CEZ GROUP: THE LEADER IN POWER MARKETS OF CENTRAL AND SOUTHEASTERN EUROPE

Investment story, September 2018
# Agenda

- Introduction, strategic priorities  
  - Traditional Generation  
  - Regulated and New Energy  
  - Financial performance  
  - Summary  
  - Backup  
    - Electricity market fundamentals  
    - Project of new nuclear in the Czech Republic  
    - Transformation  
    - EU ETS, derogation scheme in the CR  
    - Regulation of distribution  
    - Renewables support schemes  
    - 2018 generation outlook  
    - Latest and historical financial results
CEZ GROUP RANKS AMONG THE TOP 10 LARGEST UTILITY COMPANIES IN EUROPE

Top 10 European power utilities
Number of customers in 2017, in millions

1. Enel 65.5
2. EdF 37.1
3. Iberdrola 34.4
4. Innogy 22.5
5. Engie 21.3
6. E.ON 21.1
7. EdP 11.3
8. CEZ Group 8.1
9. EnBW 5.5
10. PGE 5.4

Source: Bloomberg, Annual reports, companies’ websites and presentations

Top 10 European power utilities
Market capitalization in EUR bn, as of August 27, 2018

1. Enel 44.0
2. EdF 43.0
3. Iberdrola 41.4
4. Engie 31.6
5. E.ON 20.4
6. Fortum 19.4
7. RWE 13.3
8. EdP 12.3
9. CEZ Group 12.0
10. Verbund 11.9
CEZ GROUP IS AN INTERNATIONAL UTILITY WITH A STRONG POSITION IN CEE AND GROWING PRESENCE IN WESTERN EUROPE

CEZ Group in the Czech Republic
- Mining
- Traditional Generation
- Renewables
- Distribution
- ESCO, Sales

CEZ Group in Germany
- Renewables
- ESCO

CEZ Group in France
- Renewables

CEZ Group in Bulgaria (Sold, awaiting settlement)
- Distribution
- Sales
- Renewables

CEZ Group in Romania
- Renewables
- Distribution
- Sales

CEZ Group in Poland
- Traditional Generation
- Renewables
- ESCO, Sales

CEZ Group in Turkey*
- Traditional Generation
- Renewables
- Distribution
- Sales

*(50% stake in SEDAS through AkCez, 37.36% stake in Akenerji)
CEZ REPUBLIC IS THE MOST IMPORTANT MARKET FOR CEZ GROUP, IT IS VERTICALLY INTEGRATED THERE

<table>
<thead>
<tr>
<th></th>
<th>Lignite mining</th>
<th>Generation</th>
<th>Transmission</th>
<th>Distribution</th>
<th>Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEZ</td>
<td>55% 21.5 million tons</td>
<td>67% 58.4 TWh</td>
<td>100% 68.7 TWh</td>
<td>65% 35.8 TWh</td>
<td>29% 17.8 TWh</td>
</tr>
<tr>
<td>Others</td>
<td>45% 17.8 million tons</td>
<td>33% 28.6 TWh</td>
<td>35% 19.5 TWh</td>
<td></td>
<td>71% 44.1 TWh</td>
</tr>
</tbody>
</table>

- CEZ fully owns the largest Czech mining company (SD) covering 71% of CEZ’s Lignite needs
- Remaining 3 coal mining companies are privately owned
- Other competitors are individual IPPs
- The Czech transmission grid is owned and operated by CEPS, 100% owned by the Czech state
- Other competitors – E.ON, PRE (58% held by EnBW), Bohemia Energy, Innogy, Centropol Energy

Source: CEZ, ERU, MPO, data for 2017
SEGMENTAL AND GEOGRAPHICAL CONTRIBUTIONS TO EBITDA IN 2017

2017 EBITDA CZK 53.9bn

Traditional Generation 2017 EBITDA

Generation

Segmental split (%) Geographical split (%)

Mining 16% 4.1 96% Czech Republic

Other * 9% 2.2 4% Foreign

~47% Traditional Generation 2017 EBITDA

Regulated and New Energy 2017 EBITDA

Generation

Segmental split (%) Geographical split (%)

Distribution 66% 19.0 76% Czech Republic

Sales 16% 4.6 24% Foreign

~53% Regulated and New Energy 2017 EBITDA

OPERATIONS TEAM

- The most effective use of our traditional assets
- Proactively adjusting to the new energy environment
- Generating sufficient cash flows to develop new activities and pay dividends to our shareholders

DEVELOPMENT TEAM

- Ensuring future growth for CEZ based on ESCO activities, decentralized energy, distribution and renewables with focus on end customers
- Acquisitions and organic growth in stable countries

*including eliminations
KEY BUSINESS DRIVERS OF CEZ GROUP

Traditional Generation

- Benefits from growing power prices…..
  - Electricity price approx. 40% upside* from the beginning of the year 2018

- ….. as it is positively geared toward growing price of CO2 allowances
  - CEZ emission intensity 0.44 t/MWh is well below 0.8 t/MWh intensity of marginal coal plant

- Stable CAPEX
  - Upgrade of lignite fleet completed
  - Current Capex mostly maintenance related

Regulated and New Energy

- Benefits from RAB growth
  - 15% increase by 2020 in Czech distribution

- Additions of renewables capacity
  - Pipeline of 102 MW to be operational by 2022
  - Acquisition of additional development projects in WE are in focus

- Expansion of energy services offering („ESCO“)
  - Expected revenues growth over 20% through organic growth and acquisitions

*77% of CEZ 2019 production hedged at 32.8 EUR/MWh, EEX CAL2019 closed at 51.1 EUR/MWh on Aug 31, 2018
CEZ GROUP’S STRATEGY AIMS AT MAXIMISING CASH FLOW FROM ITS TRADITIONAL BUSINESS AND INCREASING PRESENCE IN RENEWABLES, ESCO AND DISTRIBUTED ENERGY

THREE PILLARS OF CEZ GROUP’S STRATEGY

I. Be among the best in the operation of conventional electricity generation and proactively respond to the challenges of the 21st century

Strategy execution split between Operations and Development Teams (including setting of Quantitative goals until 2020)

**Operations Team – additional CZK 3 bn EBITDA by 2020***
- Cost reductions and efficiency increase in support services
- Power Generation and Mining optimization
- Strengthening position in the Heat market

**Development Team - additional CZK 6 bn EBITDA by 2020***
- Acquisitions and Development in Renewable Generation, ESCO and distribution in Western and Central Europe
- Acquisition potential up to CEZ Group’s leverage of 3x Net Debt / EBITDA
- Optimization of Distribution operations and Sales to retail
- Venture-type investments in Energy related areas in Europe

II. Offer a wide range of products and services to customers, which address their energy needs

III. Strengthen and consolidate our position in the region of Central and Western Europe, especially in Renewables

* EBITDA improvement upon the Business plan (from Sept 2015) for 2020
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CEZ GROUP OPERATES LOW COST GENERATION FLEET

Installed capacity and generation (2017)

- **CCGT**: 845 MW (3% of installed capacity), 1.7 TWh (3% of generation, gross)
- **Hard coal**: 1,557 MW (8% of installed capacity), 4.4 TWh (8% of generation, gross)
- **Lignite / Brown coal**: 5,308 MW (38% of installed capacity), 24.6 TWh (38% of generation, gross)
- **Nuclear**: 4,290 MW (45% of installed capacity), 28.3 TWh (45% of generation, gross)
- **Hydro* and renewables**: 2,864 MW (6% of installed capacity), 3.9 TWh (6% of generation, gross)

- **Coal power plants** are using mostly lignite from CEZ’s own mine (71% of lignite needs sourced internally, remaining volume through long-term supply contracts)
- **Nuclear plants** have very low operational costs

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*Hydro 1,985 MW, out of which 1,170 MW in pumped-storage hydro*
CEZ GROUP COMPLETED UPGRADE OF ITS LIGNITE FLEET, GOING FORWARD MAINTENANCE CAPEX ONLY

CAPEX vs Net Operating Cash Flow

Upgrade of the lignite fleet

Exchange rate EUR/CZK = 26.1. Net Operating CF is based on the business plan (using prices of Aug/Sep 2017, i.e. around 31 EUR/MWh).
LOW COST AND UPGRADED GENERATION PORTFOLIO IS A GREAT ADVANTAGE IN THE CURRENT PRICE ENVIRONMENT

Drivers of electricity price

- **hard coal prices** being mainly driven by levels of Chinese coal imports and shale gas discoveries in the US
- **carbon prices rising** ahead of implementation of MSR next year
- **growing** capacity of subsidized **renewables**
- **stagnating** electricity demand

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* Nuclear fuel costs + CZK55/MWh payment for fuel storage  ** Cash cost of extracting own lignite, 42/39.5% efficiency, 11.5 GJ/t calorific value, carbon at 21.1 EUR/t, 0.96 t/MWh CO₂  *** Coal at 93.3USD/t, 38% efficiency, 0.90 t/MWh CO₂  **** Gas 23.1 EUR/MWh, 57% efficiency, 0.35 t/MWh CO₂
CEZ GROUP’S CO₂ INTENSITY IS BELOW INTENSITY OF A EUROPEAN PRICE SETTING PLANT

Carbon intensity of selected European utilities
(2017, t/MWh)

- Marginal European price setting plants have an emission factor of 0.8 t/MWh.

Increase in CO₂ price has a positive impact on CEZ profitability*

*CEZ also receives part of emission allowances for free – for details see back-up.
Since the beginning of 2018 the power prices have risen mainly due to rising carbon prices.

Breakdown of factors influencing change in price of electricity since 1/2018 EUR/MWh (EEX, baseload Cal 2019)

- Rising Coal Price (from 86 to 91 USD/t)
- Gas Price Growth (from 18.1 to 23.6 EUR/MWh)
- Carbon Price Growth (from 7.9 to 21.4 EUR/t)
- Other Influences

Electricity Price EEX Jan 2, 2018: 37.0
Electricity Price EEX August 31, 2018: 51.1
CEZ CONTINUES HEDGING ITS GENERATION REVENUES IN THE MEDIUM TERM IN LINE WITH STANDARD POLICY

Share of Hedged Production of ČEZ* Facilities as at July 31, 2018

- **Hedged electricity volume on Jul 31, 2018**
  - 100% of deliveries in 2019–2022 corresponds to 52–56 TWh
  - Coal and Nuclear hedged approximately proportionately

- **Transaction currency hedging**

- **Natural currency hedging**—debts in EUR, capital and other expenditures and costs in EUR

- **Currency position for 2019 is hedged at average rate 26.6 CZK/EUR, currency position for years 2020–2023 is hedged at average rate of approximately 26–27 CZK/EUR

<table>
<thead>
<tr>
<th>Year</th>
<th>Hedged (TWh)</th>
<th>Hedged price, EUR/MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>~ 77%</td>
<td>32.8</td>
</tr>
<tr>
<td>2020</td>
<td>~ 48%</td>
<td>36.1</td>
</tr>
<tr>
<td>2021</td>
<td>~ 19%</td>
<td>35.6</td>
</tr>
<tr>
<td>2022</td>
<td>~ 5%</td>
<td>34.8</td>
</tr>
<tr>
<td>2023</td>
<td>~ 3%</td>
<td>36.4</td>
</tr>
</tbody>
</table>

*ČEZ, a. s. including Energotrans, Počerady, Dětmarovice, and Vítkovice power plants*
CEZ GROUP’S CO2 EMISSIONS INTENSITY TO FURTHER DECLINE AS A RESULT OF CLOSURES OF OLD LOW-PROFIT COAL UNITS

Expected development of installed capacity (GW)*

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewables – wind, hydro, solar, biomass</td>
<td>1.7</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Hydro – pumped storage</td>
<td>1.6</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Gas</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Hard coal</td>
<td>3.1</td>
<td>1.5</td>
<td>0.6</td>
</tr>
<tr>
<td>New/upgraded lignite</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lignite</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lignite</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nuclear</td>
<td>4.3</td>
<td>4.3</td>
<td>4.3</td>
</tr>
</tbody>
</table>

Further development of renewables will (partly) offset the decline in the installed capacity and will further decrease CO2 intensity.

- CO2 emission intensity to decrease approximately by 30%.
- Upgraded portfolio contains highly efficient Tušimice (39%), Pruněřov (40%) and Ledvice (42.5%) power plants. Expected operating life is 40 years for Ledvice and 25 years for both Tušimice and Pruněřov.
- Closures of old lignite and hard coal units not supplied by our own coal, i.e. units with low profit will result in decrease of the total installed capacity.
- Capacity of nuclear increased by 0.5 GW in 2009-13 enabling additional 3.8 TWh of carbon free production.

* Emission intensity (t CO₂/MWh generated)

* Includes contracted acquisitions till 2020. Growth ambition in renewables is not included.
Already implemented / Identified:

- Renewed lignite fleet
- Licenses of all 4 units of Dukovany nuclear power plant extended for indefinite period
- Increased nuclear output by 18% compared to year 2016
- Cost reduction and optimisation in mining and power generation (e.g. new power line directly from Tušimice power plant supplying electricity to adjacent Mines)
- Modernization of excavator at Bílina Mine
- Cost reduction and efficiency increase in support services
- Disposal of non-core assets

Areas of further focus:

- Comply with conditions in operating licenses for all Dukovany NPP units
- Continuously fulfill operational safety enhancement programs at both nuclear power plants
- Increasing nuclear output to levels before welding issues discovery (30+ TWh**; +25% compared to 2016)
- Full operational availability of new Ledvice power plant (660MW)
- Further optimization of generation fleet performance and Mine-to-Plant interface and operational efficiency of maintenance and Design to Value approach to all CAPEX
- General effectivity of support and central services
- Cooperation with government in preparation of new nuclear project (within dedicated SPVs)
- Minimize expenses associated with continued mining beyond environmental limits

Additional CZK 3 bn EBITDA by 2020*

<table>
<thead>
<tr>
<th>Executed</th>
<th>To execute</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>40%</td>
</tr>
</tbody>
</table>

* EBITDA improvement upon the Business plan (from Sept 2015) for 2020, ** to be in line with the maximal generation of 30.75 TWh in 2013
AGENDA

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DEVELOPMENT TEAM

STRATEGIC AMBITIONS FOR 2020

**Additional CZK 6 bn EBITDA by 2020***

<table>
<thead>
<tr>
<th>60%</th>
<th>40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executed</td>
<td>To execute</td>
</tr>
</tbody>
</table>

**Already implemented / Identified:**

**DISTRIBUTION**

- Prepared conditions for distribution CAPEX projects to make the distribution grid ready for the decentralized generation - Increase of CAPEX in Czech Distribution by 36%**
- Distribution redesign project finalized

**ESCO**

- Germany – acquired ESCO leading company Elevion with annual revenues CZK 8bn
- Czech Republic – portfolio of 14 ESCO companies with total annual revenues of CZK 4.5bn
- Poland – acquired OEM Energy and Metrolog with annual revenues CZK 0.6bn

**RENEWABLES**

- Acquisition of running on-shore wind capacity 134 MW (Germany) and acquisition of on-shore wind farm development pipeline with secured PPA 102 MW (France)

Areas of further focus:

**DISTRIBUTION**

- Operational efficiency of the Distribution segment in the Czech Republic and abroad
- Implementation of CAPEX projects in the Czech Republic

**ESCO**

- Further growth in ESCO and Local (site specific) Distribution Companies in the Czech Republic, Germany, Netherlands, Poland, Romania, Bulgaria

**RENEWABLES**

- Renewables in Germany, France and Poland***
- integrated player in renewables - development, operation, maintenance and direct marketing of renewables

**OTHER**

- Further investments by CEZ’s venture fund – Inven
- Maximizing CF and optimizing capital and ownership structure, including divestment of selected foreign assets

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* EBITDA improvement upon the Business plan (from Sept 2015) for 2020; ** avg 2017-2022 vs 2015; ***depending on regulatory environment
IN 2017 CZECH DISTRIBUTION MADE UP FOR 56% OF DEVELOPMENT TEAM EBITDA, TRANSPARENT CZECH REGULATION INCENTIVISES HIGHER INVESTMENTS

Overview of 2018 regulation parameters and 2017 EBITDA contribution

<table>
<thead>
<tr>
<th></th>
<th>Czech Republic 2018</th>
<th>Romania 2018</th>
<th>Bulgaria 2018 (SPA signed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAB (local currency m)</td>
<td>97,134</td>
<td>2,328</td>
<td>588</td>
</tr>
<tr>
<td>RAB (€ m)</td>
<td>3,803</td>
<td>506</td>
<td>300</td>
</tr>
<tr>
<td>WACC pre-tax</td>
<td>7.951% (nominal)</td>
<td>7.7% (real)</td>
<td>6.67% (nominal)</td>
</tr>
<tr>
<td>2017 EBITDA (CZK bn)</td>
<td>16.0</td>
<td>1.7</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**CAPEX plan in the distribution segment**

<table>
<thead>
<tr>
<th>Year</th>
<th>Czech Republic</th>
<th>Foreign</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>8.4</td>
<td>2.5</td>
</tr>
<tr>
<td>2017</td>
<td>9.6</td>
<td>3.1</td>
</tr>
<tr>
<td>2018</td>
<td>10.8</td>
<td>2.5</td>
</tr>
<tr>
<td>2019</td>
<td>10.8</td>
<td>2.7</td>
</tr>
<tr>
<td>2020</td>
<td>11.0</td>
<td>2.3</td>
</tr>
<tr>
<td>2021</td>
<td>10.8</td>
<td>2.4</td>
</tr>
<tr>
<td>2022</td>
<td>10.9</td>
<td>2.1</td>
</tr>
</tbody>
</table>
Investments above depreciation lead to growth of the Regulatory Asset Base (RAB).

Initial value of RAB was set at lower amount than the book value of assets.

Revaluation coefficient** reduces initial RAB discount to asset book value.

RAB formula:

\[
RAB(y) = RAB(y-1) + Investments(y) - Depreciation(y) \times \frac{RAB(y-1)}{NBV(y-1)} + Correction factor(y)
\]

CZECH REPUBLIC - RAB GROWS AS A RESULT OF POSITIVE NET CAPEX AND BY APPLICATION OF THE REVALUATION COEFFICIENT

RAB development* (CZK bn)

+ 15% RAB growth expected between 2017-2020

IV. Regulatory period

RAB

Book value of the assets as of the year-end

Correction factor to reflect planned and actual CAPEX (usual impact in tens of millions) and to reflect transfer of assets to another company.

Revaluation coefficient: allowed depreciation is not fully deducted from RAB.**

* Actual values for 2014 – 2017, planned values for 2018 – 2020  ** In 2017 the revaluation coefficient was 77%.
THE GERMAN ACQUISITION IS A MAJOR STEP TOWARD FULFILLING OUR STRATEGIC AMBITIONS IN ESCO

Having acquired the ELEVION group, CEZ Group more than doubled the number of its experts in ESCO services. ESCO sales annual growth estimate over 23%.

<table>
<thead>
<tr>
<th>Indicative values today*</th>
<th>ČEZ ESCO (Czech Republic)</th>
<th>ESCO international (Germany, Poland)</th>
<th>ESCO TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ANNUAL SALES (2018E)</strong></td>
<td>Approx. CZK 6.6bn</td>
<td>Approx. CZK 9.6bn</td>
<td>Over CZK 16bn</td>
</tr>
<tr>
<td>Annual sales growth</td>
<td>Approx. 25% annual growth</td>
<td>Approx. 20% annual growth</td>
<td>Approx. 23% annual growth</td>
</tr>
<tr>
<td>(entities in portfolio, excl. acquisitions), 2017 vs. 2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA/SALES</strong></td>
<td>6%–7%</td>
<td>5%–6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td>Approx. CZK 6bn</td>
<td>Approx. CZK 8bn</td>
<td>Approx. CZK 14bn</td>
</tr>
<tr>
<td><strong>EMPLOYEE HEADCOUNT</strong></td>
<td>Approx. 1,600</td>
<td>Over 1,900</td>
<td>Over 3,500</td>
</tr>
</tbody>
</table>

The potential for CEZ Group’s dynamic growth in ESCO is amplified by the EU countries’ commitment to major energy savings by 2030.

- We estimate investment costs needed for the fulfilment of the EU energy efficiency directive until 2030 (derived from GDP growth) at **approx. EUR 600bn in Germany** and **approx. CZK 700bn in the Czech Republic**.
- However, high demand for ESCO services in the future is primarily guaranteed by attractiveness for customers: projects **effectively pay for themselves from savings (they do not need subsidies)** and new technologies provide customers with greater comfort and modern functionalities.

* Data for all ESCO entities correspond to estimated figures January to December 2018, adjusted for specific effects; Globally, they are indicative values aimed to illustrate the size of the ESCO portfolio and its future growth. Headcount and assets value date: 31.12.2017.
CEZ GROUP AIMS TO BECOME AN INTEGRATED PLAYER IN RENEWABLES

- CEZ aims to become a fully integrated player in development, operating, maintenance and marketing of RES
- In 2016 and 2017 CEZ acquired operating wind farms in Germany
- In 2017 CEZ acquired wind farms in a late development stage in France
SUCCEEDED OPERATION OF ROMANIAN AND GERMAN WIND PARKS FOLLOWED BY PROJECTS DEVELOPMENT IN FRANCE

Romania
- The largest European on-shore wind park - **600 MW** operated by CEZ Group in Romania
- Operating support in the form of green certificates for 15 years

Germany
- **133.5 MW** operated by CEZ Group in Germany
- Operating support in the form of a 20-year feed-in tariff
- Feed-in tariff – average of 89 EUR/MWh (flat)

France
- Acquisition of projects for 9 wind farms in a late development stage with **a total installed capacity of up to 101.8 MW**
- PPA secured – average price of 81 EUR/MWh (escalated) for 15 years
- Connection to the grid and first revenues between 2019 to 2022

**Total capacity of wind farms incl. French pipeline - 872 MW**
- Strengthening of the position in the field of renewable energy and entering new markets
- Germany acquisitions to date generate CZK 0.85bn EBITDA potential for fulfilling the 2020 strategic financial target for Renewables (achieving additional* 2020 EBITDA of CZK 3bn).
- Areas for further focus – Western Europe, renewable projects primarily in the development phase
RENEWABLE ENERGY COST HAS FALLEN TO HALF AND IT IS IN LINE WITH CONVENTIONAL RESOURCES

EUR/MWh

- PV: -88%
  - 2008: 355 EUR/MWh
  - 2015: 66 EUR/MWh
  - 2018: 43-47 EUR/MWh

- Onshore: -37%
  - 2008: 87 EUR/MWh
  - 2015: 87 EUR/MWh
  - 2018: 47-61 EUR/MWh

- Offshore: -69%
  - 2015: 150 EUR/MWh
  - 2018: 47 EUR/MWh

Full cost of conventional resources:
- 2008: 102 EUR/MWh
- 2015: 55 EUR/MWh

* Source: BNEF
Charging infrastructure*

- Main goal is to develop backbone network of fast charging stations throughout the Czech republic (regional cities and major roads)
- Additional implementation of normal charging stations (car parks, shopping centers, bus depots)

⇒⇒⇒ Co-financed by EU programs

- EV Fast Charging Backbone Network Central Europe
- CEZ EV TEN-T Fast Charging Network

Offering set of different products to customers

- Commercial products** - e-mobility for smart cities, electrification of public transport, products for different customers with individual operation (SME, large companies), ...
- Commodity products*** - main product is “electricity for charging” that offers customers accessible and simple connection to all stations operated by CEZ

*provided by CEZ a.s.; Fast charging stations(250A/400V), Normal CHS 64A/400V; **provided by CEZ ESCO; ***provided by CEZ PRODEJ
CEZ INVESTS IN INNOVATIVE ENERGY COMPANIES

INV/IE/N CAPITAL
CEZ GROUP

CZK 5bn Committed capital (by CEZ Group), CZK 1.6bn already invested, Investment Period – 5-7 year ; Established cooperation with EIB*

- **Sonnen** - smart battery systems for storing energy from solar panels and other renewable energy sources. CEZ ESCO already installed first Sonnen battery in the CR. More than 12 000 installations globally (mainly Germany, Austria, Switzerland, expanding in US, Australia, Italy)

- **Sunfire** - unique reversible fuel cell technology, which is able to convert a fuel (such as natural gas) into electricity and heat as well as electricity back into hydrogen and other gases (Power-to-Gas) or synthetic fuels (Power-to-Liquids).

- **Tado** – the European leader in smart thermostats, integrates heat and AC management, integration with more than 5 000 heating and AC systems, ability to provide diagnostics of connected equipment

- **Cloud & Heat** – designs, builds, and operates environmentally friendly, water-cooled, public and private data centers for cloud computing. The solution makes use of heat from servers to heat offices and water in office buildings, up to 50% reduction in operating costs in comparison with conventional solutions.

- **Vulog** - the global independent leader in providing technology for shared mobility, offering end-to-end solutions enabling mobility operators to launch large-scale carsharing services.

*Agreement with European investment bank – managing entrusted 50m EUR to be invested into innovative energy start-ups*
## AGENDA

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<th>Topic</th>
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</tbody>
</table>
WE EXPECT 2018 EBITDA AT CZK 51BN TO 53BN, ADJUSTED NET INCOME AT CZK 12BN TO 14BN

Selected year-on-year positive effects:
- Higher generation at nuclear power plants
- New acquisitions in ESCO and RES
- Higher realization prices of electricity, including the effect of hedges

Selected year-on-year negative effects:
- Significant one-off effects in 2017 (CZK -2.9bn)
- Higher expenses on emission allowances in generation from conventional generating facilities
- Lower gross margin from electricity sales in the Czech Republic caused by higher purchase electricity prices for deliveries in 2018
- Lower allocation of green certificates for Romanian wind farms since Jan 1, 2018

Selected prediction risks and opportunities (reasons for the EBITDA prediction interval):
- Availability of generating facilities
- New RES and ESCO acquisitions
- Payment of SŽDC debt from 2011

Material nonrecurring effects in 2017 (total CZK +8.5bn):
- Of which at EBITDA level CZK +2.9bn: profit from commodity trading above the full year target (1.0), valuation of green certificates for Romanian wind farms allocated in the past (0.8), settlement agreement with Sokolovská uhelná (0.7), out-of-court agreement with Bulgarian state-owned company NEK (0.4)
- Of which below EBITDA CZK +5.6bn: termination of MOL shareholding (4.5), Sale of property in Prague (1.1)

Adjusted net income values exclude extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill amortization). NEK = Natsionalna Elektricheska Kompania (Bulgarian state-owned energy company)
EXPECTED YEAR-ON-YEAR CHANGE IN EBITDA
MAIN REASONS BY SEGMENT*

Specific year-on-year effects
- profit from commodity trading in 2017 above the full year target (-1.0bn)
- Valuation of green certificates for Romanian wind parks (allocated in the past) in 2017 (CZK -0.8bn)
- Lower allocation of green certificates for Romanian wind parks since Jan 1, 2018 (CZK -0.7bn)
- Settlement agreement with Sokolovská uhelná in 2017 (CZK -0.7bn)
- Effect of out-of-court settlement agreement with Bulgarian state-owned company NEK in 2017 (CZK -0.4bn)

Generation—Traditional Energy
- Higher generation at nuclear power plants
- Higher realization prices of electricity, including the effect of hedges
- Higher expenses on emission allowances

Generation—New Energy
- New RES acquisitions

Distribution
- Higher revenue in the Czech Republic partially offset by lower revenue from connection fees due to change in IFRS
- Lower connection revenue in Bulgaria

Sales
- Lower gross margin from electricity sales in the Czech Republic caused by higher purchase electricity prices for deliveries in 2018
- New ESCO acquisitions, especially Elevion in Germany

* Year-on-year comparison by segment, adjusted for listed specific effects totaling CZK 3.6bn
Note: NEK—Natsionalna Elektricheska Kompania (Bulgarian state-owned energy company)
DIVIDEND POLICY IS TO DISTRIBUTE 60 – 100 % OF ADJUSTED NET INCOME OF 2016 AND 2017 PROFITS

Dividend paid per share (CZK)

Payout ratio* (%)

- The Annual General Meeting of CEZ held on June 22, 2018 approved to pay a dividend equal to CZK 33 per share
- Dividend payment started on August 1st, 2018

* As percentage of adjusted net income
CURRENT LEVERAGE ALLOWS FOR DEBT FINANCED ACQUISITIONS WITHOUT EXCEEDING ND/EBITDA 3.0x

<table>
<thead>
<tr>
<th>Company</th>
<th>Net economic debt/ EBITDA*</th>
<th>Current credit rating</th>
<th>Tolerated leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGE</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fortum</td>
<td>1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enel</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEZ</td>
<td>2.5</td>
<td>A-, stable outlook from S&amp;P</td>
<td>net financial debt/EBITDA ratio at 2.5-3.0x</td>
</tr>
<tr>
<td>RWE</td>
<td>3.5</td>
<td>Baa1, positive outlook from Moody’s</td>
<td>assumes funding of new development activities (primarily acquisition of renewable projects, distribution, sales and heat assets)</td>
</tr>
<tr>
<td>Innogy</td>
<td>3.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EON</td>
<td>3.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENBW</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engie</td>
<td>4.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iberdrola</td>
<td>4.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDF</td>
<td>5.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.5x</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

- CEZ is operating renewed low cost and profitable generation fleet and is positioned to get upsides from high CO2 and/or hard coal prices.

- Future growth of CEZ comes from ESCO, distributed energy and renewables in countries in which CEZ is present in Central/Western Europe:
  - CEZ increased its investments into distribution.
  - CEZ acquired ESCO companies in the Czech Republic and Germany and aims to become a leading player in energy efficiency solutions.
  - CEZ acquired renewables in Germany and France and aims to become a fully integrated development, operating, maintenance and marketing of RES.

- CEZ leverage allows for debt financed acquisitions not exceeding ND/EBITDA 3.0x.

- Approved dividend of CZK 33 per share from 2017 earnings, i.e. 86% of adjusted net income.
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</table>
HISTORICAL DEVELOPMENT OF PRICES OF INPUT COMMODITIES

Note: year ahead baseload deliveries, CO2 – Dec delivery
ELECTRICITY MARKETS IN THE REGION ARE INTEGRATED, CEZ CAN SELL ITS POWER ABROAD

Note: Prices for 2019 baseload – as of August 31, 2018

Source: EEX, PXE, TGE
CZECH ELECTRICITY DEMAND GREW BY 1.6% IN 2017

Net electricity consumption in the Czech Republic (TWh)

- **Temperature adjusted electricity consumption** in the Czech Republic grew by **2.4% in 2017**
- **Unadjusted consumption** in the Czech Republic grew **1.6% in 2017**, of which:
  - + 2.5% large industrial companies
  - + 2.7% households
  - + 1.0% small businesses
- **Unadjusted consumption** in the distribution area of CEZ Distribuce** grew by **2.4%**
  - + 2.9% large industrial companies
  - + 2.3% households
  - + 0.8% small businesses

Source: CEZ, ERU  * Adjusted as per CEZ model  **5/8 of the Czech Republic
Net electricity consumption in the Germany (TWh)

- **Net electricity consumption** in Germany grew by 0.2 % in 2016 of which:
  - + 0.4% large industrial companies
  - + 0% households
  - + 0% small businesses

Source: BDEW, *Preliminary estimate*
RENEWABLE GENERATION GROWTH IN GERMANY WILL MORE THAN OFFSET PLANNED PHASE OUT OF GERMAN NUCLEAR AND COAL POWER PLANTS BY 2023…

**German consumption**
- Long term stagnation
- Potential decrease due to Energy Efficiency Directive
- Most likely low support from EV; 2020 target: 1m cars ~ 2.5 TWh/year

**German supply (2025 vs 2010)**
- **Nuclear power plants phase out** (Atomausstieg) : −141 TWh from Nuclear
- **Energiewende** : +151 TWh from RES
- Germany electricity balance won’t be in shortage, moreover there is potential for higher utilization of gas and hard coal resources (current utilization of gas resources 37% and hard coal 47%)

**After 2023**
- **Growth of RES volumes** based on plan. Annually displaces 1000 MW of coal from the market
- Elimination of a substantial part of coal from the German energy mix can be expected in the period 2030-2035, depending on the development of environmental legislation

Source: www.ag-energiebilanzen.de, and internal CEZ analyses, note: brutto values
...AND PRICE UPSIDE FROM THE GERMAN’S PHASE OUT MIGHT BE EXPECTED...

Illustrative cost curve for Central Europe 2017, 2023*

... RENEWABLES WILL BRING MORE VOLATILITY INTO THE MARKET

Illustrative cost curves for Central Europe 2023

*Rated capacity (High/Low): Renewables 60%/10% of Installed capacity, Other sources – annual average
PROJECT OF NEW NUCLEAR IN THE CZECH REPUBLIC

- State energy policy aims to preserve full independence of the Czech Republic in power production after the country runs out of domestic coal and assumes building new nuclear units in the Czech Republic once Dukovany Nuclear Power Plant reaches end of its operations (expected in 2035).
- In 2014 (after 5 years) CEZ abandoned unfinished tender for contractor of a new unit after the government declined to provide any guarantees related to the new unit’s operations and construction.
- Government run Standing Committee for Nuclear Energy is currently investigating three options for new nuclear project’s investment set-up:
  - CEZ will develop the project
  - State will acquire the project and develop it
  - State will acquire bigger part (e.g. the existing nuclear capacity) of CEZ and develop the project
- Support mechanism, including potential state guarantees, needed for each option is part of the analysis.
- CEZ is participating in the analysis

Envisaged timeline of new nuclear project in the Czech Republic

<table>
<thead>
<tr>
<th>Business model selection</th>
<th>EPC contractor selection</th>
<th>Construction permit and final notice to proceed</th>
<th>New nuclear unit put into operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2023</td>
<td>2028</td>
<td>2035</td>
</tr>
</tbody>
</table>
## DISCUSSION OF CEZ GROUP’S TRANSFORMATION DRIVEN BY TWO CONSIDERATIONS

### Construction of a new nuclear power plant in the Czech Republic and the Czech state’s priorities
- The Czech Standing Committee on Nuclear Energy defined three investment models/funding options for a new nuclear facility in the Czech Republic.
- One of the options anticipates that CEZ Group would transform into several independent companies.

### Energy market trends and investors’ differing views of traditional and new energy
- Environmental legislation for the operation of coal-fired power plants and mines and requirements for the operational safety of nuclear power plants are getting stricter.
- The dynamics of the energy market is changing; conventional energy is dissociating from new energy, including different perception by investors.
- Several major transformations of energy groups were made in Europe.

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- In September 2017, the Presidium of the Government of the Czech Republic gave task that a ČEZ Transformation variant be worked out as an alternative for ČEZ’s future direction in the context of the European energy sector and the State Energy Policy and as one of three variants enabling the construction of a new nuclear power plant in the Czech Republic.
- CEZ Group analysed various options of CEZ Group transformation and assessed, as part of a complex project, whether the possible transformation could increase value for shareholders and how it is realistically possible to implement a project for a new nuclear power plant in the Czech Republic and fulfil Czech Republic’s State Energy Policy.
- Board of Directors of ČEZ, a. s. has not arrived at any conclusions on this matter yet.
CONTEMPLATED OPTIONS ARE HEADING TOWARDS SEPARATION OF TRADITIONAL GENERATION FROM DISTRIBUTION, SALES AND NEW ENERGY

Key benefits of the recommended option for ČEZ's SHAREHOLDERS:

1. Significant increase of ČEZ's value
   - Eliminating uncertainty concerning NNPP construction and coal assets and the related discount on shares price
   - Increasing value by creating investment specific opportunities sought after by specific investors

2. Target companies with a clear strategic focus
   - Generation company focusing on the state's energy security and NNPP construction, which will be able to deal better with specific business and regulatory risks
   - New company focusing on growth and innovation in the field of new energy

Key benefits of the advisable transformation for the Czech Republic:

A. Fulfilment of Czech Republic’s State Energy Policy
   - Construction of new nuclear power plants
   - Preservation of full control of the Czech state over CEZ Group’s coal reserves

B. Preservation of the Czech state's shareholding in a New company, i.e. in a liquid and attractive asset, which can be sold off flexibly in the future to obtain financial proceeds for the state - should it be needed.
The European Union is progressing with reform of its Emission Trading Scheme but the market remains structurally oversupplied.

**Phase 3** – starting with 1,749 mt surplus from phase 2, current surplus on similar level (i.e. cca. 1Y CO2 production/demand)
- The growing surplus of emission allowances – due to oversupply and the economic slowdown – has driven the carbon price well below the levels expected when the ETS was created
- Several measures introduced in order to bring the market into balance – freezing of 900m of allowances; introduction of the MSR from 2019 (withdrawal of 24% of total emission surplus if total surplus is above 833 Mt)
- EU allowances supply (wide cap) 1,969 mt x EU allowances demand (verified total emission) 1,750 mt in 2016
- Cap decreases each year by the linear factor of 1.74% (38 mt)

**Phase 4**
- Increase in linear factor of cap to 2.2% (48 mt), MSR withdrawal pace of 24% will be in operation till 2023 when the optimal surplus level is expected (after 2023 decrease to 12%), partial cancellation of allowances in the MSR and voluntary option to governments to cancel permits from auctions when coal plants shut down - agreed in trialogue* on November 8th.
- MSR will help to withdraw the unused surplus from the market but whether it will bring balance to the market remains to be seen.

---

**Note:** MSR = Market stability reserve  
*the parliament, European council and European commission, **Assumption of zero emission price
Price needed for Coal-to-Gas switching, low and average efficient sources*, Emission allowance prices on forward market EUR/t, Cal 2019

- Current emission certificate price allows to switch part of the generation from the least efficient coal power plants to the most efficient gas power plants.
- Even if the CO2 price has almost tripled since the beginning of the year, it hasn’t incentivized additional emission savings because of the gas price increasing faster than the coal price.
- The whole switching potential is estimated to 280 Mt of CO2 savings, half of this potential would be achieved with EUA price of around 35 EUR/t (assuming current fuel prices).

*for coal and gas sources with efficiency between 34% resp. 56% and 36% resp. 50%, based on ARA and NCG prices
EU 2030 TARGETS FOR RES AND ENERGY EFFICIENCY WERE SET

A COMPROMISE WAS REACHED IN JUNE BETWEEN THE EUROPEAN PARLIAMENT, EU COUNCIL, AND EUROPEAN COMMISSION CONCERNING AN ENERGY EFFICIENCY DIRECTIVE, RES DIRECTIVE, AND ENERGY UNION GOVERNANCE REGULATION.

Key outcomes/energy targets for 2030:

- Tentative energy efficiency target of 32.5%, annual decrease of final consumption of at least 0.8%. Originally, the EU target according to the Council was to be 30%, the European Parliament aimed for 35%.

- Binding renewables target of 32% of gross final consumption of energy; member states are to define their own contribution at national level. Annual RES increase of 1.3% in the heating sector. Originally, the EU target according to the Council was to be 27%; the European Parliament aimed for 35%.

- Draft national climate and energy plans must be submitted by the end of 2018, final versions by the end of 2019. Member states must set an almost linear trajectory for achieving the RES target in the plans.

ELECTRICITY MARKET REGULATION REMAINS A CHIEF OPEN ISSUE

- The future features of the electricity market directive and regulation are still under discussion, with chief open issues being capacity mechanisms, regulation of retail prices, and allocation of cross-border transmission capacity for trading.

- Negotiations are also held on the consumer package (class actions, among others) and the clean mobility package (emission targets for passenger and commercial vehicles, e-mobility development).
CEZ GROUP RECEIVES PART OF EMISSION ALLOWANCES FOR FREE

- CEZ Group to receive up to \textbf{69.6 million} emission allowances for electricity production in the Czech Republic in 2013–2019 in exchange for investments reducing greenhouse gas emissions.
- Up to 60% of the standard national auction volumes can be freely allocated for the modernization of the energy sector in less developed countries post 2020 (including Czech republic; investments into modernization are limited by carbon intensity of new/renewed source**)

\textbf{Expected allocation of allowances for CEZ Group in the Czech Republic (millions)}

<table>
<thead>
<tr>
<th>Year</th>
<th>Heat Production</th>
<th>Electricity Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>18.8</td>
<td>68%</td>
</tr>
<tr>
<td>2014</td>
<td>16.4</td>
<td>66%</td>
</tr>
<tr>
<td>2015</td>
<td>13.5</td>
<td>52%</td>
</tr>
<tr>
<td>2016</td>
<td>10.9</td>
<td>39%</td>
</tr>
<tr>
<td>2017</td>
<td>7.9</td>
<td>28%*</td>
</tr>
<tr>
<td>2018</td>
<td>5.4</td>
<td>19%*</td>
</tr>
<tr>
<td>2019</td>
<td>2.9</td>
<td>10%*</td>
</tr>
<tr>
<td>2020</td>
<td>0.4</td>
<td>1%*</td>
</tr>
</tbody>
</table>

* % of 2016 emissions; ** 0.55 t/MWh
CZECH REPUBLIC: ELECTRICITY DISTRIBUTION - OVERVIEW OF REGULATORY FRAMEWORK

Regulatory Framework

- 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
  - Regulatory rate of return (WACC nominal, pre-tax) – 7.951% for 2016-2020
  - Operating costs are indexed to CPI + 1% (30% weight) and market services price index (70% weight). In IV. Regulatory period efficiency factor set at 1.01%/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

- 4th regulatory period from January 1, 2016 till December 31, 2020*,
- 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, prices of commodity is not regulated at all.

* Originally the IV. Regulatory period was scheduled to end at YE 2018 and later was extended by the regulator till YE 2020.
CZECH DISTRIBUTION - WACC COMPONENTS IN IV. REGULATORY PERIOD

- WACC set using CAPM formula:
  \[ WACC = \left( k_e \times \frac{E}{D+E} \right) + \left( k_d \times \frac{D}{D+E} \right) \times (1-T) \]
  
  \[
  k_e = r_f + \beta \times MRP.
  \]
  
  \[
  k_d = r_f + credit\ risk\ margin\ (CRM)
  \]

- 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 German and French Sovereign bonds

<table>
<thead>
<tr>
<th>WACC components</th>
<th>4th regulatory period 2016 – 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk free rate ((r_f))</td>
<td>3.82 %</td>
</tr>
<tr>
<td>Market risk premium ((MRP))</td>
<td>5 %</td>
</tr>
<tr>
<td>(\beta) unlevered</td>
<td>0.536</td>
</tr>
<tr>
<td>(\beta) levered ((\beta))</td>
<td>0.901</td>
</tr>
<tr>
<td>Cost of equity ((k_e))</td>
<td>8.32 %</td>
</tr>
<tr>
<td>Credit risk margin ((CRM))</td>
<td>1.38 %</td>
</tr>
<tr>
<td>FTSE Euro Corporate Bonds BBB</td>
<td>4.53 %</td>
</tr>
<tr>
<td>EUR gov 10YEUR</td>
<td>3.15 %</td>
</tr>
<tr>
<td>Cost of debt, pre tax ((k_d))</td>
<td>5.19 %</td>
</tr>
<tr>
<td>Tax rate ((T))</td>
<td>19 %</td>
</tr>
<tr>
<td>Cost of debt, post-tax</td>
<td>4.21 %</td>
</tr>
<tr>
<td>Debt/(Debt+Equity)</td>
<td>45.75 %</td>
</tr>
<tr>
<td>WACC (nominal, before tax)</td>
<td>7.951%</td>
</tr>
</tbody>
</table>
ROMANIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by ANRE (Autoritatea Nationala de Reglementare in domeniul Energiei)
- Price cap (tariff basket) methodology
- Revenue = Controllable OPEX + non-controllable OPEX + Depreciation + Purchase of losses + Regulatory return on RAB + Working capital - Revenues from reactive energy - 50% gross profit from other activities
- Efficiency factor of 1.5% applied only to controllable OPEX
- Losses (technical + commercial) reduction program agreed with ANRE on voltage levels
- Possibility for annual corrections
- Investment plan – approved by ANRE before regulatory period starts, revision of investments carried out usually done at the end of the regulatory period.
- Regulatory return (WACC pre-tax real terms) equals to 7.7% starting 2015, it can be revised by ANRE during regulatory period
- Working capital is equal to regulated remuneration of 1/12 from total OPEX
- Distribution tariff growth capped in real terms at 10% yearly on voltage levels and at 7% yearly for average weighted distribution tariff in the third regulatory period

Regulatory periods

- 3rd regulatory period Jan 1, 2014 – Dec 31, 2018

Liberalization

- Complete removal of regulated prices for industrial consumers by end 2013, for residential consumers by end 2017
- Starting January 2018 the market is fully liberalized. Consumers who have not yet chosen their energy supplier in the free market are priced with a Last Resort Supplier tariff (endorsed by ANRE)
- A gradual transfer of household customers from tariffs to liberalised market is expected as the Last Resort Supplier tariffs are usually slightly higher than the end consumer tariffs offered by suppliers in the free market
**BULGARIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION**

**Regulatory Framework**
- Regulated by EWRC (Energy and Water Regulatory Commission)
- The regulatory formula for distribution
  - Revenue cap = Costs + Regulatory return on RAB + Depreciation
  - Regulatory rate of return (WACC nominal, pre-tax) at 6.67% for the 5th regulatory period
  - Average values set for the NBV, depreciation and investments for the whole period
  - RAB set at EUR 300.5 mil. for the 5th regulatory period*
  - Technological losses in 5th regulatory period set by regulator at 8%
  - Efficiency factor introduced in the 2nd regulatory period, not applied in the 5th regulatory period, yet. EWRC may apply it later.

**Regulatory periods**
- 3rd regulatory period August 1, 2013 – July 31, 2015
- 4th regulatory period August 1, 2015 – June 30, 2018
- 5th regulatory period August 1, 2018 – June 30, 2021

**Unbundling & Liberalization**
- Unbundling successfully completed by December 31, 2006
- Since July 2007, all consumers have the right to become eligible. Most of the household customers remain in universal service with regulated tariffs though
- Liberalization process and transfer of consumers to free market is partly restrained due to a limited scale of energy products provided by the Bulgarian energy exchange (IBEX)

---

* Exchange rate used BGN/EUR = 0.51
Operators of renewables can choose from two options of support:

- **Feed-in tariffs** (electricity purchased by distributor)
- **Green bonuses** (electricity sold on the market, bonuses paid by distributor, level of green bonuses is derived from feed-in tariffs)

Feed-in tariffs are set by a regulator to ensure 15-year payback period. During operation of a power plant they are escalated by PPI index or by 2% at minimum and 4% at maximum.

Support is provided for 20 years to solar, wind, pure biomass and biogas plants and for 30 years to hydro.

Solar plants commissioned in 2014 or later do not receive any support.

Solar plants put into operations in 2010 with capacity over 30kWp are obliged to pay 10% tax of revenues.

- Two green certificates (GC) obtained by the producer for each MWh supplied from wind to the network until 2017, one GC from 2018 onwards, duration of support – 15 years.
- Legally set price for green certificate is EUR 29.4 – EUR 35 (adjusted in March 2017 from previous EUR 27 to EUR 55)
- In March 2017 the tradability of green certificates was extended – all certificates issued after 1st April 2017 are tradable until 31st March 2032 (originally the lifespan was limited to 12 months).
- The updated regulatory scheme assumes an obligation to buy a constant annual amount of green certificates for 15 years, starting Apr 1, 2017, so that all green certificates are absorbed at the end of the 15-year period.

Green certificates market clearing price (EUR/certificate) vs. Romanian year ahead electricity price (EUR/MWh)
2017 GENERATION VOLUMES AFFECTED BY SHUTDOWNS IN NUCLEAR PLANTS, IN 2018 IMPROVEMENT IN NUCLEAR GENERATION EXPECTED

2017 volume trends
+ Shorter outages, especially at Temelín NPP
+ Operation of renewed Prunéřov 2 Power Plant
+ Operation of new Ledvice 4 Coal Power Plant
- Lower production from Coal Power Plants in Poland
+ Higher production from wind power plants in Romania and Germany

2018 volume trends
+ Optimization of outages in both nuclear power plants
+ Commercial operation of new Ledvice 4 coal power plant
- Shorter outages in Tušimice 2 power plant
- Lower generation in Dětmarovice, Prunéřov and Mělník

* Full potential of Nuclear generation is 32 TWh (conditional by outage cycles in given year).
CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

Utilization of Short-Term Lines (as at June 30, 2018)

- CEZ Group has access to CZK 26.1 billion in committed credit facilities, using CZK 5.2 billion as at June 30, 2018.
- Committed facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- The payment of dividends for 2017 started on August 1st, 2018 (total liability to shareholders of CZK 17.6 billion corresponding to the awarded dividend of CZK 17.8 billion less the amount corresponding to the number of treasury shares at the record date).
### CEZ GROUP FINANCIAL AND OPERATING RESULTS

<table>
<thead>
<tr>
<th>(CZK bn)</th>
<th>Q1 - Q2 2017</th>
<th>Q1 - Q2 2018</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>100.9</td>
<td>86.3</td>
<td>-14.6</td>
<td>-14%</td>
</tr>
<tr>
<td>Revenues - comparable ****</td>
<td>85.4</td>
<td>86.3</td>
<td>+0.9</td>
<td>+1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>31.3</td>
<td>26.9</td>
<td>-4.4</td>
<td>-14%</td>
</tr>
<tr>
<td>EBIT</td>
<td>17.2</td>
<td>12.7</td>
<td>-4.6</td>
<td>-26%</td>
</tr>
<tr>
<td>Net income</td>
<td>16.7</td>
<td>7.7</td>
<td>-8.9</td>
<td>-54%</td>
</tr>
<tr>
<td>Net income - adjusted *</td>
<td>17.0</td>
<td>7.8</td>
<td>-9.1</td>
<td>-54%</td>
</tr>
<tr>
<td>Operating CF</td>
<td>23.6</td>
<td>21.1</td>
<td>-2.5</td>
<td>-11%</td>
</tr>
<tr>
<td>CAPEX</td>
<td>11.9</td>
<td>9.0</td>
<td>-3.0</td>
<td>-25%</td>
</tr>
<tr>
<td>Net debt **</td>
<td>119.4</td>
<td>128.3</td>
<td>+8.9</td>
<td>+7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q1 - Q2 2017</th>
<th>Q1 - Q2 2018</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed capacity **</td>
<td>GW</td>
<td>15.4</td>
<td>14.9</td>
</tr>
<tr>
<td>Generation of electricity - traditional energy</td>
<td>TWh</td>
<td>30.8</td>
<td>29.8</td>
</tr>
<tr>
<td>Generation of electricity - new energy</td>
<td>TWh</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Electricity distribution to end customers</td>
<td>TWh</td>
<td>26.6</td>
<td>26.6</td>
</tr>
<tr>
<td>Electricity sales to end customers</td>
<td>TWh</td>
<td>18.9</td>
<td>19.0</td>
</tr>
<tr>
<td>Sales of natural gas to end customers</td>
<td>TWh</td>
<td>5.4</td>
<td>5.2</td>
</tr>
<tr>
<td>Sales of heat</td>
<td>000´TJ</td>
<td>13.7</td>
<td>12.9</td>
</tr>
<tr>
<td>Number of employees ** ***</td>
<td>000´s</td>
<td>27.0</td>
<td>30.4</td>
</tr>
</tbody>
</table>

* Adjusted net income = Net income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill write-offs)

** As at the last date of the period

*** The increase is primarily related to new acquisitions, in particular of German company Elevion (almost 2,000 employees), and insourcing of purchased services in Czechia

**** Comparison by application of IFRS 15 (which changes the method of presenting financial results from Jan 1, 2018) on Q1-Q2 2017, according to this standard distribution revenues and distribution expenses are not reported in a situation, when company sells electricity in the area, where it does not own the distribution network. Application of the standard materially impacts total revenues and expenses of energy corporations (without impacting total profit).
Main causes of year-on-year change in H1 EBITDA:

**Generation—Traditional Energy segment**

- Impact of rising electricity prices on revaluation of contracts which hedge electricity production with deliveries in H2 2018 (CZK -1.2 billion), this temporary negative influence will be compensated in H2 because deliveries of electricity will be realised at the value CZK 1.2 billion higher than nominal value of hedging contracts.
- Higher expenses on emission allowances for generation (CZK -1.0 billion) of which CZK 0.4 billion will be compensated in H2 in connection with commercial hedge of purchase of allowances for the year 2018.
- Effect of settlement agreement with Sokolovská uhelná in 2017 (CZK -0.7 billion)

**Sales segment**

- Positive effect of out-of-court settlement agreement made between CEZ Elektro Bulgaria and state-owned energy company NEK in 2017 (CZK -0.4 billion)
OTHER INCOME AND EXPENSES

(CZK bn) | Q1 - Q2 2017 | Q1 - Q2 2018 | Change | %
--- | --- | --- | --- | ---
EBITDA | 31.3 | 26.9 | -4.4 | -14%
Depreciation, amortization and impairments* | -14.1 | -14.2 | -0.1 | -1%
Other income (expenses) | 2.2 | -3.4 | -5.5 | -
  Interest income (expenses) | -1.7 | -2.4 | -0.7 | -42%
  Interest on nuclear and other provisions | -0.8 | -0.9 | -0.1 | -11%
  Income (expenses) from investments and securities | 4.8 | 0.0 | -4.8 | -
Other | -0.1 | 0.0 | +0.1 | +54%
Income taxes | -2.8 | -1.6 | +1.2 | +42%
Net income | 16.7 | 7.7 | -8.9 | -54%
Net income - adjusted | 17.0 | 7.8 | -9.1 | -54%

Depreciation, Amortization, and Impairments* (CZK -0.1 billion)
- Effect of nonrecurrent income from sale of residential property in Prague in 2017 (CZK -1.1 billion)
- Lower depreciation and amortization (CZK +0.9 billion), primarily due to updated long-term estimates of service life of ČEZ power plants, which exceeded the effect of the start of depreciation of the new Ledvice facility after its completion at the end of 2017

Other Income and Expenses (CZK -5.5 billion)
- Effect of termination of MOL stockholding in 2017, including related operations (CZK -4.5 billion)
- Higher interest expenses (CZK -0.7 billion), primarily due to lower interest capitalization after completion of the new Ledvice facility
- Other effects (CZK -0.3 billion), primarily exchange differences

Net Income Adjustments
- H1 2018 net income adjusted for the negative effect of fixed asset impairments, primarily in Czechia (CZK +0.1 billion)
- H1 2017 net income adjusted for the negative effect of fixed asset impairments, primarily in Poland (CZK +0.2 billion), and partial goodwill write-off in Turkey (CZK +0.1 billion)**

* Including profit/loss from sales of tangible and intangible fixed assets
** Reported under Income and Expenses from Investments and Securities
## Nuclear and mining provisions as of YE 2017 in accordance with IFRS

(discount rate 1.25% p.a. (real), est. Inflation effect 1.25%)

<table>
<thead>
<tr>
<th>Provision (CZK bn)</th>
<th>Responsibility of:</th>
<th>Cash cover (CZK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim storage of spent nuclear fuel</td>
<td>7.6 bn</td>
<td>CEZ</td>
</tr>
<tr>
<td>Permanent storage of spent nuclear fuel</td>
<td>33.2 bn</td>
<td>State*, costs paid by CEZ</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fee 55 CZK/MWh generated in NPP to Nuclear Account***</td>
</tr>
<tr>
<td>Nuclear Facility decommissioning</td>
<td>20.8 bn</td>
<td>CEZ</td>
</tr>
<tr>
<td>Mining reclamation</td>
<td>7.9 bn</td>
<td>CEZ (SD**)</td>
</tr>
<tr>
<td>Landfills (ash storage)</td>
<td>1.0 bn</td>
<td>CEZ</td>
</tr>
</tbody>
</table>

* RAWRA - Radioactive Waste Repository Authority

** SD – Severočeské doly

*** Nuclear Account balance as of YE 2017 CZK 26.9bn
## SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

### CZK

#### Profit and loss

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues (CZK bn)</td>
<td>198.8</td>
<td>209.8</td>
<td>221.9</td>
<td>216.7</td>
<td>210.8</td>
<td>210.2</td>
<td>203.7</td>
<td>201.9</td>
</tr>
<tr>
<td>Sales of electricity</td>
<td>175.3</td>
<td>181.8</td>
<td>186.8</td>
<td>189.4</td>
<td>173.8</td>
<td>182.1</td>
<td>174.9</td>
<td>167.8</td>
</tr>
<tr>
<td>Heat sales &amp; others</td>
<td>23.6</td>
<td>28.0</td>
<td>35.1</td>
<td>27.4</td>
<td>27.9</td>
<td>28.1</td>
<td>28.8</td>
<td>30.8</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>110.0</td>
<td>122.4</td>
<td>136.1</td>
<td>134.7</td>
<td>129.3</td>
<td>145.1</td>
<td>145.7</td>
<td>148.0</td>
</tr>
<tr>
<td>Purchased power</td>
<td>54.4</td>
<td>65.9</td>
<td>71.7</td>
<td>79.0</td>
<td>90.9</td>
<td>88.3</td>
<td>86.9</td>
<td></td>
</tr>
<tr>
<td>Fuel</td>
<td>16.9</td>
<td>17.1</td>
<td>15.8</td>
<td>13.8</td>
<td>12.7</td>
<td>13.1</td>
<td>13.2</td>
<td>12.7</td>
</tr>
<tr>
<td>Salaries &amp; wages</td>
<td>18.7</td>
<td>18.1</td>
<td>18.7</td>
<td>18.9</td>
<td>17.8</td>
<td>17.6</td>
<td>19.2</td>
<td>22.1</td>
</tr>
<tr>
<td>Other</td>
<td>20.0</td>
<td>21.3</td>
<td>29.9</td>
<td>23.2</td>
<td>21.9</td>
<td>25.1</td>
<td></td>
<td>26.3</td>
</tr>
<tr>
<td><strong>EBITDA</strong> (CZK bn)</td>
<td><strong>88.8</strong></td>
<td><strong>87.4</strong></td>
<td><strong>85.8</strong></td>
<td><strong>82.0</strong></td>
<td><strong>72.5</strong></td>
<td><strong>65.1</strong></td>
<td><strong>58.1</strong></td>
<td><strong>53.9</strong></td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>45%</td>
<td>42%</td>
<td>39%</td>
<td>38%</td>
<td>36%</td>
<td>31%</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>26.9</td>
<td>26.2</td>
<td>28.9</td>
<td>36.4</td>
<td>35.7</td>
<td>36.3</td>
<td>32.1</td>
<td>29.5</td>
</tr>
<tr>
<td>EBIT (CZK bn)</td>
<td><strong>62.0</strong></td>
<td><strong>61.3</strong></td>
<td><strong>57.0</strong></td>
<td><strong>45.7</strong></td>
<td><strong>36.9</strong></td>
<td><strong>29.0</strong></td>
<td><strong>26.1</strong></td>
<td><strong>24.4</strong></td>
</tr>
<tr>
<td>EBIT margin (%)</td>
<td>31%</td>
<td>29%</td>
<td>26%</td>
<td>21%</td>
<td>18%</td>
<td>14%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Net Income (CZK bn)</td>
<td>46.9</td>
<td>40.8</td>
<td>40.1</td>
<td>35.2</td>
<td>22.4</td>
<td>20.5</td>
<td>14.6</td>
<td>10.0</td>
</tr>
<tr>
<td>Net income margin (%)</td>
<td>24%</td>
<td>19%</td>
<td>18%</td>
<td>16%</td>
<td>11%</td>
<td>10%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>49.8</td>
<td>41.2</td>
<td>41.3</td>
<td>43.0</td>
<td>29.5</td>
<td>27.7</td>
<td>19.6</td>
<td>20.7</td>
</tr>
<tr>
<td>Adjusted net income margin (%)</td>
<td>25%</td>
<td>20%</td>
<td>19%</td>
<td>20%</td>
<td>15%</td>
<td>13%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

#### Balance sheet

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non current assets</td>
<td>448.3</td>
<td>467.3</td>
<td>494.7</td>
<td>485.9</td>
<td>497.5</td>
<td>493.1</td>
<td>489.3</td>
<td>488.0</td>
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<tr>
<td>Current assets</td>
<td>96.1</td>
<td>131.0</td>
<td>141.1</td>
<td>154.5</td>
<td>130.4</td>
<td>109.6</td>
<td>141.6</td>
<td>138.3</td>
</tr>
<tr>
<td>- out of cash &amp; equiv</td>
<td>22.2</td>
<td>22.1</td>
<td>18.0</td>
<td>25.0</td>
<td>20.1</td>
<td>13.5</td>
<td>11.2</td>
<td>12.6</td>
</tr>
<tr>
<td><strong>Total Assets</strong> (CZK bn)</td>
<td><strong>544.4</strong></td>
<td><strong>598.3</strong></td>
<td><strong>635.8</strong></td>
<td><strong>640.4</strong></td>
<td><strong>627.9</strong></td>
<td><strong>602.7</strong></td>
<td><strong>630.8</strong></td>
<td><strong>626.2</strong></td>
</tr>
<tr>
<td>Shareholders equity</td>
<td>221.4</td>
<td>226.8</td>
<td>250.2</td>
<td>258.1</td>
<td>261.3</td>
<td>267.9</td>
<td>256.8</td>
<td>250.0</td>
</tr>
<tr>
<td>Return on equity (%)</td>
<td>22%</td>
<td>18%</td>
<td>17%</td>
<td>14%</td>
<td>9%</td>
<td>8%</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Interest bearing debt</td>
<td>158.5</td>
<td>182.0</td>
<td>192.9</td>
<td>199.0</td>
<td>184.1</td>
<td>157.5</td>
<td>167.8</td>
<td>152.2</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>164.4</td>
<td>189.4</td>
<td>192.6</td>
<td>183.3</td>
<td>182.4</td>
<td>177.3</td>
<td>206.2</td>
<td>224.0</td>
</tr>
<tr>
<td><strong>Total liabilities</strong> (CZK bn)</td>
<td><strong>544.4</strong></td>
<td><strong>598.3</strong></td>
<td><strong>635.8</strong></td>
<td><strong>640.4</strong></td>
<td><strong>627.9</strong></td>
<td><strong>602.7</strong></td>
<td><strong>630.8</strong></td>
<td><strong>626.2</strong></td>
</tr>
</tbody>
</table>
## SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

**EUR**

### Profit and loss

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>7,796</td>
<td>8,227</td>
<td>8,702</td>
<td>8,498</td>
<td>7,914</td>
<td>8,243</td>
<td>7,988</td>
<td>7,918</td>
</tr>
<tr>
<td>Sales of electricity</td>
<td>6,875</td>
<td>7,129</td>
<td>7,325</td>
<td>7,427</td>
<td>6,816</td>
<td>7,141</td>
<td>6,859</td>
<td>6,580</td>
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<tr>
<td>Heat sales and other revenues</td>
<td>925</td>
<td>1,098</td>
<td>1,376</td>
<td>1,075</td>
<td>1,094</td>
<td>1,102</td>
<td>1,129</td>
<td>1,208</td>
</tr>
<tr>
<td>Purchased power and related services</td>
<td>4,314</td>
<td>4,800</td>
<td>5,337</td>
<td>5,282</td>
<td>5,071</td>
<td>5,690</td>
<td>5,714</td>
<td>5,804</td>
</tr>
<tr>
<td>Fuel</td>
<td>663</td>
<td>671</td>
<td>620</td>
<td>541</td>
<td>498</td>
<td>514</td>
<td>518</td>
<td>498</td>
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<tr>
<td>Salaries and wages</td>
<td>733</td>
<td>710</td>
<td>733</td>
<td>741</td>
<td>698</td>
<td>753</td>
<td>867</td>
<td>867</td>
</tr>
<tr>
<td>Other</td>
<td>784</td>
<td>835</td>
<td>1,173</td>
<td>910</td>
<td>859</td>
<td>918</td>
<td>984</td>
<td>1,031</td>
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<tr>
<td>EBITDA</td>
<td>3,482</td>
<td>3,427</td>
<td>3,365</td>
<td>3,216</td>
<td>2,843</td>
<td>2,553</td>
<td>2,278</td>
<td>2,114</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>45%</td>
<td>42%</td>
<td>39%</td>
<td>38%</td>
<td>36%</td>
<td>31%</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Depreciation, amortization, impairments</td>
<td>1,055</td>
<td>1,027</td>
<td>1,133</td>
<td>1,427</td>
<td>1,400</td>
<td>1,424</td>
<td>1,259</td>
<td>1,157</td>
</tr>
<tr>
<td>EBIT</td>
<td>2,431</td>
<td>2,404</td>
<td>2,235</td>
<td>1,792</td>
<td>1,447</td>
<td>1,137</td>
<td>1,024</td>
<td>957</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>31%</td>
<td>29%</td>
<td>26%</td>
<td>21%</td>
<td>18%</td>
<td>14%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Net Income</td>
<td>1,839</td>
<td>1,600</td>
<td>1,573</td>
<td>1,380</td>
<td>878</td>
<td>804</td>
<td>573</td>
<td>745</td>
</tr>
<tr>
<td>Net income margin</td>
<td>24%</td>
<td>19%</td>
<td>18%</td>
<td>16%</td>
<td>11%</td>
<td>10%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>1,953</td>
<td>1,616</td>
<td>1,620</td>
<td>1,686</td>
<td>1,157</td>
<td>1,086</td>
<td>769</td>
<td>812</td>
</tr>
<tr>
<td>Adjusted net income margin</td>
<td>25%</td>
<td>20%</td>
<td>19%</td>
<td>20%</td>
<td>15%</td>
<td>13%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

### Balance sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Non current assets</td>
<td>17,580</td>
<td>18,325</td>
<td>19,400</td>
<td>19,055</td>
<td>19,510</td>
<td>19,337</td>
<td>19,188</td>
<td>19,137</td>
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<tr>
<td>Current assets</td>
<td>3,769</td>
<td>5,137</td>
<td>5,533</td>
<td>6,059</td>
<td>5,114</td>
<td>4,298</td>
<td>5,553</td>
<td>5,424</td>
</tr>
<tr>
<td>- out of that cash and cash equivalents</td>
<td>871</td>
<td>867</td>
<td>706</td>
<td>980</td>
<td>788</td>
<td>529</td>
<td>439</td>
<td>494</td>
</tr>
<tr>
<td>Total Assets</td>
<td>21,349</td>
<td>23,463</td>
<td>24,933</td>
<td>25,114</td>
<td>24,624</td>
<td>23,635</td>
<td>24,737</td>
<td>24,557</td>
</tr>
<tr>
<td>Shareholders equity (excl. minority. int.)</td>
<td>8,682</td>
<td>8,894</td>
<td>9,812</td>
<td>10,122</td>
<td>10,247</td>
<td>10,506</td>
<td>10,071</td>
<td>9,804</td>
</tr>
<tr>
<td>Return on equity</td>
<td>22%</td>
<td>18%</td>
<td>17%</td>
<td>14%</td>
<td>9%</td>
<td>8%</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Interest bearing debt</td>
<td>6,216</td>
<td>7,137</td>
<td>7,565</td>
<td>7,804</td>
<td>7,220</td>
<td>6,176</td>
<td>6,580</td>
<td>5,969</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>6,447</td>
<td>7,427</td>
<td>7,553</td>
<td>7,188</td>
<td>7,153</td>
<td>6,953</td>
<td>8,086</td>
<td>8,784</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>21,349</td>
<td>23,463</td>
<td>24,933</td>
<td>25,114</td>
<td>24,624</td>
<td>23,635</td>
<td>24,737</td>
<td>24,557</td>
</tr>
</tbody>
</table>

Exchange rate used: 25.5 CZK/EUR
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