**Internal Information**

## In Q2, ČEZ Group earned CZK 6.9 bn, CZK 33.6 bn in six months

**In Q2, ČEZ's operating profit before depreciation and amortisation (EBITDA) reached CZK 15.6 bn and net profit CZK 6.9 bn. In H1, EBITDA amounted to CZK 59.3 bn. The year-on-year growth of CZK 27.7 bn reflects the enormous increase in commodity prices on wholesale markets, the high operational reliability of power plants, and the record profit from commodity trading. Net profit amounted to CZK 33.6 bn. Besides operating effects, the year-on-year increase of CZK 32.0 bn was caused by the CZK 11.6 bn loss in 2021 due to asset impairment charges. ČEZ Group is boosting its full-year EBITDA outlook to CZK 110 to 115 bn and net profit adjusted for extraordinary effects to CZK 60 to 65 bn.**

Operating income in H1 amounted to CZK 130.5 bn, up by 21% year on year. The unprecedented growth in EBITDA in the PRODUCTION segment was partially offset by the decline in the financial results of the SALES segment which is negatively influenced by the rise of commodity prices. The EBITDA of ČEZ Prodej, the corporation that sells electricity and gas to end customers, was down by CZK 2.2 bn year on year, due to increasing prices of electricity and gas and also due to caring for new customers which ČEZ Prodej took over from suppliers that failed last year.

"Expected net profit for all of 2022 indicates a record dividend for shareholders. If the dividend is set at the top end of the interval determined by the applicable dividend policy, CZK 48 to 52 bn will be dividend among shareholders. For the majority shareholder, the Czech Republic, that would mean an income between CZK 34 and 36 bn. The political discussion over taxes is still an unknow, however," said Chairman of the Management Board and CEO of ČEZ Daniel Beneš, adding: "In the 30 years since the establishment of ČEZ as a joint-stock company, the Czech Republic has gained total value in excess of CZK 1,145 bn. A total of CZK 771 bn in taxes, dividends, donations, and in emission allowances and the country's share in the increase of the value of the company has grown by CZK 374 bn." In the 30 years, $CO_2$ emissions were cut by half, nitrogen emissions to 11%, and $SO_2$ emissions to below 1% of those of 1992.

The current unprecedented geopolitical situation and its impact on the European market amplify the long-term orientation of ČEZ Group towards the greatest possible self-sufficiency, security, and emission-fee sources. In March, a tender for the supplier of a new nuclear source for Dukovany was launched. We chose new suppliers of nuclear fuel for Temelín from 2024 on: Westinghouse and Framatome. We are increasing our stock supply and sources of gas. As at 30 June, we had 3.6 TWh of gas in rented storage facilities in the Czech Republic and for the Administration of State Material Reserves, we purchased 2.4 TWh of gas as strategic stock. Together with the Czech state, we secured a share in the capacity of the LNG terminal in Eemshaven, the Netherlands, for the Czech Republic, amounting to approximately 1/3 of the country's annual gas consumption, as well as transport routes to the Czech Republic. We are temporarily extending the operation of selected sources of coal, e.g., in Dětmarovice through to 2024. Furthermore, we are adhering to the decarbonisation targets to which we committed as part of VIZE 2030, and brough forward the deadline for attaining overall climate neutrality of the ČEZ Group to 2040.

Power generation from existing renewable and nuclear sources in H1 reached 16.8 TWh, having grown by 1% year on year. Generation from coal and steam-gas emission sources reached 10 TWh and was down by 6% year on year, in particular due to lower electricity generation in the Počerady steam-gas power plant by 47%.

"ČEZ – like other large European power producers – faces enormous liquidity requirements in hedging its existing commodity deals. Currently, ČEZ has a total of CZK 89 bn tied up in margin deposits in energy exchanges and with trading counterparties. The cash that ČEZ of obliged to top up due to growth fluctuations in commodity market prices often exceeds EUR 100 mil. per day, which ČEZ must pay by the next day. Currently, a total of CZK 136 bn is available to ČEZ in liquidity funds and in credit lines for covering further market developments. More than one half – EUR 3 bn – are funds from a credit agreement concluded with the Czech Republic. Thus far, ČEZ has drawn EUR 2 bn under the agreement, and the remaining EUR 1 bn can be drawn upon request within 5 days. The purpose of the loan is to cover unexpected jumps in electricity prices and thereby requirements for the supply of cash to exchanges and to trading counterparties to whom ČEZ has undertaken to supply electricity in the future," said Board member and Head of the Finance Division Martin Novák.

Power consumption in the distribution territory of ČEZ Distribuce dropped by 4% year on year, and by 2% adjusted on a climate and calendar basis. Consumption by large corporations dropped by 2%, household consumption was down by 11%, in particular due to the above-average temperatures in Q1 2022 and also thanks to covid-19, because more employees worked from home in 2021.