



CLEAN  
ENERGY OF  
TOMORROW

# Summary Report pursuant to Section 118(6) of the Capital Market Undertakings Act

This summary explanatory report pursuant to Section 118(6) of the Capital Market Undertakings Act is based on the requirements laid down in Section 118(5) of said Act.

## a) Information Concerning the Structure of the Company's Equity

### Equity Structure as at December 31, 2023

Equity	CZK
Stated capital	53,798,975,900
Treasury shares	(1,333,789,969)
Retained earnings and additional paid-in capital	129,117,288,431
<b>Total equity</b>	<b>181,582,474,362</b>

As at December 31, 2023, the stated capital of ČEZ, a. s., recorded in the Commercial Register, totaled CZK 53,798,975,900. It consisted of 537,989,759 shares with a nominal value of CZK 100 each. The issue price of all shares had been paid up in full. All the shares had been issued as dematerialized bearer shares admitted to trading on the European regulated market. The Company's stated capital is divided exclusively into common shares, with no special rights attached. All of the Company's shares have been admitted to trading on the Prague Stock Exchange in Czechia and the Warsaw Stock Exchange in Poland. The rights and obligations attached to the shares of ČEZ, a. s., are presented in the chapter Shares of the CEZ Group 2023 Annual Financial Report.

## b) Information Concerning Restrictions on the Transferability of Securities

The transferability of the Company's securities is not restricted.

## c) Information on Significant Direct and Indirect Shares in the Company's Voting Rights

As at December 31, 2023, the following entities were registered by the Central Securities Depository as having a share of at least 1% in the stated capital of ČEZ, a. s.:

- Czechia, represented by the Ministry of Finance of the Czech Republic, holding a total share amounting to 69.78% of the stated capital, i.e., 69.93% of voting rights
- Belviport Trading Limited, holding a share amounting to 2.48% of the stated capital, i.e., 2.49% of voting rights
- PPF banka a.s., holding a share amounting to 2.09% of the stated capital, i.e., 2.10% of voting rights
- Chase Nominees Limited, holding a share amounting to 1.39% of the stated capital, i.e., 1.39% of voting rights
- Clearstream Banking, S.A., holding a share amounting to 1.30% of the stated capital, i.e., 1.30% of voting rights.

On December 20, 2023, BlackRock, Inc., delivered a notice of its share in voting rights pursuant to Section 122(1) of the Capital Market Undertakings Act. According to the notice, its share in voting rights is 1.17% (the share according to the previous notice being 1.19%).

The aforementioned entities had rights pursuant to the provisions of Section 365 et seq. of the Business Corporations Act as at December 31, 2023. The possibility that some of the aforementioned entities manage shares owned by third parties cannot be excluded.

## **d) Information on Owners of Securities with Special Rights, including Description of Such Rights**

No special rights are attached to any of the Company's securities.

## **e) Information on Restrictions on Voting Rights**

The voting rights associated with the Company's shares are not restricted unless otherwise provided by law (e.g., pursuant to Section 309(1) of the Business Corporations Act, the Company does not exercise voting rights attached to treasury shares, and ČEZ held 1,179,512 treasury shares corresponding to 0.22% of the share capital as at December 31, 2023).

## **f) Information on Agreements between Shareholders That May Impede the Transferability of Shares or Voting Rights**

ČEZ is not aware of any agreements between its shareholders that might result in impeded transferability of its shares or voting rights.

## **g) Information on Special Rules Specifying the Election and Removal of Members of the Statutory Governing Body and Amendment to the Company's Bylaws**

Pursuant to the Company's bylaws, members of the Board of Directors are elected and removed by the Supervisory Board by a majority of the votes of all its members. Bylaws may be amended at the shareholders' meeting by a qualified, two-thirds majority of the votes of the shareholders present at the shareholders' meeting. No special rules specifying the election and removal of members of the Board of Directors and amendment to the Company's bylaws are applied.

## **h) Information on Special Authority of the Company's Statutory Governing Body**

The Company's Board of Directors has no special powers.

## **i) Information on Significant Contracts Relating to Change in Control over the Company as a Result of a Takeover Bid**

ČEZ, a. s., has entered into significant contracts that will become effective, change, or expire if control over ČEZ changes as a result of a takeover bid.

These are the 3rd, 8th, 15th, 26th, 30th, and 31st Eurobond issues; the 1st and 4th Namensschuldverschreibung issues; the 2nd US bond issues; the ČEZ, a. s., Promissory Note Issue Program and bilateral committed and uncommitted credit lines; loan agreements with the European Investment Bank for EUR 200 million made in 2014, EUR 330 million made in 2019, EUR 300 million and EUR 100 million made in 2021, and EUR 790 million made in 2022. In these contracts, the counterparty would be entitled, but not required, to demand early repayment should there be a change in the controlling entity of ČEZ. However, the right to early repayment may only be exercised if either Standard & Poor's or Moody's publicly declares or notifies ČEZ in writing that it has downgraded ČEZ's existing credit rating due to, in full or in part, the change in controlling entity. Downgrading an existing credit rating is defined as any change from investment grade to noninvestment grade, any downgrade of original noninvestment grade, or nondetermination of investment grade if no rating is given at all.

The above downgrading would have to take place in the period from the public disclosure of the step that could result in the change in controlling entity to 180 days after the announcement of the change in controlling entity. The counterparty would not be allowed to exercise its right to early repayment if, following the actual change in the controlling entity, the credit rating agency reevaluated its position and restored ČEZ's investment grade or original noninvestment grade rating within the period defined above. The contractual provisions concerning a change in control over ČEZ should be seen in the context of ČEZ's credit ratings, which in 2023 were A- (with a stable outlook) by Standard & Poor's and Baa1 (with a stable outlook) by Moody's, that is, 4 and 3 grades, respectively, above the credit rating agencies' noninvestment-grade ratings. Said change-of-rating condition does not apply to the loan agreements with the European Investment Bank, worth EUR 1,720 million in total, under which the counterparty's right becomes effective as soon as control over ČEZ, a. s., changes.

## **j) Information on Contracts Binding the Company in Relation to a Takeover Bid**

ČEZ has not entered into any contracts with members of its Board of Directors or its employees in which the Company would undertake to provide performance in case their service or employment is terminated in relation to a takeover bid.

## **k) Information on the Program Control System That Allows Acquiring the Company's Corporate Securities**

ČEZ top managers' compensation included an incentive program that allowed them to acquire Company shares ("stock option plan") until the end of 2019. Under the stock option plan applicable until December 31, 2019, members of the Board of Directors and selected managers were entitled to options on the Company's common stock under the terms and conditions set forth in their service contracts (for Board of Directors members) and stock option agreements (for selected managers). The stock option plan was monitored internally on an ongoing basis at the level of the Company's relevant departments.

The stock option plan was terminated on December 31, 2019, based on the Supervisory Board's decision (in relation to members of the Board of Directors) and the Board of Directors' and the Supervisory Board's decision in relation to the selected managers.

After the termination of the stock option program, the beneficiaries of the option rights were still entitled to exercise the already allocated options for the transfer of the Company's shares, always after two years at the earliest and by the middle of the fourth year from each allocation of options at the latest. During 2022, all remaining options were exercised by the beneficiaries of the plan, effectively terminating and settling all remaining options of the participants in the stock option plan.

Starting from January 1, 2020, the stock option plan was replaced with a new long-term performance-based bonus system for members of the Board of Directors and selected managers, which is not associated with the right to acquire the Company's shares. The long-term performance-based bonus program reinforces alignment of beneficiaries' and shareholders' interests by taking into account the payment of dividends and fulfillment of defined performance indicators besides being linked to the long-term trend in the market price of shares, which is in line with the best practice in the industry. The performance indicator is determined on the basis of Total Shareholder Return (TSR) and its performance is assessed relative to the TSR percentile achieved by the Company in relation to selected companies included in the STOXX Europe 600 Utilities stock index compiled by Deutsche Börse AG.