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TOMORROW

# Supervisory Board Report



## Dear Shareholders, Ladies and Gentlemen,

Please allow me to present to you, on behalf of the Supervisory Board of ČEZ, a. s., the report on its activities since the last General Meeting taking place on June 28–29 last year (hereinafter also referred to as the “period under review”).

In accordance with the Company’s Articles of Association, the Supervisory Board has 12 members, two-thirds of whom (8 members) are elected and removed from office by the General Meeting and one-third of whom (4 members) are elected and removed from office by Company employees. One seat on the Supervisory Board is currently vacant. In the past period, the following personnel changes were made to the Supervisory Board:

- On August 31, 2022, the seats on the Supervisory Board of Vladimír Černý, Vladimír Kohout, and František Vágner expired by decision of last year’s General Meeting;
- The Supervisory Board appointed Vratislav Košťál and Václav Kučera as substitute members of the Supervisory Board with effect from November 24, 2022;
- The Supervisory Board discussed Milan Wagner’s resignation as Vice-Chairman of the Supervisory Board of ČEZ, a. s., and, at his request, approved the termination of his position as Vice-Chairman as of May 15, 2023, with Milan Wagner remaining an ordinary member of the Supervisory Board;
- The Supervisory Board elected Radek Mucha as Vice-Chairman of the Supervisory Board with effect from May 16, 2023.

As of May 17, 2023, when this report was discussed, the personnel structure of the Supervisory Board was as follows:

- Chairman of the Supervisory Board—Radim Jirout;
- Vice-Chairmen of the Supervisory Board—Roman Binder and Radek Mucha;
- Members of the Supervisory Board—Marta Ctiborová, Vít Doležálek, Eva Hanáková, Jiří Kadrnka, Vratislav Košťál, Václav Kučera, František Novotný, Milan Wagner.

According to the requirements set out in the Corporate Governance Code published for issuers of securities admitted to trading on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.), to which ČEZ, a. s., is bound as an issuer of shares on this exchange, the following members of the Supervisory Board meet all the independence criteria: Radim Jirout, Eva Hanáková, Vít Doležálek, Jiří Kadrnka, Vratislav Košťál, and Václav Kučera.

The Supervisory Board held a total of 10 ordinary and 2 extraordinary meetings in the past period, i.e. from the last Annual General Meeting to May 17, 2023.

Supervisory Board meetings were regularly attended by the Chairman of the Board of Directors. Depending on the contents and importance of the agenda, Board of Directors members of relevant purview and Company employees or external consultants and auditors were invited to the meetings.

As part of its inspection activities, the Supervisory Board also collaborated with the Audit and Compliance function and the Audit Committee of ČEZ, a. s., as well as with the CEZ Group Ombudsman.

Pursuant to the Company’s Articles of Association, the Board of Directors of ČEZ, a. s., has seven members. Members of the Board of Directors are elected and removed by the Supervisory Board. In the period under review, the Supervisory Board made the following personnel decisions concerning the Board of Directors:

- Pavel Cyrani was elected for another term as a member of the Board of Directors with effect from October 23, 2023.

The Supervisory Board:

- **Continuously monitored** the activities of ČEZ, a. s. and key decisions made by its Board of Directors and management;
- **Addressed** the suggestions of its members, shareholders, or customers of the Company or other entities;
- **Held a series of workshops** that were conducted operationally instead of the previously existing Supervisory Board Committees, which have focused on the following topics: The New Nuclear Power Plant project at Dukovany, Small Modular Reactors, the potential CEZ Group Transformation, Priorities 2023, and the basis for setting annual tasks, Setting 2023 KPIs for annual remuneration, and setting the indicator for long-term performance remuneration;
- **Participated** in the CEZ Management Meeting dealing in particular with the current state of CEZ Group, its responsible and sustainable development in accordance with ESG, the main priorities and objectives for 2023, and the current Europe-wide energy crisis and options for its decision;
- **Participated**, in the presence of representatives of the independent statutory auditor Ernst&Young Audit, s.r.o., in the meeting of the Audit Committee of ČEZ, a. s., discussing the procedure for preparing the financial statements of ČEZ, a. s., the consolidated financial statements of CEZ Group, and the final financial statements of the company Elektrárna Dětmarovice, a.s., for 2022, and the procedure and results of the statutory audit of these financial statements;
- **Conducted** a visit to the Temelín Nuclear Power Plant and viewed the guarded area, including the reactor hall and containment of Temelín NPP1, the engine room of Temelín NPP1, the used nuclear fuel storage, the cooling tower, the Emergency Control Center, and the full-scale simulator.

**Within the scope of its powers and beyond the scope of its obligations** as specified by the Company's Articles of Association, the Supervisory Board **requested and debated** the following:

- Any promises made by the Company resulting from the consideration of motions made by shareholders at the Company's General Meeting, any protests made by shareholders during the General Meeting, and the findings of any actions relating to the General Meeting;
- Risk management system, risk overview, and risk provisions;
- Developments in significant legal disputes concerning CEZ Group;
- Approach of ČEZ Prodej, a. s., to the retail market, and CEZ Group's approach to the B2B segment (ESCO services);
- Development of the coronavirus situation in CEZ Group, the gradual relaxation of all measures taken, and the official termination of the almost two-year activity of the Coronavirus internal expert working group in January 2023;
- Activities of the investment fund Inven Capital SICAV, a. s.;
- The result of collective negotiating in 2022;
- The ČEZ Ombudsman's activities in 2022;
- Communication plan for 2023;
- Progress of the project for the completion of the thermal feeder from Temelín to České Budějovice;
- CEZ Group's debt capacity.

The Supervisory Board also requested and discussed information on the operation and activities of the ČEZ Foundation and the foundation contributions made in 2022, as well as information on CEZ Group's communication activities in 2022. Overall, the Supervisory Board assesses the expenditures made in the areas of the ČEZ Foundation activities and communication activities (i.e., including expenditures to support culture, sports, charitable and social organizations, etc.) as rational.

At its meetings, the Supervisory Board **regularly dealt with:**

- Information on the course and results of meetings of the Company's Board of Directors;
- Information on significant events in European and global energy markets;
- The current state of and developments in the regulatory environment and legislation in the European Union and the Czech Republic, including their potential impact on CEZ Group's activities;
- Development of current changes in Czech legislation in response to high energy prices and their impact on the sales and trading segment (ČEZ Trading, ČEZ ESCO, and ČEZ Prodej);
- Current operational status of the Temelín and Dukovany nuclear power plants;
- Current operational status of conventional energy sources and renewables, i.e. pan, non-pan, and hydroelectric power plants, thermal power plants, steam power plants, photovoltaic and wind plants;
- Information from the Mining segment—the development of coal supplies within and outside CEZ Group and significant events in the segment;
- Information on current developments in the Czech distribution segment—on the operation of the distribution system and any emergencies, on the implementation of major construction projects, and on ongoing projects;
- Current information from the foreign segment—development in the political and regulatory environment in connection with CEZ Group's operations primarily in Turkey and Poland, including development regarding the sale of relevant CEZ Group assets, as well as development in the international arbitration proceedings against the Bulgarian state;
- Information from the trading sector concerning trading and sales of commodities to end-use customers in the Czech Republic and abroad, decentralized energy, and offerings for businesses and the public sector in the Czech Republic or offerings for businesses abroad, in the area of telecommunication, heating;
- Development of potential opportunities and specific projects (abroad and in the Czech Republic) in the field of ESCO services, renewable resources, electromobility, development in the field of lithium mining and a gigafactory;
- Information on the conclusion of contracts and binding offers related to electricity and natural gas and information on the conclusion of LNG supply contracts;
- Management reports on the development of the Company's financial performance (discussion of monthly, quarterly, and annual financial results, including CEZ Group's consolidated Half-Year Report for 2022 and CEZ Group's Annual Report for 2022), and the status of domestic and foreign holdings of ČEZ, a. s., including selected financial results for the periods under review;
- Reports on CEZ Group's major investment projects, i.e., status and development of investment projects, technologies used, work schedule, issue of contractors, and budgets, including cost absorption in connection with preparing the completion of new nuclear power plants;
- Continuous development of activities related to the new nuclear power plant project in Dukovany according to the individual work streams of this project;
- Overview of the ESG ("Environmental, Social, and Governance") agenda—in particular information on key events by area, standards and methodologies, measures in place, and expected trends.

Furthermore, the Supervisory Board **debated and took note of** the following information:

- Contracts for the performance of duties as a member of the Supervisory Board and contracts for the performance of duties as a member of the Audit Committee concluded during the period under review in accordance with the contractual models approved by the General Meeting in 2022;
- Successful tender for the purchase of capacity at the LNG terminal in Eemshaven, the Netherlands, the operation of this terminal on the basis of the allocated slots, the intention to conclude a contract for the first delivery of liquefied natural gas by LNG tanker and, on an ongoing basis thereafter, other contracts concluded and the timing of gas deliveries to the Eemshaven terminal;
- Final parameters of the acquisition of Škoda JS a.s., and Middle Estates, s.r.o., through securities dealer WOOD & Company Financial Services, a.s., and the ongoing development of this acquisition;
- Expert valuation prepared by TPA Valuation & Advisory s.r.o., for the purpose of determining the value of shares representing approximately 17.39% of ŠKODA JS a.s.'s shareholding in ÚJV Řež, a. s.;
- Contractual provision of equipment maintenance for the Temelín NPP and Dukovany NPP reactor logical units for the years 2023+30;
- Completion of the acquisition of OSC, a.s., Brno, which is engaged in the supply and maintenance of simulators at both nuclear power plants and the supply of a number of other solutions;
- Planned acquisition of Project x Srl, which owns a project for the construction and operation of 7 cogeneration units in Italy;
- Conclusion of a collective performance agreement between ČEZ as a shareholder of the collective system and ČEZ Recyklace, s.r.o. as the operator of the collective system, pursuant to Act No. 542/2020 Coll. on products with expired service life;
- Selection of the contractor VF, a. s., Černá Hora, for the public contract "Long-Term Maintenance of Operability and Operation of the Radiation Control Systems at the Dukovany Nuclear Power Plant";
- Provision of additional payments to the equity of controlled companies in the period from January to December 2022, the value of which did not exceed CZK 500 million and whose implementation does not require the prior approval of the Supervisory Board;
- Acceptance and full drawdown of Schuldscheindarlehen loan agreements totaling EUR 500 million;
- Structure of income, wage-setting conditions, remuneration for meeting set targets, and the terms and conditions associated with termination of service or employment relationship with members of the Board of Directors, directors of functions, and directors of organizational units of ČEZ, a. s.;
- Status of the tender for nuclear fuel for the Temelín NPP after 2024;
- Issue of spare parts and metallurgical material supplies as a result of reassessment of risks based on the market situation and supplier capabilities, and in connection with minimizing supplies from Russia and Ukraine by means of multi-year frontloading;
- Obligations of ČEZ, a. s., and persons with management authority of ČEZ, a. s., in relation to related parties under EU Regulation No. 596/2014 on market abuse;
- Intention to subscribe for investment shares of the subfund "Inven Capital–Subfund A" by ČEZ, a. s. (hereinafter referred to as "ČEZ") for the duration of the divestment phase of the subfund "Inven Capital–Subfund A", created by Inven Capital, SICAV, a.s. (hereinafter referred to as "INVEN"), up to the amount of CZK 450 million and in this context the conclusion of the Agreement on Subscription and Issue of Investment Shares between ČEZ as the investor and INVEN, acting on behalf of Inven Capital–Subfund A, as the issuing company;
- Conclusion of Amendment 1 to the Agreement on Subscription, Issue, and Repurchase of Investment Shares of January 3, 2022 between ČEZ, a. s. and Inven Capital, SICAV, a.s., acting on behalf of Inven Capital–Subfund C, the subject of which is to enable the subscription of investment shares of Inven Capital–Subfund C also in the divestment phase of Inven Capital–Subfund C, on condition that the funds raised by this issue will be used by Inven Capital–Subfund C only for follow-on investments in the divestment phase, as well as for the payment of operating costs related to the administration of the subfund during the divestment phase.

The Supervisory Board also discussed an organizational change in ČEZ, a. s., Renewable and Conventional Energy Division, namely the establishment of the Renewables organizational unit, to which the Supervisory Board expressed a favorable opinion. Furthermore, the Supervisory Board took note of the information on approving the revision of the Work Rules of ČEZ, a. s., and the Signature Rules of ČEZ, a. s.

As already mentioned above, in the period under review, the Supervisory Board, in its new composition after last year's General Meeting, became acquainted in detail with the status and development of the **New Nuclear Power Plant ("NPP") construction project at the Dukovany site**, in particular with the content of the First Implementation Agreement on Cooperation in the Construction of a New Nuclear Power Plant at the Dukovany Site between the Czech Republic - Ministry of Industry and Trade, and ČEZ, a. s., and Elektrárna Dukovany II, a. s. ("First Implementation Agreement"), the issues of the tender procedure, permitting and licensing process, related and induced investments, notification of public support, financing and related agreements with the State, the principles of contracts for cooperation in the construction of the NPP, and the project schedule.

Subsequently, at its meeting in November 2022, the Supervisory Board took note of the information on the content and terms of Amendment 1 to the First Implementation Agreement, the subject of which is to modify the mutual rights and obligations of the parties following changes in the NPP project progress, and at the same time granted prior approval to the Board of Directors to implement the decision to conclude the above Amendment 1.

The Dukovany NPP construction project is now in the first phase: selection of the contractor and signing of the contract with the contractor. On November 30, 2022, three bids were received from the French company EDF, the Korean company KHNP, and the American company Westinghouse. The Supervisory Board was informed that mutual clarification negotiations are currently underway between representatives of ČEZ, a. s., and individual bidders.

Finally, the Supervisory Board continuously discussed with the Board of Directors the **aspects of the war conflict in Ukraine**, including the impact of this conflict and the impact of the adopted sanctions (announced by the EU, the USA, or individual countries) on CEZ Group, its technical safety, strategy and business or its customers, and on the energy security of the Czech Republic. In this context, the Supervisory Board was also continuously informed about the contractual provision of nuclear fuel supplies for the nuclear power plants in Dukovany and Temelín for the near term and in the future, about the issue of switching from TVEL fuel to alternative suppliers, and also about the solution to the technological provision of outages at both CEZ Group's nuclear power plants.

The issue of the significant reduction of natural gas supplies from Russia compared to contractual arrangements and the related issue of payments for Russian gas were also discussed. The Supervisory Board took note of the Board of Director's decision to initiate an arbitration under the International Chamber of Commerce (ICC) Arbitration Rules against Gazprom export LLC ("Gazprom"), namely a commercial arbitration for damages arising from the reduction of gas supplies in the period June to December 2022. No gas supplies have been contracted with Gazprom for 2023 and therefore the total damages do not increase further now.

In compliance with the Company's current Articles of Association, the Supervisory Board **granted its prior consent to the Board of Directors to make decisions:**

- Approval of Amendment 1 to the project plan "Preparation of EPR1 Land for Commercial Use" and its subsequent implementation;
- Approval of Amendment 1 to the merged business plan / project plan for the project "Retrofit/ Reconstruction of 0.38kV Unit Section Switchgear" at the Dukovany Nuclear Power Plant (dealing with the reconstruction of the unit self-consumption section switchgear);
- Approval of Amendment 1 to the project plan "Long-Term Heat Removal from the PG Box" at the Dukovany Nuclear Power Plant (addressing the possibility of long-term heat removal from the containment zone in the event of a potential severe accident and thus preventing damage to its integrity);
- Approval of Amendment 1 of the merged business plan / project plan "Replacement of the Heating Water Boiler at the Temelín NPP Unit Heat Exchanger Stations" (to ensure reliable heat supply to Týn nad Vltavou, České Budějovice, and Temelín NPP's own site);

- Approval of the transformation by way of a split-off through merger between the participating companies—ČEZ ICT Services, a. s., as the dividing company, and ČEZ, a. s., as the successor company;
- On the approval of the merged business plan / project plan “Ensuring the Operability of the Control System Switchboards, Excitation and Signaling of the Diesel Generator Station until 2045” at the Dukovany Nuclear Power Plant (dealing with the reconstruction in the form of a comprehensive replacement of the control system of the diesel generator station, including secondary switchboards, electrical protection, and excitation);
- The acquisition of 100% of the business share in ČEZ Recyklace, s.r.o., by ČEZ, a. s., from ČEZ Obnovitelné zdroje, s.r.o., and the subsequent transfer of the business shares in ČEZ Recyklace, s.r.o., to SOLSOL, s.r.o., and SOLAR SOLUTIONS GmbH, as acquirers, for a price corresponding to the nominal amount of the contribution of each of the acquirers relating to the transferred share, i.e. 33% of the share for each of the acquirers individually, all for the purpose of meeting the conditions for the operation of the collective system pursuant to Act No. 542/2020 Coll, on products with expired service life;
- The issue of new debt securities and/or the acceptance of new long-term loan(s) up to a total maximum nominal volume of EUR 4 billion (or equivalent in another currency), which will be realized from ČEZ, a. s. and/or may be realized by CEZ Finance B.V., with a guarantee from ČEZ, a. s., (i) the issue of debt securities under an already approved EMTN program (in the form of a public or private placement or green or sustainability bond), and/or (ii) the issue of registered securities under German law (NSV), and/or (iii) the conclusion of Schuldschein loan agreements, and/or (iv) a long-term bank loan (bilateral or syndicated);
- Repeal of the EUR 1 billion sub-limit for the issuance of registered securities under German law (NSV) approved in February 2011;
- Provision of the Company’s consent to the acquisition of a 70% stake and the call option of the acquirer to purchase the remaining 30% stake, or the put option of the seller to sell the remaining 30% stake in Project X Srl, Italy, by inewa S.r.l. of the Elevion Group, as the acquirer, and in this context to the granting of a cash premium to create equity outside the share capital by ČEZ, a. s. to CEZ Holdings B.V., for the purpose of financing the related total purchase price and the further provision of this cash premium to Elevion Group B.V., a wholly owned subsidiary of CEZ Holdings B.V.;
- The conclusion of Amendment 1 to the First Implementation Agreement on cooperation in the construction of a new nuclear power plant at the Dukovany site between the Czech Republic—Ministry of Industry and Trade, ČEZ, a. s., and Elektrárna Dukovany II, a. s. (hereinafter referred to as the “Parties”), the subject of which is the modification of the mutual rights and obligations of the Parties in relation to changes in the progress of the Dukovany NPP Construction Project;
- Acceptance of a long-term loan/loans from the European Investment Bank (EIB) for a period of up to 10 years in connection with the financing of investments in the distribution system in the Czech Republic, which will be implemented and financed through ČEZ Distribuce, a. s.;
- Approval of the merged business plan / project plan “Ensuring the Long-Term Operability of Safety Systems on the Spinline3 Platform” at the Dukovany Nuclear Power Plant (addressing the replacement of selected platform subsystems due to the end of their design life and lack of spare parts);
- Approval of the transfer for consideration of shares (17.39% of the share capital) of ÚJV Řež, registered shares issued as book-entry securities, between ŠKODA JS a.s., as the transferor, and ČEZ, a.s., as the transferee, for the price determined by an expert opinion;
- Granting the Company’s consent to the implementation of the investment project “Portfolio Bordeaux—Construction and Operation of the Nueil-sous-Faye Wind Project” to the controlled company Ferme Éolienne de Nueil-sous-Faye SAS, France;
- Granting the Company’s consent to the implementation of the investment project of Elektrárna Temelín II, a. s., in the scope according to the Business Plan of the project “SMR at the Temelín NPP Site”;
- Granting the Company’s consent to the implementation of the investment project “New Source of TAS Dětmarovice” to ČEZ Teplárenská, a. s., and in this context also to provide financing for the implementation of the investment project;

- Granting the Company's consent to the implementation of the photovoltaic investment project Deubach in northern Bavaria and, in this context, to the acquisition of 100% of the shares in Belectric SP Solarprojekte 101 GmbH & Co. KG, which will subsequently be transferred to Belectric Greenvestment GmbH (whose current name is Kofler Energies Systems GmbH) or to another company within the CEZ ESCO II group, and with the provision of cash premium(s) to create equity outside the share capital by ČEZ, a. s., to CEZ Holdings B.V., in order to finance the purchase price for the said transfer;
- Provision of a cash premium by ČEZ, a. s., to create equity outside the share capital of CEZ Holdings B.V., for the purpose of repaying the intra-group loan granted by ČEZ, a. s.;
- Dissolution of CEZ Finance B.V., a limited liability company incorporated under Dutch law, having its registered office in Amsterdam, with effect from May 1, 2023;
- Conclusion of framework agreements for the supply of DC charging stations between ČEZ, a. s., and ČEZ Distribuce, a. s., as buyers, and IBG Česko s.r.o., ABB s.r.o., and Siemens, s.r.o., as sellers (for the purpose of securing the supply of charging stations intended for the construction of the network in the Czech Republic);
- Approval of the merged business plan / project plan "Replacement of Temelín NPP Generators" (in order to ensure the long-term operability of the Temelín NPP units);
- Joint business arrangement for executing the project plans for the Dlouhé Stráně Power Plant "TG2 Generator Stator Modernization", "TG1 Generator Stator Modernization", and "TG2 Machinery Repair";
- Provision of a cash supplement by ČEZ, a. s., to create equity outside the share capital of ČEZ ICT Services, a. s. ("ČEZ ICTS"), for the purpose of its further provision; and further in this connection
- Company's approval for further provision of the above cash supplement by ČEZ ICTS to create equity outside the share capital of Telco Pro Services, a. s., for the purpose of financing the acquisition of Web4Soft Internet s.r.o., and for the purpose of its further provision by TPS to create equity outside the share capital of Telco Infrastructure, a. s. (for the construction of optical networks), and to ČEZNET s.r.o., and CERBEROS s.r.o. (for financing their operational needs).

Several times in the past period, the Supervisory Board has granted its prior consent to the Board of Directors for making decisions on changes in staff and the number of members of supervisory boards at companies where ČEZ, a. s., has a shareholding in the registered capital that exceeds CZK 500 million.

The Supervisory Board did not identify any facts that would make it express reservations about the draft CEZ Group Business Plan for 2023–2027 and the draft annual capital and operating budgets of ČEZ, a. s., and CEZ Group for 2023.

Taking into account the Company's objectives and priorities for the next period, before the end of 2022, the Supervisory Board discussed and approved the nominal tasks, including their material definition of the criteria for the remuneration of individual members of the Board of Directors for 2023.

At the same time, the Supervisory Board then set the performance indicator for the long-term performance remuneration of the Board of Directors members for 2023, which is Total Shareholder Return (TSR) with a weighting of 100%.

At its meeting in April 2023, the Supervisory Board discussed and approved the evaluation of the performance of the nominal tasks of the Board of Directors for 2022, which is decisive for the determination of their annual remuneration.

At the same time, the Supervisory Board discussed and approved the performance evaluation of the performance indicator for the long-term performance remuneration of the Board of Directors members for 2022.

Furthermore, at its meeting in April 2023, the Supervisory Board took note of the information on compliance with the corporate governance principles and in this context stated that ČEZ, a. s., complies with the corporate governance principles in its business activities and continuously fulfills its information obligations related to compliance with the corporate governance principles.



At its meeting in May 2023, the Supervisory Board expressed a positive opinion on the “Remuneration Report of the Members of the ČEZ, a. s., Bodies for the Accounting Period of 2022” concerning the members of the Board of Directors and the Supervisory Board, which was prepared in accordance with the requirement of Act No. 256/2004 Coll., on capital market business, as amended.

The Supervisory Board debated all source documents that are presented to this General Meeting, taking note of the documents presented to the General Meeting according to law and expressed its approval of the others

In compliance with Article 18(5)(c) of the Company’s Articles of Association, the Supervisory Board **reviewed** the Related Parties Report for the period of January 1, 2022, to December 31, 2022, and has **no reservations** about its contents.

As for the other items on the agenda of today’s General Meeting, I would like to inform you of the following positions of the Supervisory Board:

**On the agenda item of Approval of the Financial Statements of ČEZ, a. s., the Consolidated Financial Statements of CEZ Group and the Final Financial Statements of the company Elektrárna Dětmarovice, a.s., for the Year 2022:**

In compliance with Article 18(5)(c) of the Company’s Articles of Association, the Supervisory Board **reviewed**:

- Financial statements of ČEZ, a. s., prepared as of December 31, 2022;
- Consolidated financial statements of CEZ Group prepared as of December 31, 2022;
- Final financial statements of the company Elektrárna Dětmarovice, a.s., prepared as of December 31, 2022;

During this review, **it did not identify any shortcomings or inaccuracies** in the contents or the method of compilation or the process of audit of the financial statements and, on the basis of these facts and taking account of the independent auditor’s reports and information from the Audit Committee of ČEZ, a. s. (on the result of the audit and findings from the monitoring of the statutory audit process), it **recommends** that the General Meeting of ČEZ, a. s., approve both sets of financial statements.

**On the agenda item of Decision on the Distribution of Profit of ČEZ, a. s.:**

In compliance with Article 18(5)(c) of the Company’s Articles of Association, the Supervisory Board **reviewed** the presented proposal for the distribution of profit of ČEZ, a. s., including the decision on the payment of dividends, **and recommends** that the General Meeting **approve** it.

Ladies and gentlemen, dear shareholders, thank you for your attention.

Radim Jirout  
Chairman of the Supervisory Board of ČEZ, a. s.