CLEAN ENERGY OF TOMORROW

CEZ Group: Clean Energy of Tomorrow

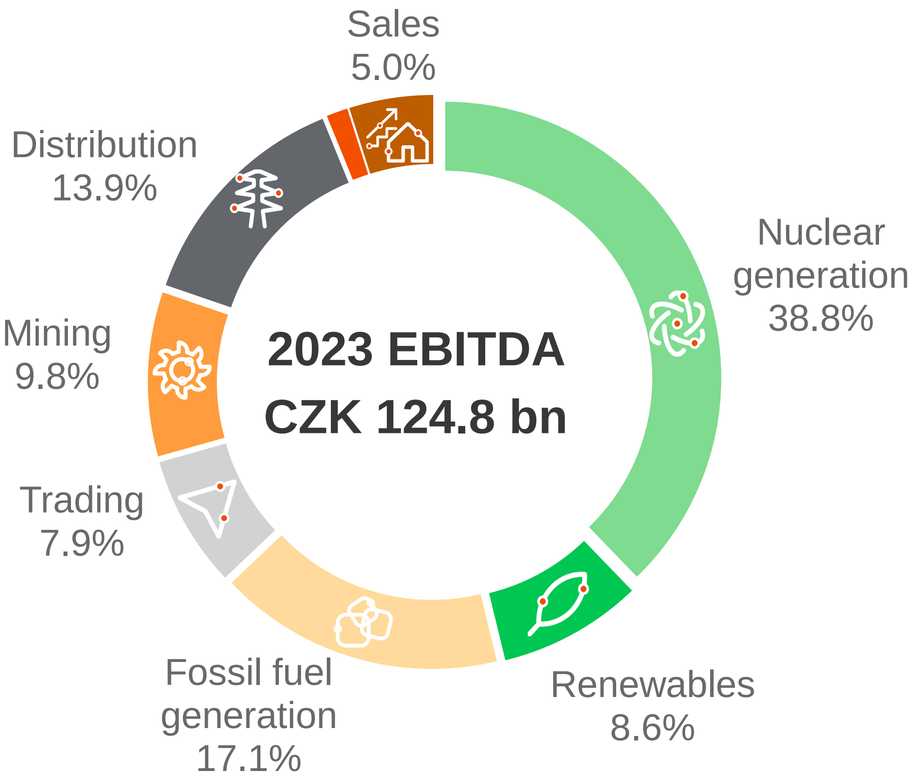
Investor presentation, 22 April 2024

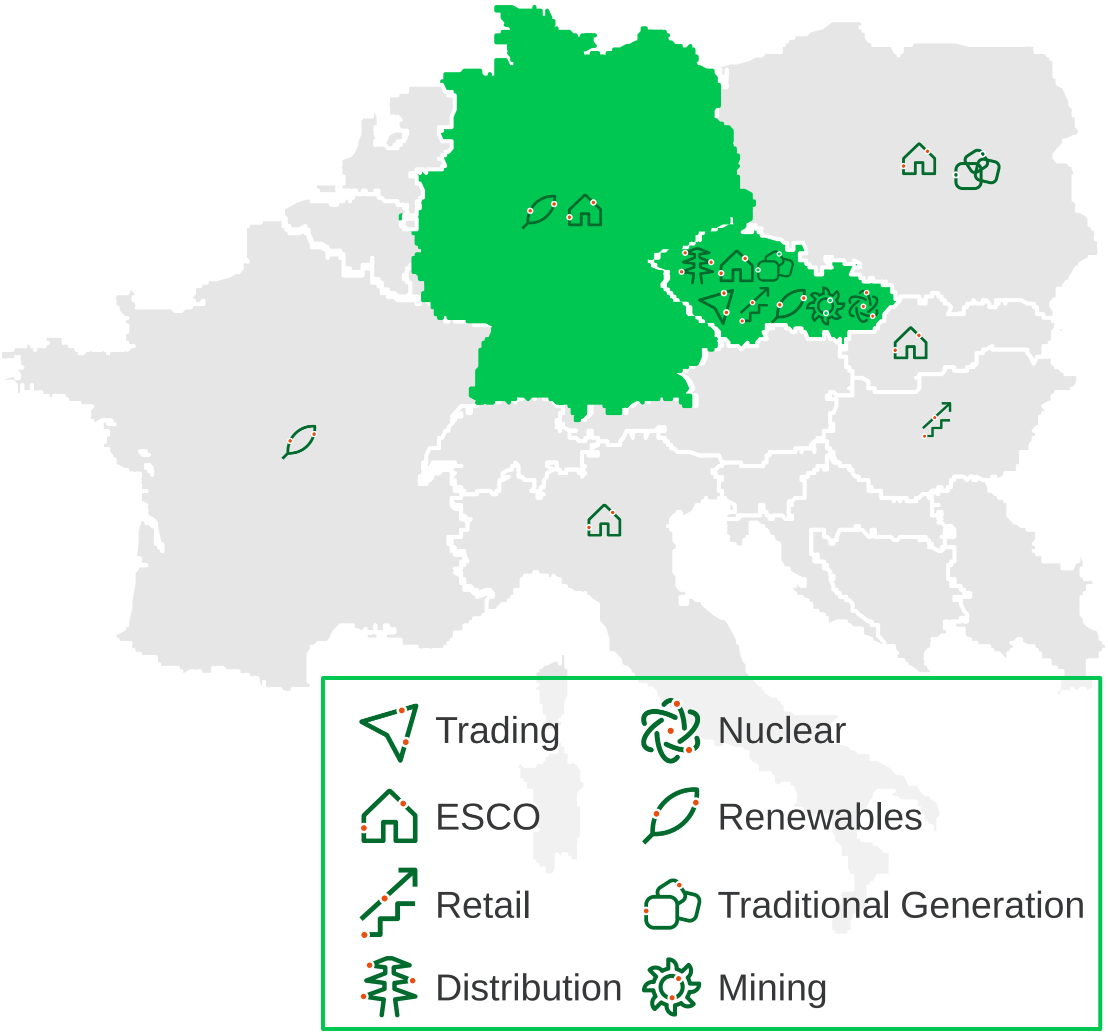
AGENDA

- **CEZ Group at a Glance**
- CEZ guidance 2024
- 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
10th largest by market capitalization*





* as of March 25, 2024

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	**54%**	**59%**		**65%**	**38%**
Volume	15.6 mil. tons	CO_2 free 33.4 TWh	Other 16.2 TWh	33.8 TWh	21.6 TWh
EBITDA in Czechia (2023)	12.3 CZK billion	57.9* CZK billion	20.5* CZK billion	17.4 CZK billion	4.5 CZK billion

* Additional CZK 9.9 billion was generated by Trading. Total EBITDA of Generation segment in Czechia amounted to CZK 88.3 bn.

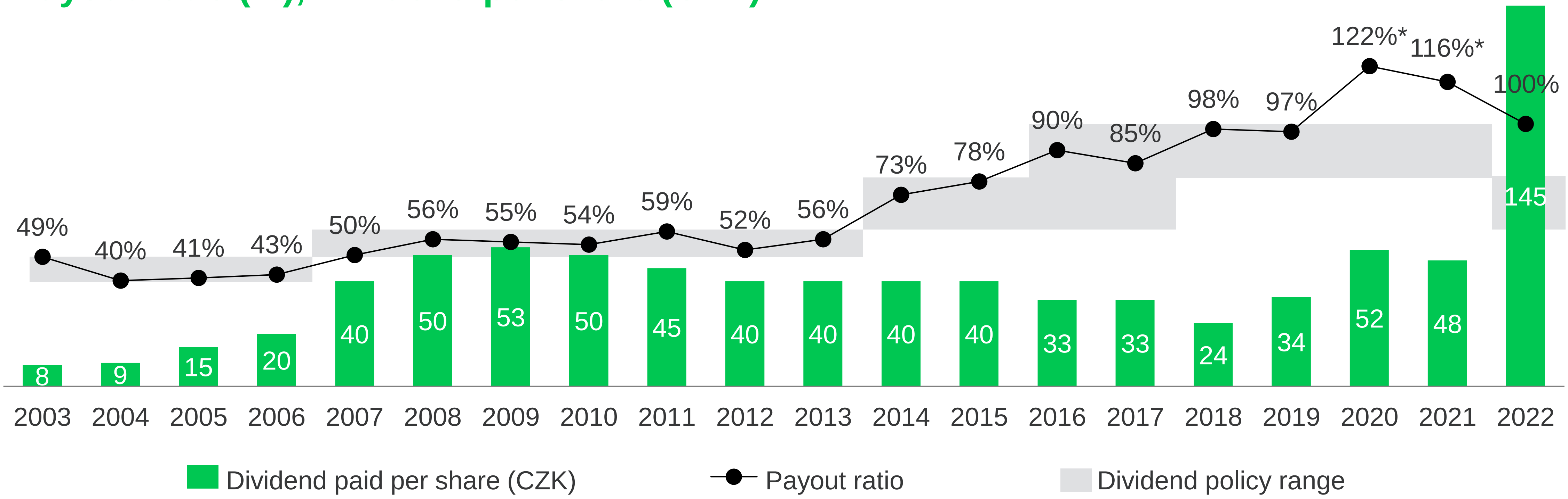
We are delivering value to our shareholders

	Delivery on guidance	High dividend payout	Strong balance sheet
2023	EBITDA CZK 124.8 billion Adj. Net Income CZK 34.8 billion	5%-6% dividend yield** CZK 39 to 52 per share	1.2x Net debt/EBITDA
Ambitions	EBITDA growth by 35% by 2030*	60-80% payout ratio	below 3.0x Net debt/EBITDA

* Growth compared to 2021 using electricity prices when strategic Vision 2030 was announced
** Assuming share price of CZK 828.5 as of Mar 25, 2024

CEZ Group regularly pays high dividends

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



Expected 2023 dividend

- **CZK 39 to 52 per share, assuming current dividend policy**

Dividend policy

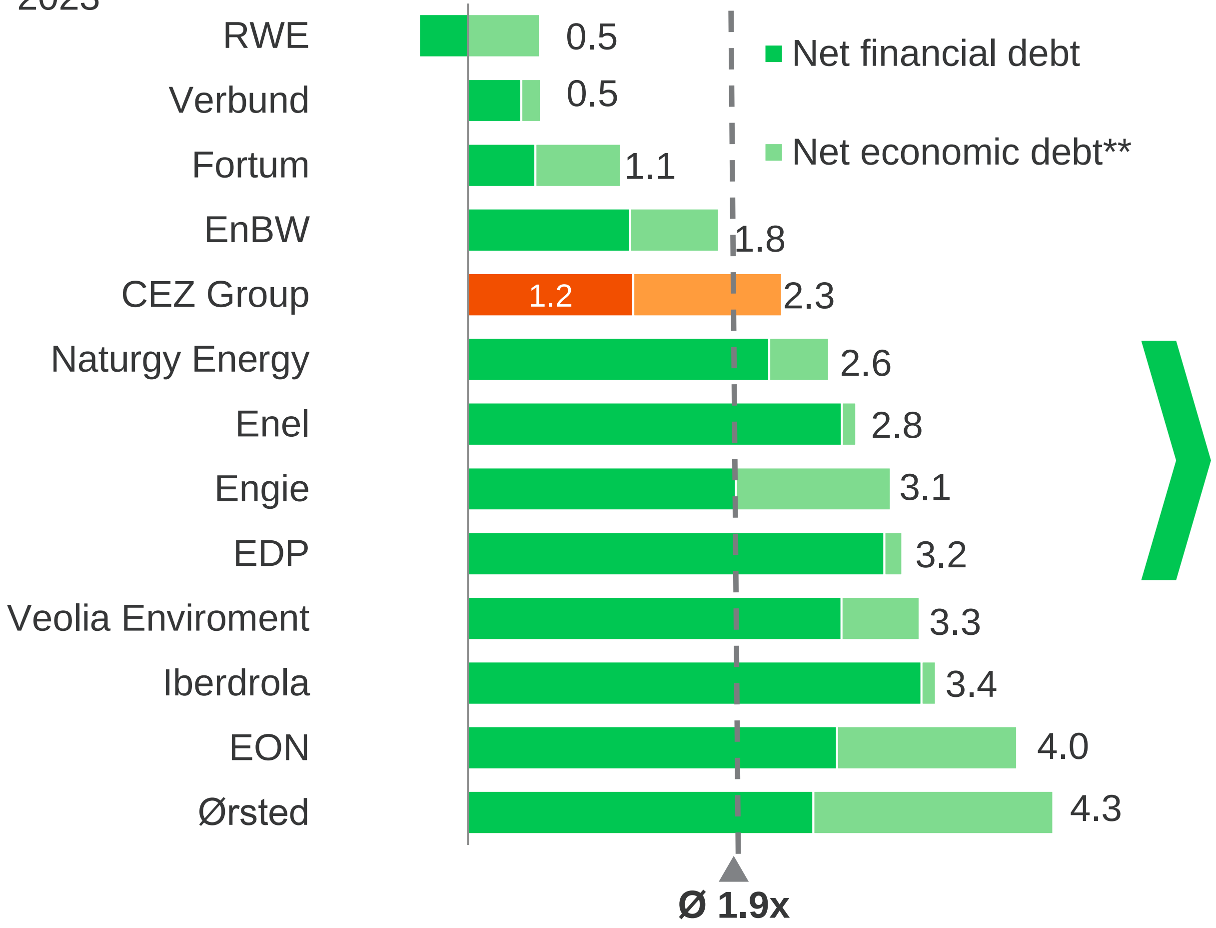
- 60-80% payout ratio from adjusted net income

* 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*

2023



Current credit rating a notch above European utilities

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

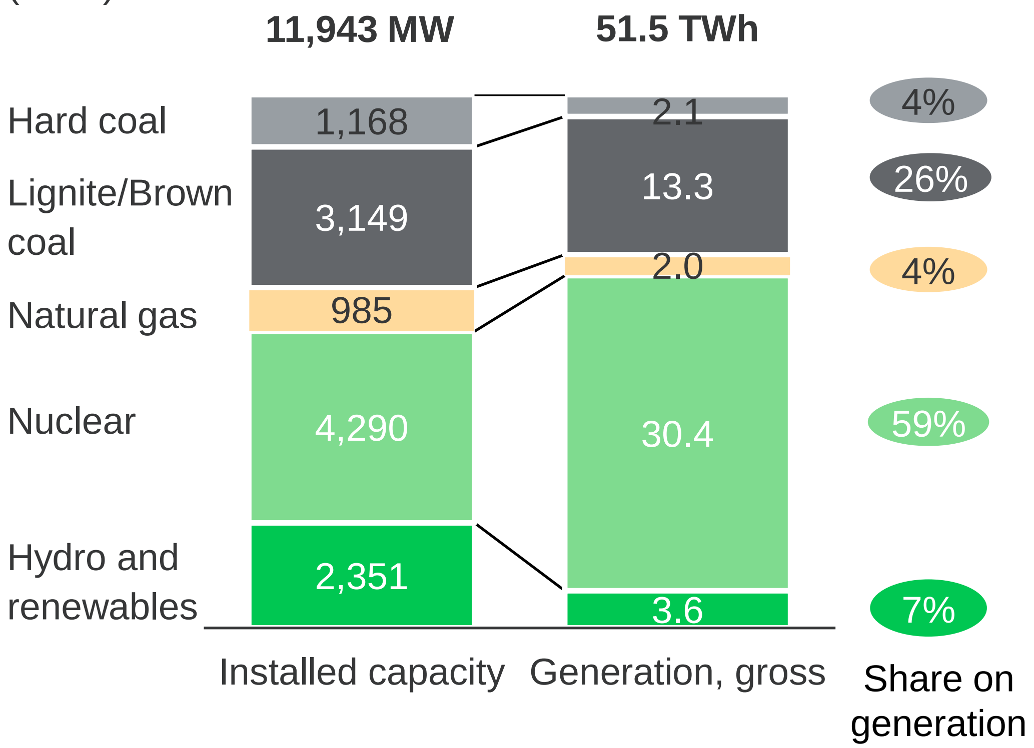
Net debt to EBITDA target: below 3.0x

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

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

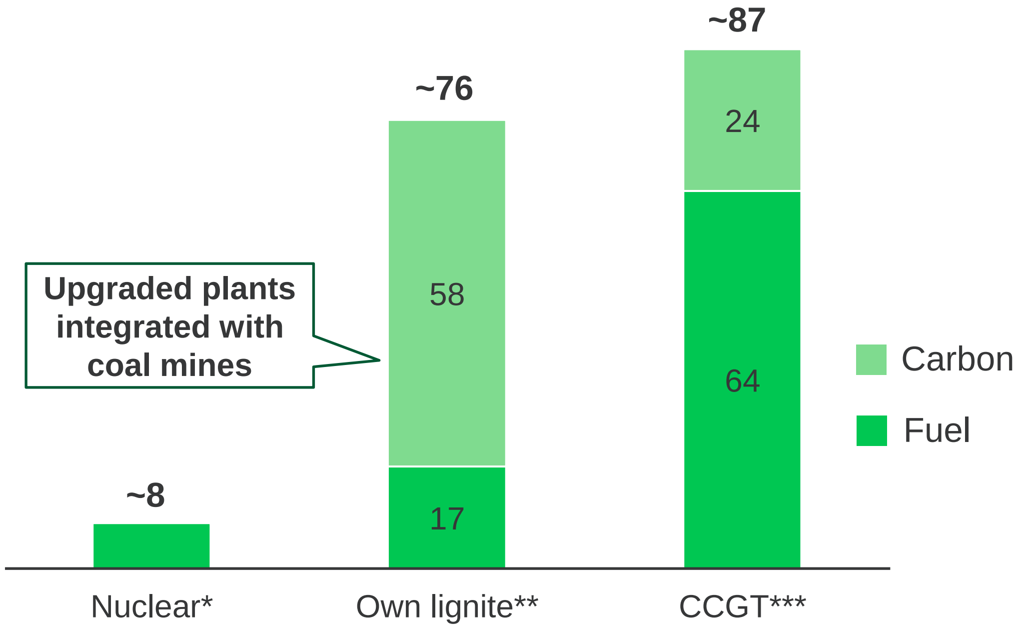
We have diversified generation portfolio

Generation capacity and volumes
(2023)



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 March 25, 2024)

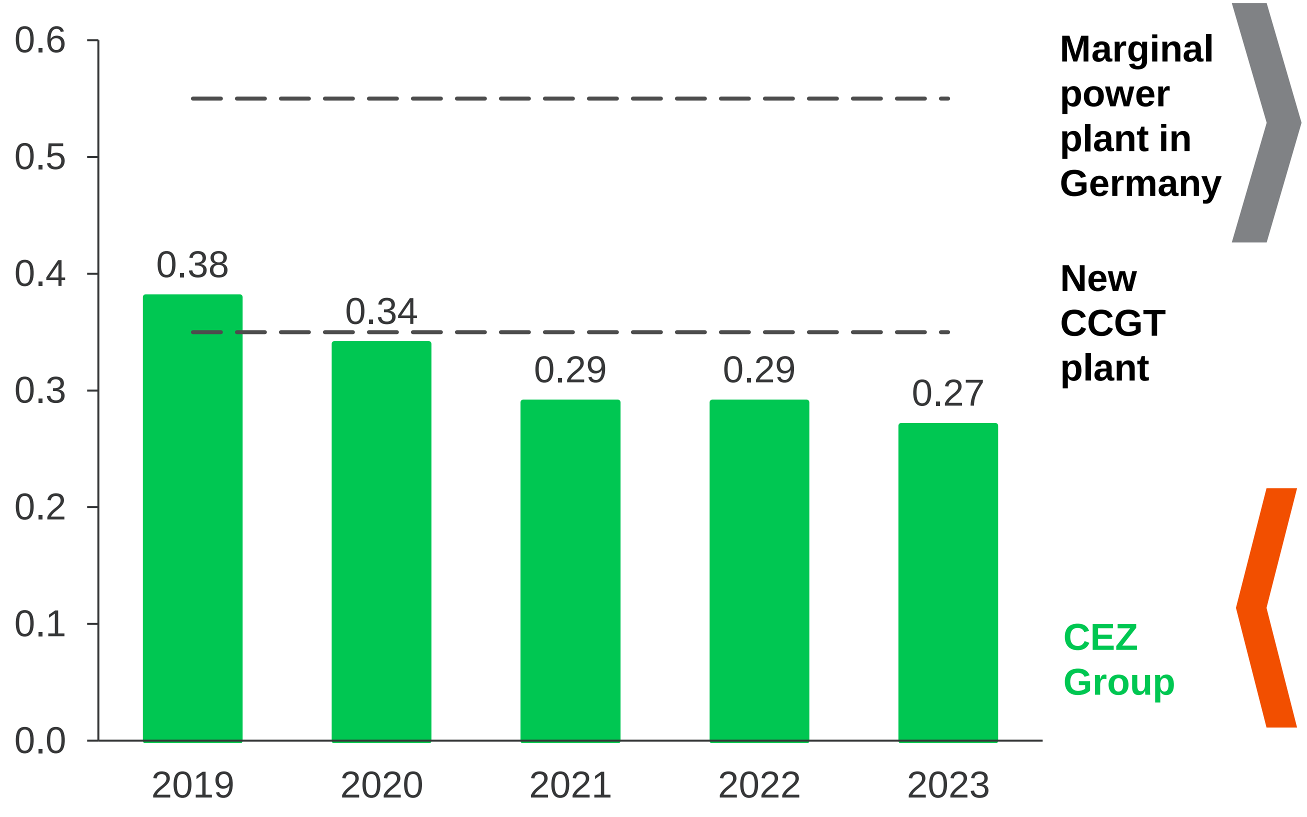


* Nuclear fuel costs + CZK 55/MWh payment for fuel storage
** Cash cost of extracting own lignite in 2024, 42% efficiency, 11.5 GJ/t calorific value, carbon allowances at 67 EUR/t
*** Natural gas at 33 EUR/MWh, 57% efficiency, 0.35 t/MWh CO_2

CEZ Group’s emission intensity declined by 29% since 2019

CEZ Group’s emission intensity

(tCO_2e/MWh of generated electricity and heat)

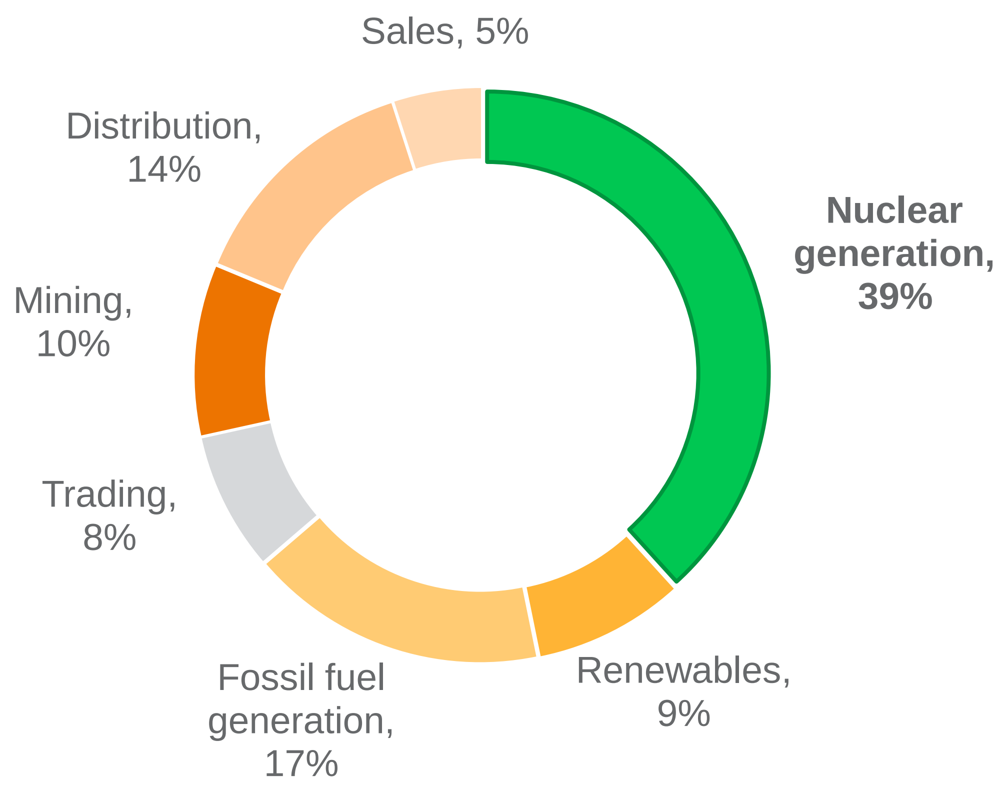


CEZ Group’s carbon intensity is **below marginal plant** and even **below new CCGT** and **therefore higher carbon prices are beneficial for profitability of our generation fleet.**

	Generation volume (2023, TWh)	**CO_2 emission intensity (2023, t/MWh)**
CO_2 free	34.0	0.00
Natural gas	2.0	0.35
Coal and lignite	15.4	0.85
Total	**51.5**	**0.27**

Nuclear plants are important profit generators with stable production volumes

2023 CEZ Group EBITDA



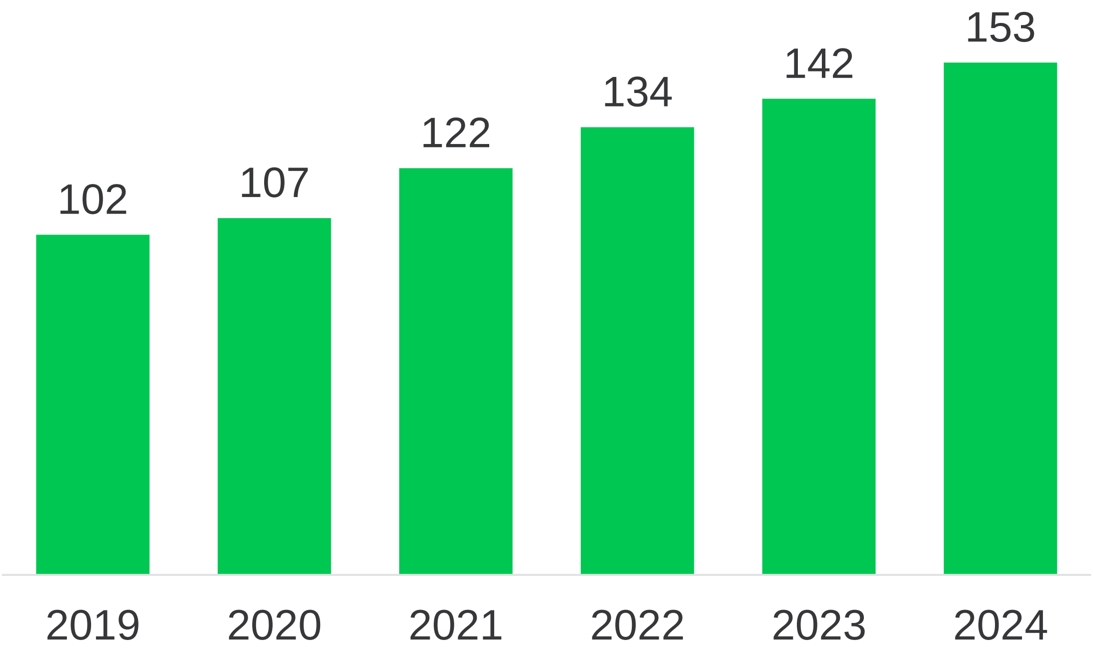
Our nuclear fleet has low and fixed costs and benefits directly from increasing power prices

- 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)

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

Regulatory asset base

CZK billion



Regulatory parameters for 2021-2025 supportive for RAB growth

- RAB will grow by 9% 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

We aim to expand our presence in regulated business by acquisition of the largest gas distributor in the Czech Republic

Basic parameters of the contract

On March 20, 2024 ČEZ signed an agreement to purchase a 55.21% stake in Luxembourg based company Czech Gas Networks, S.à r.l., which is the indirect 100% owner of:

- GasNet, s.r.o., the operator of the largest gas distribution network in the Czech Republic
- Service company GasNet Služby, s.r.o.

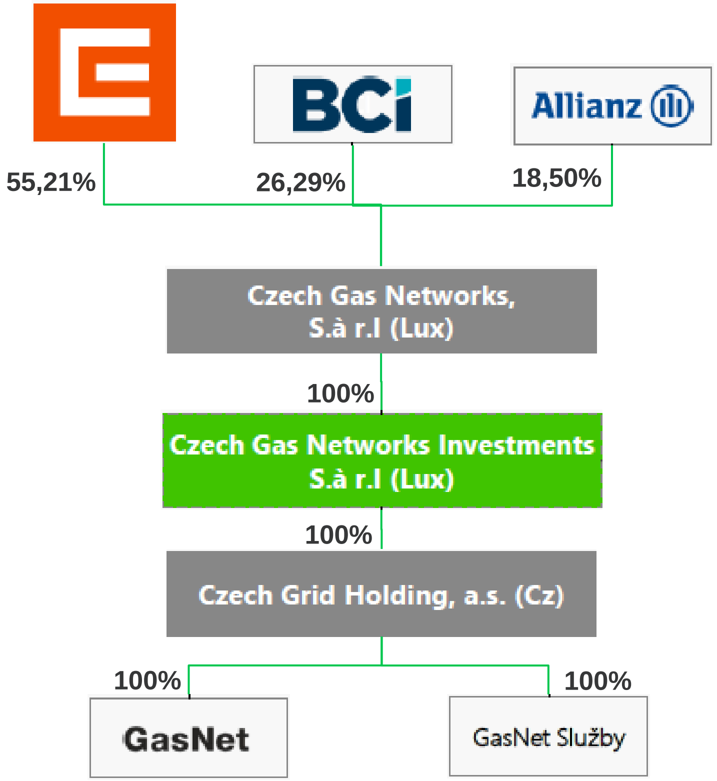
Purchase price of equity stake being acquired is EUR 846.5 million.

The completion of the transaction is subject to approval by the European Commission and the Czech Ministry of Industry and Trade.

GasNet distribution area

Basic information about GasNet

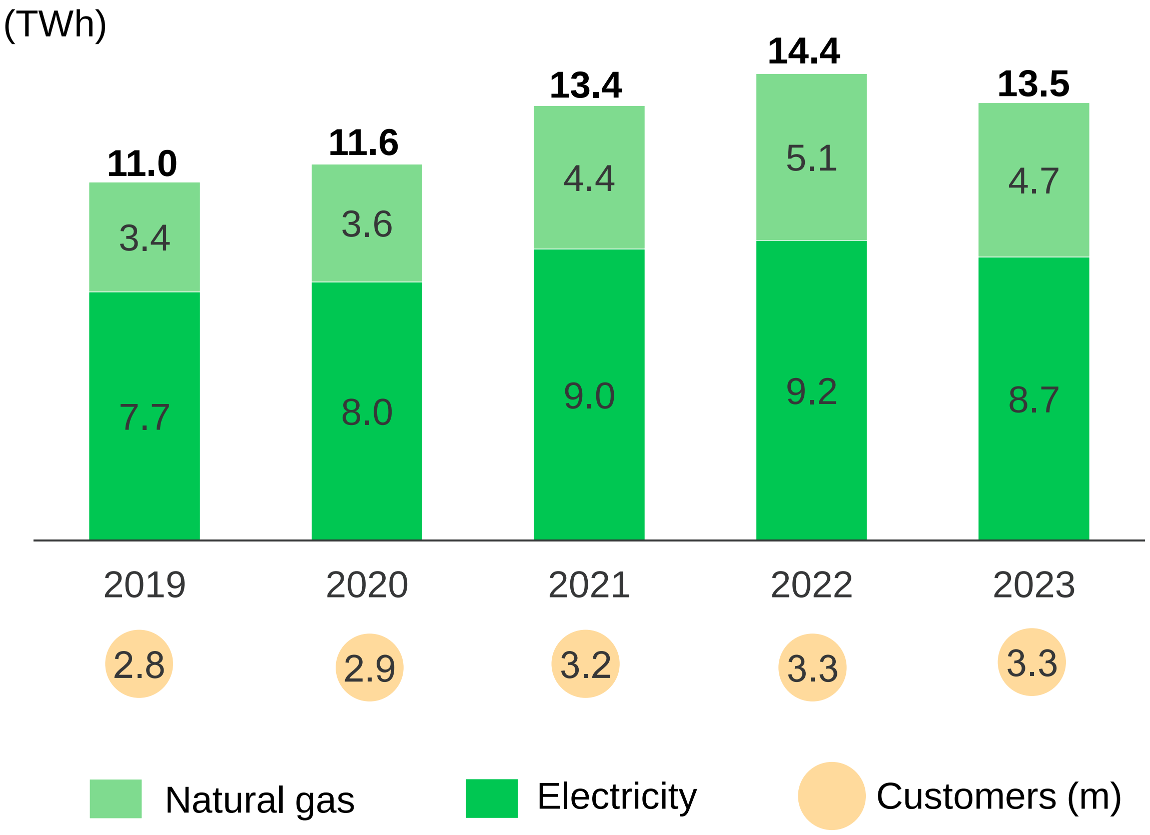
- Operator of 65,000 km gas distribution network
- Distributor of 66 TWh of natural gas per year
- Approximately 80% market share in Czechia
- 72% of network length ready for hydrogen transport
- 2.3 mil of connection points
- 2021 EBITDA CZK 10.2 bn, 2022 EBITDA CZK 9.2 bn
- 2022 RAB ~ CZK 60 bn



The diagram shows the future ownership structure of the GasNet group in case of approval of the concluded contract by the EC and the Ministry of Industry and Trade of the Czech Republic.

Our retail business provides the most cost-effective energy solutions and the best customer experience in the market

Electricity and natural gas supplied to retail customers



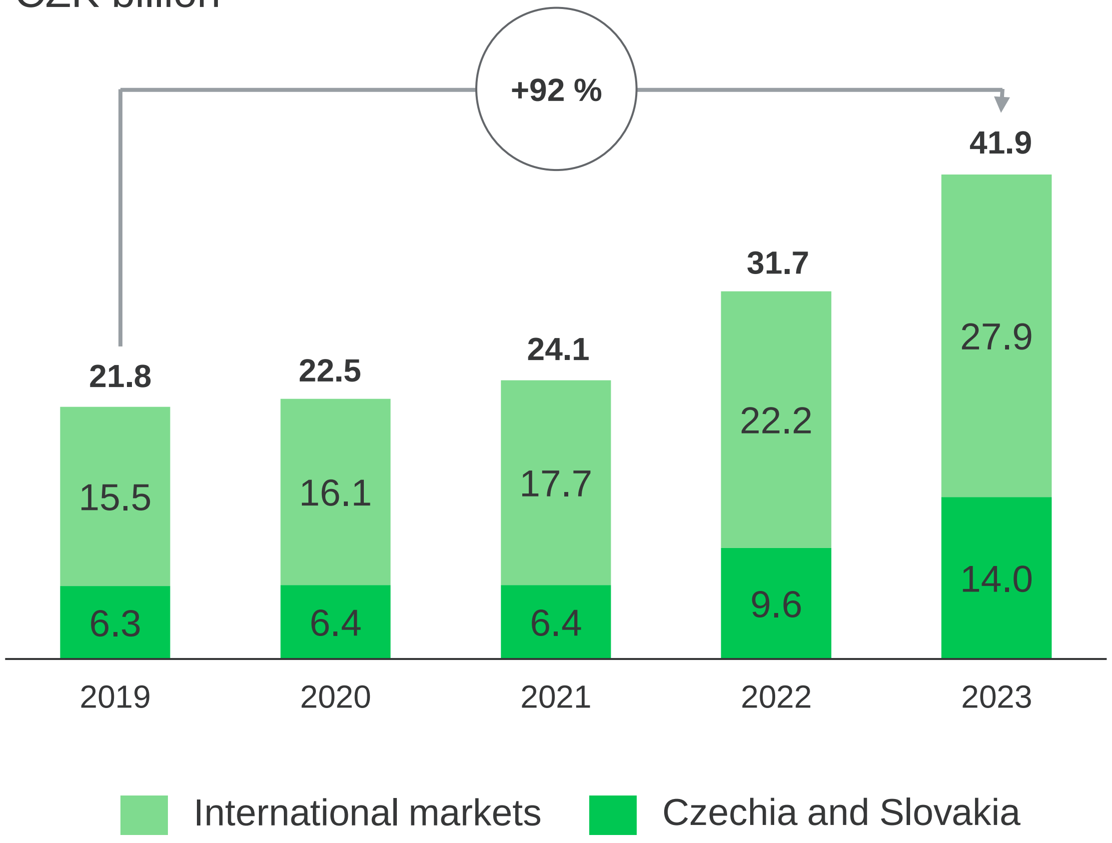
Retail defended the title of the "Most trusted energy supplier in CZ"

- Customer satisfaction indicator (CX) of more than 85% is continually improving
- "Most trusted energy supplier" in Czechia *
- Lower supply of commodities in 2023 was influenced by
  - Warmer weather. Year 2023 was the warmest on record.
  - Customer savings due to high prices

* based on an independent survey conducted with more than 4,000 respondents as a part of the 9th 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

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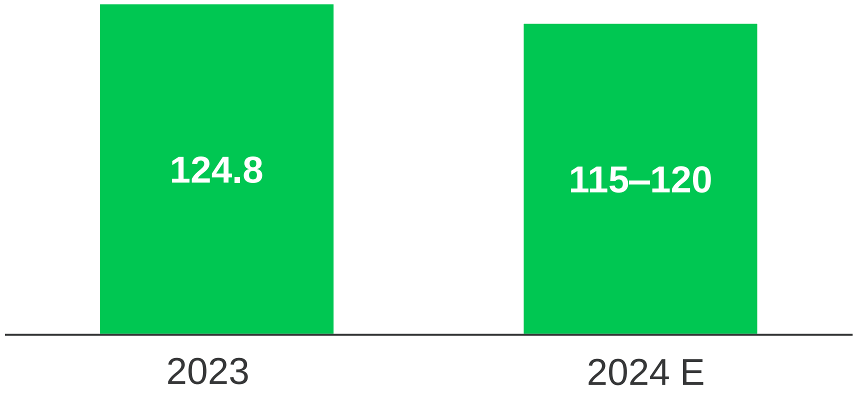
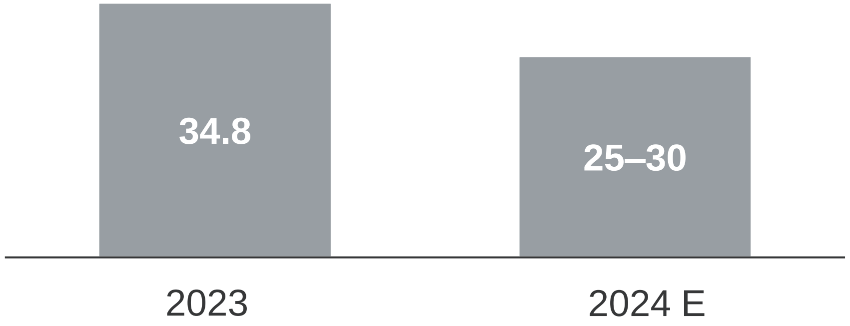
Financial Outlook for 2024:
EBITDA CZK 115–120 bn, adjusted net income CZK 25–30 bn

EBITDA* (CZK bn)



Adjusted Net Income* (CZK bn)



Selected Generation Assumptions

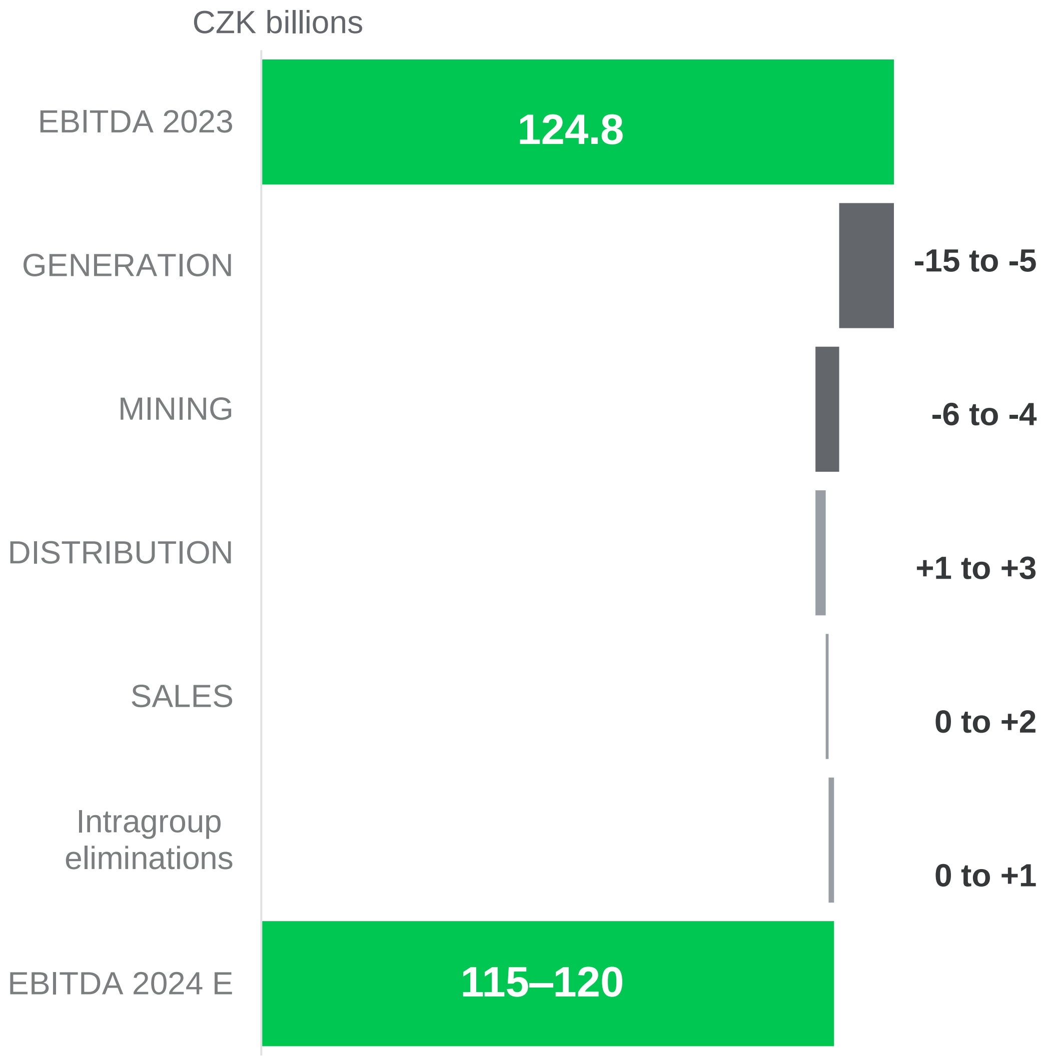
- Total electricity supply from production in Czechia of 41 to 42 TWh,
- Average realized price of electricity generated in Czechia of 130 to 135 EUR/MWh
- Acceleration of depreciation of coal-fired power plants
- Windfall tax of CZK 20–30 bn

Selected Prediction Risks and Opportunities

- Amount of windfall tax
- Availability of generating facilities
- Realized prices of generated electricity
- Profit from commodity trading and revaluation of derivatives

* The given predictions of CEZ Group's financial targets do not include the contribution of the potential purchase of a stake in Czech Gas Networks. The transaction is subject to the approval of the European Commission and the Ministry of Industry and Trade of the Czech Republic.

Expected year-on-year change in EBITDA by segment



GENERATION
- – Lower expected income from commodity trading (CZK -8 to -4 bn) due to the achievement of the 2nd highest income in history CZK 9.4 bn in 2023
- – Lower sales for ancillary services and higher purchase prices of emission allowances
- – Higher fixed operating expenses
- – Lower generation revenues due to CZK/EUR exchange rate.
- + Higher realized prices of electricity
- + Levy on excess revenues from generation in 2023

MINING
- – Lower revenues from sales of coal mainly due to lower realized prices (partially compensated by lower expenses for energy consumed during mining)
- – Higher fixed expenses

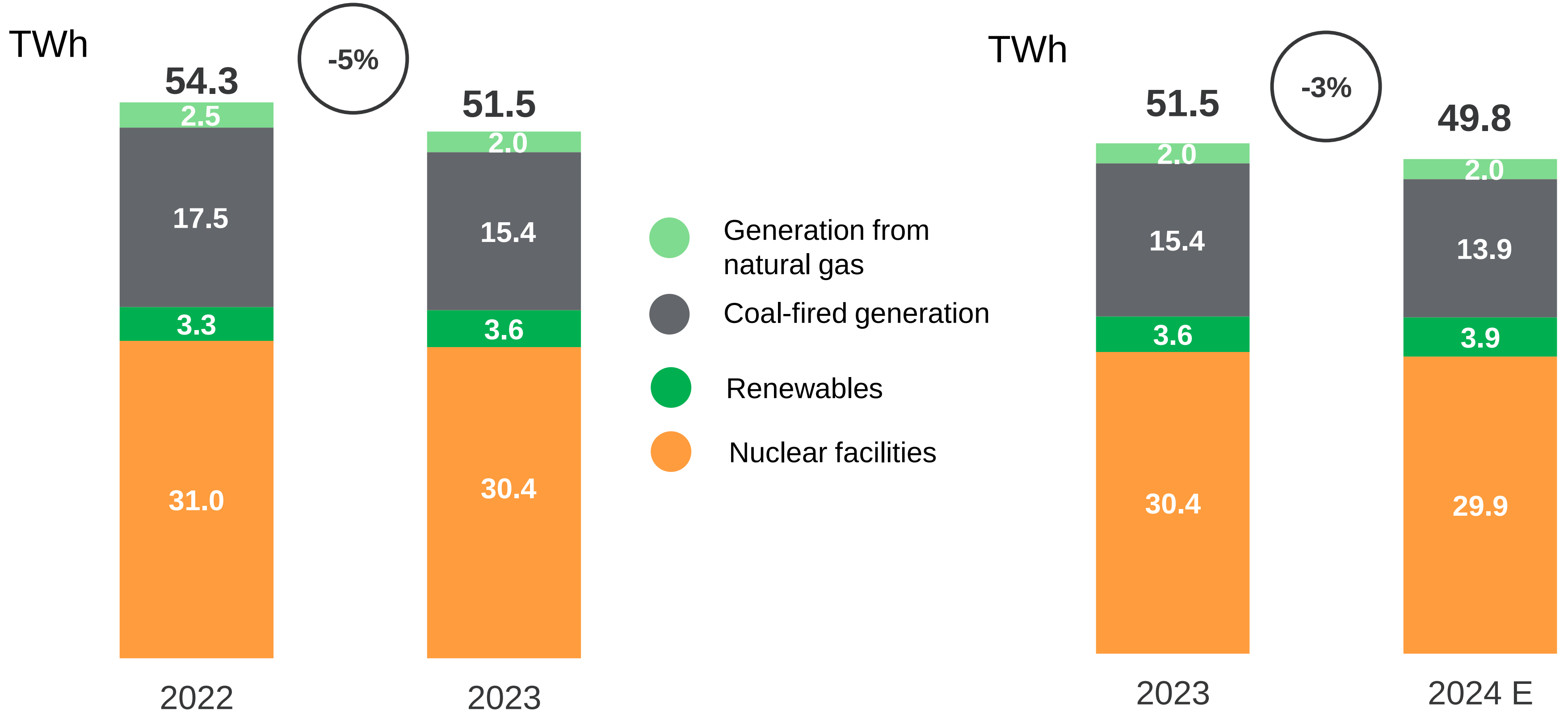
DISTRIBUTION
- + Higher allowed revenues and a negative effect of correction factors in 2023
- – Higher fixed expenses

SALES
- + Organic and acquisition-based growth in energy services
- + Sales of commodities in the retail area
- – Increased revenues from the purchase of electricity from RES in Czechia in 2023
- – Proceeds from litigation with the Railway Administration in 2023 regarding the supply of electricity in 2011

Intragroup eliminations
- – Mainly the elimination of impact of the EUR/CZK risk hedging effect of ČEZ ESCO (SALES segment) through ČEZ, a. s. (GENERATION segment), where the hedging effect is reported under foreign exchange gains and losses (outside EBITDA).

The given predictions of EBITDA 2024 do not include the contribution of the potential purchase of a stake in Czech Gas Networks. The transaction is subject to the approval of the European Commission and the Ministry of Industry and Trade of the Czech Republic.

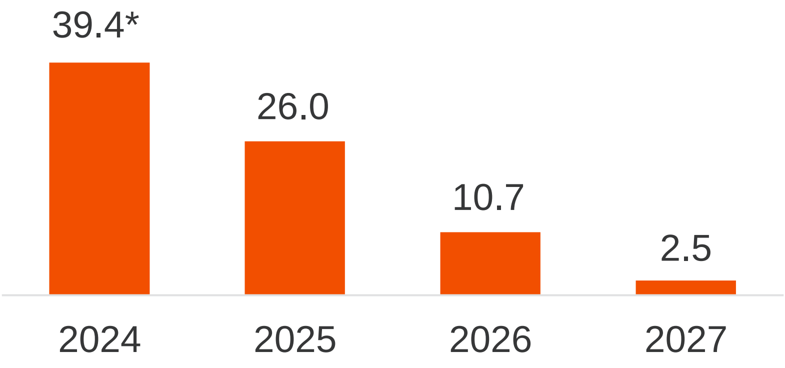
Expected electricity generation volumes



Hedging of the market risks of electricity generation in Czechia for 2024–2027

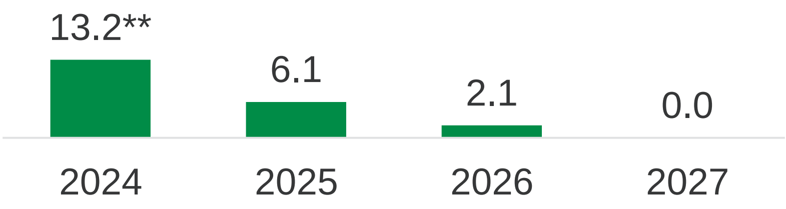
Concluded contracts as of Dec 31, 2023

Electricity sold in TWh



Electricity selling price (EUR/MWh)	2024	2025	2026	2027
	129	125	107	92

Contracted emission allowances in mil t



EUA purchase price (EUR/t)	2024	2025	2026	2027
	78**	96	97	N/A

Share of hedged expected generation as of Mar 1, 2024

2024	2025	2026	2027
~ 95%*	~ 65%	~ 29%	~ 7%

External annual supplies from electricity generation (100%) amount to 37 to 42 TWh

* The total supply of electricity from generation in Czechia in 2024 is expected to reach 41 to 42 TWh, an open position of ~ 5% of the volume of the expected supply corresponds to an open position of ~ 8% of the expected sales

** The data for 2024 also include unused emission allowances for 2023 generation in the amount of 1.4 mil t

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CEZ Group's strategy "VISION 2030 - Clean Energy of Tomorrow" has two 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 will reduce emission intensity by more than 50%** by 2030 and **increase EBITDA by 35%** by 2030*
- We have met the ambition to **be among the best 20% in the ESG rating** by 2023
- We can realize our growth strategy until 2030 while **maintaining a Net Debt / EBITDA ratio below 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:

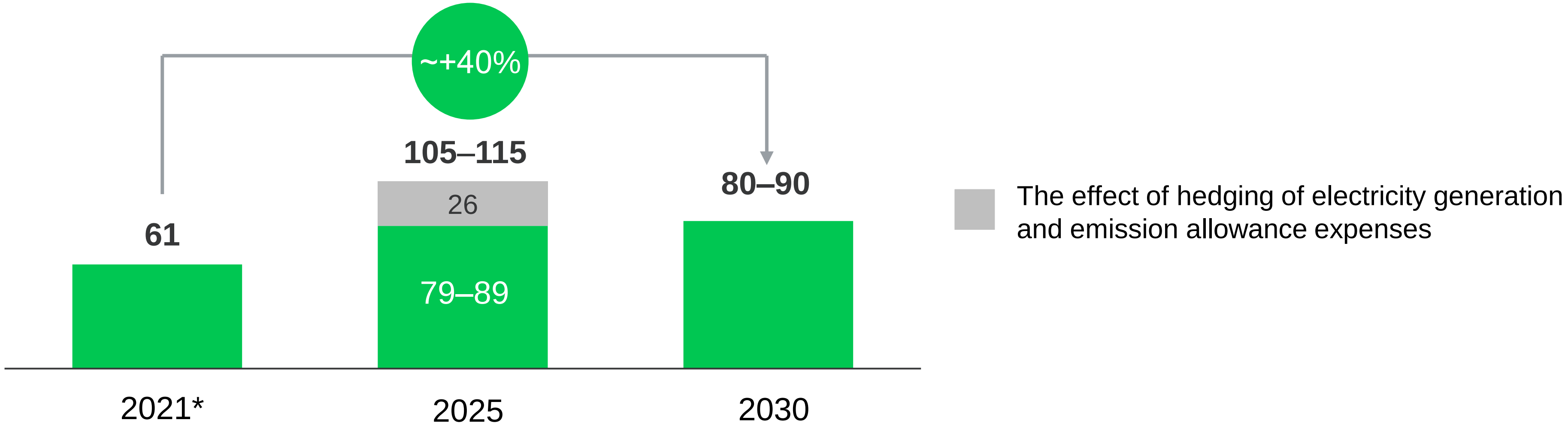
I **Decarbonize generation portfolio and reach climate neutrality**

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

The financial target of VISION 2030 to increase EBITDA by 35% compared to 2021 will be achieved despite inflationary pressures

Current EBITDA target of CEZ Group (CZK billions)



2021*	2025	2030	
55	105	70	Average realized prices of electricity (EUR/MWh)
	77	70	Electricity prices for open position** (EUR/MWh)
	58	70	Prices of emission allowances for open position** (EUR/t)

* Excluding assets sold (RO, BG)

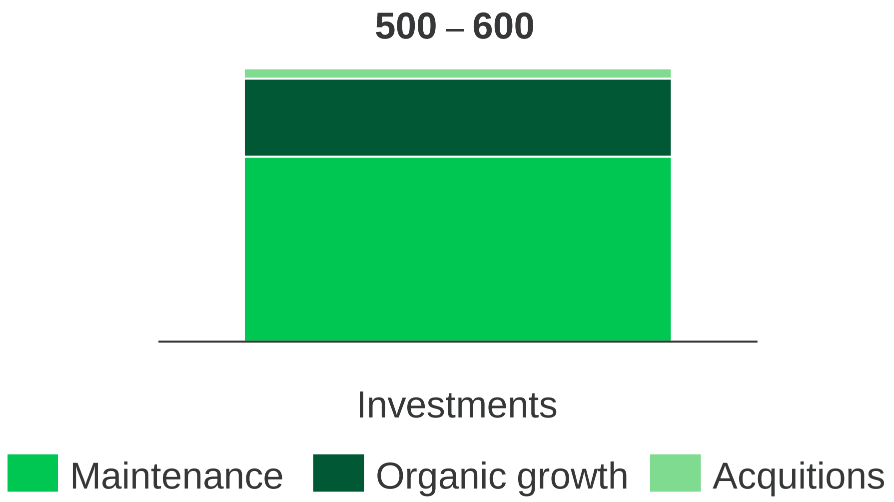
** Electricity prices for delivery in 2025 and emission allowance prices for delivery in 2025 and 2030 correspond to forward market prices from Feb 29, 2024; the electricity price for delivery in 2030 is derived by inflation extrapolation from forward market prices for delivery in 2027 from Feb 29, 2024

Note: Predictions do not include contribution of potential acquisition of Czech Gas Networks. Transaction is subject to approval of European Commission and Czech Ministry of Industry and Trade.

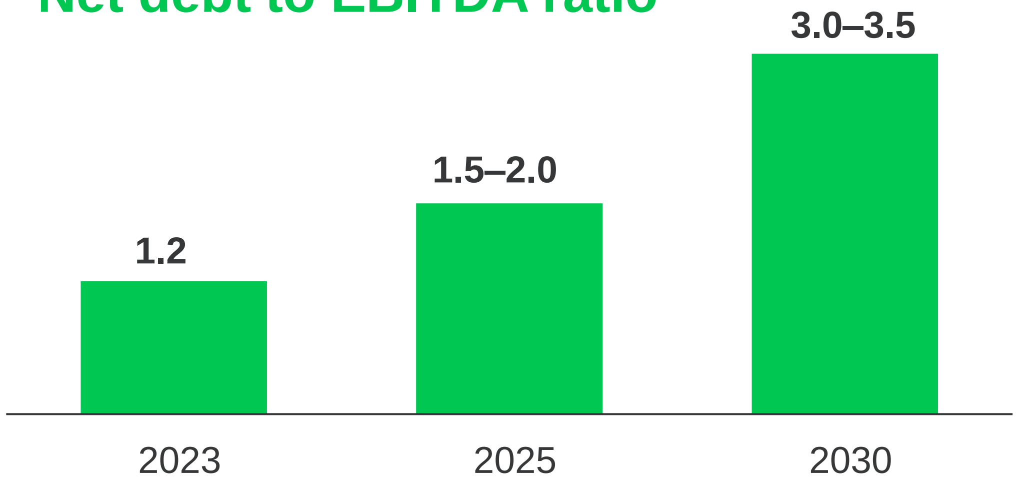
We can execute our growth strategy, pay dividends and maintain reasonable leverage

Cumulative investments 2023-2030*

CZK billion



Net debt to EBITDA ratio



Even in current market conditions we will continue to generate positive free cash flow, pay dividends and we will keep Net debt/EBITDA bellow 3.0x respectively bellow 3.5x EBITDA**

* Excluding new nuclear CAPEX in 2025-2030 due to assumed 100% state financing, excluding SMR development, lithium project, battery production and CCGTs for electricity generation. (Organic growth = new renewables and gas capacities, expansion of distribution network, Acquisitions = mainly ESCOs abroad)

** Indebtedness above the level of 3.0 will be accepted by CEZ Group only if the acquisition of the distribution company GasNet is completed. In such scenario the share of regulated EBITDA will increase, i.e. the volatility of expected cash flows will decline and therefore the maximum value of acceptable Net Debt/EBITDA indicator should increase from 3.0 to ~3.5.

Note: Predictions do not include neither CAPEX or EBITDA Czech Gas Networks. Transaction is subject to approval of European Commission and Czech Ministry of Industry and Trade.

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** 3000 MW after 2050.

Renewables

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

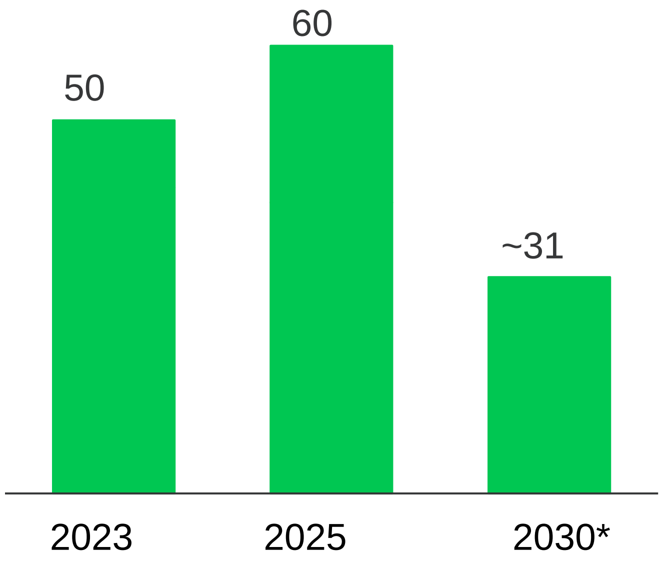
Traditional

- **We will decarbonize heating** and we will terminate coal burning in heating locations by 2030 and we will transform our coal locations to new activities.
- 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%** by 2030.

We will increase average nuclear production to ~32 TWh after 2030

Nuclear EBITDA

CZK billion



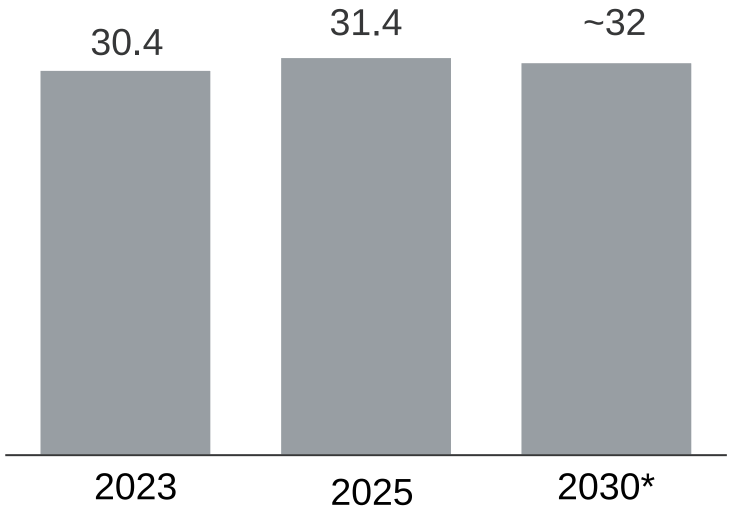
Annual CAPEX**

CZK billion, avg

2023–25	2026–30
~ 8	~ 10

Nuclear generation

TWh



Wholesale electricity prices

EUR/MWh

2023	2025	2030
126	~ 77	~ 70

We will increase production above 32 TWh

- By prolonging fuel replacement cycle
- Optimizing maintenance
- Increasing capacity by up to 50 MW
- Longer fuel cycle will result in larger swings in annual volumes, but higher volumes overall.

We implement investments with the aim of ensuring safe operation with a service life of at least 60 years

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

We will prepare for potential construction of small modular reactors (SMR) after 2050 with total capacity of 3,000 MW with the goal of starting first SMR before completion of new unit in Dukovany.

* Production volume and EBITDA in 2030 will depend on the chosen optimal timing of the fuel change in 2030-2031. From 2031 onwards, an average annual production of over 32 TWh is assumed.
** Does not include the purchase of nuclear fuel in the annual amount of CZK ~ 8 bn. Furthermore, it does not include CAPEX for new nuclear units in the years 2025-2030 due to the assumed 100% financing by the state.

I

New nuclear project is in the first preparatory stage …

Stage	End date	Expected costs* (EUR billion)	Permitting and licensing	Contract with technology supplier
A 1. Preparation, supplier selection	2024	~0.2**	EIA Site decision License for the siting	Tender process and contract signature B
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 C

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

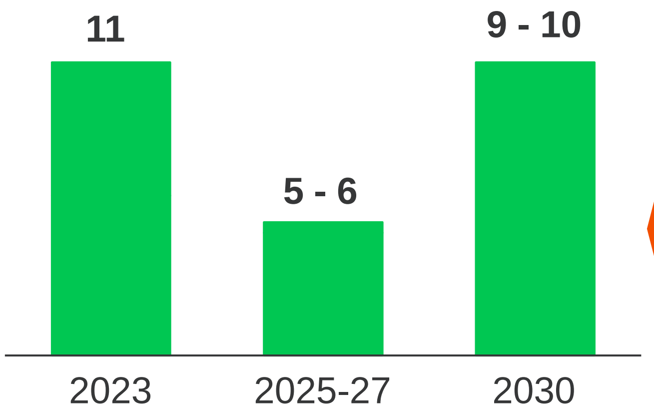
- The mechanism according to the low-carbon law will ensure adequacy of the purchase price and return (regular review after 5 years)

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 at least 6 GW of renewables capacity by 2030

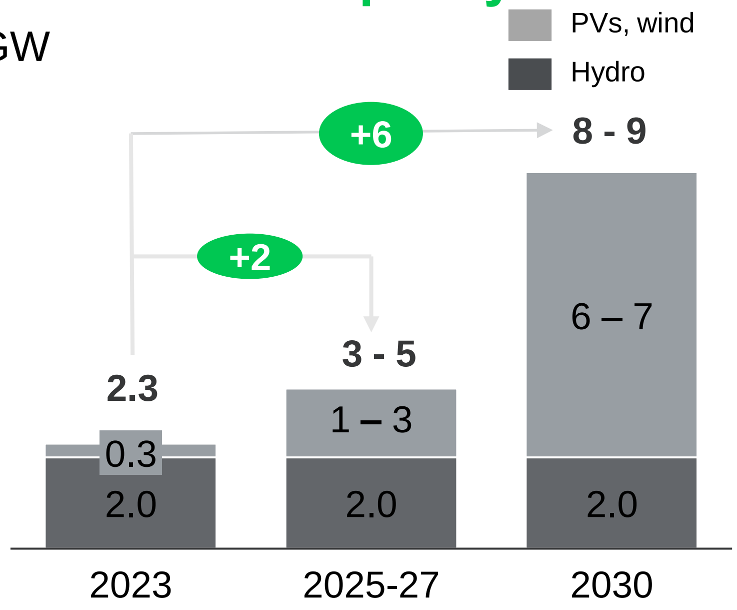
Renewables EBITDA

CZK billion



Renewables capacity

GW



Annual CAPEX

CZK billion, avg

12 - 14

2023–30

Wholesale electricity prices

EUR/MWh

2023	2025	2030
126	**~ 77**	**~ 70**

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

RES development in Czechia is incentivized by CAPEX grants from Modernisation Fund.

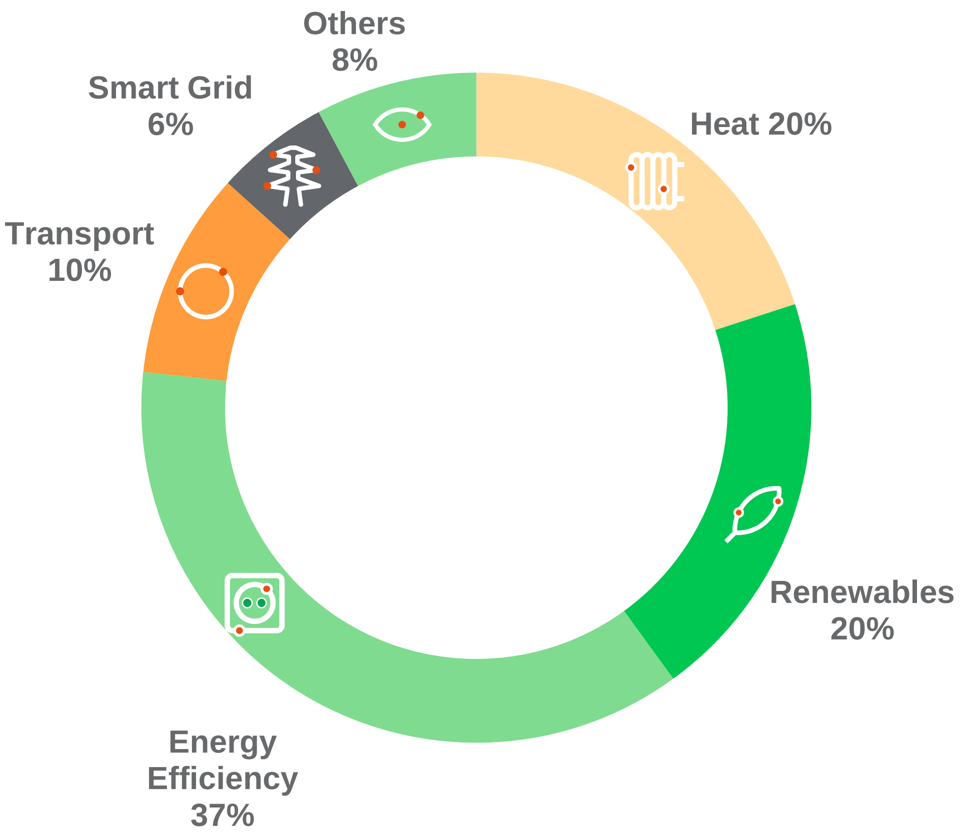
The speed and scope of the construction of new renewables is highly dependent on the conditions of support, grid connections, the speed of construction and zoning decisions and on the market conditions for operation of the prepared RES sources.

Project portfolio also includes several locations abroad, mainly in Germany and France, which were acquired or gained by own development.

We will increase storage capacities to above 300 MWe

Development of photovoltaics in Czechia depends on support from Modernisation fund

Indicative allocation from Modernisation fund to different grant categories



Support of renewables from Modernisation Fund

- In 2021–2030 **CZK ~100 billion* is available** for grants to support projects of new renewables
- 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

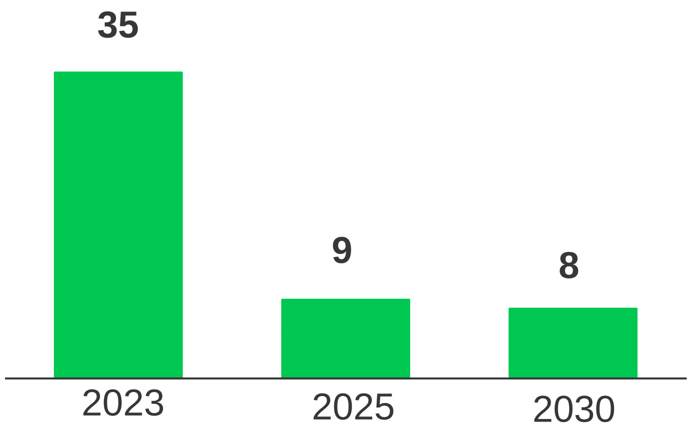
- In 2022 subsidy of CZK 1.0 bn awarded for 17 projects with 173 MWp capacity.
- In 2023 subsidy of CZK 3.1 bn awarded to 24 projects with 728 MWp capacity.
- Deadline for submitting projects to the next auction is Sep 10, 2024

* Total project allocation from Modernisation Fund amounts to CZK 500 bn
** 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



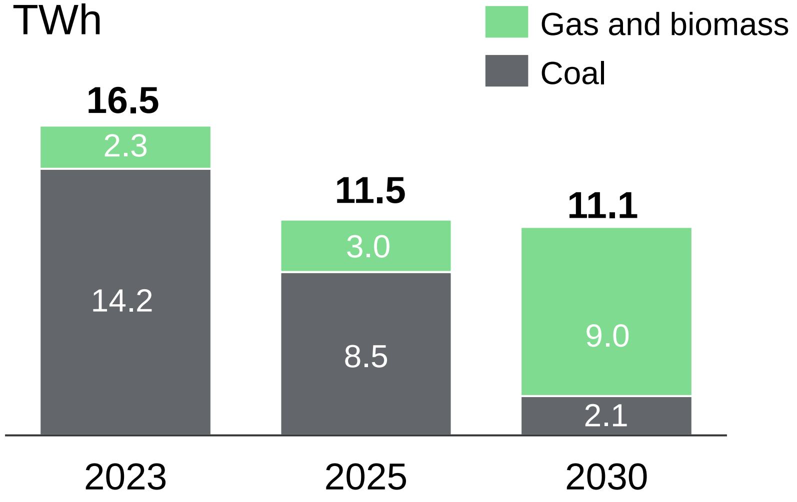
Annual CAPEX*

CZK billion, avg

2023–25	2026–30
~ 9	~ 9

Coal, gas and biomass generation

TWh



Coal and gas

GW

	2023	2025	2030
Gas and biomass	1.2	1.2	2.6
Coal	3.6	3.0	2.2

The preparation and construction of gas heating plants and the design of the complex decarbonization of the production portfolio are in progress.

We adapt the operation of coal-fired power plants to the situation and developments on the commodity market.

Newly built gas-fired power plants and heating plants will be hydrogen ready

2030 EBITDA is generated solely by gas and biomass plants when using the market assumptions as of Feb 29, 2024.

* In 2026-30 period average Capex includes CZK 7.5 bn into refurbishment and construction of new gas and biomass units. It excludes capex related to contemplated gas plants for electricity generation.

CEZ Group plans to increase generation in renewables, nuclear and natural gas as transition from coal in heating

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 2050** with total capacity of **3,000 MW** with the goal of starting **first SMR before new nuclear unit in Dukovany.**

Renewables

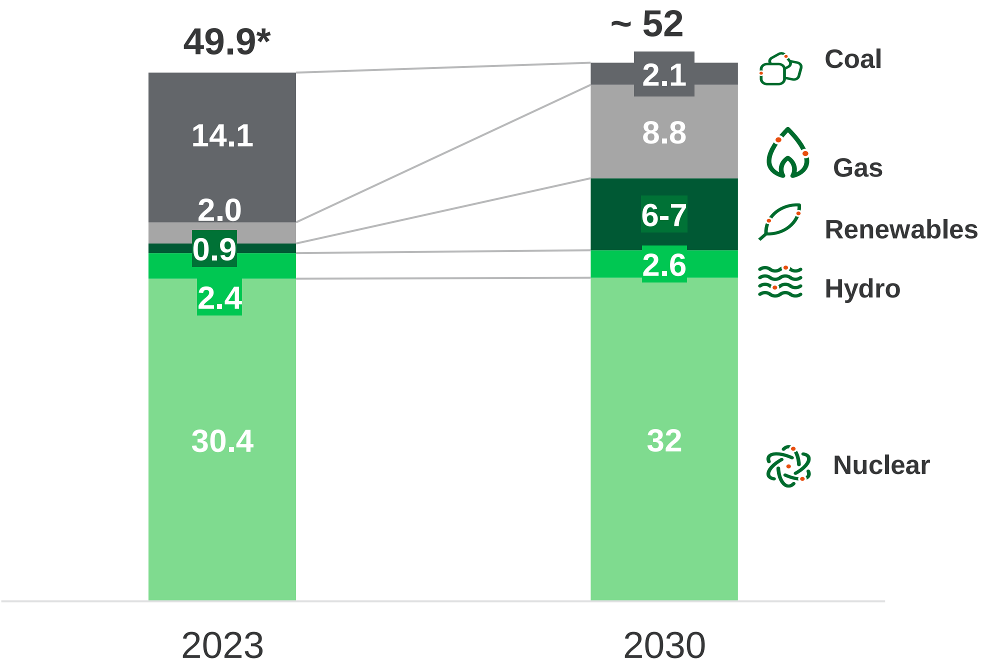
- We will build **over 6 GW renewables by 2030.**
- **We will increase installed capacity of electricity accumulation** to at least **300 MWe** by 2030.

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

(in TWh)



CO_2 free generation (v %)

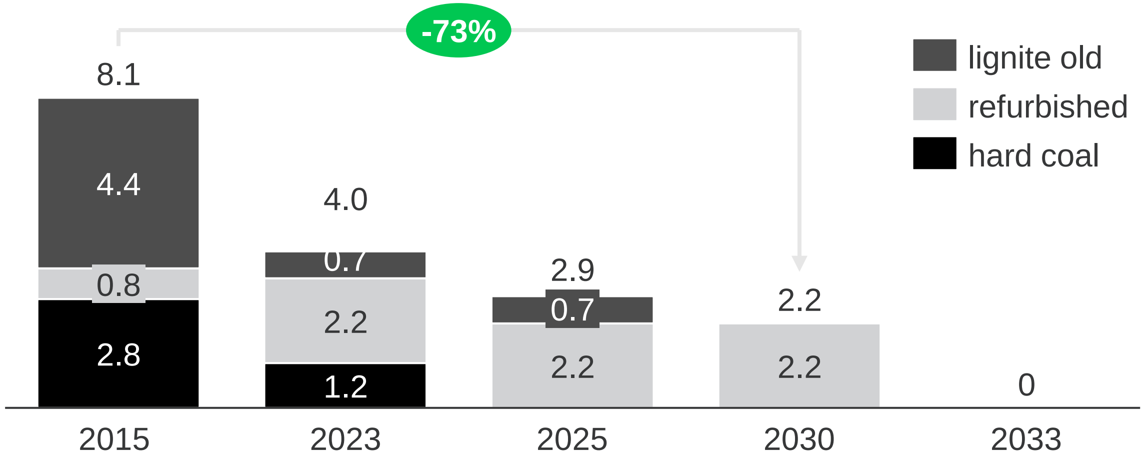
2023	2030
68%	79%

 * excluding Polish assets

We will reduce share of coal generation to 12.5% in 2030, and fully exit coal by 2033

Expected development of installed capacity in coal

GW



Share of coal related revenue * (%)		
19%	~ 11%	~ 2%
2023	2025	2030

Share of coal on generation (%)		
30%	~ 19%	~ 4%**
2023	2025	2030

Coal fired power plants are being gradually closed

- No new coal capacity investments commitment
- Coal capacity was reduced by 1,719 MW in 2020, further 500 MW has been closed in 2021.
- We will **terminate coal** burning **in heating locations by 2030**.
- **We are committed to fully exit coal by 2033** in line with draft National Energy and Climate Plan approved by the Czech Government in October 2023
- Current market conditions indicate end of operations of all coal plants already by 2030.

Coal extracted is mainly used in own power plants and declining

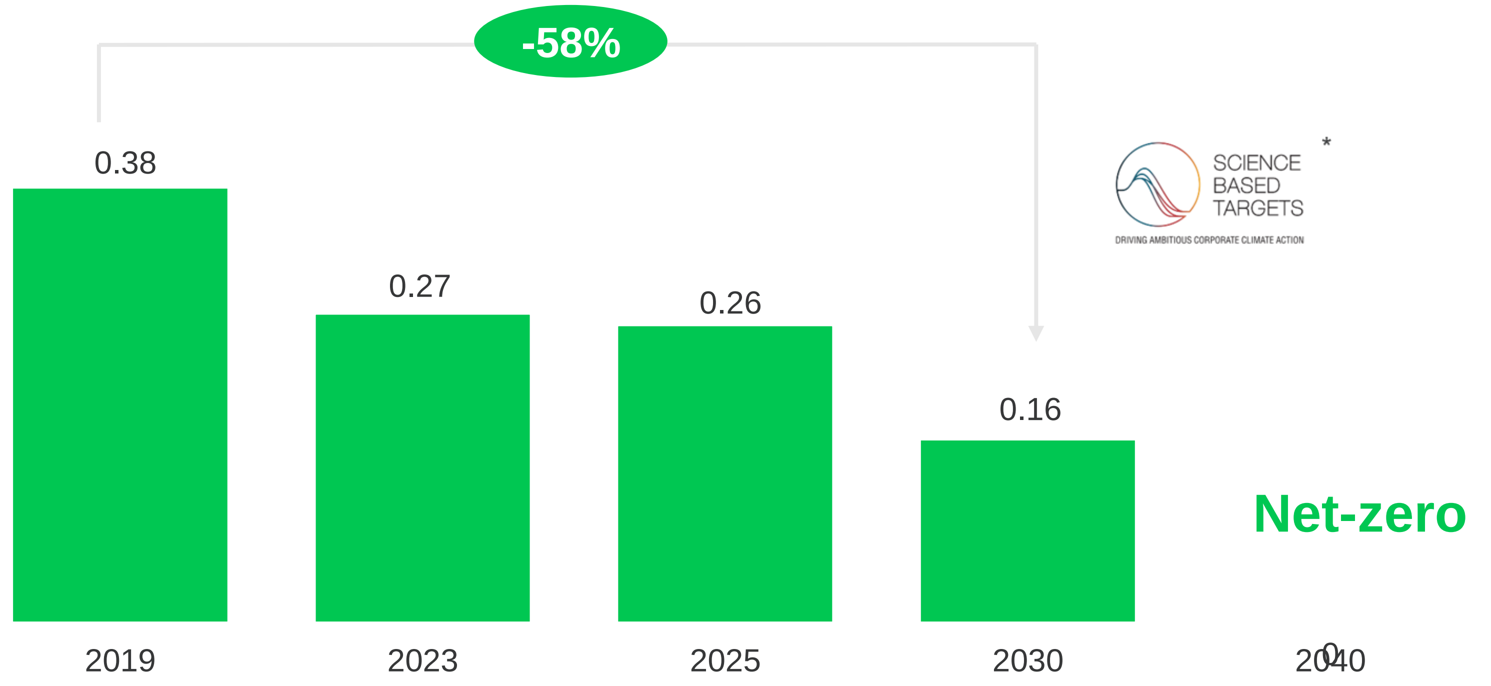
- Extraction of coal amounts to 17 mil tones per year, out of which 25% is sold externally
- Volume of extracted coal is expected to decline significantly until 2030 reflecting the reduction of external demand.
- **Termination of coal mining linked to closure of coal plants i.e. by 2033.** This is much earlier than depletion of coal reserves.

* Share of sales of electricity, Sales of heat sales and revenues from externally sold coal on consolidated revenues
** Under current market conditions.

We will achieve climate neutrality by 2040

Reduction of CEZ Group’s CO_2 emission intensity

t CO_2e/MWh, Scope 1&2



* CEZ Group commits to reduce scope 1 and 2 GHG emissions 50% per MWh by 2030 from a 2019 base year (in line with a well-below 2°C trajectory) and to achieve climate neutrality by 2040 (in line with a well-below 1.5°C trajectory)

The VISION 2030 target of achieving climate neutrality by 2040 has been validated by the SBTi as consistent with the long-term net-zero target.

Climate neutrality by 2040 in line with 1.5 °C scenario of **Paris agreement, 2030 target in line with** well-below 2 °C scenario

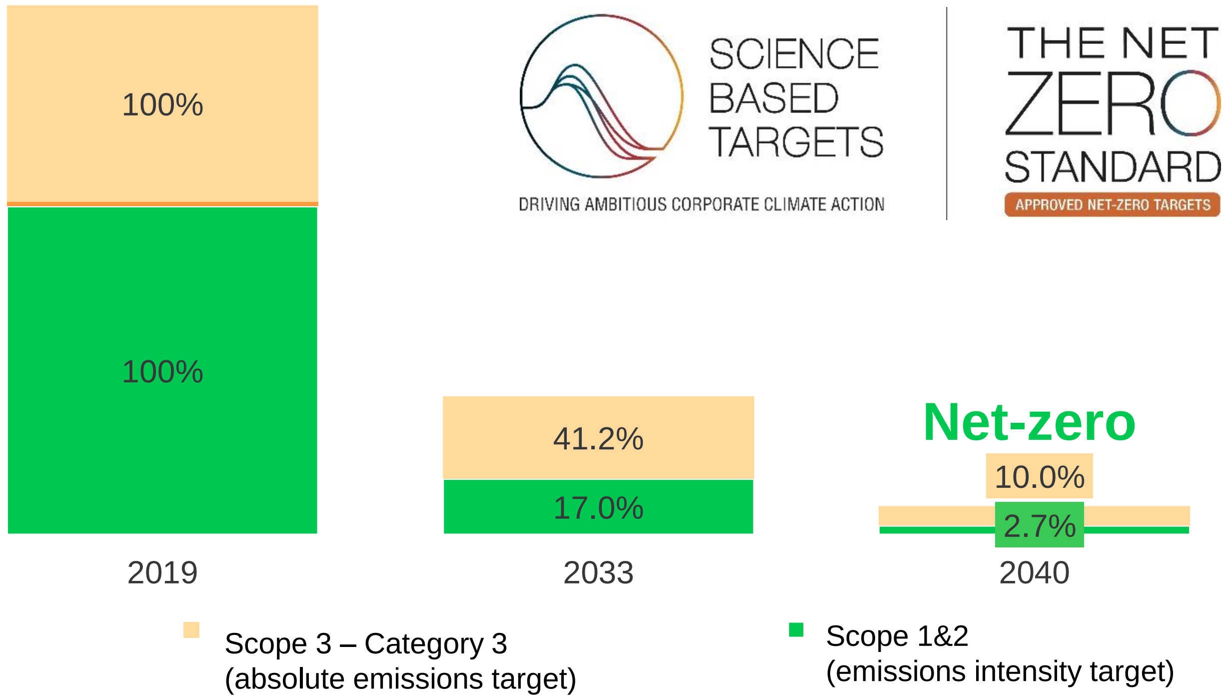
We will not use carbon offsets to achieve our 2030 decarbonisation goals.

CAPEX plan fully aligned with this decarbonization pathway

CEZ's near and long-term science-based emission reduction targets were approved by the SBTi

GHG emissions reduction targets across all scopes

t CO_2e/MWh



* The target boundary includes land-related emissions and removals from bioenergy feedstocks.

- **Overall Net-Zero Target** CEZ Group commits to reach net-zero GHG emissions across the value chain by 2040 from a 2019 base year (**in line with** 1.5 °C scenario of **Paris agreement**).
- **Near-Term Targets** CEZ Group commits to reduce scope 1 and 2 GHG emissions 83% per MWh by 2033 from a 2019 base year*. CEZ Group also commits to reduce absolute scope 3 GHG emissions from use of sold products 58.8% within the same timeframe.
- **Long-Term Targets** CEZ Group commits to reduce scope 1 and 2 GHG emissions 97.3% per MWh by 2040 from a 2019 base year*. CEZ Group also commits to reduce absolute scope 3 GHG emissions from use of sold products 90% within the same timeframe.
- We will achieve **climate neutrality** by using offsets for residual emissions in 2040.

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.**

ESCO

- **We will build** infrastructure for **e-mobility** – we will quadruple charging capacity and we will operate at least 800 stations by 2025.
- 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 39-40%.

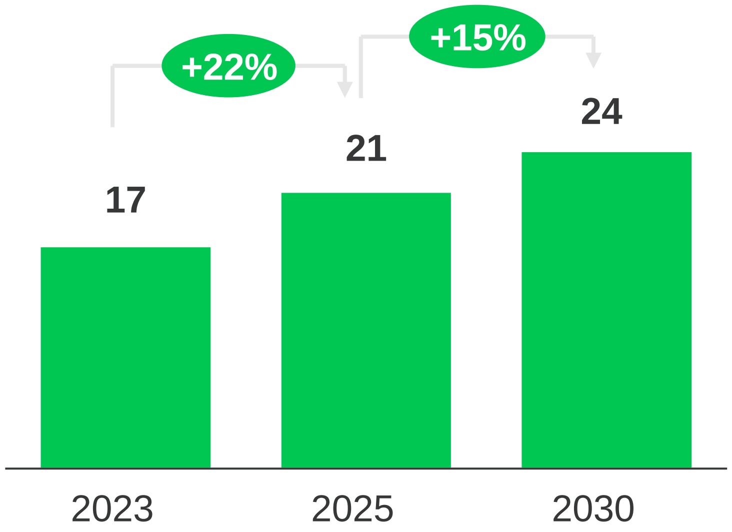
New segments

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

We will build smart digital electricity grid

Distribution EBITDA

in CZK billion



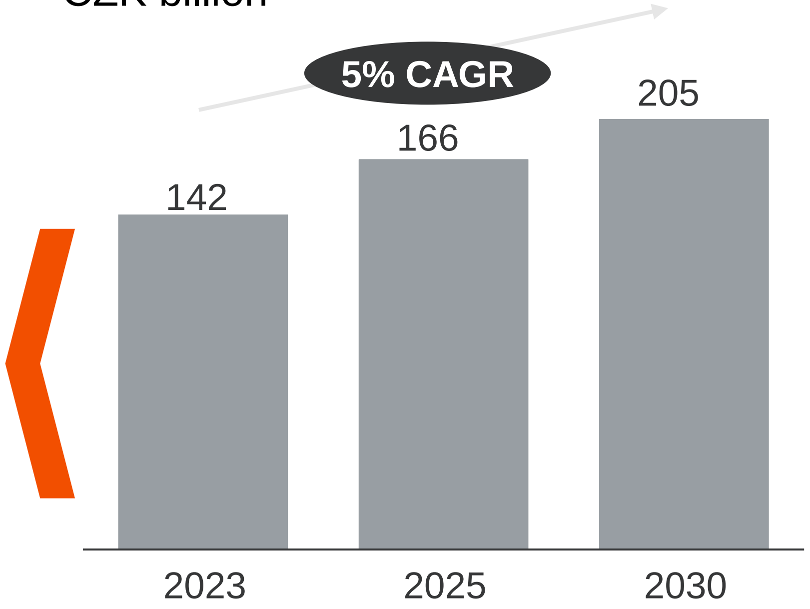
Annual CAPEX

CZK billion, avg

2023–25	2026–30
17–19	~19

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

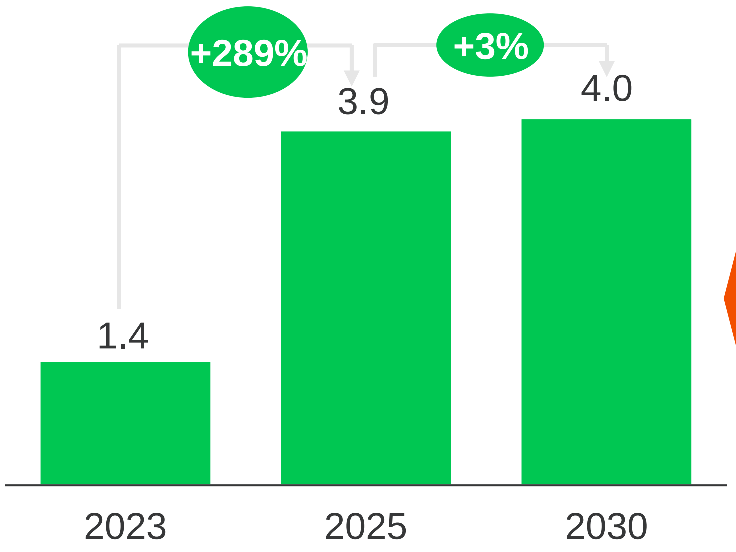
- 80% of consumption covered by smart meters
- 80% of remotely measured transformer stations
- 8,500 km of optic fiber networks (compared to 6,034 km today)

- Increase network reliability
- Enable new connections of 14 GW of renewables
- Enable connection of 35,000 of EV charging stations
- More efficient network management will lead to cost reduction per connection point

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

Retail EBITDA

CEZ Prodej, CZK billion



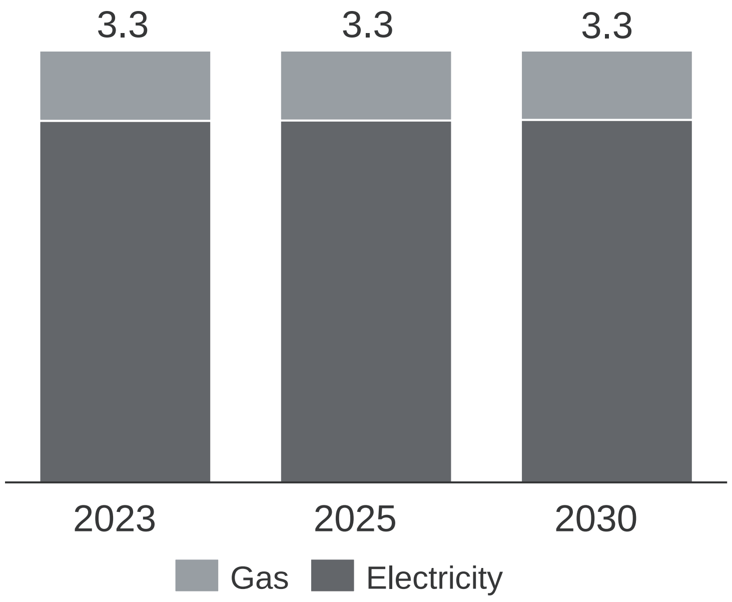
Annual CAPEX

CZK billion, avg

2023–25	2026–30
0.4	0.4

Number of customers

Million



B2C

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

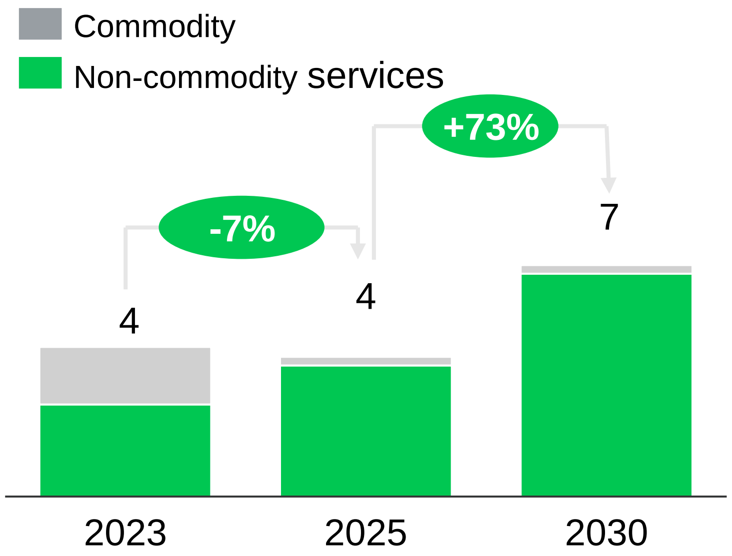
We will maintain the **highest NPS** (net promoter score) among largest electricity supplies and we will increase our customer base

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

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

ESCO EBITDA

CZK billion



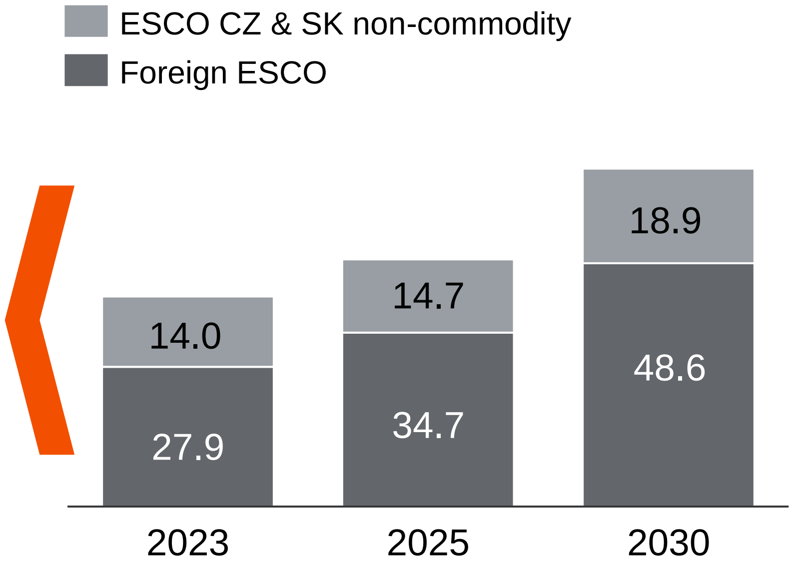
Annual Investments*

CZK billion, avg

5-7	4-6
2023–25	2026–30

ESCO revenues

CZK billion



EBITDA margin (%)**

CZK billion, avg

7%	8%	10%
2023	2025	2030

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

Battery as a Service (BAAS)

Electromobility Ecosystem

Cars as Energy Storage Systems (ESS)

Using car batteries in the Czech distribution grid

Component supplier ecosystem

Battery value chain

Mining and processing

Lithium mining in Cínovec
Implementation of lithium mining and processing in Cínovec for supply to the Gigafactory

Production of active materials

Cell production

Partnership for sustainable and cost-effective battery cell production

Integration of batteries into modules

Car manufacturing

Second and third use of battery cells

Utilisation of used batteries to store large amounts of energy

Recycling

Development of recycling infrastructure

Generation of renewables
Supplementation of the entire electromobility ecosystem

Mobility Services

Integration of CEZ Group's infrastructure with car manufacturers' software, e.g., to find the nearest charging station

Joint monetization of Energy Services

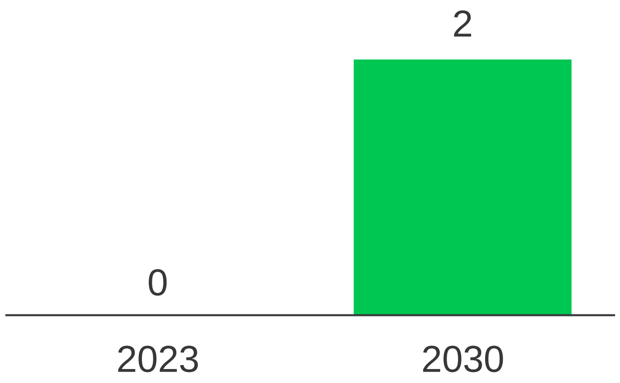
Charging Infrastructure

Building-up charging points in Czechia and providing green energy for charging.

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

0-2	2-4
2023–25	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
- Anticipation of mining feasibility decision

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 be a leader in ESG and we have set specific targets to achieve this goal

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

CEZ's consensus ESG rating is among 16%* of the best companies

* Source: https://www.csrhub.com/CSR_and_sustainability_information/CEZ-AS as of Mar 21, 2024

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

S&P Global

MSCI

As of June 26, 2023, CEZ, a.s., received an MSCI ESG Rating of AA.

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.

Sustainalytics

Sustainalytics ESG Risk Rating 28.0

as of 2024, 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
- We have met the ambition to be among **the best 20% in the ESG** rating by 2023

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 3.0x**

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

AGENDA

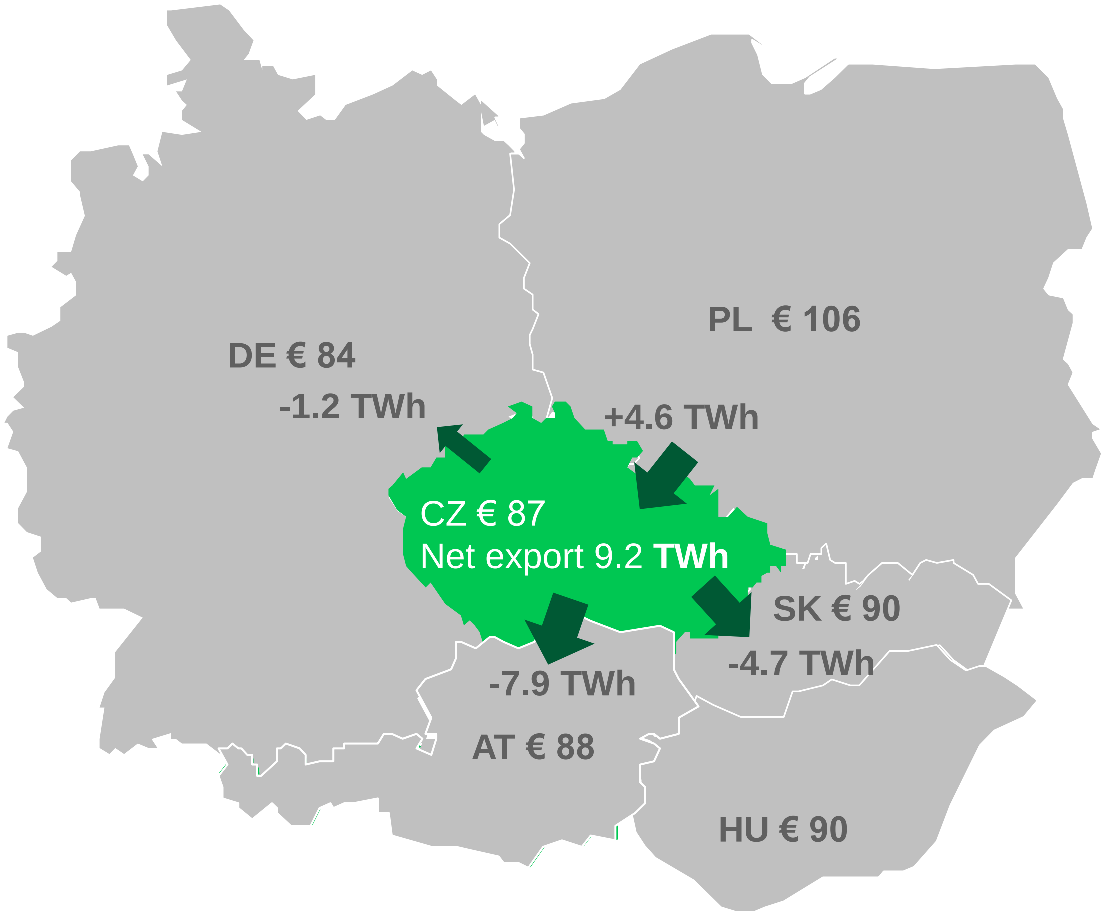
- CEZ Group at a Glance
- CEZ guidance 2024
- Our Vision
- **Appendix**

Appendix

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

Czech electricity market is integrated with neighbouring countries

2023 Physical electricity flows and current electricity prices



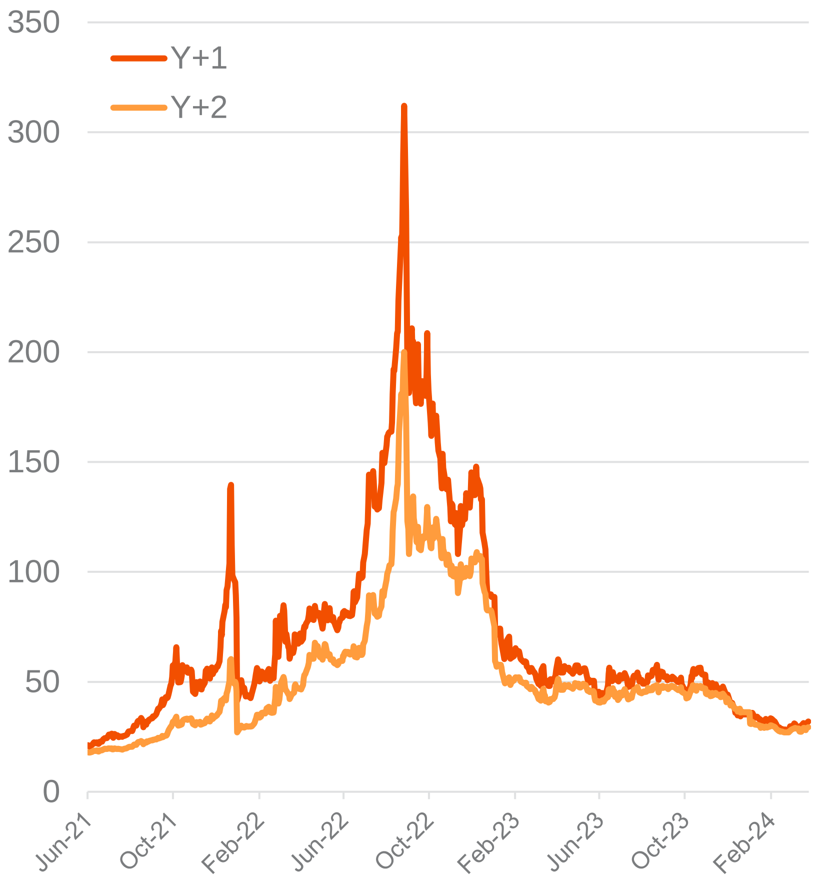
Czech and German Electricity prices
EUR/MWh, Y+1 baseload forwards

Source: E-NTSOE, ERÚ, EEX, prices as of March 25, 2024

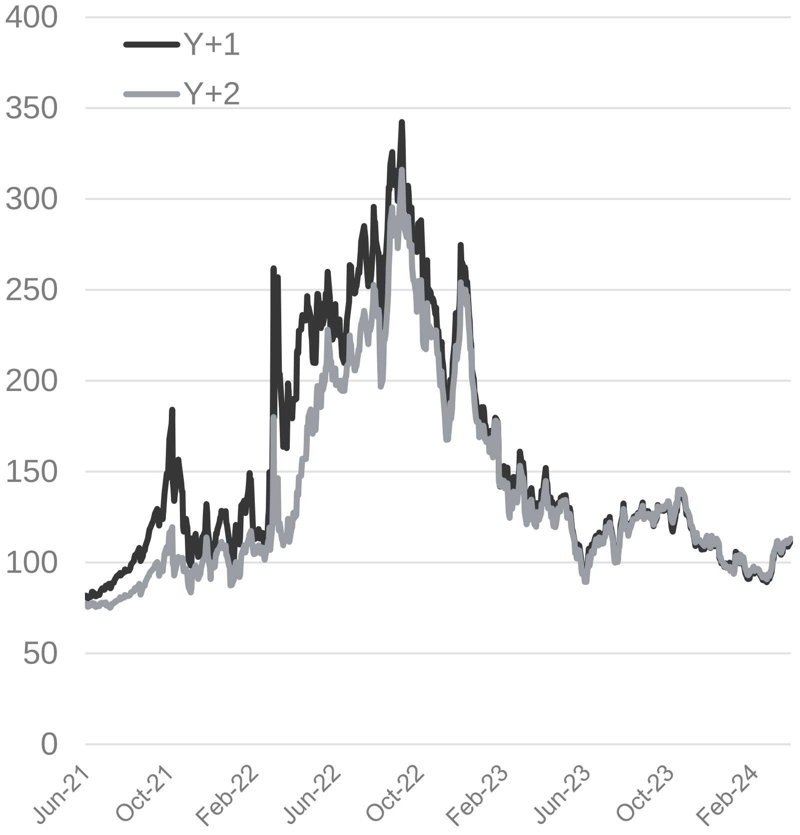
Commodity prices have stabilised after very volatile in 2022

Carbon prices[1]
EUR/t

Gas prices[2]
EUR/MWh



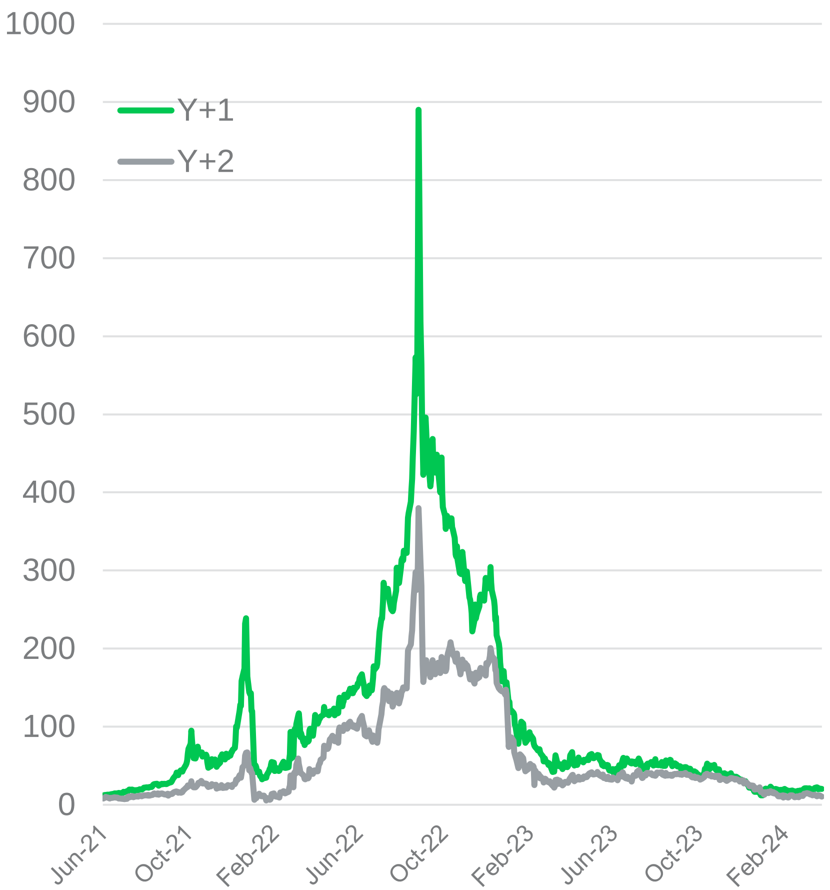
Coal prices[3]
USD/t



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

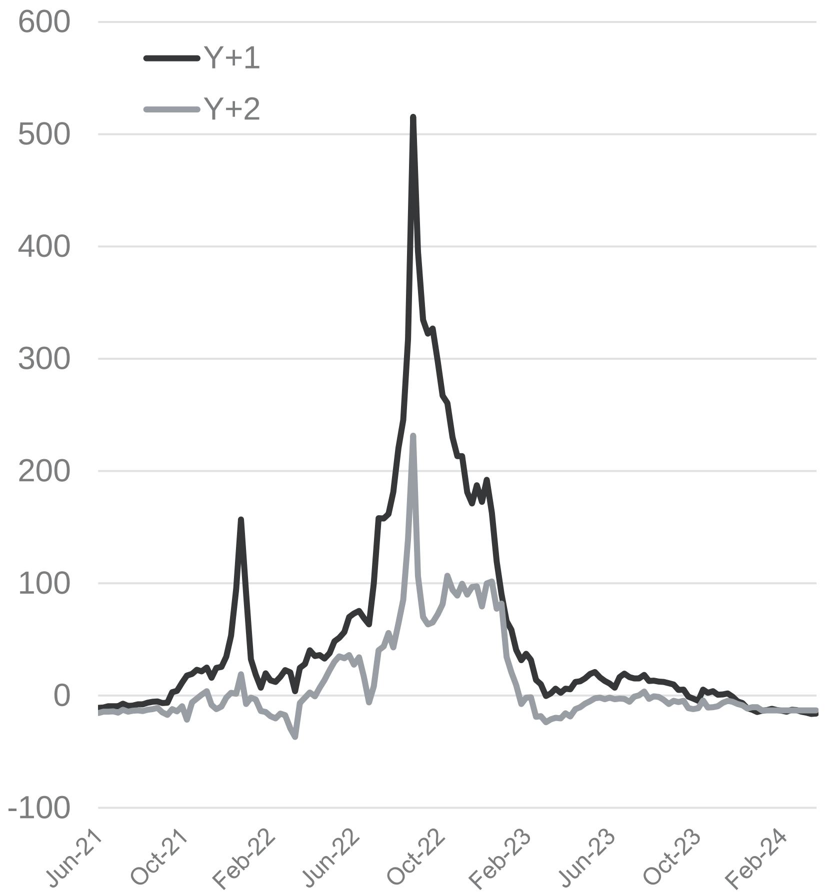
Electricity spreads declined from extraordinary high and volatile levels seen during 2022

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),

Measures to address energy affordability in 2023 and taxes introduced to fund these measures in Czechia

Consumer Support in 2023

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.**

Revenues Cap in 2023

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

Windfall profit tax 2023-2025

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% in 2023 and 21% from 2024, “Excess Profit” at a rate of 81% (60% + 21%)
- 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.

Appendix

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

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: natural gas distribution - overview of regulatory framework

Regulatory Framework

- Regulated by Energy Regulatory Office
- The main components of regulatory formula for distribution
  - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB - Other revenues corrections + Costs to cover losses and technological consumption + Market factor
  - RAB adjusted annually to reflect net investments and revaluation trajectory
  - Regulatory rate of return (WACC nominal, pre-tax) – 6.43% 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.
  - Amount of natural gas allowed to cover losses and own technological consumption up to 2%.
  - 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).

Regulatory period

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

- converging RAB to the Net Book Value of Assets;
- renewal of steel pipelines and emphasis on the expected transition of the heating industry to natural gas
- digitization and preparation for „green gas“ distribution
- lowering allowed costs compared to the previous period (reflecting actual costs in the previous regulatory period);

Unbundling & Liberalization

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

Czech Republic: electricity and natural gas 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 for 5th regulatory period 2021-2025	Electricity distribution	Natural gas distribution
Risk free rate (r_f)	2.04%	2.04%
Market risk premium (MRP)	6.54%	6.54%
ß unlevered	0.51	0.49
ß levered (ß)	0.90	0.87
Cost of equity (k_e)	**7.94%**	**7.76%**
Credit risk margin (CRM)	1.09%	1.09%
Cost of debt, pre tax (k_d)	3.14%	3.14%
Tax rate (T)	19%	19%
Cost of debt, post-tax	**2.54%**	**2.54%**
Debt/(Debt+Equity)	48.92%	48.89%
WACC (nominal, before tax)	**6.54%**	**6.43%**

Appendix

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

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

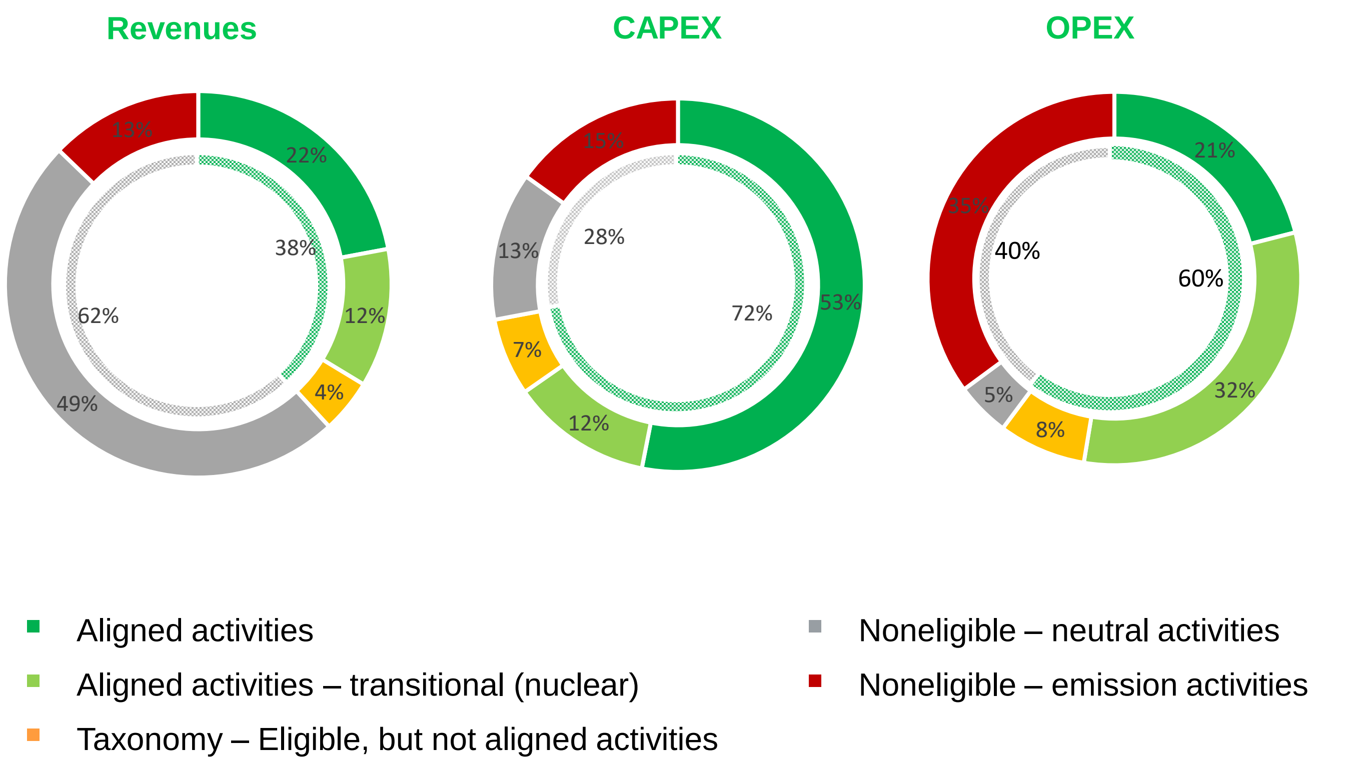
* Current climate neutrality target is 2040
** Interim targets for 2030 are validated by SBTi

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

Selected 2022 Events in ESG

- **SBTi validated CEZ's emission reduction targets**. 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

Appendix

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

Highlights of Financial Results

(CZK bn)	2022	2023	Difference	%
Operating revenues	288.5	340.6	+52.1	+18%
EBITDA	131.6	124.8	-6.7	-5%
EBIT	101.9	84.5	-17.4	-17%
Net income	80.7	29.6	-51.1	-63%
Adjusted net income	78.4	34.8	-43.5	-56%
Operating cash flow	5.1	137.6	+132.5	>200%
CAPEX	34.8	45.8	+11.0	+32%

Adjusted net income = Net income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given period (in particular creation and settlement of impairments of property, plant and equipment)

Realized prices and generation volumes in Czechia in 2023

Volume of electricity sold: 43.5 TWh
Average selling price: EUR 126/MWh

Volume of emission allowances: 13.4 mil t
Average purchase price: EUR 61/t

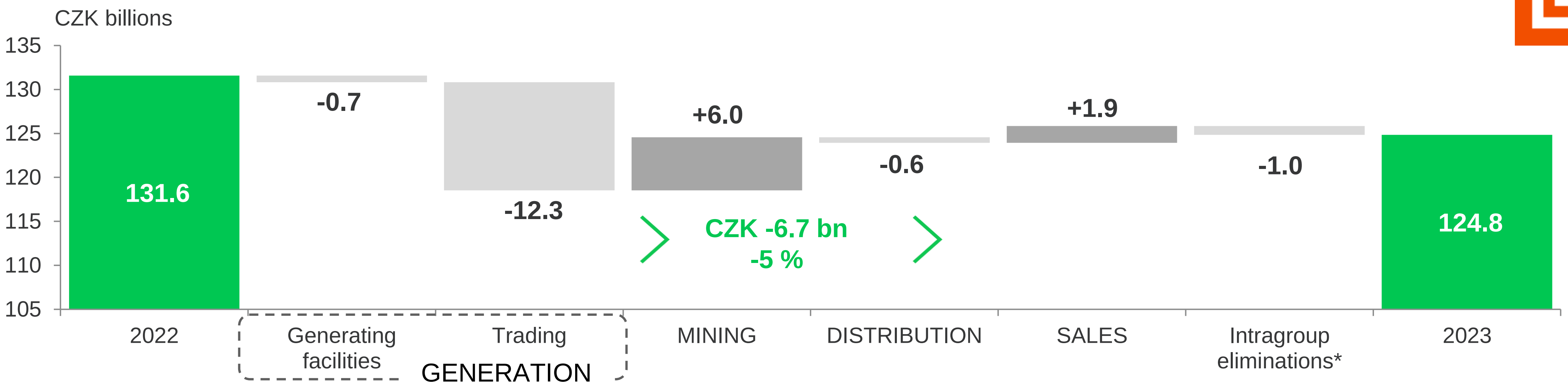
Overall operating results and selected information

		2022	2023	Difference	%
Electricity generation	TWh	54.3	51.5	-2.9	-5%
of which in Czechia	TWh	51.9	49.5	-2.3	-5%
Sales of heat	TWh	6.7	6.5	-0.3	-4%
of which in Czechia	TWh	4.9	4.8	-0.2	-3%
Sales of electricity*	TWh	22.5	24.0	+1.5	+7%
of which in Czechia	TWh	20.7	21.6	+0.9	+4%
Sales of gas*	TWh	8.1	11.2	+3.1	+38%
Electricity distribution*	TWh	35.1	33.8	-1.2	-4%
Gas distribution*	TWh	0.8	0.9	+0.1	+18%
Volume of coal mining	mil t	17.8	15.6	-2.1	-12%

* to end-use customers

		As of Dec 31, 2022	As of Dec 31, 2023	Difference	%
Installed capacity	GW	11.8	11.9	+0.1	+1%
of which in Czechia	GW	11.1	11.1	+0.0	+0%
Workforce headcount	thousands persons	28.7	30.6	+1.8	+6%
of which in Czechia	thousands persons	23.9	24.9	+1.0	+4%

Main Causes of Year-On-Year Change in EBITDA



GENERATION Segment – Generating Facilities (CZK -0.7 bn):
- Higher margin on generation in Czechia as a result of higher realized electricity prices and change of purchase prices of emission allowances and of gas (CZK +8.4 bn)
- Increased levy on excess revenues from generation (CZK -8.8 bn)

GENERATION Segment – Trading (CZK -12.3 bn):
- Lower proprietary trading margin (CZK -17.5 bn) as a result of extraordinary income of CZK 26.9 bn in 2022 compared to CZK 9.4 bn in 2023
- Other trade and consolidation effects (CZK +5.2 bn): in particular temporary revaluation of derivative trades hedging generation with the supply in future years

MINING Segment (CZK +6.0 bn):
- Higher revenues from coal supplies to CEZ Group due to price increase (CZK +6.6 bn)

SALES Segment (CZK +1.9 bn):
- Purchase of electricity from RES in Czechia (CZK +2.2 bn): effect of market prices and a higher purchase volume
- Proceeds from litigation between ČEZ Prodej and the state-owned enterprise Railway Administration concerning electricity supply in 2010 and 2011 (CZK +1.2 bn)
- Sales of electricity and gas in Czechia (CZK -1.7 bn): higher expenses to cover fluctuations in customer consumption, lower customer consumption and the effect of price caps in 2023

* Mainly the elimination of the effect of hedging the currency risks of ČEZ ESCO (SALES segment) through ČEZ, a. s. (GENERATION segment), where the effect is reported under foreign exchange gains and losses (outside EBITDA).

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

(CZK billions)	2022	2023	Difference	%
EBITDA	131.6	124.8	-6.7	-5%
Depreciation and amortization	-32.8	-35.3	-2.6	-8%
Asset impairments*	3.1	-5.0	-8.1	-
Other income and expenses	-2.3	-5.5	-3.2	-139%
Interest income and expenses	-1.2	-0.0	+1.2	+99%
Interest from nuclear and other provisions	-2.9	-7.3	-4.4	-155%
Other	1.7	1.8	+0.1	+6%
Income taxes	-18.9	-49.4	-30.5	-161%
Net income	80.7	29.6	-51.1	-63%
Adjusted net income	78.4	34.8	-43.5	-56%

Net income adjustments
The net income in 2023 adjusted for impairments of property, plant and equipment in Severočeské doly (CZK -5.0 bn) and the effect of impairments in Germany (CZK -0.2 bn).

Depreciation and amortization (CZK -2.6 bn)
- Increase in depreciation and amortization of ČEZ's power plants (CZK -1.3 bn) as a result of update of provisions for disassembly and demolition after decommissioning facilities
- Higher depreciation and amortization in Severočeské doly (CZK -0.8 bn) due to the reversal of impairments in 2022, higher depreciation and amortization of ČEZ Distribuce (CZK -0.6 bn)

Asset impairments* (CZK -8.1 bn)
- Severočeské doly (CZK -7.8 bn): creation in 2023 due to deterioration of market conditions for future mining (CZK -5.0 bn) and, conversely, the reversal of part of the impairments in 2022 (CZK -2.8 bn)
- Impairments for wind facilities in Germany (CZK -0.3 bn) mainly as a result of the increase in discount rates

Other income and expenses (CZK -3.2 bn)
- Interest from nuclear and other provisions (CZK -4.4 bn) due to an increase in interests due to the interest rates‘ growth and an increase in provisions in 2022
- Interest income and expenses (CZK +1.2 bn) due to higher interest rates

Income tax (CZK -30.5 bn) – the newly introduced 60% windfall tax in 2023 (CZK -30.1 bn) greatly exceeded the growth of the standard 19% income tax

* Including income/loss from asset sales, depreciation and amortization of suspended investments and goodwill

GENERATION and MINING Segments EBITDA

(CZK billions)	2022	2023	Difference	%
Zero-emission generating facilities of which	58.5	59.2	+0.7	+1%
Nuclear	47.1	48.4	+1.3	+3%
Renewable	11.4	10.8	-0.6	-5%
Emission generating facilities	22.8	21.4	-1.5	-6%
Trading	22.2	9.9	-12.3	-55%
GENERATION Segment Total	**103.5**	**90.4**	**-13.0**	**-13%**
MINING Segment	**6.2**	**12.3**	**+6.0**	**+97%**

MINING Segment – Year-on-Year Effects (CZK +6.0 bn):

- Higher revenues from coal supplies to CEZ Group due to price increase (CZK +6.6 bn)
- Higher external revenues due to price increase (CZK +1.4 bn)
- Higher fixed operating expenses (CZK -2.3 bn), mainly for energy

GENERATION Segment – Year-on-Year Effects (CZK -13.0 bn):

Nuclear facilities (CZK +1.3 bn):

- Price trade effects (CZK +14.1 bn): higher generation realized prices
- Levy on excess revenues from generation (CZK -8.6 bn): levies of CZK 9.8 bn in 2023 compared to CZK 1.2 bn in 2022
- Operating effects (CZK -3.0 bn): schedule of planned outages Dukovany NPP (CZK -0.9 bn) and Temelín NPP (CZK -0.5 bn), higher fixed expenses (CZK -1.6 bn)
- Reduction of nuclear provisions in 2022 due to the acquisition of Škoda JS (CZK -1.3 bn)

Renewables (CZK -0.6 bn):

- Trade effects (CZK -1.2 bn): price effect (CZK -0.5 bn), ancillary services and regulatory energy (CZK -0.7 bn)
- Levy on excess revenues from generation (CZK -0.2 bn)
- Operating effects (CZK +0.7 bn): hydroelectric facilities in Czechia (CZK +0.5 bn), solar and wind facilities (CZK +0.2 bn)

Emission facilities (CZK -1.5 bn):

- Trade effects in Czechia (CZK -3.1 bn): price effect (CZK -5.2 bn), on-site trade (CZK +1.2 bn), sales of heat (CZK +1.5 bn), other effects (CZK -0.6 bn), in particular deviations and system services
- Operating effects in Czechia (CZK +0.6 bn): operational availability of facilities in Czechia (CZK +0.9 bn); other effects (CZK -0.3 bn), in particular higher fixed expenses
- Poland (CZK +1.0 bn): higher revenues from the sales of electricity and heat

Trading (CZK -12.3 bn):

- Lower proprietary trading margin (CZK -17.5 bn) as a result of extraordinary income of CZK 26.9 bn in 2022 compared to CZK 9.4 bn in 2023
- Other trade and consolidation effects (CZK +5.2 bn), in particular temporary revaluation of derivative transactions hedging generation and sales with the supply in future years. These temporary effects reduced EBITDA 2022 by CZK 4.7 bn and increased EBITDA 2023 by CZK 0.5 bn.

The breakdown 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, a. s.) and simplified consolidation with other companies.

The allocation of 2022 EBITDA between the sub-segments is always reported in accordance with the current methodology for allocation of 2023 EBITDA for comparability.

SALES segment EBITDA

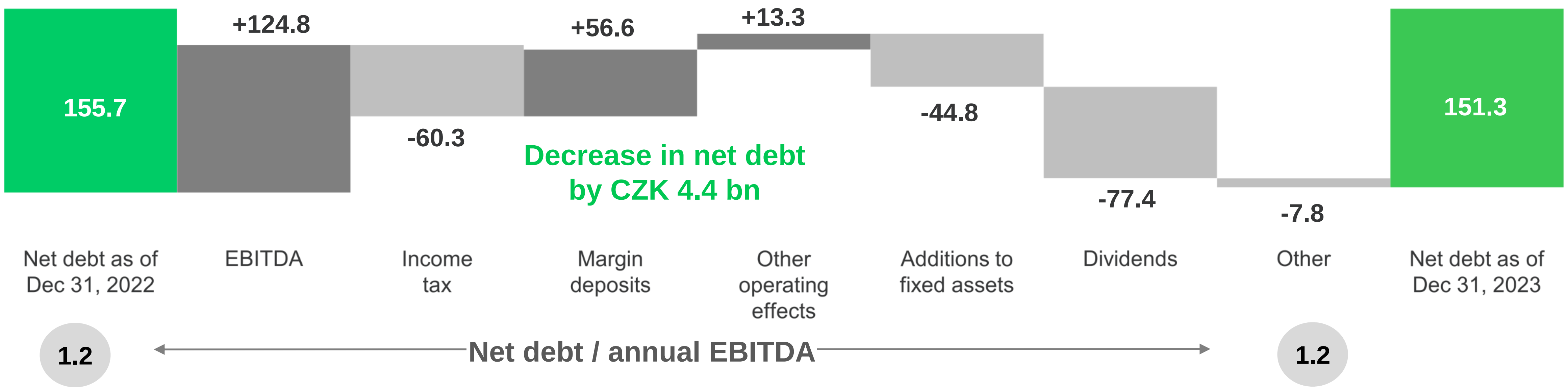
(CZK billions)	2022	2023	Difference	%
Retail segment – ČEZ Prodej	2.5	1.4	-1.2	-46%
B2B segment – ESCO companies:	1.2	4.4	+3.2	>200%
Energy services – Czechia and Slovakia	0.6	1.1	+0.5	+86%
Energy services – Germany and other countries*	1.4	1.6	+0.3	+20%
Commodity sales – Czechia	-0.7	1.7	+2.4	-
B2B segment – other activities**	0.7	0.5	-0.1	-17%
SALES Segment Total	**4.4**	**6.3**	**+1.9**	**+43%**

Retail segment – ČEZ Prodej (CZK -1.2 bn):
- Sales of electricity and gas (CZK -1.7 bn), mainly due to higher purchase expenses to cover fluctuations in customer consumption, lower volume of supplies due to reduction in customer consumption and as a result of price caps in 2023
- Specification of the estimate of uninvoiced gas consumption to customers (CZK -0.4 bn)
- Settlement of sales of electricity for losses in the ČEZ Distribuce grid (CZK -0.5 bn)
- Proceeds from litigations with the Railway Administration regarding electricity supply in 2010 and 2011 (CZK +1.2 bn)

B2B segment – ESCO companies (CZK +3.2 bn):
- Energy services – Czechia and Slovakia (CZK +0.5 bn): in particular the field of industrial energy
- Energy services – Germany and other countries (CZK +0.3 bn): higher margins and volume of orders from German and Polish companies and the effect of the acquisition of the German company Sercoo
- Commodity sales – Czechia (CZK +2.4 bn):
  - Purchase of electricity from RES (CZK +2.2 bn): effect of market prices and a higher purchase volume
  - Commodity sales to end-use customers (CZK +0.2 bn), mainly stabilization of prices on the markets and higher delivered volumes of electricity and gas

* 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

CEZ Group's net debt declined despite a record-high dividend, extraordinary taxation and a significant increase in investments



- **Income tax (CZK -60.3 bn):** regular income tax paid, including windfall tax advances for 2023
- **Margin deposits (CZK +56.6 bn):** decrease in temporary margin deposits on commodity exchanges and with trading partners due to decline in electricity prices
- **Other operating effects (CZK +13.3 bn):** advances for levies on excess revenues from generation in Czechia beyond the levy obligation in 2023 (CZK -3.3 bn), the effect of other non-monetary operations (CZK +13.5 bn), a positive change in the stock of material and fossil fuels (CZK +3.0 bn)
- **Additions to fixed assets (CZK -44.8 bn):** investment in fixed assets – CAPEX (CZK -45.8 bn), change in liabilities from fixed asset acquisition (CZK +1.5 bn), investment of Inven Capital (CZK -0.4 bn)
- **Other (CZK -7.8 bn):** change in the fair value of the debt due to exchange rate changes (CZK -3.6 bn); acquisition of subsidiaries (CZK -2.6 bn), in particular acquisition of German ESCO companies; income from the sale of subsidiaries and joint ventures (CZK +2.7 bn), in particular payment of the receivable from the sale of the Počerady coal-fired power plant; change of restricted assets (CZK -1.7 bn); payments of other long-term liabilities (CZK -2.4 bn)

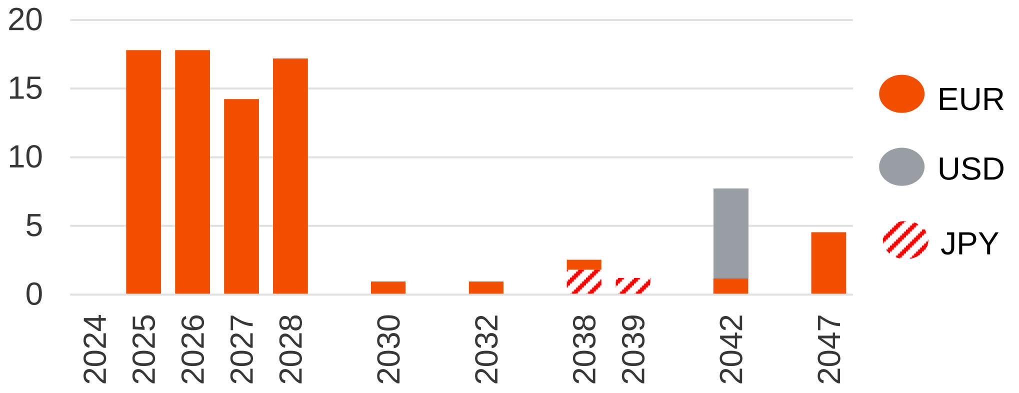
Credit facilities and debt structure as of Dec 31, 2023

Committed bank credit lines

* Available committed bank credit lines include an undrawn long-term loan from the EIB of EUR 540 mil.

- Committed bank lines are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- As of Dec 31, 2023, CEZ Group had access to CZK 68 bn of committed bank credit lines, of which only CZK 1.2 bn were drawn.
- On Dec 18, 2023, EUR 250 mil were drawn from the EIB credit line; with drawdown for 10 years and a three-year deferral of payments.
- As of Dec 31, 2022, CEZ Group had drawn EUR 1 bn under the credit agreement with the Czech state, which was concluded in 2022 to cover margining requirements. Repaid on Apr 2, 2024.

Bond maturity profile (CZK billions)



Debt level		Dec 31, 2022	Dec 31, 2023
Debts and loans	CZK bn	202.1	168.9
of which short-term bank	CZK bn	4.8	7.2
Cash and fin. assets**	CZK bn	46.5	17.6
Net debt	CZK bn	155.7	151.3
Net Debt / EBITDA		1.2	1.2

** Cash and cash equivalents and highly liquid financial assets

Total liquid financial assets** and undrawn committed bank credit lines amounted to CZK 84.2 bn as of Dec 31, 2023.

Nuclear and mining provisions as of YE 2023

Nuclear and mining provisions as of YE 2023 in accordance with IFRS
(long-term risk-free interest rate 2.1% p.a. reduced by 1.9% risk adjustment; est. inflation effect 2.6%)

	Provision (CZK bn)	Responsibility of:	Cash cover (CZK)
Interim storage of spent nuclear fuel	10.5 bn	CEZ	0.01 bn
Permanent storage of spent nuclear fuel	43.1 bn	State*, costs paid by CEZ	Fee 55 CZK/MWh generated in NPP paid to Nuclear Account**
Nuclear Facility decommissioning	75.0 bn	CEZ	18.1 bn
Mining reclamation	15.3 bn	CEZ (SD***)	6.5 bn
Landfills (ash storage)	0.6 bn	CEZ	0.1 bn
Coal plants dismantling	16.5 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 (a mining company)

Selected historical financials of CEZ Group (CZK)

CZK bn	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	201.8	210.2	203.7	205.1	184.5	206.2	213.7	227.8	288.7	340.6
Sales of electricity	173.8	182.1	174.9	104.1	103.1	110.2	118.7	136.2	165.6	200.2
Sales of services				76.3	59.9	71.4	71.5	67.3	75.4	84.6
Sales of gas, heat and coal and other income	27.9	28.1	28.8	24.7	21.5	24.6	23.5	24.3	47.7	55.8
Operating Expenses	129.3	145.1	145.6	151.2	135	146	148.9	164.6	157.1	215.8
Purchased power and related services	75.8	90.9	59.5	57.4	52.2	55.5	56.3	62.7	69.6	83.2
Fuel and emission rights	12.7	13.1	15.1	16.0	19.1	21.4	23.3	24.6	45.4	40.2
Salaries and wages	18.9	17.8	19.2	22.1	25.6	28.8	30.9	30.6	33.9	37.8
Other	21.9	23.4	51.8	54.5	38.1	40.3	38.4	46.7	8.2	54.6
EBITDA	**72.5**	**65.1**	**58.1**	**53.9**	**49.5**	**60.2**	**64.8**	**63.2**	**131.6**	**124.8**
EBITDA margin	*36%*	*31%*	*29%*	*26%*	*27%*	*29%*	*30%*	*28%*	*46%*	*37%*
Depreciation, amortization, impairments	35.7	36.3	32.1	29.5	29.7	33.8	52.2	47.1	29.9	40.3
EBIT	**36.9**	**29**	**26.1**	**25.6**	**19.8**	**26.4**	**12.6**	**16.1**	**101.9**	**84.5**
EBIT margin	*18%*	*14%*	*13%*	*12%*	*11%*	*13%*	*6%*	*7%*	*35%*	*25%*
Net Income	**22.4**	**20.5**	**14.6**	**19**	**10.5**	**14.5**	**5.5**	**9.9**	**80.7**	**29.6**
Net income margin	*11%*	*10%*	*7%*	*9%*	*6%*	*7%*	*3%*	*4%*	*28%*	*9%*
Adjusted net income	**29.5**	**27.7**	**19.6**	**20.7**	**13.1**	**18.9**	**22.8**	**22.3**	**78.4**	**34.8**
Adjusted net income margin	*15%*	*13%*	*10%*	*10%*	*7%*	*9%*	*11%*	*10%*	*27%*	*10%*

CZK bn	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Non current assets	497.5	493.1	489.3	487.9	480.4	501.9	471.9	474.4	552.0	540.7
Current assets	130.4	109.6	141.6	136	227	202.7	230.5	708.4	555.4	285.1
- out of that cash and cash equivalents	20.1	13.5	11.2	12.6	7.3	9.8	6.1	26.6	36.6	10.9
Total Assets	**627.9**	**602.7**	**630.8**	**623.9**	**707.4**	**704.6**	**702.5**	**1182.9**	**1107.4**	**825.8**
Shareholders equity (excl. minority. int.)	261.3	267.9	256.8	250	234.7	250.8	233.9	161.1	258.9	244.1
Return on equity	*9%*	*8%*	*6%*	*7%*	*4%*	*6%*	*2%*	*5%*	*38%*	*12%*
Interest bearing debt	184.1	157.5	167.8	154.3	161	171.9	151.8	137.9	193.3	168.9
Other liabilities	182.4	177.3	206.2	219.6	311.7	281.9	316.8	883.9	655.2	412.8
Total liabilities	**627.9**	**602.7**	**630.8**	**623.9**	**707.4**	**704.6**	**702.5**	**1182.9**	**1107.4**	**825.8**

Selected historical financials of CEZ Group (EUR)

EUR M	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	8,407	8,757	8,486	8,544	7,686	8,590	8,903	9,490	12,027	14,189
Sales of electricity	7,240	7,586	7,286	4,337	4,295	4,591	4,945	5,674	6,901	8,340
Sales of services				3,179	2,495	2,975	2,979	2,804	3,140	3,524
Sales of gas, heat and coal and other income	1,162	1,171	1,200	1,029	896	1,025	979	1,012	1,986	2,325
Operating Expenses	5,387	6,045	6,066	6,299	5,624	6,082	6,203	6,857	6,544	8,990
Purchased power and related services	3,158	3,787	2,479	2,391	2,175	2,312	2,345	2,612	2,900	3,466
Fuel and emission rights	529	546	629	667	796	892	971	1,025	1,891	1,675
Salaries and wages	787	742	800	921	1,066	1,200	1,287	1,275	1,412	1,575
Other	912	975	2,158	2,270	1,587	1,679	1,600	1,946	341	2,275
EBITDA	**3,020**	**2,712**	**2,420**	**2,245**	**2,062**	**2,508**	**2,700**	**2,633**	**5,482**	**5,199**
EBITDA margin	*36%*	*31%*	*29%*	*26%*	*27%*	*29%*	*30%*	*28%*	*46%*	*37%*
Depreciation, amortization, impairments	1,487	1,512	1,337	1,229	1,237	1,408	2,175	1,962	1,245	1,678
EBIT	**1,537**	**1,208**	**1,087**	**1,066**	**825**	**1,100**	**525**	**671**	**4,246**	**3,521**
EBIT margin	*18%*	*14%*	*13%*	*12%*	*11%*	*13%*	*6%*	*7%*	*35%*	*25%*
Net Income	**933**	**854**	**608**	**792**	**437**	**604**	**229**	**412**	**3,362**	**1,233**
Net income margin	*11%*	*10%*	*7%*	*9%*	*6%*	*7%*	*3%*	*3%*	*28%*	*9%*
Adjusted net income	**1,229**	**1,154**	**817**	**862**	**546**	**787**	**950**	**929**	**3,266**	**1,450**
Adjusted net income margin	*15%*	*13%*	*10%*	*10%*	*7%*	*9%*	*11%*	*10%*	*27%*	*10%*

EUR M	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Non current assets	20,726	20,542	20,384	20,326	20,013	20,909	19,659	19,763	22,996	22,524
Current assets	5,432	4,566	5,899	5,666	9,457	8,444	9,603	29,512	23,137	11,877
- out of that cash and cash equivalents	837	562	467	525	304	408	254	1,108	1,525	454
Total Assets	**26,158**	**25,108**	**26,279**	**25,992**	**29,470**	**29,353**	**29,266**	**49,280**	**46,133**	**34,401**
Shareholders equity (excl. minority. int.)	10,886	11,161	10,698	10,415	9,778	10,448	9,744	6,711	10,785	10,169
Return on equity	*9%*	*8%*	*6%*	*7%*	*4%*	*6%*	*2%*	*5%*	*38%*	*12%*
Interest bearing debt	7,670	6,561	6,991	6,428	6,707	7,161	6,324	5,745	8,052	7,037
Other liabilities	7,599	7,386	8,590	9,148	12,985	11,744	13,198	36,823	27,296	17,195
Total liabilities	**26,158**	**25,108**	**26,279**	**25,992**	**29,470**	**29,353**	**29,266**	**49,280**	**46,133**	**34,401**

CLEAN
ENERGY OF
TOMORROW

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