



CLEAN
ENERGY OF
TOMORROW

CEZ Group: Clean Energy of Tomorrow

Investor presentation, 24 May 2024



AGENDA

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

We are an international utility, among the largest in Europe by market cap

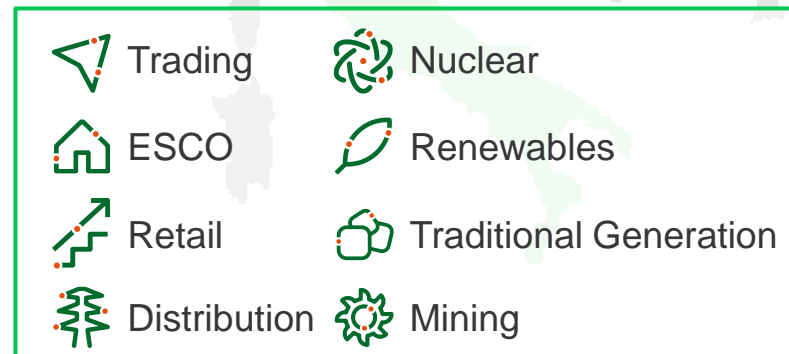
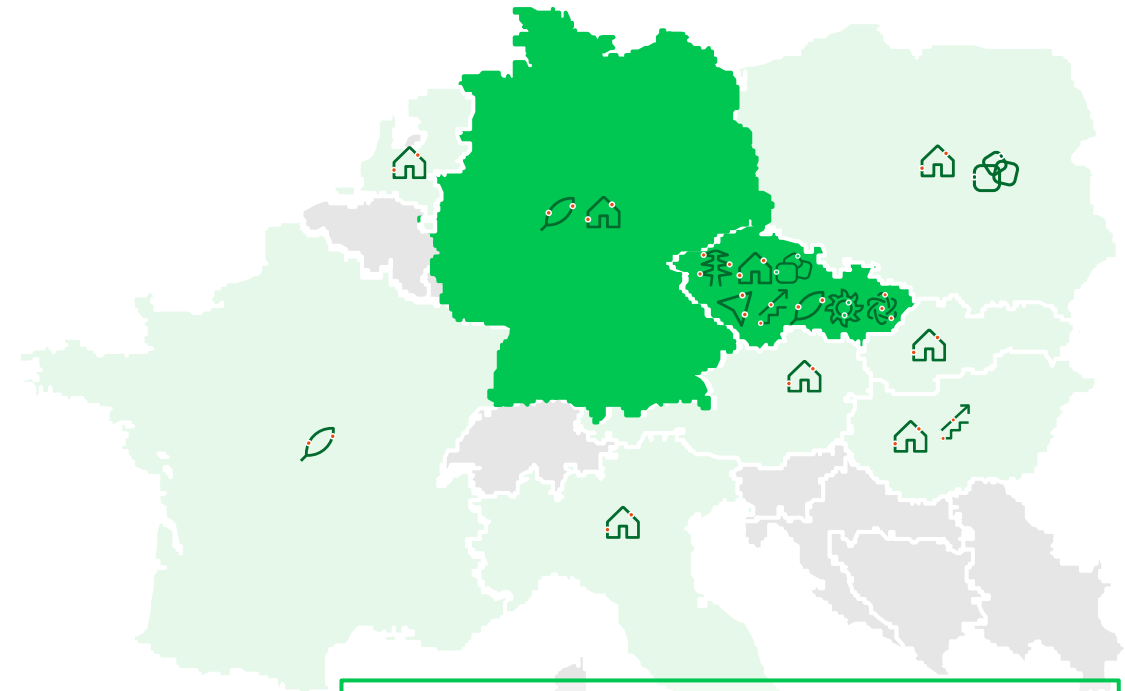
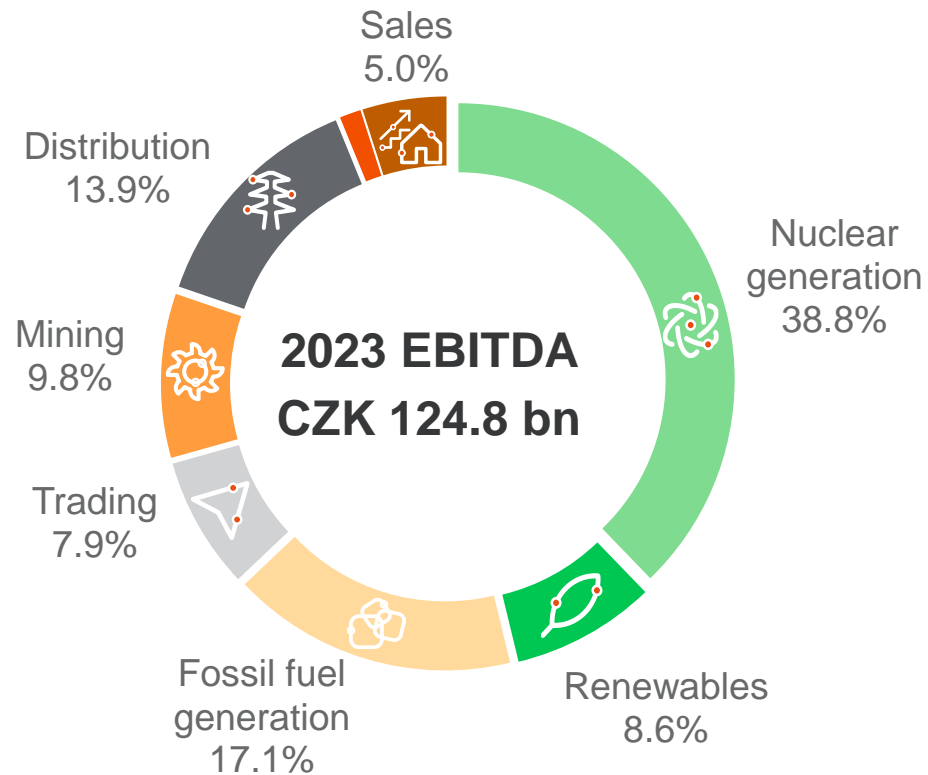


CEZ Group

13th largest in number of customers

10th largest in installed capacity

10th largest by market capitalization*



We lead energy transformation of the Central Europe through bringing the clean energy of tomorrow



Generation

Transforming electricity and heat generation to low-emission, growing renewables

Distribution

Continuous modernization and digitalization of our distribution networks

Retail

Leading electricity supplier of energy helping to decarbonize the Czech industrial base

ESCO

Expanding energy services and clean decentralized generation and heating in Czechia, Germany, Poland, Slovakia and Northern Italy

CEZ Group is vertically integrated in Czechia



Market position

Market leader in all parts of the value chain

Market share

54%

59%

65%

38%

Volume

15.6 mil. tons

CO₂ free
33.4 TWh

Other
16.2 TWh

33.8 TWh

21.6 TWh

EBITDA in Czechia (2023)

12.3
CZK billion

57.9*
CZK billion

20.5*
CZK billion

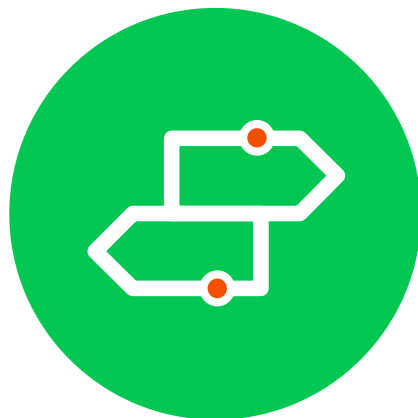
17.4
CZK billion

4.5
CZK billion

We are delivering value to our shareholders



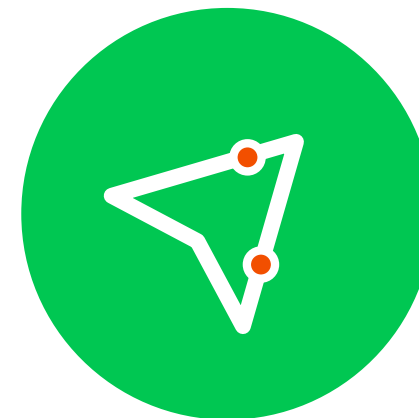
Delivery on guidance



High dividend payout



Strong balance sheet



2023

EBITDA CZK 124.8 billion
Adj. Net Income CZK 34.8 billion

6% dividend yield**
Dividend proposal CZK 52 per share

1.2x
Net debt/EBITDA

Ambitions

EBITDA growth by 35% by 2030*

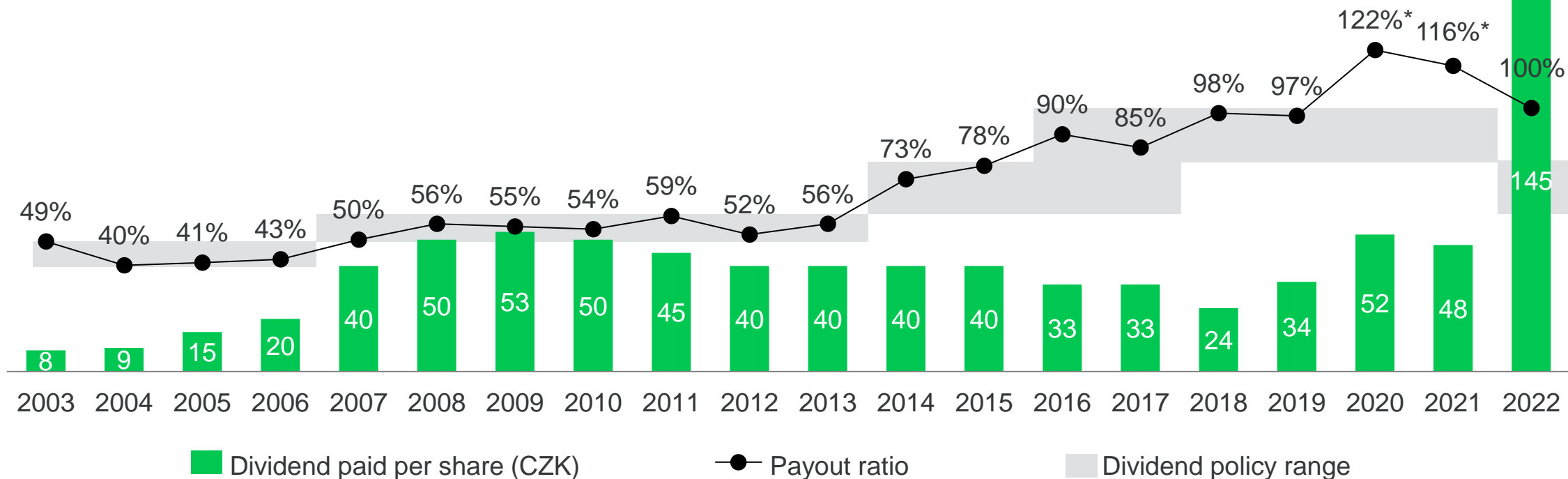
60-80% payout ratio

below 3.0x
Net debt/EBITDA

CEZ Group regularly pays high dividends



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



2023 dividend proposal

- CZK 52 per share, 80 % payout ratio
- AGM will take place on June 24, 2024

Dividend policy

- 60-80% payout ratio from adjusted net income

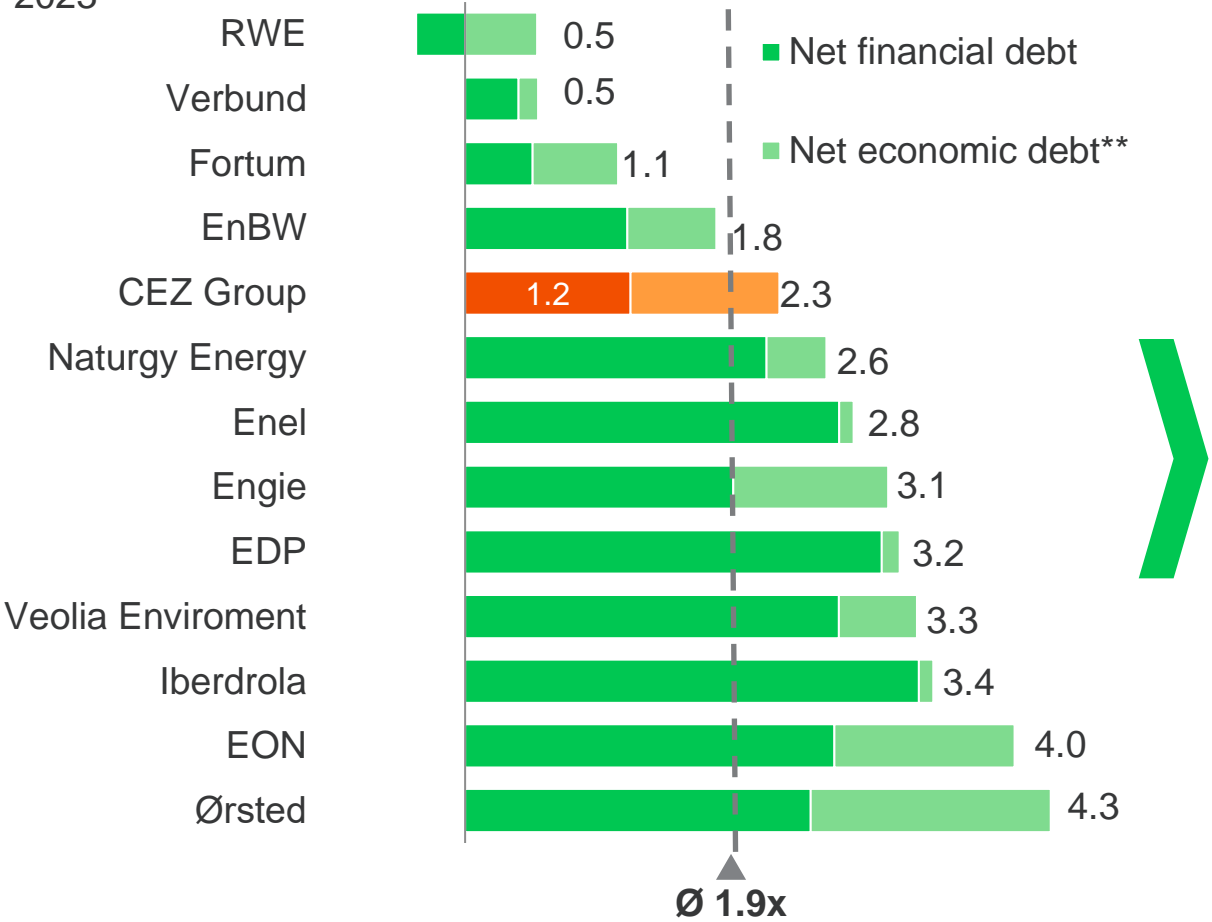
* Dividends for 2020 and 2021 were set in two components: the regular component corresponded to a payout ratio of 100% of CEZ Group's adjusted net income, while the extraordinary component (over the 100% payout ratio) reflected the contribution of the sale of Romanian (2020) and Bulgarian (2021) assets to CEZ Group's debt capacity.

Our strong financial position supports future growth



Net economic debt/EBITDA*

2023



Current credit rating a notch above European utilities

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

Net debt to EBITDA target: below 3.0x

* EBITDA as reported by companies

** Net economic debt = net financial debt + net nuclear provisions + provisions for employee pensions + net reclamation provision

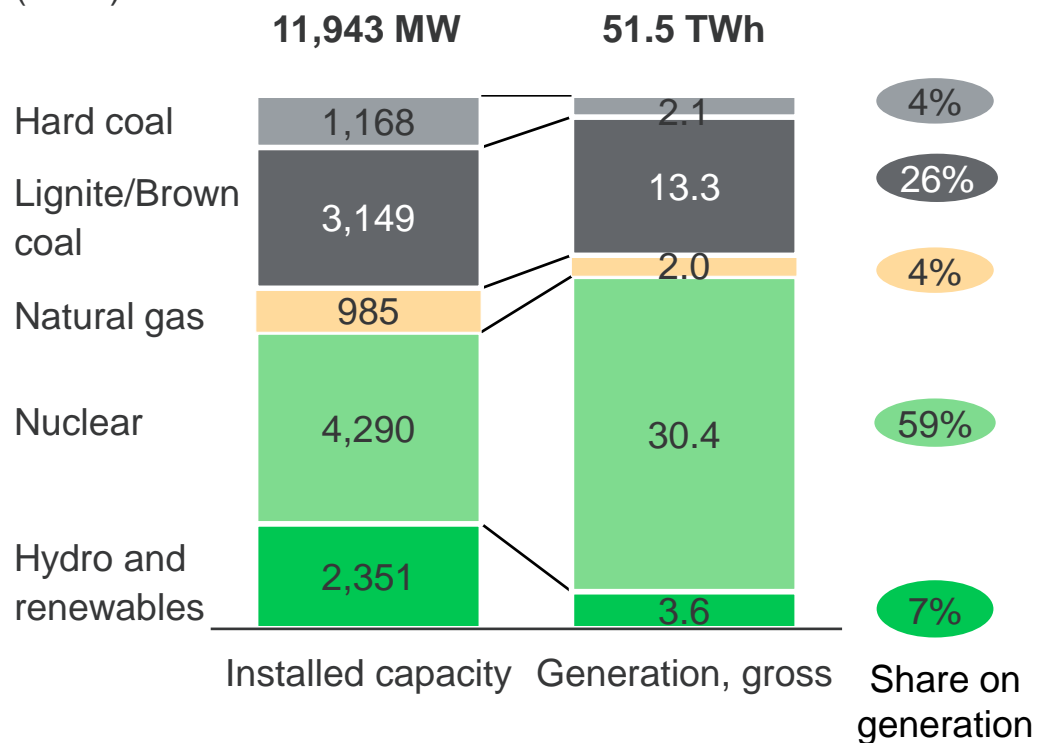
We have a robust generation portfolio with low and largely fixed costs



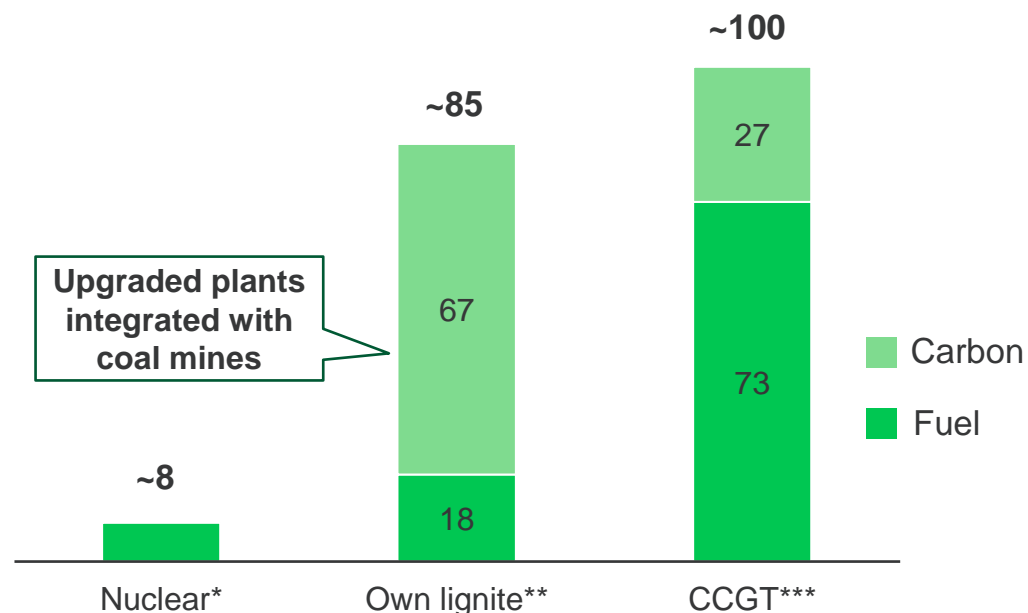
We have diversified generation portfolio

Our fuel costs are low, not dependent on commodity prices

Generation capacity and volumes (2023)



Marginal fuel costs by technology at current forwards (EUR/MWh, prices of gas and carbon as of May 20, 2024)



* Nuclear fuel costs + CZK 55/MWh payment for fuel storage

** Cash cost of extracting own lignite in 2024, 42% efficiency, 11.5 GJ/t calorific value, carbon allowances at 77 EUR/t

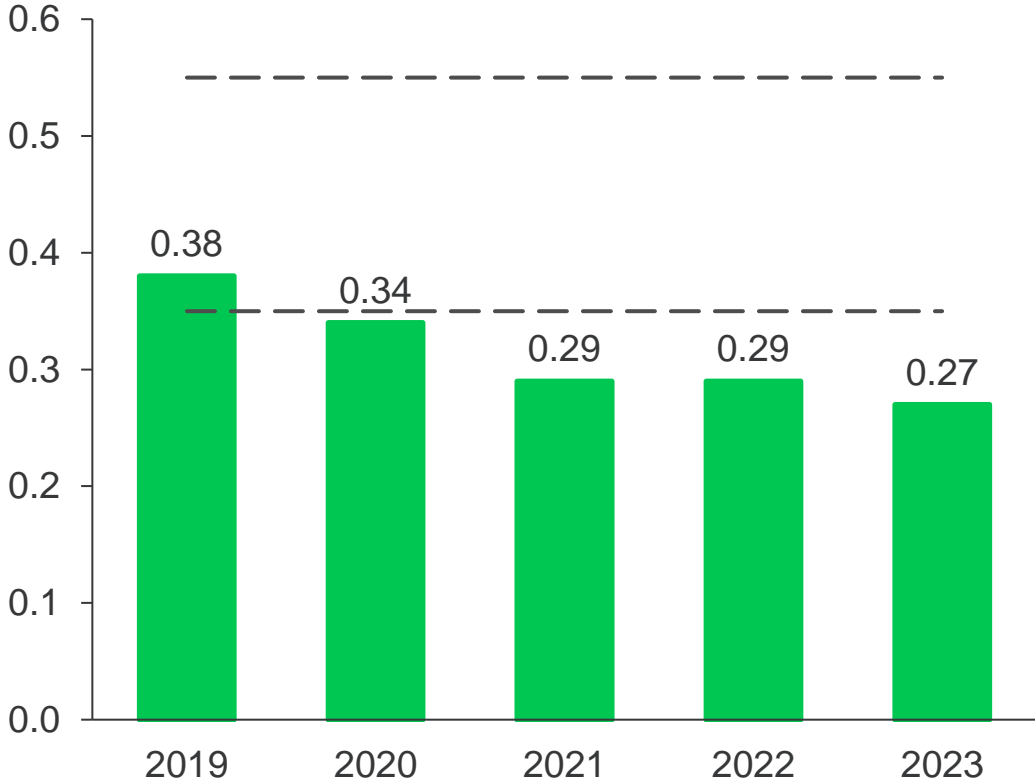
*** Natural gas at 37 EUR/MWh, 57% efficiency, 0.35 t/MWh CO₂

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



CEZ Group's emission intensity

(tCO₂e/MWh of generated electricity and heat)



Marginal power plant in Germany

New CCGT plant

CEZ Group

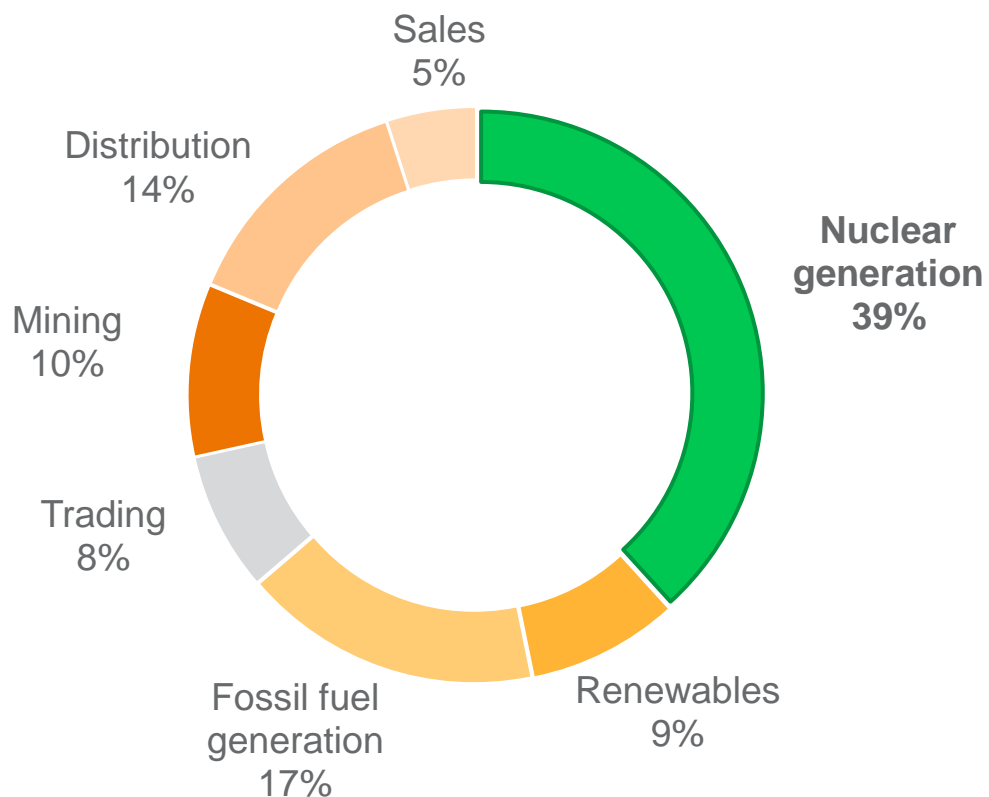
CEZ Group's carbon intensity is below marginal plant and even below new CCGT and therefore higher carbon prices are beneficial for profitability of our generation fleet.

	Generation volume (2023, TWh)	CO ₂ emission intensity (2023, t/MWh)
CO ₂ free	34.0	0.00
Natural gas	2.0	0.35
Coal and lignite	15.4	0.85
Total	51.5	0.27

Nuclear plants are important profit generators with stable production volumes



2023 CEZ Group EBITDA



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

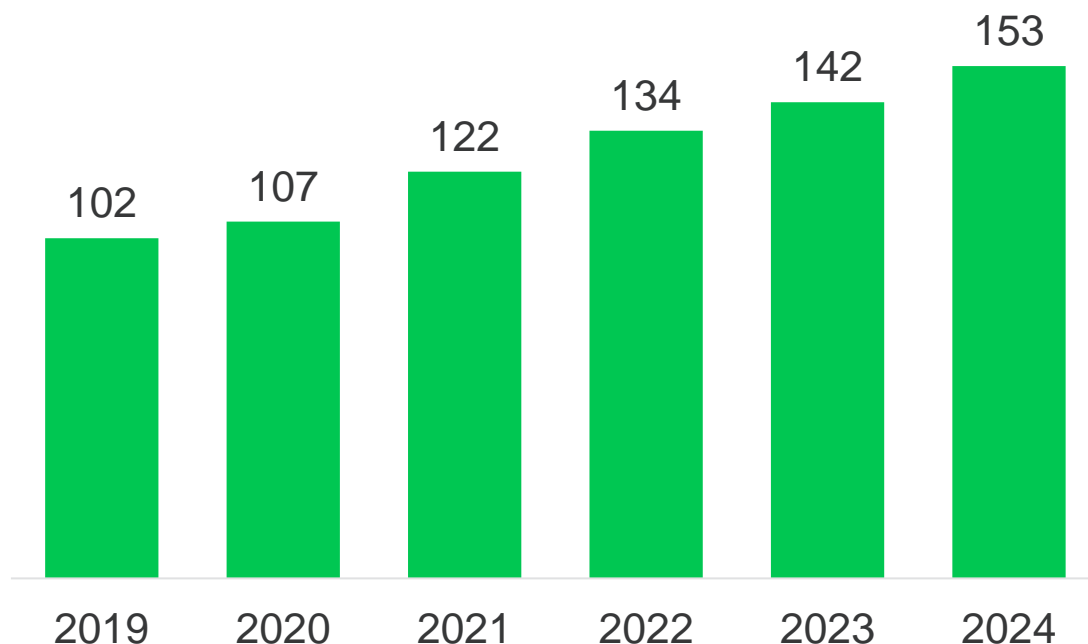
- Operating licenses secured enabling 60 years operating life, i.e., remaining 30+ years of operations until decommissioning
- We have stabilized production volumes at above 30 TWh per year
- Capacity increased by 568 MW to 4 290 MW by technical improvements (fuel with higher enrichment, modernization of turbines and generators)

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



Regulatory asset base

CZK billion



Regulatory parameters for 2021-2025 supportive for RAB growth

- RAB will grow by 9% CAGR in 2020-2025 thanks to revaluation and investments
- WACC at 6.54%
- Investments directed to digital transformation, preparation for decentralized generation
- Accelerated growth in renewables expected, our network is ready to process connection requests

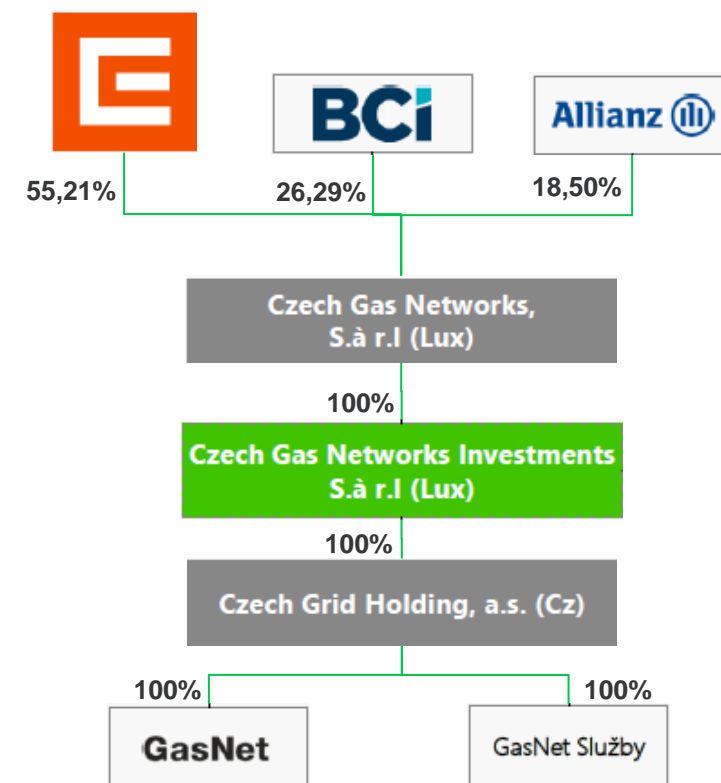
We aim to expand our presence in regulated business by acquisition of the largest gas distributor in the Czech Republic



Basic parameters of the transaction

- On March 20, 2024 ČEZ signed an agreement to purchase a 55.21% stake in Luxembourg based company Czech Gas Networks, S.à r.l., which is the indirect 100% owner of:
- GasNet, s.r.o., the operator of the largest gas distribution network in the Czech Republic
- Service company GasNet Služby, s.r.o.
- Purchase price of equity stake being acquired is EUR 846.5 million.
- The completion of the transaction is subject to approval by the European Commission. The Czech Ministry of Industry and Trade approved the transaction on May 9, 2024.
- CEZ will broaden its business into gas distribution, with its deep knowledge of the regulatory framework, which is almost identical with the electricity distribution regulation
- GasNet acquisition will bring more stability into CEZ's cash flow – share of the regulated EBITDA expected to grow from 14% in 2022 to around more than 1/3 in the following years

Ownership structure of the GasNet group (post-acquisition*)

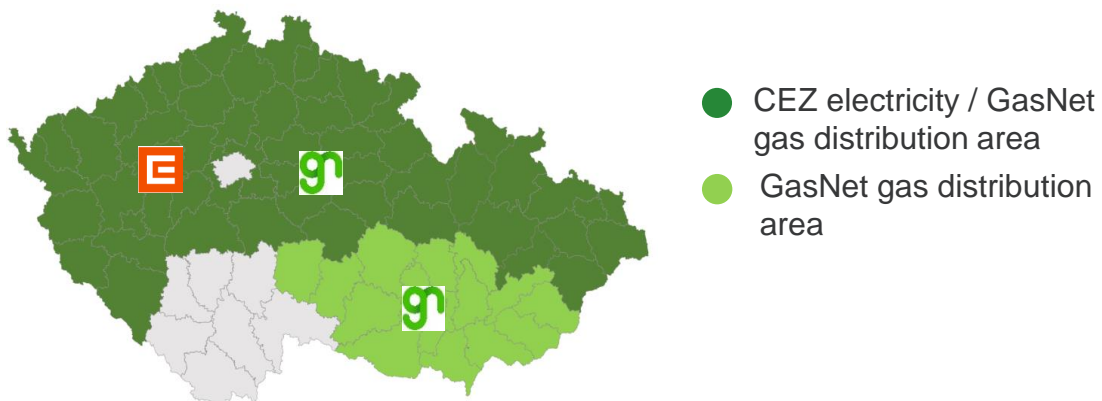


GasNet infrastructure will play important role in securing independent, self-sufficient and affordable energy system



Basic information about GasNet

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



Future of gas in EU

- REPowerEU strategy sets targets for the use of clean gases: 20 million tons of hydrogen and 35 bcm of biomethane in 2030*

Future of gas in the Czech Republic

Medium term: natural gas as transition fuel

- Extensive network of district heating run on coal CHPs are to be replaced by natural gas CHPs by 30s

Long term: transition to biomethane and hydrogen

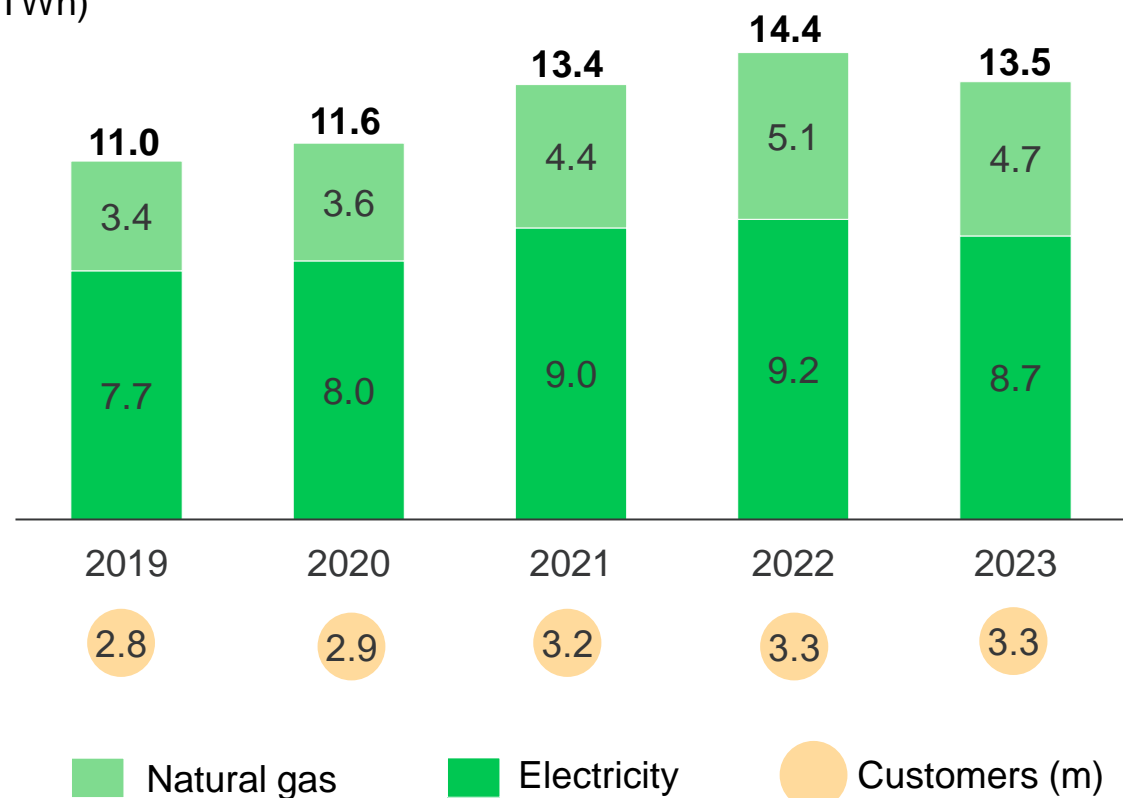
- Decarbonisation of heavy industry and heavy duty transport will require a transition to low-emission gases – especially hydrogen.
- Hydrogen and biomethane will play a significant role in the energy sector to decarbonize the heating sector and provide flexibility to the energy grid.

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



Electricity and natural gas supplied to retail customers

(TWh)



Retail defended the title of the “Most trusted energy supplier in CZ”

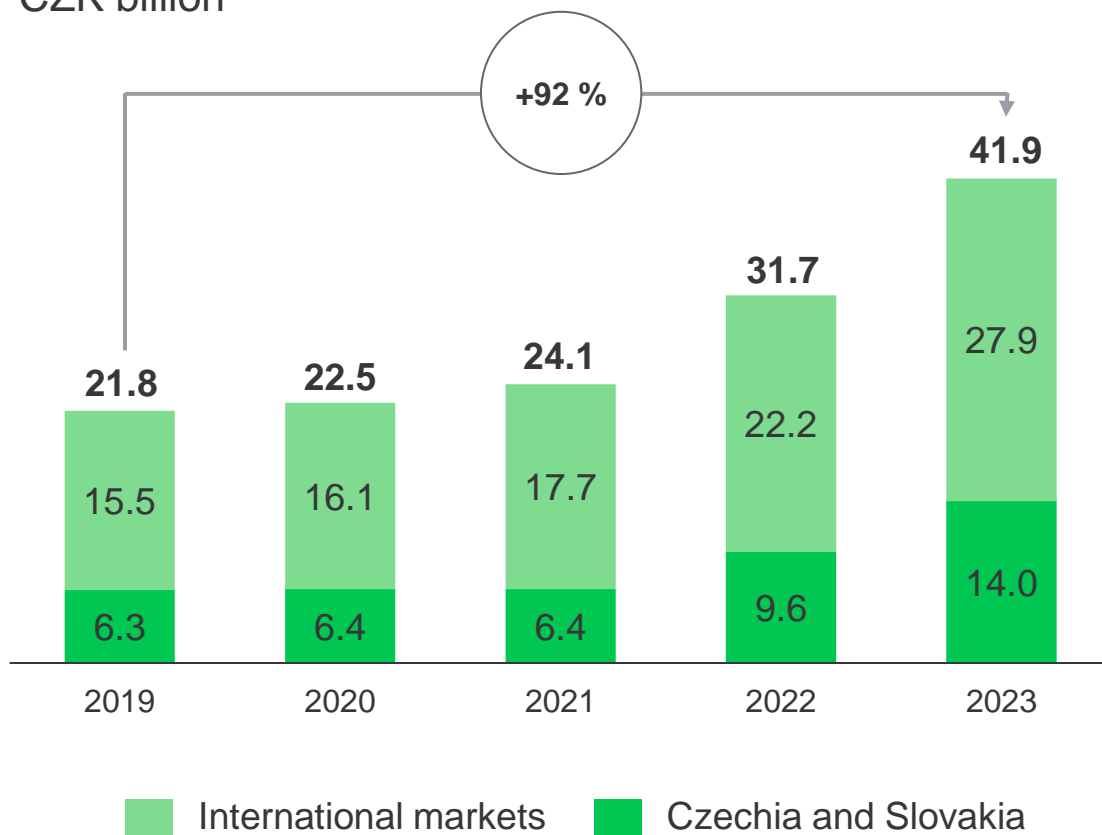
- Customer satisfaction indicator (CX) of more than 85% is continually improving
- “Most trusted energy supplier” in Czechia *
- Lower supply of commodities in 2023 was influenced by
 - Warmer weather. Year 2023 was the warmest on record.
 - Customer savings due to high prices

Strongly growing in energy services business and helping customers to decarbonize



Energy Services (ESCO) revenue

CZK billion



We are No. 1 player in Czechia

We are within Top 3 players in Germany

We are helping our customers to decarbonize by:

- Installation of efficient cogeneration units on their sites
- Providing energy advisory and management
- Energy storage installations
- Rooftop photovoltaic plants
- Lighting, cooling, heating installations



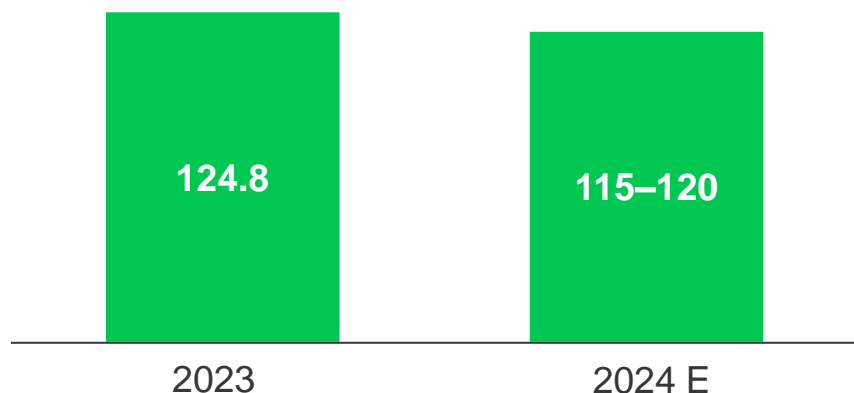
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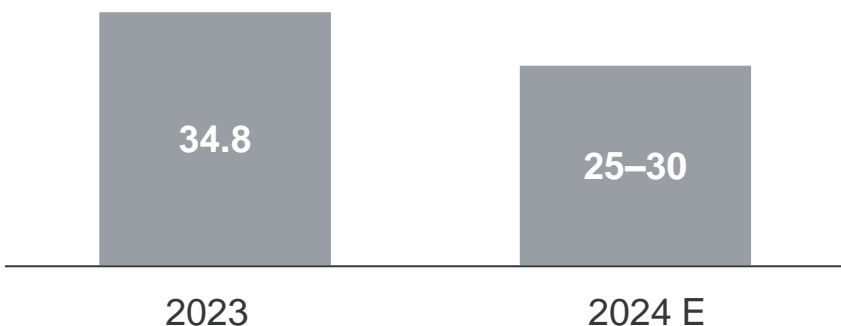
Financial Outlook for 2024: EBITDA CZK 115–120 bn, adjusted net income CZK 25–30 bn



EBITDA* (CZK bn)



Adjusted Net Income* (CZK bn)



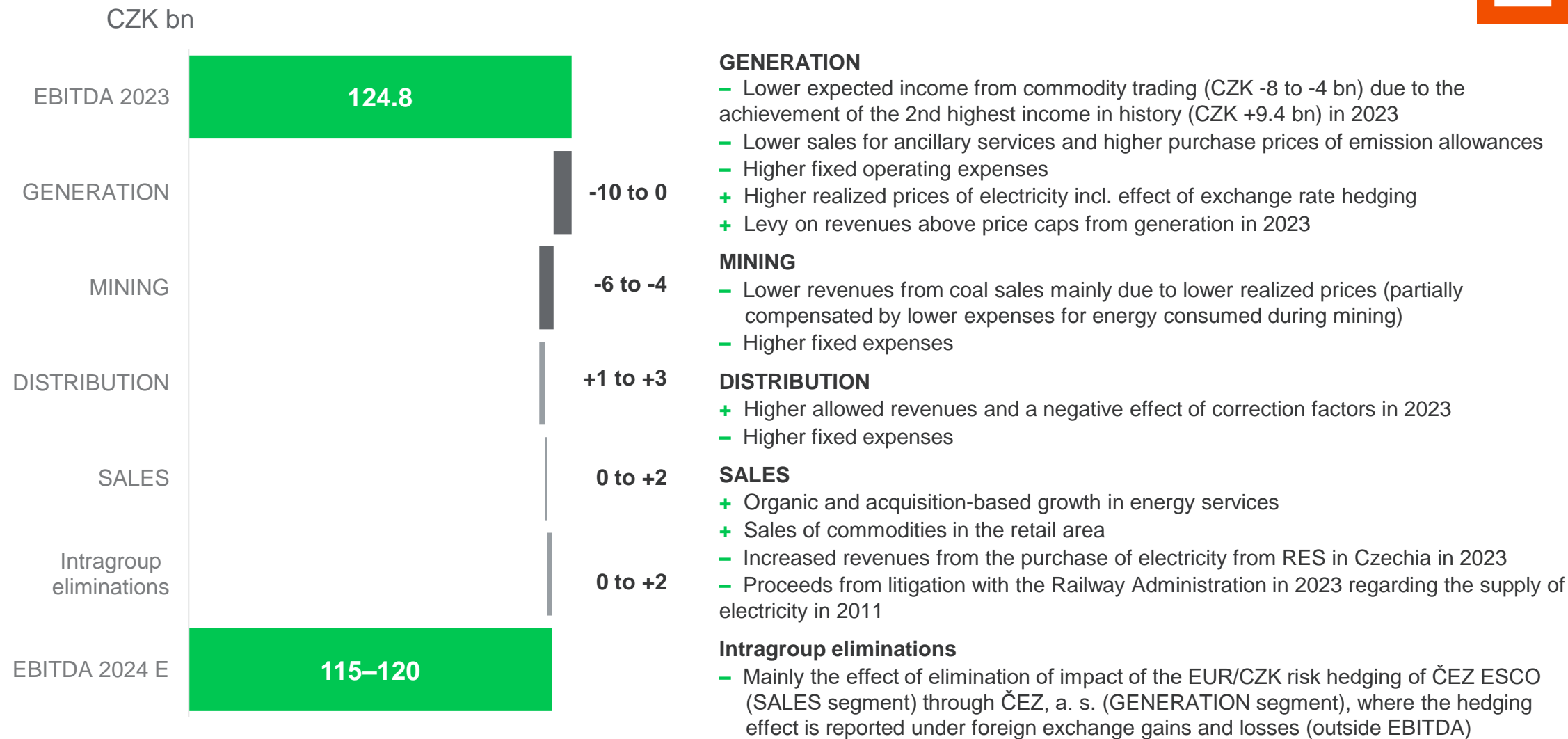
Selected Generation Assumptions

- Total electricity supply from generation in Czechia of ~42 TWh
- Average realized price of electricity generated in Czechia of 130 to 135 EUR/MWh
- Acceleration of depreciation of coal-fired power plants
- Windfall tax of CZK 25–32 bn

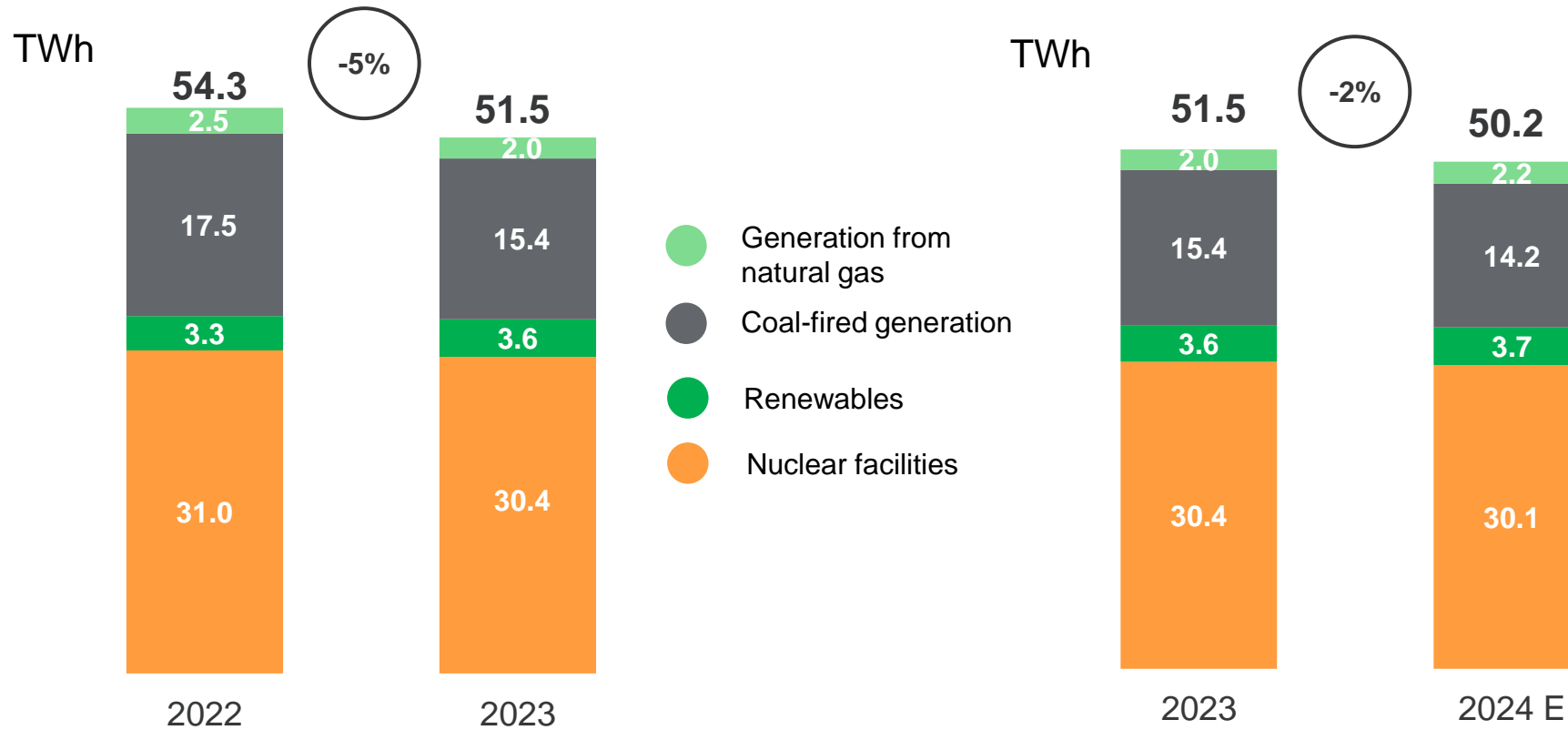
Selected Prediction Risks and Opportunities

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

Expected year-over-year change in EBITDA by segment



Expected electricity generation volumes



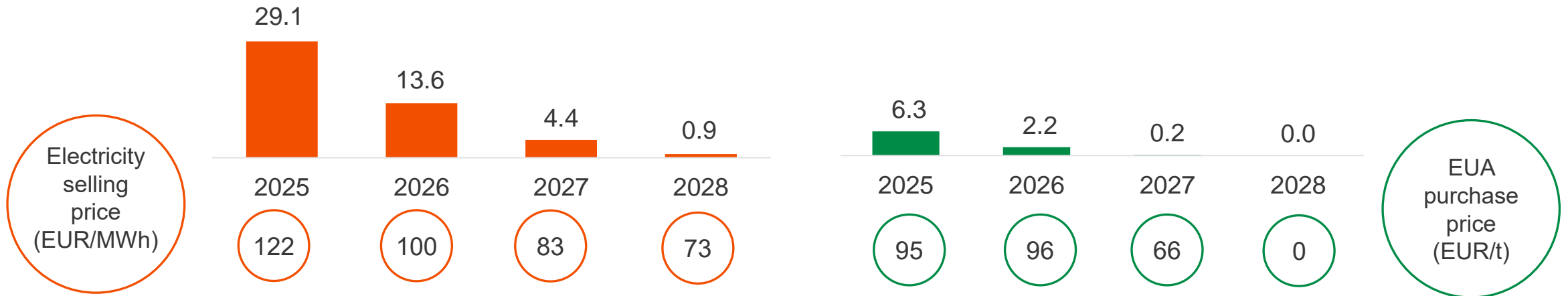
Hedging of the market risks of electricity generation in Czechia for 2025–2028



Concluded business contracts as at March 31, 2024

Electricity sold in TWh

Contracted emission allowances in mil. t



Share of hedged expected generation* in Czechia

Year	Share of hedged expected generation*	Annual expected supplies from electricity generation (100%) amount to
2025	~65%	37 to 45 TWh
2026	~35%	
2027	~11%	
2028	~2%	

* This is the hedging of the generation margin in ČEZ and Energotrans.



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CEZ Group's strategy "VISION 2030 - Clean Energy of Tomorrow" has two pillars



The main goals of VISION 2030 – Clean Energy of Tomorrow also fulfill the goals in the field of climate protection and increasing the independence of Czechia

- We will **develop the CEZ Group** responsibly and sustainably **in accordance with ESG.**
- **We will reduce emission intensity by more than 50% by 2030 and increase EBITDA by 35% by 2030***
- We have met the ambition to **be among the best 20% in the ESG rating** by 2023
- We can realize our growth strategy until 2030 while **maintaining a Net Debt / EBITDA ratio below 3.0x**
- We will adapt the **structure of CEZ Group** to meet the demands of our investors, financing banks and employees



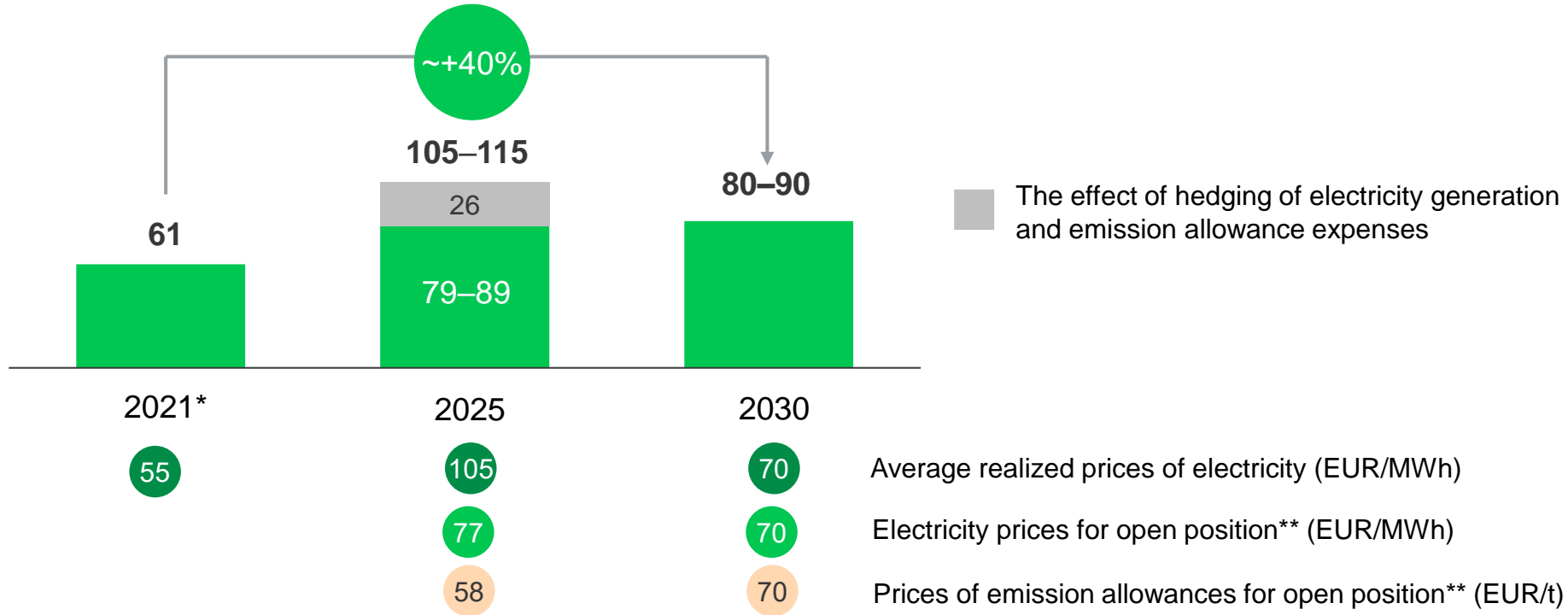
Strategy has two strategic pillars:

- I Decarbonize generation portfolio and reach climate neutrality**
- II Provide best energy solutions and highest quality customer experience on the market**

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



Current EBITDA target of CEZ Group (CZK billions)



* Excluding assets sold (RO, BG)

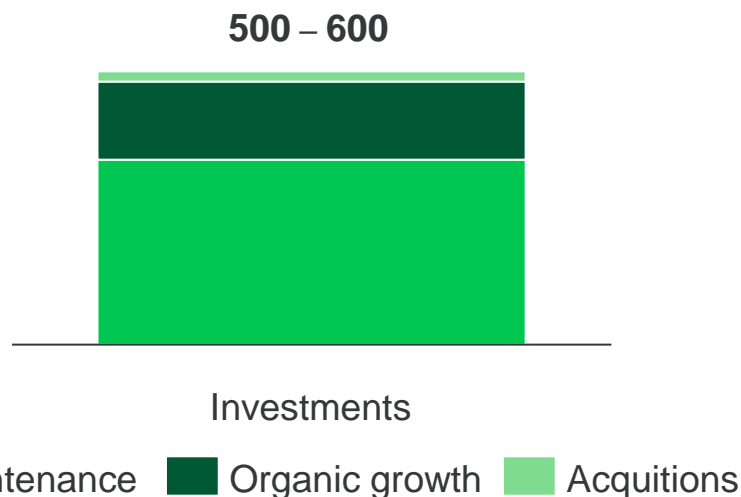
** Electricity prices for delivery in 2025 and emission allowance prices for delivery in 2025 and 2030 correspond to forward market prices from Feb 29, 2024; the electricity price for delivery in 2030 is derived by inflation extrapolation from forward market prices for delivery in 2027 from Feb 29, 2024

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

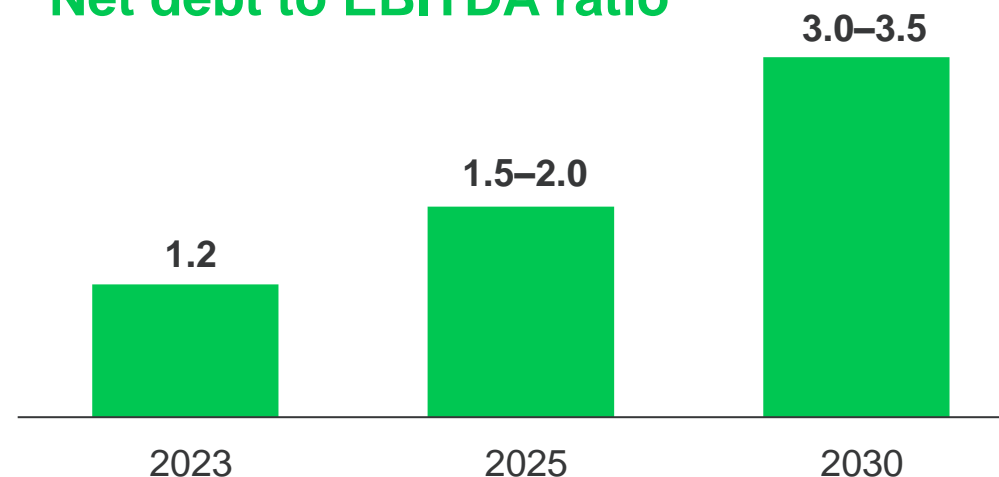


Cumulative investments 2023-2030*

CZK billion



Net debt to EBITDA ratio



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

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

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

Decarbonize generation portfolio and reach climate neutrality



Targets

Nuclear

- We will **safely increase generation volume in existing plants above 32 TWh** on average in 2030 and achieve 60-year operating life.
- We will build a new nuclear power plant in Dukovany.
- We will prepare construction of **small modular reactors (SMR) with total capacity over 3,000 MW** after 2050.

Renewables

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

Traditional

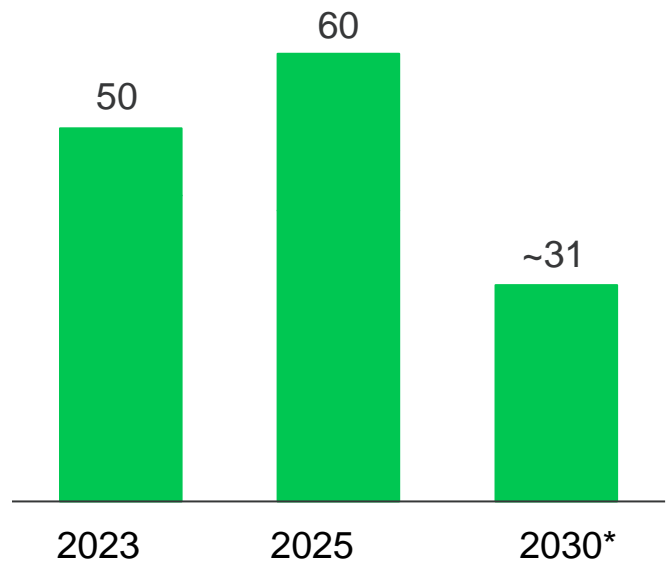
- **We will decarbonize heating** and we will terminate coal burning in heating locations by 2030 and we will transform our coal locations to new activities.
- We will build **new gas capacities**, which will be **ready for hydrogen combustion**.
- **We will reduce share of electricity generation from coal to 25% in 2025 and to 12.5% by 2030**.

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



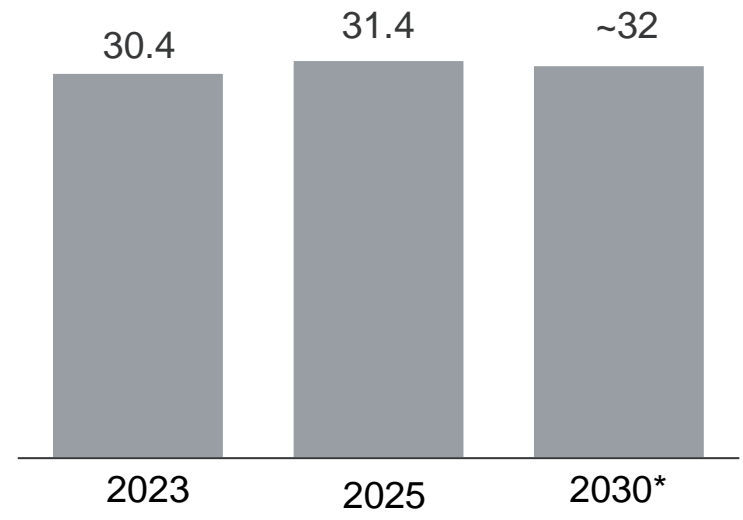
Nuclear EBITDA

CZK billion



Nuclear generation

TWh



We will increase production above 32 TWh

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

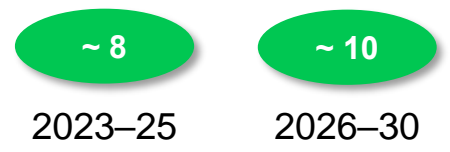
We implement investments with the aim of ensuring safe operation with a service life of at least 60 years

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

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

Annual CAPEX**

CZK billion, avg



Wholesale electricity prices

EUR/MWh



* Production volume and EBITDA in 2030 will depend on the chosen optimal timing of the fuel change in 2030-2031. From 2031 onwards, an average annual production of over 32 TWh is assumed.

** Does not include the purchase of nuclear fuel in the annual amount of CZK ~ 8 bn. Furthermore, it does not include CAPEX for new nuclear units in the years 2025-2030 due to the assumed 100% financing by the state.

New nuclear project is in the first preparatory stage ...



Stage	End date	Expected costs* (EUR billion)	Permitting and licensing	Contract with technology supplier
1. Preparation, supplier selection	2024	~0.2**	EIA Site decision License for the siting	Tender process and contract signature
2. Preliminary works	2029	~0.7	License for construction Building permit	"LWA - Limited Work Authorization" phase
3. Construction, commissioning	2036	~5.1	License for commencement of trial operation	Construction
4. Warranty period	2038		Operation license	Warranty period operation

- Expected timeline of "Preparation, supplier selection" stage**
- 2024 – Evaluation of bids and negotiation of contract details with the suppliers
 - Q1 2025 – Finalization and signing of the contract with the supplier
 - Q1 2025 – PPA, RFA, IA finalization and signing with the Czech State (subject to EC notification result)

A Framework contract **B** First implementation contract **C** Power Purchase Agreement (PPA)
Repayable Financial Assistance (RFA)
Investor Agreement (IA)

* At 2020 prices, rounded

** It does not include the costs incurred until 2020 for the permitting and contracting and the purchase of land; assuming the current supplier model

... Government shall provide financing for permitting and construction phases and secure the operation by power purchase agreement



Currently contemplated financing structure*

- CEZ Group will fund Stage 1 entirely through its equity investment. (ca EUR 0.2 billion**)
- Stage 2 onwards will be financed by the repayable financial assistance from state (RFA)
 - During 2024-2029 in the Stage 2 in the amount ca EUR 0.7 billion
 - During 2029-2038 in the Stage 3 and 4 in the amount ca EUR 5.1 billion

Repayable Financial Assistance from state (RFA)

- 0% during the period of construction
- During period of operation: costs of State debt financing plus 1% but not less than 2% p.a.
- Duration 30 years from the start of operation of NPP

Additional cost overrun financing mechanism

- CEZ Group will not bear any risk of additional costs in case of “legitimate grounds”, the Czech state bears the additional costs

Test on the overcompensation will be implemented in the PPA contract

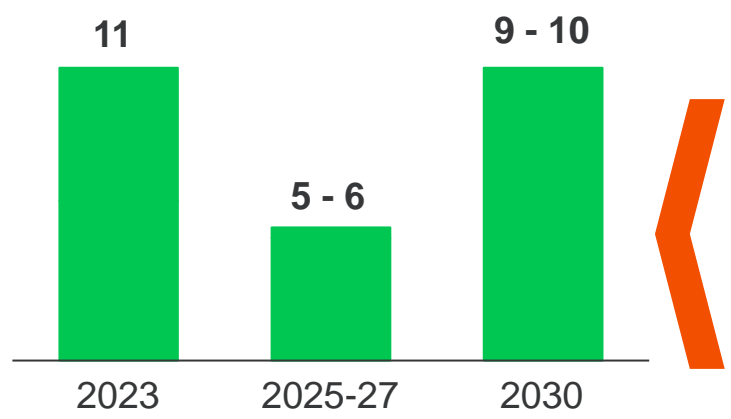
- The mechanism according to the low-carbon law will ensure adequacy of the purchase price and return (regular review after 5 years)

We will add at least 6 GW of renewables capacity by 2030



Renewables EBITDA

CZK billion



Annual CAPEX

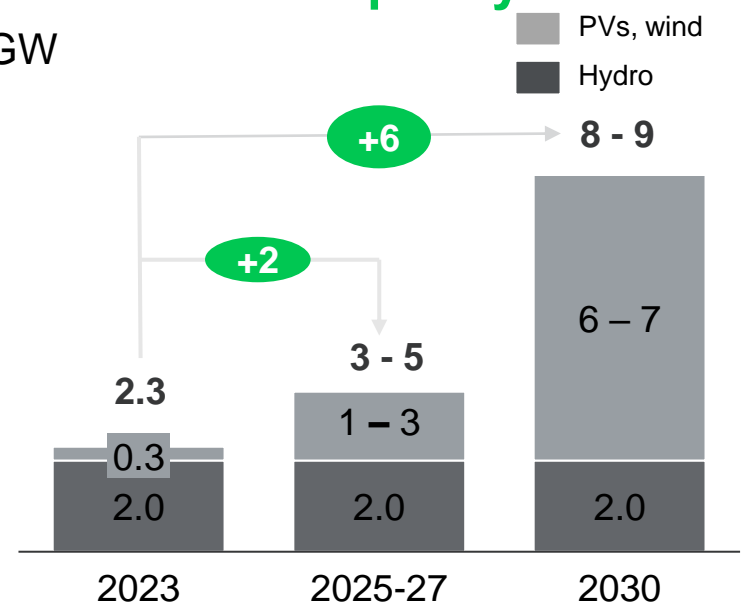
CZK billion, avg

12 - 14

2023-30

Renewables capacity

GW



Wholesale electricity prices

EUR/MWh

126 ~ 77 ~ 70

2023 2025 2030

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

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

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

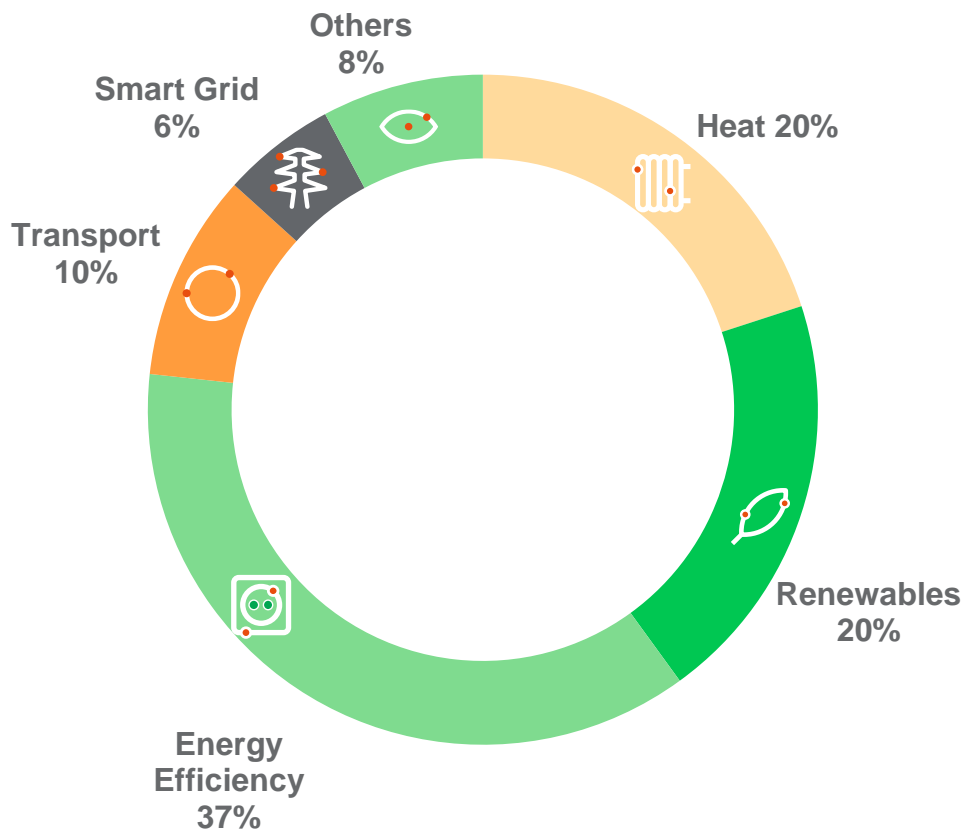
Project portfolio also includes several locations abroad, mainly in Germany and France, which were acquired or gained by own development.

We will increase storage capacities to above 300 MWe

Development of photovoltaics in Czechia depends on support from Modernisation fund



Indicative allocation from Modernisation fund to different grant categories



Support of renewables from Modernisation Fund

- In 2021–2030 **CZK ~100 billion*** is available for grants to support projects of new renewables
- Actual **amount of subsidy to be determined in auctions**, grants might fund up to 50% of total expenditure and up to CZK 6.2-7.3 m/MW**
- Generated **electricity** will be **sold at market prices**

Investment support for CEZ projects

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

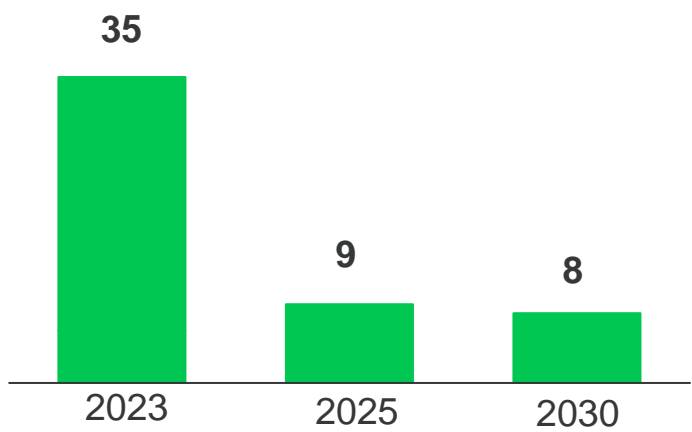
* Total project allocation from Modernisation Fund amounts to CZK 500 bn
 ** Maximum per MW grant depends on size and technology (rooftop or ground-mounted)



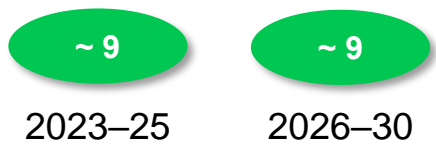
We are closing coal plants, production of heat to be transformed to low carbon technologies

Fossil-fuel generation and mining EBITDA

CZK billion

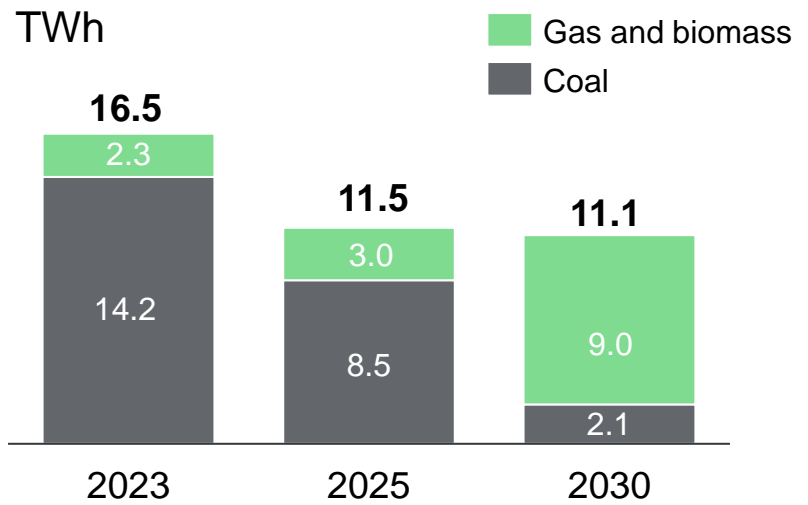


Annual CAPEX*
CZK billion, avg



Coal, gas and biomass generation

TWh



Coal and gas
GW



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

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

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

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

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



Nuclear

- We will **safely increase generation volume in existing plants above 32 TWh** on average in 2030 and achieve 60-year operating life.
- We will build a new nuclear power plant in Dukovany.
- We will prepare for potential construction of small modular reactors (SMR) with total capacity of **3,000 MW after 2050**, we aim to commission **first SMR before new nuclear unit in Dukovany**.



Renewables

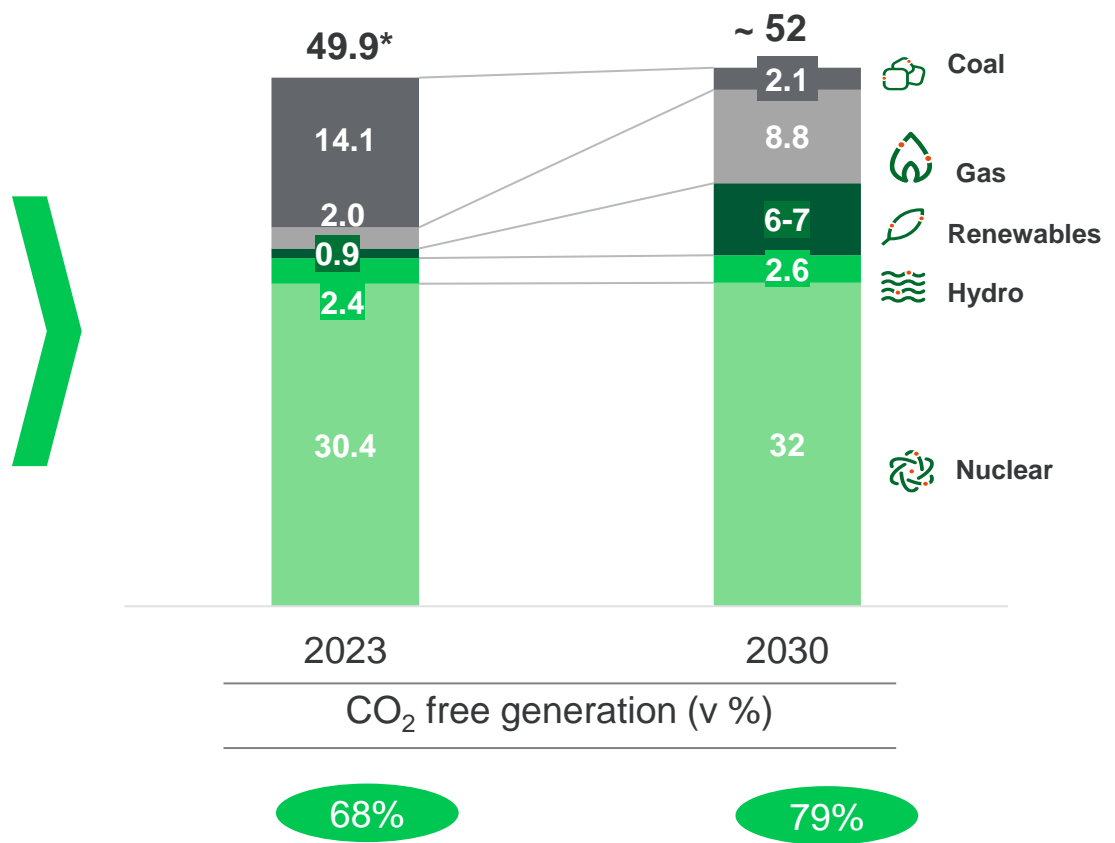
- We will build **over 6 GW renewables by 2030**.
- We will increase installed capacity of electricity accumulation to at least **300 MWe** by 2030.



Traditional

- We will **decarbonize heating and will transform our coal locations** to new activities.
- We will **build new gas capacities**, which will be **ready for hydrogen combustion**.

Electricity generation of CEZ Group (in TWh)

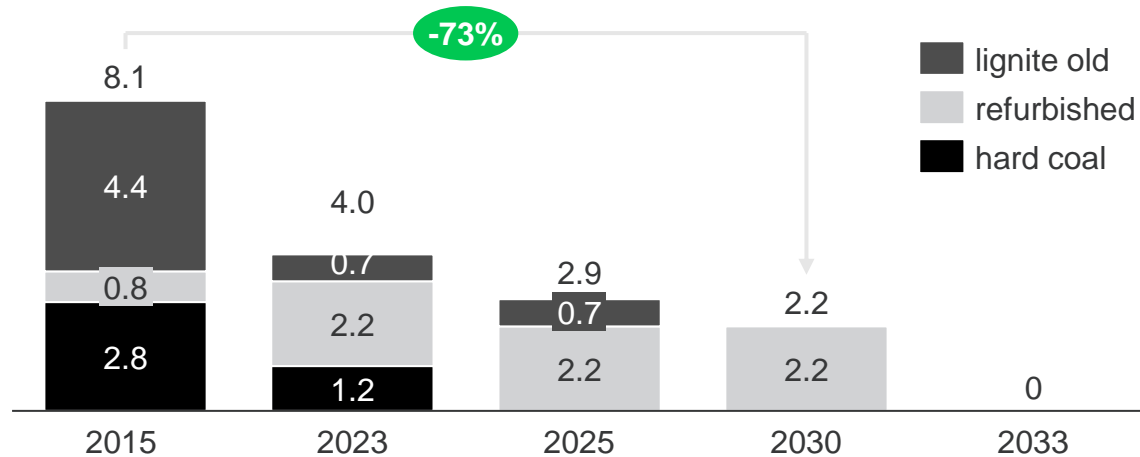


We will reduce share of coal generation to 12.5% in 2030, and fully exit coal by 2033



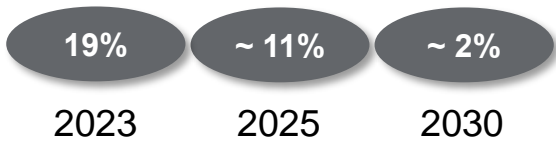
Expected development of installed capacity in coal

GW



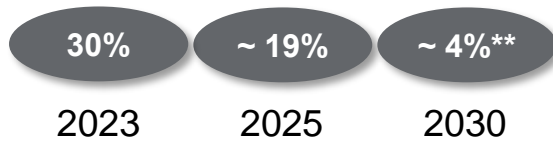
Share of coal related revenue *

(%)



Share of coal on generation

(%)



Coal fired power plants are being gradually closed

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

Coal extracted is mainly used in own power plants and declining

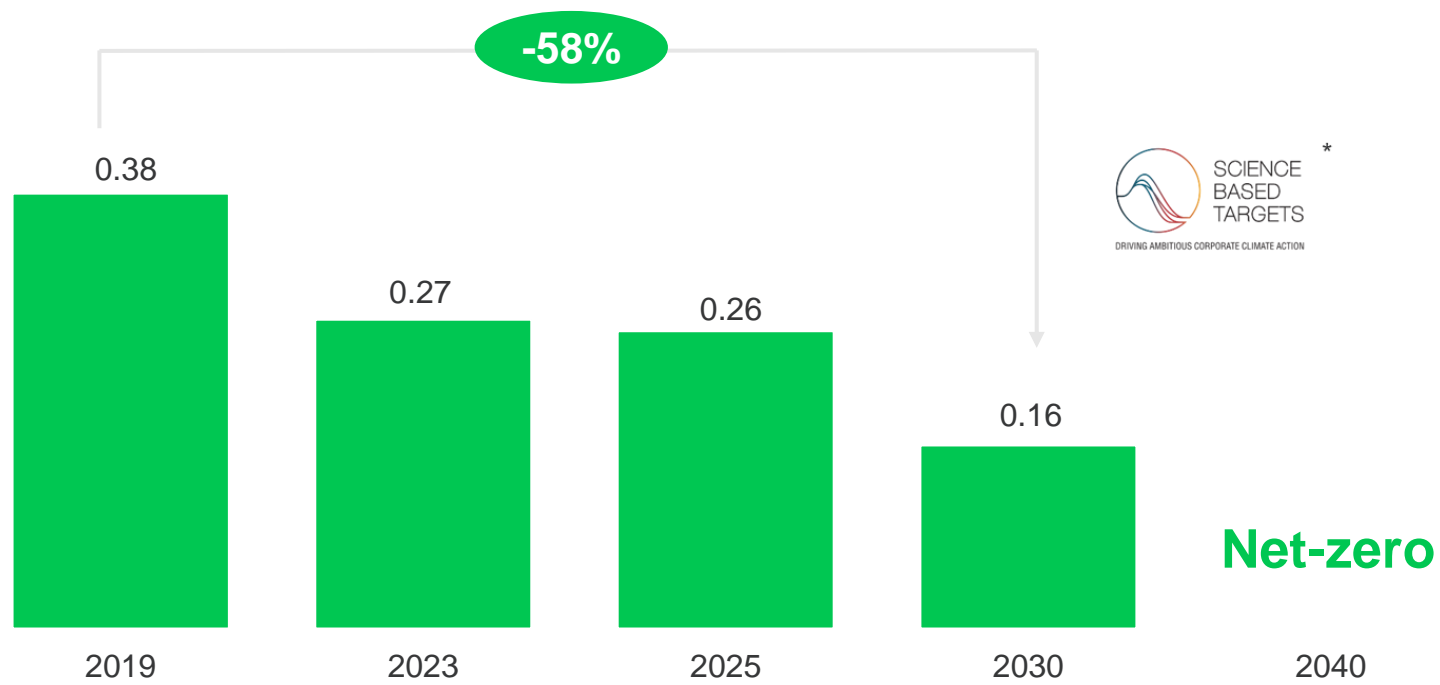
- Extraction of coal amounts to 17 mil tones per year, out of which 25% is sold externally
- Volume of extracted coal is expected to decline significantly until 2030 reflecting the reduction of external demand.
- **Termination of coal mining linked to closure of coal plants i.e. by 2033**. This is much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

We will achieve climate neutrality by 2040



Reduction of CEZ Group's CO₂ emission intensity

t CO₂e/MWh, Scope 1&2



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

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

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

CAPEX plan fully aligned with this decarbonization pathway

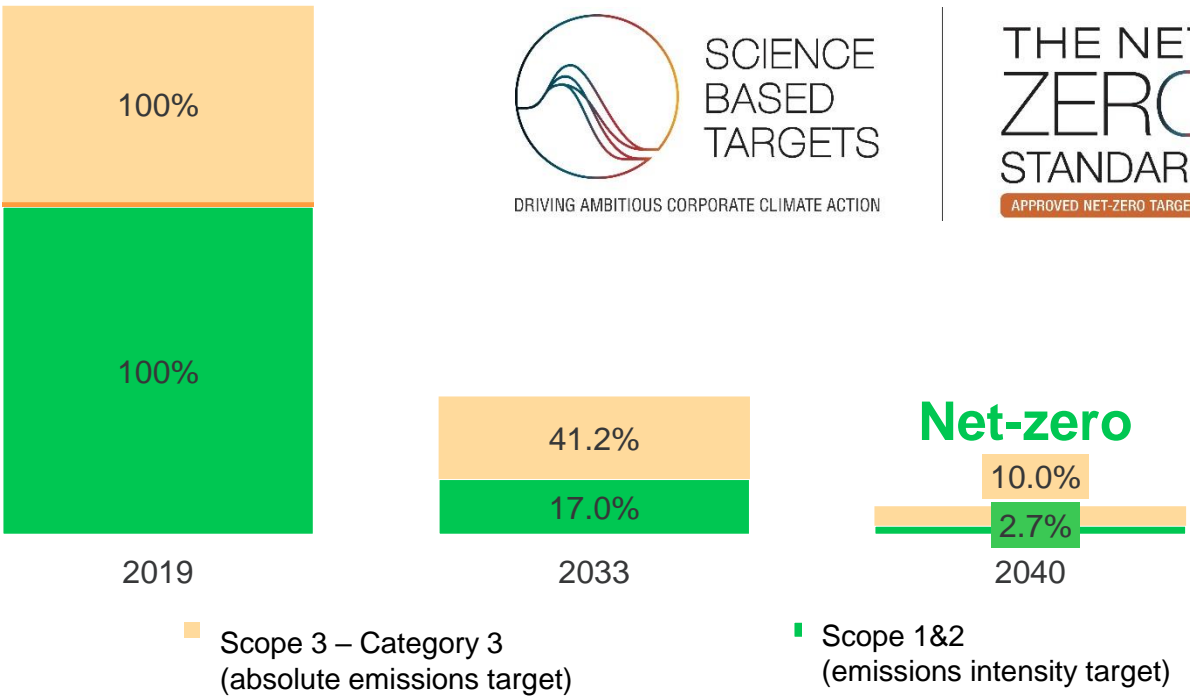
* CEZ Group commits to reduce scope 1 and 2 GHG emissions 50% per MWh by 2030 from a 2019 base year (in line with a well-below 2°C trajectory) and to achieve climate neutrality by 2040 (in line with a well-below 1.5°C trajectory)

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



GHG emissions reduction targets across all scopes

t CO₂e/MWh



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

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

Provide best energy solutions and highest quality customer experience on the market



Targets

Distribution

- We invest in **Smart grids** and **decentralization** to further develop stable and **digital distribution network**, including development of fiber optics networks.

Sales

- **We digitize 100 % of our core customer processes** by 2025.
- Thanks to growing service quality we maintain **the highest NPS** (Net Promoter Score) among the largest electricity suppliers and we will **grow our customer base**.
- We will offer **product portfolio to households, which will enable them to achieve energy savings and emission reduction**.

ESCO

- **We will build** infrastructure for **e-mobility** – we will quadruple charging capacity and we will operate at least 800 stations by 2025.
- We will further develop our role of **decarbonization leader** – we will enable efficient reduction of emissions and **delivery of energy savings** for our industrial customers, municipalities and state administration in line with EU target of energy efficiency improvements by 39-40%.

New segments

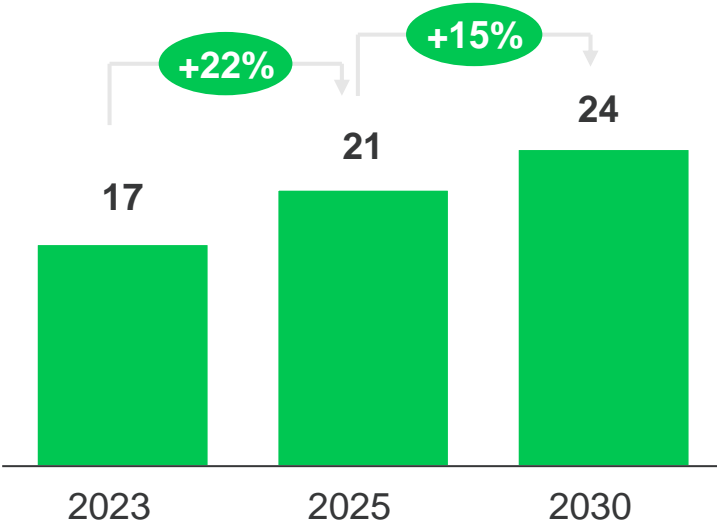
- We will broaden our **business activities** to the areas of **batteries, e-mobility and hydrogen**.

We will build smart digital electricity grid



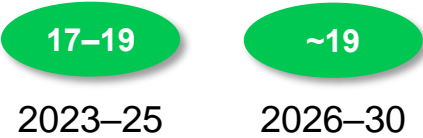
Distribution EBITDA

in CZK billion



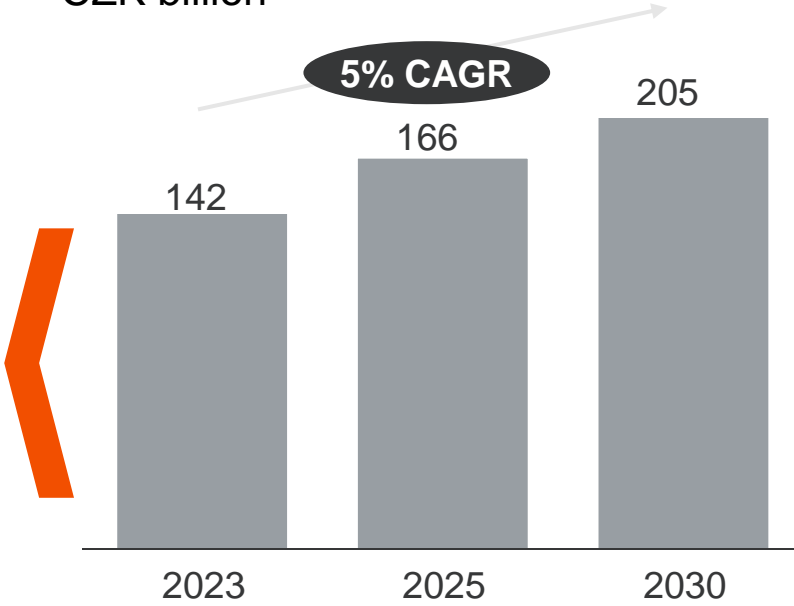
Annual CAPEX

CZK billion, avg



RAB Development

CZK billion



We will invest into smart grids and decentralization for developing digital distribution grid including fiber optic networks

2030 digital transformation targets

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



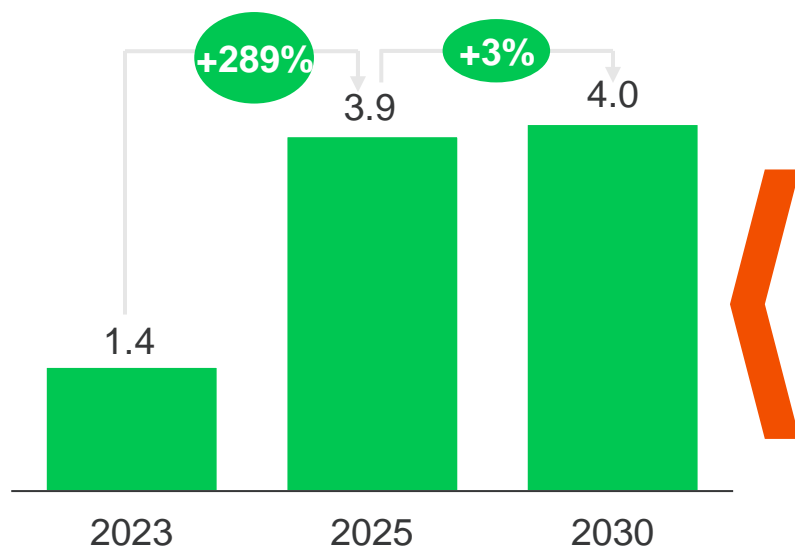
- Increase network reliability
- Enable new connections of 14 GW of renewables
- Enable connection of 35,000 of EV charging stations
- More efficient network management will lead to cost reduction per connection point

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



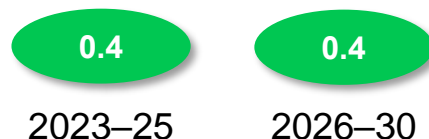
Retail EBITDA

CEZ Prodej, CZK billion



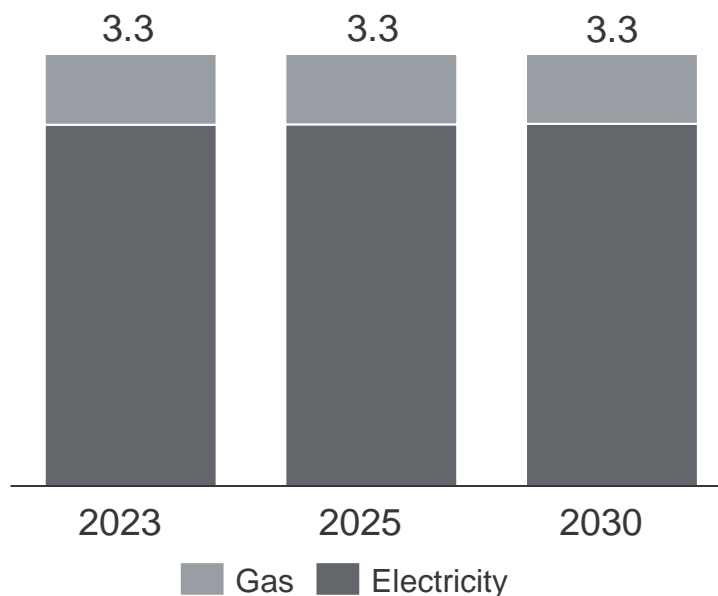
Annual CAPEX

CZK billion, avg



Number of customers

Million



B2C

100% of key customer processes will be digital by 2025

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

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

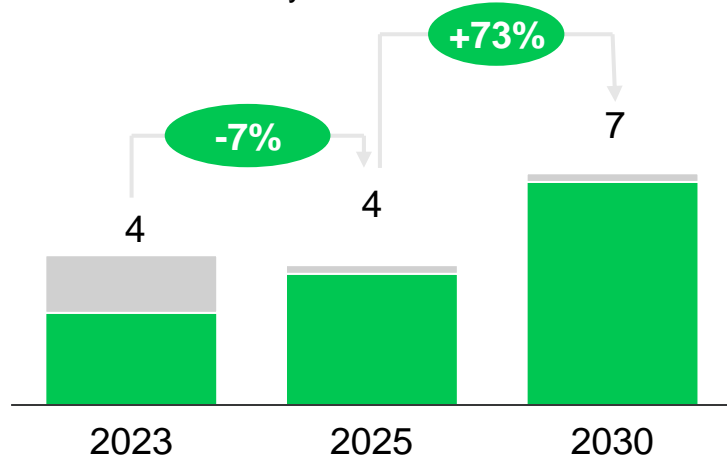
We will grow our energy services business by supporting decarbonization of our customers



ESCO EBITDA

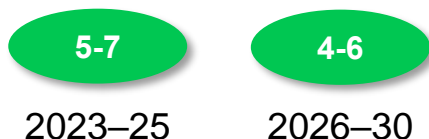
CZK billion

- Commodity
- Non-commodity services



Annual Investments*

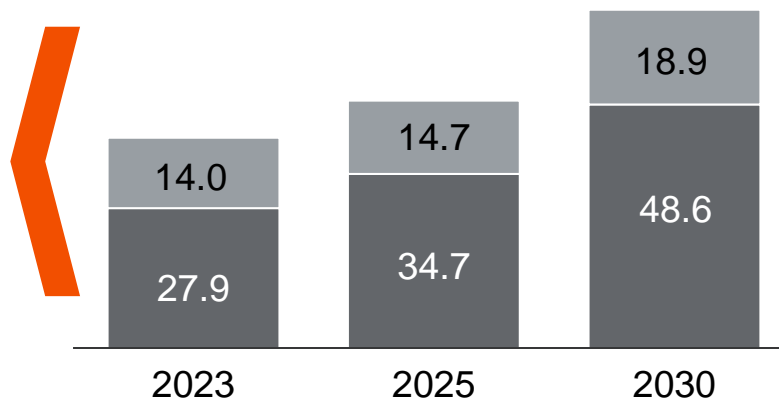
CZK billion, avg



ESCO revenues

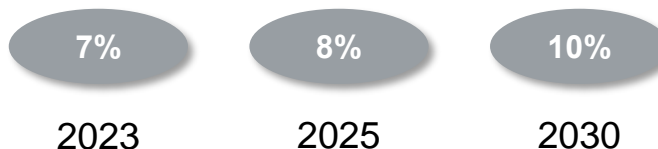
CZK billion

- ESCO CZ & SK non-commodity
- Foreign ESCO



EBITDA margin (%)**

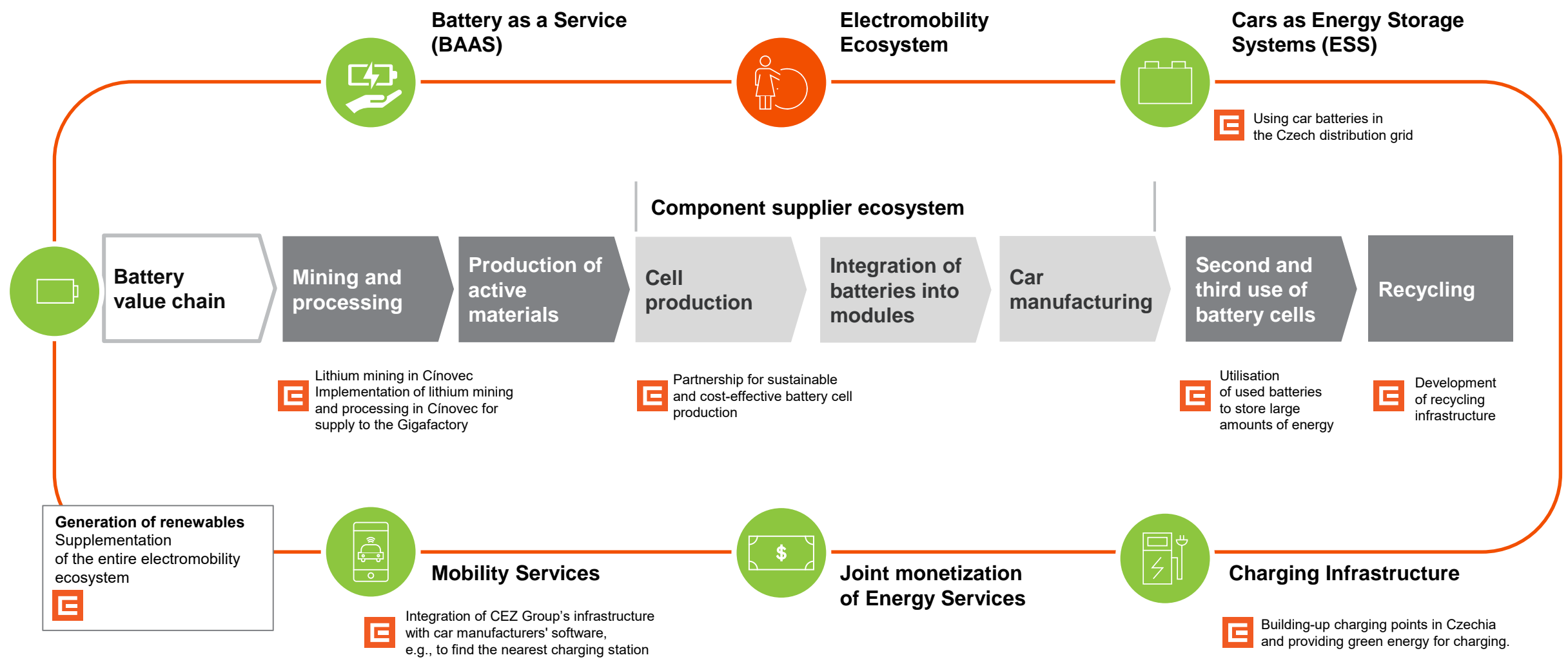
CZK billion, avg



B2B

We will enable efficient decarbonization and delivery of energy savings for our customers in industry, municipalities and public administration in line with EU target 39-40%

Electromobility value chain represents an additional source of growth

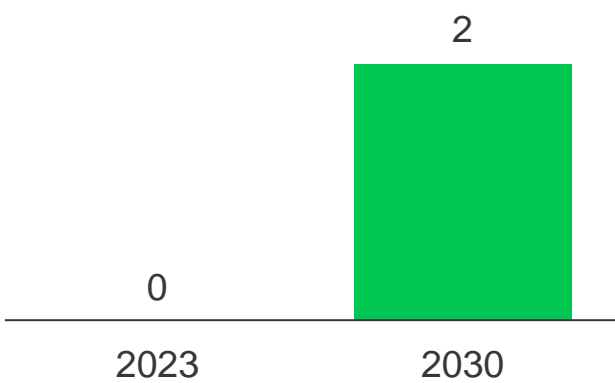


Areas of battery production and electromobility will be additional sources of growth

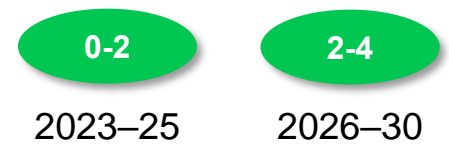


Proportional EBITDA of battery related activities*

CZK billion



Annual CAPEX*
CZK billion, avg



Lithium mining and processing in Cínovec

- CEZ Group owns 51% stake in Geomet, which owns rights to deposit
- Pilot ore-processing line is being prepared
- Preparation of technical and financial feasibility study under way
- Anticipation of mining feasibility decision

Battery production

- We are discussing possibilities of partnerships on battery production factory

Electromobility infrastructure

- We will be quadrupling charging capacity and will operate at least 800 stations by 2025

* Values of EBITDA and Capex represent 51% stake of CEZ Group on lithium mining project and 10% stake on battery factory. These projects are unlikely to be fully consolidated.

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



CEZ Group key ESG commitments

Environment

- **CO₂e emissions reduction in line with "well below 2°" scenario** (decrease from 0.38 tCO₂e/MWh in 2019 to 0.26 in 2025 and to 0.16 in 2030)
- **Lowering share of coal generation** to 25% in 2025; to 12.5% in 2030
- Newly build **renewables** of 6 GW until 2030
- **NO_x emission reduction** from 23 kt in 2019 to 13 kt in 2025 and 7 kt in 2030
- **SO₂ emission reduction** from 21 kt in 2019 and 6.5 kt in 2025 and 3 kt in 2030

Social

- **Remain good corporate citizen** developing good relationship with communities
- **Rank among Top Employers** for future talent and current employees
- **Ensuring just transition** through re-skilling or compensation for 100% of employees affected by coal exit
- **Highest net promoter score** among Czech electricity suppliers
- **Digitalization** of all key customer processes by 2025

Governance

- We will reach **30% share of women** in management
- **Further proceed in Code of Ethics training**, annually train above 95% of employees from 2022 onwards

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

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



S&P Global



Moody's Analytics

ESG OVERALL SCORE



ESG Assessment

51/100 Robust
as of September 2022, by Moody's Analytics

Moody's Analytics provides trusted and transparent data and perspectives across multiple areas of risk – credit; climate; environmental, social, and governance (ESG) – to help market participants identify opportunities and manage the continuously evolving risks of doing business.

MSCI



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

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Sustainalytics



Sustainalytics ESG Risk Rating 28.4
as of 2024, received by CEZ, a.s.

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Summary and investment highlights



We are accelerating strategy execution to benefit from energy transition

- We are transforming to **low emission electricity generator**
- We provide the **most cost-effective energy solutions** and the **best customer experience** on the market

We develop CEZ Group responsibly and sustainably

- We **will reduce our emissions intensity** by more than **50%** by 2030
- We have met the ambition to be among **the best 20% in the ESG** rating by 2023

We offer attractive dividend while maintaining strong credit rating

- **We will grow our EBITDA by 35%***
- **Dividend policy: payout ratio 60-80%** from adjusted net income
- We keep **Net Financial Debt/EBITDA below 3.0x**



AGENDA

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



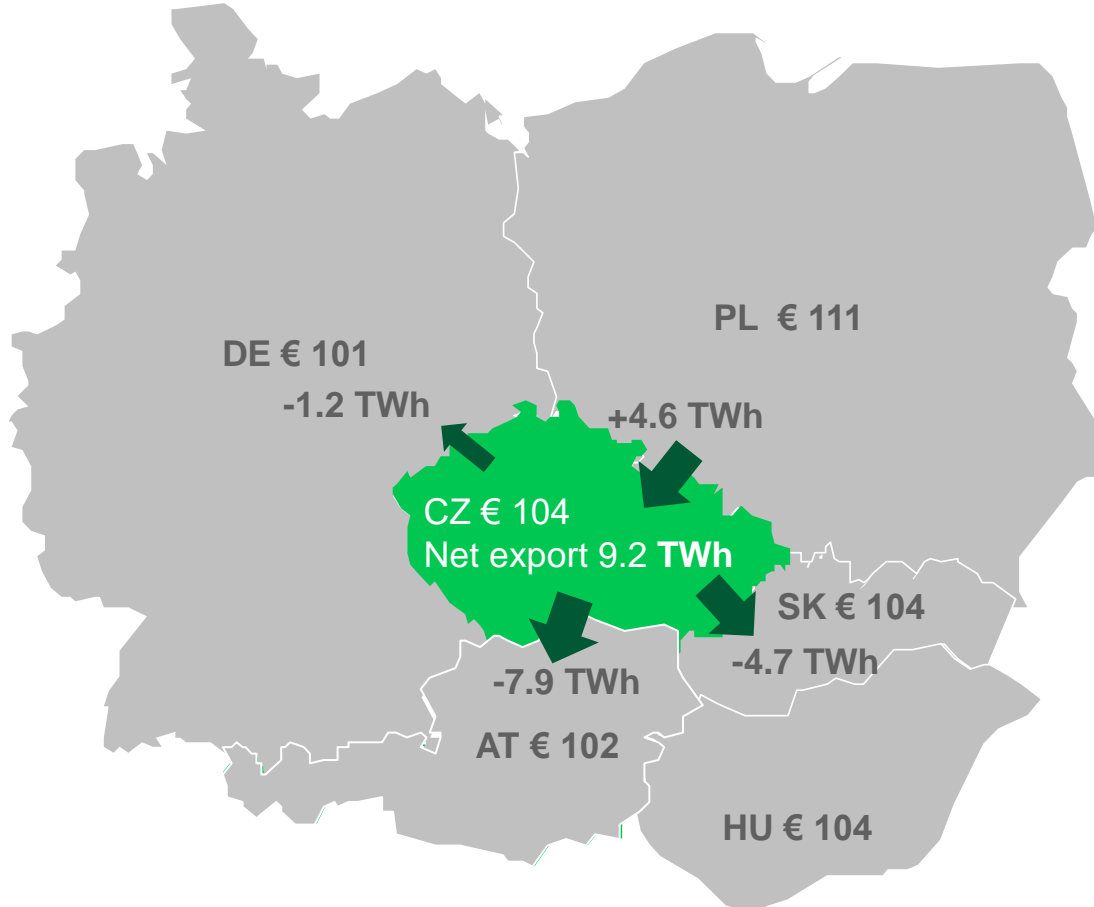
Appendix

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

Czech electricity market is integrated with neighbouring countries



2023 Physical electricity flows and current electricity prices



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



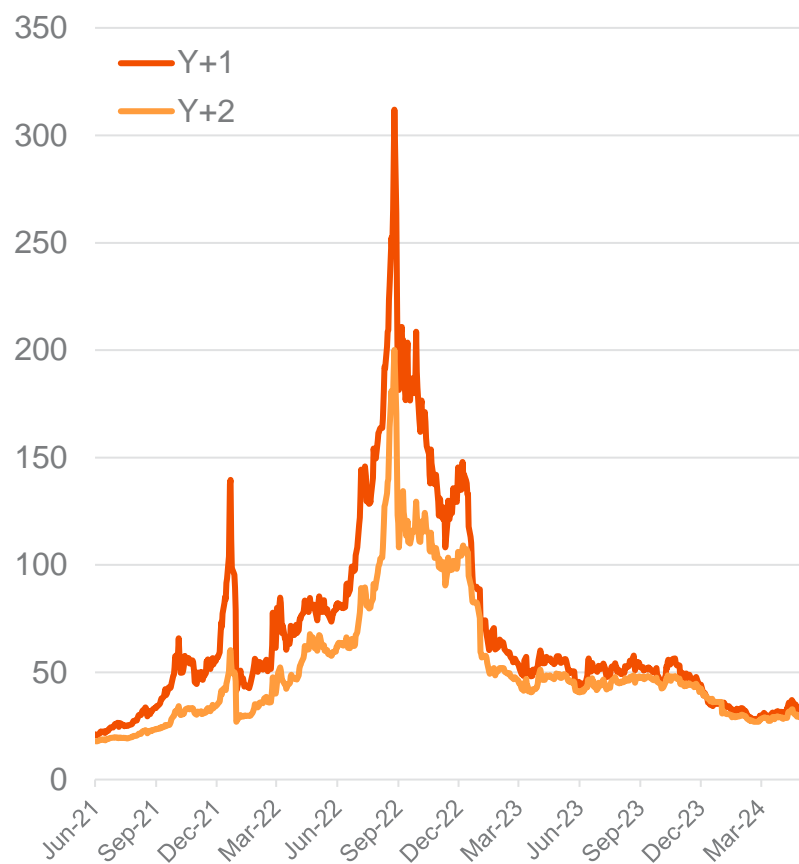
Commodity prices have stabilised after very volatile in 2022



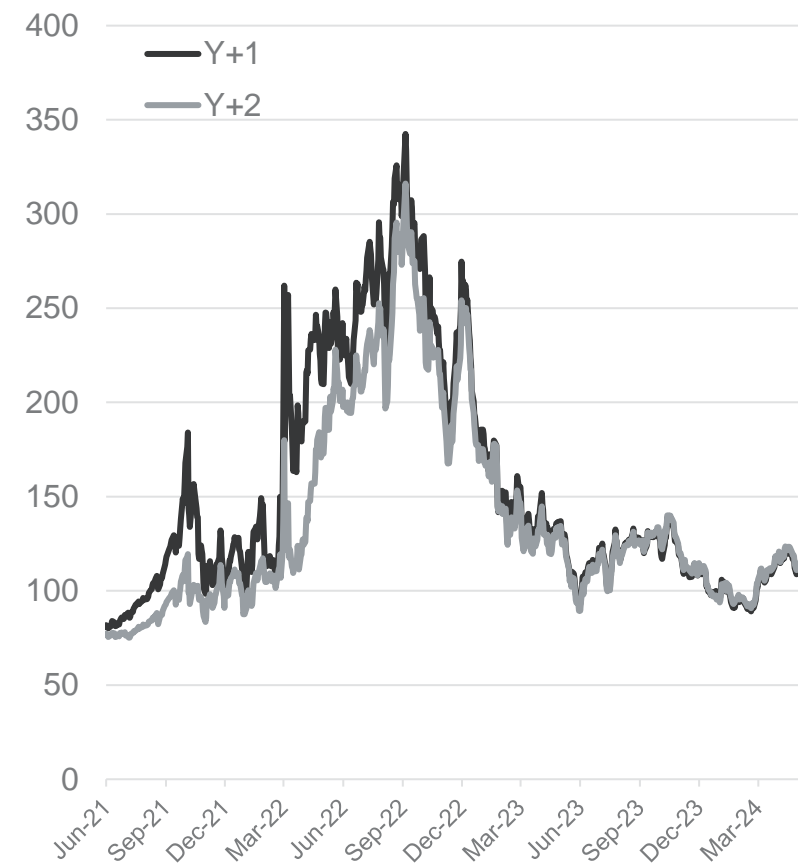
Carbon prices¹ EUR/t



Gas prices² EUR/MWh



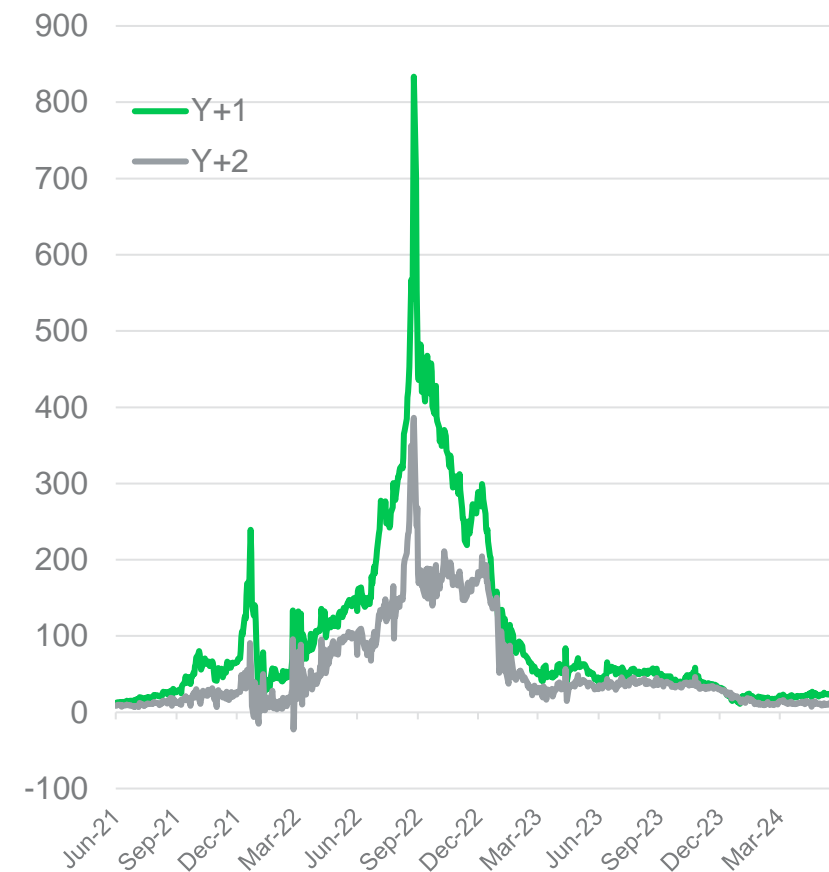
Coal prices³ USD/t



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



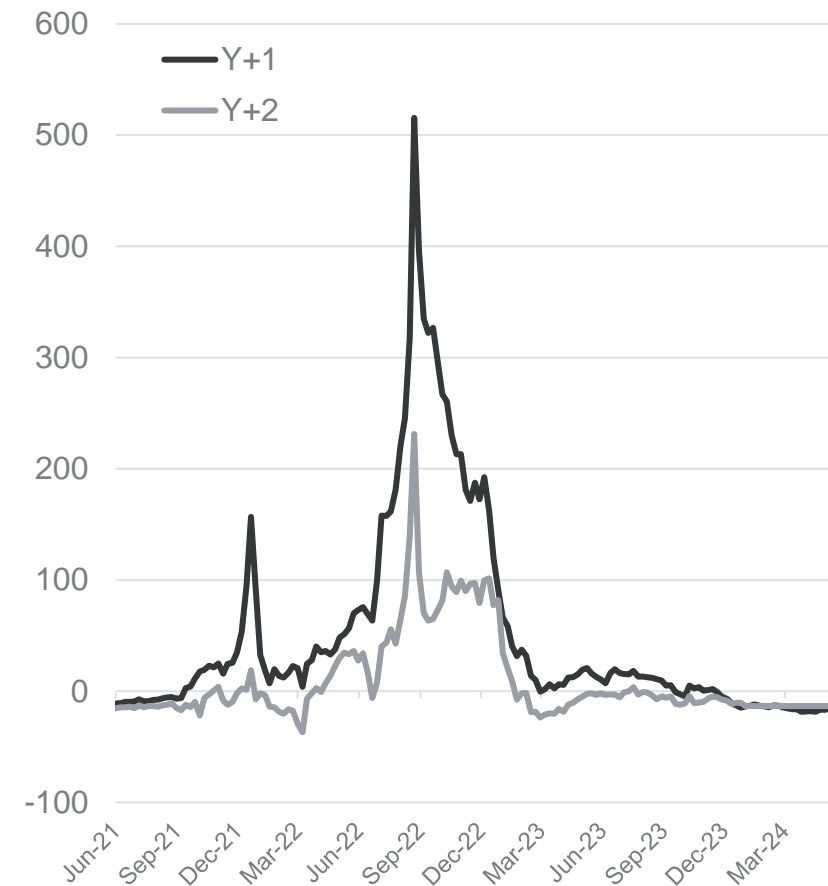
Clean power (electricity – carbon)¹
EUR/MWh



Clean spark spread (CSS)²
EUR/MWh, weekly averages



Clean dark spread (CDS)³
EUR/MWh, weekly averages



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



Consumer Support in 2023

End-customer price caps for households, small and medium-sized enterprises (SMEs) and large businesses:

- **CZK 5/kWh for power, CZK 2.5/kWh for natural gas in 2023** (prices for commodity without taxes and distribution fees)
 - For households, small gas consumers, defined public procurers and customers connected to low voltage, the cap applies to whole consumption of electricity and gas
 - For SMEs and large businesses, the cap on electricity and gas applies to 80% of the highest consumption in each month in the last 5 years
 - For large businesses (connected to high and very high voltage) cap is applicable up to the EU financial limit on maximum support
 - The cap for gas will also be applied to consumption to produce heat (cap does not apply to consumption of gas used to produce electricity)
- **Suppliers are compensated for proven losses and a reasonable profit.**

Revenues Cap in 2023

Levy on electricity generation revenues above defined price caps (from Dec 1, 2022 - Dec 31, 2023)

- **90% levy** on revenues above defined caps:
 - Nuclear EUR 70/MWh
 - Lignite EUR 170/MWh for units above 140 MW, EUR 230/MWh for units below 140 MW
 - Merchant hydro, wind, solar EUR 180/MWh
- No caps for hard coal, gas, pump-storage, and subsidised renewables
- Total annual revenue cap based on supplied volume by generation sources within a company
- The resulting levy is defined on an annual basis (the difference between total revenue and the total cap) and advances are paid monthly
- Levy is a tax-deductible expense and reduces the company's operating profit

Windfall profit tax 2023-2025

Windfall tax for the energy, petrochemical and banking sectors of 60% in 2023 – 2025

- “Excess Profit” corresponds to the difference between the tax base and the historical arithmetic average tax base of 2018–2021 plus 20%
- Reasonable Profit taxed at a rate of 19% in 2023 and 21% from 2024, “Excess Profit” at a rate of 81% (60% + 21%)
- Tax imposed on selected energy companies whose main activity is primarily generation, sales and distribution of electricity, if their decisive income exceeds specified limits
- Group can aggregate the historical Reasonable Profit of individual taxable companies and pay the total tax obligation for the whole group.
- Advance tax payments for 2023 will be based on the companies' profit in 2022.



Appendix

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

Czech republic: electricity distribution - overview of regulatory framework



Regulatory Framework

- Regulated by ERU (Energy Regulatory Office, www.eru.cz)
- The main components of regulatory formula for distribution
 - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB - Other revenues corrections +/- Quality factor + Market factor
 - RAB adjusted annually to reflect net investments and revaluation trajectory
 - Regulatory rate of return (WACC nominal, pre-tax) – 6.54% for 2021-2025
 - Operating costs are indexed to weighted average of wage inflation index and market services price index. In V. Regulatory period efficiency factor set at 0.2% per year.
 - Quality factor – prescribed levels of SAIDI and SAIFI parameters. Maximum bonus or penalisation +/- 4% of allowed profit. Currently has neutral impact on CEZ Distribuce.
 - Market factor to reflect unexpected cost which could not had been planned while setting planned values of allowed costs (e.g. new duties coming from new legislation). Never used by ERU in case of CEZ Distribuce.

Regulatory period

- 5th regulatory period from January 1, 2021 till December 31, 2025,
- Main focus:
 - lowering allowed costs compared to the previous period (reflecting actual costs in the previous regulatory period);
 - pressure on quality and security of electricity distribution (prescribed SAIDI and SAIFI parameters);
 - renew and develop the networks incentivised by reasonable regulation parameters.

Unbundling & Liberalization

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

Czech republic: natural gas distribution - overview of regulatory framework



Regulatory Framework

- Regulated by Energy Regulatory Office
- The main components of regulatory formula for distribution
 - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB - Other revenues corrections + Costs to cover losses and technological consumption + Market factor
 - RAB adjusted annually to reflect net investments and revaluation trajectory
 - Regulatory rate of return (WACC nominal, pre-tax) – 6.43% for 2021-2025
 - Operating costs are indexed to weighted average of wage inflation index and market services price index. In V. Regulatory period efficiency factor set at 0.2% per year.
 - Amount of natural gas allowed to cover losses and own technological consumption up to 2%.
 - Market factor to reflect unexpected cost which could not had been planned while setting planned values of allowed costs (e.g. new duties coming from new legislation).

Regulatory period

- 5th regulatory period from January 1, 2021 till December 31, 2025,
- Main focus:
 - converging RAB to the Net Book Value of Assets;
 - renewal of steel pipelines and emphasis on the expected transition of the heating industry to natural gas
 - digitization and preparation for „green gas“ distribution
 - lowering allowed costs compared to the previous period (reflecting actual costs in the previous regulatory period);

Unbundling & Liberalization

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

Czech Republic: electricity and natural gas distribution - WACC



- WACC set using CAPM formula:

$$WACC = \left(k_e \times \frac{E}{D+E} \right) + \left[\left(k_d \times \frac{D}{D+E} \right) \times (1-T) \right]$$

$$k_e = r_f + \beta \times MRP,$$

$$k_d = r_f + \text{credit risk margin (CRM)}$$

- Risk free rate (r_f) was derived from median yields of 10-y Czech sovereign bonds for 10 years period
- Credit risk margin set as a difference between BBB rated corporate bonds and 10Y AAA EUR Sovereign bonds

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



Appendix

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

Key ESG Indicators



Environment

	unit	2021	2022	2023
Scope 1 emissions	M tCO _{2e}	19.0	18.2	16.0
Scope 2 emissions	M tCO _{2e}	0.1	0.0	0.0
Scope 3 emissions	M tCO _{2e}	9.3	10.9	13.5
Carbon intensity (electricity and heat generation)	tCO _{2e} /MWh	0.29	0.29	0.27
Water consumption (electricity and heat generation)	m ³ /MWh	1.27	1.40	1.40
Energy generation - non-renewable fuels	000' TJ	524	514	486
Climate neutrality: Interim targets**:	Year	2040* 2025 2030	2040* 2025 2030	2040* 2025 2030
Weight of waste (non-hazardous)	000' t	59	48	120
ISO 14001 certified MWs	%	88	98	97

Social

	unit	2021	2022	2023
Number of employees	000'	28.0	28.7	30.6
Employee turnover	%	10.3	9.6	9.3
Employees unionized	%	28	28	28
Donorship	m CZK	319	368	499
Fatalities	#	1	0	3
Training hours	000'	880	1,209	1,327
Injuries	#	N/A	580	771
Women in workforce	%	20.5	21.1	21.1
SAIDI	minutes /customer	214	208	205
R&D expenses	m CZK	952	982	1,199

Governance

	unit	2021	2022	2023
Supervisory Board meetings	#	13	14	11
Supervisory Board member attendance	%	96.2	98.8	95.9
Supervisory Board independence	%	50	55	55
Female Supervisory Board members	%	8.3	9.1	9.1
Number of Supervisory Board members	#	12	11	11
Women in management	%	13.5	12.0	12.4

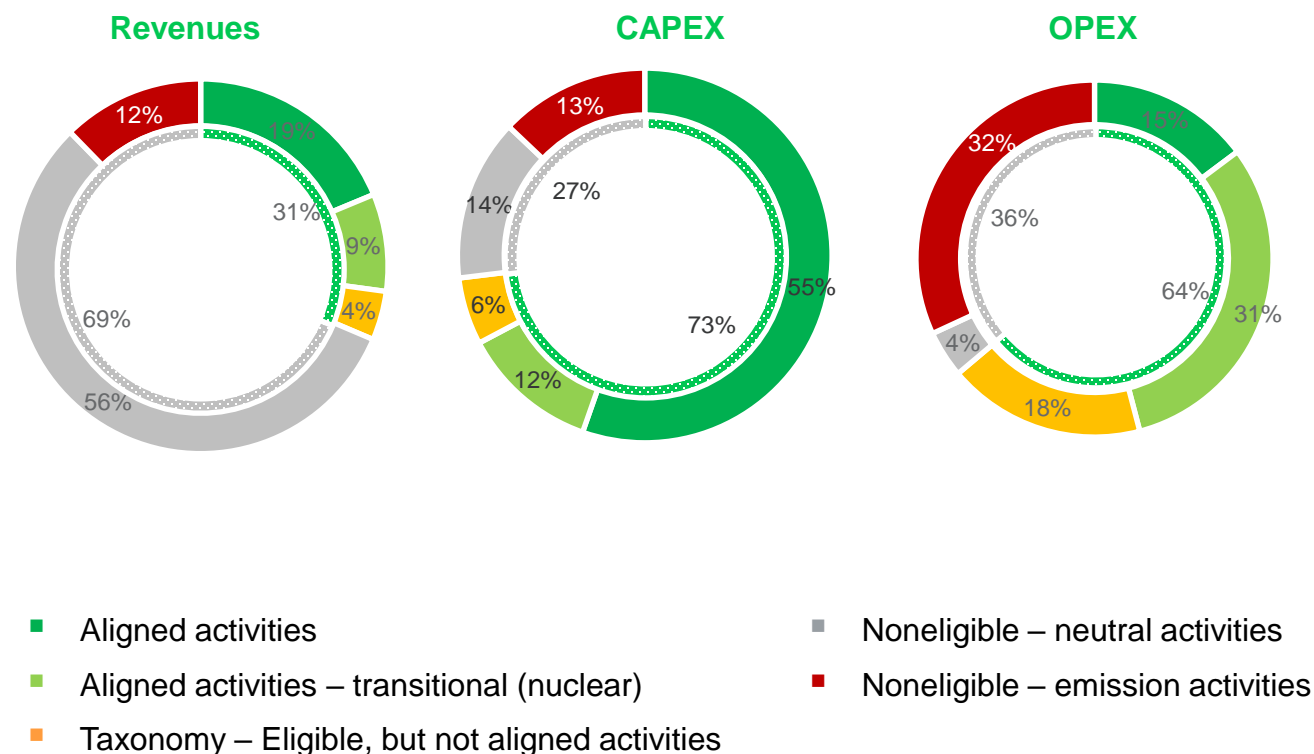
Developments in ESG area and structure of CEZ activities according to EU taxonomy



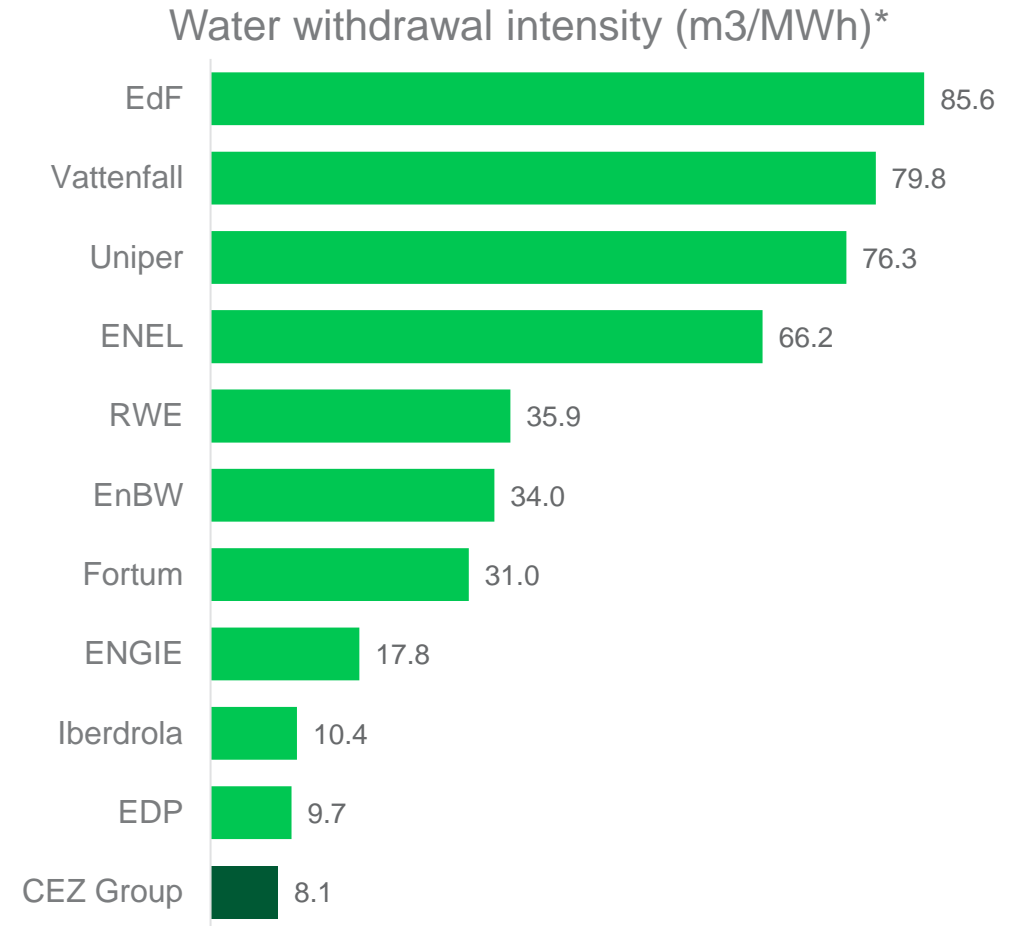
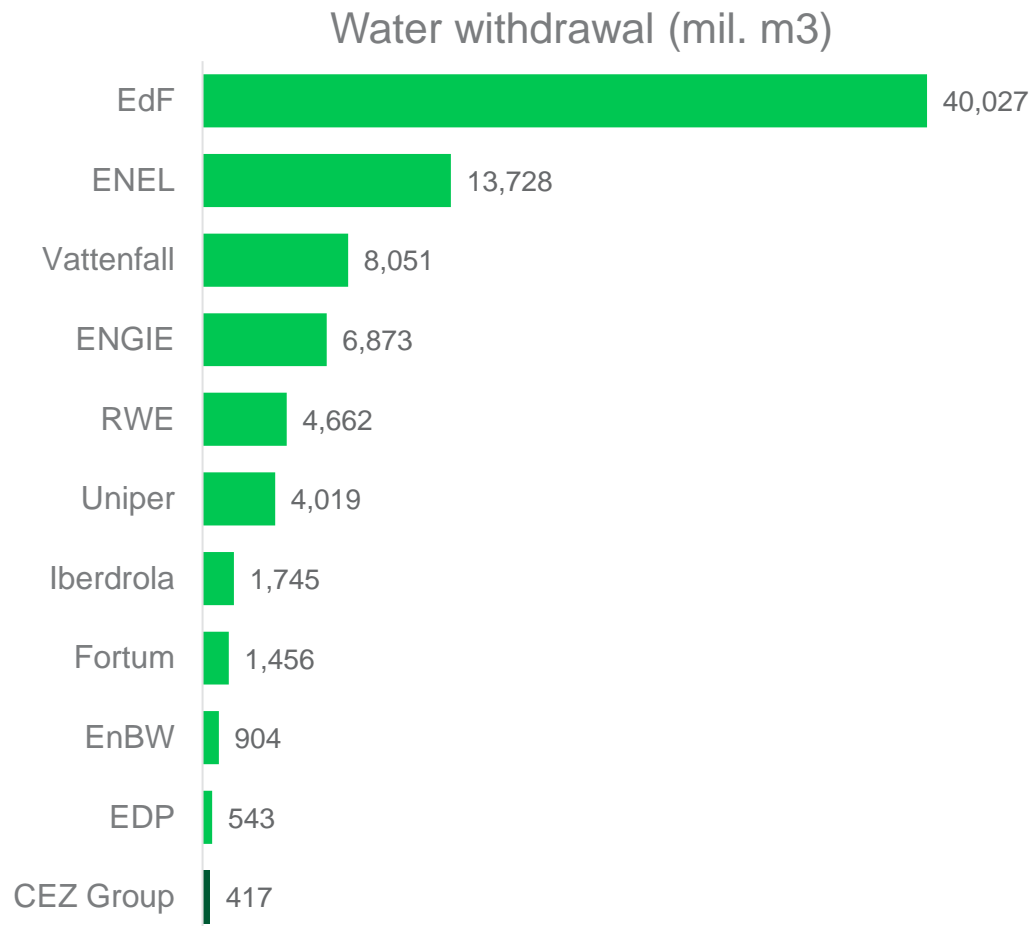
Selected Events in ESG

- SBTi validated CEZ's near-term, long-term and net-zero emission reduction targets. CEZ was the first Czech company to achieve validation.
- We are committed to achieving **climate neutrality as early as 2040**.
- We joined the **CEO Water Mandate initiative**—as the first in Czechia
- The **most trusted energy supplier** according to Net Promoter Score Czechia—for the eighth time in a row.
- We were awarded the “**Most Desirable Employer**” in Czechia—for the fourth time in a row.
- **ESG certification of Board of Directors members**
- **Sustainability Report*** issued in accordance with international standards (GRI, SASB, WEF, EU Taxonomy) including externally audited key KPIs
- **ESG website**** and online ESG library of nonfinancial data (the most extensive in European energy sector)

Structure of CEZ Group activities in 2023 according to EU taxonomy



CEZ's water withdrawals are the lowest among peers thanks to closed-cycle cooling



Source: Annual Reports and Sustainability Reports of above companies.

* Simplified computation - water withdrawal divided by electricity generation only, i.e. no heat generation has been taken into account, e.g. In case of CEZ the addition of heat generation results in decrease of the Water withdrawal intensity ratio to 7.05.



Appendix

- Electricity market fundamentals
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- ESG indicators
- **Financial results**

Financial Highlights and Full-Year Outlook



(CZK bn)	Q1 2023	Q1 2024	Diff	%
Operating revenues	93.4	87.4	-6.0	-6%
EBITDA	32.5	40.3	+7.8	+24%
EBIT	24.3	31.6	+7.4	+30%
Net income	10.8	13.6	+2.7	+25%
Adjusted net income	10.8	13.6	+2.7	+25%
Cash flow	79.1	40.7	-38.4	-49%
CAPEX	6.8	7.3	+0.5	+8%

Financial Outlook for the Full Year 2024

- EBITDA is expected at CZK 115-120 bn.
- Net income adjusted for extraordinary effects is estimated at CZK 25-30 bn.

* Adjusted net income = Net income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given period (in particular fixed asset impairments and goodwill impairment).

Total operating results

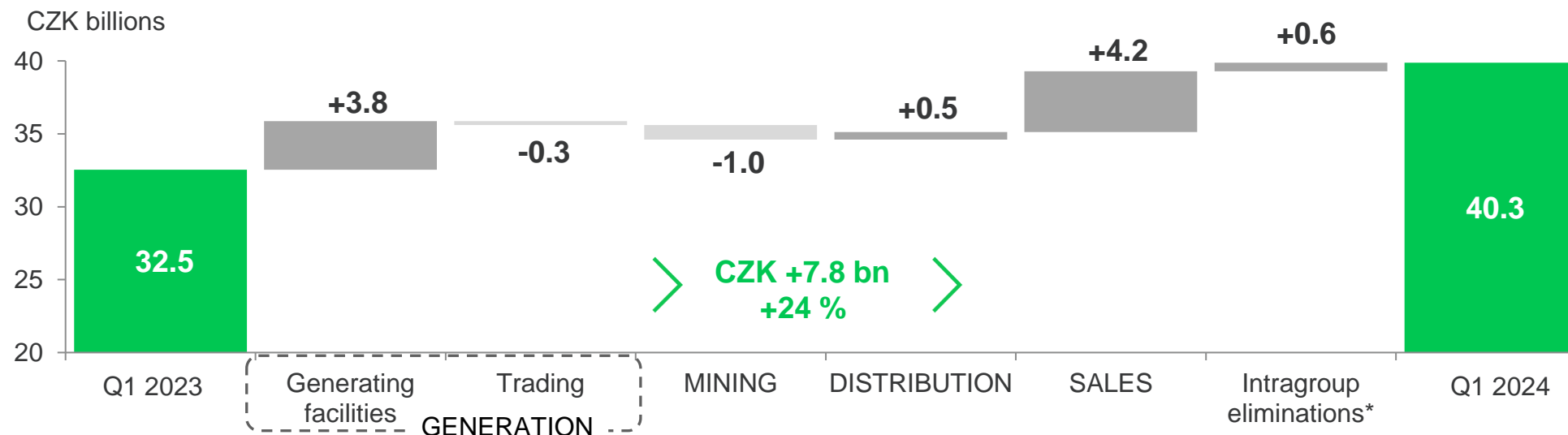


		Q1 2023	Q1 2024	Diff	%
Electricity generation	TWh	14.1	13.7	-0.4	-3%
of which in Czechia	TWh	13.5	13.2	-0.2	-2%
Heat sales	TWh	2.6	2.6	-0.0	-1%
of which in Czechia	TWh	1.9	1.9	+0.0	+1%
Electricity sales*	TWh	6.7	6.3	-0.4	-6%
of which in Czechia	TWh	6.2	5.5	-0.6	-10%
Gas sales*	TWh	4.5	3.8	-0.8	-17%
Electricity distribution*	TWh	9.5	9.4	-0.1	-1%
Gas distribution*	TWh	0.3	0.3	+0.0	+5%
Coal mining	mil. t	4.5	4.0	-0.5	-11%
Emission intensity**	t CO ₂ e/MWh	0.25	0.25	+0.00	+0%
		as at Mar 31, 2023	as at Mar 31, 2024	Diff	%
Installed capacity	GW	11.8	12.0	+0.1	+1%
of which in Czechia	GW	11.1	11.1	+0.0	+0%
Workforce headcount	thousands persons	29.2	30.8	+1.6	+6%
of which in Czechia	thousands persons	24.2	25.2	+0.9	+4%

* to end-use customers

** Corresponds to emissions as defined in "SCOPE 1 of the GHG Protocol". Under CEZ Group's conditions, these are emissions related to the combustion of fossil fuels in the generation of electricity and heat (CO₂, CH₄ and N₂O emissions) and CO₂ emissions from transport. The indicator CO₂e also includes CH₄ and N₂O emissions from biomass combustion, CH₄ emissions from coal mining, and HFC, PFC and SF₆ emissions from air conditioning and other equipment.

Main Causes of Year-over-Year Change in EBITDA



GENERATION Segment – Generating facilities (CZK +3.8 bn)

- Levy on revenues above price caps from generation in Czechia in Q1 2023 (CZK +10.3 bn)
- Lower margin from generation in Czechia due to changes in the purchase prices of emission allowances and gas, realized prices of electricity and exchange rate hedging (CZK -5.2 bn)
- Effect of different schedules of planned outages of nuclear facilities (CZK -1.5 bn)

MINING Segment (CZK -1.0 bn)

- Lower external revenues due to reduced coal supplies (CZK -0.9 bn)

SALES Segment (CZK +4.2 bn)

- Negative gross margin CZK +3.0 bn from electricity and gas sales in Q1 2023 due to temporary seasonal factors**, fluctuations in consumption, and commodity prices
- The gross margin from electricity and gas sales reached a positive value of CZK +1.2 bn in Q1 2024

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

** Prices for end-use customers are generally set the same for winter and summer, while the purchase prices of electricity and gas are generally significantly higher in winter than at other times of the year. In addition, there are temporary effects due to electricity purchases to cover losses in the grid.

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



(CZK bn)	Q1 2023	Q1 2024	Diff	%
EBITDA	32.5	40.3	+7.8	+24%
Depreciation and amortization	-8.4	-8.7	-0.4	-5%
Asset impairments*	0.1	0.1	-0.0	-40%
Other income and expenses	0.1	-2.7	-2.7	-
Interest income and expenses	-0.3	-0.5	-0.2	-62%
Interest from nuclear and other provisions	-1.8	-2.0	-0.2	-11%
Other	2.3	-0.1	-2.3	-
Income taxes	-13.6	-15.4	-1.9	-14%
Net income	10.8	13.6	+2.7	+25%
Adjusted net income	10.8	13.6	+2.7	+25%

Depreciation and amortization (CZK -0.4 bn)

- Higher depreciation of ČEZ Distribuce (CZK -0.2 bn)
- Higher depreciation of nuclear power plants (CZK -0.1 bn)

Other income and expenses (CZK -2.7 bn)

- Exchange rate effects and revaluation of financial derivatives (CZK -2.2 bn)
- Interest income and expenses (CZK -0.2 bn) due to temporarily lower free funds and lower interest rates
- Higher interest from nuclear and other provisions (CZK -0.2 bn)

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

GENERATION and MINING Segments EBITDA



(CZK bn)	Q1 2023	Q1 2024	Diff	%
Zero-emission generating facilities, of which:	13.3	22.3	+8.9	+67%
Nuclear	10.7	19.9	+9.2	+86%
Renewable	2.6	2.3	-0.2	-9%
Emission generating facilities	11.0	5.9	-5.2	-47%
Trading	1.4	1.1	-0.3	-19%
GENERATION Segment	25.8	29.3	+3.5	+14%
MINING Segment	3.9	2.9	-1.0	-26%
GENERATION and MINING TOTAL	29.7	32.2	+2.5	+8%

GENERATION Segment – Year-over-Year Effects (CZK +1.6 bn)

Nuclear facilities (CZK +9.2 bn)

- Levy on revenues above price caps from generation in Q1 2023 (CZK +10.1 bn)
- Trade effects (CZK +0.6 bn), the positive impact of exchange rate hedging exceeded the decrease in realized prices of electricity
- Operating effects (CZK -1.5 bn): effect of different schedules of planned outages of Dukovany NPP (CZK -0.7 bn) and Temelín NPP (CZK -0.8 bn)

Renewables (CZK -0.2 bn)

- Trade effects (CZK -0.9 bn): ancillary services and regulatory energy (CZK -0.8 bn), price effect incl. the effect of exchange rate hedging (CZK -0.1 bn)
- Levy on revenues above price caps from generation in Czechia in Q1 2023 (CZK +0.2 bn)
- Operating effects (CZK +0.4 bn): hydroelectric facilities (CZK +0.3 bn), solar and wind facilities (CZK +0.1 bn)

Emission facilities (CZK -5.2 bn)

- Price effect incl. exchange rate hedging in Czechia (CZK -5.7 bn) due to a reduction in the realized prices of electricity and an increase in EUA purchase prices
- Other trade effects in Czechia (CZK +0.1 bn): heat sales (CZK +0.4 bn), on-site trade (CZK -0.3 bn)
- Operating effects in Czechia (CZK +0.1 bn): scheduled outages (CZK +0.2 bn), higher fixed expenses (CZK -0.1 bn)
- Poland (CZK +0.2 bn), in particular higher revenues from electricity and heat sales

Trading (CZK -0.3 bn)

- Lower proprietary trading margin (CZK -1.0 bn): income of CZK +2.6 bn compared to income of CZK +3.6 bn in Q1 2023
- Other trade and consolidation effects (CZK +0.8 bn), in particular temporary revaluation of derivative transactions hedging generation and sales

MINING Segment – Year-over-Year Effects (CZK -1.0 bn)

- Lower revenues from coal supplies to CEZ Group mainly due to coal price decrease (CZK -0.5 bn)
- Lower external revenues due to reduced supplies (CZK -0.9 bn)
- Lower energy expenses (CZK +0.2 bn)
- Other effects (CZK +0.2 bn)

The breakdown of EBITDA of the GENERATION segment into four sub-segments is only indicative on the basis of central allocation assumptions (in particular the allocation of ČEZ's gross margin and fixed expenses of the central divisions of ČEZ, a. s.) and simplified consolidation with other companies. The allocation of 2023 EBITDA among the sub-segments is always reported in accordance with the current methodology for allocation of 2024 EBITDA for comparability.

SALES segment EBITDA



(CZK bn)	Q1 2023	Q1 2024	Diff	%
Retail segment – ČEZ Prodej	-3.4	0.8	+4.2	-
B2B segment – ESCO companies:	1.5	1.3	-0.2	-13%
Energy services – Czechia and Slovakia	0.4	0.3	-0.1	-34%
Energy services – Germany and other countries*	0.2	0.4	+0.1	47%
Commodity sales – Czechia	0.8	0.7	-0.2	-21%
B2B segment – Other activities**	0.3	0.5	+0.1	45%
SALES Segment Total	-1.6	2.6	+4.2	-

Retail segment – ČEZ Prodej (CZK +4.2 bn)

The effect of specific effects on the gross margin from electricity and gas sales, when:

- in Q1 2023, it was highly negative (CZK -3.0 bn) due to significant temporary seasonal factors***, fluctuations in customer consumption, and commodity prices
- in Q1 2024, it reached a positive value of CZK +1.2 bn

B2B segment – ESCO companies (CZK -0.2 bn)

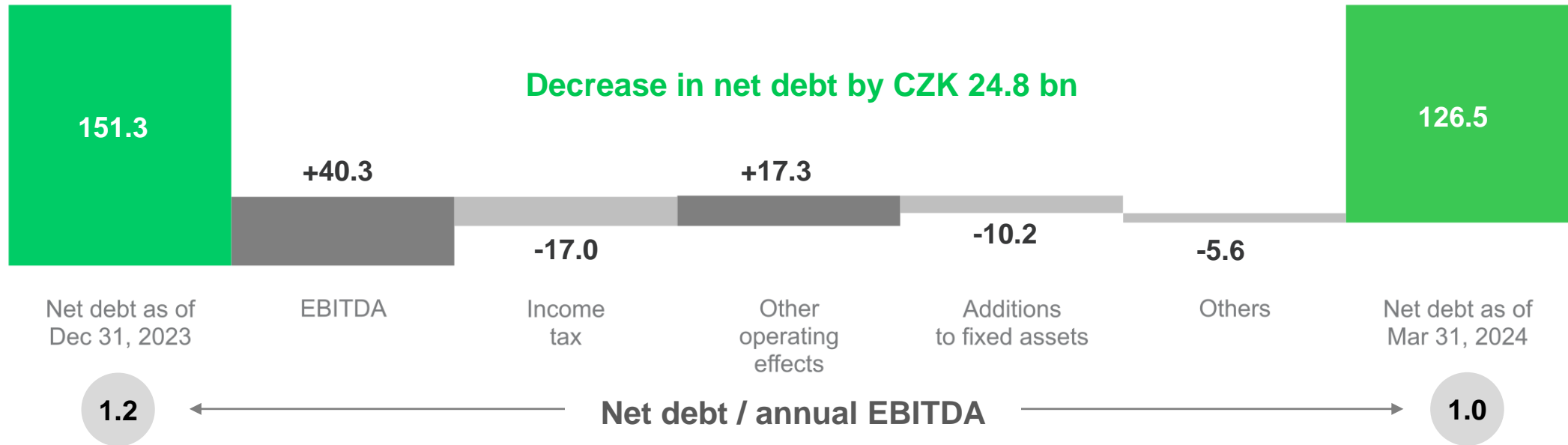
- Energy services – Czechia and Slovakia (CZK -0.1 bn): mainly lower consumption of commodities due to warm weather
- Energy services – Germany and other countries (CZK +0.1 bn): a higher volume of orders in Germany and the benefit of the acquisitions of the German companies SERCOO and Ochs Gruppe
- Commodity sales – Czechia (CZK -0.2 bn):
 - Purchase of electricity from RES (CZK -0.6 bn): effect of market price changes and a lower purchase volume
 - Commodity sales to end-use customers (CZK +0.4 bn): particularly thanks to a significant effect of seasonal factors*** on commodity purchases in 2023 and market stabilization

* Poland, Italy, Austria and other countries where ESCO activities are managed by the Elevion Group

** In particular telecommunications companies and ČEZ Teplárenská

*** Prices for end-use customers are generally set the same for winter and summer, while the purchase prices of electricity and gas are generally significantly higher in winter than at other times of the year. In addition, there are temporary effects due to electricity purchases to cover losses in the grid.

Change in net debt (cash flow) for Q1 2024



- **Income tax (CZK +17.0 bn):** advances on windfall tax for 2024 (CZK -12.0 bn) and advances on standard income tax (CZK -5.0 bn)
- **Other operating effects (CZK +17.3 bn):** positive change in trade receivables and payables (CZK +9.3 bn), margin deposits on commodity exchanges and with trading partners (CZK +1.6 bn), the effect of non-monetary operations (CZK +6.4 bn), mainly of consumed emission allowances, and revaluation of derivatives to fair value
- **Additions to fixed assets (CZK -10.2 bn):** capital expenditure – CAPEX (CZK -7.3 bn), change in liabilities from acquired fixed assets (CZK -2.8 bn), acquisition of INVEN Capital securities (CZK -0.1 bn)
- **Other (CZK -5.6 bn):** mainly a change in the fair value of the debt due to the exchange rate change (CZK -5.0 bn), payments of lease liabilities (CZK -0.2 bn), payments of other long-term liabilities (CZK -0.2 bn), and dividends paid to shareholders (CZK -0.1 bn)

Credit facilities and debt structure as at March 31, 2024

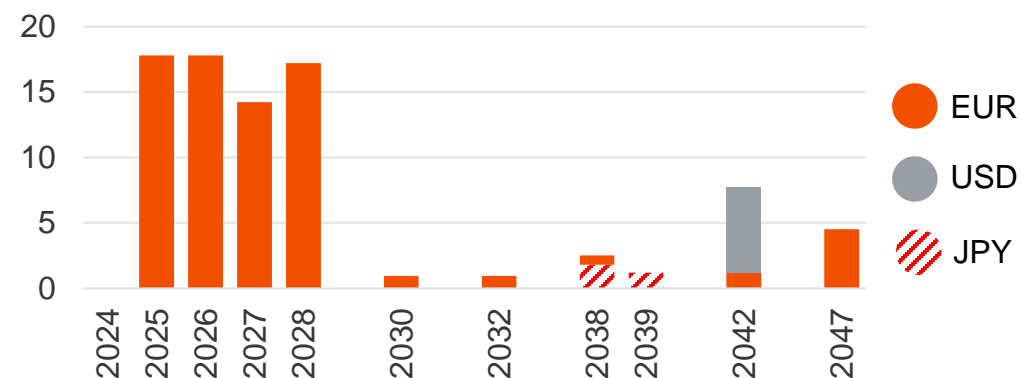


Committed bank credit facilities



- Committed bank facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- As at March 31, 2024, CEZ Group had access to CZK 69 bn of committed bank credit lines, of which only CZK 1.9 bn were drawn.
- On March 25, 2024, a credit agreement of EUR 840 million was signed to finance the acquisition of a 55.21% stake in Czech Gas Networks.
- On April 2, 2024, the last EUR 1 bn was repaid from credit agreements with the Czech Republic, concluded in 2022 to cover requirements for margin deposits.

Bond maturity profile (CZK bn)



Debt level

		as at Mar 31, 2023	as at Mar 31, 2024
Debts and loans	CZK billions	181.1	177.2
of which short-term bank**	CZK billions	7.7	11.8
Cash and fin. assets***	CZK billions	99.3	50.7
Net debt	CZK billions	81.9	126.5
Net Debt / EBITDA		0.7	1.0

Total liquid financial assets*** and undrawn committed bank credit facilities amounted to CZK 117.5 bn as at March 31, 2024.

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

** Does not contain current portion of long-term debt.

*** Cash and cash equivalents and highly liquid financial assets.

Nuclear and mining provisions as of YE 2023



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

	Provision (CZK bn)	Responsibility of:	Cash cover (CZK)
Interim storage of spent nuclear fuel	10.5 bn	CEZ	0.01 bn
Permanent storage of spent nuclear fuel	43.1 bn	State*, costs paid by CEZ	Fee 55 CZK/MWh generated in NPP paid to Nuclear Account**
Nuclear Facility decommissioning	75.0 bn	CEZ	18.1 bn
Mining reclamation	15.3 bn	CEZ (SD***)	6.5 bn
Landfills (ash storage)	0.6 bn	CEZ	0.1 bn
Coal plants dismantling	16.5 bn	CEZ	0.0 bn

* RAWRA - the Radioactive Waste Repository Authority a state organizational institution. Currently 4 potential locations for deep geological repository are examined, approval of the final and backup sites expected till 2028, full operation in 2050.

** State Nuclear Account balance of CZK 40.2 bn as of YE 2023

*** SD – Severočeské doly (a mining company)

Selected historical financials of CEZ Group (CZK)



<i>CZK bn</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	201.8	210.2	203.7	205.1	184.5	206.2	213.7	227.8	288.7	340.6
Sales of electricity	173.8	182.1	174.9	104.1	103.1	110.2	118.7	136.2	165.6	200.2
Sales of services				76.3	59.9	71.4	71.5	67.3	75.4	84.6
Sales of gas, heat and coal and other income	27.9	28.1	28.8	24.7	21.5	24.6	23.5	24.3	47.7	55.8
Operating Expenses	129.3	145.1	145.6	151.2	135	146	148.9	164.6	157.1	215.8
Purchased power and related services	75.8	90.9	59.5	57.4	52.2	55.5	56.3	62.7	69.6	83.2
Fuel and emission rights	12.7	13.1	15.1	16.0	19.1	21.4	23.3	24.6	45.4	40.2
Salaries and wages	18.9	17.8	19.2	22.1	25.6	28.8	30.9	30.6	33.9	37.8
Other	21.9	23.4	51.8	54.5	38.1	40.3	38.4	46.7	8.2	54.6
EBITDA	72.5	65.1	58.1	53.9	49.5	60.2	64.8	63.2	131.6	124.8
<i>EBITDA margin</i>	<i>36%</i>	<i>31%</i>	<i>29%</i>	<i>26%</i>	<i>27%</i>	<i>29%</i>	<i>30%</i>	<i>28%</i>	<i>46%</i>	<i>37%</i>
Depreciation, amortization, impairments	35.7	36.3	32.1	29.5	29.7	33.8	52.2	47.1	29.9	40.3
EBIT	36.9	29.0	26.1	25.6	19.8	26.4	12.6	16.1	101.9	84.5
<i>EBIT margin</i>	<i>18%</i>	<i>14%</i>	<i>13%</i>	<i>12%</i>	<i>11%</i>	<i>13%</i>	<i>6%</i>	<i>7%</i>	<i>35%</i>	<i>25%</i>
Net Income	22.4	20.5	14.6	19	10.5	14.5	5.5	9.9	80.7	29.6
<i>Net income margin</i>	<i>11%</i>	<i>10%</i>	<i>7%</i>	<i>9%</i>	<i>6%</i>	<i>7%</i>	<i>3%</i>	<i>4%</i>	<i>28%</i>	<i>9%</i>
Adjusted net income	29.5	27.7	19.6	20.7	13.1	18.9	22.8	22.3	78.4	34.8
<i>Adjusted net income margin</i>	<i>15%</i>	<i>13%</i>	<i>10%</i>	<i>10%</i>	<i>7%</i>	<i>9%</i>	<i>11%</i>	<i>10%</i>	<i>27%</i>	<i>10%</i>
<i>CZK bn</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Non current assets	497.5	493.1	489.3	487.9	480.4	501.9	471.9	474.4	552.0	540.7
Current assets	130.4	109.6	141.6	136	227	202.7	230.5	708.4	555.4	285.1
- out of that cash and cash equivalents	20.1	13.5	11.2	12.6	7.3	9.8	6.1	26.6	36.6	10.9
Total Assets	627.9	602.7	630.8	623.9	707.4	704.6	702.5	1182.9	1107.4	825.8
Shareholders equity (excl. minority. int.)	261.3	267.9	256.8	250	234.7	250.8	233.9	161.1	258.9	244.1
<i>Return on equity</i>	<i>9%</i>	<i>8%</i>	<i>6%</i>	<i>7%</i>	<i>4%</i>	<i>6%</i>	<i>2%</i>	<i>5%</i>	<i>38%</i>	<i>12%</i>
Interest bearing debt	184.1	157.5	167.8	154.3	161	171.9	151.8	137.9	193.3	168.9
Other liabilities	182.4	177.3	206.2	219.6	311.7	281.9	316.8	883.9	655.2	412.8
Total liabilities	627.9	602.7	630.8	623.9	707.4	704.6	702.5	1182.9	1107.4	825.8

Selected historical financials of CEZ Group (EUR)



<i>EUR M</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	8,407	8,757	8,486	8,544	7,686	8,590	8,903	9,490	12,027	14,189
Sales of electricity	7,240	7,586	7,286	4,337	4,295	4,591	4,945	5,674	6,901	8,340
Sales of services				3,179	2,495	2,975	2,979	2,804	3,140	3,524
Sales of gas, heat and coal and other income	1,162	1,171	1,200	1,029	896	1,025	979	1,012	1,986	2,325
Operating Expenses	5,387	6,045	6,066	6,299	5,624	6,082	6,203	6,857	6,544	8,990
Purchased power and related services	3,158	3,787	2,479	2,391	2,175	2,312	2,345	2,612	2,900	3,466
Fuel and emission rights	529	546	629	667	796	892	971	1,025	1,891	1,675
Salaries and wages	787	742	800	921	1,066	1,200	1,287	1,275	1,412	1,575
Other	912	975	2,158	2,270	1,587	1,679	1,600	1,946	341	2,275
EBITDA	3,020	2,712	2,420	2,245	2,062	2,508	2,700	2,633	5,482	5,199
<i>EBITDA margin</i>	<i>36%</i>	<i>31%</i>	<i>29%</i>	<i>26%</i>	<i>27%</i>	<i>29%</i>	<i>30%</i>	<i>28%</i>	<i>46%</i>	<i>37%</i>
Depreciation, amortization, impairments	1,487	1,512	1,337	1,229	1,237	1,408	2,175	1,962	1,245	1,678
EBIT	1,537	1,208	1,087	1,066	825	1,100	525	671	4,246	3,521
<i>EBIT margin</i>	<i>18%</i>	<i>14%</i>	<i>13%</i>	<i>12%</i>	<i>11%</i>	<i>13%</i>	<i>6%</i>	<i>7%</i>	<i>35%</i>	<i>25%</i>
Net Income	933	854	608	792	437	604	229	412	3,362	1,233
<i>Net income margin</i>	<i>11%</i>	<i>10%</i>	<i>7%</i>	<i>9%</i>	<i>6%</i>	<i>7%</i>	<i>3%</i>	<i>3%</i>	<i>28%</i>	<i>9%</i>
Adjusted net income	1,229	1,154	817	862	546	787	950	929	3,266	1,450
<i>Adjusted net income margin</i>	<i>15%</i>	<i>13%</i>	<i>10%</i>	<i>10%</i>	<i>7%</i>	<i>9%</i>	<i>11%</i>	<i>10%</i>	<i>27%</i>	<i>10%</i>
<i>EUR M</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Non current assets	20,726	20,542	20,384	20,326	20,013	20,909	19,659	19,763	22,996	22,524
Current assets	5,432	4,566	5,899	5,666	9,457	8,444	9,603	29,512	23,137	11,877
- out of that cash and cash equivalents	837	562	467	525	304	408	254	1,108	1,525	454
Total Assets	26,158	25,108	26,279	25,992	29,470	29,353	29,266	49,280	46,133	34,401
Shareholders equity (excl. minority. int.)	10,886	11,161	10,698	10,415	9,778	10,448	9,744	6,711	10,785	10,169
<i>Return on equity</i>	<i>9%</i>	<i>8%</i>	<i>6%</i>	<i>7%</i>	<i>4%</i>	<i>6%</i>	<i>2%</i>	<i>5%</i>	<i>38%</i>	<i>12%</i>
Interest bearing debt	7,670	6,561	6,991	6,428	6,707	7,161	6,324	5,745	8,052	7,037
Other liabilities	7,599	7,386	8,590	9,148	12,985	11,744	13,198	36,823	27,296	17,195
Total liabilities	26,158	25,108	26,279	25,992	29,470	29,353	29,266	49,280	46,133	34,401



CLEAN
ENERGY OF
TOMORROW

Investor Relations Contacts

CEZ, a. s.

Duhova 2/1444

14 053 Praha 4

Czech Republic

www.cez.cz



Barbara Seidlová

Head of Investor Relations

Phone: +420 211 042 529

email: barbara.seidlova@cez.cz



Zdeněk Zábajník

Investor Relations

Phone: +420 211 042 524

email: zdenek.zabojnik@cez.cz