REPORT ON CEZ GROUP FINANCIAL RESULTS
IN H1 2022

NON-AUDITED CONSOLIDATED RESULTS
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

AUGUST 9, 2022

CLEAN
ENERGY OF
TOMORROW

REPORT ON CEZ GROUP FINANCIAL RESULTS FOR H1 2022

HIGHLIGHTS OF FINANCIAL RESULTS FOR H1 2022 AND OUTLOOK FOR THE CEZ GROUP FOR THE FULL YEAR

H1 2022 Financial Highlights

- **Operating revenues** increased by 21% year-on-year to **CZK 130.5 bn.**
- **EBITDA** increased by 88% year-on-year to **CZK 59.3 bn.**
- **Net income** reached **CZK 33.6 bn**.
- **Net income adjusted for extraordinary effects** amounted to **CZK 33.6 bn.**

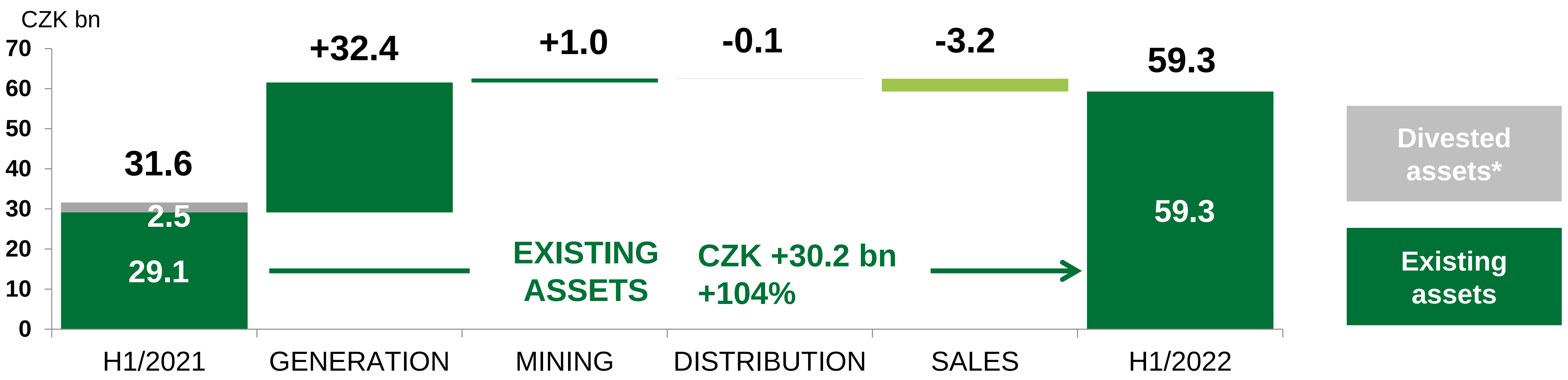
Financial outlook for the full year 2022

- **EBITDA is** expected at **CZK 110 – 115 bn**.
- **Net income adjusted for extraordinary effects** is estimated at **CZK 60 – 65 bn**.

The Shareholders' Meeting approved a dividend for 2021 at CZK 48 per share.

- In June 2022, the annual Shareholders' Meeting approved the distribution of the Company's 2021 income of CZK 4.4 bn and a portion of retained earnings of previous years in the amount of CZK 21.4 bn, i.e. a **total of CZK 25.8 bn**, and set the date of payment for **November 1, 2022** (a 3-month delay compared to the usual date).

MAIN CAUSES OF YEAR-ON-YEAR CHANGE IN EBITDA



Existing assets (CZK +30.2 bn)

GENERATION Segment (CZK +32.4 bn):

- Impact of extreme increase in market prices of commodities on the wholesale market and higher sales and activation of ancillary services in Czechia (CZK +21.5 bn)
- Higher profit contribution from commodity trading on foreign markets (CZK +7.1 bn)
- Specific temporary effects related to the revaluation of generation hedging contracts and the time swaps of emission allowances (CZK +3.7 bn)

SALES Segment (CZK -3.2 bn):

- Substantial increase in purchase commodity prices and market volatility, which had a negative impact on the Czech sales companies' results (CZK -3.0 bn), including the retail segment - ČEZ Prodej (CZK -2.2 bn) and the B2B segment - ESCOs in Czechia (CZK -0.8 bn)

* Divested assets in H1 2021 generated EBITDA (CZK +2.5 bn): of which Romania (CZK +1.2 bn), Bulgaria (CZK +1.2 bn).

MAIN CAUSES OF YEAR-ON-YEAR CHANGE IN NET INCOME

(CZK bn)	H1/2021	H1/2022	Difference	%
EBITDA	**31.6**	**59.3**	+27.7	+88%
Depreciation and amortization	-13.9	-15.2	-1.3	-9%
Impairments*	-11.6	0.1	+11.7	-
Other income (expenses)	-1.9	-2.5	-0.7	-36%
Interest income (expenses)	-2.0	-0.8	+1.2	+62%
Other	0.1	-1.8	-1.9	-
Income tax	-2.7	-8.1	-5.4	>200%
Net income	1.6	33.6	+32.0	>200%
Adjusted net income	11.3	33.6	+22.4	+198%

Net Income Adjustments

- In H1 2021, adjusted for fixed assets impairment of Severočeské doly (CZK +8.7 bn) and in Poland (CZK +1.0 bn)

Impairments* (CZK +11.7 bn)

- Addition to impairments of fixed assets in Severočeské doly (CZK +8.7 bn), in Romania (CZK +1.1 bn), in Poland (CZK +1.1 bn), and in Bulgaria (CZK +0.8 bn) in H1 2021

Depreciation and Amortization (CZK -1.3 bn)

- Acceleration of depreciation and amortization of coal-fired power plants in Czechia as a result of the deterioration of market and regulatory conditions for the long-term operation of coal-fired power plants in Czechia (CZK -1.5 bn)
- Higher depreciation and amortization of ČEZ Distribuce (CZK -0.3 bn)
- Lower depreciation and amortization of assets at Severočeské doly (CZK +0.6 bn) reflecting impairments in 2021

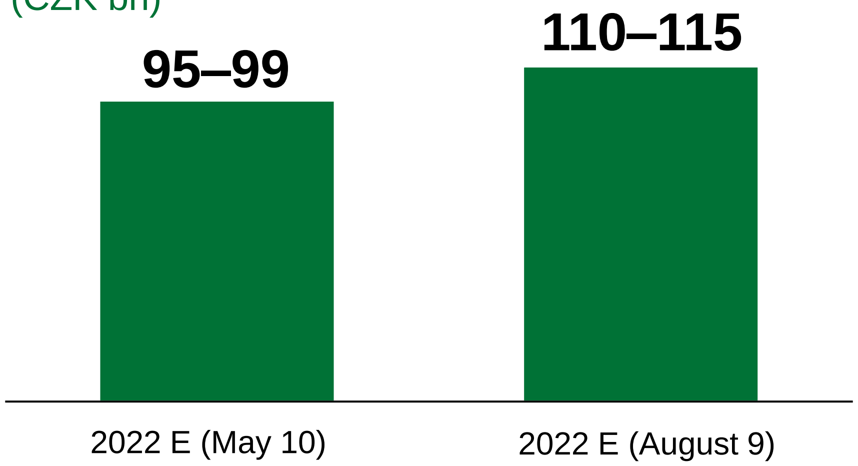
Other Income and Expenses (CZK -0.7 bn)

- Exchange rate effects and revaluation of financial derivatives (CZK -1.9 bn), mainly due to revaluation of ČEZ margin deposits on exchanges and with trading counterparties
- Higher interest income (CZK +0.8 bn) due to higher liquidity on margin deposits and higher interest rates
- Lower interest expense (CZK +0.5 bn) due to a decrease in the total amount of debt

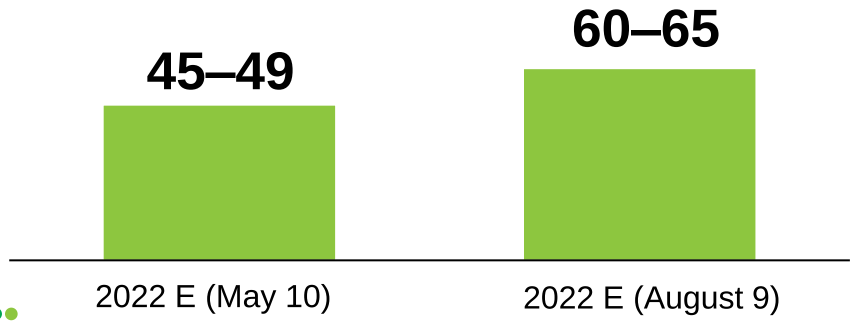
* Including gain/loss from sales of tangible and intangible fixed assets

WE INCREASE THE FINANCIAL OUTLOOK FOR THE WHOLE YEAR 2022: EBITDA OF CZK 110–115 BN, ADJUSTED NET INCOME OF CZK 60–65 BN

EBITDA
(CZK bn)



Adjusted net income
(CZK bn)



Main reasons for adjusting the financial outlook as compared to the outlook from May 10, 2022:

- ⊕⊕⊕ Higher realization prices of electricity
- ⊕⊕ Higher income from commodity trading on foreign markets
- ⊕ Higher availability of nuclear power plants

Selected Prediction Risks and Opportunities:

- Realization prices of generated electricity
- Availability of generating facilities
- Gain from commodity trading and revaluation of derivatives
- Potential introduction of an extraordinary sectoral or other tax in Czechia

Dividend from 2022 earnings:

- Current dividend policy (60%–80% of net income, adjusted for extraordinary effects) indicates income for shareholders (if the dividend is set at the upper end of the defined range), of CZK 48–52 bn.

IN THE CONTEXT OF GEOPOLITICAL DEVELOPMENTS AND MEASURES ADOPTED BY THE EU, WE SEE THE FOLLOWING OBJECTIVES AND MEASURES OF THE CZECH ENERGY POLICY AIMED AT ENSURING AFFORDABLE AND SECURE SUPPLIES

STRATEGIC IMPERATIVES OF THE CZECH ENERGY SECTOR:

- **AFFORDABLE**
- **INDEPENDENT FROM RUSSIA**
- **EMISSION-FREE**

- Increasing energy self-sufficiency and long-term affordability:
  - Accelerating construction of renewables
  - Development of new nuclear facilities (large facilities + small modular reactors)
- Reducing dependence on Russian gas and oil supplies, primarily by completing the necessary infrastructure
- Applying energy savings to the maximum extent possible
- Electrification of all sectors, including heating
- Ensuring sufficient flexibility of the energy system (primarily development of batteries and hydrogen)
- Effective management of coal-fired power and heat generation decline

SELECTED MEASURES IMPLEMENTED BY CEZ TO ENSURE ENERGY INDEPENDENCE AND TO MEET VISION 2030

Emission-free nuclear industry: preparing new facilities and ensuring safe efficient operation of existing ones

- We have launched a tender for a new nuclear power facility Dukovany II.
- We are accelerating the program to prepare small modular reactors ("SMRs") with the ambition to launch a pilot project in Czechia by 2035.
- We have secured fuel supplies for Temelín and Dukovany for a number of years in advance.
- Nuclear fuel for Temelín will be supplied by Westinghouse and Framatome from the end of 2024.
- We are increasing the capacity of the units and the target for safe nuclear power generation. We want to generate above 30 TWh per year on a stable basis.

Renewables: we enable rapid development at our customers and develop our own photovoltaic power plants

- Both ČEZ Prodej and ČEZ ESCO have been increasing the number of photovoltaic installations for end-use customers by 100% per year for the last 2 years.
- More than 170 MW of installed PV capacity has been accepted in the first Modernization Fund call, and we are targeting 1,500 MW by 2025.

Emission sources: we keep our decarbonization commitments of VISION 2030 and temporarily extend the operation of selected coal-fired power plants

- In order to contribute to energy self-sufficiency and security of supply in Czechia, we are extending the expected operation of Dětmarovice until 2025, and we anticipate a temporary increase in the generation volumes of other coal-fired power plants in the next 1–2 years.

Strategic raw materials: increasing inventories and sources of natural gas and are preparing the extraction and processing of lithium ore

- CEZ Group has a total of 3.8 TWh of gas stored in contracted storage facilities in Czechia, of which 0,7 TWh for final customers as of August 5).
- We purchased 2.4 TWh of gas into strategic storage for the Czech State Material Reserve Administration.
- For the Czech state we secured a share of capacity in the LNG terminal in Eemshaven, the Netherlands, in the amount of approximately 1/3 of the Czech annual gas consumption, including transport routes to Czechia.
- By continuing the lithium ore mining project at Cínovec, we can contribute to the EU's raw material independence.

Managing liquidity and credit risks in the wake of unprecedented commodity price increases and the dependence of selected supplies on Russia

- A EUR 3 bn credit agreement with Czechia to cover extraordinary requirements for temporary increases in margin deposits on energy exchanges and with trading counterparties. Under this agreement, ČEZ drew a EUR 2 bn loan in July and the remaining up to EUR 1 bn can be drawn on demand.
- Negotiated multilateral netting of margin deposits on European commodity exchanges and with trading counterparties. Conservative approach to setting counterparty credit limits applied, resulting in Russian Gazprom Export's share on gas purchase contracts for H2 of only 2%.

SELECTED EVENTS IN THE PAST QUARTER
GENERATION SEGMENT

Contracts for the supply of nuclear fuel assemblies concluded with Westinghouse and Framatome

- ČEZ has concluded contracts with Westinghouse and Framatome for the supply of fuel assemblies for the Temelín NPP. This is an important step towards further strengthening the energy security of Czechia.
- The two suppliers, American and French, were selected in a tender in April. Deliveries of the sets for more than 10 years will start in 2024. The value of the contract is in the order of CZK billions. The two winning companies are world leaders in nuclear industry.

On June 30, 2022, the State Environmental Fund of the Czech Republic published the terms of the next round of the RES+ call for support for the construction of renewable energy sources in Czechia from the Modernization Fund.

- The deadline for submission of applications for the next round of RES+ Call No. 2/2022 for PV > 1 MWp has been set from August 3, 2022 to October 31, 2022. CZK 5.5 bn is allocated under the RES+ Call No. 2/2022.
- During June, investment support contracts were signed between ČEZ and the State Environmental Fund for all ČEZ projects that succeeded in the RES+ Call No. 2/2021 (17 PV projects with a total capacity of 173 MWp). Necessary documentation and permits for the start of construction are continuously being secured.

In view of geopolitical risks and rising commodity prices, the medium-term strategies for the operation of selected emission sources have been updated, including the assumption of extending the expected operation of the Dětmarovice power plant until 2025

- ČEZ now assumes that the coal-fired units at the Dětmarovice site will be shut down after the 2024/2025 heating season (the availability and price of hard coal is a risk), which will, among other things, provide sufficient flexibility and time for the construction of a new low-emission heating source.
- In line with the strategy in the heating sector, the transformation of Elektrárna Dětmarovice was approved in the form of a merger into ČEZ on January 1, 2023.
- The assumptions for the closure of the other coal-fired facilities remain unchanged, only a partial increase in the generation volume of emission sources can be assumed in 2023–2024.

SELECTED EVENTS OF THE PAST QUARTER
SECURING STRATEGIC RAW MATERIALS – LNG

New LNG terminal capacity secured for Czechia, including transport routes from the Netherlands

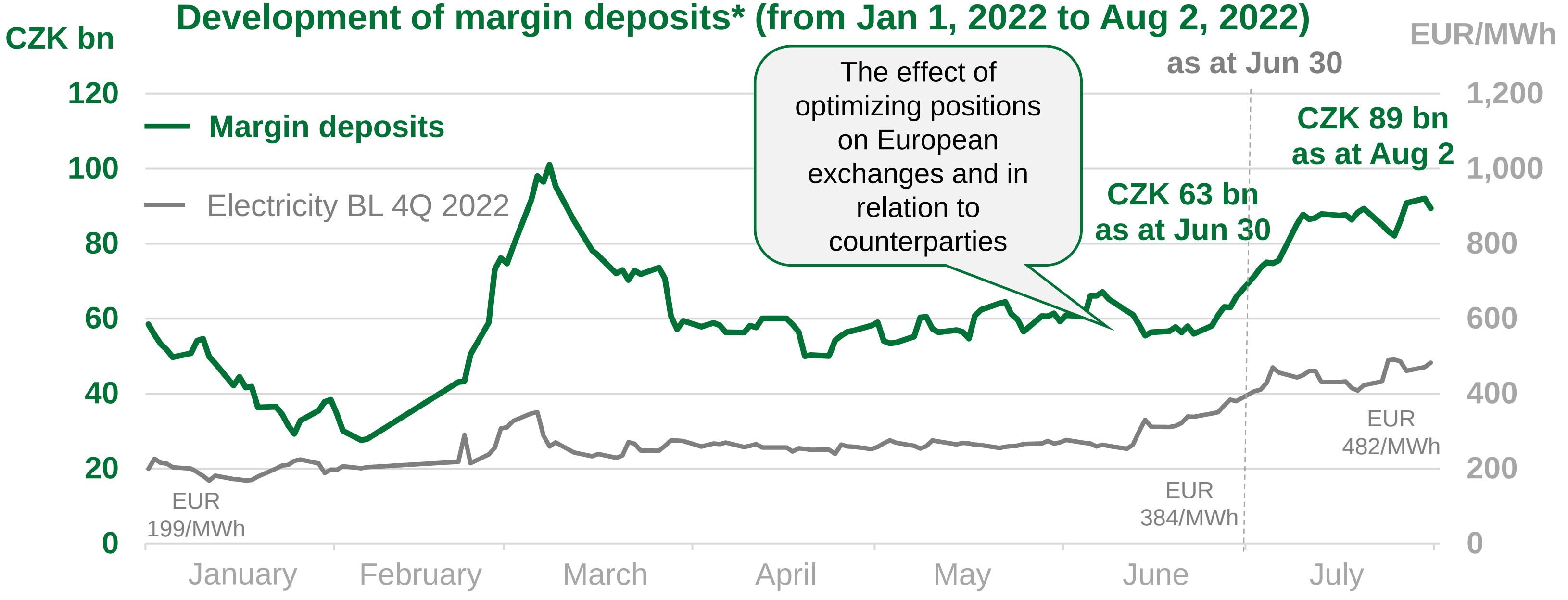
- The Ministry of Industry and Trade of the Czech Republic together with ČEZ negotiated a capacity of three billion cubic meters of gas per year, which corresponds to about 1/3 of the annual gas consumption of Czechia. The contract was concluded for 5 years.
- The capacity will be commercially managed by ČEZ. It includes options for capacity assignment and cost sharing with the Czech government.
- At the same time, gas transport routes from the Netherlands to Czechia have also been contracted
- This is a crucial step to ensure Czechia's energy security and independence from Russia.

Specification of contracted capacity

- LNG terminal with a total annual capacity of 8 bn cubic meters of gas to be built in the port of Eemshaven in the province of Groningen in the north of the Netherlands.
- It will consist of two floating regasification storage units. In addition to ČEZ, it will also be used by Shell and other companies.
- The operator of the terminal, the Dutch national company Gasunie, expects to start operations during September 2022. ČEZ plans to use the terminal immediately after its launch.

SELECTED EVENTS OF THE PAST QUARTER
LIQUIDITY AND CREDIT RISK MANAGEMENT

Development of margin deposits* (from Jan 1, 2022 to Aug 2, 2022)



Available liquidity (CZK bn)

	at Jun 30	at Aug 2
Cash	46	65
Credit lines	46	46
Contracted with Czechia	0	25
Total liquid resources	**92**	**136**

- ČEZ entered into a credit agreement with Czechia in the amount of up to EUR 3 bn in order to strengthen ČEZ's liquidity position at a time of extreme price volatility in the energy markets and the associated higher margin deposit requirements. Under this agreement, ČEZ drew a EUR 2 bn loan in July. The remaining amount of up to EUR 1 bn can be drawn by ČEZ within 5 days of the request.
- ČEZ reduced margin deposits through optimizing positions on European exchanges and in relation to trading counterparties by CZK 10+ bn in Q2.
- ČEZ has a total of 5.8 TWh of natural gas with delivery in Czechia contracted for H2, of which only 2% are contracts from Russia's Gazprom Export. CEZ Group's credit exposure to Russia's Gazprom Export amounted to CZK 1.7 bn as of June 30. In June gas deliveries by this company were reduced for the first time. In July less than 40% of contracted natural gas volumes was delivered.

* This refers to ČEZ cash temporarily deposited on exchanges and with trading counterparties in connection with generation hedging. The value of deposits reflects the overall lower historical contracted prices of electricity, EUA, and gas compared to current market prices (sum of the so-called variation margin and initial margin on exchanges). As the contracted quantities are delivered over time, these cash funds are returned to ČEZ. This is the effect of the standard operation allowing 100% elimination of credit risk for all counterparties. Given the unprecedented increase in commodity prices over the last year and the extreme increase in volatility, margining causes significant liquidity risks to all energy generators who normally hedge their generation through pre-sales of their output.

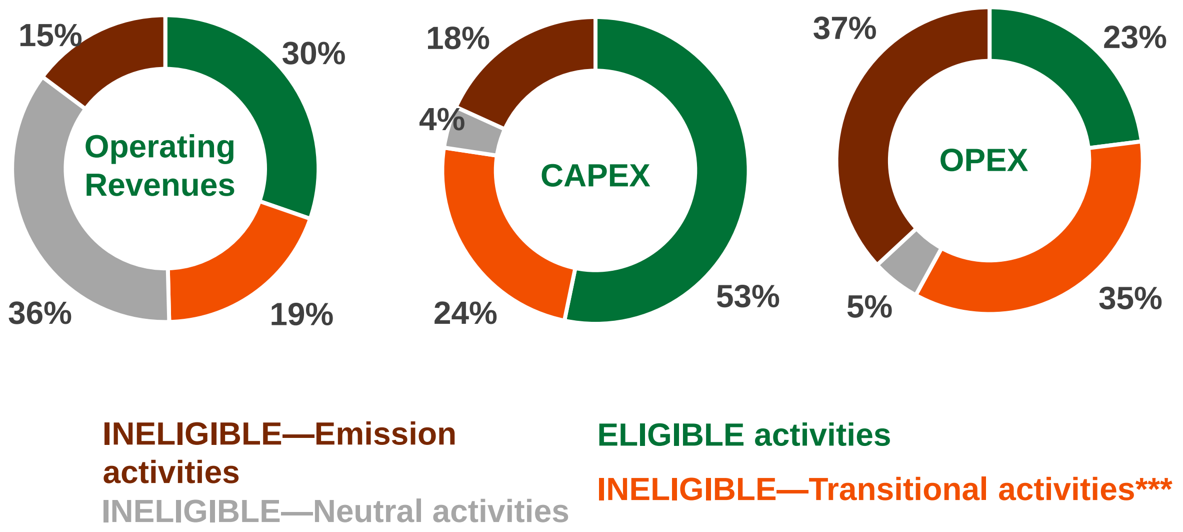
SELECTED EVENTS IN THE PAST QUARTER

ESG AREA AND STRUCTURE OF ČEZ ACTIVITIES ACCORDING TO EU TAXONOMY

Selected Events in ESG

- SBTi validated ČEZ's climate targets for 2030. They are in line with the well-below 2 °C scenario and the latest scientific knowledge. ČEZ was the first Czech company to achieve validation.
- CEZ Group has committed to achieving climate neutrality as early as 2040.
- The published CEZ Group Sustainability Report* now reports according to the EU taxonomy and other standards (SASB, WEF). The selected indicators were audited based on GRI standards and in accordance with ISAE 3000.
- ČEZ launched a new ESG website** to facilitate communication with rating agencies and other stakeholders.
- CEZ Group joined the international initiative “CEO Water Mandate” with the obligation of regular transparent reporting on the commitment to sustainable management of freshwater resources and safe access to them.
- The European Parliament approved the temporary and conditional inclusion of nuclear power and natural gas as green investments under the European Sustainable Investment Taxonomy.

Structure of CEZ Group activities in 2021 according to EU taxonomy



CAPEX = investments; OPEX = operating expenses
*** nuclear, low emission CCGT and CHP sources

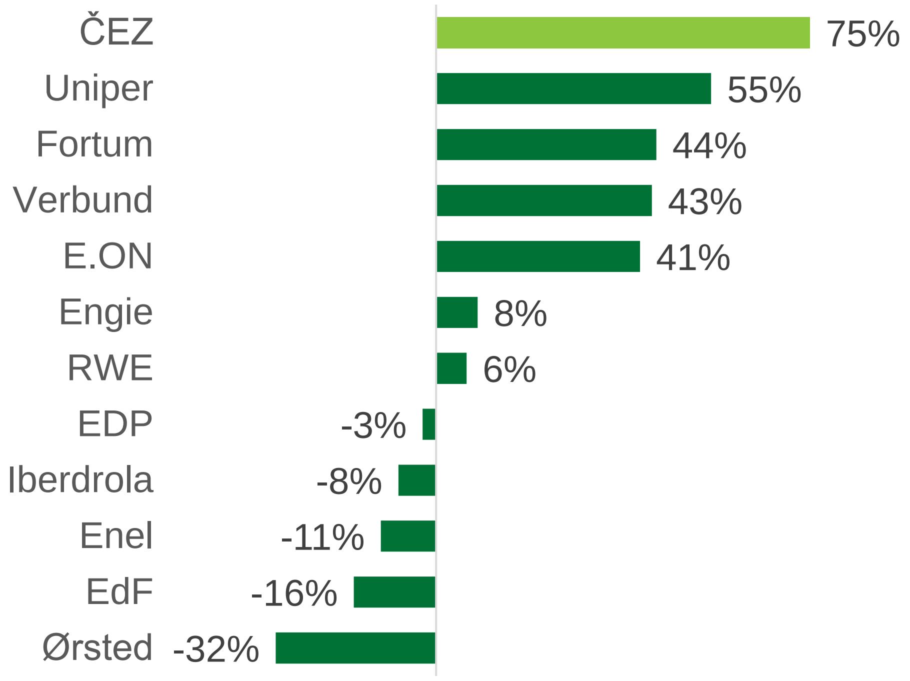
CEZ Group's Activities are Valued by Rating Agencies

Following the upgrade of its ESG rating by MSCI to AA (up from BBB), ČEZ is among the top 33% of energy companies.

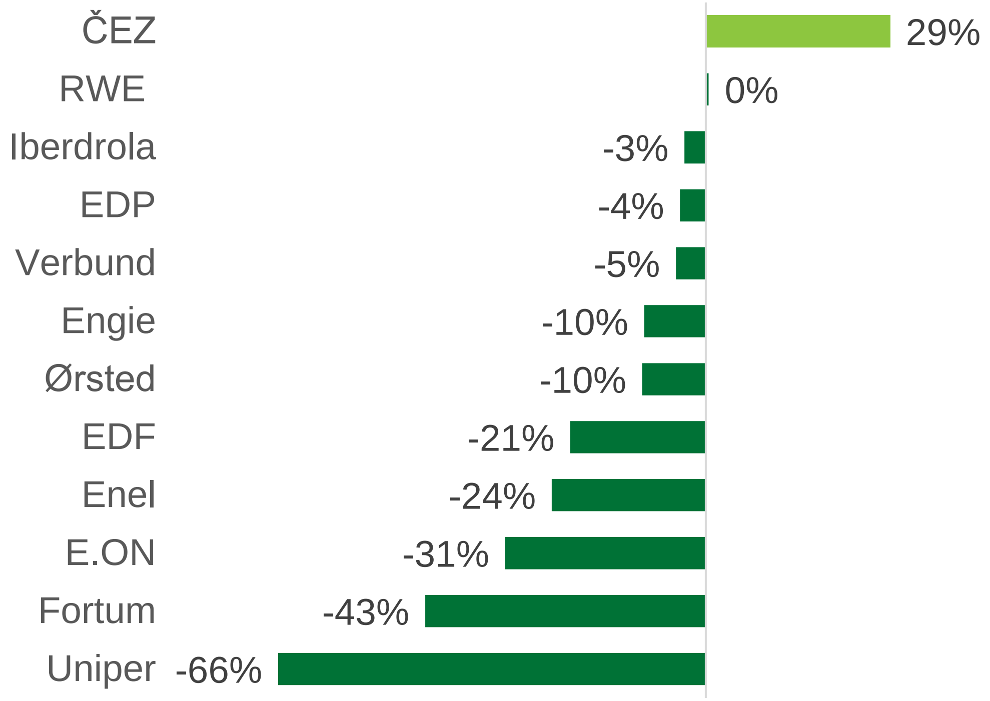
* link to CEZ Group Sustainability Report https://www.cez.cz/cs/o-cez/udrzitelnost-a-etika/energie-pro-budoucnost/zpravy-o-udrzitelnem-rozvoji
** link to ESG website https://www.cez.cz/sustainability

FOR MORE THAN A YEAR THE MARKET CAPITALIZATION OF ČEZ HAS BEEN INCREASING AT THE FASTEST RATE OF ANY MAJOR ENERGY COMPANY IN EUROPE

Total shareholder return* in 2021



Total shareholder return* in H1 2022



- **Market capitalization as of June 30, 2022: CZK 571 bn (+1,540% since the start of trading on the stock exchange in 1993)**
- **The total annual shareholder return of ČEZ** in 2021 (+75%) was the highest among all European energy companies included in the STOXX Europe 600 Utilities stock index (28 companies).

* Change in share price + dividends paid + assumption of reinvestment of dividends paid

ON MAY 6, 2022, IT WAS 30 YEARS SINCE ČEZ WAS FOUNDED—THE VALUE OF THE COMPANY INCREASED BY 1540%

- **Market capitalization as of June 30, 2022: CZK 571 bn (+1540%)***
- **Assets: CZK 1,183 bn (+1117%)**
- **Total operating revenues: CZK 228 bn (+369%)**

- **Number of employees: 28,043 (+104%)**
- **Installed generating capacity: 11.8 GW (+15%)**
- **Annual electricity generation: 56.0 TWh (+21%)**
- **Electricity customers**: 2.7 m (1992—12 customers)**
- **Gas customers**: 0.5 m (1992—0 customers)**

- **CO_2e emissions intensity of generated electricity and heat:** **0.29 t CO_2e/MWh (1992—0.78 t CO_2e/MWh)**
- **CO_2 emissions: 19 m tons (1992—38 m tons)**
- **NO_x emissions: 14,000 tons (1992—129,000 tons)**
- **SO_2 emissions: 8,000 tons (1992—769,000 tons)**

Emissions 2021/1992

CO_2 50%

NO_x 11%

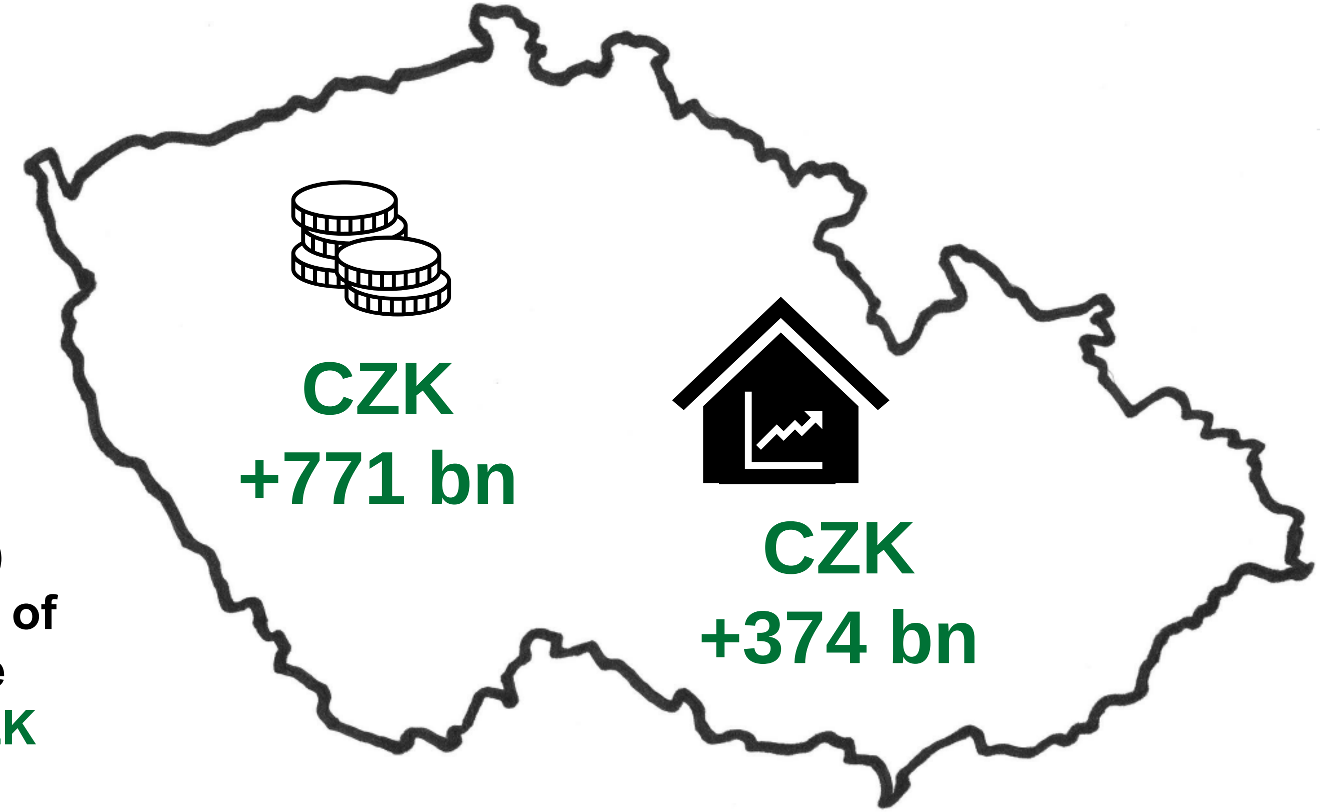
SO_2 1%

Values as of Dec 31, 2021 (% of growth from value at Dec 31, 1993). Values for the period 2021 (% of growth from 1993 value).
* Increase in market capitalization compared to July 13, 1993 (i.e. the date of the first trading on the Prague Stock Exchange)
** Number of service points as of December 31, 2021

IN THE 30 YEARS SINCE ČEZ WAS FOUNDED, CZECHIA HAS GAINED A VALUE OF OVER CZK 1 TRILLION

From 1992 to 2021, Czechia has received CZK 771 bn in cash, of which:

- **CZK 510 bn in taxes**
- **CZK 209 bn in dividends**
- **CZK 10 bn in donations**
- **CZK 42 bn for emission allowances**



The Company's value (market capitalization) has increased by CZK 536 bn since the start of trading (1993) to June 30, 2022, i.e. the value of Czechia's 70% share has increased by CZK 374 bn.

In total, Czechia received a value of CZK 1,145 bn.

GENERATION SEGMENT EBITDA

EBITDA (CZK bn)	H1/2021*	H1/2022	Difference	%	Q2/2021*	Q2/2022	Difference	%
Zero-emission Generating Facilities	13.4	28.3	+14.9	+108%	6.1	12.8	+6.7	+112%
of which: nuclear	10.8	22.2	+11.4	+101%	4.5	9.8	+5.3	+115%
of which: renewables	2.5	6.1	+3.6	+141%	1.5	3.0	+1.5	+103%
Fossil-fuel Generating Facilities	2.5	9.2	+6.7	>200%	0.1	2.8	+2.7	>200%
Trading	0.3	7.4	+7.1	>200%	0.3	2.0	+1.7	>200%
Specific temporary effects	-2.6	1.1	+3.7	-	-1.6	-8.4	-6.8	>200%
Total Generation Segment	**13.5**	**46.0**	**+32.4**	**>200%**	**4.7**	**9.2**	**+4.5**	**+94%**

Year-on-year effects in H1:

Nuclear facilities (CZK +11.4 bn):
- Trade impacts (+10.8): of which price impact (+11.0), lower intragroup revenues (-0.3)
- Operating effects (+0.6): operating availability of Temelín (+0.5) and Dukovany (+0.3), fixed operating costs (-0.2)

Renewables (CZK +3.6 bn):
- Trade effects (+3.8): price effect (+1.2), ancillary services and regulatory energy (+2.6)
- Operating effects (-0.2): hydroelectric plants in Czechia (-0.5), photovoltaic plants in Czechia (+0.3), wind power plants in Germany (+0.1)

Fossil-fuel sources (CZK +6.7 bn):
- Trade effects in Czechia (+6.7): price effect (+6.3), ancillary services and regulatory energy (+0.4)
- Operating effects in Czechia (+0.4): operating availability (-0.1), heat sales (+0.2), trading at the generating plants (+0.5), fixed costs (-0.2)
- Poland (-0.4) mainly lower generation margin due to the increase in the cost of emission allowances

Trading (CZK +7.1 bn):
- Higher trading prop margin (+10.7), potential loss on gas contracts with Gazprom Export (-1.2), fixed costs (-0.2)
- Other trading and consolidation impacts (-2.2) mainly part of margin realized on generation contracts with delivery in 2023+

Specific temporary effects (CZK +3.7 bn):
- Income from the sale of allowances for 2022 generation in Q1, which is gradually eliminated by higher emissions reserve for generation (+2.0)
- Revaluation of other generation commodity hedging contracts for 2022 and other temporary effects in 2022 (-0.9)
- Specific temporary effects in 2021 (+2.6)

Year-on-year effects in Q2:

Nuclear Generating Facilities (CZK +5.3 bn):
- Trade impacts (+5.1): price impact (+5.2), lower intragroup revenues (-0.1)
- Operating effects (+0.2): operating availability (+0.3), fixed costs (-0.1)

Renewables (CZK +1.5 bn): higher realized electricity prices (+0.5), higher revenues from ancillary services and regulatory energy (+1.1)

Fossil-Fuel sources (CZK +2.7 bn):
- Czechia: Trade effect (+2.6), ancillary services and regulatory energy (+0.3)
- Poland (-0.2) mainly lower generation margins

Trading (CZK +1.7 bn):
- Higher trading prop margin (+5.8), higher fixed costs (-0.2)
- Potential loss on gas contracts with Gazprom Export (-1.2)
- Other trading and consolidation impacts (-2.7) mainly part of margin realized on generation contracts with delivery in 2023+

Specific temporary effects (CZK -6.8 bn):
- Elimination of temporary income from Q1 2022 trades with allowances for generation (-2.3)
- Elimination of temporary income from Q1 2022 CCGT generation hedging trades and revaluation of CCGT generation hedging for H2 (-3.9)
- Revaluation of other generation commodity hedging contracts and other temporary effects (-0.6)

* without the divested assets in Romania and Bulgaria

The division of EBITDA of the GENERATION segment into five sub-segments is only indicative on the basis of central allocation assumptions (in particular the allocation of ČEZ's gross margin and fixed costs of the central divisions of ČEZ) and simplified consolidation with other companies in the segment.

MINING SEGMENT EBITDA

EBITDA (CZK bn)	H1/2021	H1/2022	Difference	%	Q2/2021	Q2/2022	Difference	%
Czechia	2.1	3.1	+1.0	+47%	0.6	1.2	+0.6	+106%

Year-on-year effects in H1:

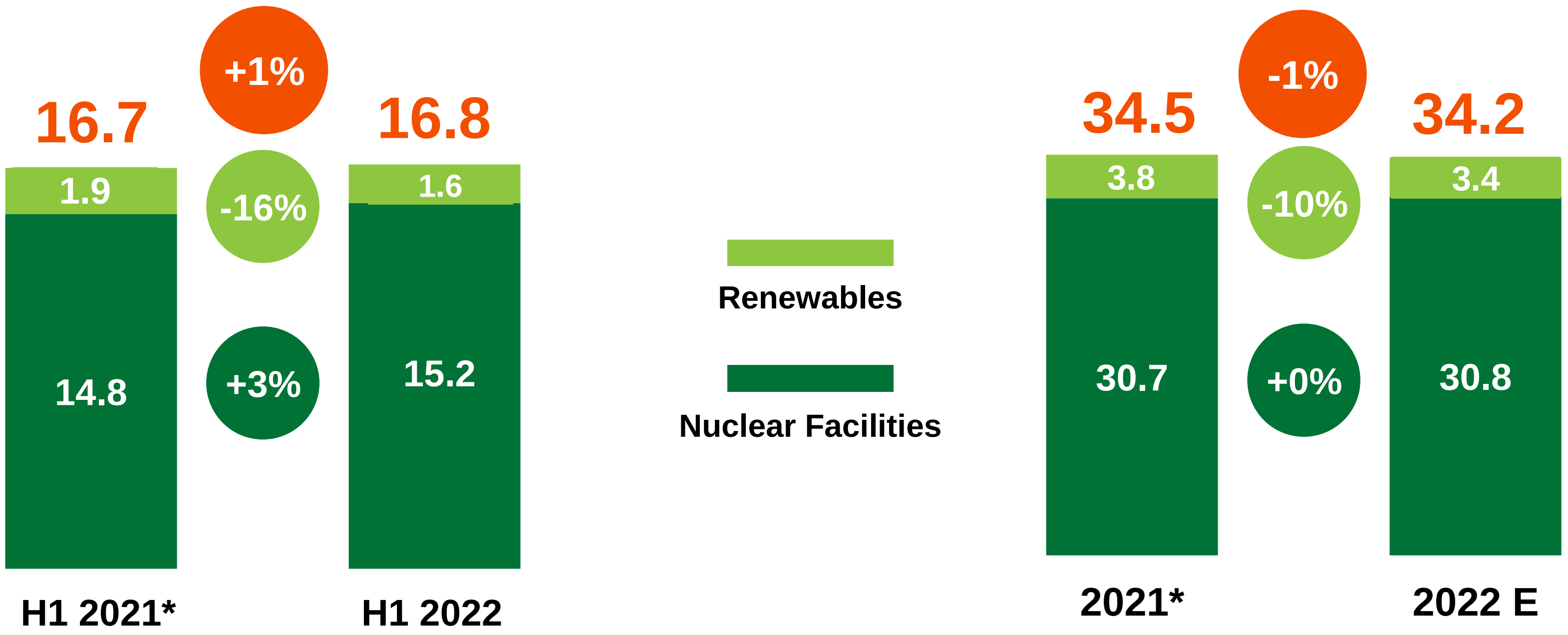
- Higher revenues due to the increase in the price of deliveries to CEZ Group (CZK +0.7 bn)
- Higher revenues to external customers (CZK +0.7 bn) related to higher deliveries
- Higher fixed operating expenses (CZK -0.4 bn) mainly higher energy expenses

Year-on-year effects in Q2:

- Higher revenues from CEZ Group (CZK +0.4 bn)
- Higher revenues from external customers (CZK +0.3 bn)
- Higher fixed operating expenses (CZK -0.2 bn), mainly higher energy expenses

Mining volume (million tons)	H1/2021	H1/2022	Difference	%	Q2/2021	Q2/2022	Difference	%
Czechia	7.7	8.5	+0.8	+11%	3.0	3.7	+0.7	+22%

GENERATION FROM RENEWABLE AND NUCLEAR SOURCES (TWH)



Renewables (-16%) hydro, wind, solar, biomass, biogas

Czechia hydro (-22%)
- ⊖ Worse-than-average hydrometeorological conditions

Germany—Wind (+20%)
- ⊕ Worse-than-average weather conditions in 2021

Czechia and Poland biomass (-17%)

Nuclear plants (+3%)
- ⊕ Shorter outages of both power plants
- ⊕ Increase in the achievable output of both units of Temelín NPP

Renewables (-10%)

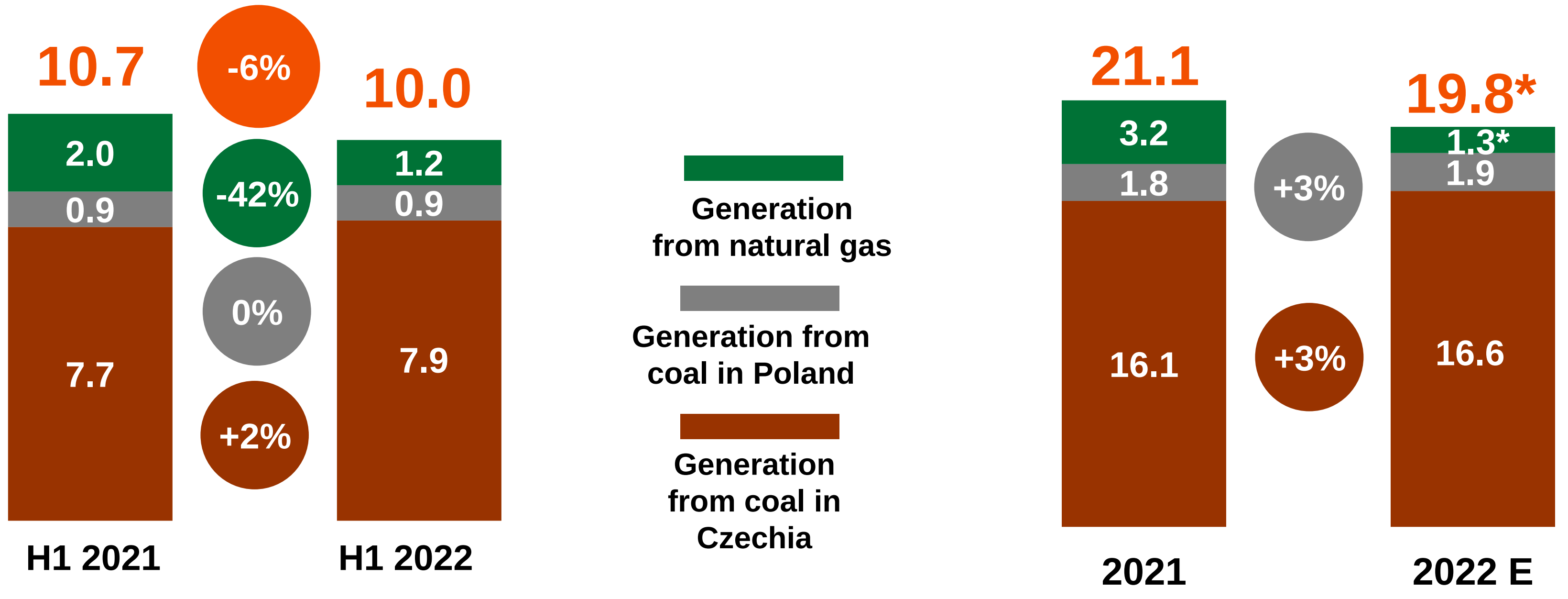
Czechia hydro (-14%)
- ⊖ Worse-than-average hydrometeorological conditions

Germany—Wind (+25%)
- ⊕ Worse-than-average weather conditions in 2021

Czechia and Poland biomass (-11%)

* Excluding generation from divested companies in Romania and Bulgaria

ELECTRICITY GENERATION FROM COAL AND NATURAL GAS (TWH)



* The expected generation from natural gas in 2022 does not include the expected generation from the CCGT for the period from August 1 to December 31, given the uncertainty of the gas supply from Russia and the measures taken by the EU.

Natural gas–fired generation (-42%)
- ⊖ Lower generation at Počerady 2 due to commodity prices and emission allowance prices

Coal-fired generation—Czechia (+2%)
- ⊕ Shorter outages at Prunéřov 2 and Tušimice 2 power plants
- ⊖ Termination of the Mělník 3 power plant's operation as of August 17, 2021 (-0.15 TWh)
- ⊖ Longer outages at the Ledvice 4 power plant

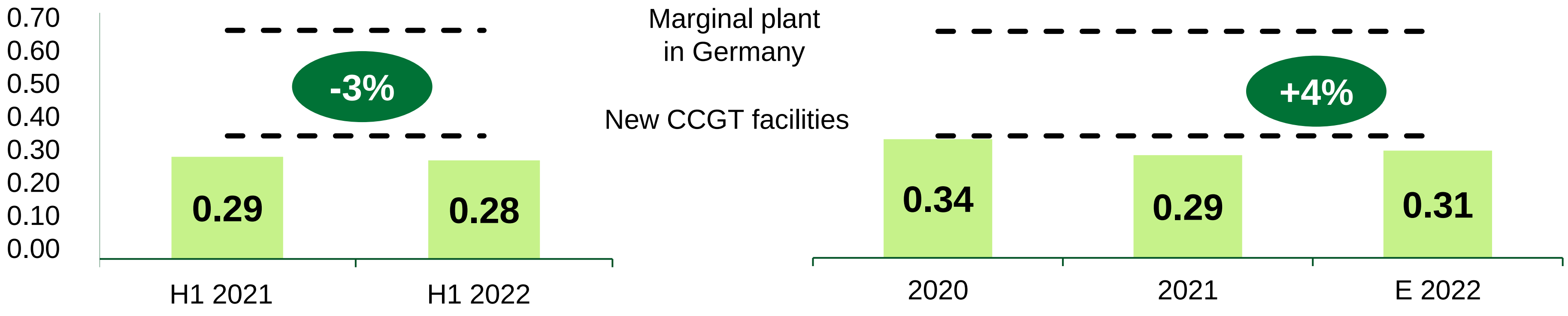
Generation from natural gas
- ⊖ Lower generation of Počerady 2 power plant for the period from January 1 to July 31 due to commodity prices and emission allowance prices
- ⊖ Forecasted generation from natural gas from August 1 to December 31 not included in the forecast*

Coal-fired generation—Czechia (+3%)
- ⊕ Shorter outages at Prunéřov 2 and Tušimice 2 power plants
- ⊖ Longer outages at the Ledvice 4 power plant
- ⊖ Termination of the Mělník 3 power plant's operation as of August 17, 2021 (-0.15 TWh)

Coal-fired generation in Poland (+3%)

EMISSIONS OF CO_2, SO_2, AND NO_X IN ELECTRICITY AND HEAT GENERATION

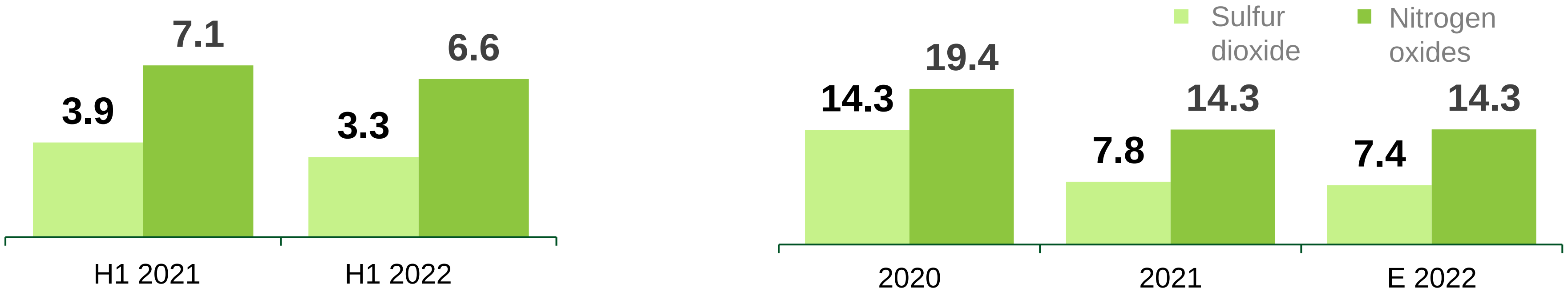
CO_2e emission intensity of electricity and heat generation (t CO_2e/MWh)



CEZ Group's emission intensity for electricity and heat generation in H1 2022 of 0.28 t CO_2e/MWh corresponds to:

- Approx. 80% of the emissions of the new CCGT power plant
- Approx. 43% of emissions produced by the marginal generation source determining the current electricity market prices in Germany.

Sulfur dioxide (SO_2), nitrogen oxides (NO_x) (thousand tons)

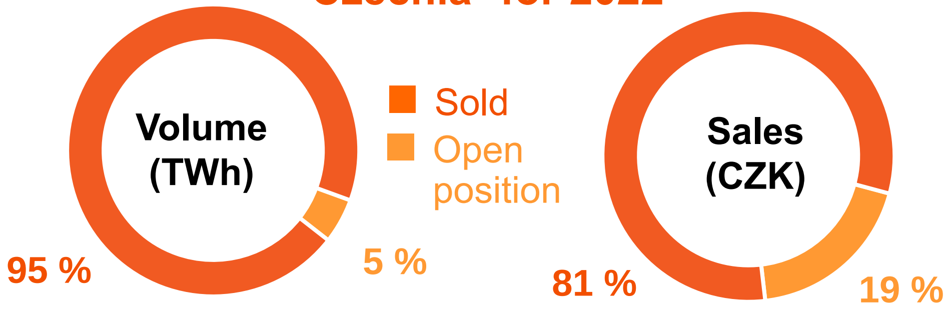


The CO_2e indicator corresponds to emissions as defined in "SCOPE 1 of the GHG Protocol". In CEZ Group's terms, these are emissions related to the combustion of fossil fuels in the generation of electricity and heat (CO_2, CH_4, and N_2O emissions) and CO_2 emissions from transport. The indicator also includes CH_4 and N_2O emissions from biomass combustion, CH_4 emissions from coal mining, and HFC, PFC, and SF_6 emissions from air conditioning and other equipment.

SELECTED OPERATIONAL AND PRICE ASSUMPTIONS FOR GENERATION IN CZECHIA*

COMMODITY RISK HEDGING GROSS MARGINS ON GENERATION

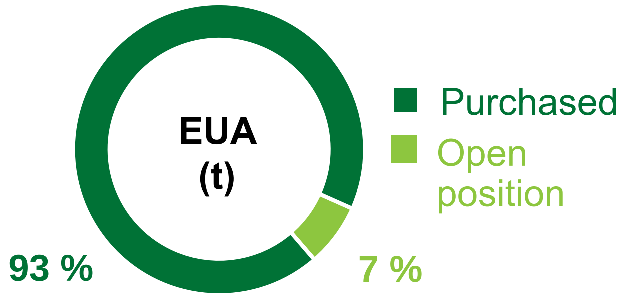
Electricity—share of hedged deliveries from generation in Czechia* for 2022



Electricity—generation revenue hedging status

- **45.1 TWh** sold at an average achieved price **of 91.4 EUR/MWh.**
- Open position assumption of **2.2 TWh**
- 100% of expected electricity deliveries in Czechia* is **47.3 TWh** and the average expected strike price** is **EUR 103 to 107/MWh.**

Emission allowances—status of generation hedging in Czechia* 2022



Emission allowances—generation cost hedging status

- The average purchase price **of 15.5 million tons of emission allowances** is **36.6 EUR/t.**
- Open position assumption of **1.2 million tons**

Natural gas—generation cost hedging status

- The average purchase price*** of **3.9 TWh** of natural gas is **EUR 86.4/MWh**, of which **2.0 TWh** is contracted for H2.
- The open position assumption is not given in the view of the uncertainty of the gas supply situation from Russia and the measures taken by the EU.

In addition to the above hedging of expected generation from CCGT plants, ČEZ has contracted 3.8 TWh of gas for H2 2022 for existing end-use customers of ČEZ Prodej and ČEZ ESCO (100% of contracted supplies).

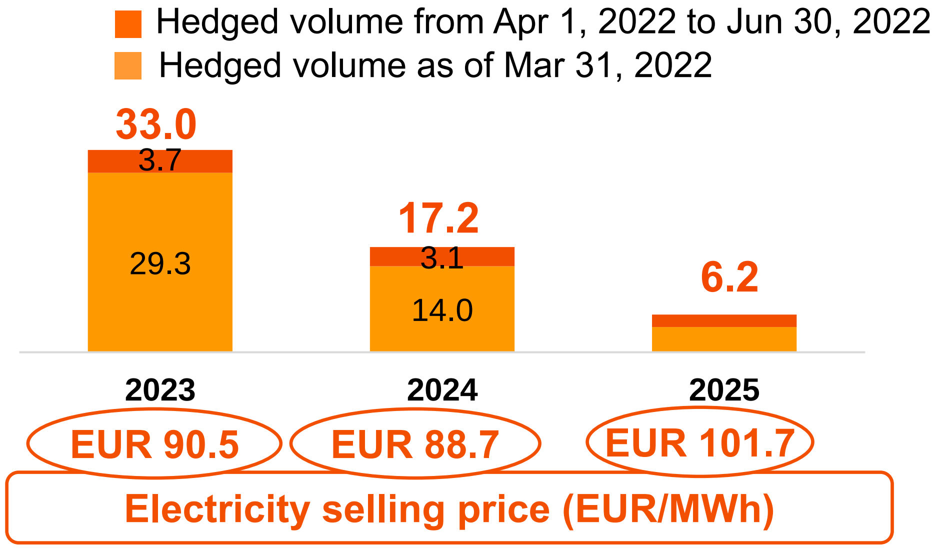
* This includes supplies from the generation of ČEZ, Energotrans, and Elektrárna Dětmarovice.

** This is the result of hedging trades and current market valuation of unsold electricity for expected generation in 2022. In the case of executed hedging contracts for the sale of electricity from gas and some coal-fired facilities, the contracts are revalued in profit or loss on an ongoing basis. The realisation price of these contracts, where they effectively enter into the 2022 results, is therefore consistent with the market prices as of December 31, 2021 and is therefore significantly higher than the starting price when they were entered into in the past.

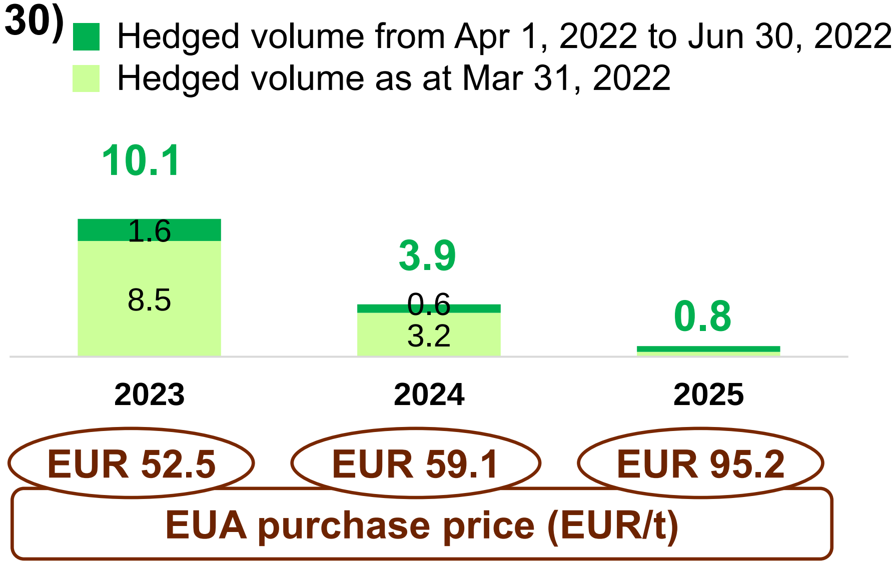
*** The gas purchase prices shown for contracts entered into in 2020 and 2021 reflect market prices at December 31, 2021, at which point they effectively enter into the 2022 results. The hedging contracts in question are revalued in the results of operations on an ongoing basis, as are the gas-to-power hedges that are entered into concurrently.

HEDGING THE MARKET RISKS OF GENERATION IN CZECHIA FOR 2023–2025

Electricity sold in TWh (as of Jun 30)



Contracted emission allowances* in m tons (as of Jun 30)



Share of electricity deliveries hedged from generation in Czechia (as of Jun 30)

	2023	2024	2025	100% of expected deliveries
Proportion of electricity deliveries hedged	70%	36%	13%	47 to 48 TWh of external deliveries per year

* 100% of the expected annual volume of emission allowances for generation in Czechia for 2023–2025 is 16–18 m tons.

Financial Highlights and Selected Events

Generation & Mining

Distribution and Sale

DISTRIBUTION SEGMENT EBITDA*

EBITDA (CZK bn)	H1/2021	H1/2022	Difference	%	Q2/2021	Q2/2022	Difference	%
Czechia	9.6	9.5	-0.1	-1%	4.4	4.4	+0.0	+0%

Year-on-year effects in H1 (CZK -0.1 bn):

- higher fixed operating expenses due to an increase in personnel costs

Year-on-year effects in Q2:

- lower gross margin mainly due to a decrease in the volume of electricity distributed (CZK -0.1 bn)
- Higher revenue from activities to ensure input power and connection (CZK +0.1 bn)

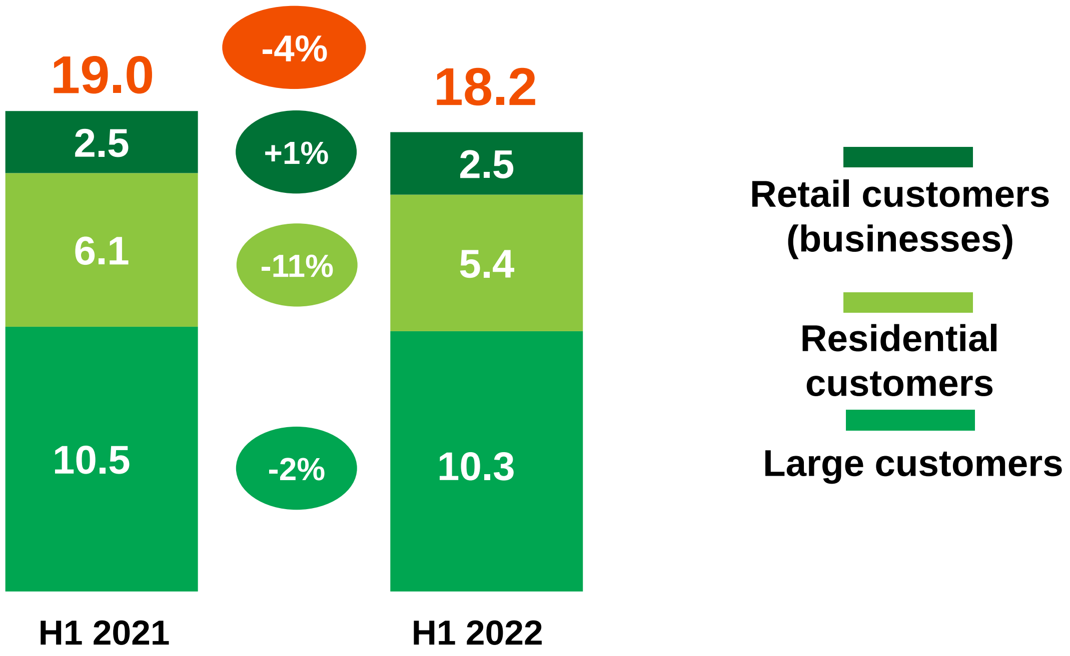
Electricity distributed to end-use customers (TWh)**	H1/2021	H1/2022	Difference	%	Q2/2021	Q2/2022	Difference	%
Czechia	19.2	18.3	-0.9	-5%	8.9	8.4	-0.5	-5%

* without the divested assets in Romania and Bulgaria

** values include the distribution volume in the entire CEZ Group, i.e. including ČEZ Energetické služby and ČEZ LDS, which are part of the SALE segment

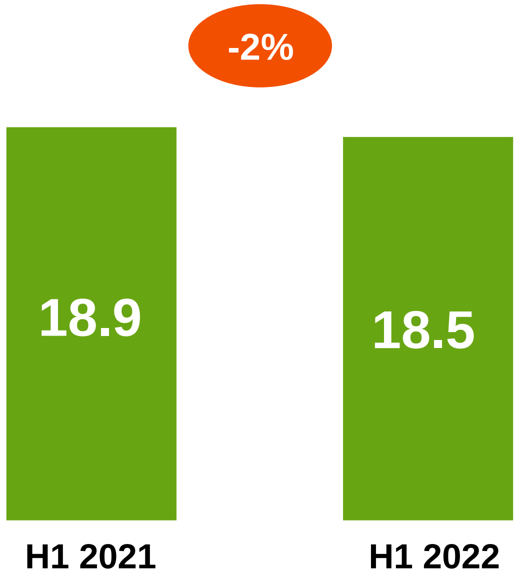
CONSUMPTION OF ELECTRICITY IN THE DISTRIBUTION AREA OF ČEZ DISTRIBUCE DECREASED MAINLY IN THE RESIDENTIAL CUSTOMERS SEGMENT

Electricity distribution
(TWh)



The volume of electricity distributed corresponds to the total electricity consumption in the ČEZ Distribuce area.

Temperature- and calendar-adjusted electricity consumption
(TWh)



The recalculated consumption is based on the internal model and volume of electricity distributed by ČEZ Distribuce.

The company's distribution area covers around 66% of Czechia's territory, so the data are a good indicator of total nationwide electricity consumption trends.

SALES* SEGMENT EBITDA

EBITDA (CZK bn)	H1/2021	H1/2022	Difference	%	Q2/2021	Q2/2022	Difference	%
Retail segment–ČEZ Prodej	2.5	0.3	-2.2	-87%	1.1	0.5	-0.6	-56%
B2B segment—of which ESCO companies:	0.9	0.0	-0.9	-103%	0.3	0.3	-0.0	-10%
Energy Services—Czechia and Slovakia	0.4	0.2	-0.1	-39%	0.1	0.1	-0.0	-41%
Energy Services—Germany and other countries**	0.4	0.4	+0.0	+11%	0.2	0.2	-0.0	-6%
Commodity Sales—Czechia	0.2	-0.7	-0.8	-	0.0	0.0	+0.0	+57%
B2B segment—Other activities***	0.5	0.4	-0.1	-18%	0.1	0.0	-0.1	-66%
Total SALES Segment*	**3.9**	**0.7**	**-3.2**	**-83%**	**1.6**	**0.8**	**-0.7**	**-48%**

Year-on-year effects in H1:

Retail segment—ČEZ Prodej (CZK -2.2 bn)

- Decrease in gross margin on gas sales (CZK -1.8 bn) due to a substantial increase in commodity prices and market volatility
- Decrease in gross margin on electricity sales (CZK -0.6 bn) due to lower volumes of unbilled electricity and the impact of the substantial increase in commodity prices and market volatility
- Refund of interest from the lawsuit with SŽDC (CZK +0.2 bn)

B2B segment—ESCO companies (CZK -0.9 bn):

Energy Services—Czechia and Slovakia (CZK -0.1 bn)

- Higher gas purchase costs

Commodity sales in Czechia (CZK -0.8 bn)

- Decrease in gross margin on electricity and gas sales mainly due to substantial increase in commodity purchase prices and market volatility (CZK -0.6 bn)
- The impact of the appreciation of CZK against EUR (CZK -0.2 bn), however, this impact is offset in financial part of P&L due to hedging.

Year-on-year effects in Q2:

Retail segment—ČEZ Prodej (CZK -0.6 bn)

- Lower volume of unbilled electricity (CZK -0.3 bn)
- Decrease in gross margin on sales of commodities (CZK -0.2 bn) due to a substantial increase in purchase prices and market volatility

B2B segment—ESCO companies (CZK -0.0 bn)

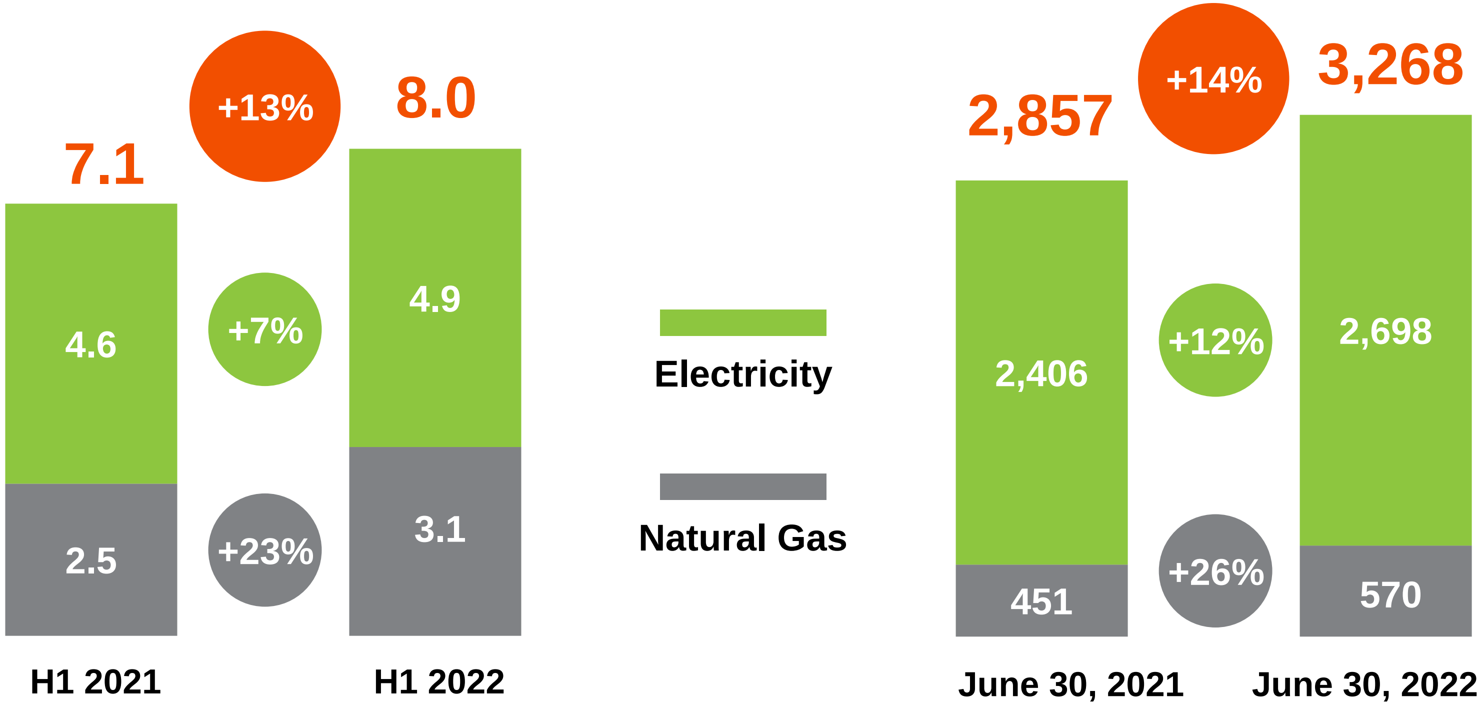
- The impact of the substantial increase in electricity and gas purchase prices on commodity sales offset mainly by the impact of higher volumes of deliveries by ČEZ ESCOs

* without the divested assets in Romania and Bulgaria
** Poland, Italy, Austria, and other countries where ESCO activities are managed by Elevion Group
*** Mainly telecommunications companies, ČEZ Teplárenská, and other companies in the Sales segment

VOLUME OF ELECTRICITY AND GAS SOLD AND THE NUMBER OF CUSTOMERS
CZECHIA—RETAIL

Total electricity and gas supply increased by 13% year-on-year
(TWh)

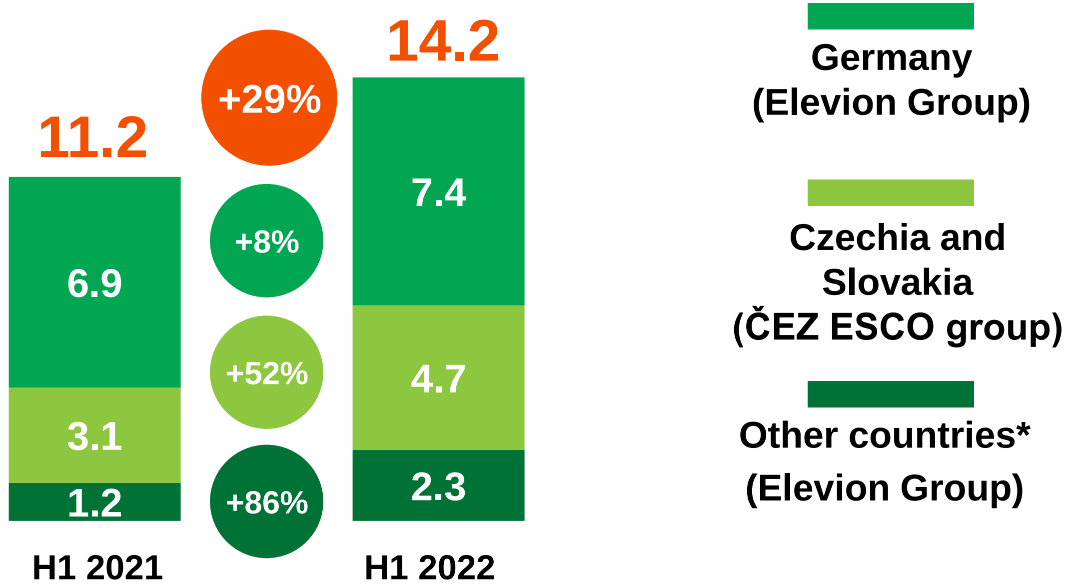
The number of customers increased by 14% year-on-year
(service points in thousands)



- A significant impact on the end-use customer market in Czechia was the collapse of several suppliers due to the sharp increase in commodity prices in Q4 2021 and the subsequent switch of almost 1 million customers to so-called suppliers of last resort (“SLR”).
- As a result, the number of ČEZ Prodej's service points increased by more than 300 thousand. Another reason for the increase in the number of customers is the suspension of new customer acquisitions by most suppliers in Q1 2022.
- In addition, the increase in the volume of electricity sold is due to the change in the structure of ČEZ Prodej's portfolio (more residential customers are switching from heating with solid fuels to heat pumps).
- On the other hand, above-average temperatures and a partial return of people to offices after COVID-19 in H1 2022 were responsible for the decrease in the volume of electricity supplied to residential customers.

REVENUES FROM ENERGY SERVICES

Revenues year-on-year
(CZK bn)

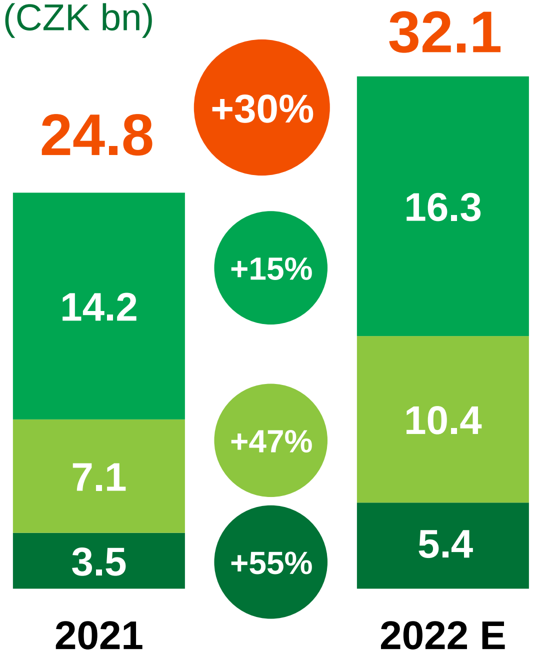


Germany—Elevion Group (+8%)
- Organic growth +1% (+5% adjusted for exchange rate effects)
- Acquisition of the Belectric group (December 16, 2021)

Czechia and Slovakia—ČEZ ESCO group (+52%)
- Organic growth +19%
- Acquisitions: EP Rožnov (July 15, 2021), CAPEXUS (December 13, 2021), ELIMER (February 24, 2022)

Other countries*—Elevion Group (+86%)
- Organic growth +23% (mainly Poland, Romania)
- Acquisition of Belectric Italy, Israel, France, UK; acquisition of SOCIETA' AGRICOLA DEF S.R.L. (July 26, 2021), ZOHD group (August 27, 2021)

Revenues outlook
(CZK bn)



Germany—Elevion Group (+15%)
- Organic growth +1% (+4% adjusted for exchange rate effects)
- Acquisition of the Belectric group (December 16, 2021)

Czechia and Slovakia—ČEZ ESCO group (+47%)
- Organic growth +20%
- Acquisition of CAPEXUS (December 13, 2021), ELIMER (February 24, 2022)

Other countries*—Elevion Group (+55%)
- Organic growth +14%
- Acquisition of the Belectric group (December 16, 2021)

* This includes Poland, Italy, and other countries where ESCO activities are managed by Elevion Group.

ANNEXES

Outcomes of the annual Shareholders' Meeting of ČEZ

Financial Results

- Total financial results
- Total operating results
- Operating results by existing and divested assets
- Operating revenues by segment and country
- EBITDA by segment and country
- Net income for Q2
- Expected year-on-year change in EBITDA by segment

Investments, development of cash flow, debt, and financial exposure

- Investments in fixed assets (CAPEX)
- Credit lines and debt structure
- Change in net debt (cash flow)
- Hedging against currency and commodity risks in generation in Czechia

Market Developments, Balance, and Other Information

- Market Developments
- Electricity Procured and Sold
- Calculation of Alternative Indicators according to ESMA

ON JUNE 28–29, 2022, THE ANNUAL SHAREHOLDERS' MEETING OF ČEZ, A. S., WAS HELD, WHICH, WITHIN THE FRAMEWORK OF THE APPROVED AGENDA:

- The reports of the company's bodies were presented
- Approved the financial statements of ČEZ, a. s., and the consolidated financial statements of CEZ Group for 2021
- Approved the distribution of the Company's income for 2021 in the amount of CZK 4.4 bn and a portion of retained earnings from previous years in the amount of CZK 21.4 bn, i.e. a total of CZK 25.8 bn to be distributed to shareholders (dividend of CZK 48 per share). This dividend is payable on November 1, 2022 (3 months later than usual) and its payment ends on October 31, 2026. In addition, a change in the method of payment of dividends approved by the Shareholders' Meetings for the years 2019 to 2021 was approved.
- It approved the amount of funds for donations budget for 2023 in the amount of CZK 150 m and an increase in the amount of funds for donations in 2022 by CZK 40 m to a total of CZK 150 m for 2022.
- Approved an update to the business policy of CEZ Group and ČEZ, a. s.
- Decided to amend the Company's Articles of Association
- Approved template service contracts for the performance of duties as a member of the Supervisory Board and a member of the Audit Committee
- Approved the Report on Remuneration of ČEZ, a. s., for the accounting period of 2021
- Dismissed Jan Vaněček from the Supervisory Board; furthermore, dismissed Vladimír Černý, Vladimír Kohout, and František Vágner with effect from August 31, 2022
- Confirmed Roman Binder as a member of the Supervisory Board and elected Radim Jirout, Jiří Kadrnka, Vít Doležálek, and Eva Hanáková as new members of the Supervisory Board
- Removed Jan Vaněček from the Audit Committee
- Elected Andrea Lukasíková and Petr Šobotník as members of the Audit Committee

TOTAL FINANCIAL RESULTS

(CZK bn)	H1/2021	H1/2022	Difference	%
Operating Revenues	108.2	130.5	+22.3	+21%
EBITDA	31.6	59.3	+27.7	+88%
of which: Existing assets*	29.1	59.3	+30.2	+104%
EBIT	6.1	44.2	+38.1	>200%
Net income	1.6	33.6	+32.0	>200%
Adjusted net income**	11.3	33.6	+22.4	+198%
Operating cash flows	23.6	41.7	+18.1	+77%
CAPEX	11.7	12.1	+0.4	+3%

* Excluding the divested assets. Romanian companies sold on March 31, 2021 and Bulgarian companies on July 27, 2021.
** 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-off)

Significant Event after the End of the Reporting period: On July 29, 2022 an agreement was signed for the sale of ČEZ's stake in the Turkish company AkCEZ to the Turkish investor Torunlar Group

- It is a sale of 50% stake in AKCEZ Enerji A.Ş. (AKCEZ), which ČEZ owns in a joint venture with its Turkish partner AKKÖK Holding A.Ş. (AKKÖK). AKCEZ includes three subsidiaries engaged in electricity distribution, energy sales, and energy services. AKCEZ has approximately 2 million service points, manages 60,000 km of distribution networks, and supplies electricity to 1.8 million customers.
- The settlement of the transaction is subject to, among other things, the agreement of the new co-owners to refinance AKCEZ's existing debt. The transaction is then pending approval by the Turkish Antitrust Authority and the local energy regulator.
- The sale does not include ČEZ's stake in the joint venture Akenerji Elektrik Üretim A. Ş., which is primarily engaged in generating electricity from gas-fired and renewable sources with a total installed capacity of 1,223 MW.

TOTAL OPERATING RESULTS

		H1/2021	H1/2021*	H1/2022	Difference*	%*
Electricity generation	TWh	27.7	27.3	26.8	-0.5	-2%
Electricity distributed to end-use customers	TWh	26.0	19.2	18.3	-0.9	-5%
Sales of electricity to end customers	TWh	16.9	10.5	11.7	+1.2	+12%
Sales of gas to end customers	TWh	4.3	3.9	4.8	+0.9	+24%
Sales of heat	thousands TJ	15.7	15.7	13.5	-2.2	-14%

		Jun 30, 2021	Jun 30, 2021*	Jun 30, 2022	Difference*	%*
Installed capacity	GW	12.3	12.3	11.8	-0.5	-4%
Workforce headcount	thousands persons	30.3	27.0	27.3	+0.3	+1%

* Excluding the divested assets. Romanian companies sold on March 31, 2021, Bulgarian companies on July 27, 2021.

OPERATING RESULTS BY EXISTING AND DIVESTED ASSETS

Electricity generation (TWh)	H1/2021	H1/2022	Difference	%
Existing assets**	27.3	26.8	-0.5	-2%
of which: Czechia**	26.1	25.6	-0.5	-2%
Poland	1.1	1.1	-0.0	-3%
Germany and others****	0.1	0.2	+0.0	+23%
Divested assets*	0.4	-	-0.4	-
CEZ Group, total	27.7	26.8	-0.9	-3%

Electricity distributed to end-use customers (TWh)	H1/2021	H1/2022	Difference	%
Existing assets (Czechia)	19.2	18.3	-0.9	-5%
Divested assets*	6.8	-	-6.8	-
CEZ Group, total	26.0	18.3	-7.7	-30%

Electricity sales to end-use customers (TWh)	H1/2021	H1/2022	Difference	%
Existing assets	10.5	11.7	+1.2	+12%
Divested assets*	6.5	-	-6.5	-
CEZ Group, total	16.9	11.7	-5.3	-31%

Gas sales to end-use customers (TWh)	H1/2021	H1/2022	Difference	%
Existing assets	3.9	4.8	+0.9	+24%
of which: Czechia	3.7	4.8	+1.1	+29%
Slovakia	0.2	0.0	-0.2	-
Divested assets*	0.4	-	-0.4	-
CEZ Group, total	4.3	4.8	+0.5	+11%

Sale of heat (thousand TJ)	H1/2021	H1/2022	Difference	%
Existing assets***	15.7	13.5	-2.2	-14%
of which: Czechia***	11.8	9.8	-2.0	-17%
Poland	3.5	3.4	-0.2	-4%
Slovakia	0.4	0.4	-0.0	-11%
Divested assets*	-	-	-	-
CEZ Group, total	15.7	13.5	-2.2	-14%

* Companies sold in Romania (as of Mar 31, 2021) and Bulgaria (as of Jul 27, 2021)

** of which in H1 2022 0.2 TWh was generated by ČEZ Energo, which is part of the SALES segment

*** includes heat sales from companies classified in the GENERATION Segment and in the SALES Segment

**** Germany, Slovakia, Italy, and Austria

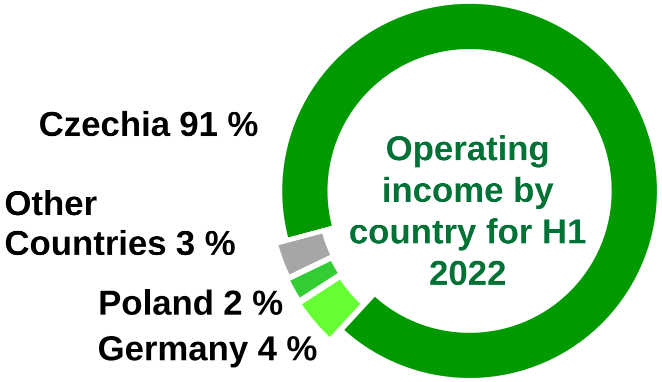
OPERATING REVENUES BY SEGMENT AND COUNTRY

GENERATION (CZK bn)	H1/2021	H1/2022	Diff	%
Czechia	52.5	91.2	+38.7	+74%
Germany	0.3	0.4	+0.1	+24%
Poland	3.0	3.0	+0.0	+0%
Romania	1.2	-0.0	-1.2	-
Other Countries	1.2	3.9	+2.7	>200%
Elimination of Internal Relations	-1.3	-2.9		
Total	**56.9**	**95.7**	**+38.8**	**+68%**

SALES (CZK bn)	H1/2021	H1/2022	Diff	%
Czechia	31.1	56.1	+25.0	+80%
Germany	7.0	7.6	+0.7	+9%
Romania	2.4	0.2	-2.2	-93%
Bulgaria	8.4	0.0	-8.4	-100%
Other Countries	2.0	3.0	+1.0	+50%
Elimination of Internal Relations	-0.0	-0.0		
Total	**50.8**	**66.8**	**+16.0**	**+32%**

MINING (CZK bn)	H1/2021	H1/2022	Diff	%
Czechia	4.7	6.2	+1.5	+31%

DISTRIBUTION (CZK bn)	H1/2021	H1/2022	Diff	%
Czechia	17.4	18.0	+0.6	+3%
Romania	1.5	-	-1.5	-
Bulgaria	2.6	-	-2.6	-
Elimination of Internal Relations	0.0	0.0		
Total	**21.5**	**18.0**	**-3.5**	**-16%**



Operating revenues (CZK bn)	H1/2022	Share
GENERATION	95.7	51%
MINING	6.2	3%
DISTRIBUTION	18.0	10%
SALES	66.8	36%
Elimination of Internal Relations	-56.2	
Total	**130.5**	**100%**

EBITDA BY SEGMENT AND COUNTRY

GENERATION (CZK bn)	H1/2021	H1/2022	Difference	%
Czechia	13.1	45.8	+32.7	>200%
Germany	0.2	0.3	+0.1	+34%
Poland	0.3	-0.1	-0.4	-
Romania	0.6	-0.0	-0.6	-
Other Countries	-0.0	-0.1	-0.1	>200%
Total	**14.3**	**46.0**	**+31.8**	**>200%**
Existing assets	13.5	46.0	+32.4	>200%
Divested Assets	0.6	-	-0.6	-

DISTRIBUTION (CZK bn)	H1/2021	H1/2022	Difference	%
Czechia	9.6	9.5	-0.1	-1%
Romania	0.5	-	-0.5	-
Bulgaria	1.0	-	-1.0	-
Total	**11.1**	**9.5**	**-1.6**	**-14%**
Existing assets	9.6	9.5	-0.1	-1%
Divested assets	1.5	-	-1.5	-

MINING (CZK bn)	H1/2021	H1/2022	Difference	%
Czechia	2.1	3.1	+1.0	+47%

SALES (CZK bn)	H1/2021	H1/2022	Difference	%
Czechia	3.4	0.2	-3.1	-93%
Germany	0.4	0.3	-0.0	-10%
Romania	0.1	0.0	-0.1	-92%
Bulgaria	0.2	0.0	-0.2	-99%
Other Countries	0.2	0.1	-0.0	-23%
Total	**4.2**	**0.7**	**-3.5**	**-84%**
Existing assets	3.9	0.7	-3.2	-83%
Divested assets	0.3	-	-0.3	-

NET INCOME FOR Q2

(CZK bn)	Q2/2021	Q2/2022	Difference	%
EBITDA	**11.7**	**15.6**	+3.9	+34%
Depreciation and amortization	-7.2	-7.6	-0.4	-5%
Impairments*	-9.5	0.1	+9.6	-
Other income (expenses)	-1.1	0.2	+1.3	-
Interest income (expenses)	-1.0	-0.2	+0.8	+78%
Other	-0.1	0.5	+0.5	-
Income tax	-0.7	-1.4	-0.7	-111%
Net income	-6.8	6.9	+13.7	-
Adjusted net income	2.9	6.9	+4.1	+142%

Net Income Adjustments
- In Q2 2021, adjusted for negative effect of impairment for fixed assets of Severočeské doly (CZK +8.7 bn) and in Poland (CZK +1.0 bn)

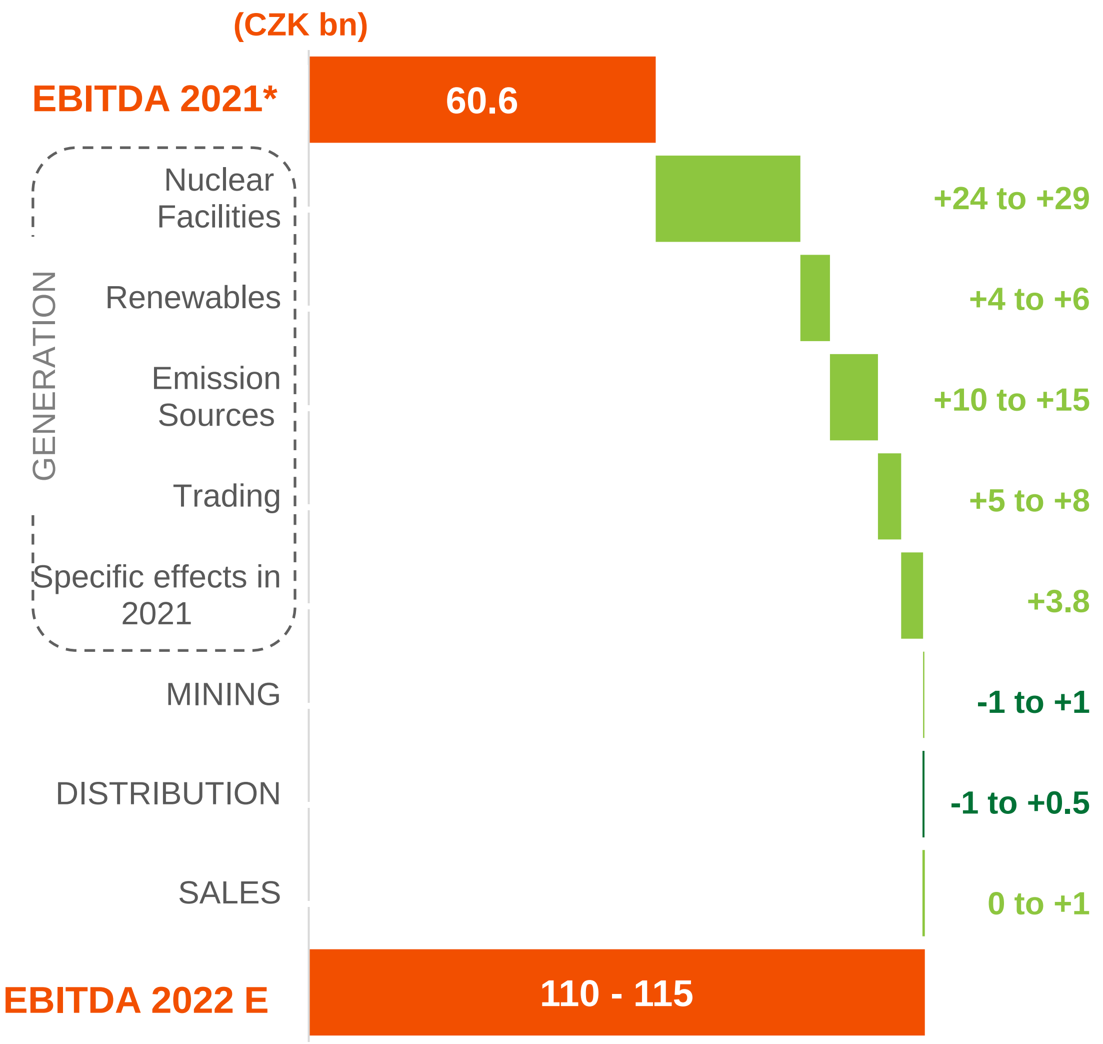
Impairments* (CZK +9.6 bn)
- Lower impairments for fixed assets of Severočeské doly (CZK +8.7 bn) and in Poland (CZK +1.0 bn)

Depreciation and Amortization (CZK -0.4 bn)
- Acceleration of depreciation and amortization of coal-fired power plants in Czechia as a result of the deterioration of market and regulatory conditions for the long-term operation of coal-fired power plants in Czechia (CZK -0.5 bn)
- Higher depreciation and amortization of ČEZ Distribuce (CZK -0.2 bn)
- Lower depreciation and amortization at Severočeské doly (CZK +0.3 bn) reflecting impairments in 2021

Other Income and Expenses (CZK +1.3 bn)
- Higher interest income (CZK +0.6 bn) due to higher cash volume (to secure margin deposits) and due to higher interest rates
- Lower interest expense (CZK +0.2 bn) due to a decrease in the total amount of debt
- Exchange rate effects and revaluation of financial derivatives (CZK +0.3 bn)

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

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



* without the divested assets in Romania and Bulgaria

GENERATION

Nuclear Facilities
- ⊕ Higher realization prices of electricity incl. hedging

Renewables
- ⊕ Higher realization prices of electricity incl. hedging

Emission Sources
- ⊕ Effect of realized prices of electricity emission allowances and natural gas on gross margin incl. hedging
- ⊖ Higher maintenance costs

Trading
- ⊕ Higher income from commodity trading

Specific effects in 2021
- ⊕ Revaluation of contracts on allowances related to hedging of 2022+ generation positions and time arbitrage with allowances
- ⊕ Revaluation of hedging electricity sales of the portion of 2022 emissions generation that did not meet the IFRS conditions for own-use classification

MINING
- ⊕ Higher coal sales and higher realization prices
- ⊖ Higher fixed operating expenses, especially expenses on energy

DISTRIBUTION
- ⊖ Negative effect of correction factors
- ⊕ Higher regulatory asset base (RAB) and depreciation and amortization

SALES
- ⊕ Acquisition and organic growth in ESCO
- ⊖ Lower margins on commodity sales due to cost price increases

INVESTMENTS IN FIXED ASSETS (CAPEX)

CAPEX (CZK bn) by segment	H1/2021	H1/2022
GENERATION	3.6	3.8
Of which: Nuclear fuel procurement	1.2	0.8
MINING	0.8	0.7
DISTRIBUTION	5.7	6.6
SALES	0.6	0.9
Total existing assets	**10.6**	**12.1**
Divested assets	1.1	-
TOTAL CEZ GROUP	11.7	12.1

The main reasons for the year-on-year change in capital expenditures in existing assets of individual segments:

- GENERATION: increase due mainly to the implementation of the TPP—České Budějovice Thermal Feeder project, decrease in nuclear fuel mainly due to a different delivery schedule, and postponement of invoicing for DPP in 2022
- DISTRIBUTION: increase mainly due to higher investments in the renewal of distribution networks and construction for customers
- SALES: higher CAPEX mainly due to the increase in assets with new lease contracts (impact of IFRS 16)

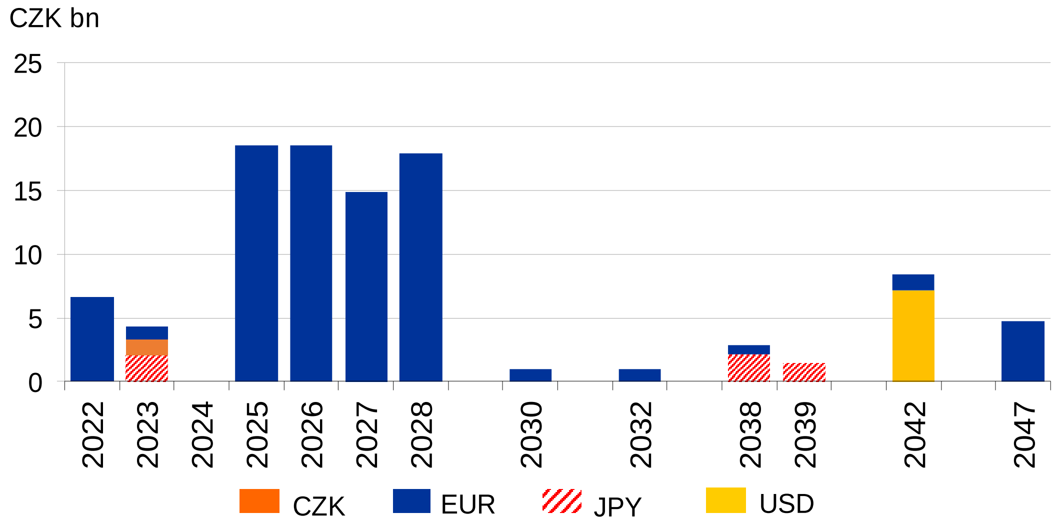
TPP—Temelín Power Plant; DPP—Dukovany Power Plant

CREDIT LINES AND DEBT STRUCTURE

Utilization of Short-Term Lines and Available Committed Credit Facilities (as of Jun 30, 2022)

- 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 47.5 bn of committed credit facilities.
- CZK 1.6 bn of committed lines drawn as of June 30, 2022.
- In July 2022, ČEZ drew a EUR 2 bn loan under a credit agreement with Czechia (of which EUR 1 bn is due in January 2023 and EUR 1 bn in April 2024) and was given the option to draw up to EUR 1 bn more (within 5 days of the request, with a maturity of three months), while this part can be drawn down repeatedly as the revolving credit.

Bond maturity profile (as of Jun 30, 2022)

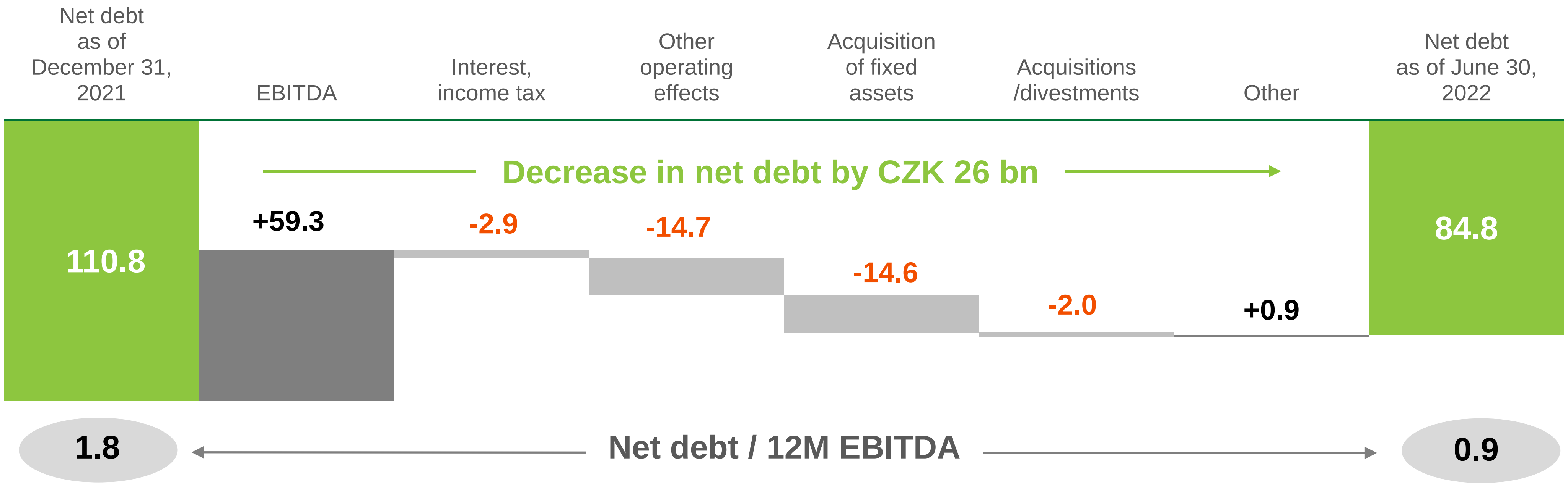


Debt Level

		Jun 30, 2021	Jun 30, 2022
Debt and loans	CZK bn	133.9	130.9
Cash and fin. assets*	CZK bn	33.3	46.1
Net debt	CZK bn	100.6	84.8
Net debt / EBITDA		1.7	0.9

* Cash and Cash Equivalents & Highly Liquid Financial Assets

NET DEBT DECREASED BY CZK 26 BN IN H1



- **Interest, income taxes (CZK -2.9 bn)**: income taxes paid (CZK -1.6 bn), balance of interest paid and received (CZK -1.3 bn)
- **Other operating effects (CZK -14.7 bn)**: fossil fuel and material inventories (CZK -9.8 bn), margin deposits (CZK -4.7 bn), other (CZK -0.2 bn)
- **Acquisition of fixed assets (CZK -14.6 bn)**: acquisition of fixed assets (CAPEX) (CZK -12.1 bn), change in liabilities from acquisition of fixed assets (CZK -1.1 bn), acquisition of Inven Capital securities (CZK -0.7 bn), acquisition of other securities (CZK -0.7 bn)
- **Acquisitions/divestments (CZK -2.0 bn)**: acquisition of ŠKODA JS a.s. (CZK -1.6 bn), acquisition of ELIMER a.s. (CZK -0.2 bn) and KABELOVÁ TELEVIZE CZ s.r.o. (CZK -0.2 bn)
- **Other (CZK +0.9 bn)**: mainly proceeds from the sale of securities held by Inven Capital

CURRENCY AND COMMODITY HEDGING OF ELECTRICITY GENERATION IN CZECHIA IN 2023–2025

Currency Hedge of Expected EUR Cash Flow* From Electricity Generation in Czechia (as of Jun 30, 2022)

	2023	2024	2025
Total currency hedge of EUR denominated CF from generation	**57%**	**31%**	**21%**
Natural currency hedge (debt and interest, capital, and other expenses in EUR)	53%	13%	20%
Transaction currency hedges	4%	18%	1%

* The subject of the hedge (100%) is expected EUR generation revenues less expected EUR expenditure on emission allowances and natural gas, which are also exposed to the risk of changes in the CZK/EUR exchange rate.

The currency position for 2023–2025 is hedged at an exchange rate in the range of CZK 25.1–25.5/EUR.

Commodity hedges of expected electricity deliveries from generation in Czechia (as of Jun 30, 2022)

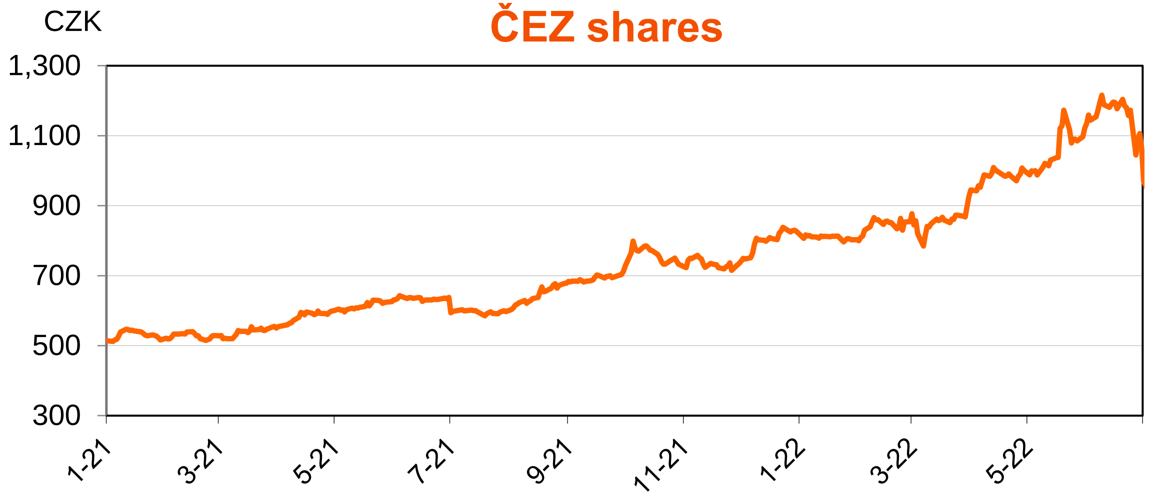
	100% of expected supply	2023	2024	2025
Total share of hedged supply	**46 to 48 TWh per year**	**70%**	**36%**	**13%**
Emission-free sources (nuclear and ČEZ RES)**	29 to 31 TWh per year	77%	46%	18%
Emission facilities—medium-term hedged**	12 to 14 TWh per year	68%	29%	6%
Emission facilities—other***	4 to 5 TWh per year	32%	-	-

** hedged over a 3-year horizon

*** gas and selected coal-fired resources which, due to the nature of generation and market conditions, are hedged only on an annual / intra-annual basis

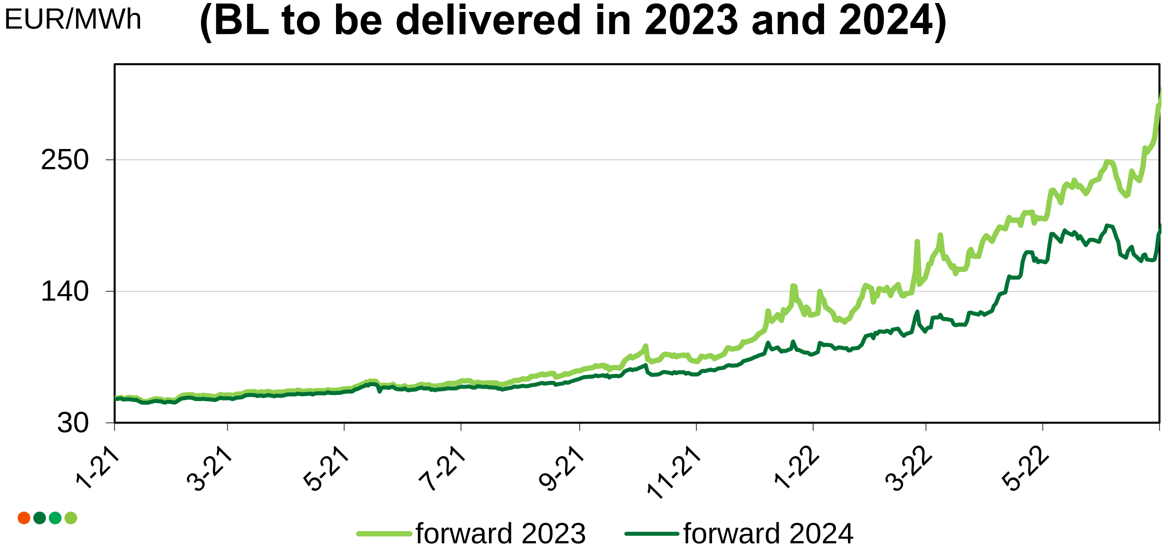
MARKET DEVELOPMENTS FROM JAN 1, 2021 TO JUN 30, 2022

ČEZ shares

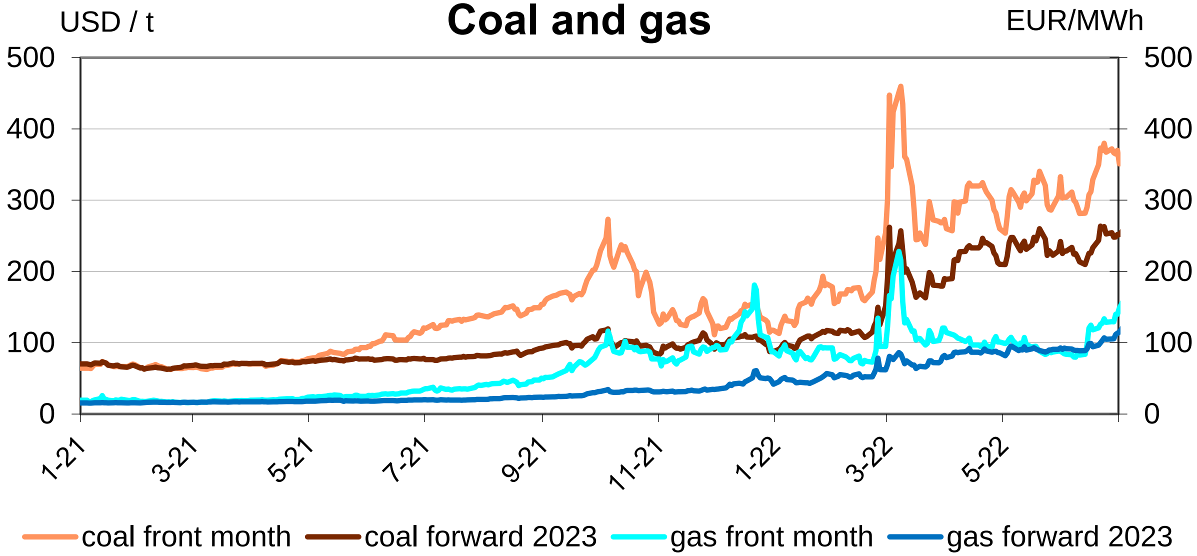


CO_2 emissions allowances (to be delivered in 12/2023)

Electricity (BL to be delivered in 2023 and 2024)



Coal and gas



Electricity balance (GWh)

	Q1 - Q2 2021	Q1 - Q2 2022	Index 2022/2021
Electricity procured	**25,020**	**24,170**	**-3%**
Generated in-house (gross)	27,732	26,793	-3%
In-house and other consumption, including pumping in pumped-storage plants	-2,712	-2,623	-3%
Sold to end customers	**-16,921**	**-11,670**	**-31%**
Sold in the wholesale market (net)	**-6,567**	**-11,675**	**+78%**
Sold in the wholesale market	-121,231	-79,450	-34%
Purchased in the wholesale market	114,664	67,774	-41%
Grid losses	**-1,533**	**-825**	**-46%**

Electricity generation by source (GWh)

Nuclear	14,759	15,218	+3%
Coal and lignite	8,616	8,785	+2%
Water	1,268	969	-24%
Biomass	500	416	-17%
Photovoltaic	67	76	+13%
Wind	485	146	-70%
Natural gas	2,035	1,182	-42%
Bio gas	2	0	-
Total	**27,732**	**26,793**	**-3%**

Sales of electricity to end customers (GWh)

Households	-7,163	-4,297	-40%
Commercial (low voltage)	-1,918	-1,282	-33%
Commercial and industrial (medium and high voltage)	-7,840	-6,090	-22%
Sold to end customers	**-16,921**	**-11,670**	**-31%**

Distribution of electricity (GWh)

	Q1 - Q2 2021	Q1 - Q2 2022	Index 2022/2021
Distribution of electricity to end customers	25,958	18,298	-30%

Electricity balance (GWh) by segment

Q1 - Q2 2022	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**23,981**	**-3%**	**0**	**-**	**190**	**+7%**	**0**	**-**	**24,170**	**-3%**
Generated in-house (gross)	26,563	-3%	0	-	230	+8%	0	-	26,793	-3%
In-house and other consumption, including pumping in pumped-storage plants	-2,582	-4%	0	-	-41	+16%	0	-	-2,623	-3%
Sold to end customers	**-1,154**	**-0%**	**0**	**-**	**-11,267**	**-32%**	**751**	**-10%**	**-11,670**	**-31%**
Sold in the wholesale market (net)	**-22,827**	**-4%**	**825**	**-46%**	**11,077**	**-33%**	**-751**	**-10%**	**-11,675**	**+78%**
Sold in the wholesale market	-89,967	-31%	0	-	-2,146	-10%	12,663	+8%	-79,450	-34%
Purchased in the wholesale market	67,140	-37%	825	-46%	13,224	-30%	-13,414	+6%	67,774	-41%
Grid losses	**0**	**+24%**	**-825**	**-46%**	**0**	**-**	**0**	**-**	**-825**	**-46%**

Electricity generation by source (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	15,218	+3%	0	-	0	-	0	-	15,218	+3%
Coal and lignite	8,785	+2%	0	-	0	-	0	-	8,785	+2%
Water	969	-24%	0	-	0	-	0	-	969	-24%
Biomass	406	-18%	0	-	10	+80%	0	-	416	-17%
Photovoltaic	76	+13%	0	-	0	-	0	-	76	+13%
Wind	146	-70%	0	-	0	-	0	-	146	-70%
Natural gas	962	-47%	0	-	221	+6%	0	-	1,182	-42%
Bio gas	0	-	0	-	0	-	0	-	0	-
Total	**26,563**	**-3%**	**0**	**-**	**230**	**+8%**	**0**	**-**	**26,793**	**-3%**

Sales of electricity to end customers (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	0	-	-4,297	-40%	0	-	-4,297	-40%
Commercial (low voltage)	-3	-53%	0	-	-1,279	-33%	0	-	-1,282	-33%
Commercial and industrial (medium and high voltage)	-1,151	-0%	0	-	-5,691	-24%	751	-10%	-6,090	-22%
Sold to end customers	**-1,154**	**-0%**	**0**	**-**	**-11,267**	**-32%**	**751**	**-10%**	**-11,670**	**-31%**

Electricity balance (GWh) by country

Q1 - Q2 2022	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**23,099**	**-2%**	**920**	**-3%**	**0**	**-**	**0**	**-**	**141**	**+20%**	**10**	**+87%**	**0**	**-**	**24,170**	**-3%**
Generated in-house (gross)	25,566	-2%	1,074	-3%	0	-	0	-	141	+20%	13	+55%	0	-	26,793	-3%
In-house and other consumption, including pumping in pumped-storage plants	-2,467	-3%	-154	-4%	0	-	0	-	0	-	-3	-8%	0	-	-2,623	-3%
Sold to end customers	**-10,808**	**+13%**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**-862**	**+10%**	**0**	**-**	**-11,670**	**-31%**
Sold in the wholesale market (net)	**-11,466**	**-12%**	**-920**	**+6%**	**0**	**-**	**0**	**-**	**-141**	**+20%**	**852**	**+9%**	**0**	**-**	**-11,675**	**+78%**
Sold in the wholesale market	-79,482	-35%	-971	-7%	0	-	0	-	-141	+20%	-79	+74%	1,223	-42%	-79,450	-34%
Purchased in the wholesale market	68,016	-37%	51	-70%	0	-	0	-	0	-	931	+13%	-1,223	-42%	67,774	-41%
Grid losses	**-825**	**-6%**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**-825**	**-46%**

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	15,218	+3%	0	-	0	-	0	-	0	-	0	-	0	-	15,218	+3%
Coal and lignite	7,859	+2%	925	-0%	0	-	0	-	0	-	0	-	0	-	8,785	+2%
Water	964	-22%	6	+0%	0	-	0	-	0	-	0	-	0	-	969	-24%
Biomass	263	-17%	143	-19%	0	-	0	-	0	-	10	+80%	0	-	416	-17%
Photovoltaic	76	+19%	0	-	0	-	0	-	0	-	0	-	0	-	76	+13%
Wind	5	+27%	0	-	0	-	0	-	141	+20%	0	-	0	-	146	-70%
Natural gas	1,179	-42%	0	-	0	-	0	-	0	-	3	+9%	0	-	1,182	-42%
Bio gas	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Total	**25,566**	**-2%**	**1,074**	**-3%**	**0**	**-**	**0**	**-**	**141**	**+20%**	**13**	**+55%**	**0**	**-**	**26,793**	**-3%**

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	-4,297	+4%	0	-	0	-	0	-	0	-	0	-	0	-	-4,297	-40%
Commercial (low voltage)	-1,282	+26%	0	-	0	-	0	-	0	-	0	-99%	0	-	-1,282	-33%
Commercial and industrial (medium and high voltage)	-5,229	+18%	0	-	0	-	0	-	0	-	-862	+14%	0	-	-6,090	-22%
Sold to end customers	**-10,808**	**+13%**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**-862**	**+10%**	**0**	**-**	**-11,670**	**-31%**

Distribution of electricity (GWh) by country

Q1 - Q2 2022	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	18,298	-5%	0	-	0	-	0	-	0	-	0	-	0	-	18,298	-30%

Definitions and Calculations of 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 financial statements and accompanying notes to the financial statements. 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	
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 write-off) +/− additions to and reversals of impairments of developed projects +/− other extraordinary effects that are generally unrelated to ordinary financial performance and value creation in a given period +/− effects of the above on income tax.
Net Debt	Purpose: The indicator shows the real level of a company's financial debt, i.e., the carrying amount of debt net of cash, cash equivalents, and highly liquid financial assets held. The indicator is primarily used to assess the overall appropriateness of the indebtedness, e.g., in comparison with selected 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.
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. Net Debt is the amount at the end of the reported period. EBITDA is the running total for the past 12 months, i.e. as at June 30 and EBITDA for the period from July 1 of previous year until June 30 of current year.

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 calculated as follows:

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

	As at Dec 31, 2021	As at Jun 30, 2022
Current debt financial assets	0.5	-
Non-current debt financial assets	-	0.6
Current term deposits	0.0	0.0
Non-current term deposits	-	-
Short-term equity securities	0.0	0.0
Highly liquid financial assets, total	**0.5**	**0.6**

Adjusted Net Income indicator—calculation for periods in question:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1–Q2 2021	Q1–Q2 2022
Net income	CZK billions	1.6	33.6
Impairments of property, plant, and equipment and intangible assets (including goodwill write-off)[1)]	CZK billions	11.6	0.0
Impairments of developed projects[2)]	CZK billions	-	-
Effects of additions to or reversals of impairments on income tax[3)]	CZK billions	(0.3)	(0.0)
Other extraordinary effects[4)]	CZK billions	(1.7)	-
Adjusted net income	**CZK billions**	**11.3**	**33.6**

1) Corresponds to the total value reported in the row Impairment of Property, Plant and Equipment and Intangible Assets in the Consolidated Statement of Income

2) Included in the row Other operating expenses in the Consolidated Statement of Income

3) Included in the row Income taxes in the Consolidated Statement of Income

4) The adjustment consists of a correction of adjustment of the net income by the part of impairments of property, plant, and equipment and intangible assets (including the related effect on income taxes) that relates—based on its characteristics—to the current year. This item represents impairments of non-current assets in H1 2021 of sold companies in Romania and Bulgaria, which reflect that net income for this period —taking into account the "Locked-box date" as defined in agreements for the sale of assets—belonged effectively to purchasers.

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