PRESENTATION ON CEZ GROUP FINANCIAL RESULTS IN Q1–Q3 2019

Nonaudited consolidated results
prepared in accordance with International Financial Reporting Standards (IFRS)

November 12, 2019

CONTENTS

CEZ GROUP FINANCIAL AND OPERATING RESULTS

(CZK bn)	Q1 - Q3 2018	Q1 - Q3 2019	Change	%
Revenues	131.8	148.1	+16.3	+12%
EBITDA	38.7	44.7	+6.0	+16%
EBIT	16.7	22.1	+5.4	+32%
Net income	9.1	13.6	+4.5	+49%
Net income - adjusted *	11.3	14.7	+3.4	+30%
Operating CF	36.5	40.5	+4.0	+11%
CAPEX	15.3	18.6	+3.3	+22%

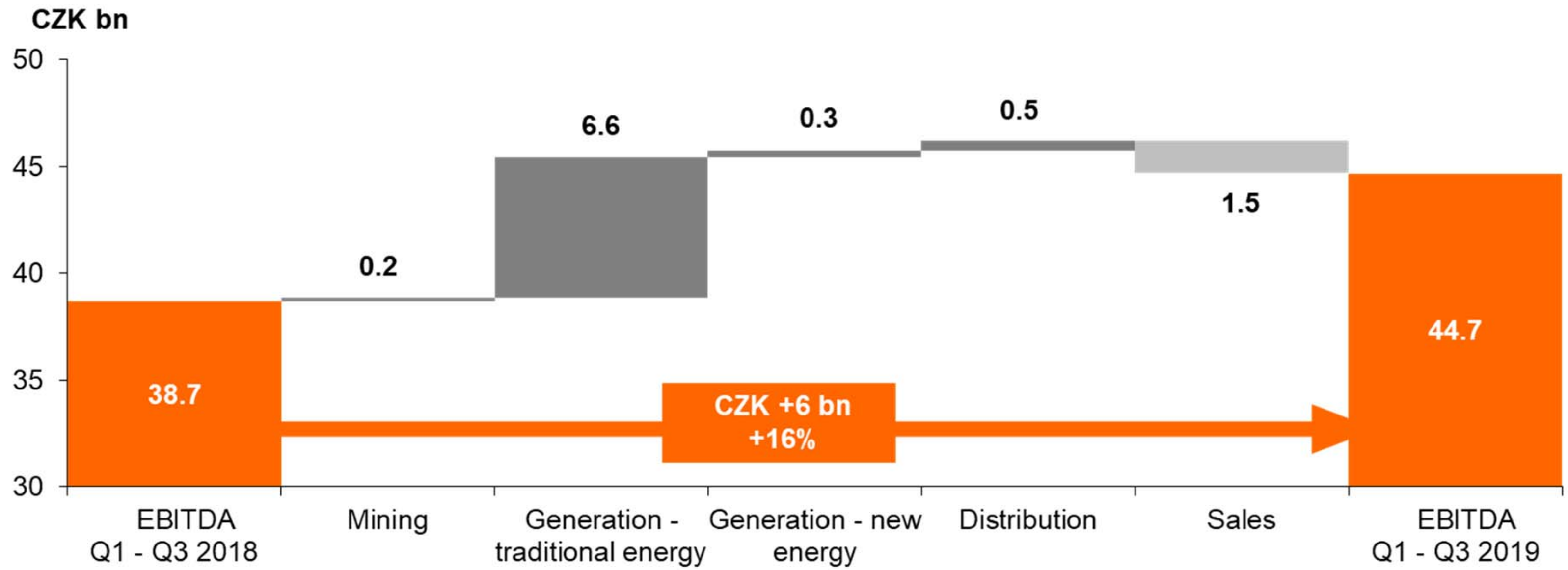
		Q1 - Q3 2018	Q1 - Q3 2019	Change	%
Installed capacity **	GW	15.0	14.9	-0.1	-1%
Mining	m tons	15.3	14.7	-0.6	-4%
Generation of electricity - segment traditional energy	TWh	44.3	45.1	+0.8	+2%
Generation of electricity - segments new energy and sales	TWh	1.4	1.6	+0.2	+16%
Electricity distribution to end customers	TWh	38.4	38.5	+0.1	+0%
Electricity sales to end customers	TWh	27.5	26.3	-1.3	-5%
Sales of natural gas to end customers	TWh	6.4	6.7	+0.2	+4%
Sales of heat	000´TJ	14.8	16.1	+1.4	+9%
Number of employees **	000´s	30.9	32.2	+1.3	+4%

* 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

Note: Accounting in the last period had an impact on financial results reported for Q1 and Q2 2019 (see details on page 24).

YEAR-ON-YEAR CHANGE IN EBITDA BY SEGMENT



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

- Higher realization prices of generated electricity in Czechia, including the effect of hedges and commodity trading (CZK +6.8 bn)
- Higher expenses on emission allowances for generation in Czechia (CZK -1.2 bn) due to increased market prices and lower allocation of free allowances
- Extraordinary effect of a court decision under which the payment of SŽDC's liability to ČEZ Prodej from 2010 had to be returned including interest and costs (CZK -1.3 bn)

Note: Accounting in the Generation—Traditional Energy segment in the last period had an impact on financial results reported for Q1 and Q2 2019 (see details on page 24).

OTHER INCOME (EXPENSES)

(CZK bn)	Q1 - Q3 2018	Q1 - Q3 2019	Change	%
EBITDA	38.7	44.7	+6.0	+16%
Depreciation, amortization and impairments*	**-22.0**	**-22.6**	**-0.6**	**-3%**
Other income (expenses)	**-5.2**	**-5.4**	**-0.2**	**-4%**
Interest income (expenses)	-3.6	-3.8	-0.2	-5%
Interest on nuclear and other provisions	-1.3	-1.4	-0.1	-4%
Income (expenses) from investments and securities	-0.5	0.5	+1.0	-
Other	0.3	-0.7	-1.0	-
Income taxes	**-2.4**	**-3.1**	**-0.7**	**-28%**
Net income	9.1	13.6	+4.5	+49%
Net income - adjusted	**11.3**	**14.7**	**+3.4**	**+30%**

Depreciation, Amortization, and Impairments* (CZK -0.6 bn)

- Higher depreciation and amortization (CZK -0.3 bn), primarily at ČEZ Distribuce, ČEZ Energo (fully consolidated since mid-2018), and ČEZ Korporátní služby
- Higher additions to impairments of Bulgarian (CZK -0.6 bn) and Romanian (CZK -0.1 bn) assets
- Lower additions to impairments of Czech assets, including goodwill write-off (CZK +0.4 bn)

Other Income (Expenses) (CZK -0.2 bn)

- Higher interest expenses (CZK -0.3 bn), higher interest revenue (CZK +0.1 bn)
- Positive y-o-y difference in income and expenses from equity investments and securities (CZK +1.0 bn), primarily due to depreciation of the Turkish lira in 2018
- Other (CZK -1.0 bn), primarily loss on financial derivatives and loss on other finance income and expenses

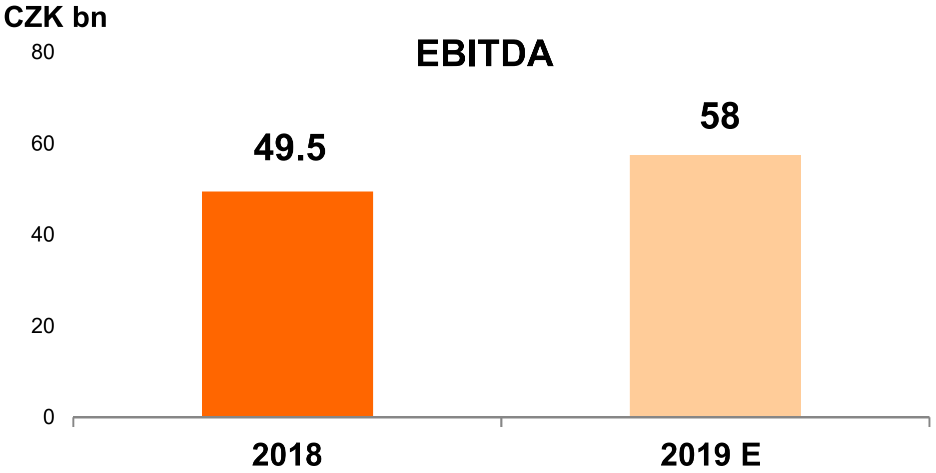
Net Income Adjustments

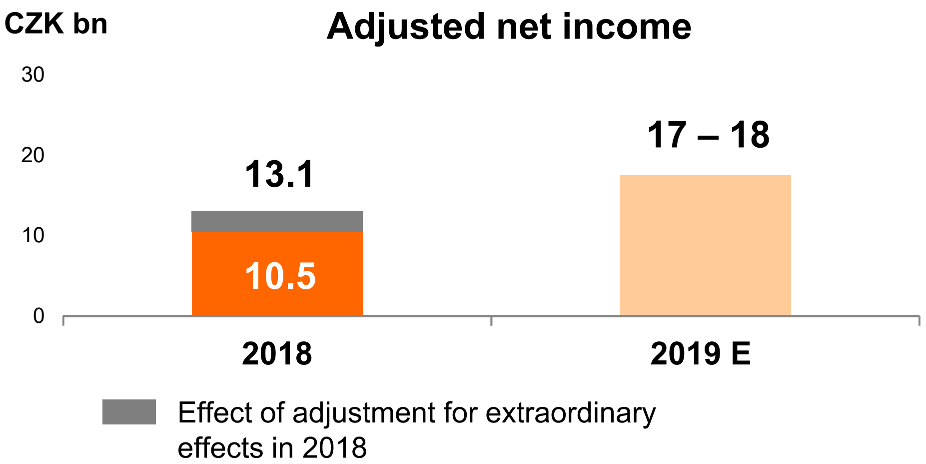
- Net income in Q1–Q3 2019 adjusted for negative effects amounting to (CZK +1.1 bn), including impairments of fixed assets in Bulgaria of CZK +1.0 bn and in Romania of CZK +0.1 bn
- Net income in Q1–Q3 2018 adjusted for the negative effect of additions to ČEZ provisions corresponding to the value of potential partial performance under a guarantee provided for Akcez group companies' loans due to continued weakening of the TRY/USD exchange rate in Q3 2018 (CZK +1.4 bn), for the negative effect of fixed asset impairments in Bulgaria (CZK +0.4 bn), and for the negative effect of fixed asset impairments including goodwill write-off in Czechia (CZK +0.4 bn)

Note: Accounting in the last period had an impact on financial results reported for Q1 and Q2 2019 (see details on page 24).

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

WE REFINE THE FINANCIAL OUTLOOK FOR 2019, ESTIMATING EBITDA AT CZK 58 BN, ADJUSTED NET INCOME AT CZK 17 TO 18 BN





Reasons for refining the outlook for EBITDA and net income as compared to the outlook from Aug 13:

- Fulfilled risk of returning the payment of SŽDC's liability to ČEZ Prodej from 2010 of CZK 1.3 bn due to a decision of the court
- Higher profit on commodity trading and higher margin on electricity sales

Key assumptions for the current prediction:

- Estimated electricity generation at CEZ Group generating facilities totaling 65.5 TWh, including 30.4 TWh at nuclear plants
- Estimated average realization price of generated electricity in Czechia of approx. 38 EUR/MWh*

Selected prediction risks and opportunities:

- Availability of generating facilities
- Consolidation and other effects

* 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 Q4 2019.

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

SALES OF ASSETS ABROAD

SALE OF ROMANIAN ASSETS—PROCESS STARTED, INDICATIVE OFFERS EXPECTED BY END OF YEAR

- The selling process started officially on Sep 9, 2019. More than 30 prospective buyers expressed interest in buying the assets.
- The first stage of the sale will be completed by screened prospective buyers submitting their offers in December 2019.
- Following an evaluation of the bids, we expect binding bids to be submitted in Q2 2020 and an agreement to be signed with the winner of the tender. Transaction completion is expected in H1 2021.

SALE OF POLISH ASSETS—PREPARATORY STEPS STARTED

- Preparatory steps are underway for starting the selling process for Polish assets. Prospective buyers of the assets are expected to be contacted by the end of H1 2020.
- We expect indicative bids to be submitted in the fall of 2020 and an agreement with the tender winner to be signed and the transaction to be completed in 2021.

SALE OF BULGARIAN ASSETS—COMPETITION AUTHORITY DISAPPROVED THE TRANSACTION, WE ARE EVALUATING FURTHER STEPS

- An agreement to sell our Bulgarian assets to Eurohold was made in June 2019. On Aug 2, Eurohold filed an application for transaction approval with the Bulgarian competition authority. The authority started proceedings on Oct 3, more than two months after the filing.
- Although Eurohold does not own any energy assets, the Bulgarian competition authority ordered an in-depth review of the transaction on Oct 10, extending the deadline for issuing its decision until mid-March 2020.
- However, the authority did not make use of the extension, dismissing Eurohold's application for transaction approval on Oct 24.
- An administrative action was brought against the competition authority's decision by both ČEZ and Eurohold.

SELECTED EVENTS
IN THE PAST QUARTER

In September, CEZ Group acquired a 76% stake in Polish company EUROKLIMAT with an option to purchase a further stake up to 100%

- EUROKLIMAT, a company with twenty years of experience in the market, is a general contractor for technical equipment of buildings and a Polish HVAC market leader. It provides design, installation, maintenance, and warranty and postwarranty service in collaboration with leading global manufacturers of A/C, cooling, and ventilation equipment.
- The company with 223 employees had a total turnover of almost CZK 1.5 bn in 2018

INVEN CAPITAL, CEZ Group's investment fund, acquired a minority stake in German company ZOLAR GmbH

- ZOLAR provides digital solutions for rooftop photovoltaic installations and photovoltaic & battery packages
- The innovative company's key product is an online configurator that allows customers to enter their requirements, offers them a specific solution, and puts them in contact with a contractor over the Internet

Ministry of the Environment issued a favorable binding opinion on the environmental impact assessment (EIA) of a new nuclear power plant at Dukovany on Aug 30, 2019.

- The EIA opinion is valid for 7 years after the date of issue and can be renewed for 5 years, repeatedly, unless there have been changes in conditions in the area concerned or in assessment expertise and methods
- It contains 47 binding environmental conditions to mitigate and compensate for project impacts on the environment and the populace for each project stage (preparation, implementation, operation, and monitoring and analysis of environmental impacts)

ČEZ entered into a partnership agreement with U.S. company NuScale in September. The agreement provides for sharing small modular reactors know-how and assessing options for their deployment in Czechia

- An advantage of small reactors is anticipated mass production with assembly directly in manufacturing plants
- Specifically, a small basic 60 MW_e unit/module is being verified, with the project anticipating a collection of up to twelve modules in a single power plant. The project is undergoing licensing in the U.S.
- The company aims to put the first commercial reactor into operation in Idaho in 2027

HVAC—Heating, ventilation, and air conditioning

LONG-TERM LAWSUIT WITH SŽDC NEGATIVELY AFFECTED Q3 RESULTS (CZK -1.3 BN)

Suit for damages on grounds of SŽDC's failure to fullfill its obligation to take electricity in 2010

- ČEZ Prodej incurred a damage of **CZK 0.8 bn** in 2010 due to SŽDC's failure to purchase the contracted amount of electricity (amounting to 1.3 TWh). To be able to fullfill its contractual obligation to deliver electricity to SŽDC in 2010, ČEZ Prodej made purchasing arrangements, then electricity market prices dropped and SŽDC refused to purchase the contracted amount or compensate ČEZ Prodej for the financial loss before actual deliveries for 2010 started.
- The court admitted ČEZ Prodej's action and SŽDC paid the claimed amount of **CZK 0.8 bn** plus interest and costs of **CZK 0.3 bn** in 2015, filing a final appeal. The court of final appeal overturned the prior judgments in 2017, courts dismissed the action in subsequent proceedings, and the dismissive judgments came into effect in August 2019. A complaint with the Constitutional Court and a final appeal with the Supreme Court were filed simultaneously.

Subsequent lawsuit in which SŽDC sues ČEZ Prodej for the repayment of CZK 1.1 bn

- In a separate lawsuit, SŽDC has claimed repayment of the amount paid by SŽDC under the enforceable judgment from 2015 since 2017. The court of first instance admitted the motion in 2018. ČEZ Prodej appealed against the judgment.
- In September 2019, the court affirmed the judgment of the court of first instance, regarding itself to be bound, just like the court of first instance, by the arguments presented by judgments in the suit for damages originating in 2010. According to the judgments, SŽDC is not liable for the breach of its obligation to purchase the contracted amount of electricity due to circumstances excluding its liability allegedly resulting from a change in regulation by the Energy Act independent of SŽDC's will.
- **ČEZ Prodej paid SŽDC a total of CZK 1.3 bn** (CZK 1.1 bn + interest and costs of CZK 0.2 bn) **on Oct 9, 2019, in accordance with the enforceable decision but will file a final appeal with the Supreme Court** by Dec 9, 2019, **because it believes that the alleged circumstance excluding liability did not occur in the given case and SŽDC's obligation to purchase the contracted amount of electricity was not affected by the change in legal regulation in any way**.

The court decision of September 2019 negatively affected EBITDA achieved by ČEZ Prodej and thus CEZ Group in Q3 2019 (CZK -1.3 bn).

Note: A similar lawsuit over SŽDC's payment for a breach of its obligation to purchase electricity in 2011 is still underway, with ČEZ Prodej claiming damages of CZK 0.9 bn. ČEZ Prodej filed a motion on Aug 27, 2019, to suspend the proceeding until the court of final appeal makes its decision on the action for damages originating in 2010. The court granted the suspension; its decision is not yet final.

SŽDC—Správa železniční dopravní cesty (Railway Infrastructure Administration, a company wholly owned by the Czech state)

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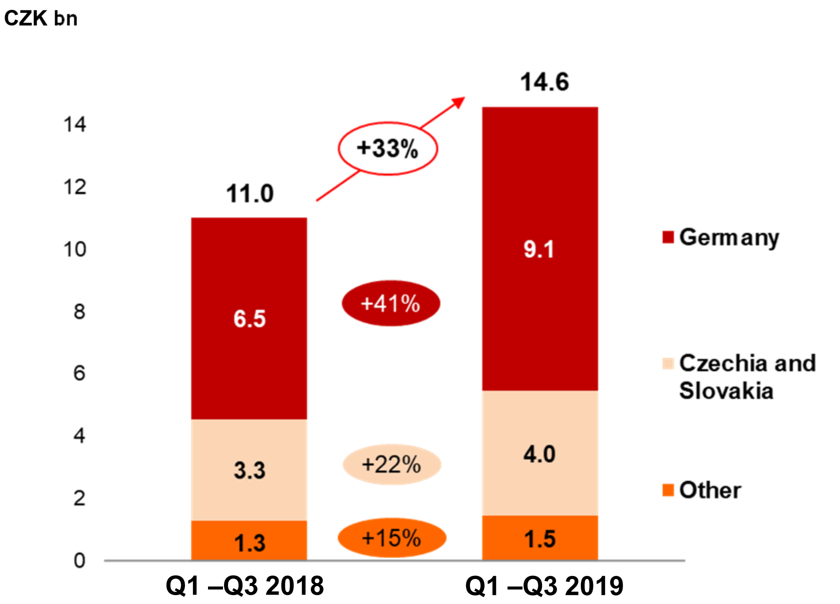
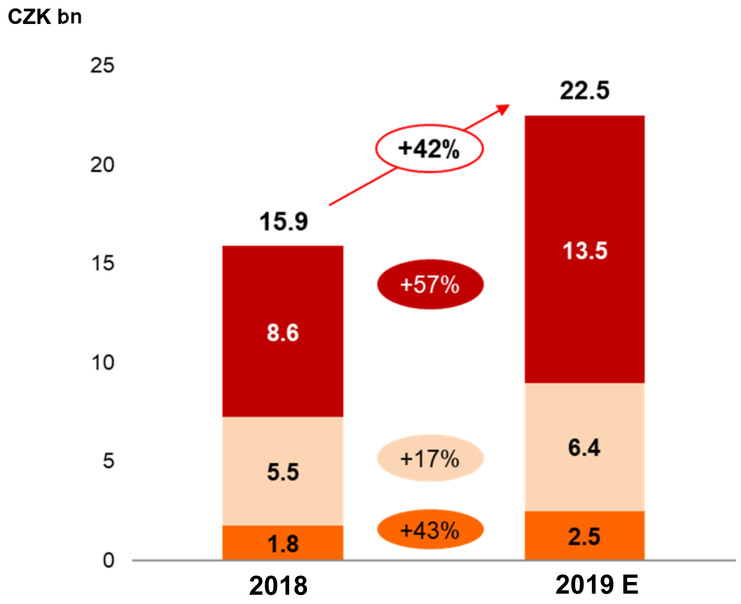
ESCO COMPANIES

Q1–Q3 SALES INCREASED BY 33% Y-O-Y





Germany (+41%)
+ 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 (+22%)
+ New acquisitions in late 2018 and organic growth

Other (+15%)
+ Organic growth of Metrolog (consolidated Jan 31, 2018) and OEM Energy
+ Effect of acquisition of High-Tech Clima, Romania (consolidated Dec 12, 2018), and EUROKLIMAT, Poland (consolidated Aug 30, 2019)

Germany (+57%)
+ Y-o-y organic growth of Elevion Group
+ Effect of acquisition Kofler Energies Group, En.plus, and Hermos

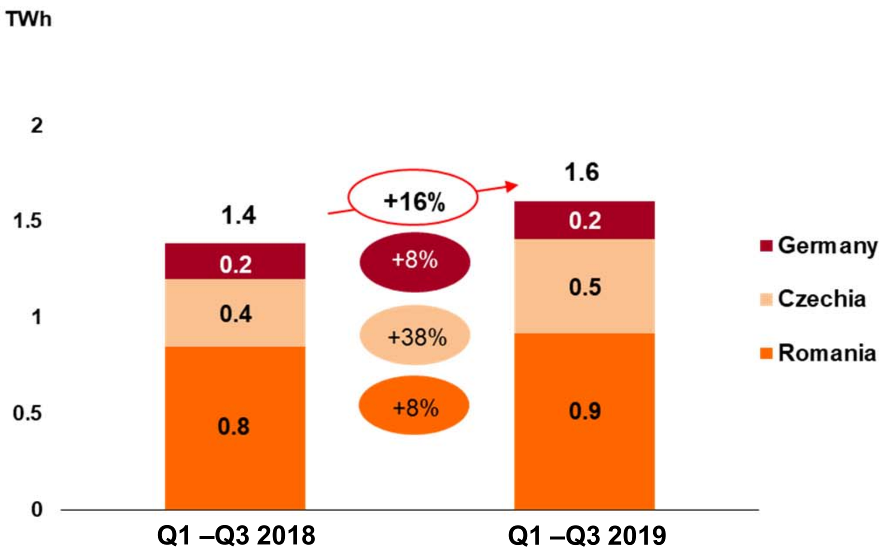
Czechia & Slovakia (+17%)
+ New acquisitions in late 2018 and organic growth

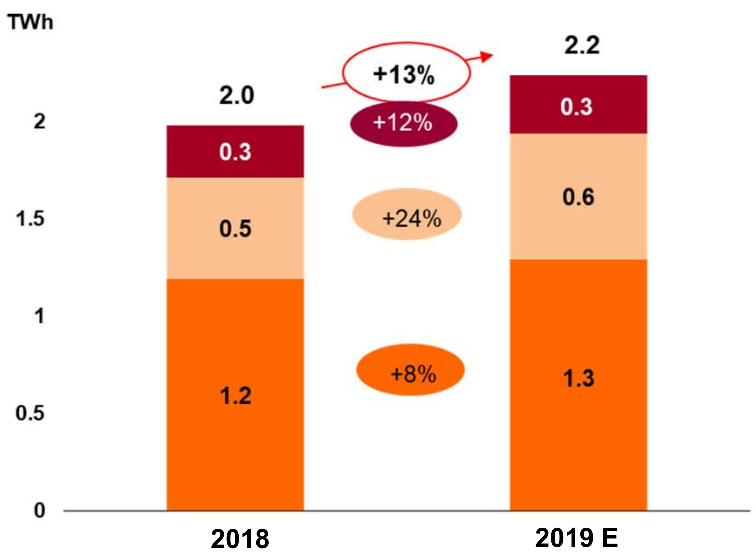
Other (+43%)
+ Organic growth of Metrolog and OEM Energy
+ Effect of acquisition of High-Tech Clima, Romania, and EUROKLIMAT, Poland

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

ELECTRICITY GENERATION

GENERATION—NEW ENERGY & SALES SEGMENTS





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

Czech Republic (+38%)
+ Primarily the effect of inclusion of ČEZ Energo (fully consolidated since mid-2018)

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

Germany (+12%)
+ Unfavorable weather conditions in 2018

Czech Republic (+24%)
+ Primarily the effect of inclusion of ČEZ Energo (fully consolidated since mid-2018)

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

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

SEGMENT: GENERATION—NEW ENERGY

EBITDA (CZK bn)	Q1 - Q3 2018	Q1 - Q3 2019	Change	%
Czechia	1.7	1.7	0.0	-0%
Romania	0.9	1.2	+0.3	+30%
Germany	0.3	0.3	+0.1	+25%
Other states	-0.1	-0.1	0.0	+21%
Generation - new energy	**2.8**	**3.2**	**+0.3**	**+12%**

Czech Republic (CZK 0.0 bn)
- Higher gross margin on energy-related activities (CZK +0.1 bn) due to better climatic conditions
- Provisioning for litigation (CZK -0.1 bn)

Romania (CZK +0.3 bn)
- Higher amount of generated electricity and higher allocation of certificates (CZK +0.1 bn)
- Refund of construction tax and revenue from insurance compensation (CZK +0.1 bn)

Germany (CZK +0.1 bn)
- Primarily higher amount of generated electricity

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

SEGMENT: SALES

EBITDA (CZK bn)	Q1 - Q3 2018	Q1 - Q3 2019	Change	%
Czechia	2.7	1.0	-1.8	-64%
Germany	0.3	0.4	+0.1	+24%
Romania	0.4	0.1	-0.3	-70%
Bulgaria	0.2	0.3	+0.2	+83%
Other states	-0.2	0.1	+0.3	-
Sales	**3.4**	**1.9**	**-1.5**	**-45%**

Czech Republic (CZK -1.8 bn)

- Extraordinary effect of a court decision under which the payment of SŽDC's liability to ČEZ Prodej from 2010 had to be returned incl. interest and costs (CZK -1.3 bn)
- Lower margin on commodity sales, primarily due to higher expenses on electricity and natural gas purchases (CZK -0.6 bn)
- Noncommodity ESCO activities (CZK +0.2 bn)

Germany (CZK +0.1 bn)

- Acquisition of En.Plus and Hermos

Romania (CZK -0.3 bn)

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

Bulgaria (CZK +0.2 bn)

- Higher gross margin, primarily in connection with lower expenses on commodity procurement

Other Countries (CZK +0.3 bn)

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

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

SEGMENT: DISTRIBUTION

EBITDA (CZK bn)	Q1 - Q3 2018	Q1 - Q3 2019	Change	%
Czechia	12.6	12.9	+0.3	+3%
Romania	1.4	1.2	-0.1	-9%
Bulgaria	0.9	1.1	+0.3	+30%
Distribution	**14.8**	**15.3**	**+0.5**	**+3%**

Czech Republic (CZK +0.3 bn)

- Higher gross margin on electricity distribution (CZK +0.4 bn) matching growth in fixed operating expenses (CZK -0.4 bn), primarily facility maintenance costs and personnel costs
- Higher revenue from activities to ensure input power and connection (CZK +0.1 bn)
- Lower additions to allowances on receivables (CZK +0.1 bn)
- Higher capitalization of direct costs as assets (CZK +0.1 bn)

Romania (CZK -0.1 bn)

- Lower gross margin on distribution (CZK -0.1 bn) due to higher purchase price of electricity to cover grid losses partially offset by higher revenue from electricity distribution
- Increased charge on revenue from licensed activities (CZK -0.1 bn)
- Effect of change in accounting for long-term leases according to IFRS 16 (CZK +0.1 bn)

Bulgaria (CZK +0.3 bn)

- Lower additions to provisions and impairments (CZK +0.2 bn)
- Higher gross margin on electricity distribution (CZK +0.1 bn)

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

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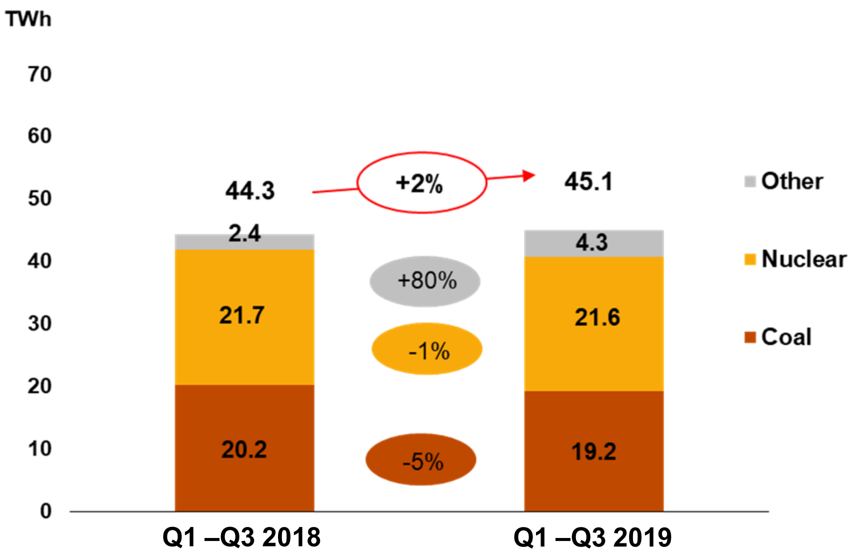
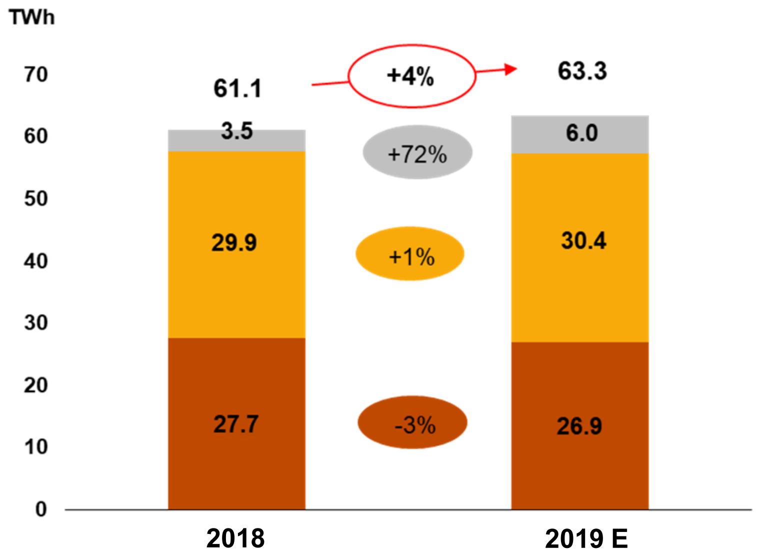
ELECTRICITY GENERATION

GENERATION—TRADITIONAL ENERGY SEGMENT





Nuclear Power Plants (-1%)
− Longer outages at Dukovany power plant

Coal-Fired Power Plants (-5%)
Czech Republic (-4%)
− Lower generation by Dětmarovice, Počerady, and Ledvice 3 power plants
+ Shorter outages at Mělník 3 power plant
Poland (-13%)
− Lower generation due to gross margin optimization and compliance with NO_x limits (Skawina)

Other (+80%)
+ Primarily higher generation by Počerady CCGT plant due to favorable market prices of electricity and gas

Nuclear Power Plants (+1%)
+ Efficient operation and optimization of outages at both power plants

Coal-Fired Power Plants (-3%)
Czech Republic (-2%)
− Lower generation by Dětmarovice, Počerady, Ledvice 3 and Tušimice 2 power plants
+ Shorter outages at Prunéřov 2 and Mělník 3 power plants
+ Higher generation by new Ledvice 4 facility
Poland (-10%)
− Lower generation due to gross margin optimization and compliance with NO_x 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

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

SEGMENT: GENERATION–TRADITIONAL ENERGY

EBITDA (CZK bn)	Q1 - Q3 2018	Q1 - Q3 2019	Change	%
Czechia	12.2	18.9	+6.7	+55%
Poland	0.7	0.5	-0.2	-26%
Other states	-0.1	0.0	+0.1	-
Generation - traditional energy	**12.8**	**19.4**	**+6.6**	**+51%**

Czech Republic (CZK +6.7 bn)

- Higher realization prices of generated electricity, incl. the effect of hedges and commodity trading (CZK +6.8 bn)
- Lower generation at nuclear power plants (CZK -0.1 bn), operation of other generating facilities (CZK +0.5 bn)
- Higher expenses on emission allowances for generation (CZK -1.2 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)
- Higher facility maintenance costs (CZK -0.4 bn) primarily due to expenses on compliance with emission limits after 2020
- Specific influence of rise in commodity prices due to revaluation of hedging contracts for electricity generation in Czechia with deliveries in Q4 2018 in H1 2018 (CZK +0.6 billion)

Poland (CZK -0.2 bn)

- Higher expenses on allowances due to lower volume of freely allocated allowances and increasing prices of purchased allowances
- Increased price of biomass (Chorzów power plant)

Note: Accounting in the past period had an impact on financial results reported for Q1 and Q2 2019 (see details on page 24).

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

MINING SEGMENT, SUPPORT SERVICES SEGMENT

EBITDA (CZK bn)	Q1 - Q3 2018	Q1 - Q3 2019	Change	%
Czechia	3.6	3.8	+0.2	+5%
Mining	**3.6**	**3.8**	**+0.2**	**+5%**

Czech Republic (CZK +0.2 bn)

- Higher revenue from coal sales (CZK +0.3 bn), effect of increased prices partially offset by decreased volume of sales
- Higher fixed operating expenses (CZK -0.1 bn)

EBITDA (CZK bn)	Q1 - Q3 2018	Q1 - Q3 2019	Change	%
Czechia	1.1	1.2	+0.1	+8%
Other states	0.0	-0.1	-0.1	-
Support services	**1.1**	**1.1**	**0.0**	**-0%**

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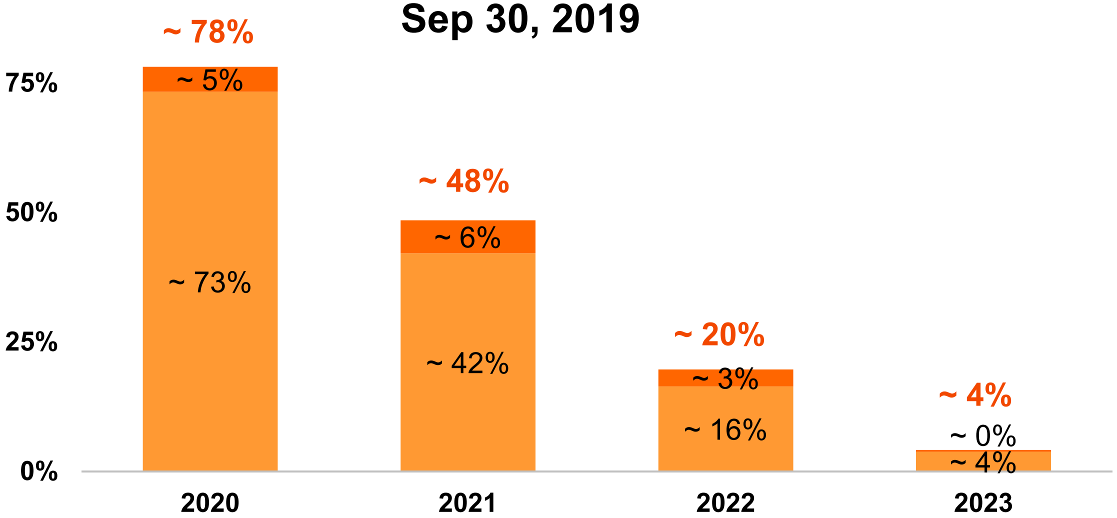
ČEZ CONTINUES HEDGING ITS GENERATION REVENUES IN THE MEDIUM TERM IN LINE WITH STANDARD POLICY

Hedge Price of Generated Electricity and EUA Purchase Price as at Sep 30, 2019

	2020	2021	2022	2023
Electricity selling price (EUR/MWh)	€43.2	€45.4	€46.7	€42.3
EUA purchase price (EUR/t)	€13.9	€18.1	€20.2	€15.2

Note: The average purchase price of EUA in 2020 includes allowances allocated under derogations (with zero value). The average price of purchased allowances for 2020 amounts to 14.1 EUR/t.

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



Production hedged

- Hedged volume from Jul 1, 2019, to Sep 30, 2019
- Hedged volume as at Jun 30, 2019

100% of deliveries in 2020–2023 corresponds to 54–56 TWh.

	2020	2021	2022	2023
Total currency hedges (natural & transactional) as at Sep 30, 2019	95%	90%	84%	77%
Of which, natural currency hedges (debts in EUR, capital and other expenditures and costs in EUR)	90%	76%	69%	70%

The foreign exchange position for 2020 is hedged at an average rate of 26.75 CZK/EUR and the foreign exchange position for 2021–2023 is hedged at 26–27 CZK/EUR on average.

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

ANNEXES

- Cash Flows
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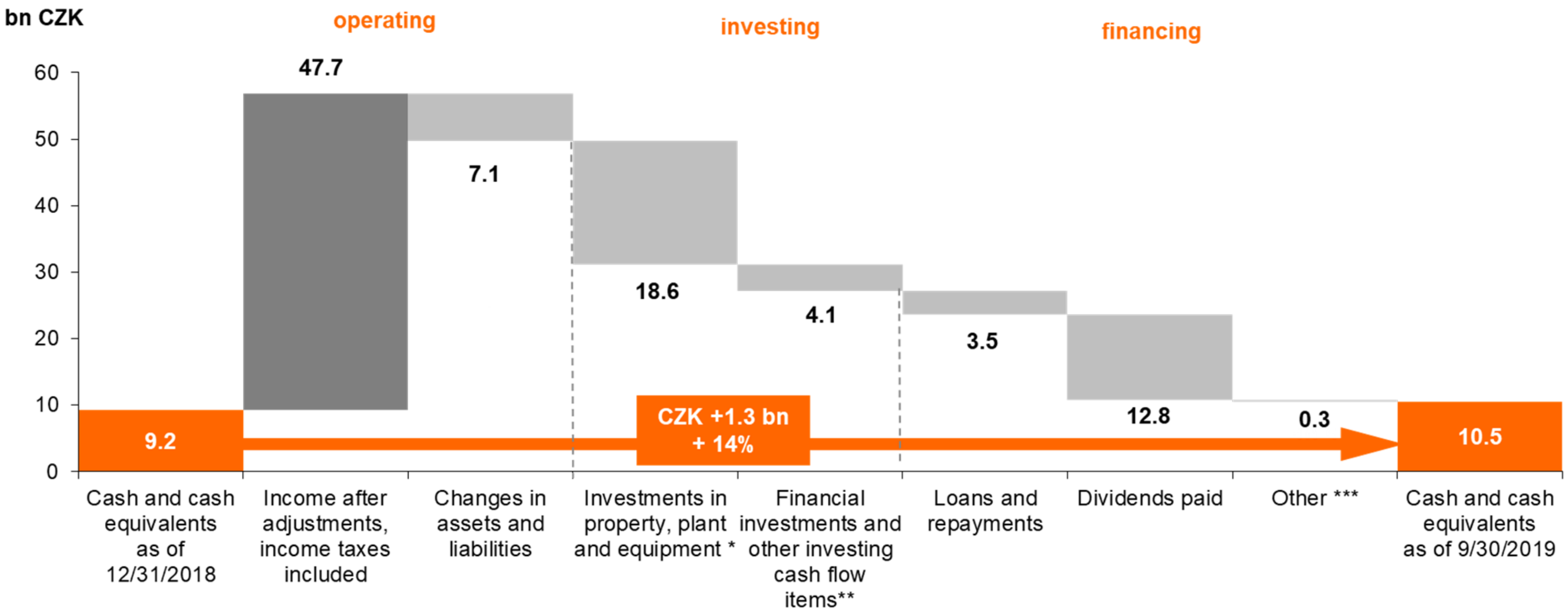
CASH FLOWS



Cash Flows from Operating Activities (CZK +40.5 bn)

- Income after adjustments, incl. income tax (CZK +47.7 bn): income before taxes (CZK +16.7 bn); depreciation and amortization of nuclear fuel (CZK +24.4 bn); other impairments and other noncash income and expenses (CZK +7.6 bn); interest expenses and revenues and dividends received (CZK +3.6 bn); impairments of property, plant, and equipment and intangible assets (CZK +1.2 bn); exchange differences (CZK +0.3 bn); interest paid, net of capitalized interest, and interest received (CZK -3.4 bn); income tax paid (CZK -2.9 bn)
- Changes in assets and liabilities (CZK -7.1 bn): change in emission allowances (CZK -4.2 bn), change in inventories of materials and fossil fuels (CZK -1.5 bn), change in receivables and liabilities from derivatives (CZK +0.5 bn), change in other receivables and payables (CZK -2.0 bn)

Cash Flows Used in Investing Activities (CZK -22.6 bn)

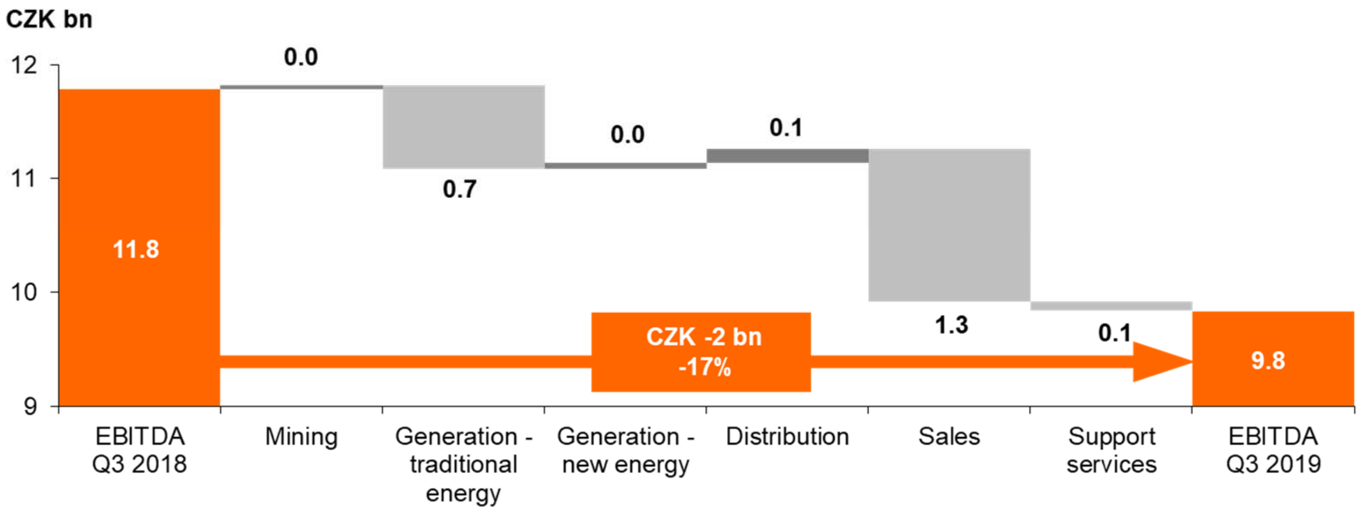
- Capital expenditures* (CZK -18.6 bn) and a change in liabilities attributable to capital expenditures (CZK -1.1 bn); acquisition of subsidiaries (CZK -3.6 bn)
- Change in financial assets with limited availability (CZK -1.6 bn); income from sale of fixed assets (CZK +2.4 bn)

Cash Flows from Financing Activities (CZK -16.6 bn)***

- Total dividends paid (CZK -12.8 bn); balance of loans and repayments (CZK -3.5 bn); lease payments (CZK -0.5 bn)

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

EBITDA—Q3 Y-O-Y COMPARISON



CEZ Group EBITDA (CZK -2.0 bn):

- **Generation—Traditional Energy (CZK -0.7 bn):** higher realization prices of generated electricity in Czechia, including the effect of hedges and commodity trading (CZK +1.1 bn); higher expenses on emission allowances for generation in Czechia (CZK -0.3 bn); lower generation by nuclear power plants (CZK -0.3 bn); specific influence of rise in commodity prices due to revaluation of hedging contracts for electricity generation in Czechia with deliveries in Q3 2018 in H1 2018 (CZK -0.6 billion); specific influence of commercial provision of allowances‘ purchase in 2018 (CZK -0.4 billion), other effects (CZK -0.2 bn), primarily higher facility maintenance costs
- **Distribution (CZK +0.1 bn):** Czech Rep. (CZK -0.1 bn): higher gross margin on electricity distribution (CZK +0.1 bn) and higher fixed operating expenses (CZK -0.3 bn); Bulgaria (CZK +0.2 bn): higher gross margin (CZK +0.1 bn) and lower additions to provisions (CZK +0.1 bn)
- **Sales (CZK -1.3 bn):** Extraordinary effect of a court decision under which the payment of SŽDC’s liability to ČEZ Prodej from 2010 was returned incl. interest and costs (CZK -1.3 bn)
- **Support Services (CZK -0.1 bn):** effect of ČEZ Trade Polska’s merger with ČEZ Polska

Note: Accounting in the Generation—Traditional Energy segment in the last period had an impact on financial results reported for Q1 and Q2 2019 (see details on page 24).

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

NET INCOME–Q3 YEAR-ON-YEAR COMPARISON

(CZK bn)	Q3 2018	Q3 2019	Change	%
EBITDA	11.8	9.8	-2.0	-17%
Depreciation, amortization and impairments*	-7.7	-7.6	+0.2	+2%
Other income (expenses)	-1.8	-1.9	-0.1	-5%
Income taxes	-0.8	-0.2	+0.6	+78%
Net income	1.4	0.2	-1.2	-88%
Net income - adjusted	**3.5**	**0.5**	**-2.9**	**-85%**

Depreciation, Amortization, and Impairments* (CZK +0.2 bn)

- Higher depreciation and amortization (CZK -0.2 bn), primarily at ČEZ Distribuce and ČEZ Prodej
- Lower additions to impairments of Bulgarian assets (CZK +0.1 bn)
- Lower additions to impairments of Czech assets, including goodwill write-off (CZK +0.3 bn)

Other Income (Expenses) (CZK -0.1 bn)

- Higher interest expenses (CZK -0.1 bn)
- Positive y-o-y difference in income and expenses from equity investments and securities (CZK +0.8 bn), primarily due to the fall of the Turkish lira in 2018
- Other (CZK -0.9 bn), primarily loss on financial derivatives and loss on other finance income and expenses

Net Income Adjustments

- Q3 2019 net income adjusted for the negative effect of impairments of fixed assets in Bulgaria (CZK +0.4 bn)
- Q3 2018 net income adjusted for the negative effects of additions to ČEZ provisions corresponding to the value of potential partial performance under a guarantee provided 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 bn), for the negative effect of impairments of fixed assets in Bulgaria (CZK +0.4 bn), and for the negative effect of impairments of fixed assets including goodwill write-off in Czechia (CZK +0.3 bn)

Note: Accounting in the last period had an impact on financial results reported for Q1 and Q2 2019 (see details on page 24).

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

INFORMATION ON ACCOUNTING FOR DERIVATIVES WITH IMPACT ON RESULTS REPORTED FOR Q1 AND Q2 2019

- Accounting in the past period had an impact on financial results reported for Q1 and Q2 2019. Commodity derivatives that hedge the price risks of future sales of generated electricity with delivery in 2019 were reflected in the Q1 and Q2 results of ČEZ, a. s. (Generation—Traditional Energy segment) in accordance with the current methodology for accounting for derivatives.
- At the same time, the internal policy, which defines calculation procedure and the way of tracking of development of fair value of commodity derivatives and its classification for IFRS purposes, was updated. The update of the procedure reflects extension of the existing strategy for hedging of price risks on an annual basis by hedging of commodity risks on electricity generation during the year in order to reduce the volatility of quarterly financial results.

Impact on Results Reported for Q1 and Q2

(CZK bn)	adjustment Q1 2019	adjustment Q2 2019
EBITDA	+2.0	+0.7
Income taxes	-0.4	-0.1
Net income	+1.6	+0.6
Net income - adjusted	**+1.6**	**+0.6**

Financial Results of Q1, Q2, and Q3 2019

(CZK bn)	Q1 2019 adjusted	Q2 2019 adjusted	Q3 2019	Q1 - Q3 2019
EBITDA	21.3	13.6	9.8	44.7
Income taxes	-2.3	-0.6	-0.2	-3.1
Net income	9.9	3.5	0.2	13.6
Net income - adjusted	**10.4**	**3.8**	**0.5**	**14.7**

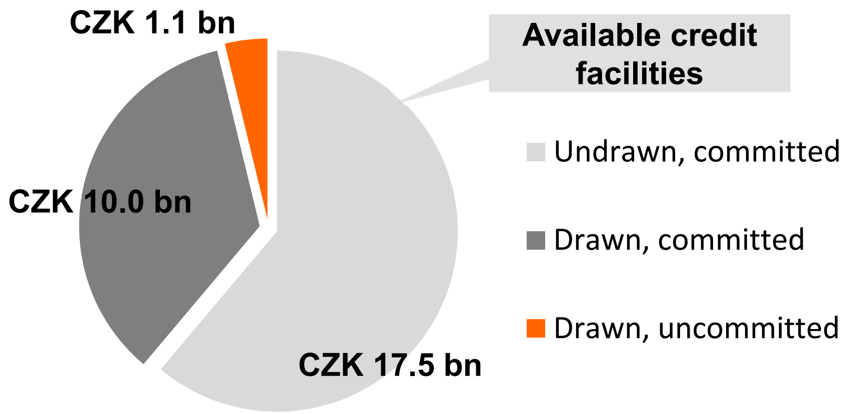
LEVEL AND STRUCTURE OF DEBT

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

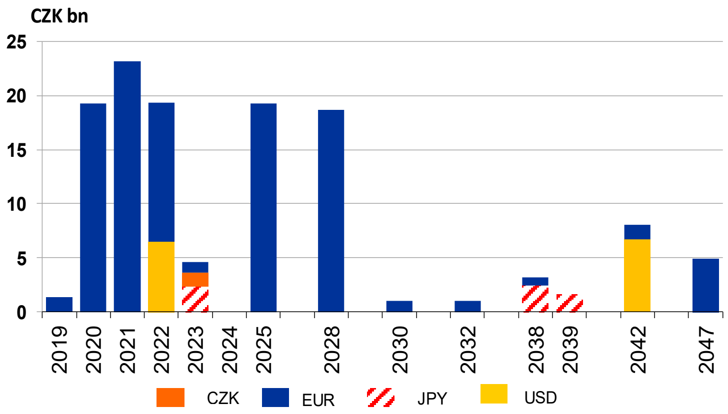
Debt Level**

		As at Dec 31, 2018	As at Sept 30, 2019
Debt and loans	CZK bn	162.8	166.7
Cash and fin. assets*	CZK bn	11.5	11.0
Net debt	CZK bn	151.3	155.6
Net debt/EBITDA		3.1	2.8

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



Bond Maturity Profile (as at Sep 30, 2019)



- CEZ Group has access to CZK 27.5 bn in committed credit facilities, using CZK 10 bn as at Sep 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 Aug 1, 2019. 99% of the amount awarded was paid by Sep 30, 2019.

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

CAPITAL EXPENDITURES

BROKEN DOWN BY SEGMENT

CZK bn	Q1–Q3 2018	Q1–Q3 2019
Generation—Traditional Energy	**3.9**	**6.0**
Of which: Nuclear fuel procurement	1.3	1.9
Generation—New Energy	**0.2**	**0.6**
Mining	**1.5**	**1.6**
Distribution	**8.6**	**9.2**
Czechia	6.9	7.2
Romania	0.9	0.9
Bulgaria	0.8	1.1
Sales	**0.3**	**0.8**
Support Services*	**0.7**	**0.4**
Total	**15.3**	**18.6**

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

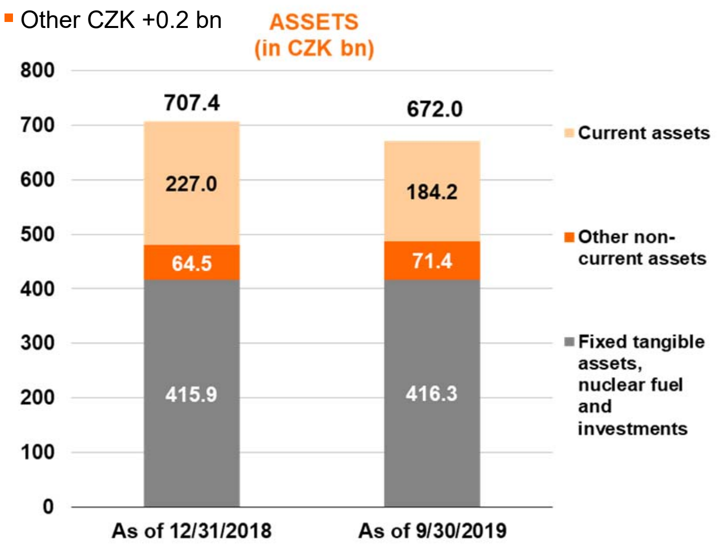
- **Generation—Traditional Energy:**
  - Higher nuclear fuel procurement (CZK +0.6 bn)—procurement of a greater amount of uranium, nuclear fuel, and purchase of control clusters
  - Other capital expenditures (CZK +1.5 bn)—capital expenditures on the project to supply České Budějovice with heat from the Temelín NPP, implementation of new technical requirements from the new Atomic Energy Act in the physical security of the Temelín NPP; implementation of environmental measures (new BAT emission limits from August 2021)
- **Generation—New Energy:** RES companies in France (especially the Bordeaux project)
- **Distribution:** higher expenditures on electricity meter replacements and distribution grid quality enhancements in Bulgaria
- **Sales:** capital expenditures of ČEZ Energo (fully consolidated since Jul 1, 2018) and growth in ESCO companies
- **Support Services:** higher drawdown in 2018 associated with the construction of the Corporate Data Center at Tušimice

*Including the amount of intersegment eliminations; RES—renewable energy sources; NPP—nuclear power plant

BALANCE SHEET OVERVIEW

Property, plant, and equipment, nuclear fuel, and investments increased by CZK 0.4 bn
- Investments exceeding depreciation and amortization, impairments, and disposal of assets CZK +0.7 bn
- Nuclear fuel CZK -0.3 bn

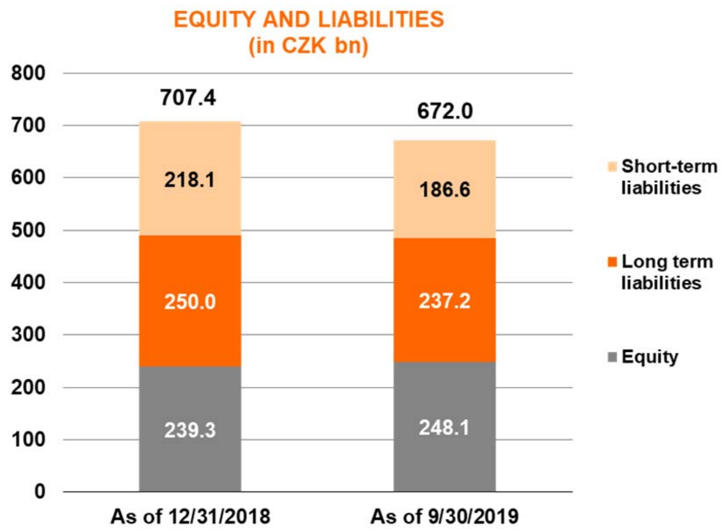
Other noncurrent assets increased by CZK 6.9 bn
- Noncurrent intangible assets CZK +2.8 bn, primarily due to acquisition of new subsidiaries (e.g., Hermos, EUROKLIMAT)
- Long-term receivables from derivatives CZK +2.4 bn
- Restricted financial assets CZK +2.2 bn
- Long-term securities CZK -0.7 bn, effect of the sale of a stake in sonnen Holding CZK -1.0 bn; conversely, acquisition of new stakes and revaluation of securities CZK +0.3 bn
- Other CZK +0.2 bn



Current assets decreased by CZK 42.8 bn
- Receivables from derivatives, including options CZK -49.4 bn
- Net trade receivables CZK -3.2 bn
- Emission allowances CZK +3.9 bn, other current assets CZK +3.2 bn, primarily unbilled goods and services and contingent assets
- Income tax assets CZK +2.3 bn
- Net material inventories and fossil fuel inventories CZK +1.6 bn
- Other CZK -1.1 bn, primarily decrease in debt securities

Equity increased by CZK 8.8 bn
- Net income in the reporting period CZK +13.6 bn
- Other comprehensive income CZK +7.7 bn
- Sale of treasury stock CZK +0.2 bn
- Awarded dividends CZK -12.8 bn

Noncurrent liabilities decreased by CZK 12.8 bn
- Bonds issued and long-term bank loans CZK -20.0 bn
- Noncurrent liabilities from derivatives CZK -3.8 bn
- Deferred tax liability CZK +4.5 bn
- Noncurrent lease liabilities (effect of IFRS 16) CZK +4.4 bn
- Long-term provisions CZK +1.9 bn

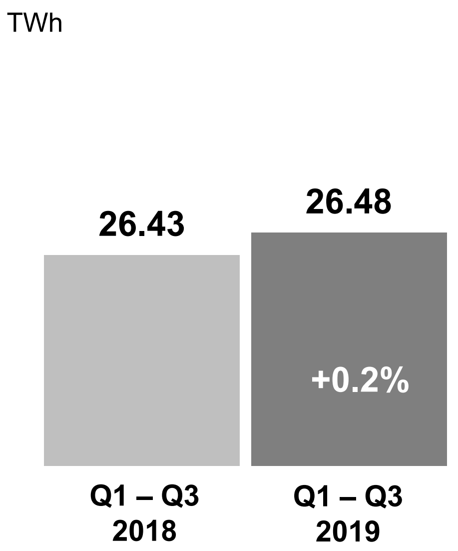


Current liabilities decreased by CZK 31.5 bn
- Payables from derivatives, including options CZK -46.9 bn
- Trade payables CZK -5.6 bn
- Short-term loans CZK -1.0 bn
- Provision for emission allowances CZK -0.9 bn
- Current portion of long-term debts CZK +20.2 bn
- Other liabilities CZK +3.0 bn, primarily received advances

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

ELECTRICITY CONSUMPTION
IN THE DISTRIBUTION AREA OF ČEZ DISTRIBUCE

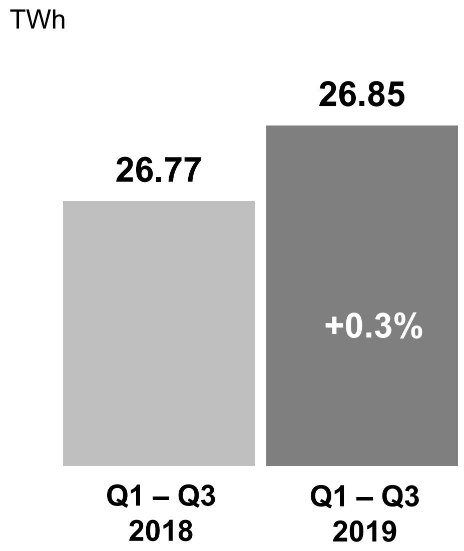
Consumption in the Distribution Area of ČEZ Distribuce



Changes in consumption (+0.2%) by segment:

- -0.6% large end-use customers
- +1.8% residential customers
- +0.7% commercial retail

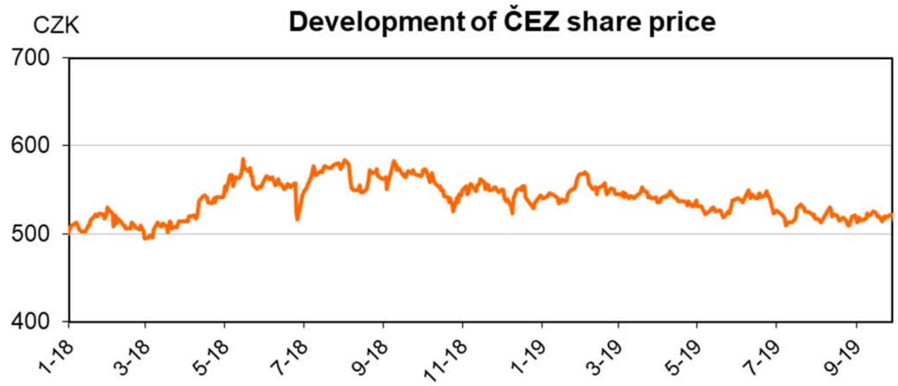
Temperature- and Calendar-Adjusted Consumption*

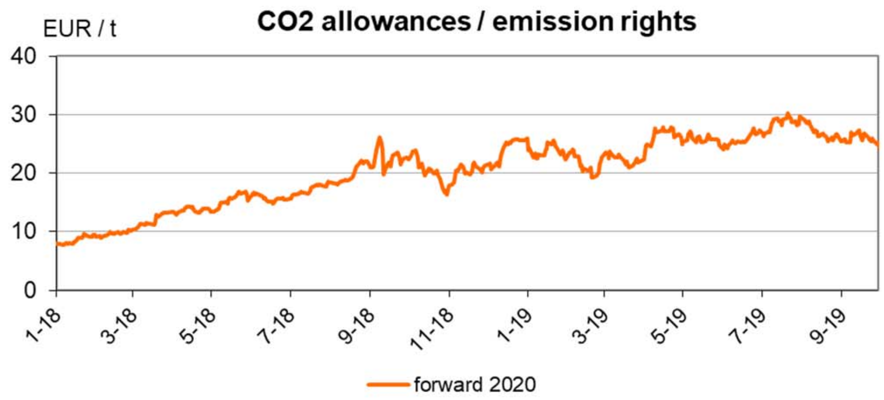


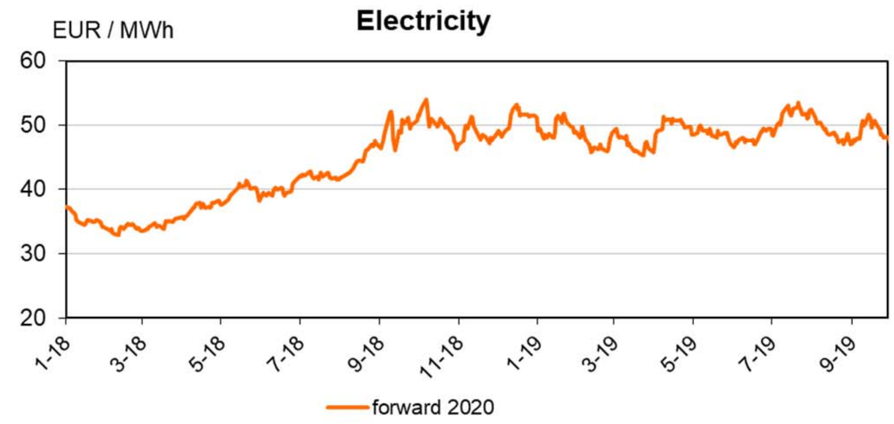
- Analysis based on CEZ Group's internal data.
- CEZ Group's distribution area covers around ⅝ of Czechia's territory, so the data are a good indicator of nationwide consumption trends.

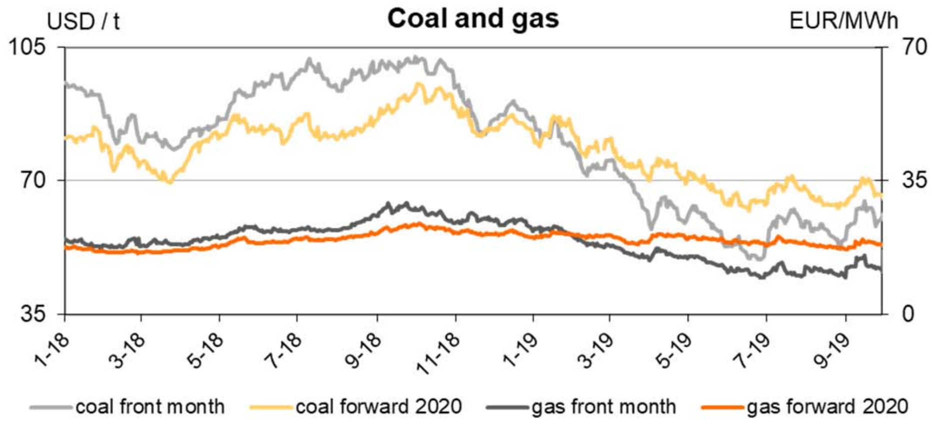
 Acc. to data of ČEZ Distribuce, a. s.; * Adjustment as per ČEZ Distribuce, a. s., model

MARKET DEVELOPMENTS









Electricity balance (GWh)

	Q1 - Q3 2018	Q1 - Q3 2019	Index 2019/2018
Electricity procured	**41,203**	**42,171**	**+2%**
Generated in-house (gross)	45,665	46,688	+2%
In-house and other consumption, including pumping in	-4,462	-4,517	+1%
Sold to end customers	**-27,536**	**-26,254**	**-5%**
Sold in the wholesale market (net)	**-10,803**	**-13,203**	**+22%**
Sold in the wholesale market	-243,678	-241,272	-1%
Purchased in the wholesale market	232,875	228,069	-2%
Grid losses	**-2,864**	**-2,714**	**-5%**

Electricity generation by source (GWh)

Nuclear	21,738	21,588	-1%
Coal and lignite	19,687	18,502	-6%
Water	1,498	1,753	+17%
Biomass	554	749	+35%
Photovoltaic	128	126	-2%
Wind	961	1,061	+10%
Natural gas	1,097	2,907	+165%
Bio gas	3	2	-36%
Total	**45,665**	**46,688**	**+2%**

Sales of electricity to end customers (GWh)

Households	-9,301	-9,297	-0%
Commercial (low voltage)	-3,560	-3,577	+0%
Commercial and industrial (medium and high voltage)	-14,676	-13,380	-9%
Sold to end customers	**-27,536**	**-26,254**	**-5%**

Distribution of electricity (GWh)

	Q1 - Q3 2018	Q1 - Q3 2019	Index 2019/2018
Distribution of electricity to end customers	38,361	38,501	+0%

Electricity balance (GWh) by segment

Q1 - Q3 2019	Generation - traditional energy		Generation - new energy		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**40,585**	**+2%**	**1,386**	**+8%**	**0**	**-**	**200**	**+180%**	**0**	**-**	**42,171**	**+2%**
Generated in-house (gross)	45,081	+2%	1,397	+7%	0	-	209	+149%	0	-	46,688	+2%
In-house and other consumption, including pumping in	-4,496	+1%	-11	-28%	0	-	-9	-29%	0	-	-4,517	+1%
Sold to end customers	**-1,571**	**+23%**	**0**	**-**	**0**	**-**	**-24,672**	**-11%**	**1,369**	**-0%**	**-26,254**	**-5%**
Sold in the wholesale market (net)	**-39,014**	**+1%**	**-1,386**	**+8%**	**2,714**	**-5%**	**24,472**	**-11%**	**-1,369**	**-0%**	**-13,203**	**+22%**
Sold in the wholesale market	-257,113	+1%	-1,855	-0%	0	-	-2,362	+11%	20,365	+41%	-241,272	-1%
Purchased in the wholesale market	218,100	+1%	469	-19%	2,714	-5%	26,834	-10%	-21,734	+38%	228,069	-2%
Grid losses	**0**	**-**	**0**	**-**	**-2,714**	**-5%**	**0**	**-**	**0**	**-**	**-2,714**	**-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	21,588	-1%	0	-	0	-	0	-	0	-	21,588	-1%
Coal and lignite	18,502	-6%	0	-	0	-	0	-	0	-	18,502	-6%
Water	1,545	+20%	208	-1%	0	-	0	-	0	-	1,753	+17%
Biomass	749	+35%	0	-	0	-	0	-	0	-	749	+35%
Photovoltaic	0	-	126	-2%	0	-	0	-	0	-	126	-2%
Wind	0	-	1,061	+10%	0	-	0	-	0	-	1,061	+10%
Natural gas	2,698	+156%	0	-	0	-	209	>200%	0	-	2,907	+165%
Bio gas	0	-	2	-36%	0	-	0	-	0	-	2	-36%
Total	**45,081**	**+2%**	**1,397**	**+7%**	**0**	**-**	**209**	**+149%**	**0**	**-**	**46,688**	**+2%**

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	-	-9,297	-0%	0	-	-9,297	-0%
Commercial (low voltage)	-1	-4%	0	-	0	-	-3,473	-2%	0	-	-3,577	+0%
Commercial and industrial (medium and high voltage)	-1,571	+23%	0	-	0	-	-11,903	-19%	1,369	-0%	-13,380	-9%
Sold to end customers	**-1,571**	**+23%**	**0**	**-**	**0**	**-**	**-24,672**	**-11%**	**1,369**	**-0%**	**-26,254**	**-5%**

Electricity balance (GWh) by country

Q1 - Q3 2019	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**39,490**	**+3%**	**1,579**	**-14%**	**898**	**+9%**	**5**	**+3%**	**198**	**+8%**	**0**	**-**	**0**	**-**	**42,171**	**+2%**
Generated in-house (gross)	43,769	+3%	1,806	-13%	909	+8%	5	+3%	198	+8%	0	-	0	-	46,688	+2%
In-house and other consumption, including pumping in	-4,279	+2%	-226	-7%	-11	-27%	0	-	0	-	0	-	0	-	-4,517	+1%
Sold to end customers	**-12,265**	**-4%**	**-1,379**	**-34%**	**-2,751**	**+11%**	**-7,665**	**+0%**	**0**	**-**	**-2,194**	**-15%**	**0**	**-**	**-26,254**	**-5%**
Sold in the wholesale market (net)	**-25,694**	**+7%**	**-201**	**-**	**2,444**	**+8%**	**8,252**	**-1%**	**-198**	**+8%**	**2,194**	**-15%**	**0**	**-**	**-13,203**	**+22%**
Sold in the wholesale market	-244,055	-1%	-1,994	-1%	-1,407	+10%	-478	+18%	-198	+8%	-117	+113%	6,976	-4%	-241,272	-1%
Purchased in the wholesale market	218,361	-2%	1,793	-21%	3,851	+9%	8,730	+0%	0	-	2,310	-13%	-6,976	-4%	228,069	-2%
Grid losses	**-1,530**	**-3%**	**0**	**-**	**-592**	**-3%**	**-592**	**-11%**	**0**	**-**	**0**	**-**	**0**	**-**	**-2,714**	**-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	21,588	-1%	0	-	0	-	0	-	0	-	0	-	0	-	21,588	-1%
Coal and lignite	16,998	-5%	1,504	-20%	0	-	0	-	0	-	0	-	0	-	18,502	-6%
Water	1,697	+19%	4	-21%	53	-23%	0	-	0	-	0	-	0	-	1,753	+17%
Biomass	450	+24%	298	+55%	0	-	0	-	0	-	0	-	0	-	749	+35%
Photovoltaic	120	-2%	0	-	0	-	5	+3%	0	-	0	-	0	-	126	-2%
Wind	7	+20%	0	-	856	+11%	0	-	198	+8%	0	-	0	-	1,061	+10%
Natural gas	2,907	+165%	0	-	0	-	0	-	0	-	0	-	0	-	2,907	+165%
Bio gas	2	-36%	0	-	0	-	0	-	0	-	0	-	0	-	2	-36%
Total	**43,769**	**+3%**	**1,806**	**-13%**	**909**	**+8%**	**5**	**+3%**	**198**	**+8%**	**0**	**-**	**0**	**-**	**46,688**	**+2%**

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	-4,877	-2%	0	-	-1,272	+1%	-3,148	+3%	0	-	0	-	0	-	-9,297	-0%
Commercial (low voltage)	-1,487	-2%	-104	-48%	-710	+7%	-1,162	+9%	0	-	-114	-0%	0	-	-3,577	+0%
Commercial and industrial (medium and high voltage)	-5,901	-5%	-1,275	-32%	-769	+41%	-3,355	-5%	0	-	-2,080	-16%	0	-	-13,380	-9%
Sold to end customers	**-12,265**	**-4%**	**-1,379**	**-34%**	**-2,751**	**+11%**	**-7,665**	**+0%**	**0**	**-**	**-2,194**	**-15%**	**0**	**-**	**-26,254**	**-5%**

Distribution of electricity (GWh) by country

Q1 - Q3 2019	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	26,476	+0%	0	-	5,097	+1%	6,928	+1%	0	-	0	-	0	-	38,501	+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 October 1 of previous year until September 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 Sep 30, 2019
Current debt financial assets	1,287	0
Non-current debt financial assets	513	513
Current term deposits	505	2
Non-current term deposits	0	0
Short-term equity securities	0	0
Highly liquid financial assets, total	**2,305**	**516**

Adjusted Net Income indicator—individual components:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1 – Q3 2018	Q1 – Q3 2019
Net income	CZK millions	9,124	13,615
Impairments of property, plant, and equipment and intangible assets	CZK millions	884	1,234
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	(90)	(135)
Other extraordinary effects****)	CZK millions	1,392	-
Adjusted net income	**CZK millions**	**11,310**	**14,717**

**) 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*
*****) 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 Impairment of Financial Assets (in the amount of CZK 402 million).*