PRESENTATION ON CEZ GROUP FINANCIAL RESULTS IN Q1–Q3 2020

NONAUDITED CONSOLIDATED RESULTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

November 10, 2020

COVID: ČEZ PROTECTS OPERATIONS AND PERSONNEL AND HELPS OTHERS

ČEZ took adequate measures in time to be able to supply electricity under any circumstances. A number of measures that have been taken in Czechia and abroad are coordinated with national crisis staff.

WE PROTECT CEZ GROUP OPERATIONS AND PERSONNEL

- A special crisis team assesses the situation continually and introduces necessary measures depending on developments in the epidemic.
- Wearing a mask and keeping a safe distance is obligatory on all shared ČEZ premises. We have minimized contact by introducing work from home and online meetings and training.
- Measures at power plants prevent contact between teams: separate workplaces, contactless shift changeover. Nuclear power plants in special mode since the spring.
- Employees' body temperature taken when they report for work at power plants and call centers.
- External visits and field trips to operation premises forbidden.
- Adopted measures allow successful performance of a refueling outage at Dukovany Unit 2 even in these days. Hundreds of employees and outsourcers have been working on thousands of equipment checks since Sep 26, 2020.

WE HELP OTHERS

- ČEZ Prodej has been helping public health offices with COVID-19 contact tracing and the communication of test results in Czechia since Sep 29. It trained 68 operators for these activities.
- Due to an increased number of customers working from home, we limit outages in ČEZ Distribuce's grid to a minimum necessary for maintaining proper grid operation or repairing faults caused, for example, by wind until further notice.
- We support online education by, for example, purchasing tablets for children at school or distributing data SIMs to school children with poor Internet access.
- The ČEZ Foundation keeps helping vulnerable groups of people; employee collections for vulnerable groups abroad.

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CEZ GROUP FINANCIAL AND OPERATING RESULTS

(CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Revenues	148.1	155.5	+7.5	+5%
EBITDA	44.7	50.9	+6.2	+14%
EBIT	22.1	23.2	+1.1	+5%
Net income	13.6	13.6	-0.0	-0%
Net income adjusted *	14.7	18.7	+4.0	+27%
Operating CF	40.5	52.0	+11.5	+28%
CAPEX	18.6	18.9	+0.4	+2%

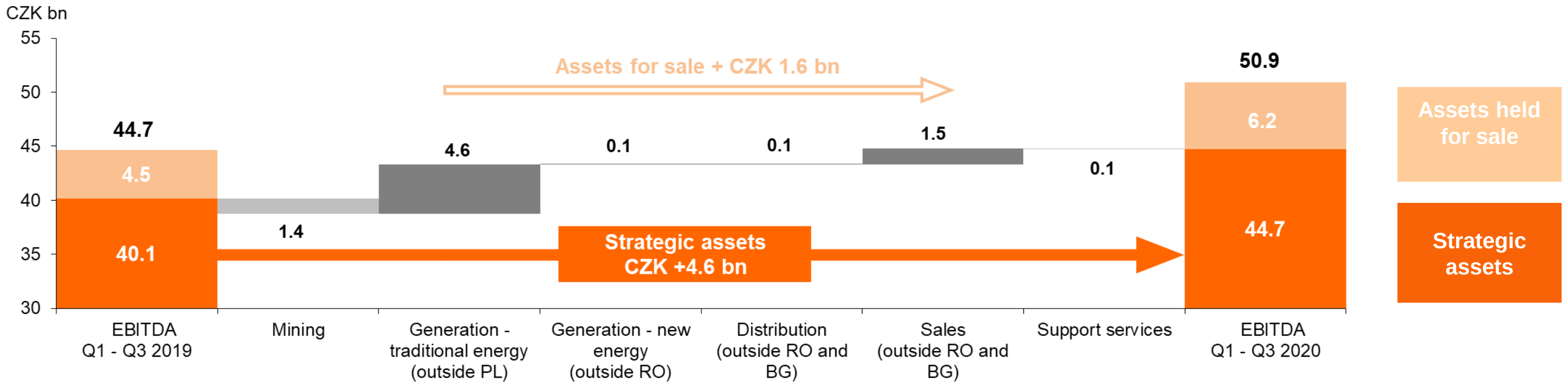
		Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Installed capacity **	GW	14.9	13.9	-0.9	-6%
Mining	m tons	14.7	10.7	-4.1	-28%
Generation of electricity - segment traditional energy	TWh	45.1	42.4	-2.7	-6%
Generation of electricity - segments new energy and sales	TWh	1.6	1.7	+0.1	+7%
Electricity distribution to end customers	TWh	38.5	36.8	-1.7	-4%
Electricity sales to end customers	TWh	26.0	24.3	-1.6	-6%
Sales of natural gas to end customers	TWh	6.7	6.2	-0.5	-7%
Sales of heat	000´TJ	16.1	15.7	-0.4	-3%
Number of employees **	000´s	32.2	31.9	-0.3	-1%

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

** At the last date of the period

YEAR-ON-YEAR CHANGE IN EBITDA

BY SEGMENT (INCL. STRATEGIC VS. OTHER ASSETS)



Main Causes of Year-on-Year Change in Q1–Q3 EBITDA

Strategic assets (CEZ Group except for companies intended for sale under the valid strategy from 2019)

- Higher realization prices of generated electricity, including the effect of hedges in Czechia and commodity trading (CZK +7.9 bn)
- Higher expenses on emission allowances for generation in Czechia (CZK -2.9 bn) due to increased purchase prices and lower allocation of free allowances
- Decreased revenue from coal sales (CZK -1.3 bn); lower generation at non-nuclear generating facilities in Czechia (CZK -1.3 bn), higher generation at nuclear power plants (CZK +0.5 bn)
- Effect of a 2019 court ruling under which the payment of SŽDC's liability to ČEZ Prodej from 2010 had to be paid back incl. interest and costs (CZK +1.3 bn)

Assets held for sale (Romanian, Bulgarian, and Polish companies other than ESCOs)

- Higher EBITDA of Romanian and Bulgarian distribution (CZK +0.7 bn) especially due to lower costs to cover network losses and higher revenues from electricity distribution
- Higher gross margin on electricity generation at Romanian wind parks due to both higher generation and higher realization prices (CZK +0.6 bn)

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

OTHER INCOME (EXPENSES)

(CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
EBITDA	44.7	50.9	+6.2	+14%
Depreciation, amortization and impairments*	**-22.6**	**-27.7**	**-5.2**	**-23%**
Other income (expenses)	**-5.4**	**-5.7**	**-0.3**	**-6%**
Interest income (expenses)	-3.8	-3.7	+0.1	+2%
Interest on nuclear and other provisions	-1.4	-1.5	-0.1	-5%
Income (expenses) from investments and securities	0.5	0.0	-0.5	-93%
Other	-0.7	-0.6	+0.1	+16%
Income taxes	**-3.1**	**-3.9**	**-0.8**	**-24%**
Net income	13.6	13.6	-0.0	-0%
Net income adjusted	**14.7**	**18.7**	**+4.0**	**+27%**

Depreciation, Amortization, and Impairments* (CZK -5.2 bn)

- Higher additions to fixed asset impairments, including goodwill impairment, in Poland (CZK -2.0 bn), Romania (CZK -1.4 bn), and Czechia (CZK -1.1 bn)
- Higher depreciation and amortization (CZK -0.7 bn), primarily at ČEZ Distribuce (CZK -0.3 bn), ČEZ, a. s. (CZK -0.2 bn) and in Romania (CZK -0.1 bn)

Net Income Adjustments

- In Q1–Q3 2020 adjusted for the negative effect of additions to fixed asset impairments and for the negative effect of goodwill impairment in Poland (CZK +1.8 bn), in Romania (CZK +1.5 bn), and at Severočeské doly (CZK +0.7 bn) as well as for the negative effect of additions to fixed asset impairments in Bulgaria (CZK +0.9 bn) and at the Dětmarovice power plant (CZK +0.2 bn)
- In Q1–Q3 2019 adjusted for the negative effect of additions to fixed asset impairments in Bulgaria (CZK +1.0 bn) and in Romania (CZK +0.1 bn)

Significant event after Q3:

- On Oct 14, 2020, ČEZ, a. s., received CZK 1,463 m under a court ruling concerning the assessment of the period for the reward of interest relating to a refunded overpayment of gift tax on emission allowances for 2011 and 2012.
- The ruling will increase CEZ Group's net income in Q4 2020 and this income is exempt from income tax.

* Including profit/loss from sales of tangible and intangible fixed assets

THE EUROPEAN COMMISSION PROPOSED INCREASING THE 2030 TARGET FOR CO_2 EMISSION REDUCTION TO 55% OF THE 1990 BASELINE AND PUBLISHED FURTHER AMBITIONS AND SCENARIOS FOR ATTAINING OBJECTIVES UNDER ITS "GREEN DEAL"

	2020	2030 (current targets)*	2030 (new EC proposal)
Reduction of greenhouse gas emissions from the 1990 baseline	**20%** ▪ **Binding EU-wide** target ▪ Partial target for EU ETS: 21% reduction from 2005 levels by 2020	**At least 40%** ▪ **Binding EU-wide** target ▪ Can be reached as a side effect while going for the other two targets	**55%** ▪ European Parliament requests 60%
RES share in total final energy consumption**	**20%** ▪ **Binding national** target ▪ Initially supported mainly through feed-in tariffs, auctions since 2017	**At least 32%** ▪ **Binding EU-wide target** ▪ Fulfillment in electricity, heat, and transportation ▪ RES electricity in the EU should grow to 55% (from 34% in 2020)	**38–39%** ▪ 55% decarbonization according to scenarios, actual proposal in June 2021 ▪ **63–65%** share of RES **in electricity**
Energy savings (EED)* as compared to 2007 predictions**	**20%** ▪ **Indicative national** target ▪ Mandatory energy-saving measures in final consumption	**At least 32.5%** ▪ **Indicative EU-wide target** ▪ **Binding annual savings of 0.8% of final** energy **consumption at national level** ▪ For Czechia, both targets require similar reduction in consumption (about 30%) by 2030 ****	**39–40%** ▪ Primary energy consumption savings, actual proposal in June 2021 ▪ The target corresponds to **36–37% savings** at final energy consumption level

*The 2030 targets will be revised based on the Green Deal; **RES: applicable to all kinds of energy, not just electricity; ***EED—Energy Efficiency Directive;
****NCEP sent to Brussels anticipates Czech savings of 30.2%

HUGE FINANCIAL ASSISTANCE FOR SPECIFIC GREEN INVESTMENTS PREPARED IN THE EU IN LINE WITH THE "GREEN DEAL"

Fixed funds allocated at EU level *

- **EU budget for 2021–2027 totaling EUR 1,074 bn** earmarked for operational programs, common agricultural policy, and EU functioning.
- **"Next Generation EU" recovery plan: EUR 750 bn** (390 bn grants and 360 bn loans), of which **EUR 672.5 bn** is earmarked for member states under a "*Recovery and Resilience Plan.*" Funds will be allocated in **2021–2023**. Related reforms and investments must be carried out by 2026.
- At least **30%** of the total EU funds (amounting to EUR 1,824 bn, see above) **must be spent** on **climate-related projects**.
- Total **potential for funds for Czechia** in the next 7 years exceeds **EUR 50 bn**. Of that, approx. EUR 27 bn is allocation from the EU budget, approx. EUR 9 bn is estimated to come from recovery plan grants, and approx. EUR 15 bn from recovery plan loans.

EU ETS funds, income from emission allowances

- **Modernization fund** of tens of bn of EUR (approx. **EUR 5 bn** for Czechia) for RES, efficiency, storage, …
- **Innovation fund**—more than **EUR 11 bn** at EU level for innovation in RES, CCS, storage, and industry.
- At least **50% of income from EUA auctions** earmarked for climate and energy expenditure.
- Potential increase in EUA price would mean further increase in these resources.

Sustainable Finance

- Financial market regulation
- In the first stage, technologies will be "labeled" as **sustainable/ temporarily unsustainable**.
- In the next stage, the financial market will be motivated **to prefer sustainable projects** over unsustainable.
- "Green" investments will be preferred in financial markets.
- A significant portion of banks/insurance companies already takes this criterion into account and restrict collaboration with entities planning to use coal.

* in 2018 prices

ČEZ ACCELERATED THE SALE OF THE POČERADY POWER PLANT BY 3 YEARS AND AGREED WITH THE BUYER TO TERMINATE A COAL SUPPLY CONTRACT

Subject Matter of the Transaction

- ČEZ and Vršanská uhelná from the Sev.en group have agreed that the coal-fired Počerady power plant will be transferred to Vršanská uhelná at a higher purchase price as of Dec 31, 2020. Under a previously valid contract, this was to happen on Jan 2, 2024.
- ČEZ has thus taken another major step under its strategy of gradually moving away from coal-fired power plants and switching to low-emission or zero-emission facilities. Its motivation was also new BAT/BREF limits applicable from mid-2021, requiring major capital expenditure, and further increase in CO_2 emission reduction targets announced by the EC, which resulted in deteriorated financial performance outlooks for coal-fired facilities in both Europe and Czechia. The EC's step resulted in a significant increase in the market prices of CO_2 emission allowances and a decrease in margin on electricity generation at coal-fired power plants (also resulting from the European economy's slowdown due to COVID-19).
- An existing sales contract for the purchase of coal from Vršanská uhelná in the amount of 5 million tons/year in 2021–2023, imposing a take-or-pay obligation of ČEZ to take deliveries of contracted amounts of coal, will be terminated simultaneously with the transfer.
  The agreement also includes ČEZ's access to the Počerady power plant's production in 2021–2023, as the buyer undertakes to supply ČEZ with 5 TWh of electricity per year at a fixed price. All of ČEZ's hedge contracts for the purchase of emission allowances and sales of electricity from the power plant's expected production in 2021–2023 are still owned by ČEZ and are not included in the transaction.
- The power plant sales contract and the electricity supply contract for 2021–2023 (incl. the agreement on the termination of ČEZ's obligation to take deliveries of coal from Vršanská uhelná in that period) were made on Oct 22, 2020. Shares are expected to be transferred and the power plant is expected to be handed over on Dec 31, 2020, conditional on the Czech competition authority's approval of the transaction.
- ČEZ counts on further operation and development of the site. It retains a modern 880 MW CCGT unit, a gas connection, a feeder supplying the site with water from the Ohře River, and a total of 300,000 m^2 of land in the locality.

THE EARLIER SALE OF THE POČERADY POWER PLANT HELPS CEZ GROUP FULFILL ITS AMBITION TO REDUCE ITS CARBON FOOTPRINT FASTER

Impacts of the Sale

- Previous contracts made between the parties anticipated selling a 100% stake in Elektrárna Počerady for a purchase price of CZK 2.0 bn with a transaction date of Jan 2, 2024.
- The current purchase price under the contract made on Oct 22, 2020, is CZK 2.5 bn and is payable at Nov 30, 2023. A regular purchase price adjustment for cash (or, more precisely, the amount of current assets less the amount of the company's liabilities at the transaction date) will be measured at the transaction date (Dec 31, 2020) and this part of the purchase price will be paid by the buyer in H1 2021 by means of a setoff against a portion of Elektrárna Počerady's receivables from ČEZ, a. s., arising from its cash being deposited in ČEZ's cash-pooling accounts.
- With the sale, ČEZ will eliminate risks associated with environmental regulatory requirements for capital expenditure on the generating facility in 2021 through 2023 and risks associated with the operation of a coal-fire facility in general.
- The sale will significantly decrease CEZ Group's carbon footprint:
  - CO_2 emissions from the Počerady power plant were 4 to 5 million tons a year
  - the installed capacity of CEZ Group's coal-fired facilities will drop by more than 17%, to 4.8 GW.
  - The CEZ Group portfolio's specific emissions intensity per unit of electricity generated will be approximately 20% lower in 2021 compared to specific CO_2 intensity of a new CCGT plant.

ROMANIAN ASSETS SOLD TO LONDON-BASED INFRASTRUCTURE INVESTOR MACQUARIE INFRASTRUCTURE AND REAL ASSETS

Divestment Process

- The selling process officially started on Sep 9, 2019. The first stage was concluded with the receipt and evaluation of 19 indicative offers in December 2019. The second stage officially started on Jan 24, 2020, with 9 prospective bidders invited. The deadline for submitting binding bids was extended until Jun 25, 2020, due to the COVID-19 pandemic and the related measures imposed by the Romanian government.
- On Jun 25, 2020, CEZ Group received firm bids for the Romanian assets. The bid submitted by renowned international institutional investor Macquarie Infrastructure and Real Assets was evaluated as the best.
- On Oct 22, 2020, ČEZ entered into a contract for the sale of the Romanian assets with the winning bidder. The assets sold comprise a distribution company, a sales company, the Fântânele and Cogealac wind park, four small hydroelectric power plants, and service company CEZ Romania.
- The transaction is subject to approval by the EU's Directorate-General for Competition and will also be debated by Romania's Supreme Council of National Defense (Consiliul Suprem de Apărare a Ţării, CSAT). The transaction is expected to be settled during 2021.
- ČEZ's exclusive adviser on the sale was a London-based investment team of the Société Générale bank (together with a Czech team of Komerční banka and a Romanian team of the BRD—Groupe Société Générale bank). There was much interest in CEZ Group's Romanian assets. A high level of competition was achieved throughout the selling process in spite of complications arising from COVID-19.
- CEZ Group retains an active presence in Romania in trading (through CEZ Trade Romania) and energy services (through High-Tech Clima).

THE SALE OF THE ROMANIAN ASSETS FULFILLS OUR APPROVED STRATEGY FROM 2019 AND HELPS TO REINFORCE THE GROUP'S FINANCIAL STABILITY

Impacts of the Sale

- The sale of the Romanian assets fulfills the strategy approved at the 2019 shareholders' meeting, which aimed at divesting some assets in selected countries to improve CEZ Group's risk profile and focus on the decarbonization of its generation portfolio and development of renewables and modern energy services (in Czechia and European countries with a stable business environment).
- CEZ Group will get funds from the sale that will, in accordance with CEZ Group's current strategy:
  - Contribute to decrease its debt
  - Be used for development investments in Czechia and stable countries
  - Allow for a higher dividend for shareholders
- Development investments under consideration include fulfilling the national integrated energy and climate plan in Czechia, converting heat generation facilities toward zero-emission technology, and developing modern energy services focusing on savings.
- We cannot disclose the selling price due to contractual stipulations with the buyer. Nevertheless, the achieved selling price exceeds internal valuations of the assets, which means that it generates more cash for our shareholders than what is indicated by expected future cash flows if the assets were not sold. This conclusion was confirmed by independent appraisals of the value of the sold companies carried out by three renowned external entities.
- At the same time, the transaction will have a negative impact on CEZ Group's profit reported in Q4 2020 because the costs of the disposal of the assets at consolidated level exceed the selling price. This is due to past changes in the RON/CZK exchange rate and negative regulatory interventions in Romania in the past (especially interventions in RES regulation).

DEVELOPMENTS IN CEZ GROUP'S DIVESTING ACTIVITIES

OTHER COUNTRIES

BULGARIA—Commission for Protection of Competition Approves the Sale of Assets to Eurohold

- The agreement for the purchase of Bulgarian assets made with Eurohold on Jun 20, 2019 remains in force.
- On Jul 22, 2020, the Administrative Court in Sofia reversed the decision of the Bulgarian Commission for Protection of Competition, which stopped the sale of ČEZ's local assets to Bulgarian company Eurohold in Oct 2019.
- The Commission for Protection of Competition did not appeal the decision of the Administrative Court and reopened the proceeding on Aug 27, 2020. It stayed the proceeding on Sep 3, 2020, asking the participants to update and amend supporting documents. Requested supporting documents were sent on Sep 15, 2020, within the statutory time limit.
- The Commission for Protection of Competition approved the sale of CEZ Group's Bulgarian assets to Eurohold at its meeting held on Oct 29, 2020. The transaction is now subject to approval by the Bulgarian energy regulatory authority.

POLAND—Process of Selling Coal-Fired Assets Started

- On Sep 16, 2020, the process of selling Polish coal-fired assets (the Chorzów and Skawina power plants) and other Polish companies, except for ESCO companies, was started by publishing a request for expression of interest, to be submitted by Sep 29, 2020. The request resulted in 14 expressions of interest from potential investors.
- A standard compliance check of the prospective bidders was carried out in October and the first round of the selling process was then started, which will end in the submission and evaluation of indicative offers. The deadline for submitting indicative offers is Dec 7, 2020.
- The sale of Polish wind projects in the development phase continues. The sale of the Krasin and Sakówko projects was completed in Q2 of this year; we expect to sell the remaining 4 projects by the end of 2020.

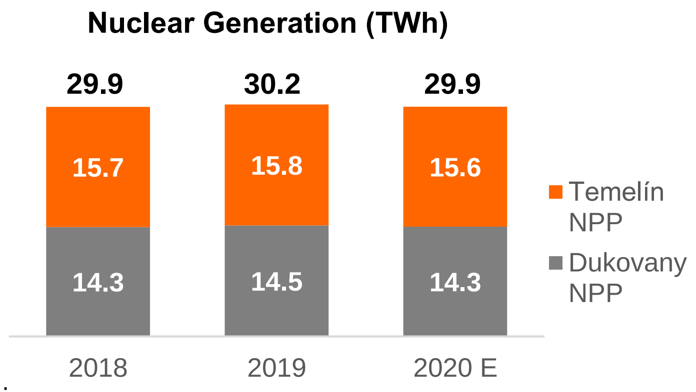
ČEZ INCREASED THE CAPACITY OF TEMELÍN UNIT 2, FULFILLING A KEY PRIORITY—SAFE AND STABLE OPERATION OF NUCLEAR PLANTS

Stable Nuclear Generation of 30 TWh

- Safe and stable operation of both plants in 2018–2020
- Projects for further availability optimization started at both nuclear plants, aiming at annual production above 31 TWh

Achievable Capacity of Temelín Unit 2 Increased by 4 MW_e

- Increase realized by installing two new separators—steam reheaters in the nonnuclear part of the power plant, which will enhance the unit's efficiency while the reactor output remains the same. This will increase the unit's capacity to 1,086 MW_e. The same capital expenditure is expected at Temelín NPP Unit 1 in 2021.



Priority of Safety and Compliance

- Conditions from the Dukovany NPP operating license met in accordance with SÚJB's decision.
- A period safety review of Temelín Unit 1 performed after 20 years of operation.
- Unlimited license for further operation of Temelín Unit 1 received on Sep 23, 2020. Similarly to the Dukovany NPP, the license is subject to a number of conditions; compliance will be checked at ten-year intervals.
- Preparation of supporting documents for an application for a license extension for Temelín Unit 2 continues.

Other Selected Events in Nuclear Power

- Ústav aplikované mechaniky Brno (Institute of Applied Mechanics) was acquired at Jul 1, 2020 and is now wholly owned by ČEZ, a. s. It is a company having key competences for providing safety and stress analyses for nuclear plant lifecycle management.
- On Nov 5, 2020, ČEZ and British company Rolls-Royce signed a Memorandum of Understanding concerning the development of small modular reactors to evaluate application opportunities in Czechia.

NPP—nuclear power plant; SÚJB—State Office for Nuclear Safety (Státní úřad pro jadernou bezpečnost) in Czechia

SELECTED EVENTS IN THE PAST QUARTER

Reacting to Developments in Wholesale Market, ČEZ Prodej and ČEZ ESCO Lower Electricity and Natural Gas Prices for Customers

- ČEZ Prodej reduces prices with effect from Oct 1, 2020. The basic indefinite-term product is reduced by 230 CZK/MWh for electricity and 121 CZK/MWh for gas, inclusive of VAT. Price reduction for other products is derived from that reduction and applies to both fixed-term and indefinite-term products across all product lines.
- ČEZ ESCO lowers prices with effect from Nov 1, 2020. The basic indefinite-term product is reduced by 163 CZK/MWh for electricity and 121 CZK/MWh for gas, inclusive of VAT. Price reduction for fixed-term products is derived from that reduction.
- The prices of fixed-term products are updated on the contract renewal date.

ČEZ Prodej Defends the Title of the “Most Trusted Energy Supplier in Czechia” and Enjoys Customers’ Trust

- ČEZ Prodej defended the title of the “Most Trusted Energy Supplier” again in 2020. It is based on an independent survey conducted with more than 4,000 respondents as part of the 6th annual national Trusted Brands program, which monitors and awards brands that Czech consumers trust the most.
- ČEZ Prodej has had a CX (customer satisfaction indicator) of more than 85% for five consecutive quarters—which means that more than 85% of its clients give it an A for how it handled their request. This makes it the leading major energy supplier in Czechia. The latest benchmarking was carried out by independent agency Ipsos on a sample of hundreds of clients in Q3.

INVEN CAPITAL Buys into Eliq and Forto

- Eliq AB, a Swedish company, developed a software platform for energy companies that has an ambition to become a digital energy assistant for their end-use customers (such as households).
- Forto GmbH, a German company, is a rapidly growing software platform that optimizes the movement of goods between European and Asian customers and manufacturers, offering transparent and reliable transportation of goods while minimizing transportation costs, laying the foundation for considerable reduction in CO_2 emissions.
- Additionally, INVEN CAPITAL increased its investments in some existing companies, namely Zolar, NeuronSW, and Cloud&Heat.

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SEGMENT: GENERATION–TRADITIONAL ENERGY

EBITDA (CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Czechia	18.9	23.5	+4.6	+24%
Poland	0.5	0.5	-0.0	-3%
Other states	0.0	0.0	+0.0	+14%
Generation - traditional energy	**19.4**	**24.0**	**+4.6**	**+24%**

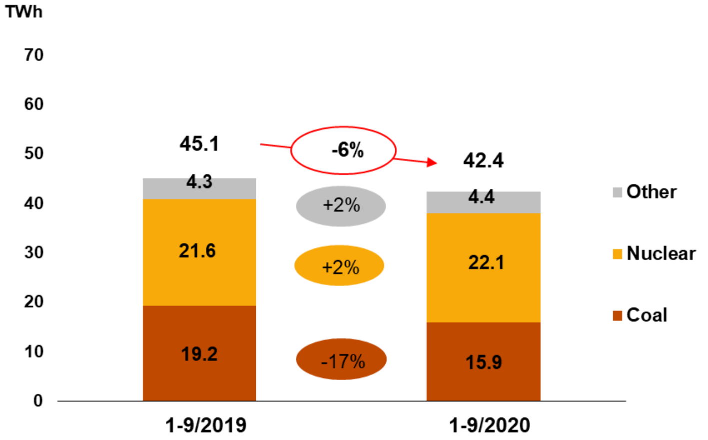
Czechia (CZK +4.6 bn)

- Higher realization prices of generated electricity, including the effect of hedges and commodity trading (CZK +7.9 bn)
- Additional income (“overhedge”) from German hedge contracts for generation supplies in 2020 to 2025 due to significantly increased difference between Czech and German market prices of electricity (CZK +0.3 bn)
- Higher generation at nuclear power plants (CZK +0.5 bn), operation of other generating facilities (CZK -1.3 bn)
- Higher expenses on emission allowances for generation (CZK -2.9 bn) due to increased purchase prices and lower allocation of free allowances
- Higher revenue from heat sales (CZK +0.3 bn)
- Other effects (CZK -0.2 bn), primarily higher fixed operating expenses

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

ELECTRICITY GENERATION

GENERATION—TRADITIONAL ENERGY SEGMENT



Nuclear Power Plants (+2%)

+ Shortened outages at the Dukovany power plant

Coal-Fired Power Plants (-17%)

Czechia (-19%)

− Termination of the Prunéřov 1 power plant's operation at Jun 30, 2020

− Lower generation at the Mělník 3, Tušimice 2, Počerady, and Mělník 2 power plants in connection with unfavorable changes in the market prices of electricity and emission allowances

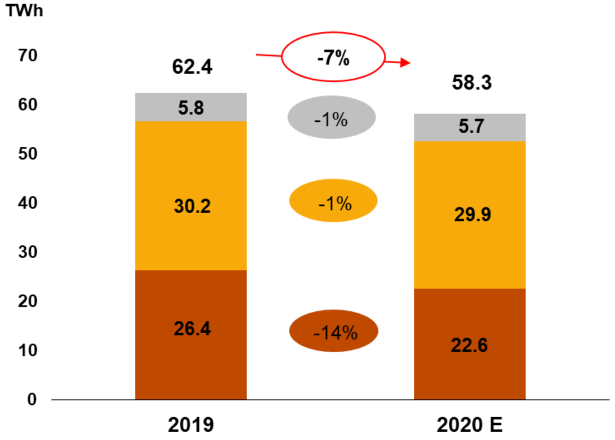
− Longer outages at the Prunéřov 2 power plant and Ledvice 4 power plant

Poland (-1%)

− Effect of lower electricity prices (Chorzów)

Other (+2%)

+ Primarily higher generation at the Počerady CCGT plant due to favorable market conditions, especially low gas prices



Nuclear Power Plants (-1%)

− Operating inspections, investment actions, and grid effects

Coal-Fired Power Plants (-14%)

Czechia (-16%)

− Termination of the Prunéřov 1 power plant's operation at Jun 30, 2020

− Lower generation at the Mělník 3, Tušimice 2, and Mělník 2 power plants in connection with unfavorable changes in the market prices of electricity and emission allowances

− Longer outages at the Prunéřov 2 power plant

+ Shorter outages at the Ledvice 3 power plant

Poland (+4%)

+ Higher generation (Skawina)

Other (-1%)

− Longer outages at the Počerady CCGT plant

 Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

ČEZ CONTINUES HEDGING ITS GENERATION REVENUES,
77% SOLD FOR 2021 AT 46 EUR/MWH

Expected realization price for generation in Czechia in 2020 (estimated at Sep 30, 2020):

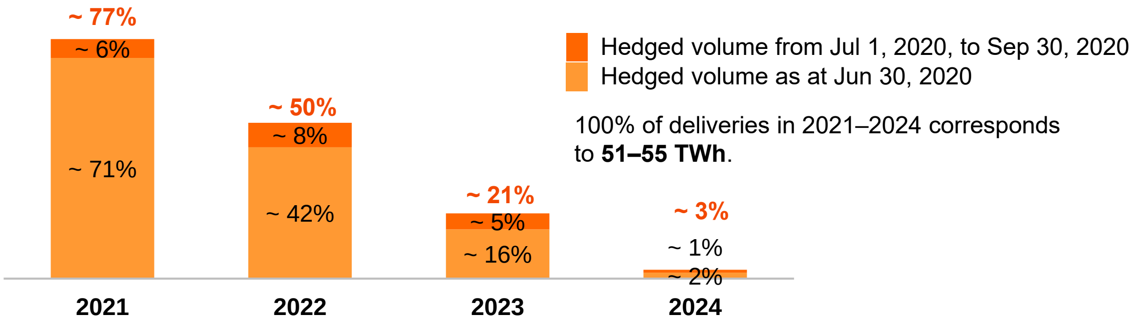
- Estimated average realization price of generated electricity is **45.5 EUR/MWh**.
- Estimated average purchase price of emission allowances for generation (incl. those allocated under a derogation) is **14.5 EUR/t**.

Note: This results from hedges in past years, deals made in 2020, and the current market valuation of electricity not yet sold and emission allowances for estimated generation not yet obtained in 2020.

A contract for the sale of the Počerady power plant was made on Oct 22, 2020, which will reduce the hedged production in 2021 through 2023 by 4 to 5 TWh.

For the share of hedged production and average prices as at Oct 22, 2020 (i.e., without the Počerady power plant), refer to slide 37 in the Annex.

Share of Hedged Production of ČEZ* Facilities in Czechia as at Sep 30, 2020



100% of deliveries in 2021–2024 corresponds to **51–55 TWh**.

Hedging Prices of Electricity & Emission Allowances for Generation in Czechia as at Sep 30, 2020

	2021	2022	2023	2024
Electricity selling price (EUR/MWh)	€45.8	€47.1	€47.4	€48.5
EUA purchase price (EUR/t)	€19.9	€22.2	€23.3	€25.0

Currency Hedges for Estimated Supplies of Generated Electricity as at Sep 30, 2020

	2021	2022	2023	2024
Total currency hedges (natural & transactional) as at Sep 30, 2020	**99%**	**96%**	**87%**	**73%**
Natural currency hedging (debt in EUR, capital and other expenditure and costs in EUR)	83%	80%	79%	73%

The foreign exchange position for 2021 is hedged at an average rate of 26.9 CZK/EUR, for 2022–2024 at a rate of 25.8–26.2 CZK/EUR.

* ČEZ, a. s., including the Energotrans, Počerady, and Dětmarovice power plants

SEGMENT: GENERATION—NEW ENERGY

EBITDA (CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Czechia	1.7	1.8	+0.0	+2%
Romania	1.2	1.8	+0.6	+45%
Germany	0.3	0.4	+0.1	+23%
Other states	-0.0	-0.1	-0.1	>200%
Generation - new energy	**3.2**	**3.8**	**+0.6**	**+19%**

Romania (CZK +0.6 bn)

- Higher gross margin on electricity due to both higher generation and higher prices

Germany (CZK +0.1 bn)

- Higher amount of generated electricity
- Lower fixed operating expenses relating to change in RES strategy abroad

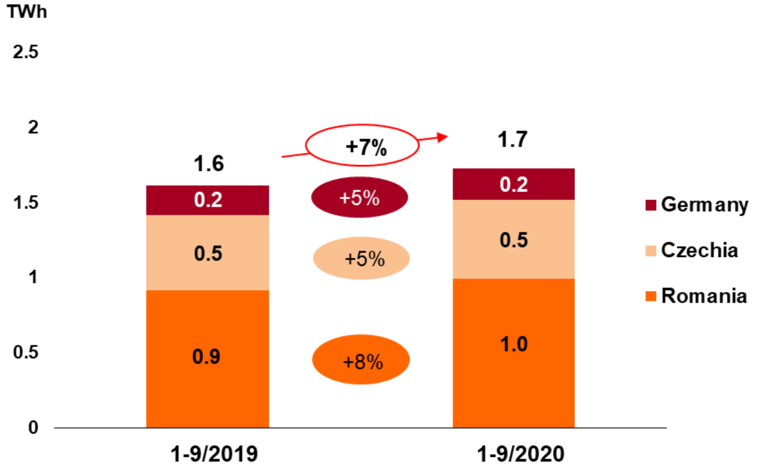
Other Countries (CZK -0.1 bn)

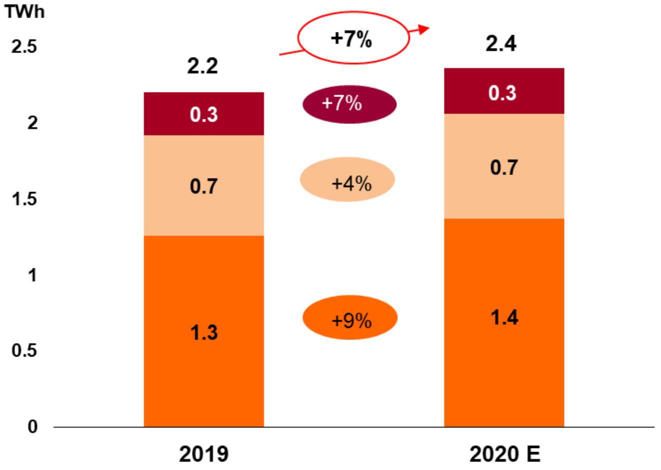
- Primarily the formation of CEZ RES International (in charge of RES activities in Western Europe), which resulted in a transfer of expenses from ČEZ, a. s. (i.e., from the Generation—Traditional Energy segment)

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

ELECTRICITY GENERATION

GENERATION—NEW ENERGY & SALES SEGMENTS





Germany (+5%)
+ Worse-than-average weather conditions in 2019

Czechia (+5%)
+ Higher generation at small hydropower plants due to better-than-average hydrometeorologic conditions
+ Higher generation at ČEZ Energo due to an increased number of cogeneration units

Romania (+8%)
+ Worse-than-average weather conditions in 2019

Germany (+7%)
+ Worse-than-average weather conditions in 2019

Czechia (+4%)
+ Higher generation at ČEZ Energo
+ Higher generation at small hydropower plants due to better-than-average hydrometeorologic conditions

Romania (+9%)
+ Worse-than-average weather conditions in 2019

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

SEGMENT: SALES

EBITDA (CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Czechia	1.0	2.6	+1.6	+164%
Germany	0.4	0.2	-0.2	-57%
Romania	0.1	0.4	+0.3	>200%
Bulgaria	0.3	0.4	+0.1	+20%
Other states	0.0	0.1	+0.1	>200%
Sales	**1.8**	**3.6**	**+1.8**	**+101%**

Czechia (CZK +1.6 bn)

- Effect of a 2019 court ruling under which the payment of SŽDC's liability to ČEZ Prodej from 2010 had to be paid back incl. interest and costs (CZK +1.3 bn)
- Impact of billing of uninvoiced electricity (+CZK 0.3 bn)
- Impact of COVID-19 on the margin on commodity sales to corporate customers (-CZK 0.3 bn)
- Other influences (+CZK 0.3 bn) mainly higher margins on commodity sales to non-corporate customers

Germany (CZK -0.2 bn)

- Impact of COVID-19

Romania (CZK +0.3 bn)

- Higher gross margin, primarily due to lower costs of purchasing electricity

Bulgaria (CZK +0.1 bn)

- Higher gross margin, primarily due to lower costs of purchasing electricity

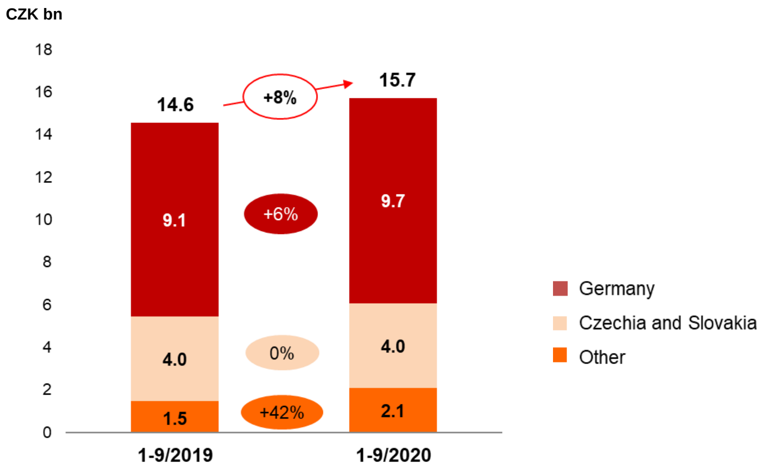
Other States (CZK +0.1 bn)

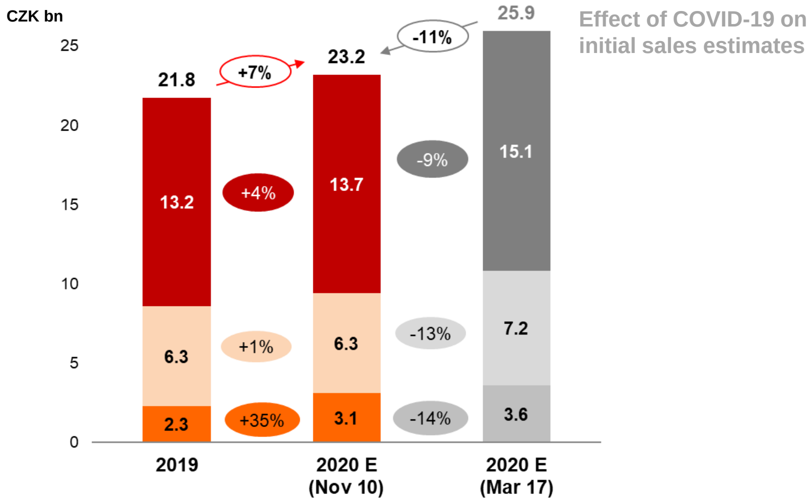
- Primarily the positive effect of Euroklimat acquisition in Poland

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

ESCO SERVICES

Q1–Q3 SALES INCREASED BY 8% Y-O-Y





Germany (+6%)
+ Effect of the acquisition of Hermos (consolidated May 15, 2019) and Moser & Partner (consolidated Apr 9, 2020)
− Organic growth negatively affected by COVID-19

Czechia & Slovakia (+0%)
• Organic growth negatively affected by COVID-19

Other (+42%)
+ Effect of the acquisition of Euroklimat in Poland (consolidated Aug 30, 2019)
− Organic growth negatively affected by COVID-19

Germany (+4%)
+ Effect of the acquisition of Hermos and Moser & Partner
− Organic growth negatively affected by COVID-19

Czechia & Slovakia (+1%)
+ Organic growth negatively affected by COVID-19

Other (+35%)
+ Effect of the acquisition of Euroklimat in Poland
− Organic growth negatively affected by COVID-19

SEGMENT: DISTRIBUTION

EBITDA (CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Czechia	12.9	12.9	-0.1	-0%
Romania	1.2	1.6	+0.3	+28%
Bulgaria	1.1	1.5	+0.4	+36%
Distribution	**15.3**	**16.0**	**+0.7**	**+5%**

Czechia (CZK -0.1 bn)

- Lower gross margin on electricity distribution (CZK -0.3 bn) due to COVID-19
- Higher fixed operating costs (CZK -0.1 bn)
- Higher revenue from activities to ensure input power and connection (CZK +0.1 bn)
- Higher capitalization of investment costs (CZK +0.1 bn)

Romania (CZK +0.3 bn)

- Higher revenue from electricity distribution and lower costs to cover losses in the network (CZK +0.4 bn)
- Higher revenue from the lease of poles and higher revenue from connections (CZK +0.1 bn)
- Effect of COVID-19 on gross margin on electricity distribution (CZK -0.1 bn)
- Higher operating costs, primarily on equipment maintenance (CZK -0.1 bn)

Bulgaria (CZK +0.4 bn)

- Lower costs to cover losses in the network and higher revenue from electricity distribution (CZK +0.6 bn)
- Effect of COVID-19 on gross margin on electricity distribution (CZK -0.1 bn)
- Higher impairments (CZK -0.1 bn)

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

MINING SEGMENT,
SUPPORT SERVICES SEGMENT

EBITDA (CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Czechia	3.8	2.4	-1.4	-37%
Mining	**3.8**	**2.4**	**-1.4**	**-37%**

Czechia (CZK -1.4 bn)

- Decrease in revenues from coal sales to CEZ Group (CZK -0.9 bn), primarily due to an extended outage of Ledvice 4 (new facility) and the shutdown of Prunéřov 1
- Decrease in revenues from coal sales to external customers (CZK -0.4 bn)
- Decrease in freight transportation at SD Kolejová doprava (CZK -0.1 bn)

EBITDA (CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Czechia	1.2	1.1	-0.1	-10%
Other states	-0.1	-0.0	+0.0	+55%
Support services	**1.1**	**1.1**	**-0.1**	**-7%**

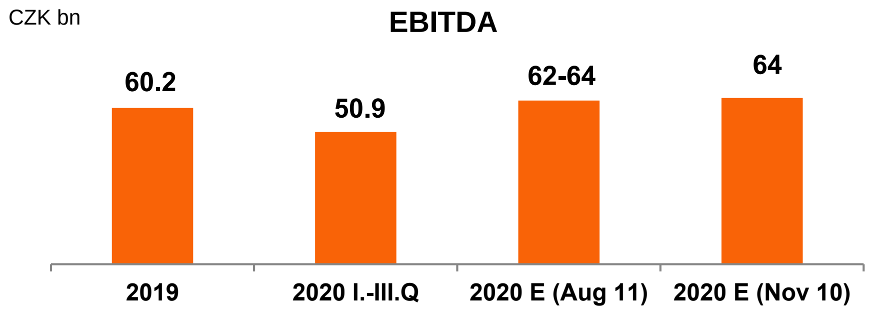
Czechia (CZK -0.1 bn)

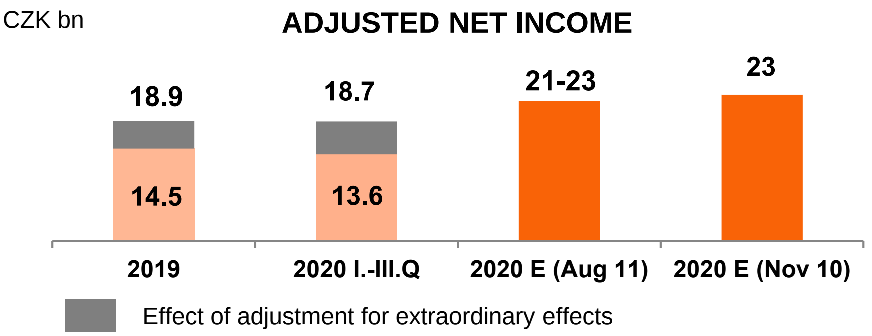
- Especially the effect of lower intra-group sales and margins

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

CONTENTS

REFINING FINANCIAL OUTLOOK FOR 2020:
EBITDA ESTIMATED AT CZK 64 BN, ADJUSTED NET INCOME AT CZK 23 BN





Selected reasons for refining the financial outlook as compared to the outlook from Aug 11, 2020:

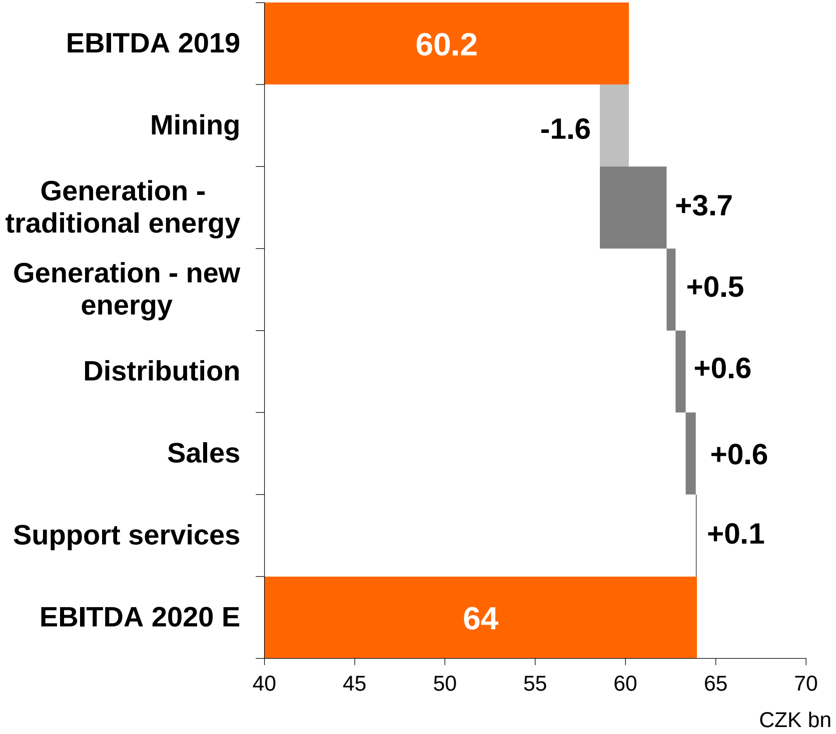
- Lower negative impact of COVID-19 on the Distribution segment
- Higher revenues from commodity trading
- Higher revenues from ancillary services
- Higher gross margin on electricity sales
- Greater negative impact of COVID-19 on the ESCO business

Selected prediction risks and opportunities:

- Availability of generating facilities
- Profit from commodity trading and revaluation of derivatives
- COVID-19 impacts

The effect of the contracts made for the sale of Romanian assets and the Počerady power plant on net income in Q4 2020 will be subject to adjustment according to the definition of the Adjusted Net Income indicator. These are nonrecurrent extraordinary effects without any effect on cash flows in 2020.

ESTIMATED YEAR-ON-YEAR CHANGE IN EBITDA BY BUSINESS SEGMENT



Mining (CZK -1.5 to -1.7 bn)

- Lower sales of coal for ČEZ power plants (as a result of increased prices of emission allowances and lower electricity prices due to COVID-19 and outages) and due to lower customer demand outside CEZ Group

Generation—Traditional Energy (CZK +3.2 to +4.2 bn)

- Higher realization prices of generated electricity, including hedging
- Additional gains from German hedge contracts for deliveries from generation in Czechia in 2020 to 2025
- Higher expenses on emission allowances for generation
- Lower profit from commodity trading (as compared to exceptionally good results in 2019, especially in Q4 2019)
- Lower revenues from ancillary services

Generation—New Energy (CZK +0.4 to +0.6 bn)

- Higher amount of generation and higher electricity prices in Romania

Distribution (CZK +0.4 to +0.8 bn)

- Lower costs to cover network losses
- Higher tariffs in Bulgaria and Romania
- Lower amount of distributed electricity, -1.7 TWh (COVID-19)

Sales (CZK +0.4 to +1.0 bn)

- Negative impact of the court's decision on the results of 2019 on the basis of which the fulfilment of SŽDC‘s liability to ČEZ Prodej from 2010 (+CZK 1.3 bn) was returned in 2019
- Negative impact of COVID-19 on ESCO services

THANKS TO HEDGING AGAINST PRICE RISKS IN GENERATION, COVID-19 HAS A NEGATIVE EFFECT OF JUST ABOUT CZK 3 BN ON CEZ GROUP'S FINANCIAL PERFORMANCE THIS YEAR

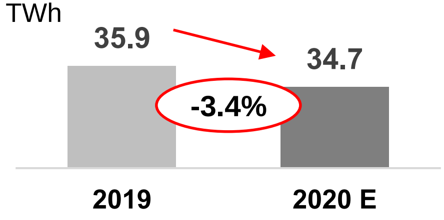
We estimate the total negative effect of COVID-19 on CEZ Group's 2020 EBITDA at approx. CZK 3 bn, including CZK 2 bn in Sales and Distribution segments and CZK 1 bn in Generation—Traditional Energy and Mining segments.

Effect of COVID-19 on CEZ Group:

- Reduced consumption negatively affects especially the customer segments (Sales/ESCO and Distribution) and indirectly also generation and mining. The economic slowdown will restrict corporate customers' capital expenditure and ESCO contracts more so.
- Moreover, overall uncertainty in the market brings about postponements of development acquisitions and new ESCO investments.
- The global nature of the COVID-19 crisis results in declining prices of energy commodities, and thus declining prices of electricity, which has a negative effect on the generation and mining segments. This negative trend will manifest itself especially in the next years (generation revenue was largely hedged for 2020).
- The ever more important "Green Deal" in the EU has resulted in a significant increase in the price of emission allowances, which further intensifies the negative effect on coal-fired power plants and mining.
- All of the above has resulted in a lower estimate of the 2021 profit and a worse outlook for the business plan in the next years.

- The COVID-19 pandemic together with the EU's ambitions under the "Green Deal" and increased CO_2 prices have triggered additions to fixed asset impairments in CEZ Group.
- Additions to asset impairments and goodwill write-off in Q1–Q3 2020 amount to CZK 5.7 bn.

Electricity Consumption in the Distribution Area of ČEZ Distribuce*



* ČEZ Distribuce's distribution area covers about 5/8 of Czechia.

ANNEXES

- Debt Position and Structure
- Cash Flows
- EBITDA—Q3 Year-on-Year Comparison
- Net Income—Q3 Year-on-Year Comparison
- Capital Expenditures
- Balance Sheet Overview
- Electricity Consumption
- Hedging against Commodity Risks in Generation
- Market Developments
- Electricity Procured and Sold
- Definitions of Alternative Indicators according to ESMA

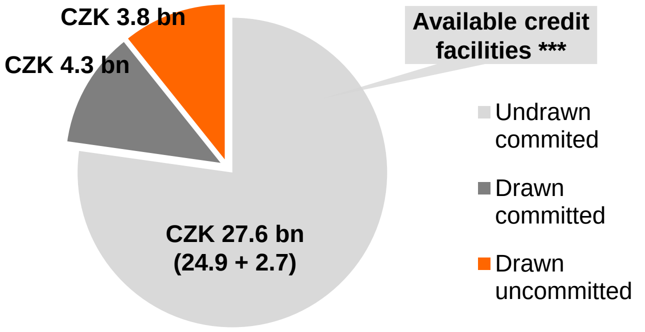
DEBT POSITION AND STRUCTURE

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

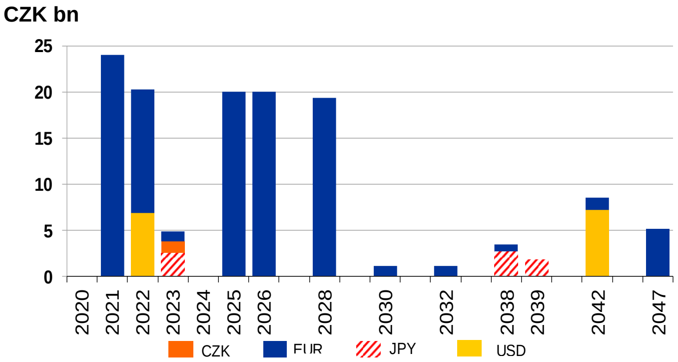
Debt Level*

		As at Sep 30, 2019	As at Sep 30, 2020
Debt and loans	CZK bn	166.8	171.6
Cash and fin. assets**	CZK bn	11.1	10.1
Net debt	CZK bn	155.7	161.5
Net debt/EBITDA		2.80	2.43

Utilization of Short-Term Lines* and Available Committed Credit Facilities*** (as at Sep 30, 2020)



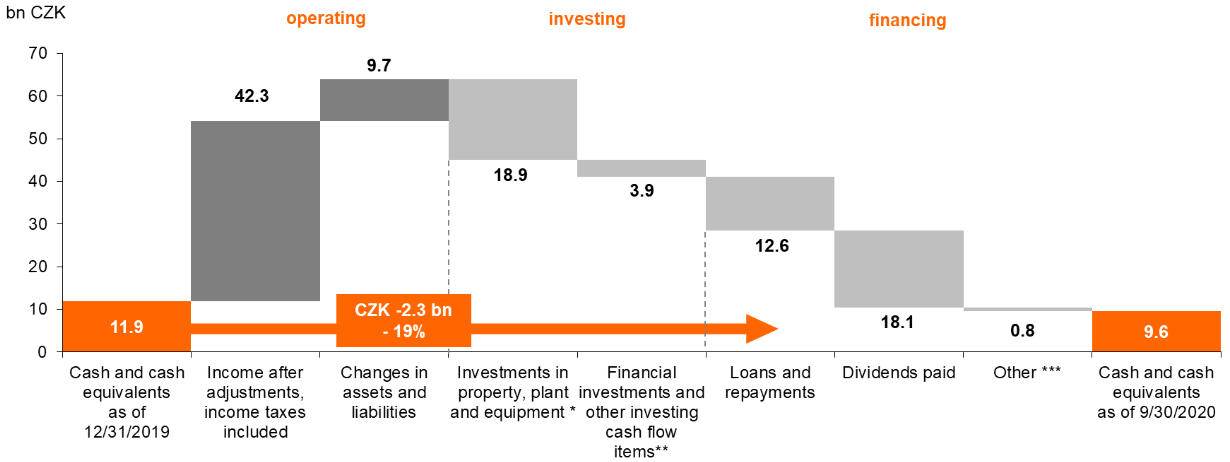
Bond Maturity Profile (as at Sep 30, 2020)



- EUR 80 m drawn from an EIB credit facility in August 2020 (a total of EUR 230 m drawn out of an overall credit limit of EUR 330 m).
- Committed facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- CEZ Group has access to a total of CZK 31.9 bn in committed credit facilities, having drawn CZK 4.3 bn as at Sep 30, 2020.
- The payment of dividends for 2019 (CZK 18.3 bn) began on Aug 3, 2020. 99% of the amount awarded was paid by Sep 30, 2020.

* Including data for Bulgarian assets held for sale. ** Cash and cash equivalents & highly liquid financial assets.
*** Available credit facilities, including an undrawn portion of EUR 100 m of the long-term loan from the EIB

CASH FLOWS



Cash Flows from Operating Activities (CZK +52.0 bn)

- Income after adjustments incl. income taxes (CZK +42.3 bn): income before tax (CZK +17.5 bn); income tax paid (CZK -2.7 bn); interest paid, other than capitalized interest, and interest received (CZK -3.5 bn); adjustments to income before tax for cash generated by operating activities (CZK +31.0 bn), of which depreciation and amortization of nuclear fuel (CZK +25.1 bn); impairments of property, plant, and equipment and intangible assets (CZK +5.7 bn); other adjustments to income before tax (CZK +0.2 bn)
- Change in assets and liabilities (CZK +9.7 bn): change in emission allowances (CZK +7.5 bn); change in receivables and payables from derivatives, including options (CZK +6.8 bn); change in inventories of materials and fossil fuels (CZK -2.2 bn); other changes in assets and liabilities (CZK -2.4 bn), mainly the effect of time arbitrage with allowances

Cash Flows Used in Investing Activities (CZK -22.8 bn)

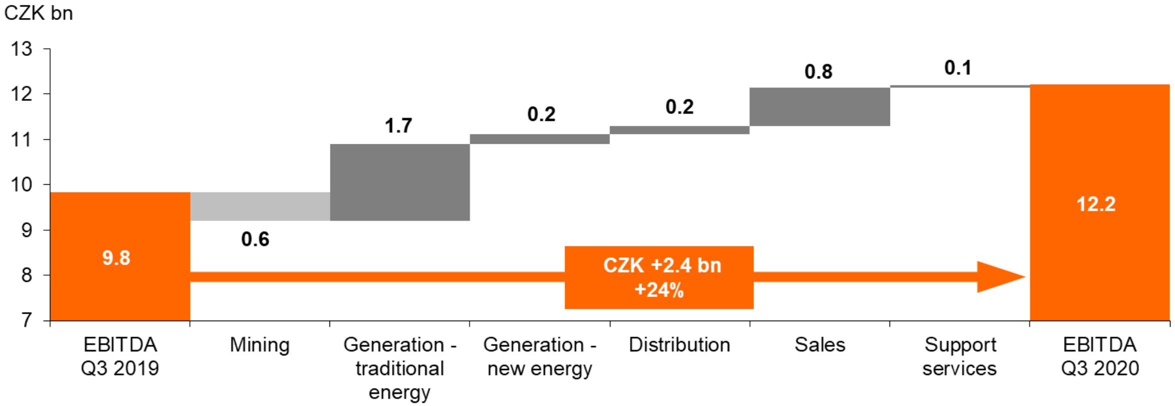
- Capital expenditure* (CZK -18.9 bn)
- Change in liabilities attributable to capital expenditure (CZK -1.5 bn); acquisition and disposal of subsidiaries, associates, and joint ventures (CZK -1.0 bn)
- Change in loans granted (CZK -1.0 bn); change in restricted financial assets (CZK -0.5 bn)

Cash Flows from Financing Activities (CZK -31.5 bn)***

- Dividends paid to shareholders (CZK -18.1 bn), balance of proceeds from and repayments of borrowings (CZK -12.6 bn); acquisitions of noncontrolling interests (CZK -1.1 bn); lease payments (CZK -0.6 bn); effect of exchange differences and impairments (CZK +0.7 bn)

* CAPEX; ** Including change in payables from the acquisition of fixed assets, balance of loans granted, divestments, and change of restricted funds
***Including the net effect of currency translation and impairment in cash

EBITDA—Q3 YEAR-ON-YEAR COMPARISON



CEZ Group EBITDA (CZK +2.4 bn)

- **Mining (CZK -0.6 bn):** lower revenues from coal sales, mainly due to lower demand from CEZ Group
- **Generation—Traditional Energy (CZK +1.7 bn):** higher realization prices of generated electricity, incl. the effect of hedges and commodity trading (CZK +2.0 bn); higher generation at nuclear power plants (CZK +1.5 bn); operation of other facilities (CZK -0.6 bn); higher expenses on emission allowances for generation (CZK -0.7 bn); partial decrease in gains from German hedge contracts for deliveries from generation in 2020 to 2025 (overhedge) originated in Q1 2020 due to significant increase in the difference between Czech and German market prices of electricity (CZK -0.5 bn)
- **Generation—New Energy (CZK +0.2 bn):** Romania (CZK +0.2 bn) higher amount of generation and higher electricity prices
- **Distribution (CZK +0.2 bn):** Czechia (CZK +0.1 bn) higher capitalization of expenses as capital expenditure; Romania (CZK +0.1 bn) higher gross margin on electricity distribution
- **Sales (CZK +0.8 bn):** extraordinary effect of a 2019 court ruling under which the payment of SŽDC’s liability to ČEZ Prodej from 2010 had to be paid back incl. interest and costs (CZK +1.3 bn), negative impact of the COVID-19 pandemic in Czechia and abroad in 2020 (CZK -0.5 bn)

 Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

NET INCOME—Q3 YEAR-ON-YEAR COMPARISON

(CZK bn)	Q3 2019	Q3 2020	Change	%
EBITDA	9.8	12.2	+2.4	+24%
Depreciation, amortization and impairments*	-7.6	-11.0	-3.4	-45%
Other income (expenses)	-1.9	-2.0	-0.1	-5%
Income taxes	-0.2	-0.3	-0.1	-81%
Net income	0.2	-1.1	-1.3	-
Net income adjusted	**0.5**	**2.3**	**+1.8**	**>200%**

Depreciation, Amortization, and Impairments* (CZK -3.4 bn)

- Higher additions to fixed asset impairments, including goodwill impairment, in Poland (CZK -1.4 bn), Romania (CZK -0.8 bn), Severočeské doly (CZK -0.7 bn), Bulgaria (CZK -0.2 bn), and the Dětmarovice power plant (CZK -0.2 bn)

Net Income Adjustments

- Q3 2020 net income adjusted for the negative effect of fixed asset impairments and for the negative effect of goodwill impairment in Poland (CZK +1.4 bn), in Romania (CZK +0.8 bn), and at Severočeské doly (CZK +0.7 bn) as well as for the negative effect of fixed asset impairments in Bulgaria (CZK +0.2 bn) and at the Dětmarovice power plant (CZK +0.2 bn)
- Q3 2019 net income adjusted for the negative effect of fixed asset impairments in Bulgaria (CZK +0.3 bn)

* Including gains/losses from sales of tangible and intangible fixed assets

CAPITAL EXPENDITURE

BROKEN DOWN BY SEGMENT

CZK bn	Q1–Q3 2019	Q1–Q3 2020
Generation—Traditional Energy	**6.0**	**6.0**
Of which: Nuclear fuel acquisition	1.9	1.3
Generation—New Energy	**0.6**	**0.3**
Mining	**1.6**	**1.5**
Distribution	**9.2**	**10.0**
Czechia	7.2	8.1
Romania	0.9	1.1
Bulgaria	1.1	0.8
Sales	**0.8**	**0.7**
Support Services*	**0.4**	**0.3**
Total	**18.6**	**18.9**

Main reasons for year-on-year changes in capital expenditures in individual segments

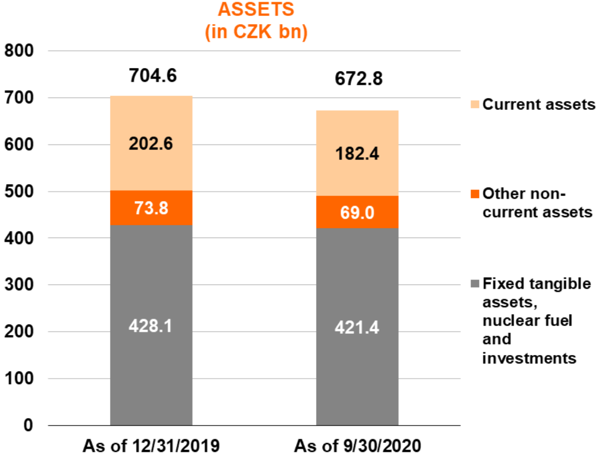
- **Generation—Traditional Energy:** Time effect of the procurement of a portion of nuclear fuel for the Temelín power plant; procurement of a greater amount of uranium in 2019
- **Generation—New Energy:** Acquisitions of RES projects in France in 2019
- **Distribution:**
  - Czechia—Higher capital expenditures on the renovation of distribution grid facilities and capital expenditures initiated at customer request
  - Bulgaria—Increased frequency of electricity meter replacements in 2019
- **Sale:** Acquisition of real estate as part of the purchase during the German acquisition of Hermos in 2019

*Including the amount of intersegment eliminations; RES—renewable energy sources

BALANCE SHEET OVERVIEW

Property, plant, and equipment, nuclear fuel, and construction work in progress decreased by CZK 6.7 bn
- Property, plant, and equipment, gross, and construction work in progress CZK +16.6 bn; accumulated depreciation and impairments CZK -22.1 bn
- Nuclear fuel CZK -1.2 bn

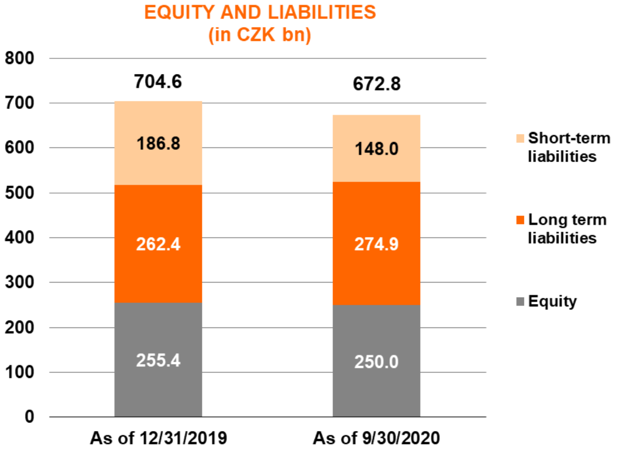
Other fixed assets decreased by CZK 4.9 bn
- Noncurrent intangible assets CZK -8.2 bn, primarily long-term emission allowances CZK -6.2 bn and goodwill at subsidiaries CZK -1.4 bn
- Restricted financial assets CZK +1.3 bn
- Investments in associates and joint ventures CZK +1.0 bn
- Long-term derivatives CZK +0.5 bn and long-term financial receivables CZK +0.7 bn



Current assets decreased by CZK 20.3 bn
- Receivables from derivatives, including options CZK -20.7 bn
- Net trade receivables CZK -6.1 bn
- Cash and cash equivalents CZK -3.5 bn
- Emission allowances CZK +2.8 bn
- Inventories of materials and fossil fuels CZK +2.2 bn
- Income tax receivable CZK +1.7 bn
- Other current assets CZK +1.5 bn, primarily contract assets
- Assets classified as held for sale CZK +1.2 bn
- Short-term financial receivables CZK +0.7 bn

Equity decreased by CZK 5.4 bn
- Approved dividends for shareholders CZK -18.3 bn
- Net income in the reporting period CZK +13.6 bn
- Other comprehensive income CZK -0.4 bn
- Other changes in equity CZK -0.3 bn

Non-current liabilities increased by CZK 12.4 bn
- Bonds issued and long-term bank loans CZK +10.4 bn
- Deferred tax liability CZK +2.4 bn
- Long-term provisions CZK +0.3 bn
- Other long-term financial liabilities CZK -0.6 bn



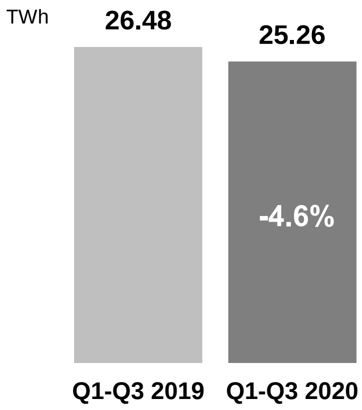
Current liabilities decreased by CZK 38.8 bn
- Short-term derivative liabilities CZK -16.1 bn
- Current portion of long-term debts CZK -16.0 bn
- Trade payables CZK -12.3 bn
- Income tax liabilities CZK -0.5 bn
- Short-term provisions CZK -0.4 bn
- Liabilities associated with assets held for sale CZK -0.3 bn
- Short-term loans CZK +3.5 bn
- Other current liabilities, primarily contract liabilities, CZK +3.1 bn

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

ELECTRICITY CONSUMPTION

IN THE DISTRIBUTION AREA OF ČEZ DISTRIBUCE

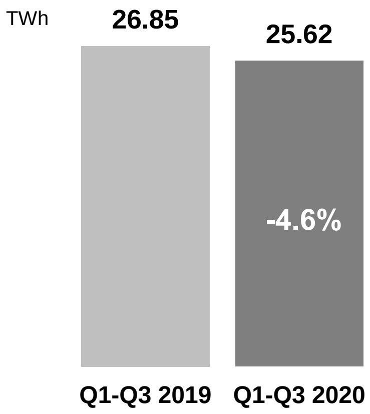
Consumption in the Distribution Area of ČEZ Distribuce



Changes in consumption (-4.6%) by segment:

- -8.9% large end-use customers
- +4.3% residential customers
- -2.5% commercial retail

Temperature- and Calendar-Adjusted Consumption*

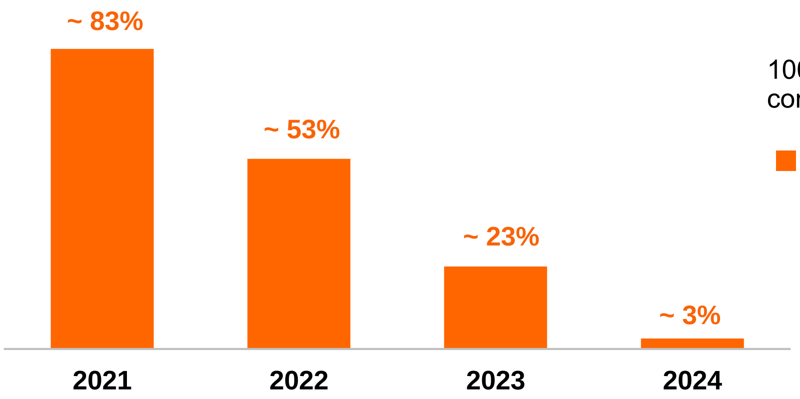


- Q3 consumption was 7.81 TWh, decreasing by 3.8% y-o-y.
- Temperature- and calendar-adjusted Q3 consumption was 7.83 TWh, decreasing by 3.8% y-o-y.

Analysis based on CEZ Group's internal data. CEZ Group's distribution area covers around 5/8 of Czechia's territory, so the data are a good indicator of nationwide consumption trends.

HEDGING AGAINST COMMODITY RISKS IN GENERATION AS AT OCT 22, 2020 REFLECTING THE SALE OF THE POČERADY POWER PLANT

Share of Hedged Production of ČEZ* Facilities in Czechia as at Oct 22, 2020



100% of deliveries volume in 2021–2024 corresponds to **47–50 TWh**.

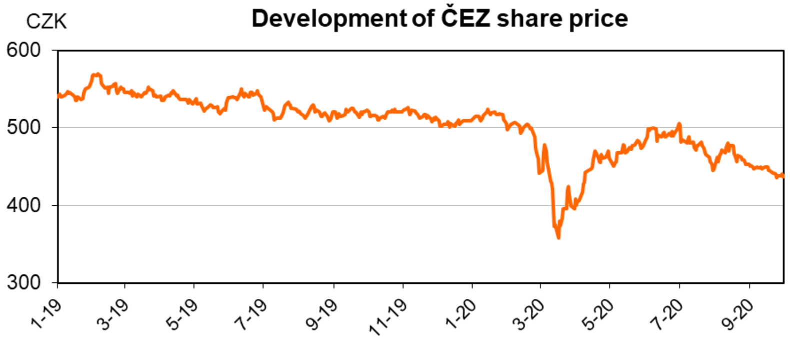
Hedged volume as at Oct 22, 2020

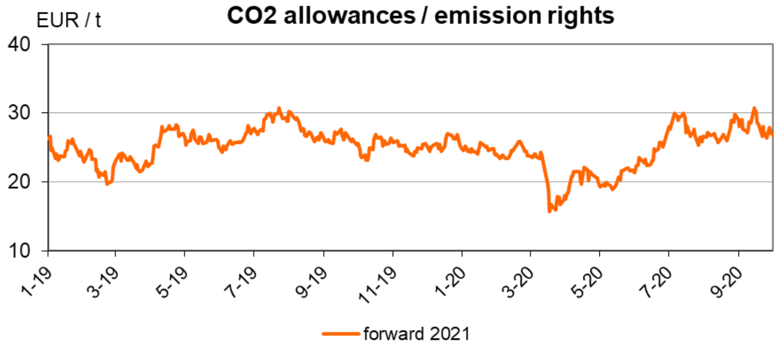
Hedging Prices of Electricity & Emission Allowances for Generation in Czechia as at Oct 22, 2020

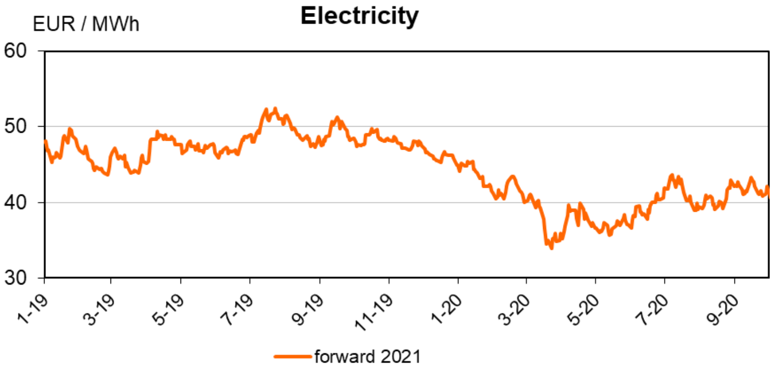
	2021	2022	2023	2024
Electricity selling price (EUR/MWh)	€45.8	€46.9	€47.1	€48.5
EUA purchase price (EUR/t)	€20.1	€22.2	€23.4	€25.1

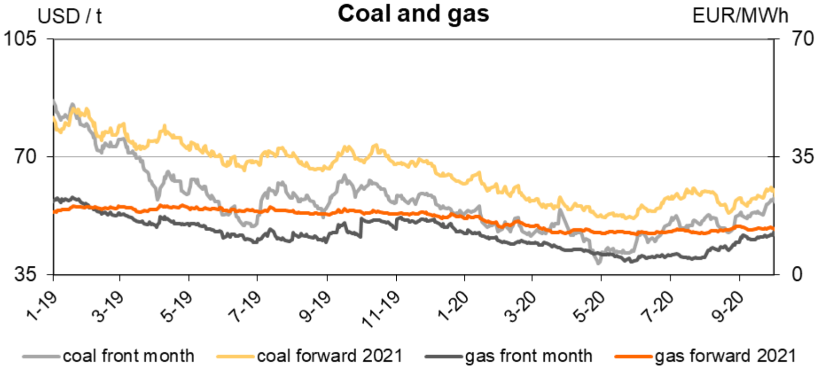
* ČEZ, a. s., including the Energotrans and Dětmarovice power plants

MARKET DEVELOPMENTS









Electricity balance (GWh)

	Q1 - Q3 2019	Q1 - Q3 2020	Index 2020/2019
Electricity procured	**42,178**	**39,658**	**-6%**
Generated in-house (gross)	46,697	44,075	-6%
In-house and other consumption, including pumping in pumped-storage plants	-4,519	-4,417	-2%
Sold to end customers	**-25,965**	**-24,324**	**-6%**
Sold in the wholesale market (net)	**-13,499**	**-12,754**	**-6%**
Sold in the wholesale market	-241,561	-203,858	-16%
Purchased in the wholesale market	228,062	191,104	-16%
Grid losses	**-2,714**	**-2,580**	**-5%**

Electricity generation by source (GWh)

Nuclear	21,588	22,094	+2%
Coal and lignite	18,511	15,080	-19%
Water	1,753	1,746	-0%
Biomass	749	836	+12%
Photovoltaic	126	123	-2%
Wind	1,061	1,145	+8%
Natural gas	2,907	3,049	+5%
Bio gas	2	2	+23%
Total	**46,697**	**44,075**	**-6%**

Sales of electricity to end customers (GWh)

Households	-9,297	-9,571	+3%
Commercial (low voltage)	-3,577	-3,301	-8%
Commercial and industrial (medium and high voltage)	-13,091	-11,452	-13%
Sold to end customers	**-25,965**	**-24,324**	**-6%**

Distribution of electricity (GWh)

	Q1 - Q3 2019	Q1 - Q3 2020	Index 2020/2019
Distribution of electricity to end customers	38,501	36,812	-4%

Electricity balance (GWh) by segment

Q1 - Q3 2020	Generation - traditional energy		Generation - new energy		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**37,956**	**-6%**	**1,479**	**+7%**	**0**	**-**	**223**	**+7%**	**0**	**-**	**39,658**	**-6%**
Generated in-house (gross)	42,351	-6%	1,493	+7%	0	-	232	+6%	0	-	44,075	-6%
In-house and other consumption, including pumping in pumped-storage plants	-4,394	-2%	-14	+21%	0	-	-9	-16%	0	-	-4,417	-2%
Sold to end customers	**-1,655**	**+5%**	**0**	**-**	**0**	**-**	**-23,685**	**-3%**	**1,266**	**-8%**	**-24,324**	**-6%**
Sold in the wholesale market (net)	**-36,301**	**-7%**	**-1,479**	**+7%**	**2,580**	**-5%**	**23,462**	**-3%**	**-1,266**	**-8%**	**-12,754**	**-6%**
Sold in the wholesale market	-215,935	-16%	-1,987	+7%	0	-	-3,865	+46%	18,070	-11%	-203,858	-16%
Purchased in the wholesale market	179,633	-18%	508	+8%	2,580	-5%	27,327	+2%	-19,335	-11%	191,104	-16%
Grid losses	**0**	**-**	**0**	**-**	**-2,580**	**-5%**	**0**	**-**	**0**	**-**	**-2,580**	**-5%**

Electricity generation by source (GWh) by segment

	Generation - traditional energy		Generation - new energy		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	22,094	+2%	0	-	0	-	0	-	0	-	22,094	+2%
Coal and lignite	15,080	-18%	0	-	0	-	0	-	0	-	15,080	-19%
Water	1,523	-1%	223	+7%	0	-	0	-	0	-	1,746	-0%
Biomass	836	+12%	0	-	0	-	0	-	0	-	836	+12%
Photovoltaic	0	-	123	-2%	0	-	0	-	0	-	123	-2%
Wind	0	-	1,145	+8%	0	-	0	-	0	-	1,145	+8%
Natural gas	2,817	+4%	0	-	0	-	232	+11%	0	-	3,049	+5%
Bio gas	0	-	2	+23%	0	-	0	-	0	-	2	+23%
Total	**42,351**	**-6%**	**1,493**	**+7%**	**0**	**-**	**232**	**+6%**	**0**	**-**	**44,075**	**-6%**

Sales of electricity to end customers (GWh) by segment

	Generation - traditional energy		Generation - new energy		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	0	-	0	-	-9,571	+3%	0	-	-9,571	+3%
Commercial (low voltage)	-1	-14%	0	-	0	-	-3,273	-6%	0	-	-3,301	-8%
Commercial and industrial (medium and high voltage)	-1,654	+5%	0	-	0	-	-10,841	-7%	1,266	-8%	-11,452	-13%
Sold to end customers	**-1,655**	**+5%**	**0**	**-**	**0**	**-**	**-23,685**	**-3%**	**1,266**	**-8%**	**-24,324**	**-6%**

Electricity balance (GWh) by country

Q1 - Q3 2020	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**36,917**	**-7%**	**1,557**	**-1%**	**972**	**+8%**	**5**	**+1%**	**207**	**+5%**	**0**	**-**	**0**	**-**	**39,658**	**-6%**
Generated in-house (gross)	41,090	-6%	1,787	-1%	985	+8%	5	+1%	207	+5%	0	-	0	-	44,075	-6%
In-house and other consumption, including pumping in pumped-storage plants	-4,173	-3%	-230	+2%	-14	+21%	0	-	0	-	0	-	0	-	-4,417	-2%
Sold to end customers	**-12,344**	**+3%**	**-250**	**-82%**	**-2,681**	**-3%**	**-7,685**	**+0%**	**0**	**-**	**-1,364**	**-38%**	**0**	**-**	**-24,324**	**-6%**
Sold in the wholesale market (net)	**-23,103**	**-11%**	**-1,307**	**>200%**	**2,287**	**-6%**	**8,211**	**-0%**	**-207**	**+5%**	**1,364**	**-38%**	**0**	**-**	**-12,754**	**-6%**
Sold in the wholesale market	-203,704	-17%	-1,795	-10%	-1,071	-24%	-313	-35%	-207	+5%	-73	-37%	3,306	-53%	-203,858	-16%
Purchased in the wholesale market	180,602	-17%	488	-73%	3,359	-13%	8,524	-2%	0	-	1,437	-38%	-3,306	-53%	191,104	-16%
Grid losses	**-1,470**	**-4%**	**0**	**-**	**-578**	**-2%**	**-532**	**-10%**	**0**	**-**	**0**	**-**	**0**	**-**	**-2,580**	**-5%**

Electricity generation by source (GWh) by country

	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	22,094	+2%	0	-	0	-	0	-	0	-	0	-	0	-	22,094	+2%
Coal and lignite	13,710	-19%	1,371	-9%	0	-	0	-	0	-	0	-	0	-	15,080	-19%
Water	1,687	-1%	5	+49%	54	+2%	0	-	0	-	0	-	0	-	1,746	-0%
Biomass	425	-6%	411	+38%	0	-	0	-	0	-	0	-	0	-	836	+12%
Photovoltaic	117	-3%	0	-	0	-	5	+1%	0	-	0	-	0	-	123	-2%
Wind	6	-12%	0	-	931	+9%	0	-	207	+5%	0	-	0	-	1,145	+8%
Natural gas	3,049	+5%	0	-	0	-	0	-	0	-	0	-	0	-	3,049	+5%
Bio gas	2	+23%	0	-	0	-	0	-	0	-	0	-	0	-	2	+23%
Total	**41,090**	**-6%**	**1,787**	**-1%**	**985**	**+8%**	**5**	**+1%**	**207**	**+5%**	**0**	**-**	**0**	**-**	**44,075**	**-6%**

Sales of electricity to end customers (GWh) by country

	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-4,977	+2%	0	-	-1,322	+4%	-3,272	+4%	0	-	0	-	0	-	-9,571	+3%
Commercial (low voltage)	-1,438	-3%	-28	-73%	-613	-14%	-1,118	-4%	0	-	-104	-9%	0	-	-3,301	-8%
Commercial and industrial (medium and high voltage)	-5,928	+6%	-222	-83%	-746	-3%	-3,295	-2%	0	-	-1,260	-39%	0	-	-11,452	-13%
Sold to end customers	**-12,344**	**+3%**	**-250**	**-82%**	**-2,681**	**-3%**	**-7,685**	**+0%**	**0**	**-**	**-1,364**	**-38%**	**0**	**-**	**-24,324**	**-6%**

Distribution of electricity (GWh) by country

Q1 - Q3 2020	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	25,259	-5%	0	-	4,726	-7%	6,827	-1%	0	-	0	-	0	-	36,812	-4%

Methods Used to Calculate Indicators Unspecified in IFRS

In accordance with ESMA guidelines, ČEZ provides detailed information on indicators that are not reported as standard in IFRS financial reporting framework or the components of which are not directly available from standardized statements (from financial statements included in Financial Report and/or from accompanying notes). Such indicators represent supplementary information in respect of financial data, providing reports' users with additional information for their assessment of the financial position and performance of CEZ Group or ČEZ. In general, these indicators are also commonly used in other commercial companies, not only in the energy sector.

Indicator	
Net Debt	Purpose: The indicator shows the real level of a company's financial debt, i.e., the nominal amount of debt net of cash, cash equivalents, and highly liquid financial assets held by the company. The indicator is primarily used to assess the overall appropriateness of the company's debt, e.g., in comparison with selected corporate profit or balance sheet indicators. Definition: Long-Term Debt, Net of Current Portion + Current Portion of Long-Term Debt + Short-Term Loans – (Cash and Cash Equivalents + Highly Liquid Financial Assets). The components of the indicator, except for Highly Liquid Financial Assets, are reported individually on the balance sheet, with items related to assets held for sale are presented separately on the balance sheet.
Adjusted Net Income (After-Tax Income, Adjusted)	Purpose: This is a supporting indicator, intended primarily for investors, creditors, and shareholders, which allows interpreting achieved financial results with the exclusion of extraordinary, usually nonrecurring effects that are generally unrelated to ordinary financial performance and value creation in a given period. Definition: Net income (after-tax income) +/− additions to and reversals of impairments of property, plant, and equipment and intangible assets, including goodwill +/− additions to and reversals of impairments of developed projects +/− other extraordinary effects that are generally unrelated to ordinary financial performance in a given year and value creation in a given period +/− effects of the above on income tax.
Dividend per Share (Gross)	Purpose: The indicator expresses a shareholder's right to the payment of a share in a joint-stock company's profits (usually for the past year) corresponding to the holding of one share. The subsequent payment of the share in profits is usually subject to taxes, which may be different for different shareholders; therefore, the value before taxes is monitored. Definition: Dividend awarded in the given year, before taxes, per outstanding share.
Net Debt / EBITDA	Purpose: This indicates a company's capability to pay back its debt as well as its ability to take on additional debt to grow its business. CEZ Group uses this indicator primarily to assess the adequacy of its capital structure to the structure and stability of its expected cash flows. Definition: Net Debt / EBITDA. EBITDA is the running total for the past 12 months, i.e. EBITDA for the period from October 1 of previous year until September 30; Net Debt is the amount at the end of the period.

Most of the components used in the calculation of individual indicators are directly shown in financial statements. The components of calculations that are not included in the financial statements are usually shown directly in a company's books and are defined as follows:

Highly Liquid Financial Assets—component of Net Debt indicator (CZK millions):

	As at Dec 31, 2019	As at Sep 30, 2020
Current debt financial assets	403	504
Non-current debt financial assets	111	10
Current term deposits	3	0
Non-current term deposits	0	0
Short-term equity securities	0	0
Highly liquid financial assets, total	**517**	**515**

Adjusted Net Income indicator—individual components:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1–Q3 2019	Q1–Q3 2020
Net income	CZK millions	13,605	13,586
Impairments of property, plant, and equipment and intangible assets	CZK millions	1,234	5,743
Impairments of developed projects*)	CZK millions	3	-
Impairments of property, plant, and equipment and intangible assets, including goodwill, at joint ventures**)	CZK millions	-	-
Effects of additions to or reversals of impairments on income tax***)	CZK millions	(135)	(590)
Other extraordinary effects	CZK millions	-	-
Adjusted net income	**CZK millions**	**14,707**	**18,739**

**) Included in the row Other operating expenses in the Consolidated Statement of Income*
***) Included in the row Share of profit (loss) from associates and joint-ventures in the Consolidated Statement of Income*
****) Included in the row Income taxes in the Consolidated Statement of Income*

Totals and subtotals can differ from the sum of partial values due to rounding.