

## Internal Information

### **CEZ Group earned CZK 8.3 billion in Q1; ČEZ Board of Directors proposes dividend of CZK 24 per share**

**CEZ Group's EBITDA reached CZK 19.3 billion in Q1 2019, up 10% year-over-year. Net income increased by 14% to CZK 8.3 billion; net income adjusted for extraordinary events not related to ordinary business operations reached CZK 8.8 billion, up CZK 1.5 billion year-over-year. This growth in earnings can be attributed primarily to higher electricity selling prices and a greater amount of electricity generated by nuclear power plants. The Board of Directors is going to propose a dividend of CZK 24 per share at the General Meeting scheduled for June 26, 2019.**

*“The financial and operating results for the first quarter are consistent with our expectations. After years of year-over-year declines in the selling prices of generated power, our results are beginning to show the effects of growing electricity prices in wholesale markets. Moreover, we generated an additional 1.1 TWh of power year-over-year. At the General Meeting, we are going to propose a dividend of CZK 24 per share from the profits of 2018, which means that we want to distribute a total of CZK 12.9 billion to our shareholders. This corresponds to the upper limit of our existing corporate dividend policy,”* says Daniel Beneš, Chairman of the Board of Directors and Chief Executive Officer of ČEZ.

CEZ Group's operating revenue reached CZK 51.8 billion, which is up by CZK 5.5 billion, or 12%. The amount of electricity generated from traditional sources reached 16.6 TWh, which is 6% more year-over-year, while the amount of electricity generated from “New Energy” sources increased by 18% to 0.7 TWh. In terms of volume, power generation increased the most in nuclear power plants (by 0.5 TWh), and an additional 0.4 TWh of power was generated by the Počerady steam-and-gas power plant. On the other hand, the costs of emission allowances for power generation increased due to higher market prices and a lower quantity of emission allowances allocated for free. The year-over-year negative impact of this factor on EBITDA was CZK 0.7 billion.

*“We can confirm our outlook for our all-year EBITDA to reach CZK 57 to 59 billion and our net income to reach CZK 17 to 19 billion. This prediction assumes that 68.8 TWh of electricity will be generated, of which 31.2 TWh will come from nuclear sources, which represents a 9% year-over-year growth in electricity generation. In the first quarter, CEZ Group generated an operating cash flow of more than CZK 19.7 billion, up 15% year-over-year, and the total net debt decreased by CZK 5.3 billion,”* said Martin Novák, Vice-Chairman of the Board of Directors and Chief Financial Officer of ČEZ.

The year's consumption of electricity in ČEZ Distribuce's distribution territory declined by 1.8% after climatic and calendar adjustments, with the beginning of this year having been warmer; on the other hand, the overall consumption of electricity increased by 1.1%.