CLEAN ENERGY OF TOMORROW

CEZ Group: Clean Energy of Tomorrow

Investor presentation, 29 August 2023

www.cez.cz/en

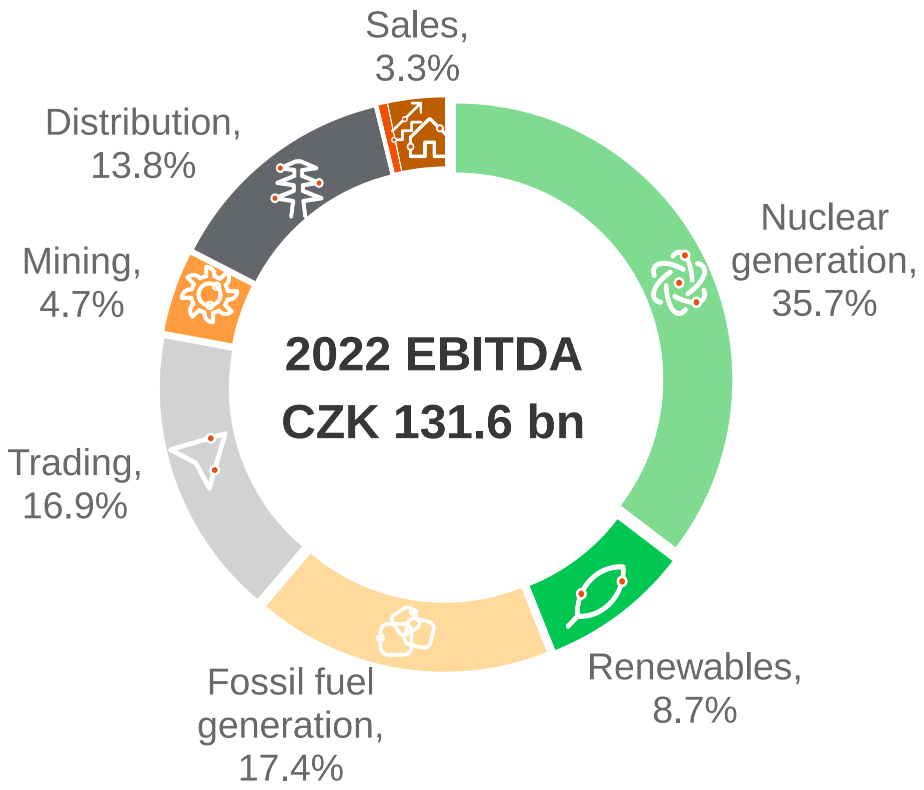
AGENDA

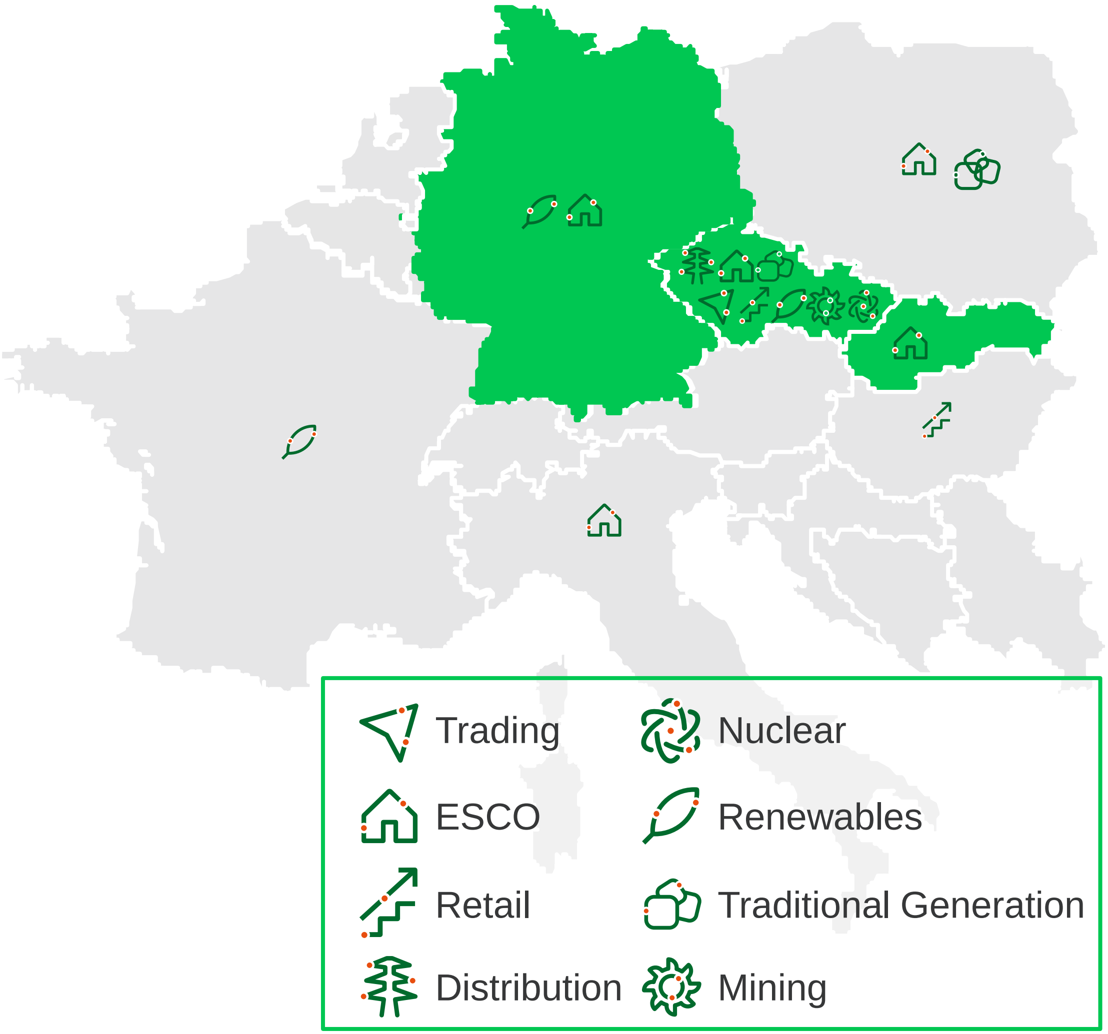
- **CEZ Group at a Glance**
- CEZ guidance 2023 & CZ tax measures
- Our Vision
- Appendix

We are an international utility, among the largest in Europe by market cap

CEZ Group

13th largest in number of customers
10th largest in installed capacity
8th largest by market capitalization*





* as of August 22, 2023

We lead energy transformation of the Central Europe through bringing the clean energy of tomorrow

Generation

Transforming electricity and heat generation to low-emission, growing renewables

Distribution

Continuous modernization and digitalization of our distribution networks

Retail

Leading electricity supplier of energy helping to decarbonize the Czech industrial base

ESCO

Expanding energy services and clean decentralized generation and heating in Czechia, Germany, Poland, Slovakia and Northern Italy

CEZ Group is vertically integrated in Czechia

	Mining	Generation		Networks	Sales (Retail & ESCO)
Market position	Market leader in all parts of the value chain				
Market share	**53%**	**61%**		**65%**	**35%**
Volume	17.8 mil. tons	CO2-free 33.6 TWh	Other 18.1 TWh	35.1 TWh	20.7 TWh
EBITDA in Czechia (2022)	6.2 CZK billion	58.4* CZK billion	22.9* CZK billion	18.1 CZK billion	2.9 CZK billion

* Additional CZK 22.2 billion was generated by Trading. Total EBITDA of Generation segment in Czechia amounted to CZK 103.6 bn.

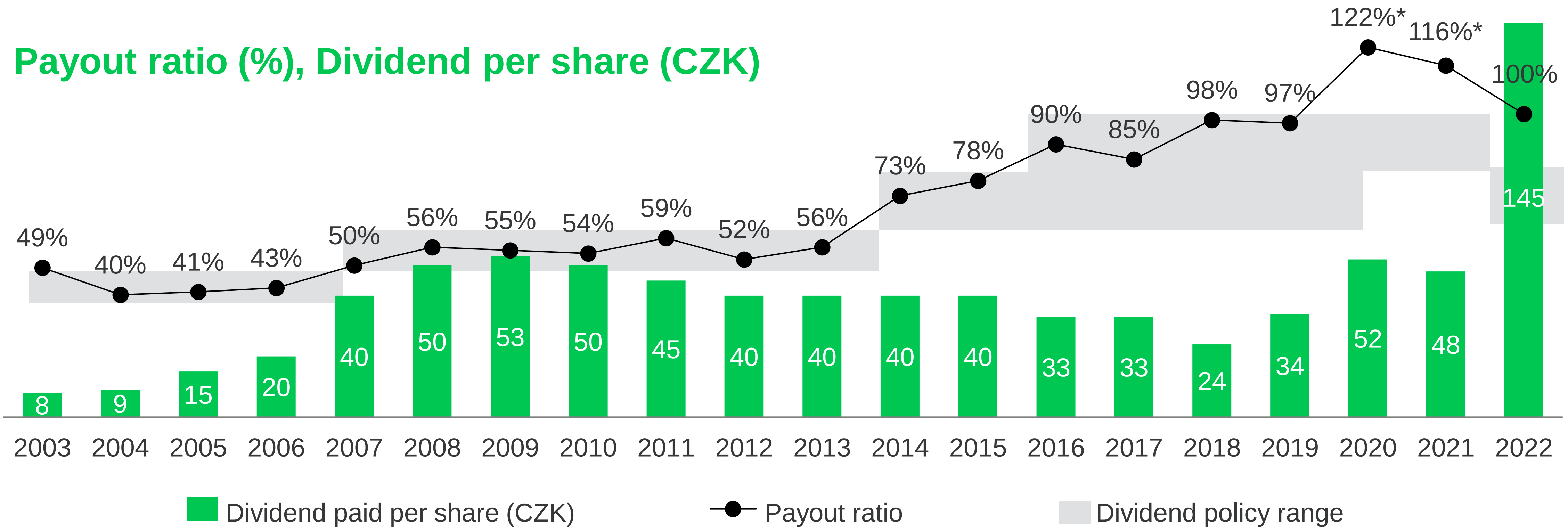
We are delivering value to our shareholders – our financial targets

	Delivery on guidance	High dividend payout	Strong balance sheet
2022	EBITDA CZK 131.6 billion Adj. Net Income CZK 78.4 billion	DPS 145 CZK 100% payout ratio	1.2x Net debt/EBITDA
Ambitions	EBITDA growth by 35% by 2030*	60-80% payout ratio	below 2.5-3.0x Net debt/EBITDA

* Growth compared to 2021 using electricity prices when Vision 2030 was announced

CEZ Group regularly pays high dividends

Payout ratio (%), Dividend per share (CZK)



2022 dividend

- **CZK 145 per share, i.e. 100% payout ratio**

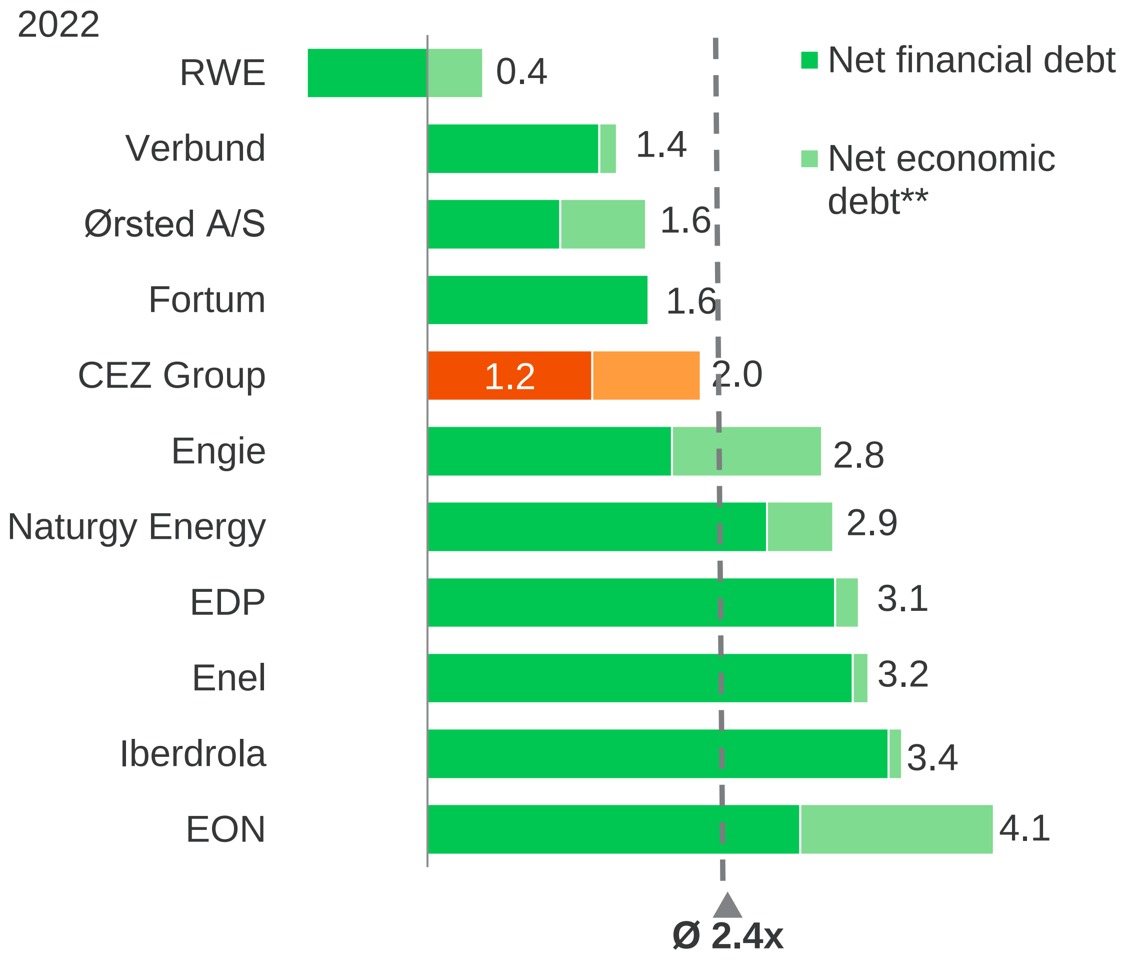
Dividend policy

- 60-80% payout ratio from adjusted net income

* Dividends for 2020 and 2021 were set in two components: the regular component corresponded to a payout ratio of 100% of CEZ Group's adjusted net income, while the extraordinary component (over the 100% payout ratio) reflected the contribution of the sale of Romanian (2020) and Bulgarian (2021) assets to CEZ Group's debt capacity.

Our strong financial position supports future growth

Net economic debt/EBITDA*



Current credit rating a notch above European utilities

- A-, stable outlook from S&P
- Baa1, stable outlook from Moody's

Net debt to EBITDA target: below 2.5-3.0x

* EBITDA as reported by companies
** Net economic debt = net financial debt + net nuclear provisions + provisions for employee pensions + net reclamation provision

Good performance was enabled by successful implementation of strategy "VISION 2030 - Clean Energy of Tomorrow" and its two strategic pillars

The main goals of VISION 2030 – Clean Energy of Tomorrow also fulfill the goals in the field of climate protection and increasing the independence of Czechia

- We will **develop the CEZ Group** responsibly and sustainably **in accordance with ESG.**
- We have the ambition to **be among the best 20% in the ESG rating** by 2023, **reduce emission intensity by more than 50%** by 2030 and **increase EBITDA by 35%** by 2030*
- We can realize our growth strategy until 2030 while **maintaining a Net Debt / EBITDA ratio target of below 2.5-3.0x**
- We will adapt the **structure of CEZ Group** to meet the demands of our investors, financing banks and employees

- **Strategy has two strategic pillars**:

I **Decarbonize generation portfolio and reach climate neutrality**

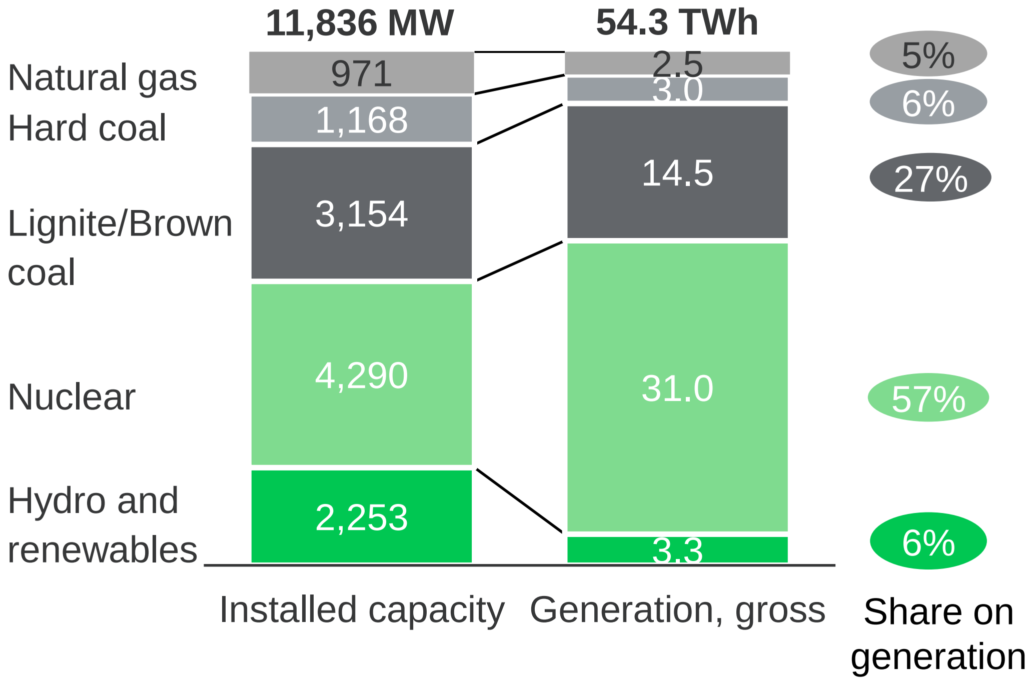
II Provide best energy solutions and highest quality customer experience on the market

* Growth compared to 2021 using electricity prices when Vision 2030 was announced

We have a robust generation portfolio with low and largely fixed costs

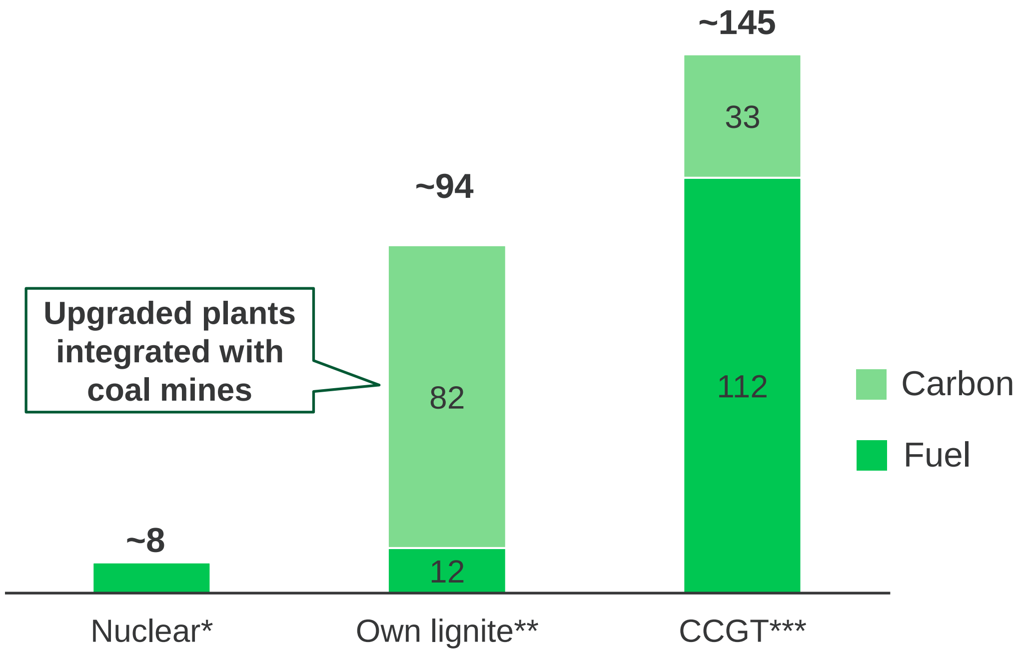
We have diversified generation portfolio

Generation capacity and volumes
(2022)



Our fuel costs are low, not dependent on commodity prices

Marginal fuel costs by technology at current forwards
(EUR/MWh, prices of gas and carbon as of August 22, 2023)

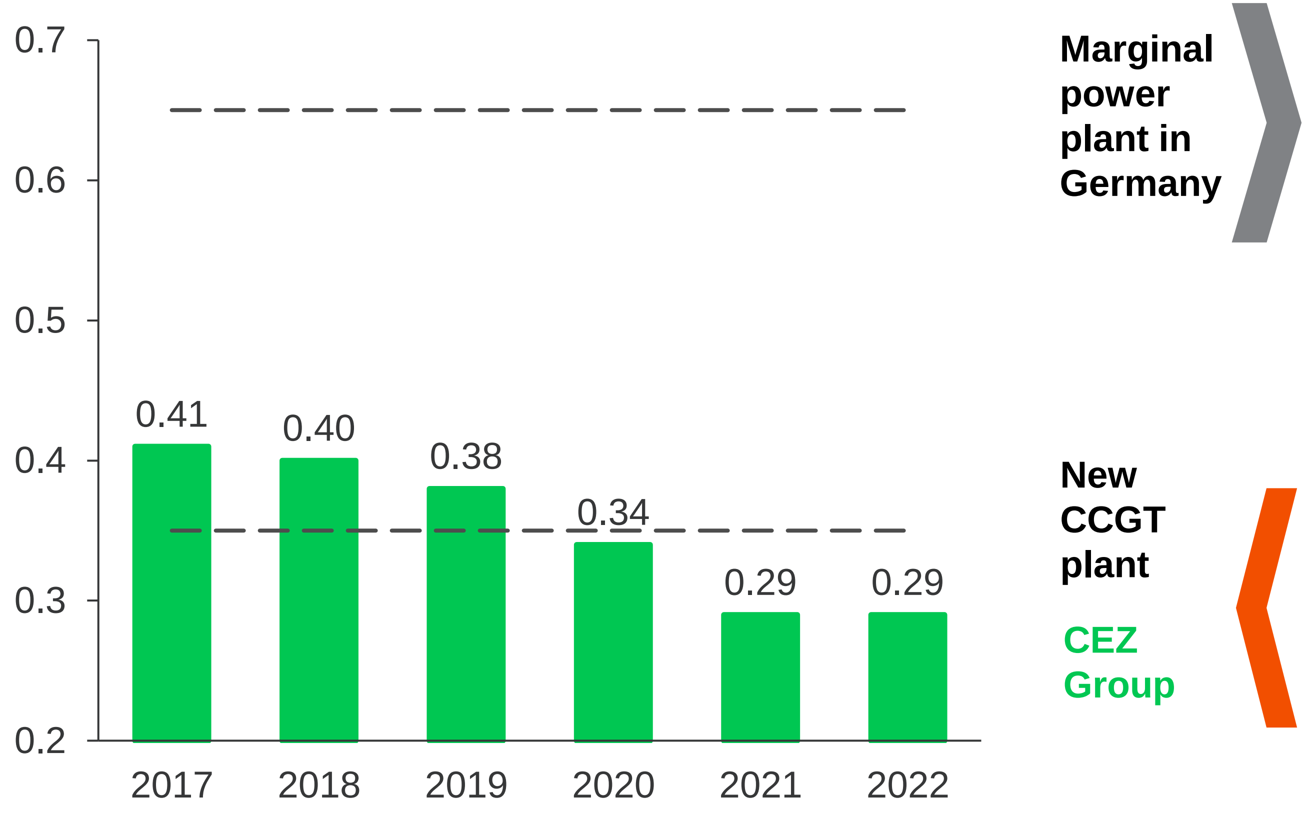


* Nuclear fuel costs + CZK 55/MWh payment for fuel storage
** Cash cost of extracting own lignite in 2022, 42% efficiency, 11.5 GJ/t calorific value, carbon allowances at 94 EUR/t
*** Natural gas at 58 EUR/MWh, 57% efficiency, 0.35 t/MWh CO_2

CEZ Group's emission intensity declined by 30% since 2017

CEZ Group's emission intensity

(tCO_2e/MWh of generated electricity and heat)

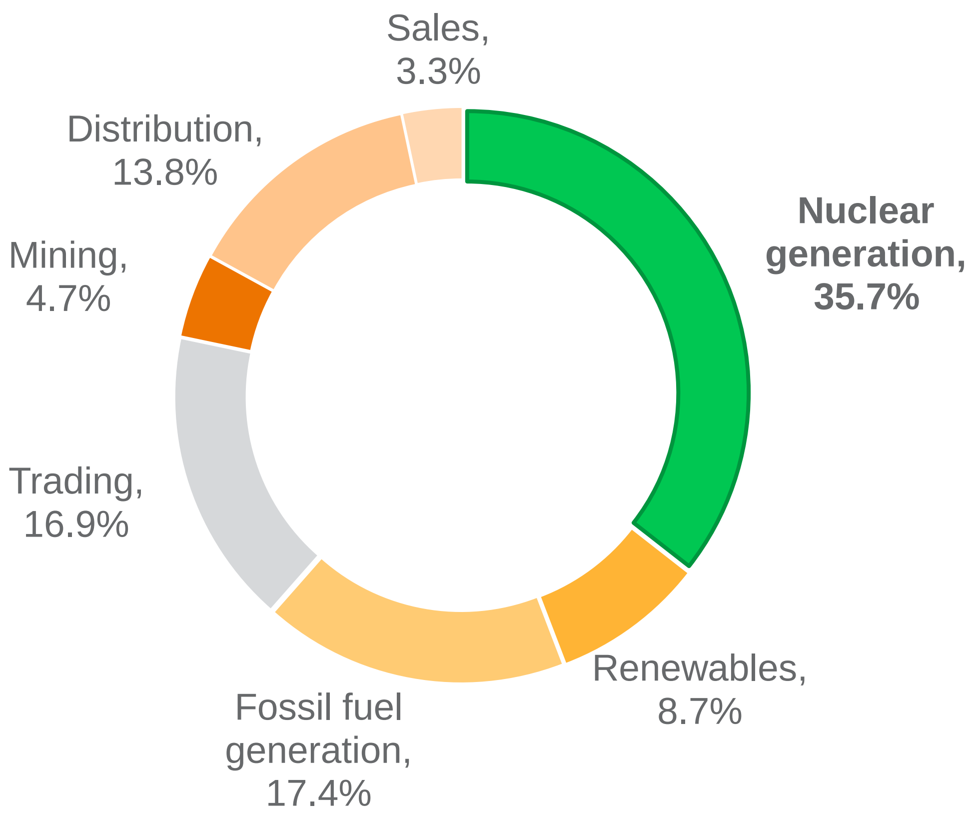


CEZ Group's carbon intensity is **below marginal plant** and even **below new CCGT** and **therefore higher carbon prices are beneficial for profitability of our generation fleet.**

	Generation volume (2022, TWh)	CO_2 emission intensity (2022, t/MWh)
CO_2 free	34.3	0.00
Gas	2.5	0.35
Coal and lignite	17.5	0.85
Total	**54.3**	**0.29**

Nuclear plants are important profit generators with stable production volumes

2022 CEZ Group EBITDA



Our nuclear fleet has low and fixed costs and benefits directly from increasing power prices

- Operating licenses secured enabling 60 years operating life, i.e., remaining 30+ years of operations until decommissioning
- We have stabilized production volumes at above 30 TWh per year
- Capacity increased by 568 MW to 4 290 MW by technical improvements (fuel with higher enrichment, modernization of turbines and generators)

Good performance was enabled by successful implementation of strategy „VISION 2030 - Clean Energy of Tomorrow“ and its two strategic pillars

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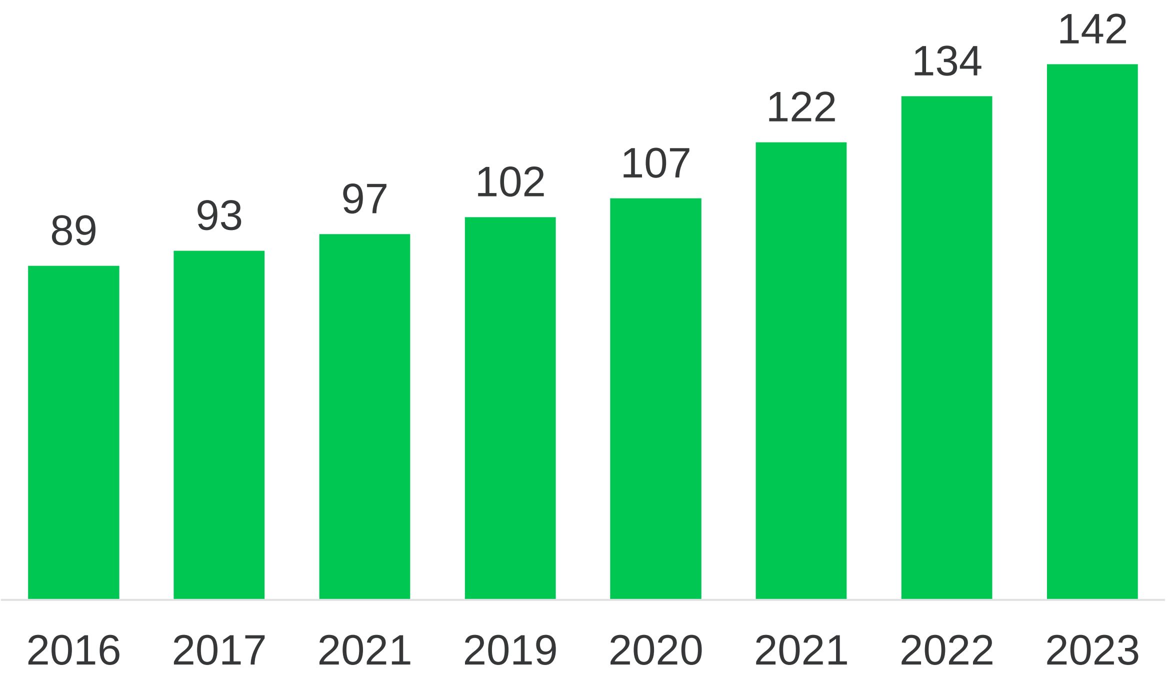
We are growing our regulated asset base in distribution, regulatory visibility until 2025

Regulatory asset base
CZK billion



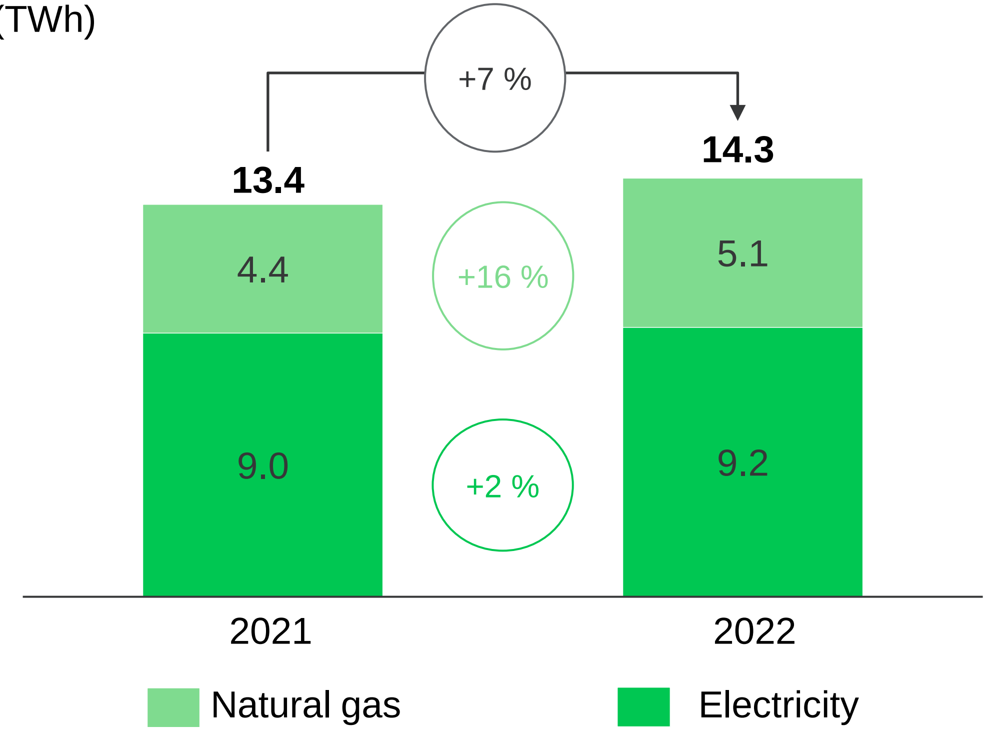
Outcome of regulatory review for 2021-2025 supportive for RAB growth

- RAB will grow by 8% CAGR in 2020-2025 thanks to revaluation and investments
- WACC at 6.54%
- Investments directed to digital transformation, preparation for decentralized generation
- Accelerated growth in renewables expected, our network is ready to process connection requests

Our retail business provides robust volume growth and best in class customer satisfaction

Electricity and natural gas supplied to retail customers

(TWh)



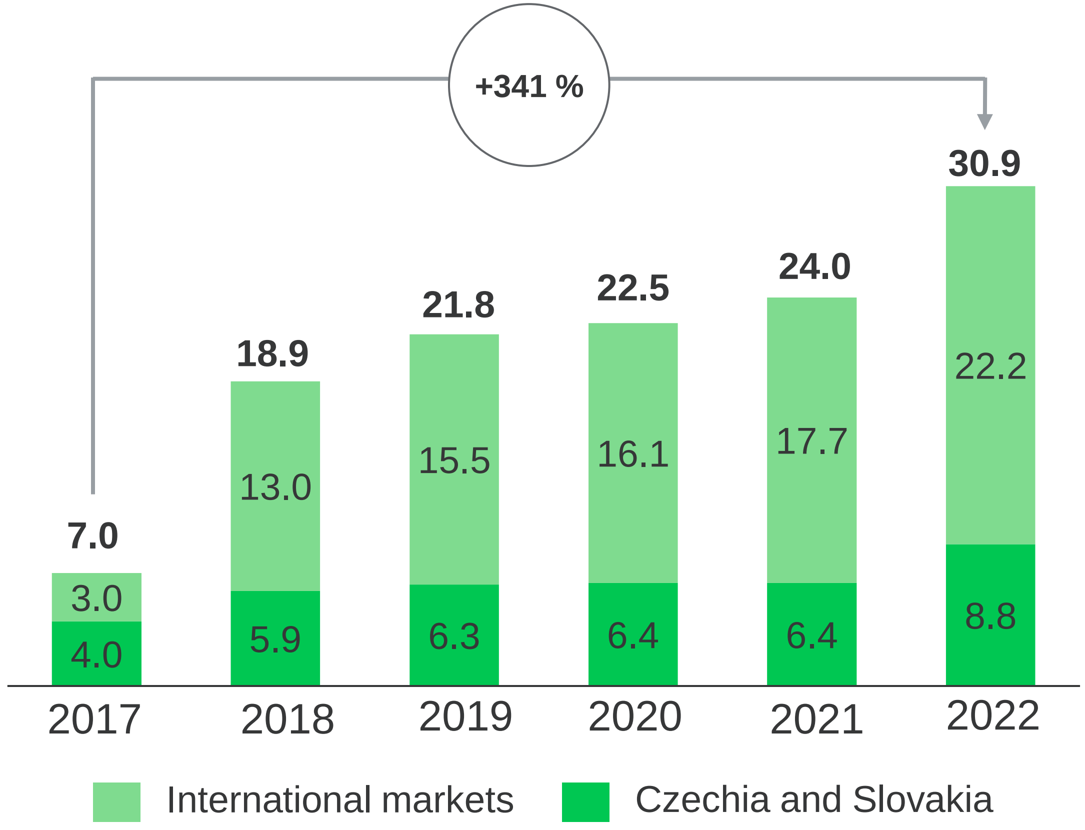
Retail defended the title of the "Most trusted energy supplier in CZ"

- Customer satisfaction indicator (CX) of more than 85% is continually improving
- "Most trusted energy supplier" in Czechia *
- Number of connection points increased by 4% to 3.29 m thanks to
  - some competitors ceasing activities in Q4 2021
  - lower acquisition campaigns of alternative suppliers due to high price volatility
- Volume growth driven by growth of customer base partly offset by energy saving incentivized by higher pricing. Gas supply growth driven by acquisitions of customers with higher consumption.

* based on an independent survey conducted with more than 4,000 respondents as a part of the 7th annual national Trusted Brands program (monitoring and awarding brands that Czech consumers trust most)

Strongly growing in energy services business and helping customers to decarbonize

Energy Services (ESCO) revenue
CZK billion



We are No. 1 player in Czechia

We are within Top 3 players in Germany

We are helping our customers to decarbonize by:

- Installation of efficient cogeneration units on their sites
- Providing energy advisory and management
- Energy storage installations
- Rooftop photovoltaic plants
- Lighting, cooling, heating installations

AGENDA

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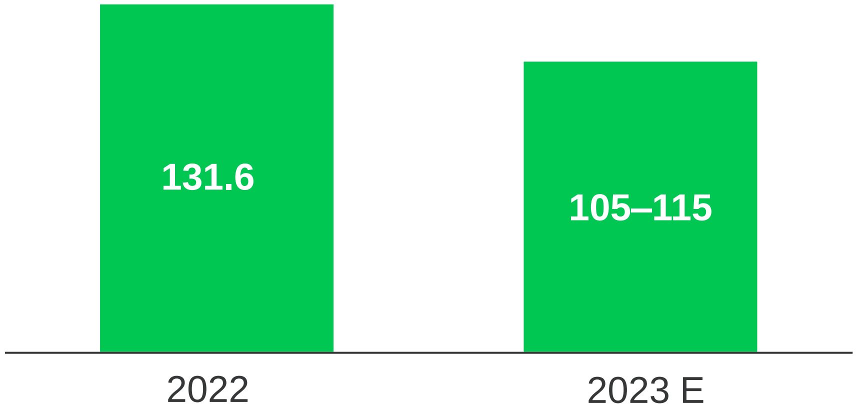
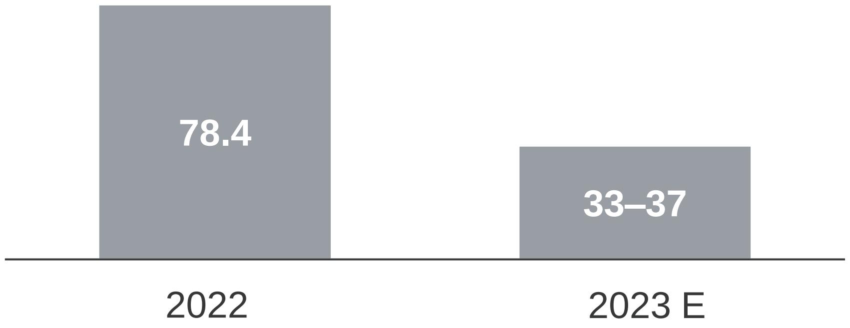
Financial Outlook for 2023:
EBITDA CZK 105–115 bn, adjusted net income CZK 33–37 bn

EBITDA (CZK bn)



Adjusted Net Income (CZK bn)



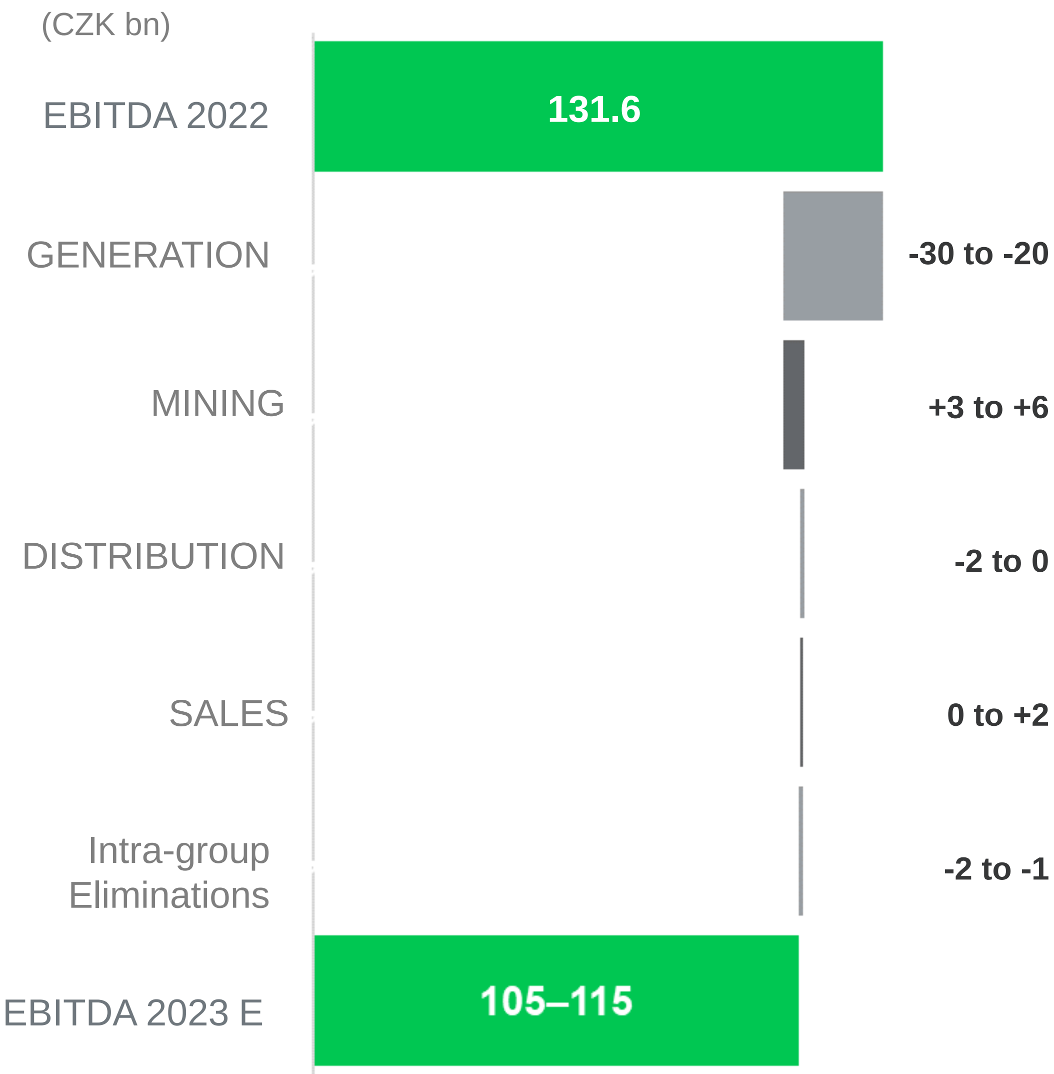
Selected Generation Assumptions

- Total electricity supply in the Czech Rep. 43 to 45 TWh
- Open position of ~7% of electricity supply from generation in the Czech Rep.
- Average realized price of electricity generated in Czech Rep. EUR 120 - 135/MWh
- Levy on generation revenues above price caps of CZK 8 - 13 bn
- Windfall profit tax of CZK 22 - 30 bn

Selected Prediction Risks and Opportunities

- Availability of generating facilities
- Realization prices of generated electricity
- Gain from commodity trading and revaluation of derivatives
- Amount of windfall profit tax

Expected y-o-y change in individual business segments



GENERATION

of which Generating Facilities (CZK -12 to -2 bn)

+ Higher realization prices of electricity incl. hedging
– Levy on excess generation revenues (introduced from December 2022)
– Lower dispatch of emission sources
– Lower availability of nuclear facilities
– Higher fixed operating expenses

of which Trading (CZK -20 to -15 bn)

– Unprecedented record profit from commodity trading in 2022
+ / – Uncertain level of prop trading profit in 2023 and revaluation of derivatives

MINING

+ Higher revenues from coal sales mainly due to higher realization prices
– Higher fixed operating expenses, especially on energy

DISTRIBUTION

– Higher fixed operating expenses and negative effect of adjustment factors
+ Higher allowed revenue

SALES

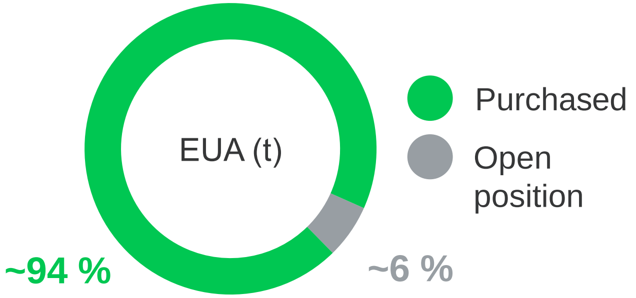
+ Acquisition and organic growth in energy services
+ Higher margin from purchase of electricity from renewables
– Higher electricity and gas acquisition expenses for customers

Intra-group Eliminations

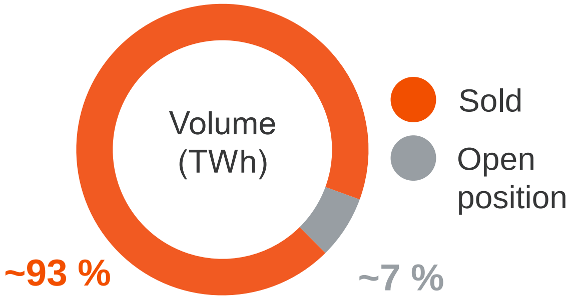
– In particular, the result of eliminating the hedging effect of EUR/CZK risk of ČEZ ESCO (the SALES segment) through ČEZ, a. s. (the GENERATION segment) caused by the significant strengthening of the Czech koruna against the EUR. Within ČEZ, a. s., the effect of this hedge is reported in foreign exchange gains and losses (outside EBITDA).

Status of selected price risk hedges of the generation margin in the Czech Rep.* and estimated 2023 generation realized price

Emission allowances—status of generation hedging in the Czech Rep.* for 2023 (as of Jun 30)



Electricity—share of hedged deliveries from generation in the Czech Rep.* for 2023 (as of Jun 30)



Emission allowances—status of generation cost hedging as of Jun 30

- 13.8 mil tons contracted at an average purchase price of ~EUR 57/t
- Open position assumption of ~1 mil tons

Emission allowances—estimated purchase price in 2023 as of Aug 10**

- 100% of the estimated purchases of emission allowances for the Czech Rep.* are 14 to 16 mil tons.
- Average estimated purchase price** is EUR ~ 60/t.

Electricity—generation revenue hedging status as of Jun 30

- 41.5 TWh sold at an average realized price of ~125 EUR/MWh
- Open position assumption of ~3 TWh

Electricity—estimated realized price from generation in 2023 as of Aug 10**

- 100% of the expected electricity supply of the Czech Rep.* corresponds to 43–45 TWh
- Average estimated realized price** is 120–135 EUR/MWh.

* This concerns generation in ČEZ and Energotrans (the Dětmarovice power plant is part of ČEZ, a. s., after the merger as of Jan 1, 2023).

** This is the result of hedging transactions and the current market valuation of electricity not yet sold and of emission allowances not acquired yet, for expected generation in 2023. Some of the hedging contracts for the sale of electricity (mainly from gas and some coal-fired sources) and for the purchase of emission allowances, are continuously revalued in in P/L statement due to uncertain final deliveries.

Existing measures to address energy affordability and taxes introduced to fund these measures in Czechia

Consumer Support

End-customer price caps for households, small and medium-sized enterprises (SMEs) and large businesses:

- **CZK 5/kWh for power**, **CZK 2.5/kWh for natural gas in 2023** (prices for commodity without taxes and distribution fees)
  - For households, small gas consumers, defined public procurers and customers connected to low voltage, the cap applies to whole consumption of electricity and gas
  - For SMEs and large businesses the cap on electricity and gas applies to 80% of the highest consumption in each month in the last 5 years
  - For large businesses (connected to high and very high voltage) cap is applicable up to the EU financial limit on maximum support
  - The cap for gas will also be applied to consumption to produce heat (cap does not apply to consumption of gas used to produce electricity)
- **Suppliers are compensated for proven losses and a reasonable profit.**

Financing – Revenues Cap

Levy on electricity generation revenues above defined price caps (from Dec 1, 2022 - Dec 31, 2023)

- **90% levy** on revenues **above defined caps**:
  - Nuclear EUR 70/MWh
  - Lignite EUR 170/MWh for units above 140 MW, EUR 230/MWh for units bellow 140 MW
  - Merchant hydro, wind, solar EUR 180/MWh
- No caps for hard coal, gas, pump-storage, and subsidised renewables
- Total annual revenue cap based on supplied volume by generation sources within a company
- The resulting levy is defined on an annual basis (the difference between total revenue and the total cap) and advances are paid monthly
- Levy is a tax-deductible expense and reduces the company's operating profit

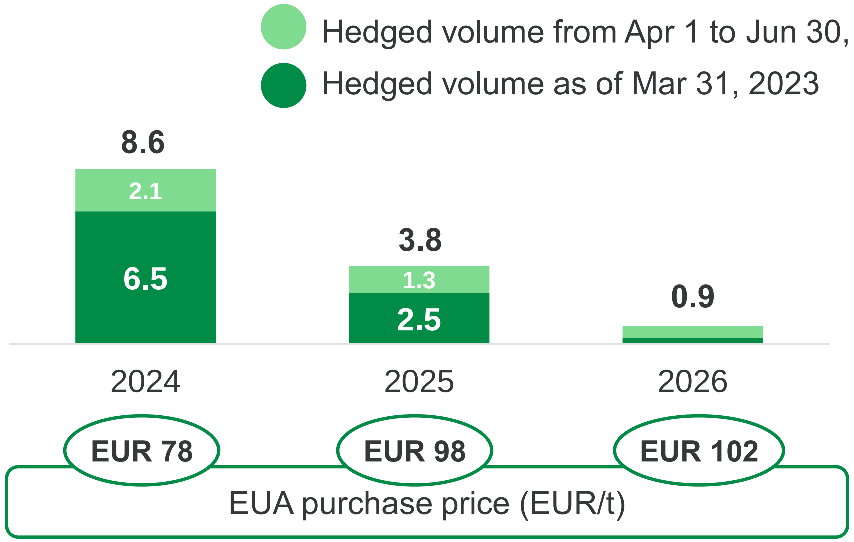
Financing – Windfall profit tax

Windfall tax for the energy, petrochemical and banking sectors of 60% in 2023 – 2025

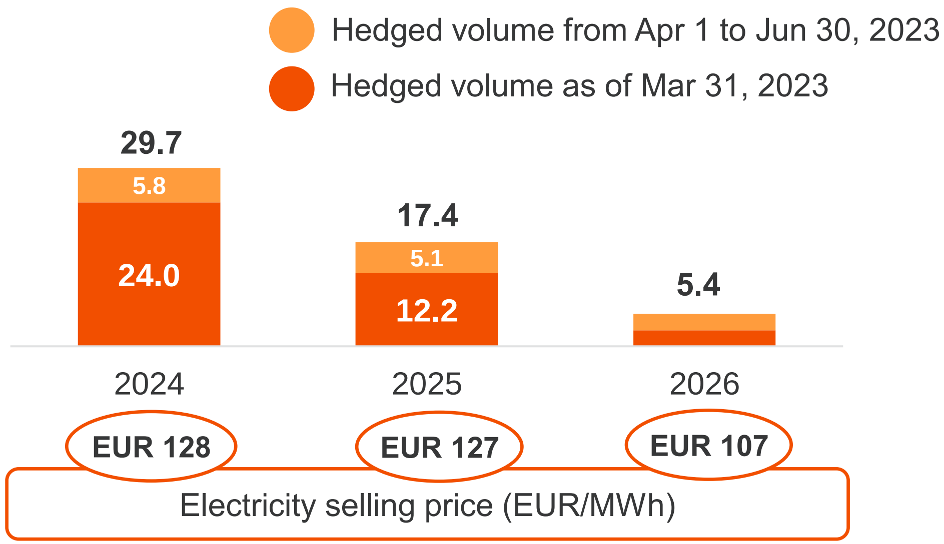
- “Excess Profit” corresponds to the difference between the tax base and the historical arithmetic average tax base of 2018–2021 plus 20%
- Reasonable Profit taxed at a rate of 19%, “Excess Profit” at a rate of 79% (60% + 19%)
- Tax imposed on selected energy companies whose main activity is primarily generation, sales and distribution of electricity, if their decisive income exceeds specified limits
- Group can aggregate the historical Reasonable Profit of individual taxable companies and pay the total tax obligation for the whole group.
- Advance tax payments for 2023 will be based on the companies‘ profit in 2022.

Hedging the market risks of generation in the Czech Rep. for 2024–2026, status as of Jun 30, 2023

Contracted emission allowances* in mil tons



Electricity sold in TWh



	2024	2025	2026
Proportion of hedged net electricity generation (100% of estimated external deliveries is 38 to 45 TWh)	**66%**	**41%**	**14%**

* As of Jun 30, 2023, 100% of the expected annual volume of emission allowances for generation in the Czech Rep. for 2024–2026 was 8–15 mil tons.

AGENDA

Under our strategy we are accelerating development. We will grow our EBITDA by 115% in 2030

VISION 2030

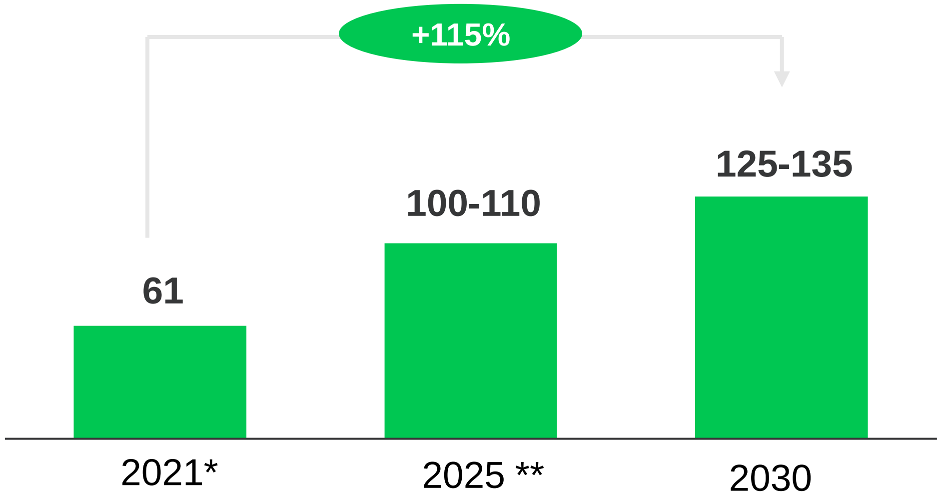
CLEAN ENERGY OF TOMORROW

I **Decarbonize generation portfolio and reach climate neutrality**

II **Provide best energy solutions and highest quality customer experience on the market**

EBITDA of CEZ Group

Existing assets in CZK billion



Wholesale electricity prices ***

EUR/MWh

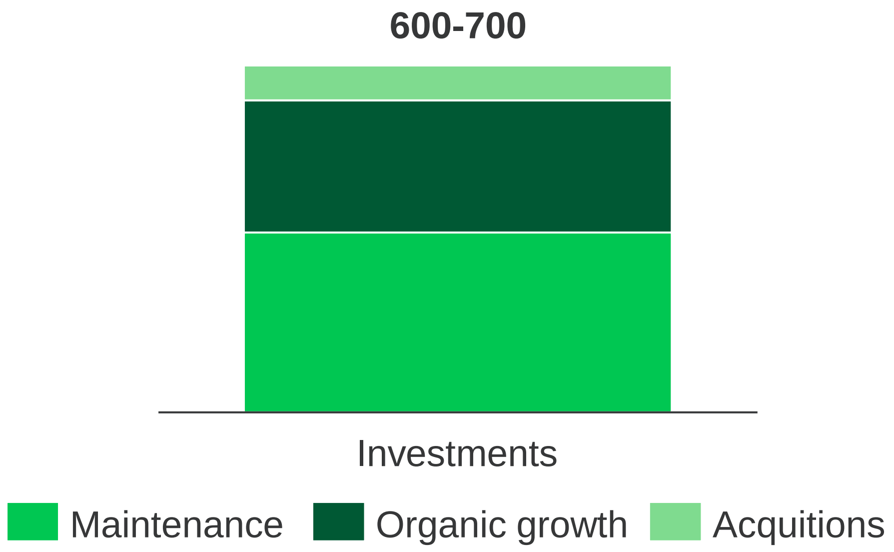
2021	2025	2030
55	165	105

* Excluding divested assets (RO, BG, PL)
** 2025 EBITDA adjusted for windfall profit tax in order to better indicate operating cash flow
*** 2025 based on average forward prices in April – August 2022, 2030 based on average prices of different internal scenarios

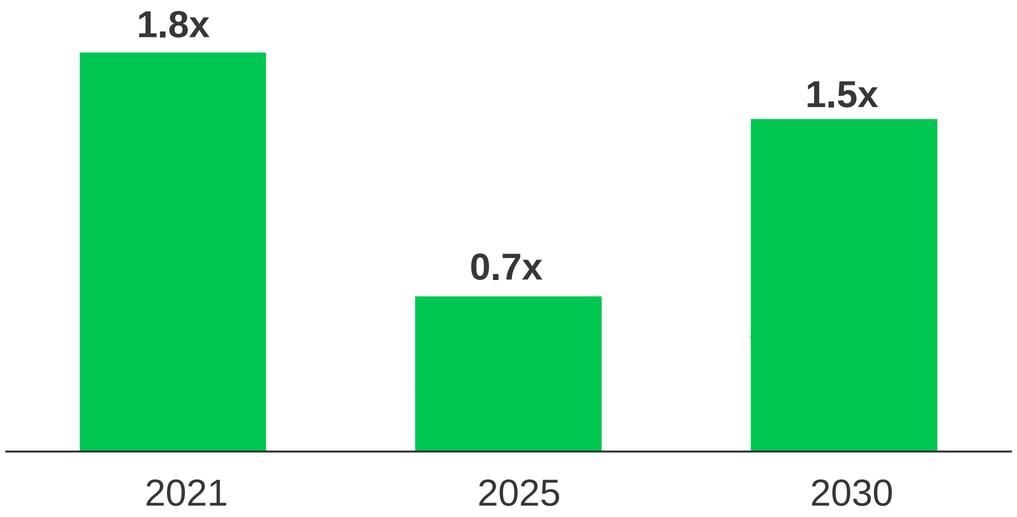
We can execute our growth strategy while keeping the leverage within our target with comfortable margin for commodity risks

Expected cumulative investments 2021-2030*

CZK billion



Net debt to EBITDA ratio**



- **We will continue to generate positive free cash flow even with the increased investments (driven mainly by updated inflation assumptions).**
- **Our leverage would stay below targeted 3.0x of EBITDA even if the electricity prices decrease by 35 % compared to current assumption**.**

* Excluding new nuclear CAPEX in 2025-2030 due to assumed 100% state financing, no CAPEX subsidies on RES nor distribution due to their uncertain amount
** Assumed electricity prices 2025: 165 EUR/MWh, 2030: 105 EUR/MWh,
Note: Organic growth = new renewables and gas capacities, expansion of distribution network, Acquisitions = mainly ESCOs abroad

I Decarbonize generation portfolio and reach climate neutrality

Targets

Nuclear

- We will **safely increase generation volume in existing plants above 32 TWh** on average in 2030 and achieve 60-year operating life.
- We will build a new nuclear power plant in Dukovany.
- We will prepare construction **of small modular reactors** (**SMR**) **with total capacity over** 1000 MW after 2040.

Renewables

- We will build **1.5 GW of renewables by 2025** and **6 GW renewables by 2030.**
- **We will increase installed capacity of electricity accumulation** to at least **300 MWe** by 2030.

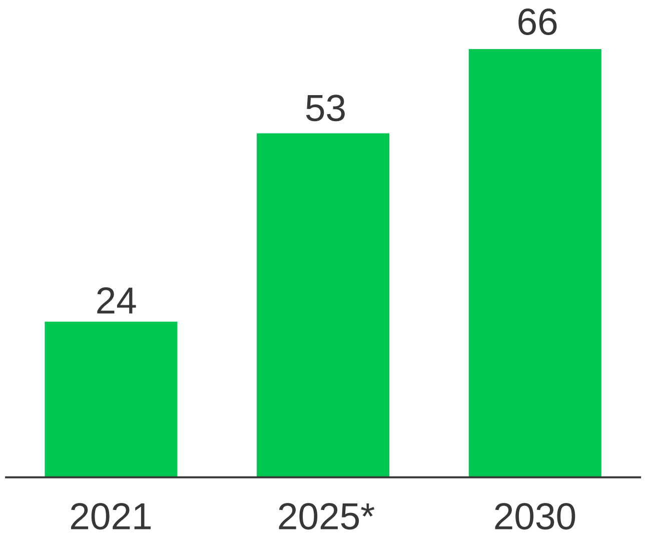
Traditional

- **We will decarbonize heating** and we will terminate coal burning in heating locations by 2030.
- We will build **new gas capacities**, which will be **ready for hydrogen combustion**.
- **We will reduce share of electricity generation from coal to** 25% in 2025 and to **12.5%** do 2030.
- **We will transform our coal locations** to new activities.

We will increase nuclear production over 32 TWh on average in 2030

Nuclear EBITDA

CZK billion



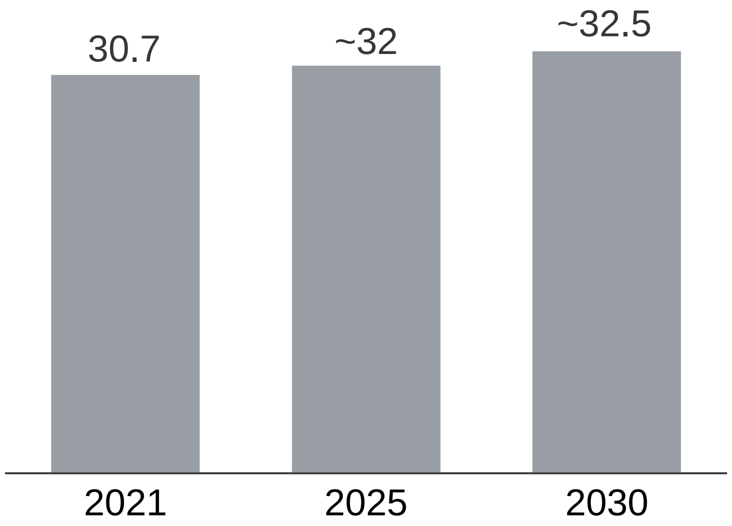
Annual CAPEX**

CZK billion, avg

~13	13-14
2021–25	2026–30

Nuclear generation

TWh



Wholesale electricity prices

EUR/MWh

55	165	105
2021	2025	2030

We will increase production of existing power plants above 32 TWh on average in 2030 by

- Prolonging fuel replacement cycle
- Optimizing maintenance
- Increasing capacity by up to 50 MW

We plan to start construction of new nuclear unit in Dukovany, which is a subject to agreeing support scheme with government

We will prepare for potential construction of small modular reactors (SMR) after 2040 with total capacity of 1000 MW with the goal of starting first SMR construction in 2032.

* EBITDA adjusted for wind fall tax 2025 (~ 44 CZK bn.) in order to better indicate operating cash flow 2025
** Of which CZK ~6 billion p.a. are purchases of nuclear fuel, excluding new nuclear Capex in 2025-2030 due to assumed 100% state financing
Note: Targeted extension of fuel cycle will result in greater variability of annual volumes but in higher volumes overall.

New nuclear project is in the first preparatory stage …

Stage	End date	Expected costs* (EUR billion)	Permitting and licensing	Contract with technology supplier
1. Preparation, supplier selection	2024	~0.2**	EIA Site decision License for the siting	Tender process and contract signature
2. Preliminary works	2029	~0.7	License for construction Building permit	"LWA - Limited Work Authorization" phase
3. Construction, commissioning	2036	~5.1	License for commencement of trial operation	Construction
4. Warranty period	2038		Operation license	Warranty period operation

Expected timeline of "Preparation, supplier selection" stage

- 2023 – Submission of updated bids for technology
- 2023/2024 - Evaluation and negotiation of contract details with the suppliers
- 2024/2025 – Finalization and signing of the contract with the supplier
- 2024/2025 – PPA, RFA, IA finalization and signing with the Czech State (subject to EC notification result)

A Framework contract — B First implementation contract — C Power Purchase Agreement (PPA), Repayable Financial Assistance (RFA), Investor Agreement (IA)

* At 2020 prices, rounded
** It does not include the costs incurred until 2020 for the permitting and contracting and the purchase of land; assuming the current supplier model

… Government shall provide financing for permitting and construction phases and secure the operation by power purchase agreement

Currently contemplated financing structure*

- CEZ Group will fund Stage 1 entirely through its equity investment. (ca EUR 0.2 billion**)
- Stage 2 onwards will be financed by the repayable financial assistance from state (RFA)
  - During 2024-2029 in the Stage 2 in the amount ca EUR 0.7 billion
  - During 2029-2038 in the Stage 3 and 4 in the amount ca EUR 5.1 billion

Repayable Financial Assistance from state (RFA)

- 0% during the period of construction
- During period of operation: costs of State debt financing plus 1% but not less than 2% p.a.
- Duration 30 years from the start of operation of NPP

Additional cost overrun financing mechanism

- CEZ Group will not bear any risk of additional costs in case of “legitimate grounds”, the Czech state bears the additional costs

Test on the overcompensation will be implemented in the PPA contract

- The mechanism according to the low-carbon law will ensure adequacy of the purchase price and return (regular review after 5 years)

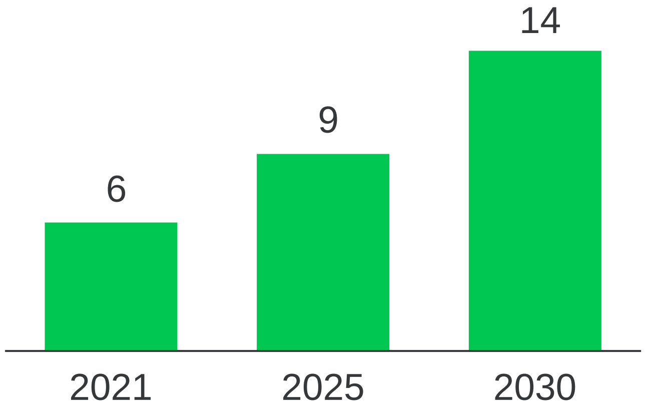
Subject to European Commission notification and further detailed negotiation with the State

* At 2020 prices, rounded
** It does not include the costs incurred until 2020 for the permitting and contracting and the purchase of land; assuming the current supplier model

We will add 6 GW of renewables capacity by 2030

Renewables EBITDA

CZK billion*



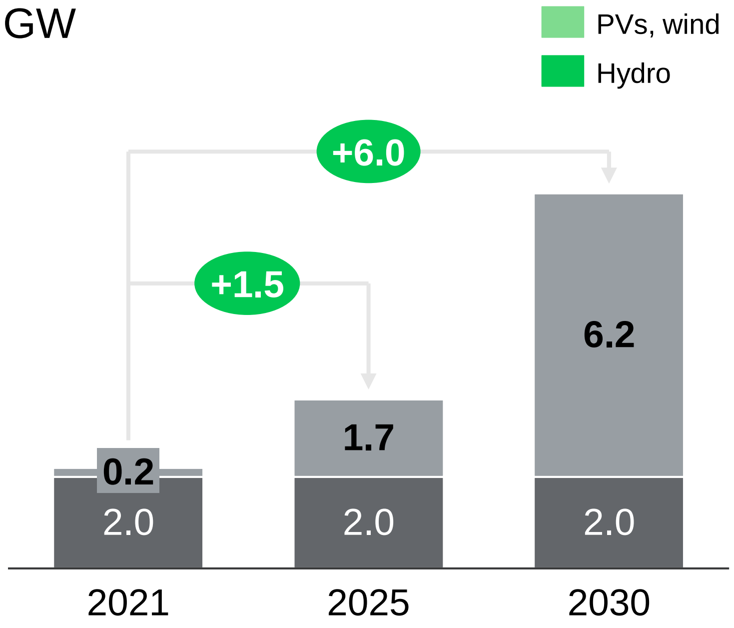
Annual CAPEX*

CZK billion, avg

2021–25	2026–30
6–7	18–20

Renewables capacity

GW



Wholesale electricity prices**

EUR/MWh

2021	2025	2030
55	165	105

We expect to focus our RES development on photovoltaic primarily in Czechia

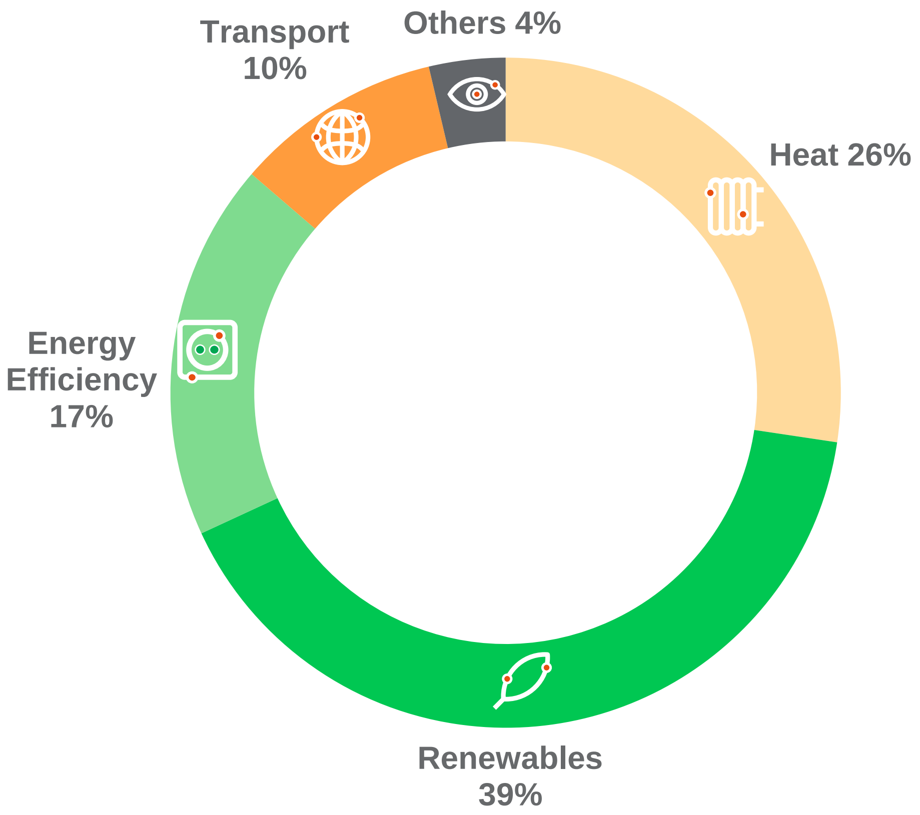
RES development is incentivized by CAPEX grants from Modernization Fund

We will increase storage capacities to above 300 MWe

* Capex conservatively assumes no subsidies on Capex from Modernisation fund due to their uncertain amount
** Realized prices for renewables will be adjusted by the shape discount (0.5-0.8) on top of wholesale power price

Modernisation fund to support development of photovoltaics in Czechia

Indicative allocation from Modernisation fund to different grant categories



Support of renewables from Modernisation Fund

- In 2021–2030 **CZK ~150 billion* is available** for grants to support renewables projects, out of which 60% will be dedicated to projects of existing electricity producers
- Actual **amount of subsidy to be determined in auctions**, grants might fund up to 50% of total expenditure and up to CZK 6.2-7.3 m/MW**
- Generated **electricity** will be **sold at market prices**

Investment support for CEZ projects

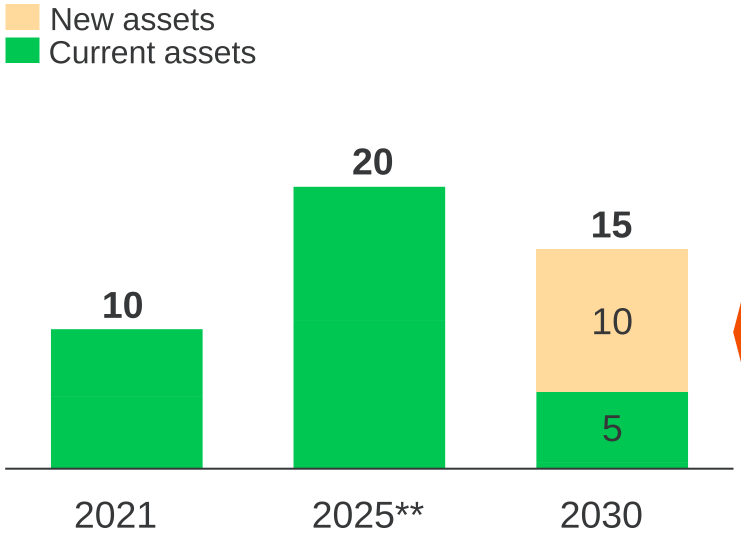
- In H1 2022 subsidy of CZK 1.0 bn awarded for 17 projects with 173 MWp capacity.
- In Q2 2023 subsidy of CZK 3.1 bn awarded to 24 projects with 728 MWp capacity.

* Assuming price of carbon allowances a EUR 80/t; CZK 394 billion available in Modernisation Fund in total and 38.7% of total for renewables
** Maximum per MW grant depends on size and technology (rooftop or ground-mounted)

We are closing coal plants, production of heat to be transformed to low carbon technologies

Fossil fuel generation and mining EBITDA*

CZK billion



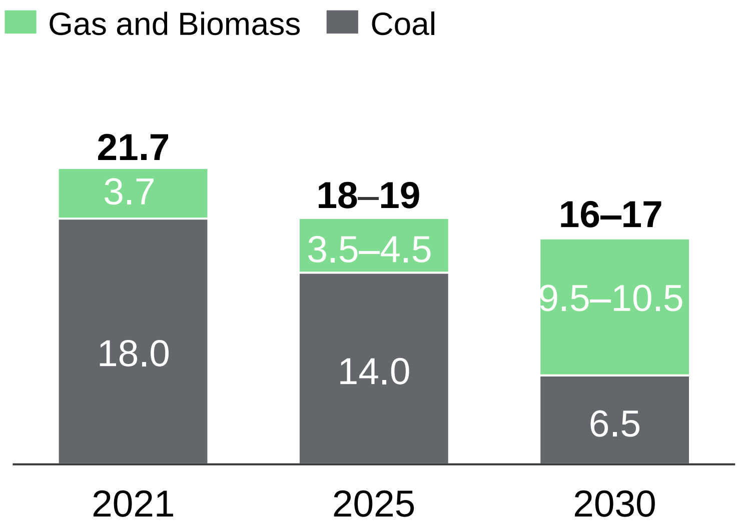
Annual CAPEX***

CZK billion, avg

2021–25	2026–30
~ 9	~ 10

Coal and gas generation

TWh



Coal and gas

GW

	2021	2025	2030
Gas and Biomass	1.0	1.1–1.3	2.0–2.5
Coal	3.8	3.0	2.2

Decarbonisation of our heat plants to gas is continuing. Transition of current coal sites as well, however in short–term there is an increase of EBITDA due to current situation on the market. Long-term EBITDA would be generated mostly by new assets.

Newly built gas plants will be hydrogen ready

We expect that it would be possible to secure affordable gas supplies within EU in the medium term, if not, we are ready to extend the operation of our coal plants

* Assumed electricity prices 2025: 165 EUR/MWh, 2030: 105 EUR/MWh
** EBITDA adjusted for wind fall tax 2025 (~ 9 CZK bn.) in order to better indicate operating cash flow 2025
*** Includes CZK 5 bn of average annual CAPEX into new capacities in gas and biomass

CEZ Group plans to increase generation in renewables, nuclear and gas

Nuclear

- We will **safely increase generation volume in existing plants above 32 TWh** on average in 2030 and achieve 60-year operating life.
- We will build a new nuclear power plant in Dukovany.
- We will prepare for potential construction of small modular reactors (SMR) **after 2040** with total capacity of **1000 MW** with the goal of starting **first SMR in 2032**.

Renewables

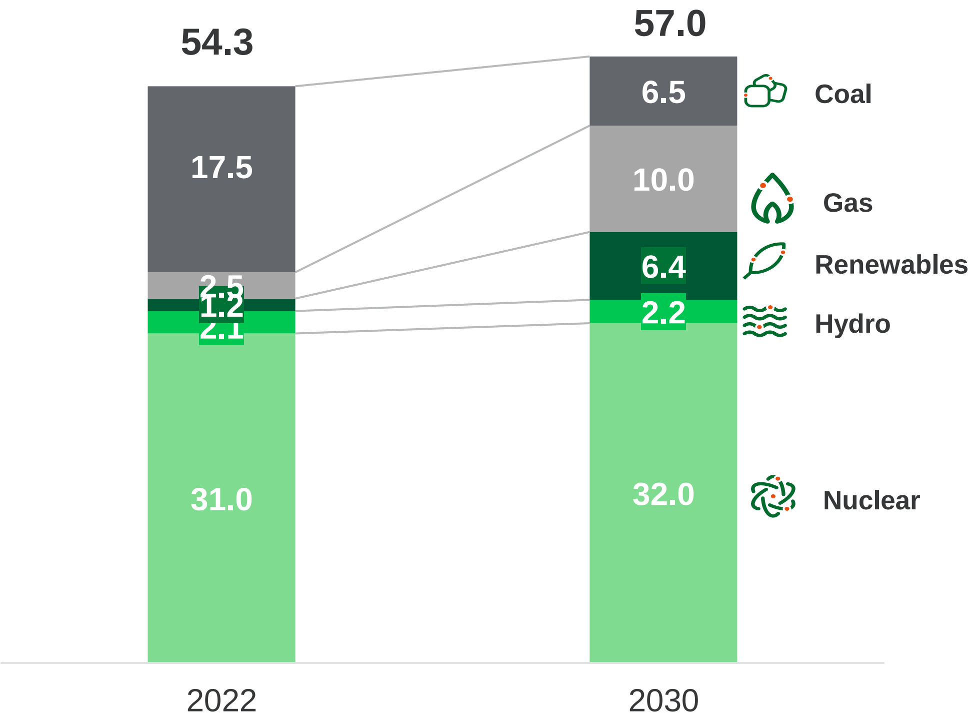
- We will build **1.5 GW of renewables by 2025** and **6 GW renewables by 2030.**
- **We will increase installed capacity of electricity accumulation** to at least **300 MWe** by 2030.

Traditional

- **We will decarbonize heating** and **will transform our coal locations** to new activities.
- We will **build new gas capacities**, which will be **ready for hydrogen combustion**.

Electricity generation of CEZ Group

(Existing assets, in TWh)



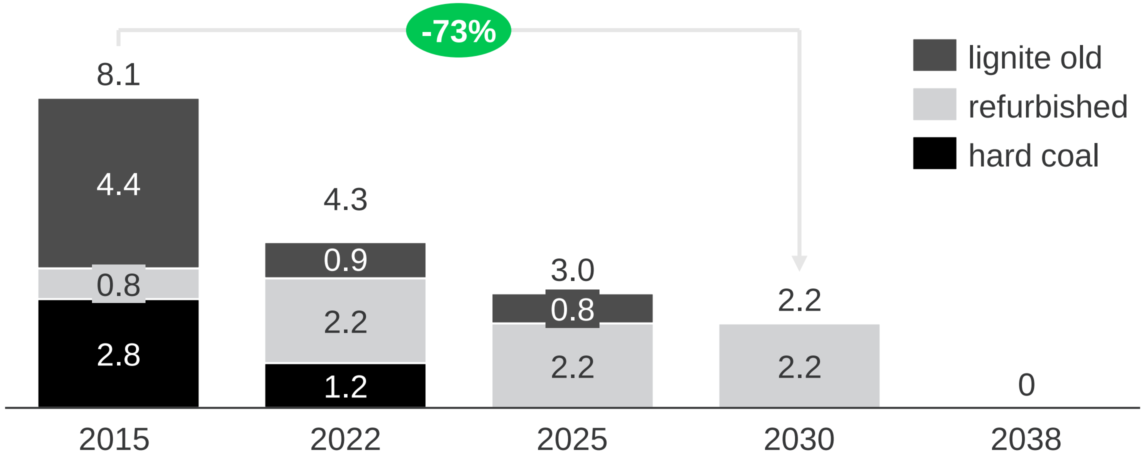
CO2-free generation (in %)

2022	2030
63%	71%

We will reduce share of our coal generation to 12.5% in 2030, and completely exit coal by 2038

Expected development of installed capacity in coal

GW



Share of coal related revenue * (%)

2022	2025	2030
18%	~ 15%	~ 2%

Share of coal on generation (%)

2022	2025	2030
32%	~ 25%	~ 12.5%

Coal fired power plants are being gradually closed

- 2025 target of 25% share of coal on generation might be slightly exceeded due to security of energy supply in Europe following war in Ukraine and potential regulatory and market development.
- No new coal capacity investments commitment
- Coal capacity was reduced 1,719 MW in 2020, further 500 MW has been closed in 2021.
- Post 2030 only 3 upgraded units planned to be in operations
- We will **terminate coal** burning **in heating locations by 2030**.
- **Coal exit by 2038** in line with recommendation of Czech Coal Commission **or earlier** depending on the legal framework (current government is targeting 2033).

Coal extracted is mainly used in own power plants and declining

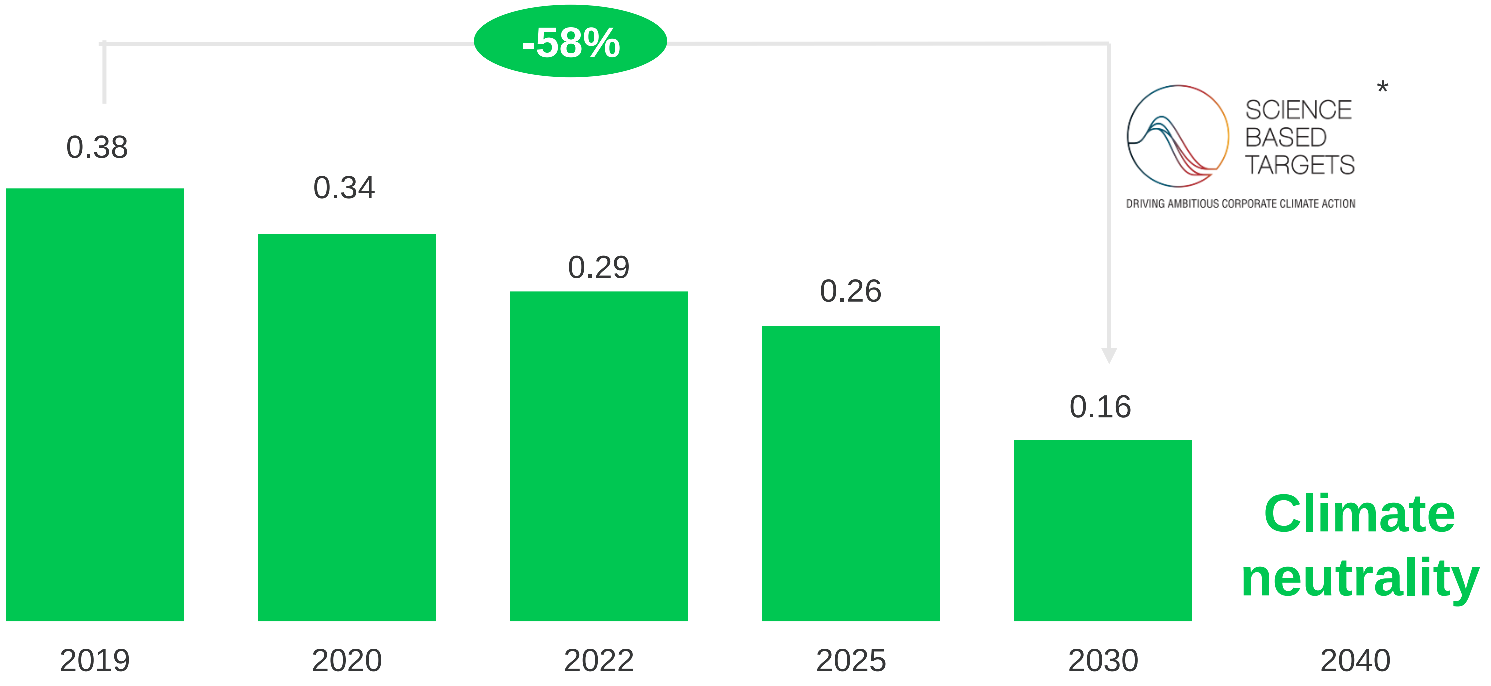
- Volume of extracted coal is expected to decline to 8 million tones in 2030 (out of ~18 mil. tones today, out of which 30% is sold externally) reflecting the reduction of CEZ Group's coal capacities.
- **Termination of coal mining by 2038** in line with recommendation of Czech Coal Commission, i.e. much earlier than depletion of coal reserves

* Share of sales of electricity, Sales of heat sales and revenues from externally sold coal on consolidated revenues

We will achieve climate neutrality by 2040

Reduction of CEZ Group's CO_2 emission intensity

t CO_2e/MWh



* CEZ Group commits to reduce scope 1 and 2 GHG emissions 50% per MWh by 2030 from a 2019 base year. The target boundary includes biogenic emissions and removals associated with the use of bioenergy. CEZ Group also commits to reduce absolute scope 3 GHG emissions from use of sold products 30% within the same timeframe.

- Our near-term target has been validated by the SBTi.*
- **Trajectory of carbon emissions reduction by 2030 is in line with Paris agreement** "well below 2 degrees"
- We will reach climate neutrality by **2040** in line with 1.5 °C target of the Paris Agreement (under **SBTi net-zero validation**)
- **CAPEX plan** fully aligned with the decarbonization pathway
- **We keep initial 2025 target of 0.26**. Nevertheless, it is threatened by **risk of security of supply** due to war in Ukraine and current market situation.

Provide best energy solutions and highest quality customer experience on the market

Targets

Distribution

- We invest in **Smart grids** and **decentralization** to further develop stable and **digital distribution network,** including development of fiber optics networks

Sales

- **We digitize 100 % of our core customer processes** by 2025
- Thanks to growing service quality we maintain **the highest NPS** (Net Promoter Score) among the largest electricity suppliers and we will **grow our customer base**
- We will offer **product portfolio to households, which will enable them to achieve energy savings and emission reduction.**
- **We will build** infrastructure for **e-mobility** – we will quadruple charging capacity and we will operate at least 800 stations by 2025

ESCO

- We will further develop our role of **decarbonization leader –** we will enable efficient reduction of emissions and **delivery of energy savings** for our industrial customers, municipalities and state administration in line with EU target of energy efficiency improvements by 36-39%

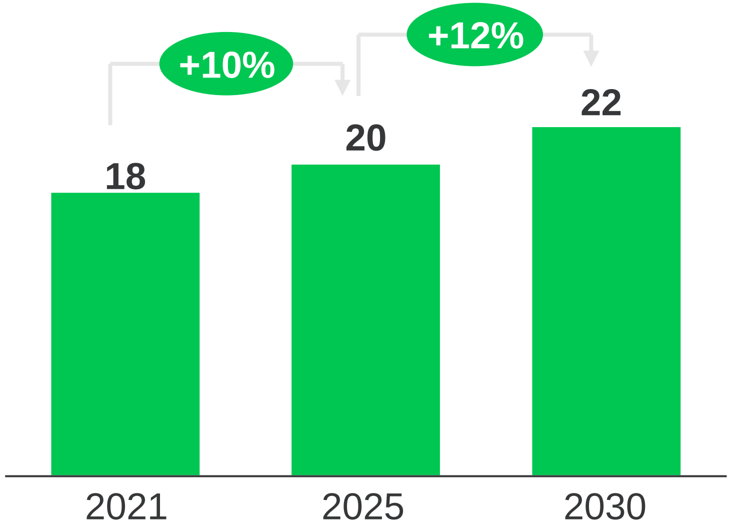
New segments

- We will broaden our **business activities** to the areas of **batteries, e-mobility and hydrogen**

We will build smart digital electricity grid

Distribution EBITDA

Existing assets in CZK billion



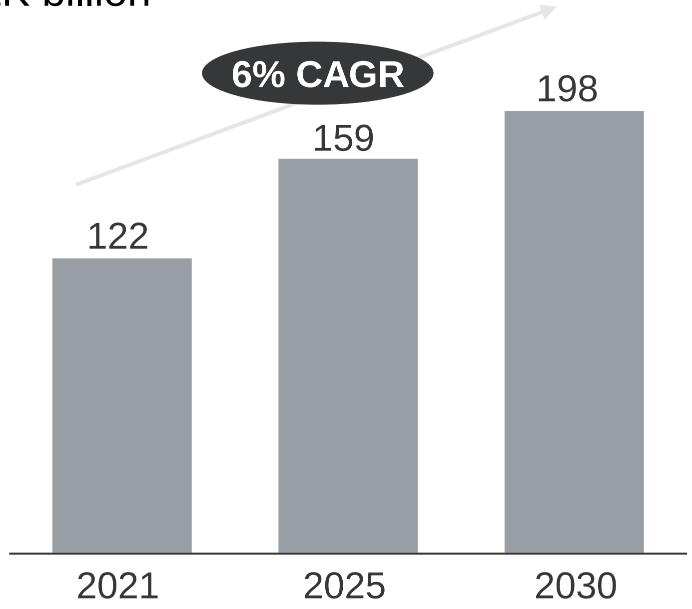
Annual CAPEX*

CZK billion, avg

14–15	16–17
2021–25	2026–30

RAB Development

CZK billion



We will invest into smart grids and decentralization for developing digital distribution grid including fiber optic networks

2030 digital transformation targets

- 80% of consumption covered by smart meters
- 80% of remotely measured transformer stations
- 11,000 km of optic fiber networks (compared to 5,323 km today)

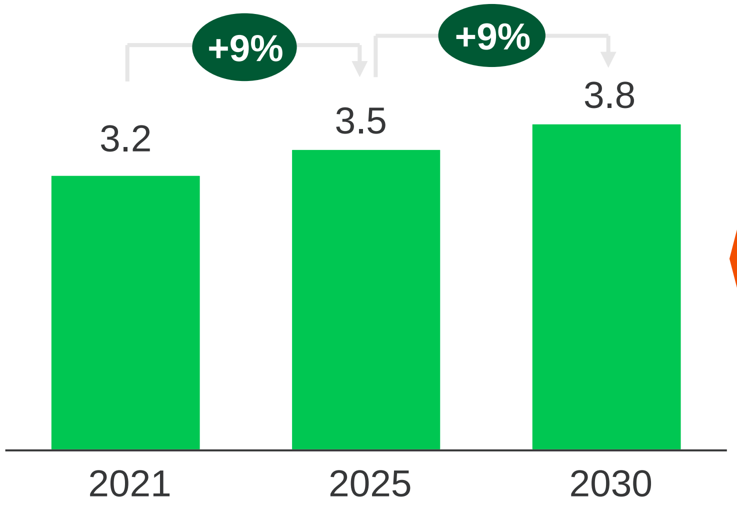
- Increase network reliability
- Enable new connections of decentralized generation
- More efficient network management and cost reduction
- Utilize fiber optic network capacity for telecommunication services

* CAPEX conservatively assumes no subsidies

We will grow our retail customer base and maintain high customer satisfaction

Retail EBITDA

CEZ Prodej, CZK billion



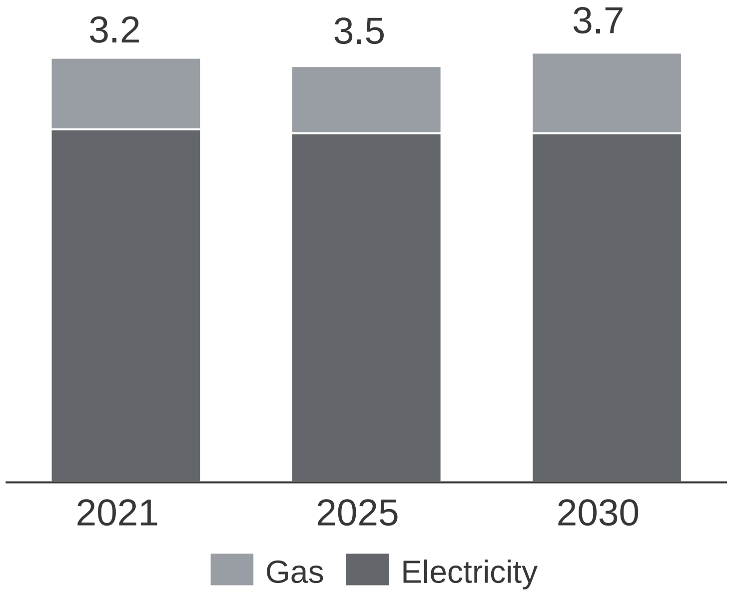
Annual CAPEX

CZK billion, avg

0.4	0.4
2021–25	2026–30

Number of customers

Million



B2C

100% of key customer processes will be **digital by 2025**

We will maintain the **highest NPS** (net promoter score) among largest electricity supplies and we will increase our customer base

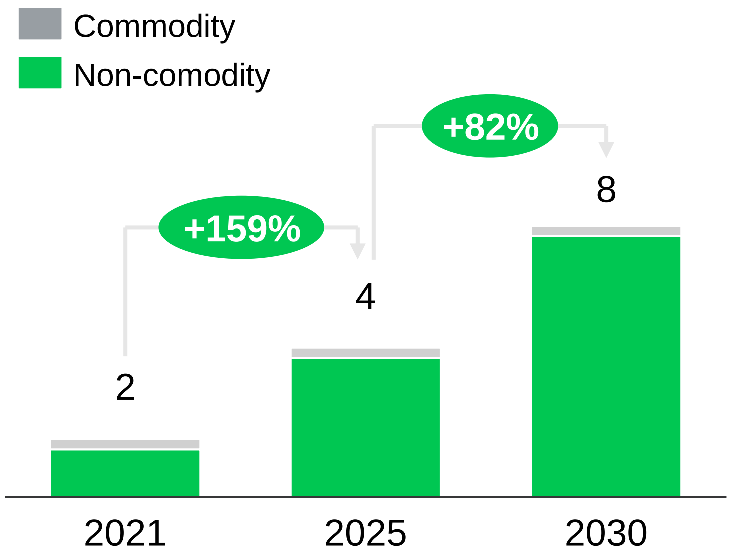
We will **broaden our product portfolio** for households, which will enable their decarbonization and energy savings

EBITDA improvement despite growing competitive pressures in commodities

We will grow our energy services business by supporting decarbonization of our customers

ESCO EBITDA

CZK billion



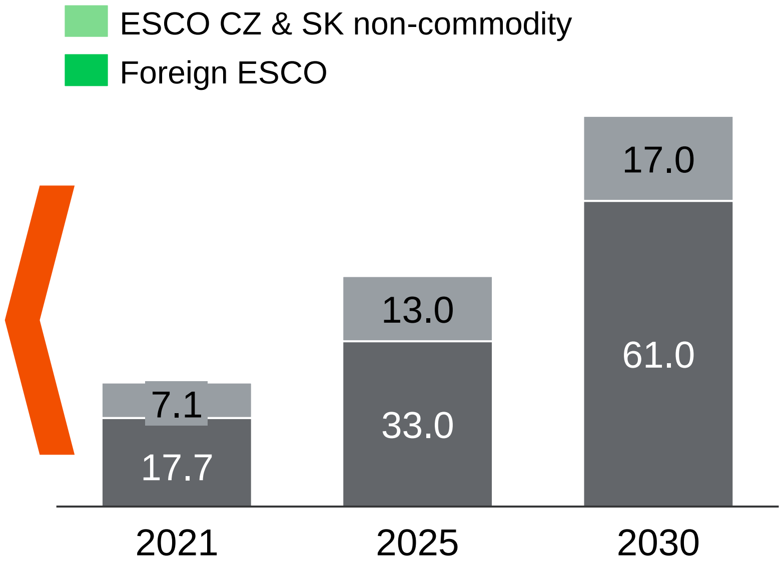
Annual Investments*

CZK billion, avg

2021–25	2026–30
6-7	6-7

ESCO revenues

CZK billion



EBITDA margin (%)**

CZK billion, avg

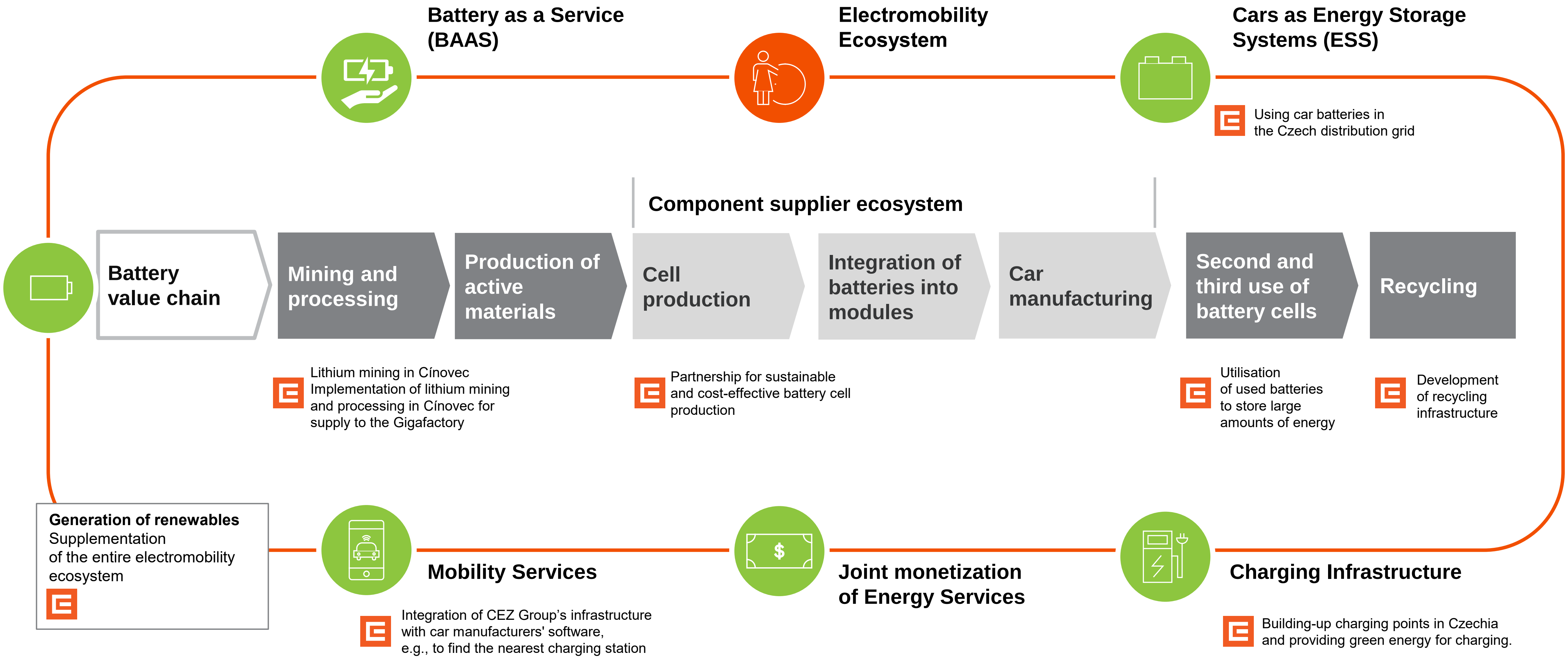
2021	2025	2030
6%	10%	10%

B2B

We will enable efficient decarbonization and delivery of energy savings for our customers in industry, municipalities and public administration in line with EU target 39-40%

* CAPEX and financial investments
** Only non-commodity

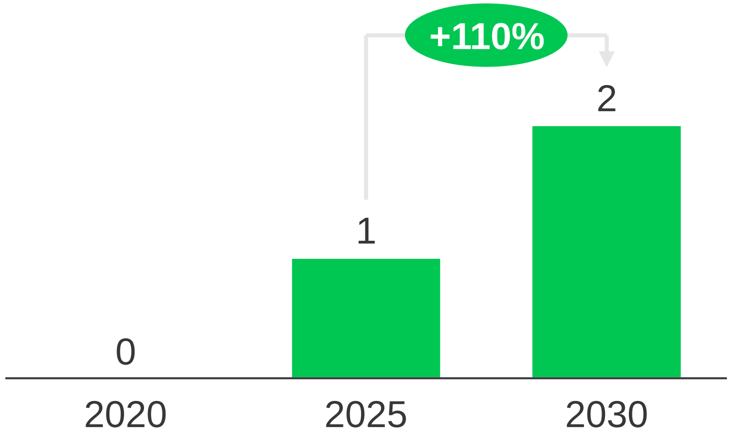
Electromobility value chain represents an additional source of growth



Areas of battery production and electromobility will be additional sources of growth

Proportional EBITDA of battery related activities*

CZK billion



Annual CAPEX*

CZK billion, avg

2.9	0.2
2021–25	2026–30

Lithium mining and processing in Cínovec

- CEZ Group owns 51% stake in Geomet, which owns rights to deposit
- Pilot ore-processing line is being prepared
- Preparation of technical and financial feasibility study under way
- In 2023 a decision on mining feasibility

Battery production

- We are discussing possibilities of partnerships on battery production factory

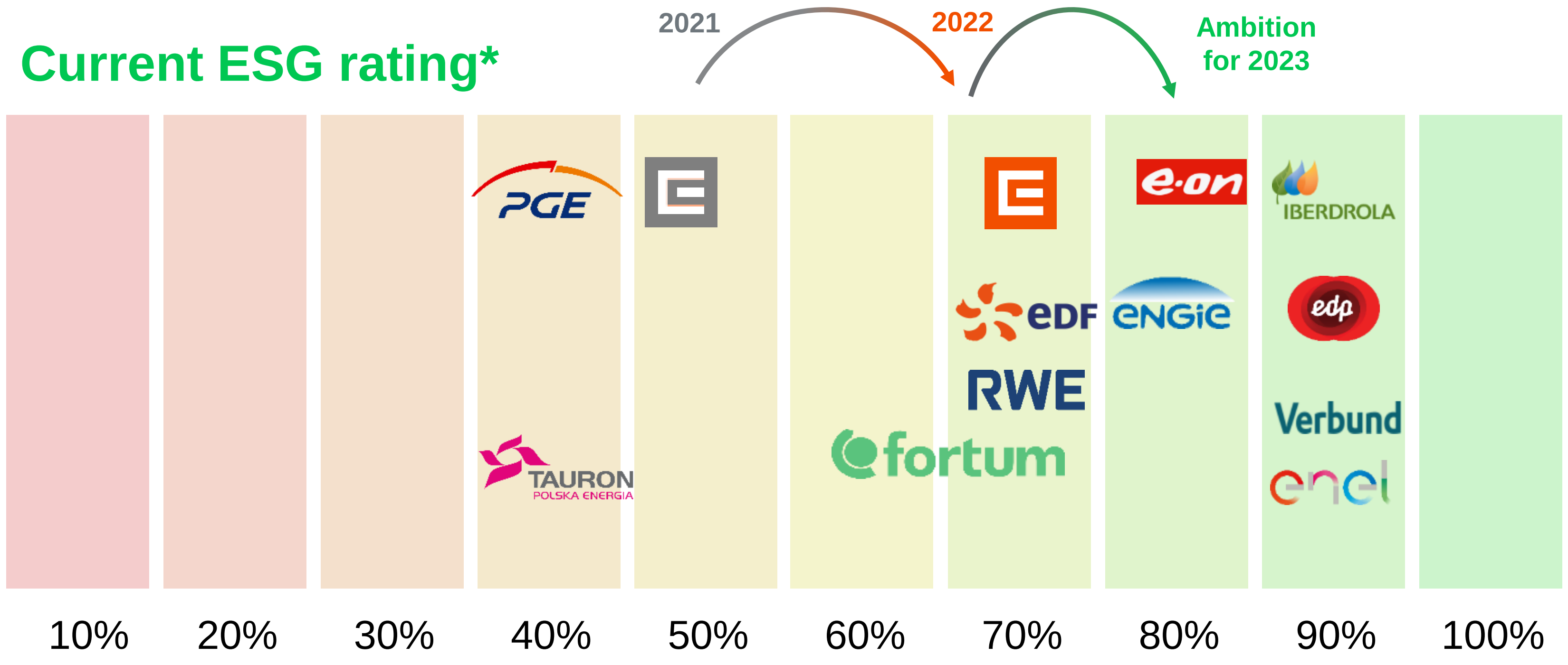
Electromobility infrastructure

- We will be quadrupling charging capacity and will operate at least 800 stations by 2025

* Values of EBITDA and Capex represent 51% stake of CEZ Group on lithium mining project and 10% stake on battery factory. These projects are unlikely to be fully consolidated.

Our ambition is to become a leader in ESG

Current ESG rating*



CEZ Group targets to be among the best 20% in the ESG rating by 2023

We have set targets for individual areas of ESG, which would help us to increase ESG rating

* Average ESG rating of MSCI and Sustainalytics shown as % of best possible score

We have set specific targets in all three areas of ESG to achieve this ambition

CEZ Group key ESG commitments

Environment

- **CO_2e emissions reduction in line with "well below 2°" scenario** (decrease from 0.38 tCO_2e/MWh in 2019 to 0.26 in 2025 and to 0.16 in 2030)
- **Lowering share of coal** generation to 25% in 2025; to 12.5% in 2030
- Newly build **renewables** of 1.5 GW until 2025, 6 GW until 2030
- **NOx emission reduction** from 23 kt in 2019 to 13 kt in 2025 and 7 kt in 2030
- **SO_2 emission reduction** from 21 kt in 2019 and 6.5 kt in 2025 and 3 kt in 2030

Social

- **Remain good corporate citizen** developing good relationship with communities
- **Rank among Top Employers** for future talent and current employees
- **Ensuring just transition** through re-skilling or compensation for 100% of employees affected by coal exit
- **Highest net promoter score** among Czech electricity suppliers
- **Digitalization** of all key customer processes by 2025

Governance

- We will reach **30% share of women** in management
- **Further proceed in Code of Ethics training,** annually train above 95% of employees from 2022 onwards

Improvement in major ESG ratings in 2022 reflects CEZ‘s systematic efforts towards sustainability

S&P Global

Moody’s Analytics

ESG Assessment

51/100 Robust
as of September 2022, by Moody’s Analytics

Moody’s Analytics provides trusted and transparent data and perspectives across multiple areas of risk – credit; climate; environmental, social, and governance (ESG) – to help market participants identify opportunities and manage the continuously evolving risks of doing business.

MSCI

As of 2022, CEZ, a.s., received an MSCI ESG Rating of AA.

Sustainalytics

Sustainalytics ESG Risk Rating 29.4
as of 2023, received by CEZ, a.s.

Summary and investment highlights

We are accelerating strategy execution to benefit from energy transition

- We are transforming to **low emission electricity generator**
- We provide the **most cost-effective energy solutions** and the **best customer experience** on the market

We develop CEZ Group responsibly and sustainably

- We **will reduce our emissions intensity** by more than **50%** by 2030
- Our **ESG targets** will enable us to **be among the best 20%** in the ESG rating

We offer attractive dividend while maintaining strong credit rating

- **We will grow our EBITDA by 35%***
- **Dividend policy: payout ratio 60-80%** from adjusted net income
- We keep **Net Financial Debt/EBITDA below 2.5x to 3.0x**

* Growth compared to 2021 using electricity prices when Vision 2030 was announced

AGENDA

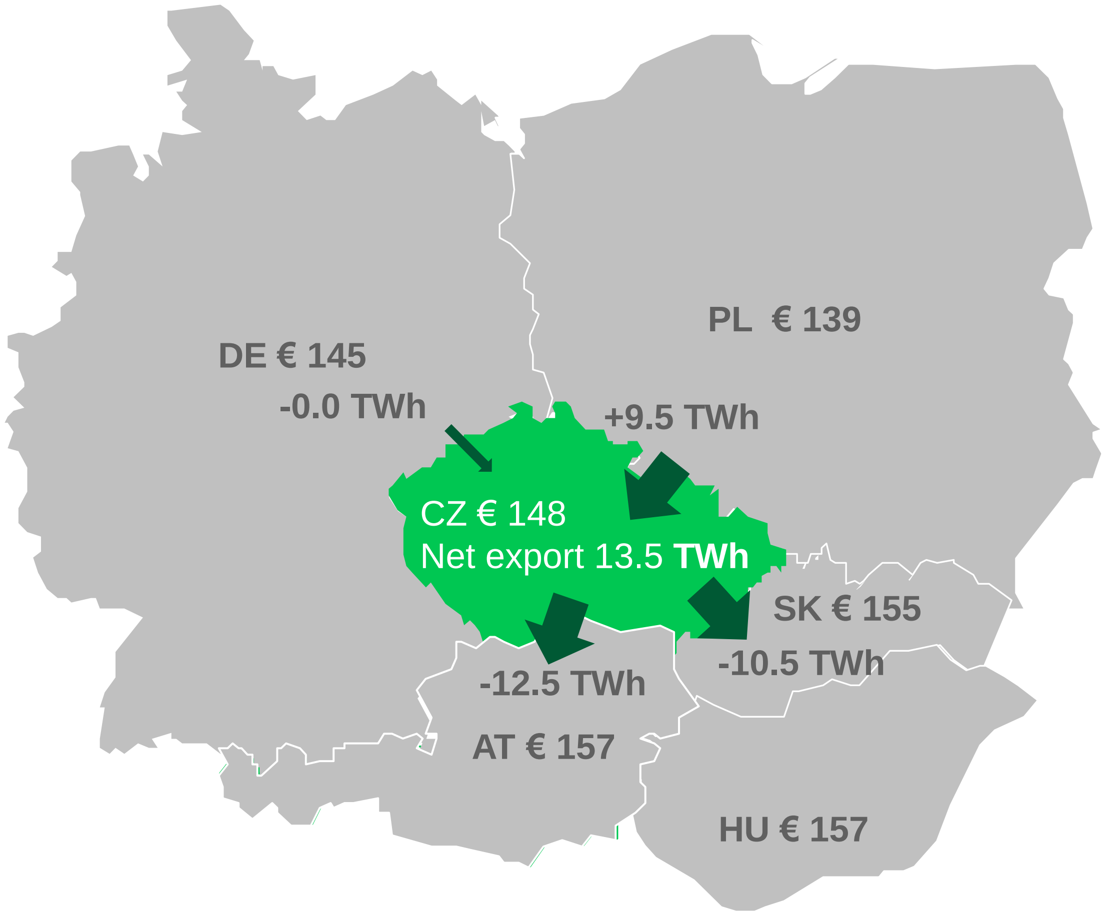
- CEZ Group at a Glance
- CEZ guidance 2023 & CZ tax measures
- Our Vision
- **Appendix**

Appendix

- **Electricity market fundamentals**
- Regulation of distribution
- ESG indicators
- Financial results

Czech electricity market is integrated with neighbouring countries

2022 Physical electricity flows and current electricity prices



Czech and German Electricity prices
EUR/MWh, Y+1 baseload forwards

Source: E-NTSOE, ERÚ, EEX, prices as of August 22, 2023

Commodity prices remain volatile in 2023

Carbon prices[1]
EUR/t

Gas prices[2]
EUR/MWh

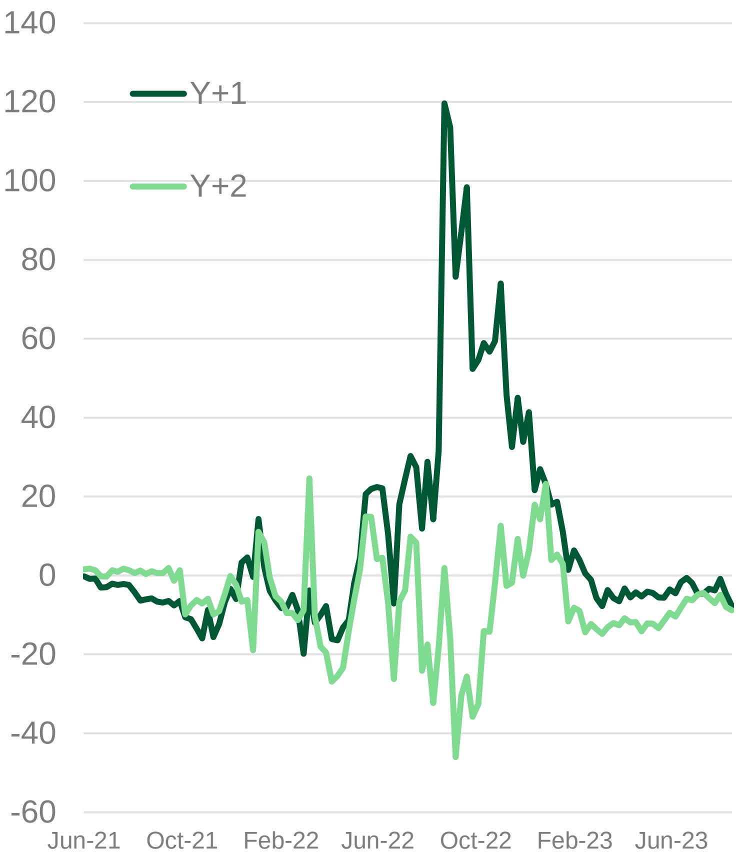
Coal prices[3]
USD/t

1. EU allowances, Y+1 forward, 2. Netherlands TTF, Y+1 forward, 3. API2 coal, Y+1 forward

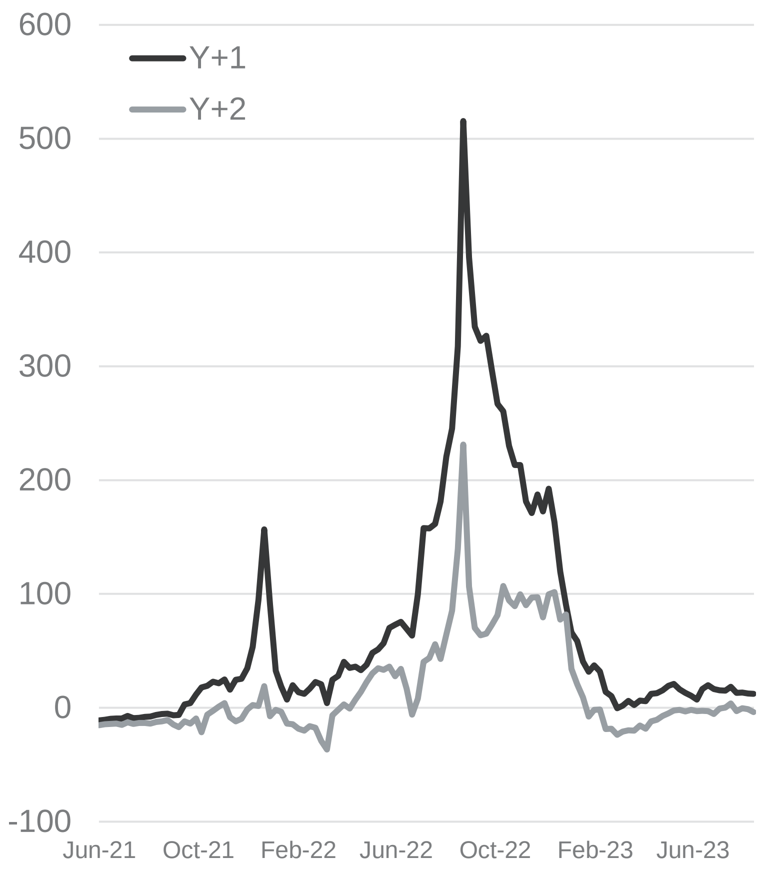
Electricity spreads: improvement in lignite margin, volatility of CCS and CDS

Clean power (electricity – carbon)[1]
EUR/MWh

Clean spark spread (CSS)[2]
EUR/MWh, weekly averages



Clean dark spread (CDS)[3]
EUR/MWh, weekly averages



1. German electricity baseload minus carbon (36% efficiency) 2. German (55% efficiency) 3. German (38% efficiency),

Appendix

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Czech republic: electricity distribution - overview of regulatory framework

Regulatory Framework

- Regulated by ERU (Energy Regulatory Office, www.eru.cz)
- The main components of regulatory formula for distribution
  - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB - Other revenues corrections +/- Quality factor + Market factor
  - RAB adjusted annually to reflect net investments and revaluation trajectory
  - Regulatory rate of return (WACC nominal, pre-tax) – 6.54% for 2021-2025
  - Operating costs are indexed to weighted average of wage inflation index and market services price index. In V. Regulatory period efficiency factor set at 0.2% per year.
  - Quality factor – prescribed levels of SAIDI and SAIFI parameters. Maximum bonus or penalisation +/- 4% of allowed profit. Currently has neutral impact on CEZ Distribuce.
  - Market factor to reflect unexpected cost which could not had been planned while setting planned values of allowed costs (e.g. new duties coming from new legislation). Never used by ERU in case of CEZ Distribuce.

Regulatory period

- 5th regulatory period from January 1, 2021 till December 31, 2025,
- Main focus:

- lowering allowed costs compared to the previous period (reflecting actual costs in the previous regulatory period);
- pressure on quality and security of electricity distribution (prescribed SAIDI and SAIFI parameters);
- renew and develop the networks incentivised by reasonable regulation parameters.

Unbundling & Liberalization

- Since January 1, 2006 all customers can choose their electricity supplier, market is 100% liberalized
- Prices for distribution regulated as per above, price of commodity is not regulated at all.

Czech Republic: electricity distribution - WACC

- WACC set using CAPM formula:

$$WACC=\left(k_e\times\frac{E}{D+E}\right)+\left[\left(k_d\times\frac{D}{D+E}\right)\times(1-T)\right]$$

$$k_e = r_f + \beta \times MRP$$

$$k_d = r_f + credit\ risk\ margin\ (CRM)$$

- Risk free rate (r_f) was derived from median yields of 10-y Czech sovereign bonds for 10 years period
- Credit risk margin set as a difference between BBB rated corporate bonds and 10Y AAA EUR Sovereign bonds

WACC components	5th regulatory period 2021-2025
Risk free rate (r_f)	2.04%
Market risk premium (MRP)	6.54%
ß unlevered	0.51
ß levered (ß)	0.90
Cost of equity (k_e)	**7.94%**
Credit risk margin (CRM)	1.09%
Cost of debt, pre tax (k_d)	3.14%
Tax rate (T)	19%
Cost of debt, post-tax	**2.54%**
Debt/(Debt+Equity)	48.92%
WACC (nominal, before tax)	**6.54%**

Appendix

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Key ESG indicators

Environment

	unit	2020	2021	2022
Scope 1 emissions	M tCO_{2e}	23.4	19.0	18.2
Scope 2 emissions	M tCO_{2e}	0.3	0.1	0.0
Scope 3 emissions	M tCO_{2e}	13.7	10.5	12.3
Carbon intensity (electricity and heat generation)	tCO_{2e} /MWh	0.34	0.29	0.29
Water consumption (electricity and heat generation)	m^3/MWh	1.37	1.27	1.40
Energy generation - non-renewable fuels	000’ TJ	563	524	514
Climate neutrality: Interim targets**:	Year	2050 2025 2030	2040* 2025 2030	2040* 2025 2030
Weight of waste (non-hazardous)	000’ t	64	59	48
ISO 14001 certified MWs	%	91	88	98

Social

	unit	2020	2021	2022
Number of employees	000’	32.6	28.0	28.7
Employee turnover	%	9.9	10.3	11.2
Employees unionized	%	26	28	28
Donorship	m CZK	397	319	368
Fatalities	#	3	1	0
Training hours	000’	665	880	1,209
Injuries	#	147	130	130
Women in workforce	%	21.4	20.5	21.1
SAIDI	minutes /customer	220	214	208
R&D expenses	m CZK	1,031	952	982

Governance

	unit	2020	2021	2022
Supervisory Board meetings	#	13	13	14
Supervisory Board member attendance	%	98.1	96.2	98.8
Supervisory Board independence	%	50	50	55
Female Supervisory Board members	%	8.3	8.3	9.1
Number of Supervisory Board members	#	12	12	11
Women in management	%	16.0	13.5	12.0

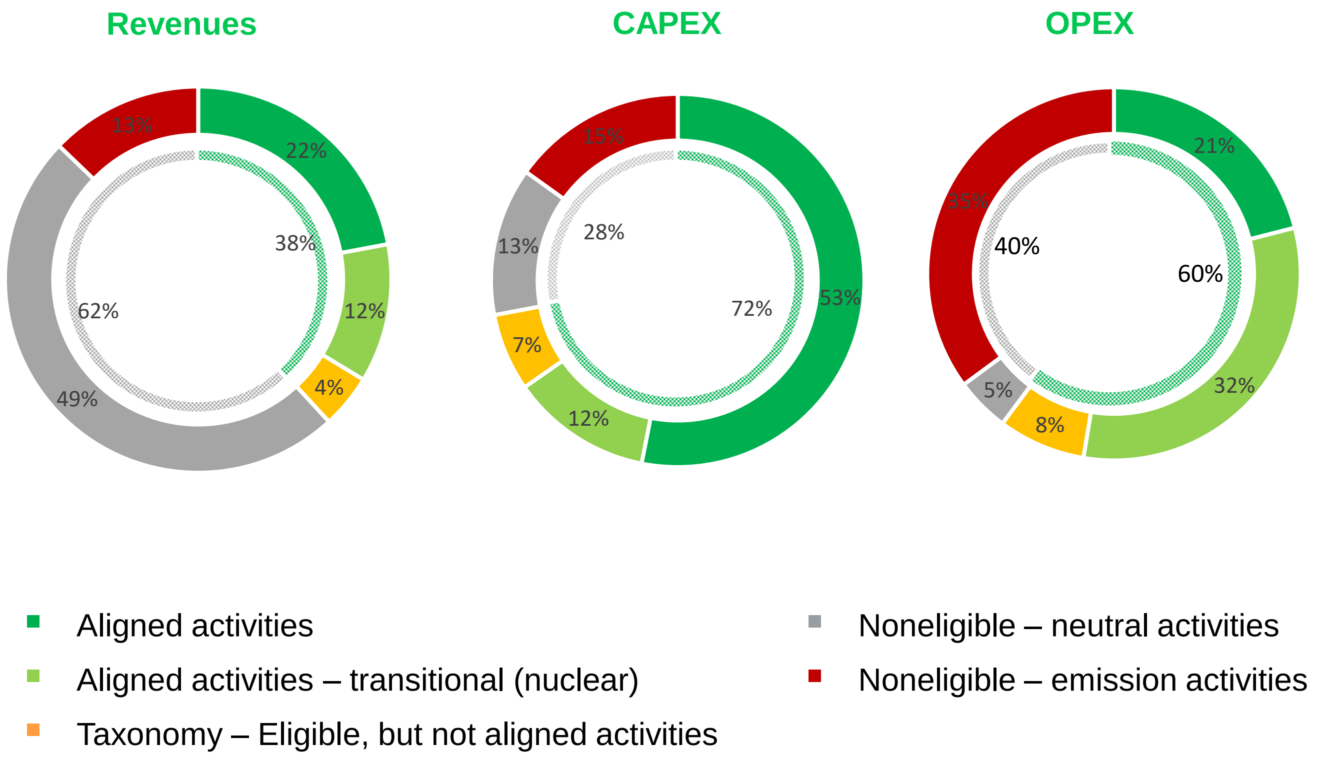
* Current climate neutrality target is 2040
** Interim targets are SBTi validated

Developments in ESG area and structure of CEZ activities according to EU taxonomy

Selected 2022 Events in ESG

- **The short-term SBTi target** in line with the well-below 2°C scenario to reduce emissions in all scopes **was validated**. ČEZ was the first Czech company to achieve validation.
- We are committed to achieving **climate neutrality as early as 2040**.
- We joined the **CEO Water Mandate initiative**—as the first in Czechia
- The **most trusted energy supplier** according to Net Promoter Score Czechia—for the seventh time in a row.
- We were awarded the **“Most Desirable Employer” in Czechia**—for the third time in a row.
- **ESG certification of Board of Directors members**
- **Sustainability Report* issued** in accordance with international standards (GRI, SASB, WEF, EU Taxonomy) including externally audited key KPIs
- **ESG website launched**** and online ESG library of nonfinancial data prepared (the most extensive in European energy sector)

Structure of CEZ Group activities in 2022 according to EU taxonomy



- link to CEZ Group Sustainability Report https://www.cez.cz/webpublic/file/edee/esg/documents/sustainability-reports/cez-zour-aj-2022.pdf
- ** link to ESG website https://www.cez.cz/sustainability/en

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H1 2023 financial results highlights

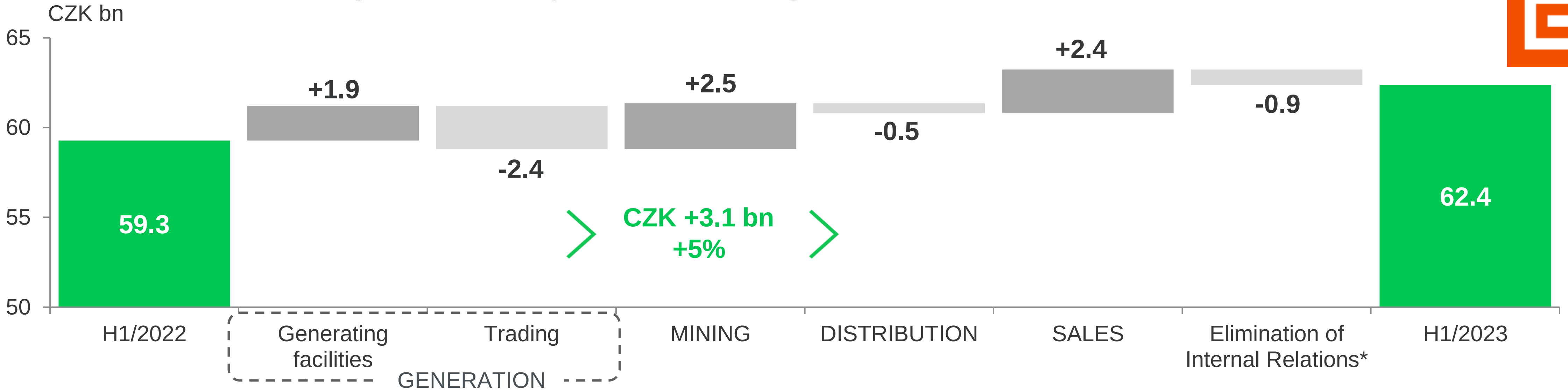
(CZK bn)	H1/2022	H1/2023	Difference	%
Operating revenues	130.5	169.7	+39.2	+30%
EBITDA	59.3	62.4	+3.1	+5%
EBIT	44.2	45.3	+1.1	+2%
Net income	33.6	22.3	-11.3	-34%
Adjusted net income*	33.6	22.5	-11.2	-33%
Operating cash flows	41.7	134.6	+92.9	+223%
CAPEX	12.1	16.9	+4.8	+40%

H1 2023 Operating results highlights

		H1 2022	H1 2023	Difference	%
Electricity generation	TWh	26.8	25.0	-1.8	-7%
of which in the Czech Rep.	TWh	25.6	23.9	-1.6	-6%
Sales of heat	TWh	3.9	3.7	-0.2	-5%
of which in the Czech Rep.	TWh	2.9	2.7	-0.1	-5%
Electricity Sales	TWh	11.7	12.4	+0.7	+6%
of which in the Czech Rep.	TWh	10.8	11.2	+0.4	+4%
Gas sold	TWh	4.8	6.5	+1.7	+35%
Electricity distribution	TWh	18.3	17.5	-0.8	-5%
Gas distribution	TWh	0.5	0.5	+0.0	+2%

		Jun 30, 2022	Jun 30, 2023	Difference	%
Installed capacity	GW	11.8	11.9	+0.0	+0%
of which in the Czech Rep.	GW	11.1	11.1	+0.0	+0%
Workforce headcount	thousands of persons	27.3	29.4	+2.0	+7%
of which in the Czech Rep.	thousands of persons	22.7	24.3	+1.6	+7%

Main causes of year-on-year change in EBITDA in H1 2023



GENERATION Segment—Generating facilities (CZK +1.9 bn):

- Higher gross margin on generation in the Czech Rep. as a result of higher realized electricity prices and change in purchase prices of emission allowances and gas (CZK +13.0 bn)
- Levy on excess revenues from generation in the Czech Rep. (CZK -11.1 bn)

GENERATION Segment—Trading (CZK -2.4 bn):

- Lower prop trading margin (CZK -6.5 bn): in H1 2023 it reached CZK +5.2 bn, while in H1 2022 it was exceptionally high at CZK +11.7 bn
- Negative impact of Gazprom Export gas supply disruption in H1 2022 (+1.2 bn)
- Other commercial trading and consolidation effects (CZK +2.9 bn): mainly temporary effects due to the revaluation of derivative trades hedging generation and sales positions for the next period

MINING Segment (CZK +2.5 bn):

- Higher revenues (CZK +3.7 bn) mainly due to price effects (coal production volume decreased by 1.2 mil tons year-on-year), higher fixed expenses (CZK -1.0 bn) especially for energy

SALES Segment (CZK +2.4 bn):

- Revenues from litigation between ČEZ Prodej and the state-owned company Správa železnic regarding electricity supplies in 2010 and 2011 (CZK +1.2 bn)
- Purchase of electricity from RES in the Czech Rep. (CZK +0.8 bn): long-term contracts and development of electricity market prices
- Sales of energy services and non-commodity products (CZK +0.4 bn)

* This is mainly due to eliminating the effect of hedge of currency risks of ČEZ ESCO (SALES segment) through ČEZ, a. s. (GENERATION segment), where this effect is booked as foreign exchange income and loss (outside EBITDA).

Main Causes of Year-On-Year Change in Net Income in H1 2023

(CZK bn)	H1 2022	H1 2023	Difference	%
EBITDA	59.3	62.4	+3.1	+5%
Depreciation and amortization	-15.2	-17.0	-1.9	-12%
Impairments of non-current assets*	0.1	-0.0	-0.1	-
Other income (expenses)	-2.5	-1.2	+1.3	+51%
Interest income (expenses)	-0.8	0.3	+1.0	-
Other	-1.8	-1.5	+0.3	+15%
Income tax	-8.1	-21.8	-13.7	-169%
Net income	33.6	22.3	-11.3	-34%
Adjusted net income	33.6	22.5	-11.2	-33%

Net Income Adjustments
Net income in H1 2023 adjusted for impairments of fixed assets of Severočeské doly (CZK +0.2 bn)

Depreciation and Amortization (CZK -1.9 bn)

- Increase in depreciation of CEZ coal-fired power plants (CZK -0.6 bn), nuclear power plants (CZK -0.4 bn), and Energotrans (CZK -0.1 bn) due to update of provisions for post-operational expenses
- Higher depreciation of ČEZ Distribuce (CZK -0.3 bn), Severočeské doly (CZK -0.2 bn) and ČEZ ICT Services (CZK -0.1 bn)

Other income and expenses (CZK +1.3 bn)

- Effect of higher interest rates on the balance of interest expenses and income (CZK + 1.0 bn)
- Exchange rate effects (CZK +1.3 bn) due to revaluation of ČEZ margin deposits and revaluation of bonds and loans
- Hedging of ČEZ ESCO's currency risks (CZK +0.9 bn)
- Exchange rate effect due to ownership of companies in Turkey (Türkiye) (CZK +0.7 bn)
- Higher interest on nuclear and other provisions (CZK -2.4 bn) due to significant increase in interest rates** and increase in provisions in 2022

Income tax (CZK -13.7 bn)

- The newly introduced 60% windfall tax in H1 2023 (CZK ~13 bn) highly exceeded the increase in the normal 19% income tax.

* Including gain/loss from sales of of tangible and intangible fixed assets including goodwill
** Long-term nominal risk-free interest rates increased year-on-year from 2.3% to 4.9% and medium-term rates from 1.6% to 4.8%.

GENERATION Segment EBITDA IN H1 2023

EBITDA (CZK bn)*	H1 2022**	H1 2023	Difference	%	Q2 2022**	Q2 2023	Difference	%
Emission-free Generating Facilities, of which:	29.0	27.6	-1.4	-5%	12.9	13.8	+0.9	+7%
Nuclear	22.8	21.9	-0.9	-4%	9.9	10.9	+0.9	+9%
Renewable	6.2	5.6	-0.7	-11%	3.0	2.9	-0.0	-1%
Emission Generating Facilities	8.3	11.9	+3.5	+42%	0.6	0.7	+0.1	+10%
Trading	8.5	6.1	-2.4	-28%	-4.3	5.3	+9.6	>200%
Total GENERATION Segment	**46.0**	**45.5**	**-0.5**	**-1%**	**9.2**	**19.7**	**+10.5**	**+114%**

Year-on-year effects in H1 (CZK -0.5 bn):

Nuclear facilities (CZK -0.9 bn):
- Trade effects (-0.3): price effect (+10.6), levy on excess revenues (-10.9)
- Operating effects (-0.6): availability mainly due to planned outages of Temelín NPP (-0.5) and Dukovany NPP (+0.7), other effects (-0.8) mainly higher fixed expenses

Renewables (CZK -0.7 bn):
- Trade effects (-0.8): price effect (+0.2), ancillary services and regulatory energy (-0.8), levy on excess revenues (-0.2)
- Operating effects (+0.2): hydroelectric plants in the Czech Rep. (+0.6), photovoltaic plants in the Czech Rep. (-0.3)

Emission sources (CZK +3.5 bn):
- Czech Rep. trade effects (+2.7): price effect (+2.2), on-site trade (+0.6), heat sales (+0.5), ancillary services (-0.1), other services and deviations (-0.5)
- Czech Rep. operating effects (+0.4): availability of coal-fired facilities (+0.5), fixed expenses (-0.1)
- Poland (+0.5) mainly higher revenues from heat and electricity sales

Trading (CZK -2.4 bn):
- Lower prop trading margin (-6.5): in H1 2023 it reached CZK +5.2 bn, while in H1 2022 it reached an extraordinary level of CZK +11.7 bn
- Negative impact of Gazprom Export gas supply disruption in H1 2022 (+1.2)
- Other commercial trading and consolidation effects (+2.9) mainly temporary effects due to the revaluation of derivative trades hedging generation and sales positions with delivery in the remainder of the year

Year-on-year effects in Q2 (CZK +10.5 bn):

Nuclear facilities (CZK +0.9 bn):
- Trade effects (+2.2): price effect (+3.2), levy on excess revenues (-1.0)
- Operating effects (-1.3): availability mainly due to planned outages of the Temelín NPP (-0.5) and Dukovany NPP (-0.4), higher fixed expenses (-0.4)

Renewables (CZK -0.0 bn):
- Trade effects (-0.1): price effect (+0.1), ancillary services and regulatory energy (-0.2)
- Operating effects (+0.1): hydroelectric plants in the Czech Rep. (+0.3), photovoltaic plants in the Czech Rep. (-0.2)

Emission sources (CZK +0.1 bn):
- Czech Rep. trade effects (-1.1): price effect (-1.3), on-site trade (+0.3), heat sales (+0.3), ancillary services (-0.2), other services and deviations (-0.2)
- Czech Rep. operating effects (+0.8): availability of coal-fired facilities (+0.8)
- Poland (+0.4) mainly higher revenues from heat sales

Trading (CZK +9.6 bn):
- Negative impact of Gazprom Export gas supply disruption in H1 2022 (+1.2)
- Specific temporary effects in Q2 2022 (+8.4), mainly elimination of Q1 2022 temporary income from revaluation of derivative contracts hedging generation deliveries in 2022

* The division of EBITDA of the GENERATION segment into four sub-segments is only indicative on the basis of central allocation assumptions (in particular the allocation of ČEZ's gross margin and fixed expenses of the central divisions of ČEZ) and simplified consolidation with other companies.
** The historical allocation of EBITDA between the sub-segments is always reported in accordance with the current methodology for allocation of EBITDA between the sub-segments for comparability.

SALES segment EBITDA IN H1 2023

EBITDA (CZK bn)	H1/2022	H1/2023	Diff	%	Q2/2022	Q2/2023	Diff	%
Retail segment–ČEZ Prodej	0.3	0.2	-0.1	-28%	0.5	3.6	+3.1	>200%
B2B segment—ESCO companies:	0.0	2.5	+2.6	>200%	0.3	1.1	+0.8	>200%
Energy Services—Czech Rep. and Slovakia	0.2	0.5	+0.3	+162%	0.0	0.1	+0.1	>200%
Energy Services—Germany and other countries*	0.4	0.5	+0.1	+25%	0.2	0.3	+0.1	+36%
Commodity Sales—Czech Rep.	-0.6	1.5	+2.1	>200%	0.1	0.7	+0.6	>200%
B2B segment—Other activities**	0.4	0.4	-0.0	-9%	0.0	0.1	+0.0	+60%
Total SALES Segment	**0.7**	**3.2**	**+2.4**	**>200%**	**0.8**	**4.8**	**+3.9**	**>200%**

Year-on-year effects in H1 (CZK +2.4 bn):

Retail segment—ČEZ Prodej (CZK -0.1 bn):

- Commodity sales (-1.5): significant impact of temporary seasonal factors*** and higher expenses for electricity and gas purchases to cover fluctuations in customer consumption
- Revenue from litigation with SŽ over electricity supply in 2010 and 2011 (+1.2)
- Other effects (+0.2): mainly increase in the number of PV installations and lower fixed operating expenses

B2B segment—ESCO companies (CZK +2.6 bn):

- Czech Rep. commodity sales (+1.3):
  - Sales of electricity and gas to end-use customers (+0.8): market price developments and seasonal factors
  - Positive impact of applying hedge accounting for foreign exchange risk on ČEZ ESCO's electricity and gas sales revenues from May 2022 onwards (+0.5). Previously, hedging effects were reflected outside EBITDA.
- Purchase of electricity from RES in the Czech Rep. (+0.8): long-term contracts and electricity market prices
- Energy services—Czech Rep. and Slovakia (+0.3): mainly industrial energy
- Energy services—Germany and other countries (+0.1): higher profitability of German and Polish companies

Year-on-year effects in Q2 (CZK +3.9 bn):

Retail segment—ČEZ Prodej (CZK +3.1 bn):

- Revenue from litigation with SŽ regarding electricity supply in 2011 (+1.4)
- Natural gas sales (+1.2) mainly due to the extreme increase in purchase prices and higher market volatility in Q2 2022 and seasonal factors***
- Electricity sales (+0.5) mainly due to stabilization of market prices and seasonal factors***

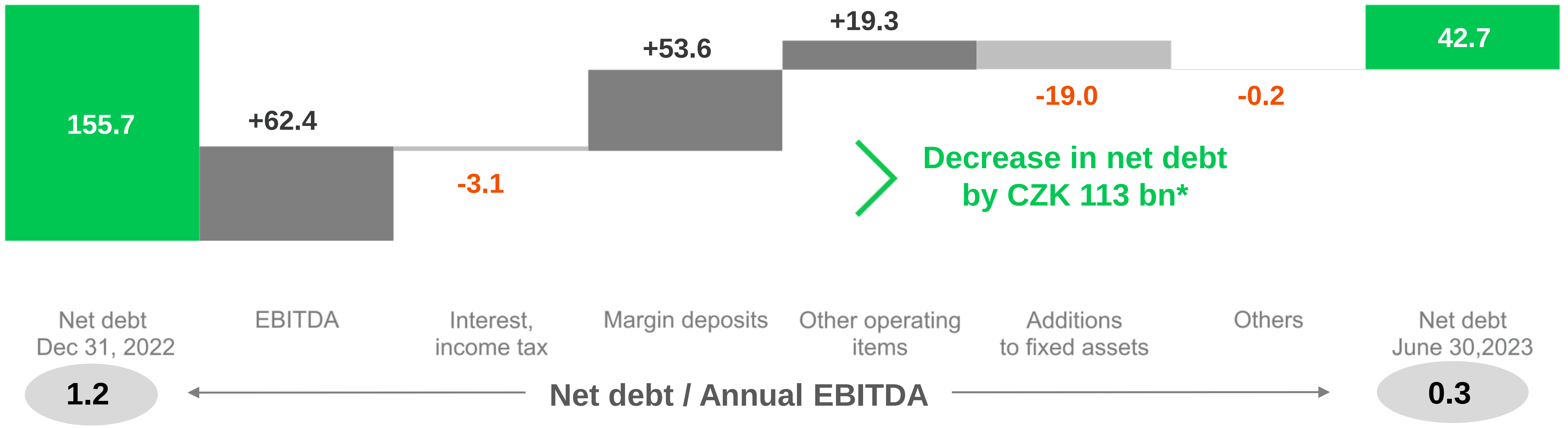
B2B segment—ESCO companies (CZK +0.8 bn):

- Czech Rep. commodity sales (+0.5): mainly positive impact of the application of hedge accounting for foreign exchange risk on ČEZ ESCO's commodity sales revenues from May 2022 onwards
- Purchase of electricity from RES sources in the Czech Rep. (+0.1)
- Energy Services—Czech Rep. and Slovakia (+0.1): particularly good performance in industrial energy
- Energy services—Germany and other countries (+0.1): higher profitability of German and Polish companies

*** Prices for end-use customers are generally set the same for winter and summer, while the purchase prices of electricity and gas are generally significantly higher in winter than at other times of the year. High commodity prices in 2023 make this factor even more important.

SŽ—state company Správa železnic ČR (formerly SŽDC)
* Poland, Italy, Austria, and other countries where ESCO activities are managed by Elevion Group
** Mainly telecommunications companies, ČEZ Teplárenská, and other companies in the SALES segment

Net debt decreased by CZK 113 bn. The main contributor beyond EBITDA was a reduction in margin deposits on commodity exchanges.



- **Interest, income taxes (CZK -3.1 bn):** income taxes paid (CZK -2.5 bn), balance of interest paid and received (CZK -0.6 bn)
- **Margin deposits (CZK +53.6 bn)**: temporary margin deposits on commodity exchanges and with trading counterparties - connected to generation advance sale - decreased due to the decrease in market prices for electricity and the gradual realization of deliveries at historically lower contracted prices compared to current market prices
- **Other operating effects (CZK +19.3 bn**): non-cash expense for emission allowances consumed in generation (CZK +11.6 bn), decrease in balance of emission allowances (CZK +12.4 bn), change in inventories of materials and fossil fuels (CZK -1.9 bn), other operating effects (CZK -2.8 bn)
- **Additions to fixed assets (CZK -19.0 bn):** capital expenditure (CZK -16.9 bn), change in liabilities from fixed asset acquisition (CZK -1.7 bn), acquisition of securities by Inven Capital (CZK -0.3 bn)
- **Other (CZK -0.2 bn)**: acquisition of new subsidiaries (CZK -0.5 bn) and revenues from the sale of debt securities (CZK +0.2 bn)

* In the period from Jul 1 to Aug 1, 2023, three significant payments totalling CZK 117 bn were made, of which dividends (CZK ~78 bn), final payment of the 2022 CEZ income tax (CZK ~15 bn), and the repayment of EUR 1 bn of the loan from the Czech state (CZK ~24 bn).

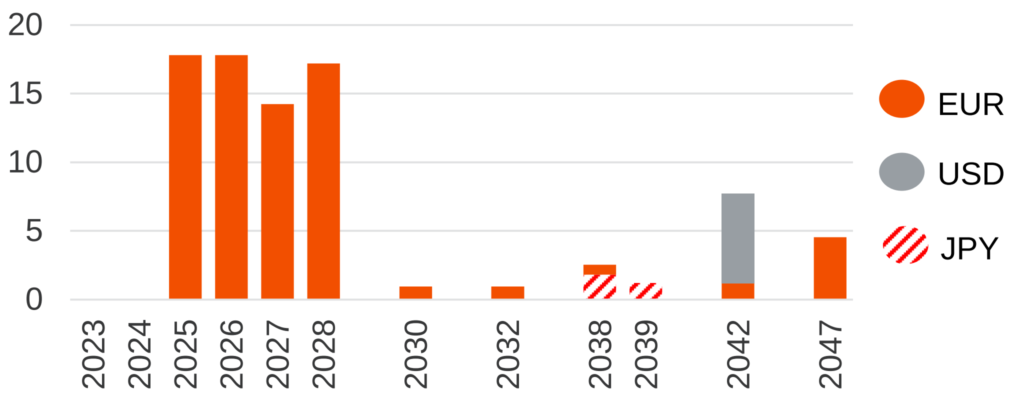
Credit lines and debt structure as of Jun 30, 2023

Committed bank credit facilities

* Available committed bank credit facilities include an undrawn long-term loan from the EIB of EUR 790 mil

- Committed bank facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- As of Jun 30, 2023, CEZ Group had access to CZK 71.8 bn of committed bank credit facilities, of which only CZK 12 mil were drawn (under the overdraft facility)
- From the credit agreement with the Czech Rep. (EUR 3 bn), EUR 2 bn had been drawn down as of Jun 30, 2023, of which EUR 1 bn was duly repaid on Jul 11, 2023, and the remaining EUR 1 bn is due on Apr 2, 2024. The possibility of drawing up to EUR 1 bn remains.

Bond maturity profile (CZK bn)



Debt Level		Jun 30, 2022	Jun 30, 2023
Debt and loans	CZK bn	130.9	175.4
of which short-term bank	CZK bn	1.8	3.0
Cash and fin. assets**	CZK bn	46.1	132.7
Net debt	CZK bn	84.8	42.7
Net debt / EBITDA		0.9	0.3

** Cash and Cash Equivalents & Highly Liquid Financial Assets

Total liquid financial assets** and available committed bank credit facilities as of Jun 30, 2023 amounted to CZK 204.5 bn.

Nuclear and mining provisions as of YE 2022

Nuclear and mining provisions as of YE 2022 in accordance with IFRS (discount rate 2.0% p.a. (real), est. Inflation effect 2.8%)

	Provision (CZK bn)	Responsibility of:	Cash cover (CZK)
Interim storage of spent nuclear fuel	9.3 bn	CEZ	0.01 bn
Permanent storage of spent nuclear fuel	41.0 bn	State*, costs paid by CEZ	Fee 55 CZK/MWh generated in NPP paid to Nuclear Account**
Nuclear Facility decommissioning	59.4 bn	CEZ	15.1 bn
Mining reclamation	13.4 bn	CEZ (SD***)	5.2 bn
Landfills (ash storage)	0.6 bn	CEZ	0.1 bn
Coal plants dismantling	19.7 bn	CEZ	0.0 bn

* RAWRA - Radioactive Waste Repository Authority
** State Nuclear Account balance as of YE 2022 CZK 36.4 bn
*** SD – Severočeské doly

Selected historical financials of CEZ Group (CZK)

CZK bn	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues	216.7	201.8	210.2	203.7	205.1	184.5	206.2	213.7	227.8	288.7
Sales of electricity	189.4	173.8	182.1	174.9	104.1	103.1	110.2	118.7	136.2	165.6
Sales of services					76.3	59.9	71.4	71.5	67.3	75.4
Sales of gas, heat and coal and other income	27.4	27.9	28.1	28.8	24.7	21.5	24.6	23.5	24.3	47.7
Operating Expenses	134.7	129.3	145.1	145.6	151.2	135	146	148.9	164.6	157.1
Purchased power and related services	79	75.8	90.9	59.5	57.4	52.2	55.5	56.3	62.7	69.6
Fuel and emission rights	13.8	12.7	13.1	15.1	16.0	19.1	21.4	23.3	24.6	45.4
Salaries and wages	18.7	18.9	17.8	19.2	22.1	25.6	28.8	30.9	30.6	31.9
Other	23.2	21.9	23.4	51.8	54.5	38.1	40.3	38.4	46.7	25.5
EBITDA	**82**	**72.5**	**65.1**	**58.1**	**53.9**	**49.5**	**60.2**	**64.8**	**63.2**	**131.6**
EBITDA margin	*38%*	*36%*	*31%*	*29%*	*26%*	*27%*	*29%*	*30%*	*28%*	*46%*
Depreciation, amortization, impairments	36.4	35.7	36.3	32.1	29.5	29.7	33.8	52.2	47.1	29.9
EBIT	**45.7**	**36.9**	**29**	**26.1**	**25.6**	**19.8**	**26.4**	**12.6**	**16.1**	**101.9**
EBIT margin	*21%*	*18%*	*14%*	*13%*	*12%*	*11%*	*13%*	*6%*	*7%*	*35%*
Net Income	**35.2**	**22.4**	**20.5**	**14.6**	**19**	**10.5**	**14.5**	**5.5**	**9.9**	**80.7**
Net income margin	*16%*	*11%*	*10%*	*7%*	*9%*	*6%*	*7%*	*3%*	*3%*	*28%*
Adjusted net income	**43**	**29.5**	**27.7**	**19.6**	**20.7**	**13.1**	**18.9**	**22.8**	**22.3**	**78.4**
Adjusted net income margin	*20%*	*15%*	*13%*	*10%*	*10%*	*7%*	*9%*	*11%*	*8%*	*27%*

CZK bn	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Non current assets	485.9	497.5	493.1	489.3	487.9	480.4	501.9	471.9	474.4	552.0
Current assets	154.5	130.4	109.6	141.6	136	227	202.7	230.5	708.4	555.4
- out of that cash and cash equivalents	25	20.1	13.5	11.2	12.6	7.3	9.8	6.1	26.6	36.6
Total Assets	**640.4**	**627.9**	**602.7**	**630.8**	**623.9**	**707.4**	**704.6**	**702.5**	**1182.9**	**1107.4**
Shareholders equity (excl. minority. int.)	258.1	261.3	267.9	256.8	250	234.7	250.8	233.9	161.1	258.9
Return on equity	*16%*	*9%*	*8%*	*6%*	*7%*	*4%*	*6%*	*2%*	*5%*	*38%*
Interest bearing debt	199	184.1	157.5	167.8	154.3	161	171.9	151.8	137.9	193.3
Other liabilities	183.3	182.4	177.3	206.2	219.6	311.7	281.9	316.8	883.9	655.2
Total liabilities	**640.4**	**627.9**	**602.7**	**630.8**	**623.9**	**707.4**	**704.6**	**702.5**	**1182.9**	**1107.4**

Selected historical financials of CEZ Group (EUR)

EUR M	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues	8,821	8,215	8,557	8,292	8,349	7,511	8,394	8,699	9,273	11,752
Sales of electricity	7,710	7,075	7,413	7,120	4,238	4,197	4,486	4,832	5,544	6,743
Sales of services					3,106	2,438	2,907	2,911	2,740	3,068
Sales of gas, heat and coal and other income	1,115	1,136	1,144	1,172	1,005	875	1,001	957	989	1,941
Operating Expenses	5,483	5,264	5,907	5,927	6,155	5,496	5,943	6,061	6,701	6,395
Purchased power and related services	3,216	3,086	3,700	2,422	2,337	2,125	2,259	2,292	2,552	2,833
Fuel and emission rights	562	517	533	615	651	778	871	949	1,001	1,848
Salaries and wages	761	769	725	782	900	1,042	1,172	1,258	1,246	1,299
Other	944	892	953	2,109	2,219	1,551	1,641	1,563	1,901	1,038
EBITDA	**3,338**	**2,951**	**2,650**	**2,365**	**2,194**	**2,015**	**2,451**	**2,638**	**2,573**	**5,357**
EBITDA margin	*38%*	*36%*	*31%*	*29%*	*26%*	*27%*	*29%*	*30%*	*28%*	*46%*
Depreciation, amortization, impairments	1,482	1,453	1,478	1,307	1,201	1,209	1,376	2,125	1,917	1,217
EBIT	**1,860**	**1,502**	**1,181**	**1,062**	**1,042**	**806**	**1,075**	**513**	**655**	**4,149**
EBIT margin	*21%*	*18%*	*14%*	*13%*	*12%*	*11%*	*13%*	*6%*	*7%*	*35%*
Net Income	**1,433**	**912**	**835**	**594**	**773**	**427**	**590**	**224**	**403**	**3,285**
Net income margin	*16%*	*11%*	*10%*	*7%*	*9%*	*6%*	*7%*	*3%*	*3%*	*28%*
Adjusted net income	**1,750**	**1,201**	**1,128**	**798**	**843**	**533**	**769**	**928**	**908**	**3,192**
Adjusted net income margin	*20%*	*15%*	*13%*	*10%*	*10%*	*7%*	*9%*	*11%*	*8%*	*27%*

EUR M	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Non current assets	19,780	20,252	20,073	19,919	19,862	19,556	20,432	19,210	19,312	22,471
Current assets	6,289	5,308	4,462	5,764	5,536	9,241	8,252	9,383	28,838	22,609
- out of that cash and cash equivalents	1,018	818	550	456	513	297	399	248	1,083	1,490
Total Assets	**26,070**	**25,561**	**24,535**	**25,679**	**25,398**	**28,797**	**28,683**	**28,598**	**48,155**	**45,080**
Shareholders equity (excl. minority. int.)	10,507	10,637	10,906	10,454	10,177	9,554	10,210	9,522	6,558	10,539
Return on equity	*16%*	*9%*	*8%*	*6%*	*7%*	*4%*	*6%*	*2%*	*5%*	*38%*
Interest bearing debt	8,101	7,494	6,412	6,831	6,281	6,554	6,998	6,180	5,614	7,869
Other liabilities	7,462	7,425	7,218	8,394	8,940	12,689	11,476	12,896	35,982	26,672
Total liabilities	**26,070**	**25,561**	**24,535**	**25,679**	**25,398**	**28,797**	**28,683**	**28,598**	**48,155**	**45,080**

CLEAN ENERGY OF TOMORROW

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