higher fixed expenses due to an increase in the number of employees in relation to increased investments in the distribution system (CZK +0.7 billion)
- Higher creation of allowances (CZK -0.1 billion)

Romania (CZK -0.1 billion)

- Higher fixed operating expenses partially offset by higher gross margin from electricity distribution mainly thanks to lower expenses on electricity purchased to cover losses
- Effect of the application of IFRS 15 on revenue from activities to ensure power input and connection

Bulgaria (CZK -0.3 billion)

- Effect of the application of IFRS 15 on revenue from activities to ensure power input and connection
- Higher additions to provisions for litigation in 2018

SEGMENT: SALES



EBITDA (CZK bn)	Q1 - Q3 2017	Q1 - Q3 2018	Change	%
Czechia	3.1	2.8	-0.3	-9%
Romania	0.0	0.4	+0.4	>200%
Bulgaria	0.7	0.2	-0.5	-72%
Germany	0.0	0.3	+0.3	-
Other states	-0.2	-0.3	0.0	-9%
Sales	3.5	3.4	-0.1	-3%

Czechia (CZK -0.3 billion)

- Lower gross margin on sales of electricity (CZK -0.4 billion) and gas (CZK -0.3 billion) primarily due to higher purchasing expenses
- Higher margin on sales of energy services (CZK +0.4 billion) due to expansion of ESCO activities in Czechia, including CZK +0.2 billion due to new ESCO acquisitions, including gaining control of ČEZ Energo (fully consolidated since July 1, 2018)

Romania (CZK +0.4 billion)

- Primarily higher gross margin related to increased expenses on electricity purchases in 2017 that were not reflected in regulated revenue until 2018

Bulgaria (CZK -0.5 billion)

- Positive effect of out-of-court settlement agreement made between CEZ Elektro Bulgaria and state-owned energy company NEK in 2017 (CZK -0.4 billion)

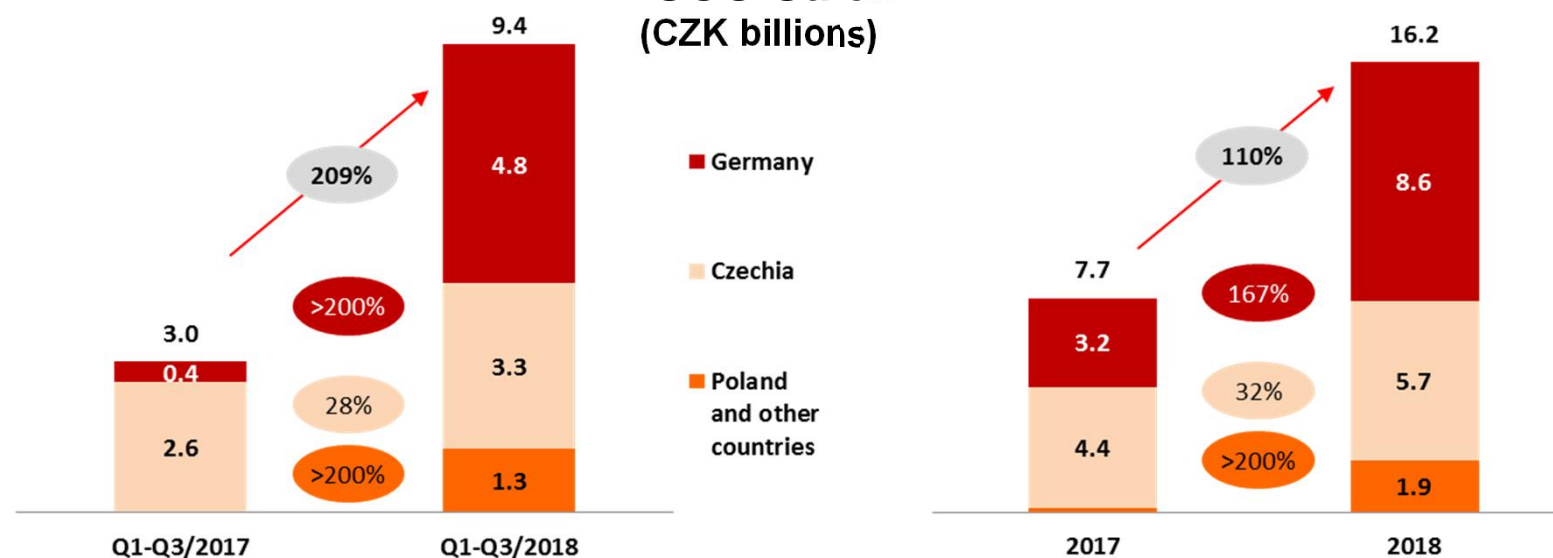
Germany (CZK +0.3 billion)

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

REVENUES FROM SALES OF ENERGY SERVICES ARE RISING DUE TO BOTH ACQUISITION AND ORGANIC GROWTH



ESCO Sales (CZK billions)



Germany (>200%)

- + Effect of Elevion Group acquisition (since Sept 1, 2017)
- + Effect of Kofler Energies Group acquisition (since Aug 1, 2018)

Czechia (+28%)

- + Organic growth and new acquisitions by ČEZ ESCO in late 2017

Poland and Other Countries (>200%)

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

Germany (+167%)

- + Effect of Elevion Group acquisition, including organic growth in 2018
- + Effect of Kofler Energies Group acquisition

Czechia (+32%)

- + New acquisitions and organic growth in 2018

Poland and Other Countries (>200%)

- + Primarily the contribution of Polish companies Metrolog and OEM Energy

OVERVIEW OF CEZ GROUP'S NEW ACQUISITIONS IN ENERGY SERVICES IN THE PAST PERIOD



Germany

- On July 31, the acquisition of a 100% stake in the **Kofler Energies Group** was completed. The group is the German market's leading design and engineering company providing solutions for various industrial sectors and public administration. These concern, e.g., energy and generating facility efficiency or equipment optimization. The company has 240 employees.



Romania

- On Aug 30, an agreement was signed concerning the acquisition of a 100% stake in **High Tech Clima**, one of HVAC leader in the Romanian market. The company also has a number of international clients and orders from abroad, including Czechia. The company has more than 100 employees.



Slovakia

- On July 10, ČEZ ESCO acquired a 100% stake in **TMT Energy**, a company operating a local distribution system covering 60 hectares in Trnava. Its customers are mostly retail stores.



OTHER SELECTED EVENTS

DEVELOPMENT TEAM



Renewables Abroad

- France—The construction of the first project in France, the Aschères-le-Marché wind farm with an installed capacity of 13.6 MW, started in October. Its commissioning is expected in H2 2019.
- Poland—After more than 2 years of preparation of amendments to relevant legislation, the Polish regulatory authority announced an RES auction on Oct 2, 2018. The auction for the onshore wind with capacity higher than 1 MW, for which CEZ Group submitted two wind farm projects, was held on Nov 5, 2018.

Distribution in Czechia

- Development of fiber-optic telecommunications infrastructure continues with the aim of building infrastructure supporting decentralized energy. The goal is to build 4,000 km of fiber-optic networks in the distribution area of ČEZ Distribuce by 2025 and another 5,500 km by 2030.
- New emergency information system for municipalities (KISMO) launched. The system allows simultaneously informing all stakeholders about an increased failure rate or state of disaster as well as about estimated power restoration times once the cause of failure is identified.
- A crisis situation associated with windstorm Fabienne was successfully resolved. The windstorm resulted in 140,000 service points left without power—1,420 line failures. Failures on medium-voltage lines were remedied within 20 hours. Damage to distribution equipment amounted to CZK 43 million.

Bulgaria—Sale of Assets

- On July 19, 2018, the Bulgarian Commission for Protection of Competition published its disapproval of the transaction to sell ČEZ's Bulgarian assets to Inercom. An administrative action was brought against the decision by both Inercom and ČEZ. ČEZ also filed a complaint with the EC. On Sept 21, Inercom filed a second motion with the Commission for Protection of Competition concerning the approval of its acquisition of ČEZ's Bulgarian assets. On Oct 18, the Commission for Protection of Competition published its position refusing to consider Inercom's new transaction review application. Both Inercom and CEZ filed another administrative action concerning this refusal.
- ČEZ's arbitration claim was not sold off and ČEZ, a. s., continues to carry on the arbitration.

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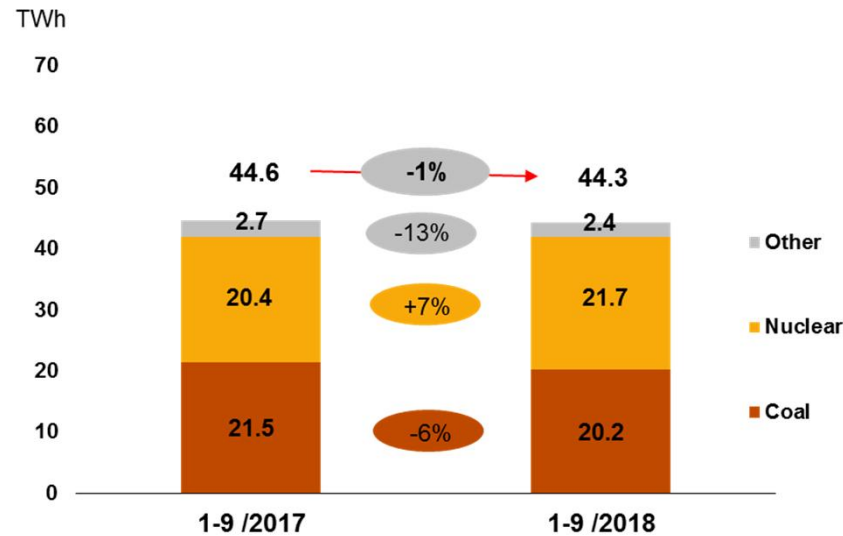
Financial Highlights, Selected Events, and Annual Outlook

Results and Selected Events—Development Team



Results and Selected Events—Operations Team

GENERATION—TRADITIONAL ENERGY



Nuclear Power Plants (+7%)

+ Optimization of outages at both power plants

Coal-Fired Power Plants (-6%)

Czechia (-7%)

- Lower generation by the Dětmarovice power plant
- Longer outages at the Mělník 3, Počerady, and Prunéřov 2 power plants

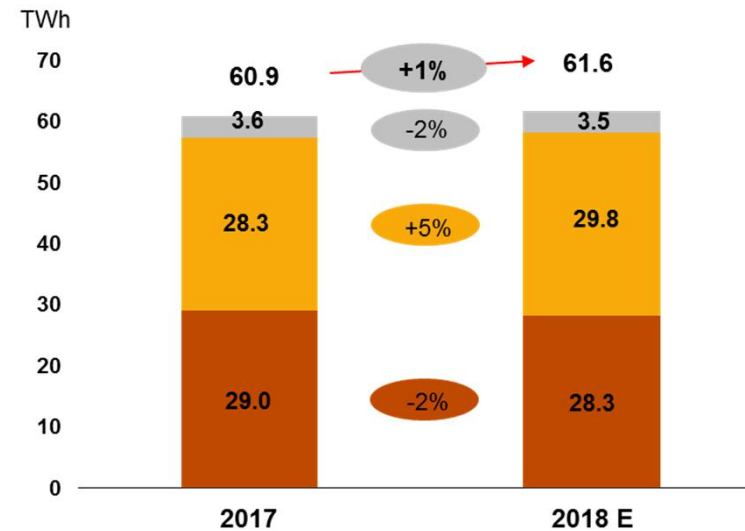
+ Commercial operation of the Ledvice 4 power plant (new facility)

Poland (+2%)

- + Shorter outages (Chorzów)
- Longer outages (Skawina)

Other (-13%)

- Primarily lower generation at the Počerady CCGT plant due to less favorable market prices of electricity and gas



Nuclear Power Plants (+5%)

+ Optimization of outages at both power plants

Coal-Fired Power Plants (-2%)

Czechia (-3%)

- Lower generation by the Dětmarovice, Prunéřov 2, and Mělník 3 power plants

+ Commercial operation of the Ledvice 4 power plant (new facility)

+ Shorter outages at the Tušimice 2 power plant

Poland (+2%)

- + Shorter outages (Chorzów)
- + Higher generation during peaks (Skawina)

SEGMENT: GENERATION–TRADITIONAL ENERGY



EBITDA (CZK bn)	Q1 - Q3 2017	Q1 - Q3 2018	Change	%
Czechia	13.6	12.2	-1.4	-10%
Poland	0.8	0.7	-0.1	-16%
Generation - traditional energy	14.3	12.8	-1.5	-10%

Czechia (CZK -1.4 billion)

- Higher realization prices of generated electricity, including the effect of hedges (CZK +0.3 billion)
- Higher generation at nuclear power plants (CZK +0.9 billion)
- Lower generation at the Počerady CCGT plant (CZK -0.3 billion) due to less favorable prices of electricity and gas
- Lower generation at coal-fired power plants (CZK -0.1 billion)
- Higher expenses on emission allowances for generation (CZK -1.3 billion)
- Revaluation of traded derivatives (+0,4 mld. Kč)
- Effect of settlement agreement with Sokolovská uhelná in 2017 (CZK -0.7 billion)
- Other (CZK -0.6 billion), primarily higher fixed operating expenses

Poland (CZK -0.1 billion)

- Lower amounts of heat supplied (CZK -0.1 billion), primarily due to climatic conditions at the beginning of 2018

MINING SEGMENT AND OTHER SEGMENT



EBITDA (CZK bn)	Q1 - Q3 2017	Q1 - Q3 2018	Change	%
Czechia	3.3	3.0	-0.3	-8%
Mining	3.3	3.0	-0.3	-8%

Mining segment (CZK -0.3 billion)

- Higher fixed expenses (CZK -0.2 billion) due to rise in wages, higher electricity costs, and changed frequency of payments for mined minerals
- Higher additions to provisions for mine damage (CZK -0.1 billion)
- Increased revenue from coal sales due to its rising price, partially offset by decreased volume (CZK +0.1 billion)

EBITDA (CZK bn)	Q1 - Q3 2017	Q1 - Q3 2018	Change	%
Czechia	2.0	1.7	-0.2	-13%
Other states	0.0	-0.1	-0.1	-
Other	2.0	1.7	-0.3	-15%

Other segment (CZK -0.3 billion)

- Primarily decrease in intragroup deliveries and margins

SELECTED EVENTS

OPERATIONS TEAM



Achievable capacity of Temelín NPP increased to 2,164 MW_e

- On September 1, the capacity of Unit 2 was also increased from 1,080 to 1,082 MWe.
- The more efficient utilization of energy potential contained in the drainage system of steam path of the high pressure turbo generator was implemented during a refueling outage.

Mobile application implemented at Temelín NPP replacing paper

- Mobile backing allows digitizing selected workflows during work preparation and monitoring of facilities' condition
- The innovation developed by ČEZ ICT Services in collaboration with Temelín NPP brings significant savings, especially during work preparation of outages; we anticipate deployment at Dukovany and CEZ Group's other generating facilities.
- The annual financial benefit is more than CZK 50 million.

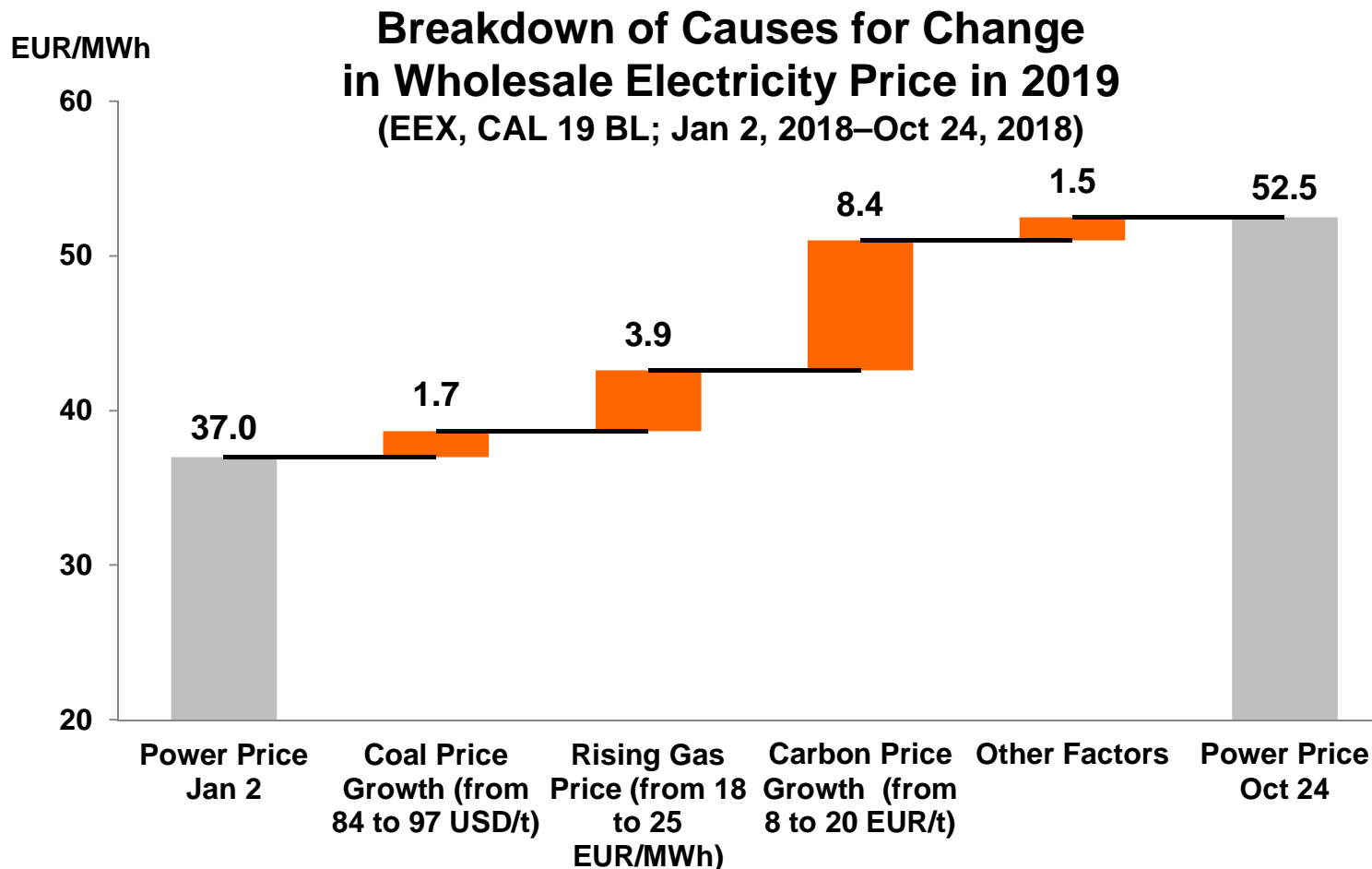
Safeguard exercise took place at Dukovany NPP—securing the power plant against external and terrorist attacks

- On Sept 17–20, Safeguard 2018 4-day exercise, took place in accordance with the European Commission's recommendations and a nuclear facility safety enhancement program. For the first time the army, the police, and fire brigades jointly participated.

CEZ Group's new data center in Tušimice nearing completion

- The data center will have an operating storage capacity of 2,000 TB (backed-up data capacity about 6,000 TB). Once commissioned, it will gradually replace data centers currently leased by CEZ Group and enable the reduction of its own existing data centers.
- The foundation stone laying ceremony took place on July 13, 2017.
- We expect to apply for a certificate of occupancy in December, the data center is expected to go live in the spring of 2019.

ELECTRICITY PRICES HAVE INCREASED SINCE THE START OF THE YEAR PRIMARILY DUE TO THE RISING PRICE OF CO₂ ALLOWANCES



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



Hedge price of generated electricity and EUA purchase price Oct 31

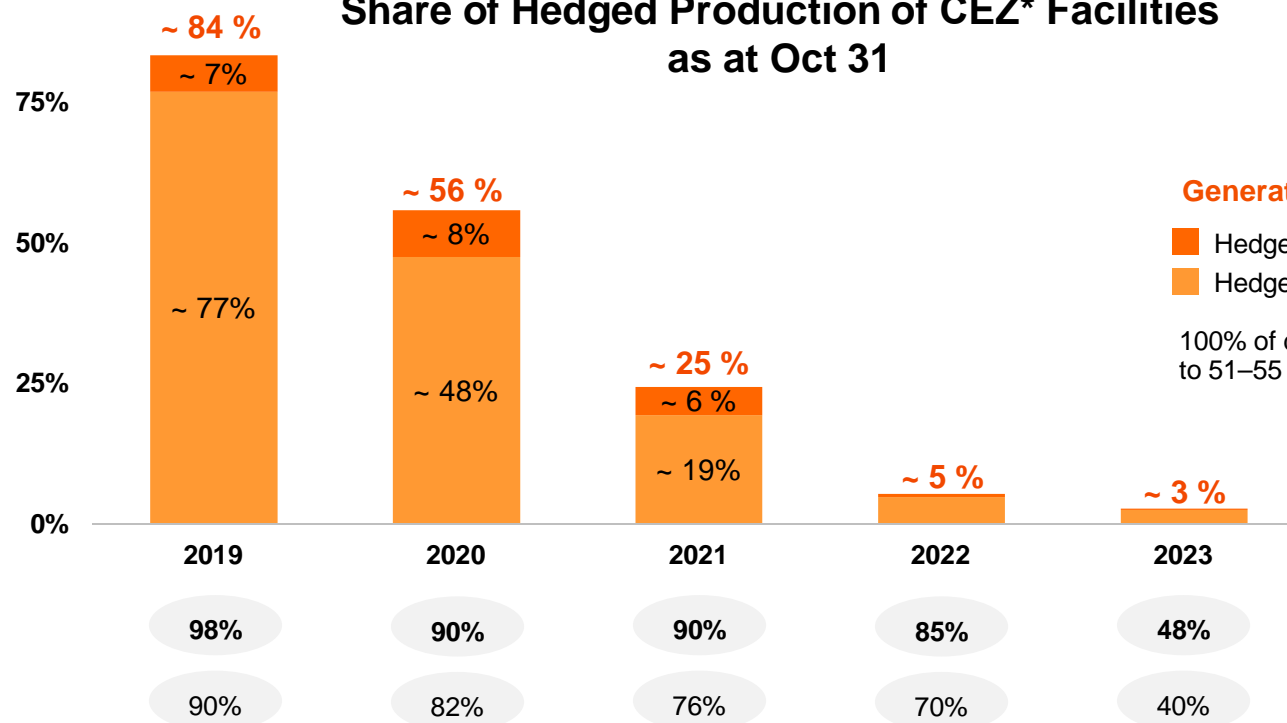


Electricity selling price (EUR/MWh)

EUA purchase price (EUR/t)

Note: The average purchase price of EUA includes allowances allocated under derogations (with zero value) in 2019 and 2020.

Share of Hedged Production of ČEZ* Facilities as at Oct 31



Generation hedged

- Hedged volume from Aug 1, 2018, to Oct 31, 2018
- Hedged volume at July 31, 2018

100% of deliveries in 2019–2022 corresponds to 51–55 TWh.

Total currency hedges (natural & transactional) as at Oct 31, 2018

Of which, natural currency hedges (debts in EUR, capital and other expenditures and costs in EUR)

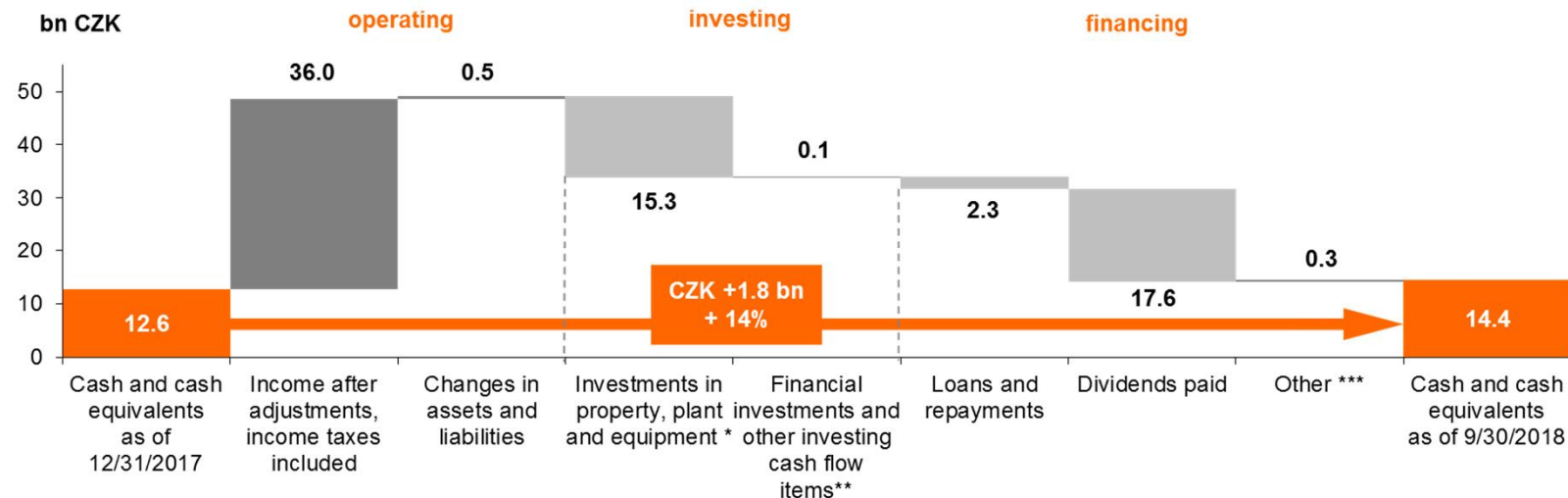
The foreign exchange position for 2019 is hedged at an average rate of 26.7 CZK/EUR and the foreign exchange position for 2020–2023 is hedged at approx. 26–27 CZK/EUR on average.

ANNEXES



- Cash Flows
- EBITDA—Q3 Year-on-Year Comparison
- Net Income—Q3 Year-on-Year Comparison
- 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 +36.5 billion)

- Income after adjustments, including income tax (CZK +36.0 billion): earnings before tax (CZK +11.6 billion), depreciation and amortization of nuclear fuel (CZK +24.0 billion), impairments and other non-cash income and expenses (CZK +1.7 billion), profit/loss of associates and joint ventures (CZK +1.0 billion), income tax paid (CZK -2.3 billion)
- Changes in assets and liabilities (CZK +0.5 billion): change in net trade receivables and payables including advances and unbilled electricity (CZK +1.7 billion), change in net payables and receivables from derivatives including options (CZK +1.1 billion), change in short-term liquid securities and term deposits (CZK +0.6 billion), change in other receivables and payables (CZK -2.8 billion)

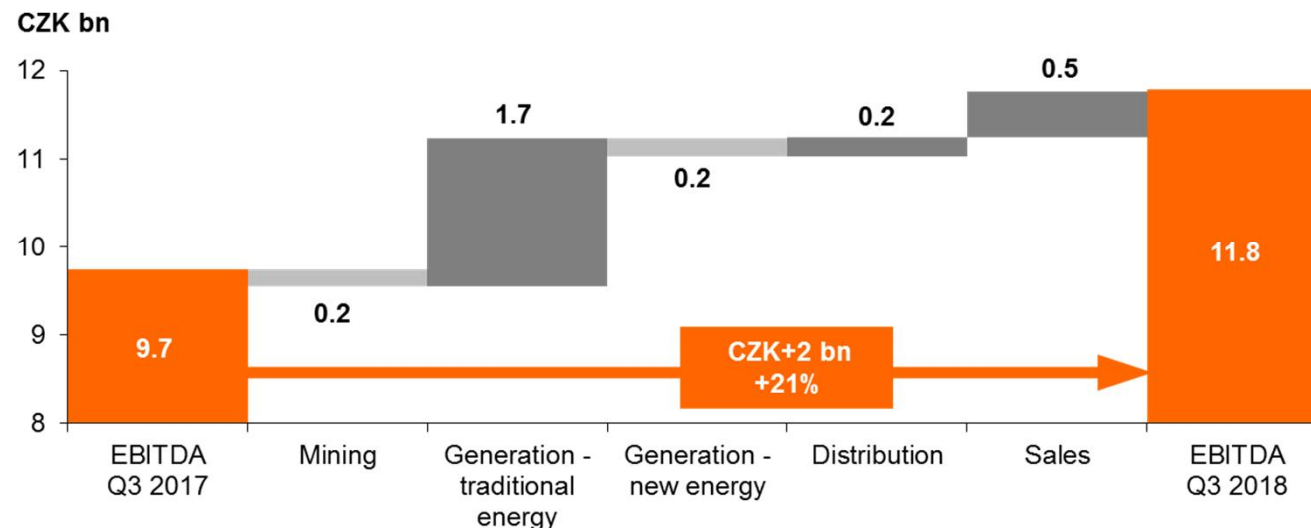
Cash Flows Used in Investing Activities (CZK -15.1 billion)

- Investments in fixed assets* (CZK -15.3 billion)
- Acquisition of subsidiaries, associates, joint ventures (CZK -1.3 billion)—of which: Kofler Energies Group (CZK -0.7 billion), Metrolog (CZK -0.2 billion)
- Change in restricted assets (CZK -0.9 billion)
- Payables resulting from additions to non-current assets (CZK -0.7 billion); Proceeds from sale of non-current assets—liquid bonds (CZK +3.0 billion)

Cash Flows Provided by Financing Activities (CZK -19.6 billion)***

- Dividends paid to shareholders (CZK -17.6 billion)
- Balance of loans and repayments (CZK -2.3 billion)
- Sale of treasury stock (CZK +0.2 billion)

EBITDA—Q3 YEAR-ON-YEAR COMPARISON



CEZ Group EBITDA (CZK +2.0 billion):

- Mining (CZK -0.2 billion):** Provisioning for mine damage (CZK -0.1 bn); rise in wages and increase in electricity costs (CZK -0.1 bn)
- Generation—Traditional Energy (CZK +1.7 billion):** Higher realization prices of generated electricity in Q3, including the effect of hedges (CZK +1.7 billion); higher generation at nuclear power plants (CZK +0.2 billion); higher expenses on emission allowances for generation (CZK -0.4 billion); revaluation of traded derivatives (CZK +0.4 billion), other effects (CZK -0.2 billion), primarily higher fixed operating expenses
- Generation—New Energy (CZK -0.2 billion):** Romania (CZK -0.3 billion): lower allocation of green certificates to wind farms (only one certificate per generated MWh allocated since Jan 1, 2018; two certificates allocated in 2017) and worse wind conditions; Czechia (CZK +0.1 billion): higher generation at photovoltaic power plants
- Distribution (CZK +0.2 billion):** Czechia (CZK +0.4 billion): higher gross margin due to higher allowed revenue, partially offset by higher fixed expenses in connection with higher investments in the distribution system and due to creation of allowances; Bulgaria (CZK -0.1 billion): provisioning for litigation; Romania (CZK -0.1 billion): lower margin on electricity distribution
- Sales (CZK +0.5 billion):** New ESCOs included in CEZ Group's consolidated results (CZK +0.3 billion); Romania (CZK +0.1 billion): higher gross margin related to increased expenses on electricity purchases in 2017 that were not reflected in regulated revenue until 2018

NET INCOME—Q3 YEAR-ON-YEAR COMPARISON



(CZK bn)	Q3 2017	Q3 2018	Change	%
EBITDA	9.7	11.8	+2.0	+21%
Depreciation, amortization and impairments*	-7.6	-7.7	-0.2	-2%
Other income (expenses)	-2.1	-1.8	+0.3	+16%
Income taxes	-0.1	-0.8	-0.7	>200%
Net income	-0.1	1.4	+1.5	-
Net income - adjusted	0.3	3.5	+3.1	>200%

Depreciation, Amortization, and Impairments* (CZK -0.2 billion)

- Lower depreciation and amortization (CZK +0.5 billion), primarily due to updated long-term service life estimates of ČEZ power plants, which exceeded the effect of the start of depreciation of the new Ledvice facility after its completion at the end of 2017
- Higher fixed asset impairments, incl. goodwill write-off (CZK -0.7 billion)

Other Income (Expenses) (CZK +0.3 billion)

- Higher interest expenses (CZK -0.4 billion), primarily due to lower interest capitalization after completion of the new Ledvice facility
- Share in profit or loss of Turkish companies, incl. additions to provisions for potential partial obligation in case of claim of guarantee for Akcez group companies' loans due to sharp weakening of the TRY to USD exchange rate (CZK -0.1 billion)
- Income on account of lost interest on refunded gift tax on emission allowances for 2011 and 2012 (CZK +0.7 billion)
- Other effects (CZK +0.1 billion), primarily revaluation of financial derivatives

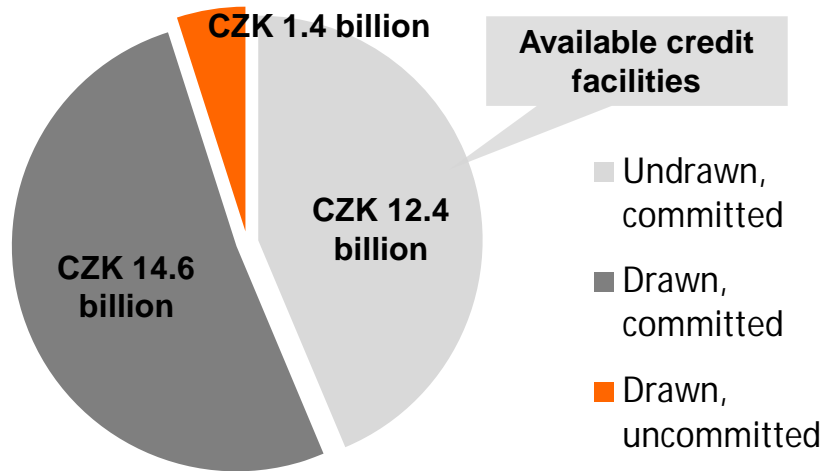
Net Income Adjustments

- Q3 2018 net income is adjusted for the negative effect of CEZ provisioning the value of which corresponds to potential partial obligation in case of claim of guarantee for Akcez group companies' loans due to continued weakening of the TRY/USD exchange rate in Q3 2018 reflecting Turkey's macroeconomic and political developments (CZK +1.4 billion), for the negative effect of fixed asset impairments in Bulgaria (CZK +0.4 billion) and for the negative effect of fixed asset impairments incl. goodwill write-off in Czechia (CZK +0.3 billion)
- Q3 2017 net income is adjusted for the negative effect of impairments of fixed asset held by joint ventures in Turkey (CZK +0.4 billion)**

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

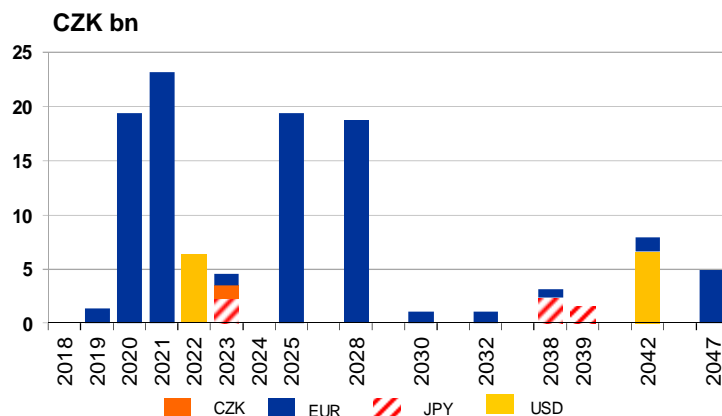


Utilization of Short-Term Lines (as at Sept 30, 2018)



- CEZ Group has access to CZK 27 billion in committed credit facilities, using CZK 14.6 billion as at Sept 30, 2018. Greater use of credit facilities is primarily related to higher margin deposits on commodity exchanges following a rise in electricity prices.

Bond Maturity Profile (as at Sept 30, 2018)



- Committed facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- The payment of dividends for 2017 (CZK 17.6 billion) began on August 1, 2018. 99% of the amount declared was paid as at Sept 30.

CAPITAL EXPENDITURE

BROKEN DOWN BY SEGMENT



CZK billions	1-9/2017	1-9/2018
Generation—Traditional Energy	7.5	3.9
Of which: Nuclear fuel acquisition	2.0	1.3
Generation—New Energy	0.5	0.2
Mining	0.9	0.7
Distribution	8.7	8.7
Czechia	6.5	6.9
Romania	1.1	0.9
Bulgaria	1.1	0.8
Sales	0.1	0.3
Other *	1.6	1.5
Total	19.2	15.3

- A year-on-year decrease in investments in the Generation—Traditional Energy segment 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.

BALANCE SHEET OVERVIEW



Property, plant and equipment, nuclear fuel, and investments decreased by CZK 14.1 billion

- Reclassification of Bulgarian companies as assets held for sale CZK -10.1 billion
- Depreciation, amortization, and fixed asset impairments exceed investments CZK -4.0 billion

Other non-current assets decreased by CZK 1.9 billion

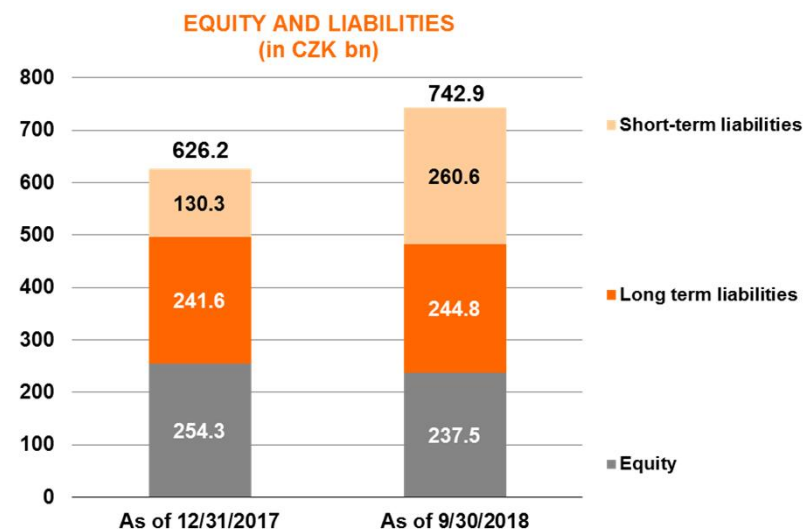
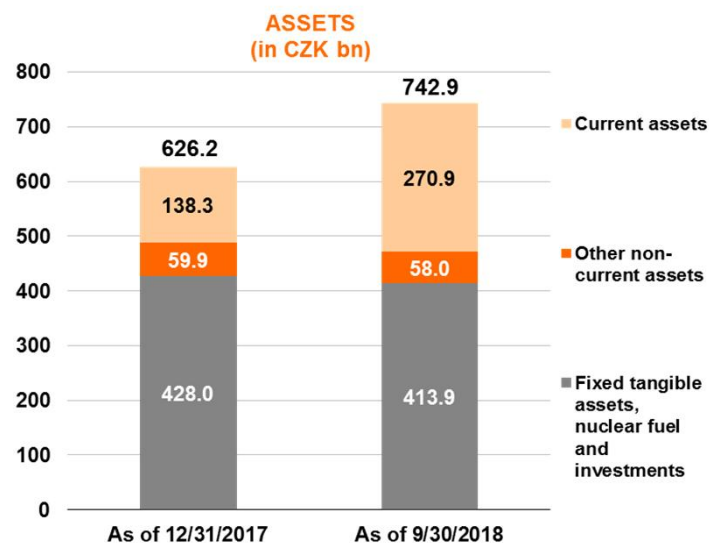
- Long-term financial assets CZK -0.9 billion, primarily due to sale of liquid bonds
- Deferred tax asset CZK -0.5 billion
- Investments in associates and joint ventures CZK -0.4 billion, primarily shift of ČEZ Energo into fully consolidated companies

Equity decreased by CZK 16.9 billion

- Dividends CZK -17.6 billion
- Other comprehensive income CZK -11.0 billion
- Net income CZK +9.1 billion
- Effect of the application of new IFRS standards CZK +2.4 billion
- Sale of treasury stock CZK +0.2 billion

Non-current liabilities increase by CZK 3.2 billion

- Long-term derivatives CZK +5.8 billion
- Long-term provisions CZK +2.3 billion, primarily nuclear provision
- Non-current liabilities resulting from connection fees (due to IFRS change) CZK -3.3 billion
- Long-term debt CZK -1.6 billion due to reclassification as short-term liabilities (Bulgaria)



Current assets increase by CZK 132.6 billion

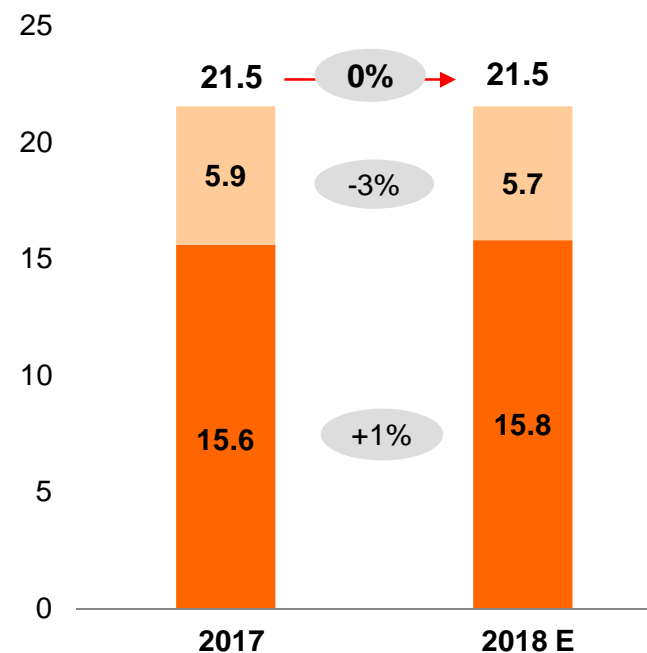
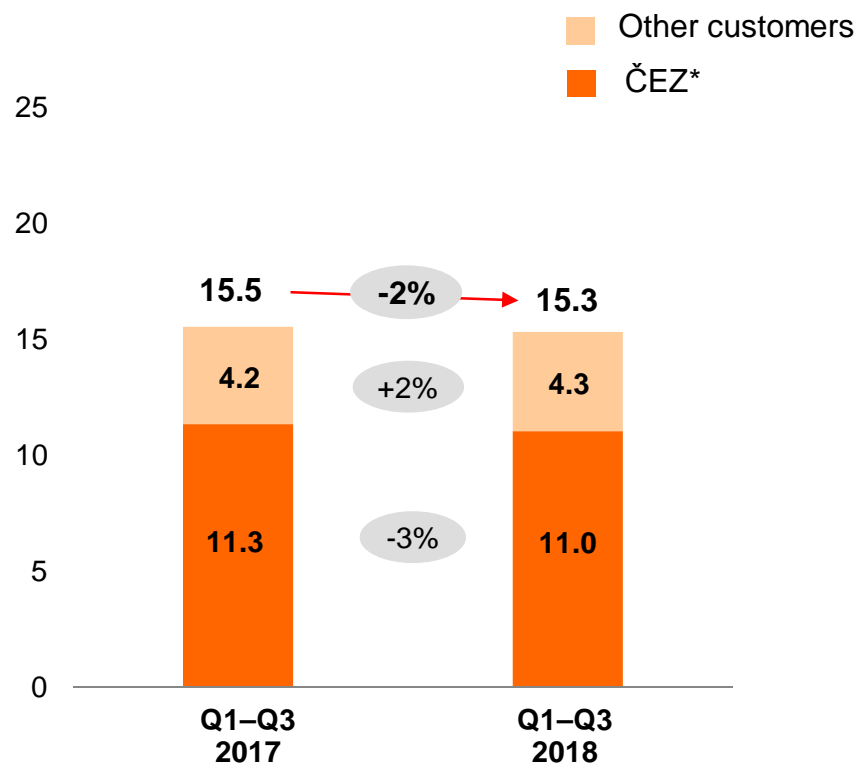
- Receivables from derivatives including options CZK +99.0 billion due to increased trading volume
- Reclassification of Bulgarian companies as assets held for sale CZK +16.5 billion
- Trade receivables CZK +7.4 billion
- Other receivables CZK +6.7 billion, primarily financial collaterals
- Inventories CZK +1.8 billion
- Income tax receivable CZK +1.8 billion
- Emission allowances CZK +1.3 billion
- Short-term securities CZK -1.5 billion

Current liabilities increased by CZK 130.3 billion

- Payables from derivatives including options CZK +111.0 billion
- Other payables CZK +9.4 billion, primarily financial collaterals
- Trade payables including received advances CZK +7.4 billion
- Liabilities related to reclassification of Bulgarian companies as assets held for sale CZK +5.5 billion
- Short-term provisions CZK +0.5 billion
- Other liabilities CZK -2.9 billion, primarily unbilled goods and services
- Current portion of long-term debt CZK -5.4 billion, short-term borrowings CZK +4.9 billion



Severočeské doly—Coal Extraction (Millions of Tons)



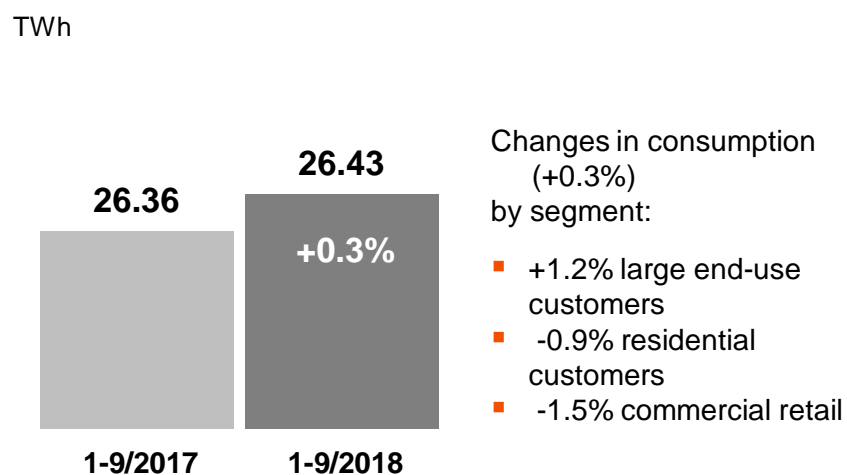
- Decrease in sold volume by 0.2 million tons of coal due to decreased consumption by CEZ Group companies, partially offset by higher sales to external customers.

- Current estimated sold volume reaches 2017 level.

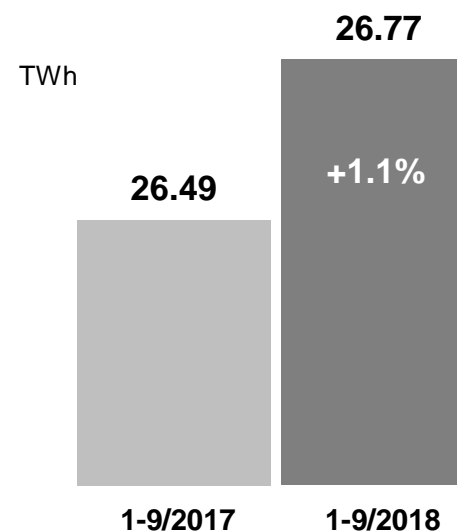
ELECTRICITY CONSUMPTION IN THE DISTRIBUTION AREA OF ČEZ DISTRIBUCE



Consumption in the Distribution Area of ČEZ Distribuce

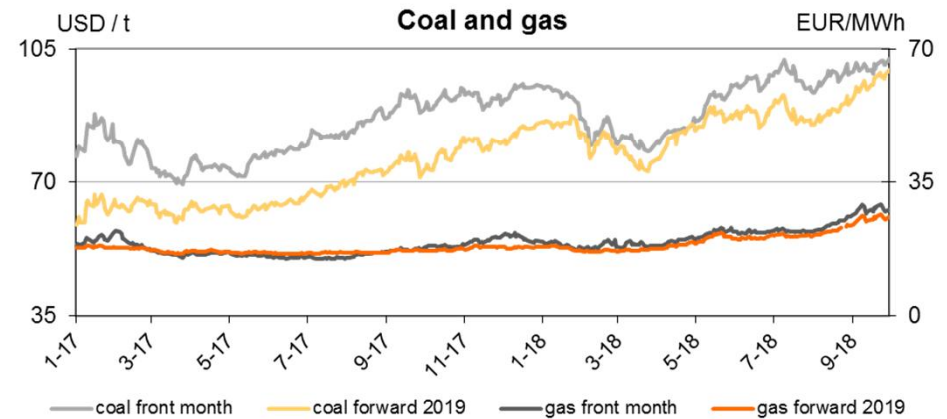
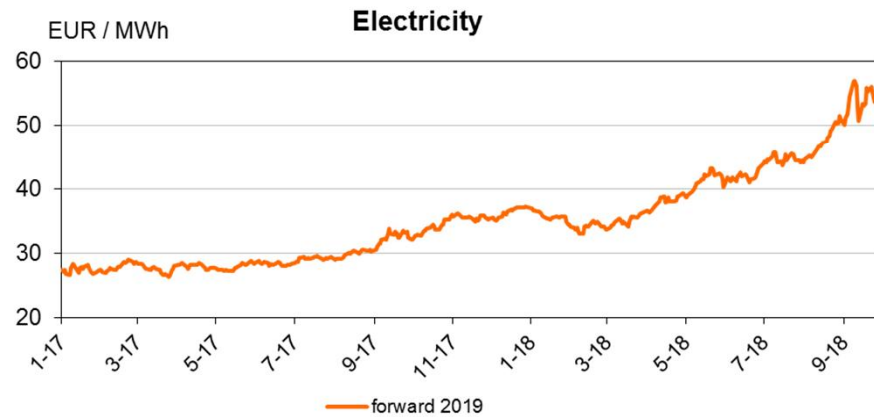
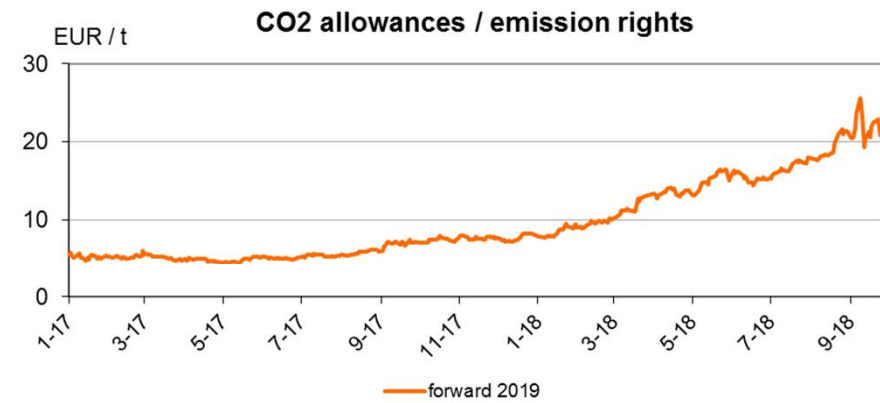
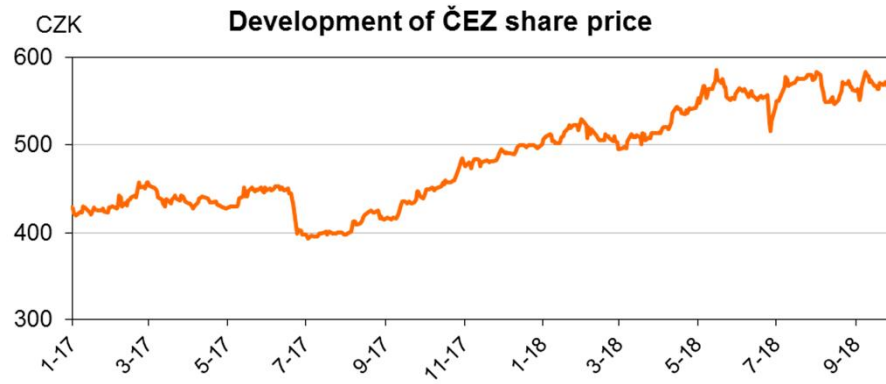


Temperature- and Calendar-Adjusted Consumption* (in the Distribution Area of ČEZ Distribuce)



- 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 - Q3 2017	Q1 - Q3 2018	Index 2018/2017
Electricity procured	41,510	41,203	-1%
Generated in-house (gross)	46,065	45,665	-1%
In-house and other consumption, including pumping in pumped-storage plants	-4,555	-4,462	-2%
Sold to end customers	-27,158	-27,536	+1%
Sold in the wholesale market (net)	-11,242	-10,803	-4%
Sold in the wholesale market	-193,704	-243,678	+26%
Purchased in the wholesale market	182,462	232,875	+28%
Grid losses	-3,110	-2,864	-8%

Electricity generation by source (GWh)

Nuclear	20,384	21,738	+7%
Coal and lignite	20,968	19,687	-6%
Water	1,594	1,498	-6%
Biomass	590	554	-6%
Photovoltaic	124	128	+3%
Wind	1,091	961	-12%
Natural gas	1,311	1,097	-16%
Bio gas	3	3	-1%
Total	46,065	45,665	-1%

Sales of electricity to end customers (GWh)

Households	-9,646	-9,301	-4%
Commercial (low voltage)	-3,529	-3,560	+1%
Commercial and industrial (medium and high voltage)	-13,983	-14,676	+5%
Sold to end customers	-27,158	-27,536	+1%

Distribution of electricity (GWh)

	Q1 - Q3 2017	Q1 - Q3 2018	Index 2018/2017
Distribution of electricity to end customers	38,258	38,361	+0%

Electricity balance (GWh) by segment

Q1 - Q3 2018	Generation - traditional energy		Generation - new energy		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
	Electricity procured	39,878	-1%	1,286	-8%	0	-	39	-	0	-	41,203
Generated in-house (gross)	44,321	-1%	1,302	-8%	0	-	42	-	0	-	45,665	-1%
In-house and other consumption, including pumping in pumped-storage plants	-4,443	-2%	-16	-22%	0	-	-3	-	0	-	-4,462	-2%
Sold to end customers	-158	+7%	0	-	0	-	-28,748	+1%	1,370	-8%	-27,536	+1%
Sold in the wholesale market (net)	-39,720	-1%	-1,286	-8%	2,864	-8%	28,709	+1%	-1,370	-8%	-10,803	-4%
Sold in the w wholesale market	-255,240	+21%	-1,863	-7%	0	-	-2,123	+20%	15,548	-29%	-243,678	+26%
Purchased in the w wholesale market	215,520	+25%	577	-6%	2,864	-8%	30,832	+2%	-16,918	-27%	232,875	+28%
Grid losses	0	-	0	-	-2,864	-8%	0	-	0	-	-2,864	-8%

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	21,738	+7%	0	-	0	-	0	-	0	-	21,738
Coal and lignite	19,687	-6%	0	-	0	-	0	-	0	-	19,687	-6%
Water	1,288	-8%	210	+6%	0	-	0	-	0	-	1,498	-6%
Biomass	554	-6%	0	-	0	-	0	-	0	-	554	-6%
Photovoltaic	0	-	128	+3%	0	-	0	-	0	-	128	+3%
Wind	0	-	961	-12%	0	-	0	-	0	-	961	-12%
Natural gas	1,055	-20%	0	-	0	-	42	-	0	-	1,097	-16%
Bio gas	0	-	3	-1%	0	-	0	-	0	-	3	-1%
Total	44,321	-1%	1,302	-8%	0	-	42	-	0	-	45,665	-1%

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	-	-9,301	-4%	0	-	-9,301
Commercial (low voltage)	-1	+10%	0	-	0	-	-3,559	+1%	0	-	-3,560	+1%
Commercial and industrial (medium and high voltage)	-157	+7%	0	-	0	-	-15,889	+4%	1,370	-8%	-14,676	+5%
Sold to end customers	-158	+7%	0	-	0	-	-28,748	+1%	1,370	-8%	-27,536	+1%

Electricity balance (GWh) by country

Q1 - Q3 2018	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	38,349	-1%	1,839	+1%	825	-17%	5	-	184	+32%	0	-	0	-	41,203	-1%
Generated in-house (gross)	42,553	-1%	2,082	+2%	841	-16%	5	-	184	+32%	0	-	0	-	45,665	-1%
In-house and other consumption, including pumping in pumped-storage plants	-4,204	-2%	-243	+4%	-15	+6%	0	-	0	-	0	-	0	-	-4,462	-2%
Sold to end customers	-12,738	-2%	-2,087	-4%	-2,473	+1%	-7,642	-	0	-	-2,596	+14%	0	-	-27,536	+1%
Sold in the wholesale market (net)	-24,026	+1%	248	-32%	2,259	+6%	8,304	-	-184	+32%	2,596	+14%	0	-	-10,803	-4%
Sold in the wholesale market	-247,011	+26%	-2,010	+1%	-1,284	+2%	-406	-	-184	+32%	-55	-81%	7,271	+11%	-243,678	+26%
Purchased in the wholesale market	222,985	+29%	2,258	-4%	3,543	+5%	8,710	-	0	-	2,650	+3%	-7,271	+11%	232,875	+28%
Grid losses	-1,585	-4%	0	-	-611	-6%	-668	-	0	-	0	-	0	-	-2,864	-8%

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	21,738	+7%	0	-	0	-	0	-	0	-	0	-	0	-	21,738	+7%
Coal and lignite	17,801	-7%	1,886	+0%	0	-	0	-	0	-	0	-	0	-	19,687	-6%
Water	1,424	-7%	5	-40%	69	+24%	0	-	0	-	0	-	0	-	1,498	-6%
Biomass	362	-15%	192	+19%	0	-	0	-	0	-	0	-	0	-	554	-6%
Photovoltaic	123	+4%	0	-	0	-	5	-	0	-	0	-	0	-	128	+3%
Wind	6	+19%	0	-	772	-19%	0	-	184	+32%	0	-	0	-	961	-12%
Natural gas	1,097	-16%	0	-	0	-	0	-	0	-	0	-	0	-	1,097	-16%
Bio gas	3	-1%	0	-	0	-	0	-	0	-	0	-	0	-	3	-1%
Total	42,553	-1%	2,082	+2%	841	-16%	5	-	184	+32%	0	-	0	-	45,665	-1%

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	-4,983	-3%	0	-	-1,262	-1%	-3,055	-	0	-	0	-	0	-	-9,301	-4%
Commercial (low voltage)	-1,517	+0%	-198	-4%	-665	+9%	-1,065	-	0	-	-114	+32%	0	-	-3,560	+1%
Commercial and industrial (medium and high)	-6,238	-2%	-1,889	-4%	-546	-5%	-3,522	-	0	-	-2,481	+18%	0	-	-14,676	+5%
Sold to end customers	-12,738	-2%	-2,087	-4%	-2,473	+1%	-7,642	-	0	-	-2,596	+14%	0	-	-27,536	+1%

Distribution of electricity (GWh) by country

Q1 - Q3 2018	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	26,430	+0%	0	-	5,057	+3%	6,873	-	0	-	0	-	0	-	38,361	+0%

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>Purpose: 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>Definition: 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>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.</p> <p>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.</p>
Dividend per Share (Gross)	<p>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.</p> <p>Definition: 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>Purpose: 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>Definition: 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>Purpose: This indicates a company's capability to decrease and pay back its debt as well as its ability to take on additional debt to grow its business. CEZ Group uses this</p>

Indicator
<p>indicator primarily to assess the adequacy of its capital structure to the structure and stability of its expected cash flows.</p> <p><u>Definition:</u> Net Debt / EBITDA. EBITDA is the running total for the past 12 months, i.e. EBITDA for the period from October 1 of previous year until September 30; Net Debt is the amount at the end of the period, i.e., September 30.</p>

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 Sep 30, 2017	As at Sep 30, 2018
Short-term debt securities available for sale	3,455	1,286
Short-term debt securities held to maturity	300	0
Short-term deposits	1,000	500
Long-term deposits	500	0
Long-term debt securities available for sale	1,798	512
Highly liquid financial assets, total	7,053	2,298

Adjusted Net Income indicator—individual components:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1—Q3 2017	Q1—Q3 2018
Net income	CZK millions	16,584	9,129
Impairments of property, plant, and equipment and intangible assets, including goodwill	CZK millions	267	884
Impairments of developed projects*)	CZK millions	0	0
Impairments of property, plant, and equipment and intangible assets, including goodwill, at joint ventures**)	CZK millions	473	0
Effects of additions to or reversals of impairments on income tax***)	CZK millions	(17)	(90)
Other extraordinary effects****)	CZK millions	0	1,392
Adjusted net income	CZK millions	17,307	11,315

*) 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 CEZ provisioning corresponding to the value of potential partial obligation in case of claim of for Turkey-based Akcez group companies' loans due to continued weakening of TRY to USD exchange rate in Q3 2018 (thus answering to macroeconomic and political developments in Turkey); the total amount of the provision created was CZK 1,392 million; it is reported in the consolidated balance sheet under *Provisions*, included in *Total Current Liabilities*, and in the consolidated statement of income under *Share of Profit (Loss) from Associates and Joint Ventures* (in the amount of CZK 990 million) and *Other Financial Expenses* (in the amount of CZK 402 million).