PRESENTATION ON CEZ GROUP FINANCIAL RESULTS

IN H1 2019

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

August 13, 2019

CONTENTS

CEZ GROUP FINANCIAL AND OPERATING RESULTS

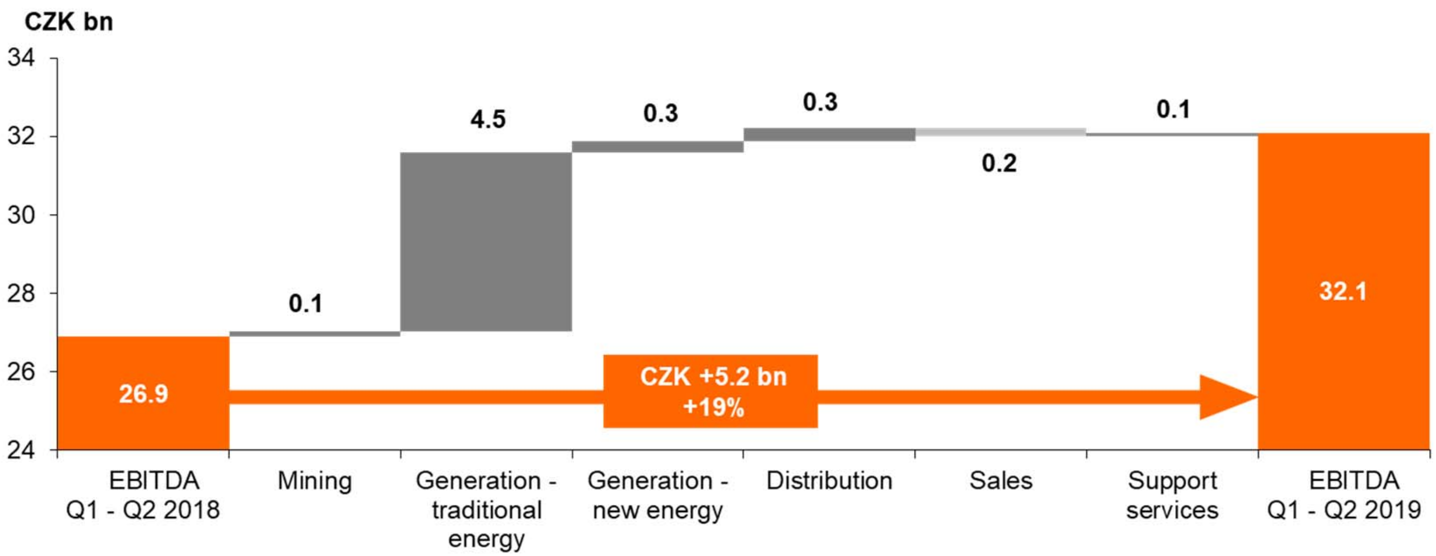
(CZK bn)	Q1 - Q2 2018	Q1 - Q2 2019	Change	%
Revenues	86.3	100.0	+13.8	+16%
EBITDA	26.9	32.1	+5.2	+19%
EBIT	12.7	17.1	+4.4	+35%
Net income	7.7	11.2	+3.5	+45%
Net income - adjusted *	7.8	12.0	+4.1	+52%
Operating CF	21.1	27.9	+6.8	+32%
CAPEX	9.0	11.6	+2.6	+30%

		Q1 - Q2 2018	Q1 - Q2 2019	Change	%
Installed capacity **	GW	14.9	14.9	-0.0	-0%
Mining	m tons	10.4	10.2	-0.2	-2%
Generation of electricity - segment traditional energy	TWh	29.7	30.8	+1.1	+4%
Generation of electricity - segments new energy and sales	TWh	1.0	1.2	+0.2	+19%
Electricity distribution to end customers	TWh	26.6	26.7	+0.1	+0%
Electricity sales to end customers	TWh	19.0	18.2	-0.8	-4%
Sales of natural gas to end customers	TWh	5.2	5.4	+0.2	+3%
Sales of heat	000´TJ	12.9	13.9	+1.0	+8%
Number of employees **	000´s	30.4	32.0	+1.6	+5%

* 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)

** As at the last date of the period

YEAR-ON-YEAR CHANGE IN EBITDA BY SEGMENT



Main causes of year-on-year change in H1 EBITDA:

- Higher realization prices of generated electricity in Czechia, incl. the effect of hedges and commodity trading (CZK +2.9 bn)
- Specific effect of growth in commodity prices in H1 2018 (CZK +1.6 bn), incl. CZK 1.2 bn from revaluation of hedges for electricity generation in Czechia with delivery in H2 2018 and CZK 0.4 bn due to commercial procurement of allowances for 2018
- Higher generation by traditional generating facilities in Czechia (CZK +0.6 bn)
- Higher expenses on emission allowances for generation in Czechia (CZK -0.8 bn) due to increased market prices and lower allocation of free allowances

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

OTHER INCOME (EXPENSES)

(CZK bn)	Q1 - Q2 2018	Q1 - Q2 2019	Change	%
EBITDA	26.9	32.1	+5.2	+19%
Depreciation, amortization and impairments*	**-14.2**	**-15.0**	**-0.8**	**-5%**
Other income (expenses)	**-3.4**	**-3.5**	**-0.1**	**-3%**
Interest income (expenses)	-2.4	-2.5	-0.1	-5%
Interest on nuclear and other provisions	-0.9	-0.9	-0.0	-4%
Income (expenses) from investments and securities	-0.0	0.1	+0.2	-
Other	-0.0	-0.2	-0.1	>200%
Income taxes	**-1.6**	**-2.4**	**-0.8**	**-50%**
Net income	7.7	11.2	+3.5	+45%
Net income - adjusted	**7.8**	**12.0**	**+4.1**	**+52%**

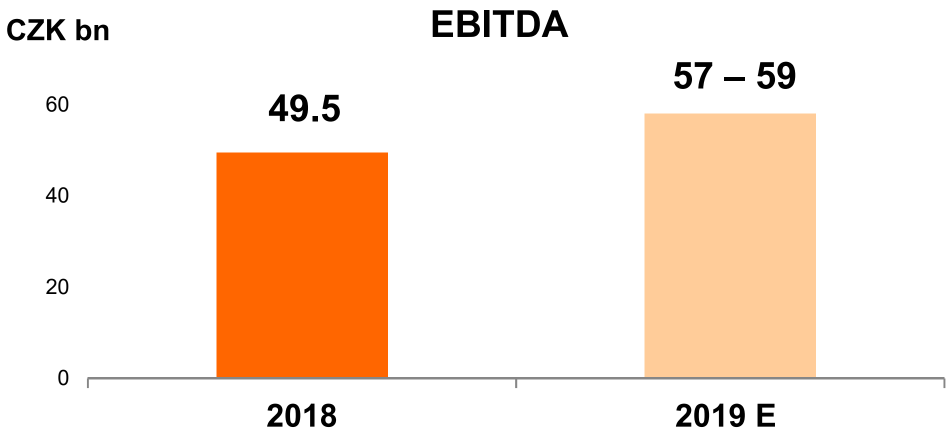
Depreciation, Amortization, and Impairments* (CZK -0.8 bn)
- Additions to impairments of Bulgarian assets held for sale, reflecting income achieved in 2019 (CZK -0.6 bn)
- Higher additions to fixed asset impairments, primarily in Romania (CZK -0.1 bn)
- Higher depreciation and amortization (CZK -0.1 bn)

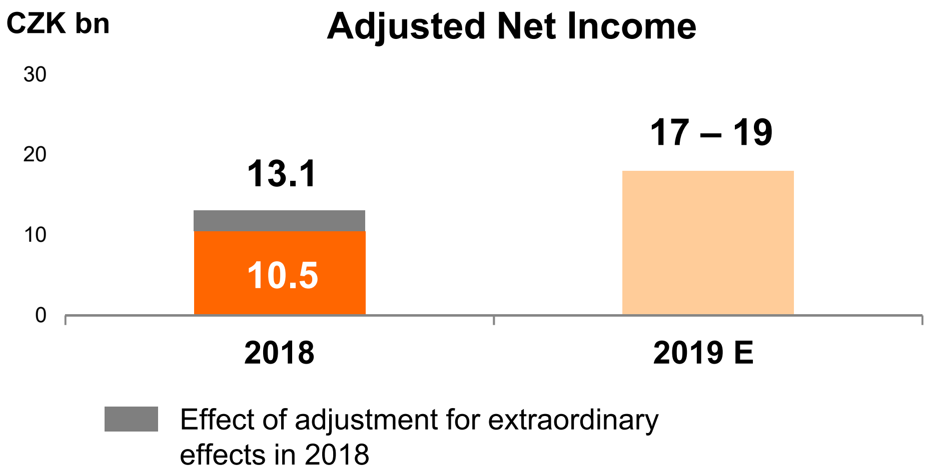
Other Income (Expenses) (CZK -0.1 bn)
- Higher interest expenses (CZK -0.2 bn), higher interest revenue (CZK +0.1 bn)

Net Income Adjustments
- Net income in H1 2019 adjusted for negative effects amounting to (CZK +0.7 bn) due to fixed asset impairments, in Bulgaria +CZK 0.6 bn and Romania +CZK 0.1 bn
- Net income in H1 2018 adjusted for negative effects amounting to (CZK +0.1 bn) due to fixed asset impairments, primarily in Czechia

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

WE CONFIRM THE FINANCIAL OUTLOOK FOR 2019, ESTIMATING EBITDA AT CZK 57 TO 59 BN, ADJUSTED NET INCOME AT CZK 17 TO 19 BN





Key prediction assumptions:

- Estimated electricity generation by CEZ Group generating facilities totaling 66.9 TWh, including 30.6 TWh by nuclear plants
- Estimated average realization price of generated electricity in Czechia of approx. 39 EUR/MWh*

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

- Availability of generating facilities
- Legal disputes (in particular, with SŽDC)
- New development acquisitions

* This is the result of hedges from past years, deals made in 2019, and the current market valuation of remaining, still unsold, estimated generation in 2019.

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

THE ANNUAL SHAREHOLDERS' MEETING OF ČEZ, A. S., TOOK PLACE ON JUNE 26

SHAREHOLDERS' MEETING DECISIONS

- Approved the 2018 financial statements of ČEZ, a. s., and consolidated financial statements of CEZ Group
- Made a decision on the distribution of the 2018 profits of ČEZ, a. s. Approved dividends (the share of profits to be distributed to shareholders) totaled CZK 12.9 bn, which is 98.4% of 2018 consolidated net income adjusted for extraordinary effects that were unrelated to ordinary financial performance
- Appointed Ernst & Young Audit, s.r.o., as the auditor to perform the statutory audit for 2019
- Approved a 2020 donations budget of CZK 110 m
- Approved an update to the business policy of CEZ Group and ČEZ, a. s.
- Removed Šárka Vinklerová from the Supervisory Board of ČEZ, a. s., elected Jan Vaněček as a new member of the ČEZ Supervisory Board
- Elected Jan Vaněček as a member of the Audit Committee of ČEZ, a. s.

PRIORITIES OF THE UPDATED CEZ GROUP BUSINESS STRATEGY AND POLICY

Strategic priorities of CEZ Group	Main strategic thesis of CEZ Group
Efficient operation, optimal utilization and development of generation portfolio	▪ Efficient management of nuclear plants and coal plants located near the coal basins and preparation of conditions for realization of new nuclear plant as part of strengthening energy security and decarbonization of generation portfolio in Czechia
Modern distribution and a care for customers' energy needs	▪ Modernization and digitalization of distribution and sales in Czechia, development of complex services taking into account customers‘ needs
Development of new energy in the Czech Republic	▪ Development of energy services (ESCO) and renewables (RES) in Czechia in fulfilling Czech climate and energy plan
Development of energy services in Europe	▪ Development of foreign ESCO activities and achieving significant position in markets close to Czechia, primarily Germany, northern Italy and Poland

- Realization of efficient exit strategies from markets and energy segments, which are risky or do not have attractive prospects
- Finalization of RES development abroad and securing return of funds invested

SUMMARY OF MAIN PARAMETERS OF PREVIOUS AND UPDATED STRATEGY OF CEZ GROUP

	Previous strategy (2012-2018)	Updated strategy (2019 +)
Geographic focus	▪ Focus on the Czech Republic and markets in Central and Western Europe near the Czech Republic with stable regulatory environment, primarily Germany, France and Poland	▪ Stronger focus on domestic market ▪ Regional offer in energy services segment (ESCO), mainly in Germany ▪ Exit from segments and markets with unattractive prospects
Developed segments	▪ New (decentralized) energy, i.e. energy services (ESCO) and renewables (RES) in the Czech Republic and abroad	▪ Electricity, gas and services with value added in domestic market ▪ Renewables and traditional energy in domestic market ▪ Decentralized energy in the whole region
Realized acquisitions	▪ Energy services (ESCO) in Germany, Poland and Romania ▪ Renewables (RES) in Germany and France	▪ Planned further acquisition in ESCO segment both in the Czech Republic and abroad

KEY SUBSTANTIVE AND GENERAL FINANCIAL OBJECTIVES IN THE UPDATED STRATEGY

Strategic Priorities	Key Substantive Objectives and Ambitions for 2025	Additional 2025 EBITDA* Goal (CZK bn)
Efficient Operation, Optimum Utilization & Development of Generation Portfolio	▪ Safe and efficient generation by nuclear plants (WANO's assessment of ČEZ's nuclear power plants above the global nuclear operators median; annual generation above 31.5 TWh). ▪ Long-term NPP operation (Temelín units at least until 2060 and 2062, Dukovany units until 2045 and 2047). ▪ Value maximization in mining and conventional generation, efficient generation by power and heating plants in mining regions. Controlled phaseout of plants outside mining regions. ▪ Negotiating a framework for the construction of a new nuclear unit at Dukovany, which would cover the regulatory and market risks of the project. Commencing project preparations according to the approved contractual framework.	**+1 to +2** beyond the effect of market prices **
Modern Distribution & Care for Customers' Energy Needs	▪ Distribution CZ: Increasing revenues by way of increased investments in the context of changes induced by decentral energy; increasing efficiency and reducing operating expenses. ▪ Sales CZ: Maintaining current profitability by way of: maintaining the current customer base, increasing customer satisfaction, and expanding offerings in the portfolio of noncommodity products and services.	**+2 to +4**
New Energy Sector Development in Czechia	▪ ESCO CZ and SK: 25%+ share in the growing market with target EBITDA margin > 7%. ▪ RES CZ: Playing a major role in the growth of renewables in Czechia .Total potential for Czech solar installed capacity estimated at up to 5 GW, including about 0.5 GW on land currently owned by CEZ Group.	**+2 to +3**
Energy Services Development in Europe	▪ Continuing with quick organic and acquisition expansion in Germany, northern Italy, and Poland. ▪ Maximizing synergies from the consolidation of activities in target markets. ▪ Becoming a Top 3 ESCO player in these markets by 2025, with target EBITDA margin > 7%.	**+2 to +3**

Divestment Strategy

- Return of capital invested in RES assets in Germany and France.
- Completion of sale of assets in Bulgaria, sale of generation and distribution assets in Romania, Poland, and Turkey. The goal is to sell those assets by the end of 2022. The assets' contribution to CEZ Group's annual 2018 EBITDA was CZK 5.5 bn.

The goal of additional 2025 EBITDA* demands significant investments in new assets, primarily in RES in Czechia, ESCO abroad, and distribution in Czechia. Investments in RES development in Czechia and ESCO development will be financed by income from divestments.

*Increase in annual EBITDA as compared to today; **Current market prices of electricity and emission allowances indicate an additional CZK 7 to 10 bn.

THE STRATEGY UPDATE WAS FOLLOWED BY AN UPDATE TO THE COMPANY'S DIVIDEND POLICY

Previous Dividend Policy Starting from 2017

- Elevated payout ratio of **60%–100%** of consolidated net income adjusted for extraordinary effects generally unrelated to ordinary financial performance in a given year
- Published in March 2017 as **temporary elevation for 2 years until a new development strategy is specified**

ČEZ's Current Dividend Policy Since May 27, 2019

- Payout ratio of **80%–100%** of consolidated net income adjusted for extraordinary effects generally unrelated to ordinary financial performance in a given year

Rationale behind the change of payout ratio to 80%–100%:

- Increased ratio between generated operating cash flows and net income
- Update to CEZ Group's business strategy and policy
- Updated strategy does not anticipate major acquisitions and investments in renewables abroad

SELECTED EVENTS
IN THE PAST QUARTER

AGREEMENT MADE WITH EUROHOLD FOR THE SALE OF BULGARIAN ASSETS AT EUR 335 M

- Following the Bulgarian competition authority's disapproval of the sale of its Bulgarian assets to Inercom, ČEZ decided to **terminate the agreement with Inercom.**
- Based on offers from other potential buyers of the Bulgarian assets, ČEZ entered into a sales agreement with **Eurohold, which made the best and most profitable offer**, i.e., a purchase price of EUR 335 m and repaying shareholder loans provided by CEZ Group.
- The agreement's contribution to CEZ Group's 2019 accounting profit will be **over CZK 0.2 bn**
- The sale concerns a total of seven companies: CEZ Bulgaria, CEZ Elektro Bulgaria, CEZ Razpredelenie Bulgaria, CEZ Trade Bulgaria, CEZ ICT Bulgaria, Free Energy Project Oreshets, and Bara Group.

INVEN CAPITAL (CEZ GROUP'S INVESTMENT FUND) ACQUIRED A MINORITY SHARE IN NEURON SOUNDWARE

- Neuron Soundware, a Czech company, offers advanced **hardware and software for predictive maintenance, enabling timely failure detection and operation optimization**. Using artificial intelligence, the system can recognize imminent problems in machines in time to prevent failures of critical manufacturing equipment.
- Neuron Soundware solutions have been used by, e.g., Daimler, VW, Innogy, E.ON, Airbus, or LG.
- The company employs twenty experts and its 2018 turnover was almost EUR 0.5 m.

TEMELÍN NUCLEAR POWER PLANT INSPECTED BY WANO'S INTERNATIONAL MISSION

- The Temelín NPP was inspected by 28 experts from 17 countries on Jul 17–Aug 2.
- This was the very first time when a mission took place during an outage and led by WANO's Paris center.
- Final results will be available in October. Preliminary conclusions from the mission confirm a high standard of the nuclear power plant's operations.
- Room for further improvement in processes was identified in areas that the power plant has already been addressing on a long-term basis. The WANO team also appreciated several areas where the Temelín NPP can be an example of good practice for other power plants (e.g., its emergency preparedness system or modification of Essential Service Water* piping).

ON JULY 30 MINISTRY OF THE ENVIRONMENT ISSUED A FAVORABLE ENVIRONMENTAL IMPACT OPINION FOR EXTENDED COAL MINING AT BÍLINA MINE UNTIL 2035

- The opinion also imposed 31 conditions on Severočeské doly that must be met by the company (e.g., building embankments and planting greenery to reduce noise and dust). Previously, mining at the mine was permitted until 2030.

*Essential Service Water—a system delivering cooling water to the most crucial equipment (e.g., circulating pumps and diesel generators); NPP—Nuclear power plant

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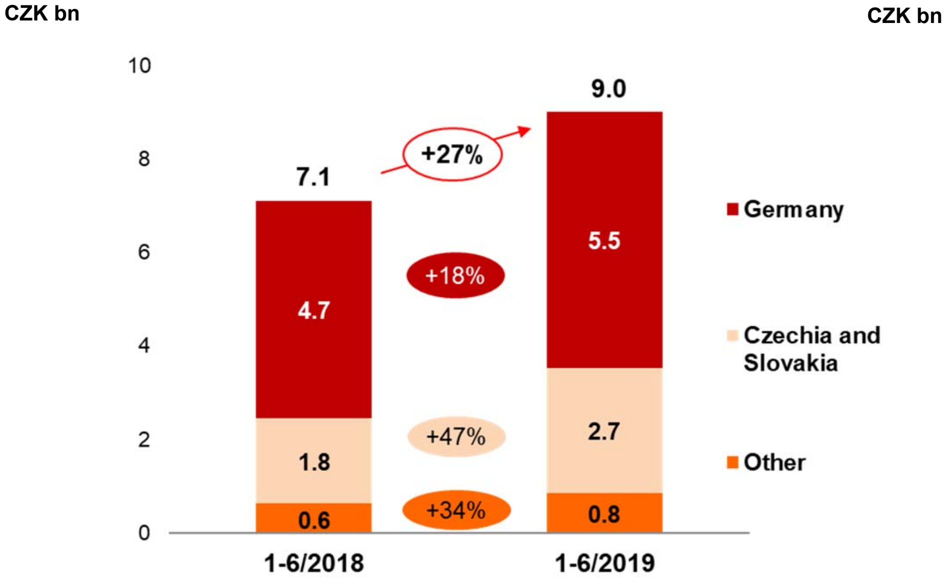
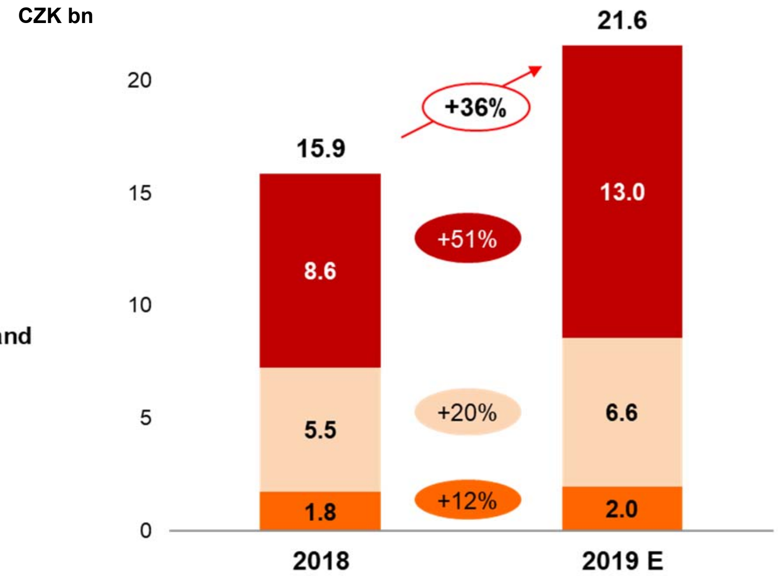
ESCO COMPANIES

H1 SALES INCREASED BY 27% Y-O-Y





Germany (+18%)
+ Effect of acquisition of Kofler Energies Group (consolidated Jul 31, 2018), En.plus (consolidated Jan 25, 2019) and Hermos (consolidated May 15, 2019)

Czechia & Slovakia (+47%)
+ New acquisitions in late 2018 and organic growth

Other (+34%)
+ Organic growth of Metrolog (consolidated Jan 31, 2018) and OEM Energy (consolidated Dec 31, 2017)
+ Acquisition of High-Tech Clima in Romania (consolidated Dec 12, 2018)

Germany (+51%)
+ Y-o-y organic growth of Elevion Group
+ Effect of acquisition Kofler Energies Group, En.plus and Hermos

Czechia & Slovakia (+20%)
+ New acquisitions in late 2018 and organic growth

Other (+12%)
+ Organic growth of Metrolog and OEM Energy
+ Acquisition of High-Tech Clima in Romania

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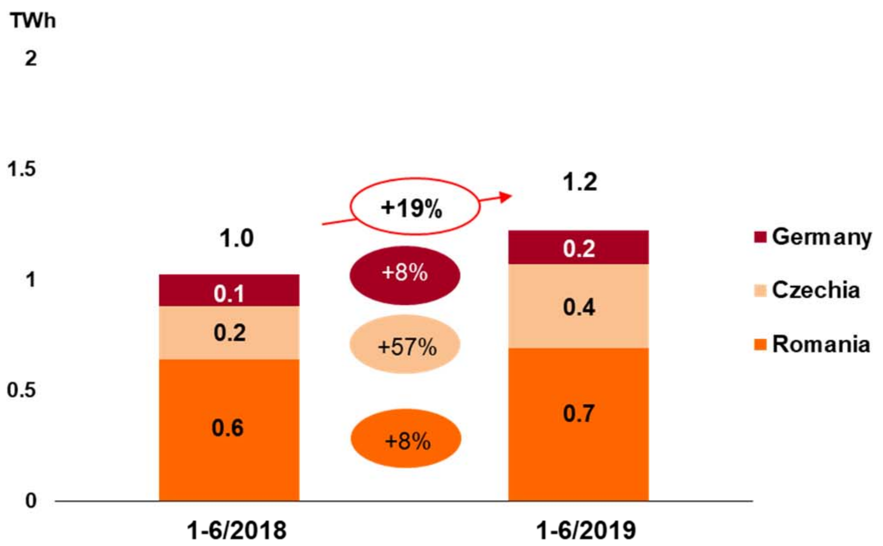
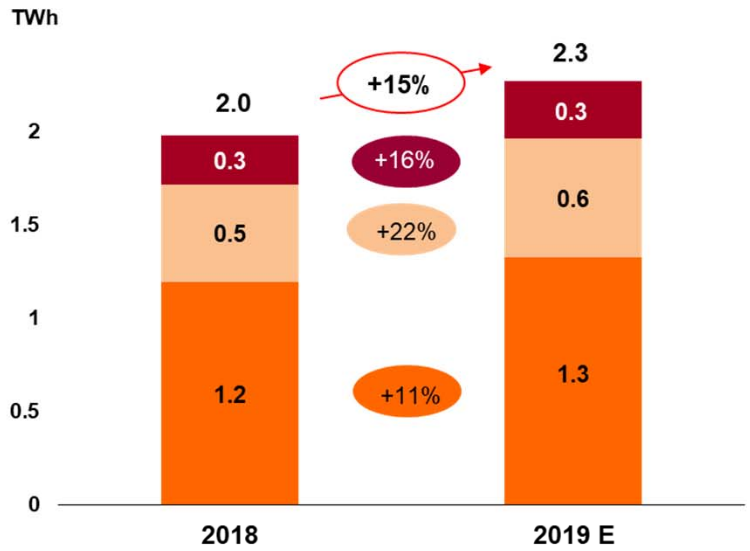
ELECTRICITY GENERATION

GENERATION–NEW ENERGY & SALES SEGMENTS





Germany (+8%)
+ Unfavorable weather conditions in 2018

Czechia (+57%)
+ Primarily the effect of inclusion of ČEZ Energo (fully consolidated since mid-2018)

Romania (+8%)
+ Unfavorable weather conditions in 2018

Germany (+16%)
+ Unfavorable weather conditions in 2018

Czechia (+22%)
+ Primarily the effect of inclusion of ČEZ Energo (fully consolidated since mid-2018)

Romania (+11%)
+ Unfavorable weather conditions in 2018

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SEGMENT: GENERATION–NEW ENERGY

EBITDA (CZK bn)	Q1 - Q2 2018	Q1 - Q2 2019	Change	%
Czechia	1.1	1.2	+0.1	+5%
Romania	0.8	0.9	+0.1	+17%
Germany	0.2	0.3	0.0	+23%
Other states	-0.1	-0.1	+0.1	+45%
Generation - new energy	**2.0**	**2.3**	**+0.3**	**+15%**

Czechia (CZK +0.1 bn)

- Higher amount of generated electricity due to better climatic conditions

Romania (CZK +0.1 bn)

- Primarily higher amount of generated electricity and higher allocation of certificates

Germany (CZK +0.05 bn)

- Primarily higher amount of generated electricity

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SEGMENT: DISTRIBUTION

EBITDA (CZK bn)	Q1 - Q2 2018	Q1 - Q2 2019	Change	%
Czechia	8.6	9.1	+0.5	+5%
Romania	0.8	0.7	-0.1	-17%
Bulgaria	0.6	0.6	0.0	+1%
Distribution	**10.1**	**10.4**	**+0.3**	**+3%**

Czechia (CZK +0.5 bn)

- Higher margin on electricity distribution (CZK +0.3 bn)
- Revenue from activities to ensure input power and connection (CZK +0.1 bn)
- Lower additions to allowances on receivables (CZK +0.1 bn)

Romania (CZK -0.1 bn)

- Lower gross margin on electricity distribution due to higher costs to cover losses in the grid resulting from higher average purchase price

Bulgaria (CZK 0.0 bn)

- Lower additions to provisions and impairments
- Lower revenue from activities to ensure input power and connection

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SEGMENT: SALES

EBITDA (CZK bn)	Q1 - Q2 2018	Q1 - Q2 2019	Change	%
Czechia	1.7	1.4	-0.3	-15%
Germany	0.1	0.2	+0.1	+62%
Romania	0.4	0.1	-0.3	-79%
Bulgaria	0.1	0.2	+0.1	+88%
Other states	-0.1	0.0	+0.2	-
Sales	**2.1**	**1.9**	**-0.2**	**-9%**

Czechia (CZK -0.3 bn)

- Lower gross margin on commodity sales (CZK -0.5 bn) primarily due to higher expenses on electricity and natural gas purchases
- Noncommodity ESCO activities (CZK +0.2 bn)

Germany (CZK +0.1 bn)

- Improved performance of Elevion group
- Acquisition of En.Plus

Romania (CZK -0.3 bn)

- Nonrecurrent positive impact of regulatory correction in 2018 and lower gross margin on commodity sales

Bulgaria (CZK +0.1 bn)

- Higher gross margin, primarily lower expenses on commodity procurement

Other Countries (CZK +0.2 bn)

- Primarily higher gross margin on electricity sales and effect of new ESCO acquisitions in Slovakia

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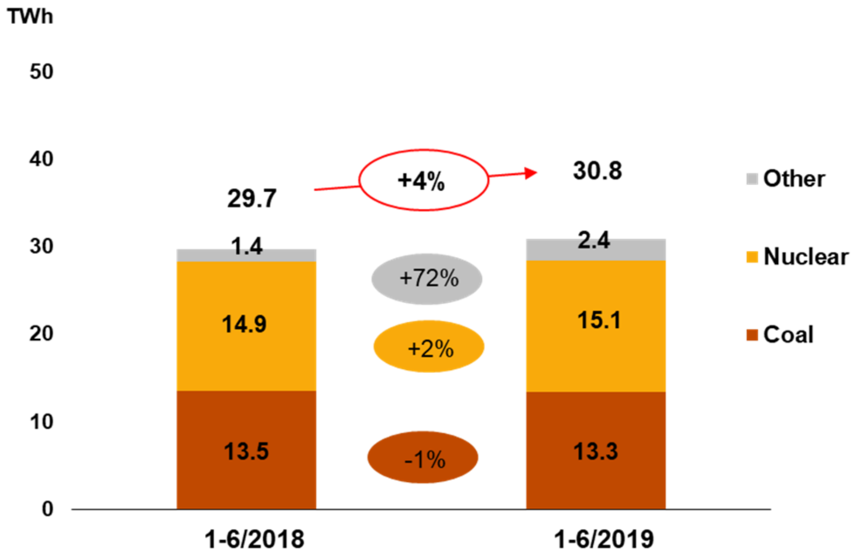
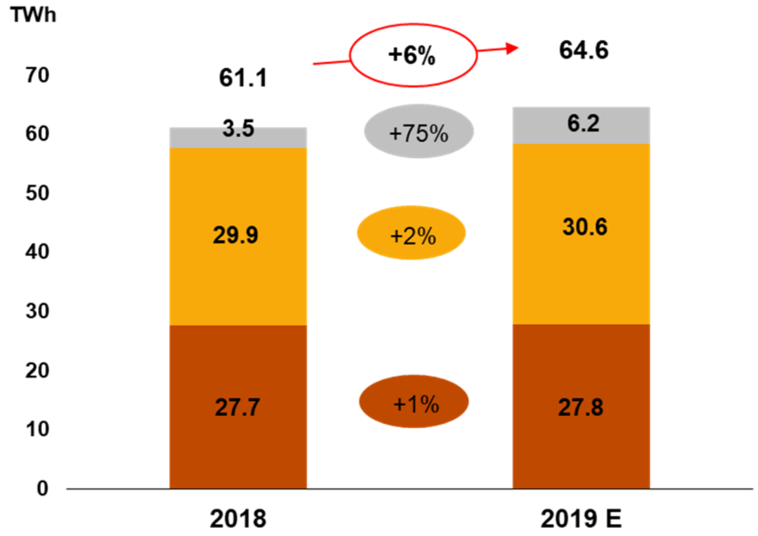
CONTENTS

ELECTRICITY GENERATION

GENERATION–TRADITIONAL ENERGY SEGMENT





Nuclear Power Plants (+2%)
+ Efficient operation and optimization of outages at both power plants

Coal-Fired Power Plants (-1%)

Czechia (0%)
+ Shorter outages at Mělník 3 power plant
− Lower generation by Tušimice 2, Dětmarovice, and Počerady power plants

Poland (-8%)
− NO_x emission limits, longer outages (Skawina)
+ Shorter outages (Chorzów)

Other (+72%)
+ Primarily higher generation by Počerady CCGT plant due to favorable market prices of electricity and gas

Nuclear Power Plants (+2%)
+ Efficient operation and optimization of outages at both power plants

Coal-Fired Power Plants (+1%)

Czechia (+2%)
+ Higher generation of new Ledvice 4 power plant
+ Shorter outages at Prunéřov 2, Mělník 3 power plants
− Lower generation by Dětmarovice, Počerady, and Ledvice 3 power plants

Poland (-7%)
− Gross margin optimization, longer outages, compliance with NO_x limits (Skawina)
+ Shorter outages (Chorzów)

Other (+75%)
+ Primarily higher generation by Počerady CCGT plant due to favorable market prices of electricity and gas

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SEGMENT: GENERATION–TRADITIONAL ENERGY

EBITDA (CZK bn)	Q1 - Q2 2018	Q1 - Q2 2019	Change	%
Czechia	9.1	13.7	+4.6	+51%
Poland	0.5	0.4	-0.1	-23%
Other states	-0.0	0.0	+0.1	-
Generation - traditional energy	**9.6**	**14.1**	**+4.5**	**+48%**

Czechia (CZK +4.6 bn)

- Higher realization prices of generated electricity, including the effect of hedges and commodity trading (CZK +2.9 bn)
- Higher generation at nuclear power plants (CZK +0.2 bn), operation of other generating facilities (CZK +0.4 bn)
- Higher expenses on emission allowances for generation (CZK -0.8 bn) due to increased market prices and lower allocation of free allowances
- Higher revenue from heat sales (CZK +0.3 bn)
- Higher revenue from ancillary services (CZK +0.2 bn)
- Specific effect of growth in commodity prices in H1 2018 (CZK +1.6 bn), incl. CZK 1.2 bn from revaluation of hedges for electricity generation in Czechia with delivery in H2 2018 and CZK 0.4 bn due to commercial procurement of allowances for 2018

Poland (CZK -0.1 bn)

- Higher expenses on allowances due to lower volume of free allowances and increased market prices of purchased allowances
- Increased price of biomass (Chorzów power plant)

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

MINING SEGMENT,
SUPPORTING SERVICES SEGMENT

EBITDA (CZK bn)	Q1 - Q2 2018	Q1 - Q2 2019	Change	%
Czechia	2.4	2.5	+0.1	+6%
Mining	**2.4**	**2.5**	**+0.1**	**+6%**

Czechia (CZK +0.1 bn)
- Higher revenue from coal sales, primarily within CEZ Group

EBITDA (CZK bn)	Q1 - Q2 2018	Q1 - Q2 2019	Change	%
Czechia	0.8	0.8	+0.1	+10%
Other states	0.0	0.0	0.0	+11%
Support services	**0.8**	**0.9**	**+0.1**	**+10%**

Czechia (CZK +0.1 bn)
- Primarily an effect of the application of IFRS 16, when a portion of total expenses on leases moved to depreciation and interest expense (and thus out of EBITDA)

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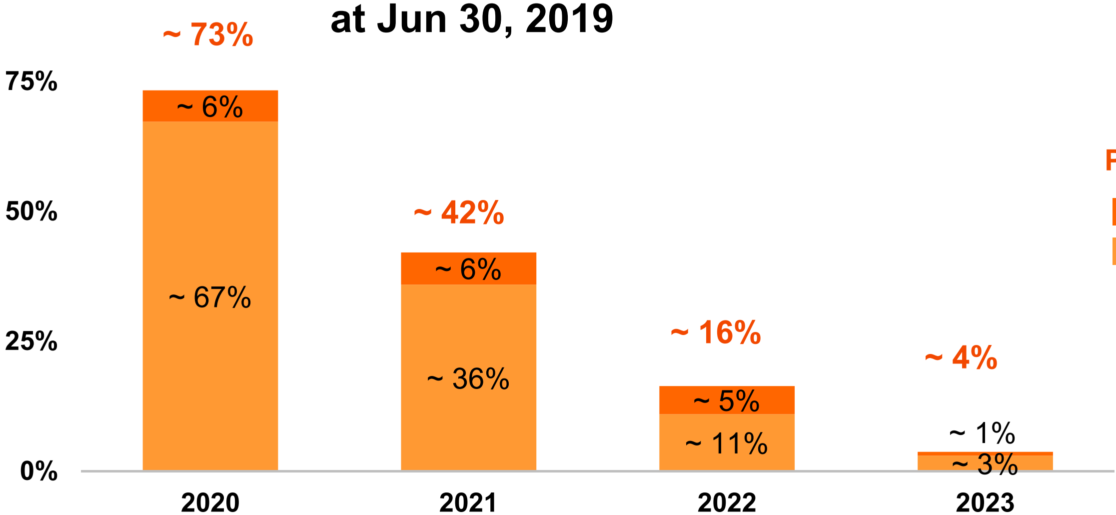
ČEZ CONTINUES HEDGING ITS GENERATION REVENUES IN THE MEDIUM TERM IN LINE WITH STANDARD POLICY

Hedge price of generated electricity and EUA purchase price as at Jun 30, 2019

	2020	2021	2022	2023
Electricity selling price (EUR/MWh)	€42.3	€43.6	€44.8	€40.9
EUA purchase price (EUR/t)	€12.6	€17.0	€18.2	€12.6

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

Share of Hedged Production of ČEZ* Facilities as at Jun 30, 2019



Production hedged

- Hedged volume from Apr 1 to Jun 30, 2019
- Hedged volume as at Mar 31, 2019

100% of deliveries in 2020–2023 corresponds to 53–55 TWh.

	2020	2021	2022	2023
Total currency hedges (natural & transactional) as at Jun 30, 2019	97%	76%	82%	76%
Of which, natural currency hedges (debts in EUR, capital and other expenditures and costs in EUR)	90%	85%	67%	69%

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

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

ANNEXES

- Other Selected Events in the Past Quarter
- Cash Flows
- EBITDA—Q2 Year-on-Year Comparison
- Net Income—Q2 Year-on-Year Comparison
- Debt Position and Structure
- Capital Expenditure
- Balance Sheet Overview
- Electricity Consumption
- Market Developments
- Electricity Procured and Sold
- Definitions of Alternative Indicators according to ESMA

OTHER SELECTED EVENTS

IN THE PAST QUARTER

ADDITIONAL ESCO ACQUISITIONS MADE

- In Germany, the acquisition of a 100% share in the HERMOS group through the Elevion group was completed on May 15. HERMOS, an international group with 508 employees, specializes in automation and IT solutions for industry, the energy sector, the environment, and buildings and in the final assembly of smart switchboards.
- In Slovakia, ČEZ ESCO acquired a 51% share in e-Dome, a provider of energy services and energy management, on May 13.

ČEZ PRODEJ HELPS CULTIVATE THE ENERGY ENVIRONMENT IN CZECHIA

- ČEZ Prodej became one of the first ten signatories to the Electricity and Gas Market Participant Declaration for Consumer Protection, which aims to restrict abusive practices in energy sales in Czechia.
- The Declaration has been signed by ten suppliers to date: ČEZ, E.ON, innogy, Centropol, MND, Bohemia Energy Group, Dobrá energie, Pražská plynárenská, Energie ČS, and eYello CZ.
- In the Declaration, suppliers unequivocally undertake to follow the spirit of an amendment to the Energy Act in preparation even before its new consumer protection measures enter into force.
- The new rules should improve customers' position and restrict abusive practices in energy sales. They place high demands on energy traders as well as brokers, who have been virtually unregulated so far.

OTHER SELECTED EVENTS IN NUCLEAR POWER

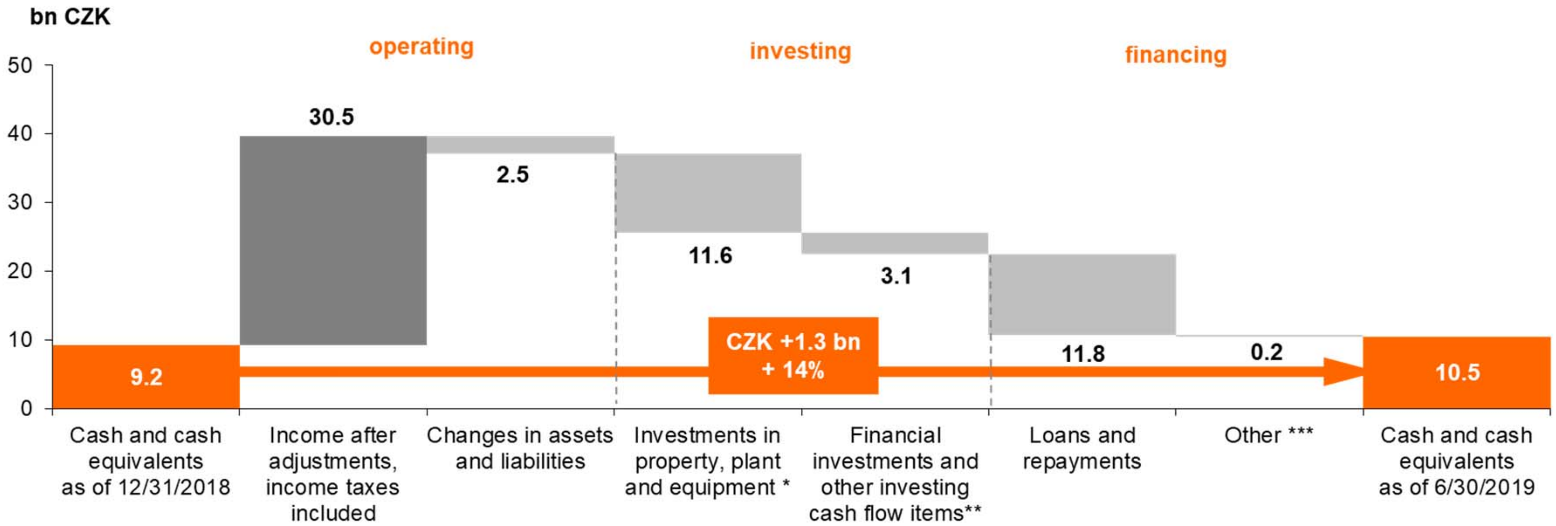
- On May 29–31, the Dukovany Nuclear Power Plant was inspected by the National Cyber and Information Security Agency, focusing on 3 security systems, in compliance with Act No. 181/2014 Sb., on cybersecurity. Inspection conclusion: cybersecurity is ensured at a conforming level.
- On Apr 26, the Temelín NPP opened a Training and Implementation Center, a fully accredited welding school, nondestructive testing center, and laboratory for destructive tests.

NEGOTIATIONS OVER AN INVESTMENT OPPORTUNITY TO GET LITHIUM FOR BATTERY MANUFACTURE IN CZECHIA CONTINUE

- In July, ČEZ, a. s., signed an agreement to provide a convertible loan of up to EUR 2 m to European Metals Holdings (EMH), the owner of a 100% share in Geomet, a company having an exclusive license for mining prospecting at Cínovec, Czechia.
- The loan may only be taken after fulfilling conditions precedent (related security agreements), which have not yet been fulfilled.
- A detailed due diligence process was started for the deposit.

 NPP—Nuclear power plant

CASH FLOWS



Cash Flows from Operating Activities (CZK +27.9 bn)

- Income after adjustments, incl. income tax (CZK +30.5 bn): income before taxes (CZK +13.6 bn); depreciation and amortization of nuclear fuel (CZK +16.3 bn); other impairments and other noncash income and expenses (CZK +4.9 bn); impairments of property, plant, and equipment and intangible assets (CZK +0.8 bn); exchange differences (CZK +0.3 bn); interest paid, net of capitalized interest (CZK -3.3 bn); income tax paid (CZK -1.9 bn)
- Changes in assets and liabilities (CZK -2.5 bn): change in net trade receivables and payables (CZK -3.3 bn); change in other receivables and payables (CZK -1.3 bn); change in inventories of materials and fossil fuels (CZK -1.1 bn); change in emission allowances (CZK -0.6 bn); change in net payables and receivables from derivatives, including options (CZK +2.7 bn); change in short-term deposits (CZK +0.5 bn); other (CZK +0.6 bn)

Cash Flows Used in Investing Activities (CZK -14.7 bn)

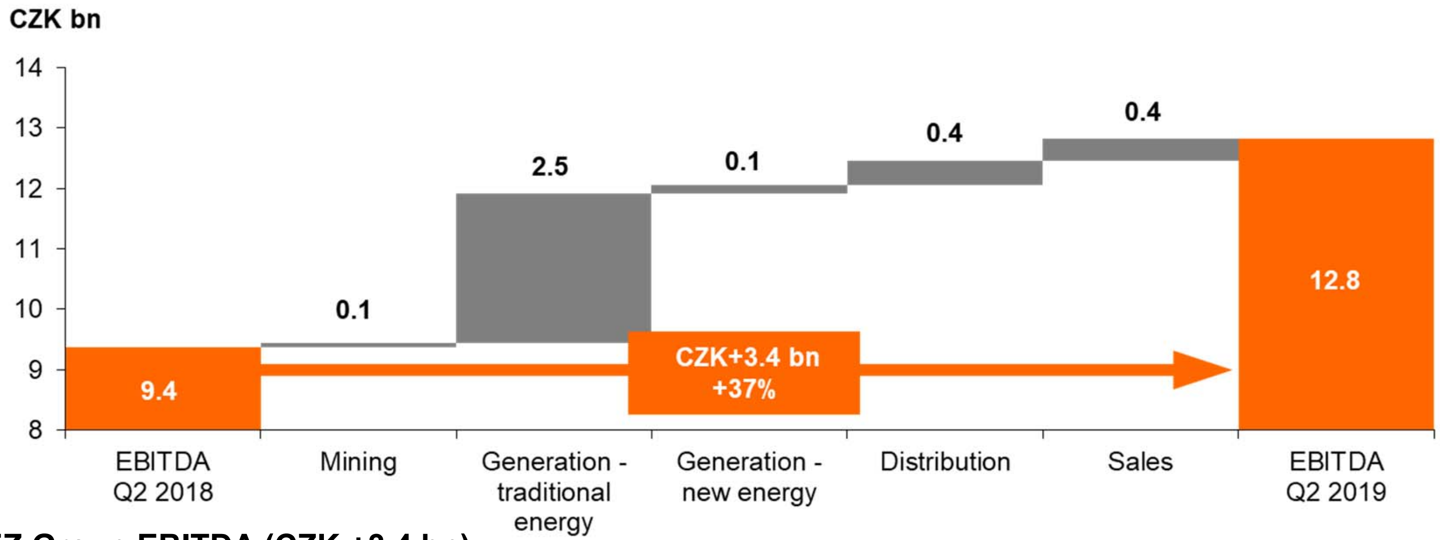
- Capital expenditure* (CZK -11.6 bn) and liabilities attributable to capital expenditure (CZK -1.2 bn)
- Acquisition of subsidiaries (CZK -2.5 bn)
- Change in restricted financial assets (CZK -1.5 bn)
- Proceeds from sales of noncurrent assets (CZK +2.3 bn)

Cash Flows from Financing Activities (CZK -12.0 bn)***

- Balance of loans and repayments (CZK -11.8 bn)

*CAPEX; **Including change in liabilities attributable to capital expenditure, balance of loans granted, divestments, and change of restricted funds; ***Including net effect of currency translation in cash and impairments

EBITDA—Q2 YEAR-ON-YEAR COMPARISON



CEZ Group EBITDA (CZK +3.4 bn):

- **Mining (CZK +0.1 bn):** Higher revenue from coal sales, primarily within CEZ Group
- **Generation—Traditional Energy (CZK +2.5 bn):** Higher realization prices of generated electricity, incl. the impact of hedges and commodity trading (CZK +0.8 bn); higher expenses on emission allowances for generation (CZK -0.2 bn); lower generation at nuclear power plants (CZK -0.2 bn); higher generation at other plants (CZK +0.1 bn); higher revenue from heat sales (CZK +0.2 bn); higher revenue from sales of ancillary services (CZK +0.1 bn); specific effect of growth in commodity prices in H1 2018 (CZK +1.6 bn), incl. CZK 1.2 bn from revaluation of hedges for electricity generation in Czechia with delivery in H2 2018 and CZK 0.4 bn due to commercial procurement of allowances for 2018
- **Generation—New Energy (CZK +0.1 bn):** Romania (CZK +0.1 bn) primarily due to higher amount of generation and higher allocation of certificates
- **Distribution (CZK +0.4 bn):** Czechia (CZK +0.3 bn): higher gross margin on electricity distribution and higher revenue from activities to ensure input power and connection; Bulgaria (CZK +0.1 bn): higher gross margin on electricity distribution
- **Sales (CZK +0.4 bn):** ESCO activities across countries (CZK +0.3 bn); primarily lower expenses on commodity procurement in Bulgaria (CZK +0.1 bn); positive impact of regulatory correction in 2018 in Romania (CZK -0.1 bn)

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

NET INCOME–Q2 YEAR-ON-YEAR COMPARISON

(CZK bn)	Q2 2018	Q2 2019	Change	%
EBITDA	9.4	12.8	+3.4	+37%
Depreciation, amortization and impairments*	-7.1	-7.5	-0.4	-6%
Other income (expenses)	-1.9	-1.9	-0.0	-1%
Income taxes	0.0	-0.5	-0.5	-
Net income	0.5	2.9	+2.5	>200%
Net income - adjusted	**0.6**	**3.2**	**+2.6**	**>200%**

Depreciation, Amortization, and Impairments* (CZK -0.4 bn)

- Additions to impairments of Bulgarian assets held for sale, reflecting profit achieved in 2019 (CZK -0.3 bn)
- Lower additions to fixed asset impairments, primarily in Romania (CZK +0.1 bn)
- Higher depreciation and amortization (CZK -0.2 bn), primarily at ČEZ Distribuce

Other Income (Expenses) (CZK 0.0 bn)

- Income and expenses on equity investments and securities (CZK +0.2 bn), primarily share in profit or loss of Turkish companies
- Exchange rate differences (CZK -0.1 bn)
- Effect of financial derivatives (CZK -0.1 bn)

Net Income Adjustments

- Q2 2019 net income adjusted for the negative effect of fixed assets impairments in Bulgaria (CZK +0.3 bn)
- Q2 2018 net income adjusted for the negative effect of fixed asset impairments, primarily in Czechia (CZK +0.1 bn)

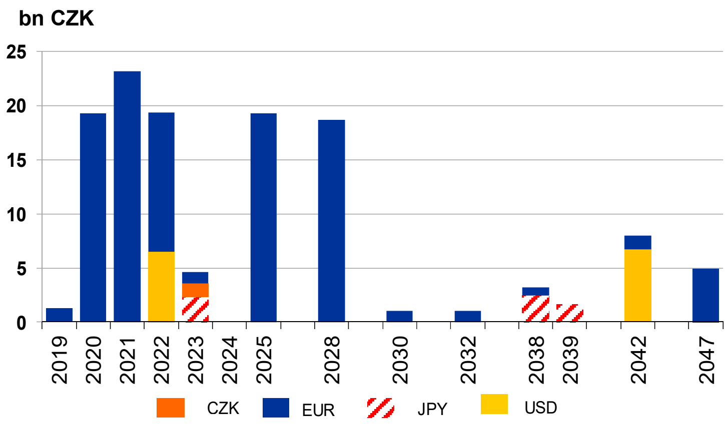
*Including profit/loss from sales of tangible and intangible fixed assets

DEBT POSITION AND STRUCTURE CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

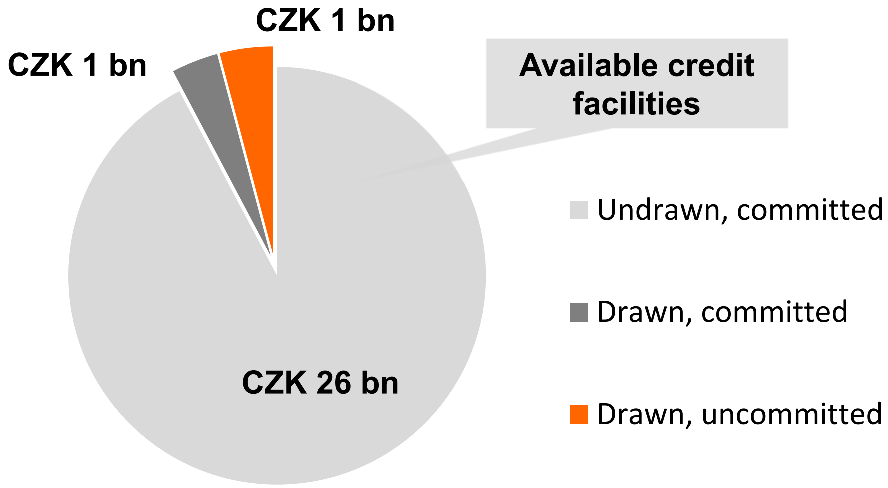
Debt Level**

		As at Dec 31, 2018	As at Jun 30, 2019
Debt and loans	CZK bn	162.8	154.3
Cash and fin. assets*	CZK bn	11.5	11.0
Net debt	CZK bn	151.3	143.2
Net debt/EBITDA		3.1	2.6

Bond Maturity Profile (as at Jun 30, 2019)



Utilization of Short-Term Lines** (as at Jun 30, 2019)



- CEZ Group has access to CZK 27 bn in committed credit facilities, using CZK 1 bn as at Jun 30, 2019.
- Committed facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- The payment of dividends for 2018 (CZK 12.9 bn) began on August 1, 2019

* Cash and Cash Equivalents & Highly Liquid Financial Assets
**Including data for Bulgarian assets held for sale

CAPITAL EXPENDITURE

BROKEN DOWN BY SEGMENT

CZK bn	H1 2018	H1 2019
Generation—Traditional Energy	**2.5**	**3.8**
Of which: Nuclear fuel acquisition	1.1	1.6
Generation—New Energy	**0.1**	**0.5**
Mining	**0.6**	**0.8**
Distribution	**5.3**	**5.7**
Czechia	4.3	4.4
Romania	0.6	0.5
Bulgaria	0.4	0.7
Sales	**0.1**	**0.6**
Supporting Services*	**0.4**	**0.3**
Total	**9.0**	**11.6**

Year-on-year changes in capital expenditure in segments:

- **Generation—Traditional Energy:** procurement of a greater amount of uranium, nuclear fuel, and purchase of control clusters; environmental measures at the Mělník power plant; higher investments in the project to supply České Budějovice with heat from the Temelín NPP; implementation of new technical requirements from the new Atomic Energy Act in the physical security of the Temelín NPP
- **Generation—New Energy:** RES companies in France (especially the Bordeaux project)
- **Distribution**—higher investments in electricity meter replacements and distribution grid quality enhancements in Bulgaria
- **Sales**—investments of ČEZ Energo (fully consolidated since Jul 1, 2018) and growth in ESCO companies

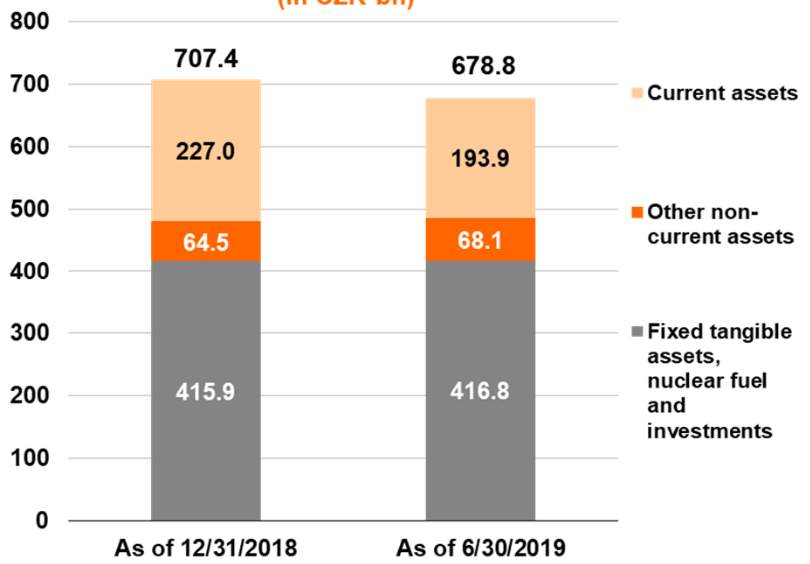
*Including the amount of intersegment eliminations; NPP—Nuclear power plant

BALANCE SHEET OVERVIEW

Property, plant, and equipment, nuclear fuel, and investments increased by CZK 0.9 bn
- Investments exceeding depreciation and amortization, impairments, and disposal of assets CZK +1.2 bn
- Nuclear fuel CZK -0.2 bn

Other noncurrent assets increased by CZK 3.6 bn
- Restricted financial assets CZK +1.9 bn
- Noncurrent intangible assets CZK +1.6 bn, primarily goodwill at newly acquired subsidiaries (Hermos)

ASSETS (in CZK bn)

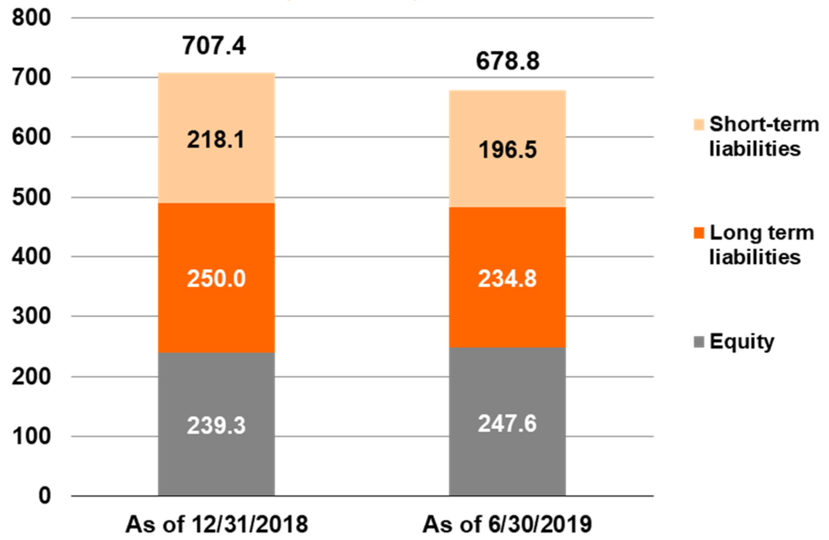


Current assets decreased by CZK 33.1 bn
- Receivables from derivatives, including options CZK -31.5 bn
- Net trade receivables CZK -7.3 bn
- Other current assets CZK +3.3 bn, primarily unbilled goods and services and contingent assets
- Net tax asset CZK +1.6 bn
- Net material inventories and fossil fuel inventories CZK +1.1 bn
- Other CZK -0.3 bn

Equity increased by CZK 8.3 bn
- Net income in the reporting period CZK +11.2 bn
- Other comprehensive income CZK +9.6 bn
- Sale of treasury stock CZK +0.2 bn
- Granted dividends CZK -12.9 bn

Noncurrent liabilities decreased by CZK 15.2 bn
- Bonds issued and long-term bank loans CZK -21.9 bn
- Noncurrent liabilities from derivatives CZK -3.3 bn
- Deferred tax liability CZK +4.5 bn
- Noncurrent lease liabilities (effect of IFRS 16) CZK +4.1 bn
- Long-term provisions CZK +1.5 bn

EQUITY AND LIABILITIES (in CZK bn)



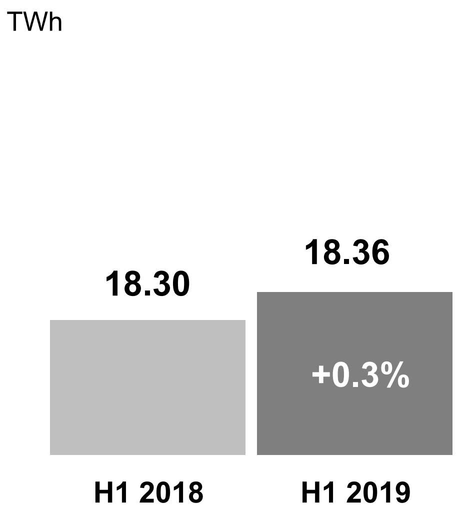
Current liabilities decreased by CZK 21.7 bn
- Payables from derivatives, including options CZK -31.6 bn
- Short-term loans CZK -9.8 bn
- Trade payables CZK -8.7 bn
- Provision for emission allowances CZK -2.6 bn
- Current portion of long-term debts CZK +18.9 bn
- Liability from granted dividends CZK +12.9 bn
- Other CZK -0.8 bn

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

ELECTRICITY CONSUMPTION

IN THE DISTRIBUTION AREA OF ČEZ DISTRIBUCE

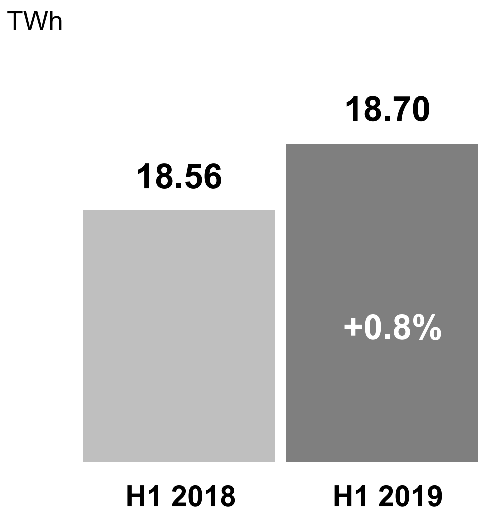
Consumption in the Distribution Area of ČEZ Distribuce



Changes in consumption (+0.3%) by segment:

- -0.5% large end-use customers
- +1.7% residential customers
- +1.0% commercial retail

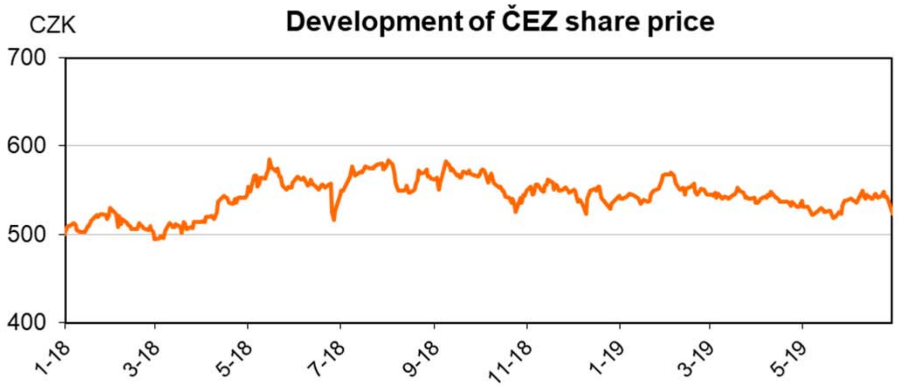
Temperature- and Calendar-Adjusted Consumption*

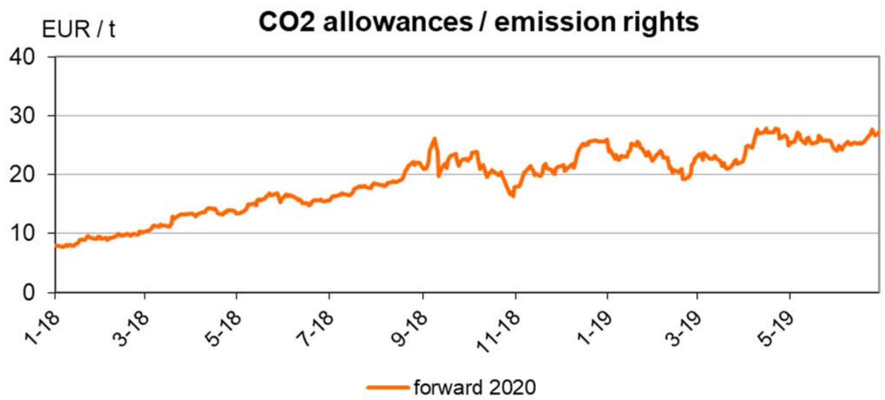


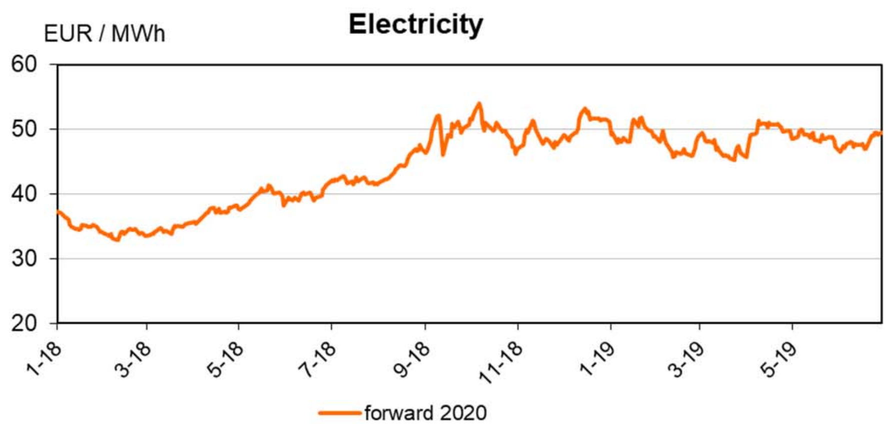
- Analysis based on CEZ Group's internal data.
- CEZ Group's distribution area covers around 5/8 of Czechia's territory, so the data are a good indicator of nationwide consumption trends.

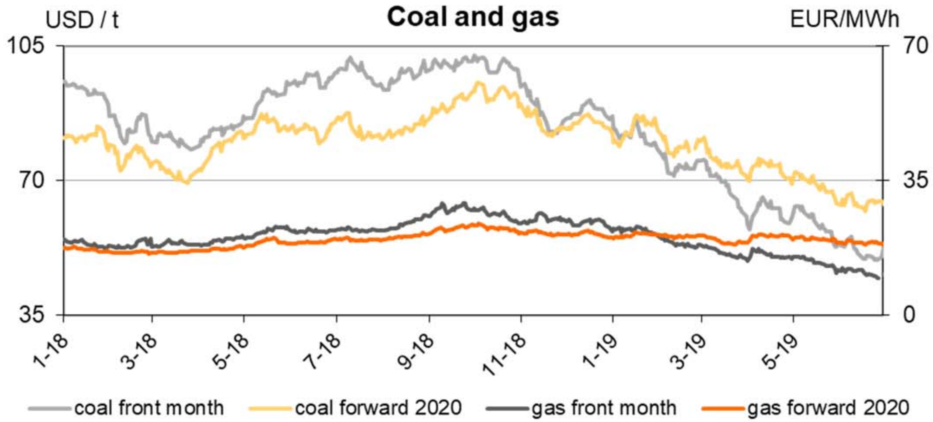
 Acc. to data of ČEZ Distribuce, a. s.; * Adjustment as per ČEZ Distribuce, a. s., model

MARKET DEVELOPMENTS









Electricity balance (GWh)

	Q1 - Q2 2018	Q1 - Q2 2019	Index 2019/2018
Electricity procured	**27,584**	**28,998**	**+5%**
Generated in-house (gross)	30,743	32,066	+4%
In-house and other consumption, including pumping in pumped-storage plants	-3,159	-3,069	-3%
Sold to end customers	**-19,043**	**-18,229**	**-4%**
Sold in the wholesale market (net)	**-6,467**	**-8,795**	**+36%**
Sold in the wholesale market	-157,386	-160,770	+2%
Purchased in the wholesale market	150,919	151,975	+1%
Grid losses	**-2,074**	**-1,974**	**-5%**

Electricity generation by source (GWh)

Nuclear	14,851	15,115	+2%
Coal and lignite	13,170	12,883	-2%
Water	1,181	1,287	+9%
Biomass	366	468	+28%
Photovoltaic	75	77	+2%
Wind	740	802	+8%
Natural gas	358	1,433	>200%
Bio gas	2	1	-37%
Total	**30,743**	**32,066**	**+4%**

Sales of electricity to end customers (GWh)

Households	-6,821	-6,791	-0%
Commercial (low voltage)	-2,475	-2,544	+3%
Commercial and industrial (medium and high voltage)	-9,747	-8,893	-9%
Sold to end customers	**-19,043**	**-18,229**	**-4%**

Distribution of electricity (GWh)

	Q1 - Q2 2018	Q1 - Q2 2019	Index 2019/2018
Distribution of electricity to end customers	26,598	26,722	+0%

Electricity balance (GWh) by segment

Q1 - Q2 2019	Generation - traditional energy		Generation - new energy		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**27,789**	**+5%**	**1,049**	**+8%**	**0**	**-**	**159**	**>200%**	**0**	**-**	**28,998**	**+5%**
Generated in-house (gross)	30,842	+4%	1,059	+8%	0	-	166	>200%	0	-	32,066	+4%
In-house and other consumption, including pumping in pumped-storage plants	-3,053	-3%	-9	-9%	0	-	-7	-26%	0	-	-3,069	-3%
Sold to end customers	**-1,061**	**+22%**	**0**	**-**	**0**	**-**	**-18,151**	**-5%**	**983**	**-2%**	**-18,229**	**-4%**
Sold in the wholesale market (net)	**-26,728**	**+4%**	**-1,049**	**+8%**	**1,974**	**-5%**	**17,992**	**-6%**	**-983**	**-2%**	**-8,795**	**+36%**
Sold in the wholesale market	-171,902	+2%	-1,383	-1%	0	-	-1,770	+30%	14,285	-2%	-160,770	+2%
Purchased in the wholesale market	145,174	+1%	333	-20%	1,974	-5%	19,762	-4%	-15,269	-2%	151,975	+1%
Grid losses	**0**	**-**	**0**	**-**	**-1,974**	**-5%**	**0**	**-**	**0**	**-**	**-1,974**	**-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	15,115	+2%	0	-	0	-	0	-	0	-	15,115	+2%
Coal and lignite	12,883	-2%	0	-	0	-	0	-	0	-	12,883	-2%
Water	1,109	+9%	179	+7%	0	-	0	-	0	-	1,287	+9%
Biomass	468	+28%	0	-	0	-	0	-	0	-	468	+28%
Photovoltaic	0	-	77	+2%	0	-	0	-	0	-	77	+2%
Wind	0	-	802	+8%	0	-	0	-	0	-	802	+8%
Natural gas	1,267	>200%	0	-	0	-	166	-	0	-	1,433	>200%
Bio gas	0	-	1	-37%	0	-	0	-	0	-	1	-37%
Total	**30,842**	**+4%**	**1,059**	**+8%**	**0**	**-**	**166**	**>200%**	**0**	**-**	**32,066**	**+4%**

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	-	-6,791	-0%	0	-	-6,791	-0%
Commercial (low voltage)	0	-6%	0	-	0	-	-2,543	+3%	0	-	-2,544	+3%
Commercial and industrial (medium and high voltage)	-1,060	+22%	0	-	0	-	-8,816	-11%	983	-2%	-8,893	-9%
Sold to end customers	**-1,061**	**+22%**	**0**	**-**	**0**	**-**	**-18,151**	**-5%**	**983**	**-2%**	**-18,229**	**-4%**

Electricity balance (GWh) by country

Q1 - Q2 2019	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**27,128**	**+6%**	**1,034**	**-8%**	**680**	**+8%**	**3**	**-2%**	**153**	**+8%**	**0**	**-**	**0**	**-**	**28,998**	**+5%**
Generated in-house (gross)	30,034	+5%	1,187	-8%	689	+8%	3	-2%	153	+8%	0	-	0	-	32,066	+4%
In-house and other consumption, including pumping in pumped-storage plants	-2,906	-3%	-154	-2%	-9	-6%	0	-	0	-	0	-	0	-	-3,069	-3%
Sold to end customers	**-8,667**	**-3%**	**-913**	**-35%**	**-1,870**	**+14%**	**-5,327**	**-0%**	**0**	**-**	**-1,452**	**-16%**	**0**	**-**	**-18,229**	**-4%**
Sold in the wholesale market (net)	**-17,398**	**+11%**	**-121**	**-**	**1,643**	**+11%**	**5,782**	**-1%**	**-153**	**+8%**	**1,452**	**-16%**	**0**	**-**	**-8,795**	**+36%**
Sold in the wholesale market	-162,597	+2%	-1,313	+8%	-1,007	+4%	-308	+40%	-153	+8%	-62	+59%	4,671	-2%	-160,770	+2%
Purchased in the wholesale market	145,200	+1%	1,192	-19%	2,650	+8%	6,090	+0%	0	-	1,514	-15%	-4,671	-2%	151,975	+1%
Grid losses	**-1,063**	**-3%**	**0**	**-**	**-452**	**-3%**	**-459**	**-10%**	**0**	**-**	**0**	**-**	**0**	**-**	**-1,974**	**-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	15,115	+2%	0	-	0	-	0	-	0	-	0	-	0	-	15,115	+2%
Coal and lignite	11,877	-1%	1,006	-14%	0	-	0	-	0	-	0	-	0	-	12,883	-2%
Water	1,239	+9%	2	-19%	46	+0%	0	-	0	-	0	-	0	-	1,287	+9%
Biomass	289	+17%	179	+50%	0	-	0	-	0	-	0	-	0	-	468	+28%
Photovoltaic	74	+2%	0	-	0	-	3	-2%	0	-	0	-	0	-	77	+2%
Wind	6	+23%	0	-	643	+8%	0	-	153	+8%	0	-	0	-	802	+8%
Natural gas	1,433	>200%	0	-	0	-	0	-	0	-	0	-	0	-	1,433	>200%
Bio gas	1	-37%	0	-	0	-	0	-	0	-	0	-	0	-	1	-37%
Total	**30,034**	**+5%**	**1,187**	**-8%**	**689**	**+8%**	**3**	**-2%**	**153**	**+8%**	**0**	**-**	**0**	**-**	**32,066**	**+4%**

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	-3,601	-3%	0	-	-869	+0%	-2,322	+4%	0	-	0	-	0	-	-6,791	-0%
Commercial (low voltage)	-1,091	+5%	-71	-48%	-498	+12%	-808	+4%	0	-	-76	-2%	0	-	-2,544	+3%
Commercial and industrial (medium and high voltage)	-3,975	-4%	-842	-33%	-504	+53%	-2,197	-6%	0	-	-1,376	-17%	0	-	-8,893	-9%
Sold to end customers	**-8,667**	**-3%**	**-913**	**-35%**	**-1,870**	**+14%**	**-5,327**	**-0%**	**0**	**-**	**-1,452**	**-16%**	**0**	**-**	**-18,229**	**-4%**

Distribution of electricity (GWh) by country

Q1 - Q2 2019	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	18,362	+0%	0	-	3,439	+1%	4,921	+1%	0	-	0	-	0	-	26,722	+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	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. 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). The components of the indicator, except for Highly Liquid Financial Assets, are included in the IFRS statement, with items related to assets held for sale are presented separately on the balance sheet.
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).
Net Debt / EBITDA	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 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 July 1 of previous year until June 30; Net Debt is the amount at the end of the period.

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:

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

	As at Dec 31, 2018	As at Jun 30, 2019
Current debt financial assets	1,287	0
Non-current debt financial assets	513	513
Current term deposits	505	3
Non-current term deposits	-	0
Short-term equity securities	-	0
Highly liquid financial assets, total	**2,305**	**516**

Adjusted Net Income indicator—individual components:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1 – Q2 2018	Q1 – Q2 2019
Net income	CZK millions	7,715	11,221
Impairments of property, plant, and equipment and intangible assets	CZK millions	157	826
Impairments of developed projects*)	CZK millions	0	3
Impairments of property, plant, and equipment and intangible assets, including goodwill, at joint ventures**)	CZK millions	0	0
Effects of additions to or reversals of impairments on income tax***)	CZK millions	(28)	(95)
Other extraordinary effects	CZK millions	0	-
Adjusted net income	**CZK millions**	**7,843**	**11,955**

**) Included in the row Other operating expenses 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*