



# Report on CEZ Group Financial Results for Q1 2023

Nonaudited consolidated results prepared in accordance with International Financial Reporting Standards (IFRS)

May 11, 2023

# Agenda



## Financial Highlights and Selected Events

Generation and Mining

Distribution and Sales

# Q1 results, full-year outlook, and dividend proposal



| (CZK bn)             | Q1 2022 | Q1 2023 | Difference | %     |
|----------------------|---------|---------|------------|-------|
| Operating Revenues   | 76.0    | 93.4    | +17.4      | +23%  |
| EBITDA               | 43.7    | 32.5    | -11.1      | -26%  |
| EBIT                 | 36.2    | 24.3    | -11.9      | -33%  |
| Net income           | 26.7    | 10.8    | -15.9      | -59%  |
| Adjusted net income* | 26.7    | 10.8    | -15.9      | -60%  |
| Operating cash flow  | 33.5    | 79.1    | +45.6      | +136% |
| CAPEX                | 4.7     | 6.8     | +2.1       | +45%  |

## Financial outlook for the full year 2023

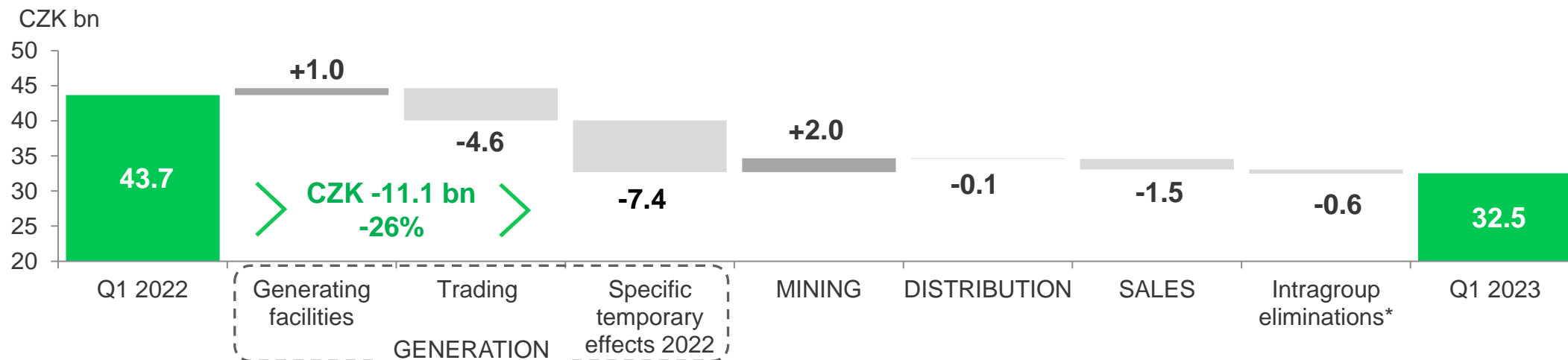
- EBITDA is expected at CZK 105–115 bn.
- Net income adjusted for extraordinary effects is estimated at CZK 33–37 bn.

## Date of the Annual Shareholders' Meeting and Dividend Proposal of the Board of Directors

- The Shareholders' Meeting of ČEZ, a. s., will be held on June 26, 2023 in Prague, Czech Rep.
- The Board of Directors approved the dividend proposal of CZK 117 per share.

\* 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).

# Main causes of year-on-year change in EBITDA



## GENERATION Segment—Generating facilities (CZK +1.0 bn):

- Higher gross margin on generation in the Czech Rep. as a result of higher realized electricity prices and higher purchase prices of emission allowances and gas (CZK +11.2 bn)
- Levy on excess revenues from generation in the Czech Rep. in Q1 2023 (CZK -10.3 bn)
- Higher availability of the Dukovany nuclear power plant (CZK +1.1 bn), lower ancillary services and regulatory energy (CZK -0.4 bn), higher fixed expenses (CZK -0.6 bn)

## GENERATION Segment—Trading (CZK -4.6 bn):

- Lower trading prop margin (CZK -1.5 bn): In Q1 2023 it reached CZK +3.6 bn, while exceptionally high income in Q1 2022 was CZK +5.1 bn.
- Part of the achieved trading margin will be reflected in the income or loss in the year of delivery, i. e. in 2024+ (-1.0)
- Other sales and consolidation effects (-2.1), in particular the effect of revaluation of derivative contracts hedging generation and sales positions for the next periods

## Specific temporary 2022 effects (CZK -7.4 bn):

- Income from sale of emission allowances for generation due to risk committee decision to strengthen liquidity to cover margining risks on exchanges (-4.3)
- Other specific temporary Q1 2022 effects (-3.1) mainly revaluation of hedging commodity contracts for generation

## MINING Segment (CZK +2.0 bn):

- Higher revenues from coal supplies to CEZ Group (CZK +1.5 bn) and higher external revenues (CZK +0.9 bn), higher fixed expenses (CZK -0.4 bn), especially for energies

## SALES Segment (CZK -1.5 bn):

- Lower margin on commodity sales (CZK -1.8 bn) due to the significant impact of seasonal factors and higher expenses on purchases to cover fluctuations in electricity consumption by customers within the retail company ČEZ Prodej (partially offset by higher margin in the B2B segment).
- Higher margin on energy services and sales of non-commodity products (CZK +0.3 bn)

# Main Causes of Year-On-Year Change in Net Income



| (CZK bn)                      | Q1 2022 | Q1 2023 | Difference | %     |
|-------------------------------|---------|---------|------------|-------|
| EBITDA                        | 43.7    | 32.5    | -11.1      | -26%  |
| Depreciation and amortization | -7.6    | -8.4    | -0.8       | -10%  |
| Asset impairments*            | 0.1     | 0.1     | +0.1       | +97%  |
| Other income (expenses)       | -2.8    | 0.1     | +2.9       | -     |
| Net interest expense          | -0.5    | -0.3    | +0.2       | +37%  |
| Other                         | -2.2    | 0.4     | +2.7       | -     |
| Income taxes                  | -6.7    | -13.6   | -6.9       | -103% |
| Net income                    | 26.7    | 10.8    | -15.9      | -59%  |
| Adjusted net income           | 26.7    | 10.8    | -15.9      | -60%  |

## Depreciation and Amortization (CZK -0.8 bn)

- Increase in depreciation of ČEZ coal-fired power plants (CZK -0.3 bn) and Energotrans (CZK -0.1 bn) due to update of provisions for post-operational expenses
- Increase in depreciation of nuclear power plants (CZK -0.2 bn) due to update of provisions for post-operational expenses
- Higher depreciation of ČEZ Distribuce (CZK -0.2 bn)

## Other Income and Expenses (CZK +2.9 bn)

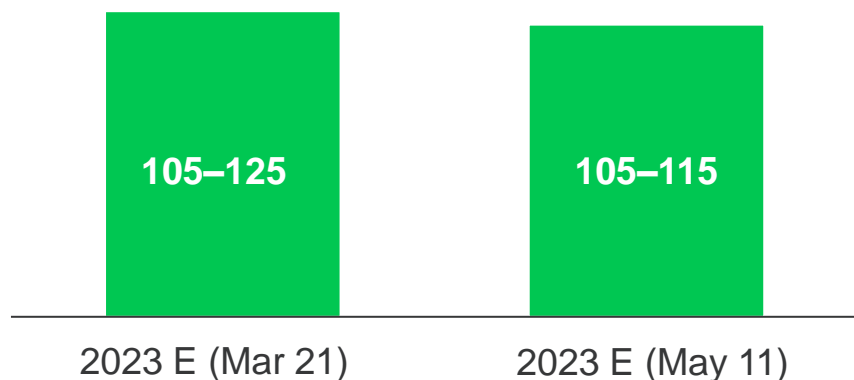
- Effect of higher interest rates on the balance of interest expenses and income (CZK +0.2 bn)
- Higher interest on nuclear and other reserves (CZK -1.2 bn) due to increasing interest rates
- Exchange rate effects on revaluation of ČEZ margin deposits on exchanges and with trading counterparties (CZK +1.3 bn)
- Hedging of ČEZ ESCO's currency risks (CZK +0.6 bn)
- Other exchange rate effects and revaluation of financial derivatives (CZK +2.0 bn)

# Financial Outlook for 2023:

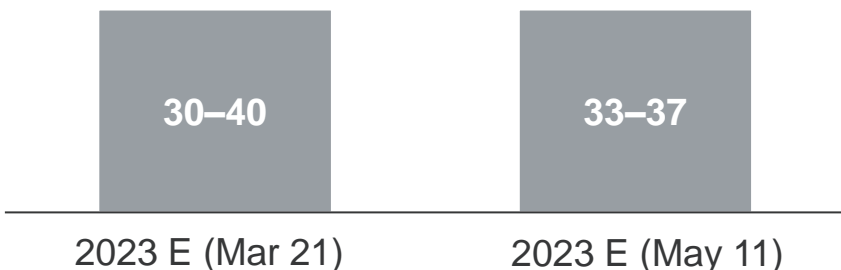
EBITDA CZK 105–115 bn, adjusted net income CZK 33–37 bn



## EBITDA (CZK bn)



## Adjusted Net Income (CZK bn)



## Selected Reasons for the Revision of the Financial Outlook as Compared to the Forecast of Mar 21, 2023

- Decrease in the expected realized price of electricity generated in the Czech Rep. due to a significant decrease in market electricity prices
- + Decrease in levy on generation revenues above price caps
- + Decrease in windfall tax

## Selected Generation Assumptions of the Current Forecast

- Total electricity supply in the Czech Rep. 43 to 45 TWh
- Open position of ~10% of electricity supply from generation in the Czech Rep.
- Average realized price of electricity generated in Czech Rep. EUR 120 to 140/MWh

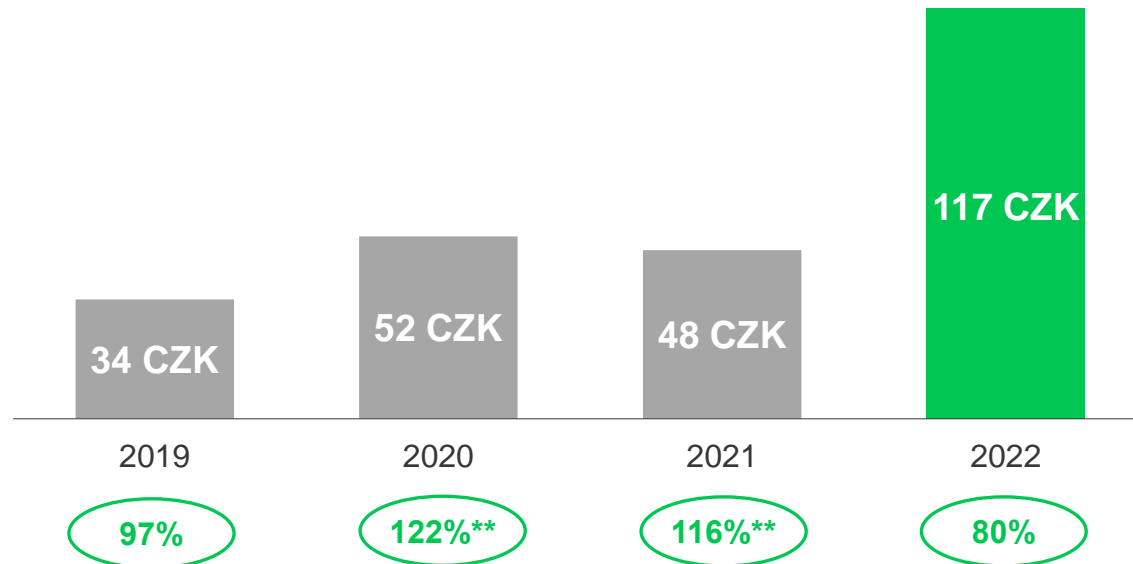
## Selected Prediction Risks and Opportunities

- Availability of generating facilities
- Realization prices of generated electricity
- Gain from commodity trading and revaluation of derivatives

# The ČEZ Board of Directors approved the proposal for the highest dividend in the Company's history: CZK 117 per share



## Dividend per Share (CZK)\* and Payout Ratio (%)



- The proposal is in line with the company's current dividend policy (payout ratio 60-80%).
- The proposal corresponds to 80% of CEZ Group's consolidated net income in 2022 adjusted for extraordinary effects

\* The values on the graph correspond to dividends from the year's income (paid according to the decision of the Shareholders' Meeting on the distribution of income in the following year).

\*\* 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 (beyond the 100% payout ratio) reflected the contribution of the sale of Romanian (2020) and Bulgarian (2021) assets to CEZ Group's debt capacity.

# Agenda



Financial Highlights and Selected Events



Generation and Mining

Distribution and Sales



# GENERATION Segment EBITDA



| EBITDA (CZK bn)*                    | Q1 2022**   | Q1 2023     | Difference   | %           |
|-------------------------------------|-------------|-------------|--------------|-------------|
| Zero-emission Generation facilities | 16.2        | 13.7        | -2.5         | -16%        |
| Of which: Nuclear                   | 13.0        | 11.1        | -1.8         | -14%        |
| Renewable                           | 3.2         | 2.7         | -0.6         | -18%        |
| Fossil-fuel Generation Facilities   | 7.8         | 11.2        | +3.4         | +43%        |
| Trading                             | 5.4         | 0.8         | -4.6         | -86%        |
| Specific temporary 2022 effects     | 7.4         | -           | -7.4         | -           |
| <b>Total GENERATION Segment</b>     | <b>36.7</b> | <b>25.8</b> | <b>-10.9</b> | <b>-30%</b> |

## Nuclear facilities (CZK -1.8 bn):

- Trade effects (-2.5): price effects (+7.6), levy on excess revenues in Q1 2023 (-10.1)
- Operating effects (+0.7): operating availability of the Dukovany NPP (+1.1), other effects (-0.5), mainly higher fixed expenses

## Renewables (CZK -0.6 bn):

- Trade effects (-0.6): price effect (+0.1), ancillary services and regulatory energy (-0.5), levy on excess revenues for Q1 2023 (-0.2)
- Operating effects (+0.1): hydroelectric plants in the Czech Rep. (+0.2), photovoltaic plants in the Czech Rep. (-0.1)

## Fossil-fuel facilities (CZK +3.4 bn):

- Trade effects in the Czech Rep. (+3.8): price effect (+3.5), ancillary services (+0.1), heat sales (+0.2), on-site trade (+0.3), other services and deviations (-0.3)
- Operating effects in the Czech Rep. (-0.4): operating availability of the generating facilities (-0.3), other effects (-0.1), mainly higher fixed expenses
- Poland (+0.1) mainly higher revenues from heat sales

## Trading (CZK -4.6 bn):

- Lower trading prop margin (-1.5): In Q1 2023 reached CZK +3.6 bn, while in Q1 2022 it amounted to an extraordinary value of CZK +5.1 bn
- Part of the achieved trading margin will be reflected in the income or loss in the year of delivery, i. e. in 2024+ (-1.0)
- Other sales and consolidation effects (-2.1), in particular the effect of revaluation of derivative contracts hedging generation and sales positions for the next periods

## Specific temporary 2022 effects (CZK -7.4 bn):

- Income from sale of emission allowances for generation due to risk committee decision to strengthen liquidity to cover margining risks on exchanges (-4.3)
- Other effects (-3.1) mainly revaluation of hedging commodity contracts for generation

\* The breakdown 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 expenses of the central divisions of ČEZ) and simplified consolidation with other companies.

\*\* The historical allocation of EBITDA between the sub-segments is always reported in accordance with the current methodology for allocation of EBITDA between the sub-segments for comparability.

# MINING Segment EBITDA

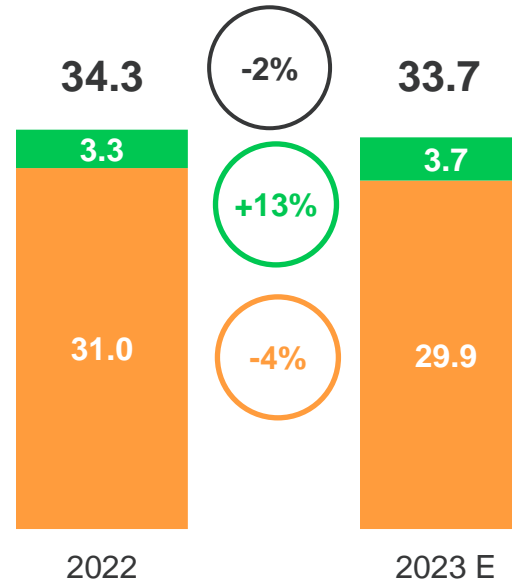
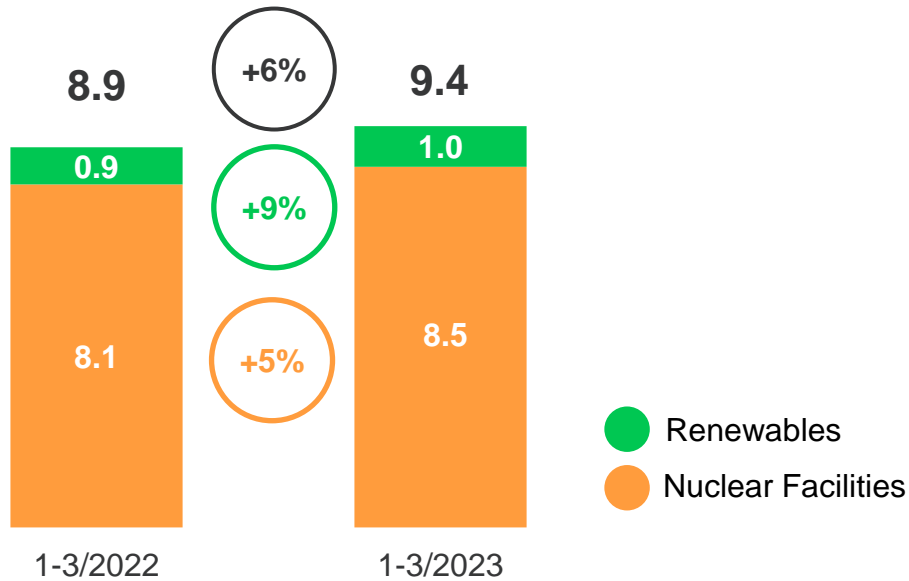


| <b>EBITDA (CZK bn)</b> | <b>Q1 2022</b> | <b>Q1 2023</b> | <b>Difference</b> | <b>%</b> |
|------------------------|----------------|----------------|-------------------|----------|
| Czech Rep.             | 1.9            | 3.9            | +2.0              | +102%    |

- Higher revenues from coal supplies to CEZ Group mainly due to price increase (CZK +1.5 bn)
- Higher external sales mainly due to price increase (CZK +0.9 bn)
- Higher fixed expenses (CZK -0.4 bn), mainly energy expenses

| <b>Mining volume (m tons)</b> | <b>Q1 2022</b> | <b>Q1 2023</b> | <b>Difference</b> | <b>%</b> |
|-------------------------------|----------------|----------------|-------------------|----------|
| Czech Rep.                    | 4.9            | 4.5            | -0.4              | -8%      |

# Nuclear and renewable generation (TWh)



## Renewables (+9%) hydro, wind, solar, biomass, biogas

Czech Rep. hydro (+17%)

- + Better-than-average hydrological conditions
- Lower utilization of pumped-storage hydroelectric power plants

Czech Rep. biomass (-31%)

- Effect of unfavorable market conditions

Germany—Wind (+21%)

- + Better-than-average weather conditions

## Nuclear plants (+5%)

- + Shorter outages at the Dukovany NPP

## Renewables (+13%)

Czech Rep. hydro (+21%)

- + Impact of market conditions on the use of water resources
- + Better-than-average hydrological conditions in Q1

Czech Rep. biomass (-13%)

- Effect of unfavorable market conditions

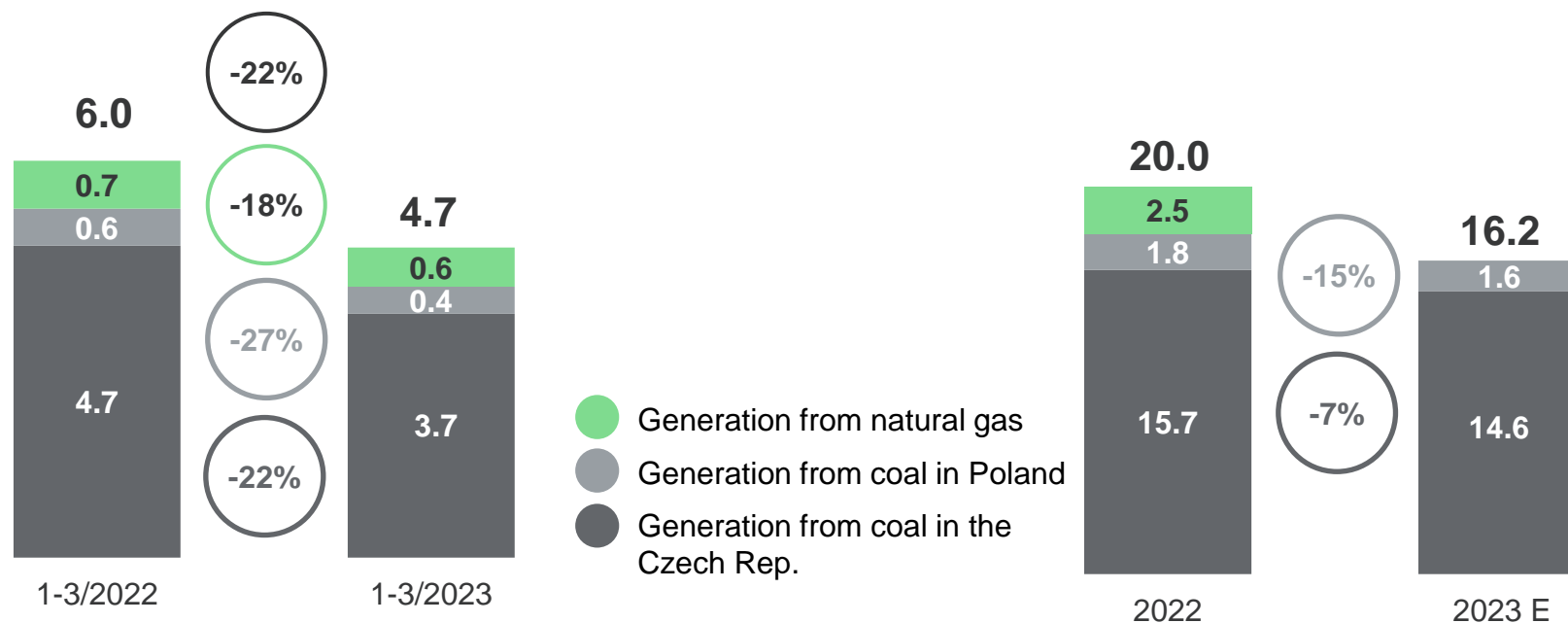
Germany—Wind (21%)

- + Worse-than-average weather conditions in 2022

## Nuclear plants (-4%)

- Longer scheduled outages of both power plants

# Electricity generation from coal and natural gas (TWh)



## Coal-fired generation in the Czech Rep. (-22%)

- Lower dispatch reflecting market conditions

## Coal-fired generation in Poland (-27%)

- Impact of unfavorable market conditions

## Natural gas-fired generation (-18%)

- Lower generation at Počerady 2 due to commodity and emission allowance prices

## Coal-fired generation in the Czech Rep. (-7%)

- Lower dispatch reflecting market conditions
- Longer outages at the Pruněřov 2 power plant
- + Shorter outages at the Ledvice 4 and Tušimice 2 power plants

## Coal-fired generation in Poland (-15%)

- Impact of unfavorable market conditions

The forecast of expected fossil-fuel generation for 2023 does not include the actual expected generation from the CCGT plant given the high volatility of market prices for electricity, gas, and emission allowances, and thus the highly volatile expected power plant dispatch.

# Emissions of CO<sub>2</sub>, SO<sub>2</sub>, and NO<sub>x</sub> from electricity and heat generation have decreased year-on-year



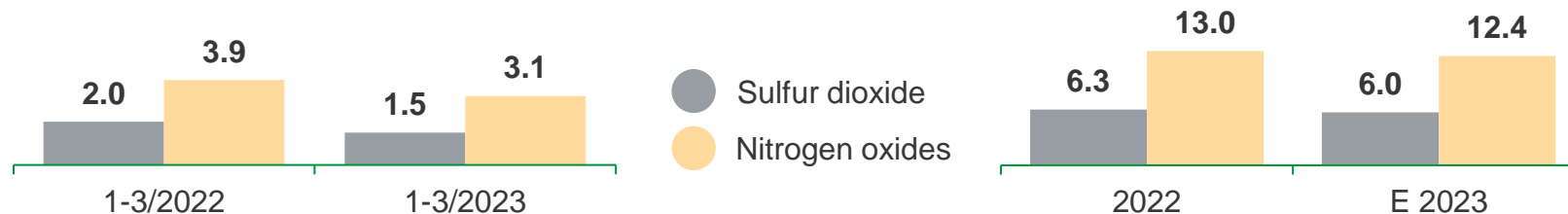
## CO<sub>2</sub>e emission intensity of electricity and heat generation (t CO<sub>2</sub>e/MWh)



Expected CEZ Group's emission intensity for electricity and heat generation for 2023 of 0.28 t CO<sub>2</sub>e/MWh corresponds to:

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

## Sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>) (thousand tons)



In Q1 2023:

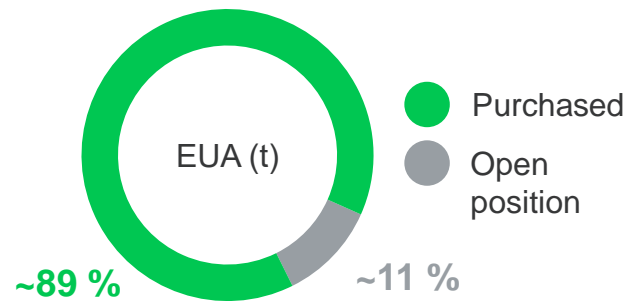
- SO<sub>2</sub> emissions were 1.5 thousand tons and decreased by 25% year-on-year.
- NO<sub>x</sub> emissions were 3.1 thousand tons and decreased by 19% year-on-year.

The CO<sub>2</sub>e indicator corresponds to emissions as defined in "SCOPE 1 of the GHG Protocol". In CEZ Group's conditions, these are emissions related to the combustion of fossil fuels in the generation of electricity and heat (CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O emissions) and CO<sub>2</sub> emissions from transport. The indicator also includes CH<sub>4</sub> and N<sub>2</sub>O emissions from biomass combustion, CH<sub>4</sub> emissions from coal mining, and HFC, PFC, and SF<sub>6</sub> emissions from air conditioning and other equipment.

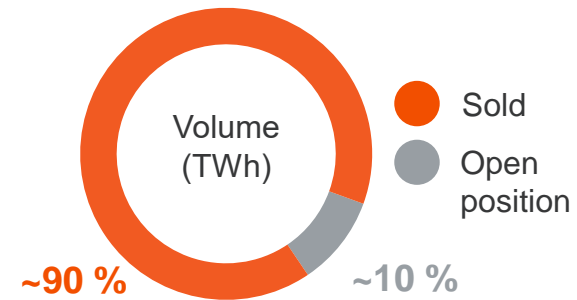
# Status of selected price risk hedges of the generation margin in the Czech Rep.\* and estimated 2023 generation realized price



## Emission allowances—status of generation hedging in the Czech Rep.\* for 2023 (as of Mar 31)



## Electricity—share of hedged deliveries from generation in the Czech Rep.\* for 2023 (as of Mar 31)



### Emission allowances—generation cost hedging status as of Mar 31

- 13.8 mil tons contracted at an average purchase price of ~EUR 57/t
- Open position assumption ~1.7 mil tons

### Emission allowances—estimated purchase price in 2023 as of May 11\*\*

- 100% of the estimated purchases of emission allowances for the Czech Rep.\* are ~15.5 mil tons
- Average estimated purchase price\*\* exceeds 60 EUR/MWh

### Electricity—status of securing generation revenues as of Mar 31

- 40.7 TWh sold at an average realized price of ~123 EUR/MWh
- Open position assumption of ~4.6 TWh

### Electricity—estimated realized price from generation in 2023 as of May 11\*\*

- 100% of the expected electricity supply of the Czech Rep.\* corresponds to 43–45 TWh
- Average estimated realized price\*\* is 120–140 EUR/MWh

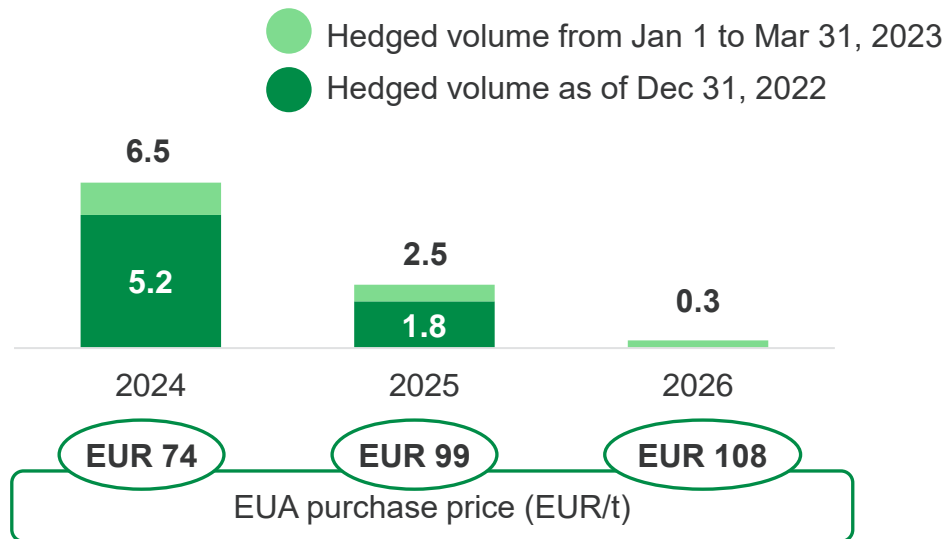
\* Generation in ČEZ and Energotrans (the Dětmarovice power plant is part of ČEZ, a. s., after the merger as of January 1, 2023).

\*\* This is the result of hedging transactions and the current market valuation of electricity not yet sold and of emission allowances not acquired for expected generation in 2023. Some of the hedging contracts for the sale of electricity (mainly from gas and some coal-fired sources) and the purchase of emission allowances, are continuously revalued in P/L statement due to uncertain final deliveries.

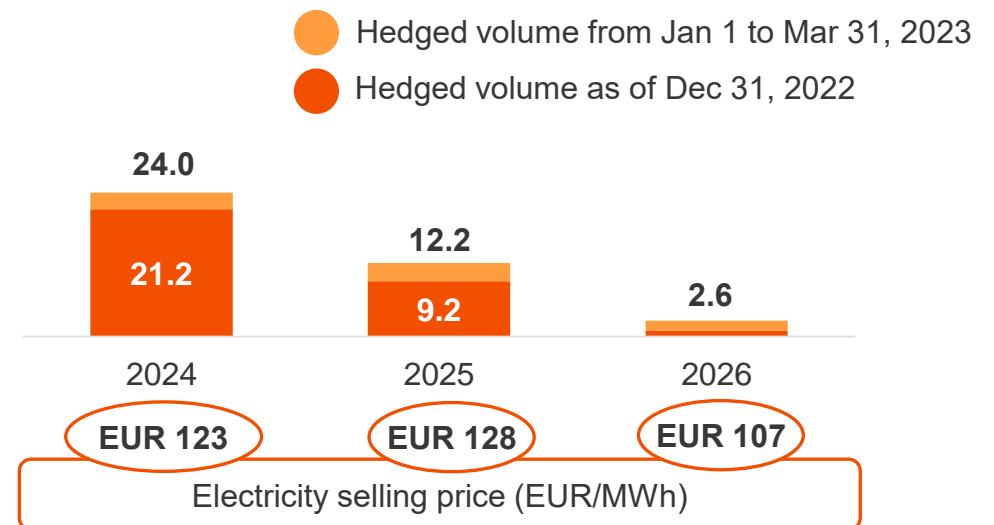
# Hedging the market risks of generation in the Czechia for 2024–2026, Status as of Mar 31, 2023



## Contracted emission allowances\* in mil t



## Electricity sold in TWh



Proportion of hedged net electricity generation  
(100% of estimated external deliveries is 39 to 46 TWh)

| Year  | 2024 | 2025 | 2026 |
|---|------|------|------|
| Proportion of hedged net electricity generation | 53%  | 29%  | 7%   |

# Agenda



Financial Highlights and Selected Events

Generation and Mining



Distribution and Sales





# EBITDA of the DISTRIBUTION segment and the volume of electricity distributed in the territory of ČEZ Distribuce

| EBITDA (CZK bn) | Q1 2022 | Q1 2023 | Difference | %   |
|-----------------|---------|---------|------------|-----|
| Czech Rep.      | 5.2     | 5.1     | -0.1       | -2% |

- Lower gross margin from electricity distribution (CZK -0.2 bn) mainly due to lower volume of distributed electricity reflecting mainly the reduction in customer consumption due to high commodity prices
- Higher revenue from activities to ensure input power and connection (CZK +0.2 bn)
- Higher fixed operating expenses (CZK -0.1 bn)

## Electricity distribution (TWh)



## Climate- and calendar-adjusted electricity consumption decreased by 5% year-on-year from 10.2 TWh to 9.7 TWh

- The volume of electricity distributed corresponds to the total electricity consumption in the ČEZ Distribuce area. The company's distribution area covers around 66% of the Czech Rep.'s territory, so the data are a good indicator of total nationwide electricity consumption trends.
- The recalculated consumption is based on the internal model and volume of electricity distributed by ČEZ Distribuce.

# SALES segment EBITDA



| EBITDA (CZK bn)                              | Q1 2022     | Q1 2023     | Difference  | %               |
|--|-------------|-------------|-------------|-----------------|
| Retail segment—ČEZ Prodej                    | -0.2        | -3.4        | -3.2        | >200%           |
| B2B segment—ESCO companies:                  | -0.3        | 1.5         | +1.8        | -               |
| Energy Services—Czech Rep. and Slovakia      | 0.2         | 0.4         | +0.2        | +136%           |
| Energy Services—Germany and other countries* | 0.2         | 0.2         | +0.0        | +15%            |
| Commodity Sales—Czech Rep.                   | -0.7        | 0.8         | +1.5        | -               |
| B2B segment—Other activities**               | 0.4         | 0.3         | -0.1        | -17%            |
| <b>Total SALES Segment</b>                   | <b>-0.1</b> | <b>-1.6</b> | <b>-1.5</b> | <b>&gt;200%</b> |

## Retail segment—ČEZ Prodej (CZK -3.2 bn):

- Lower gross margin on electricity sales (CZK -2.9 bn) due to the significant impact of temporary seasonal factors\*\*\* and higher expenses on purchases to cover fluctuations in customer consumption. The negative effect on Q1 will be offset during the year.
- Lower gross margin on natural gas sales (CZK -0.4 bn) due to the significant impact of temporary seasonal factors\*\*\*
- Refund of interest in 2022 due to litigation with the Railways Administration regarding electricity supply in 2011 (CZK -0.2 bn)
- Increase in the number of installed photovoltaic power plants and heat pumps (CZK +0.1 bn)

## B2B segment—ESCO companies (CZK +1.8 bn):

Energy services—Czech Rep. and Slovakia (CZK +0.2 bn): mainly higher gross margin of ČEZ Energo due to lower gas purchase expenses

Commodity sales in the Czech Rep. (CZK +1.5 bn):

- Higher gross margin on contractual purchases from RES sources (CZK +0.7 bn)
- Higher gross margin on sales of electricity and gas to end-use customers (CZK +0.3 bn)
- Positive effect of the application of hedge accounting to hedge the exchange rate risk of ČEZ ESCO's electricity and gas sales revenues from Q2 2022 (CZK +0.5 bn). Previously, the effects of hedging foreign exchange risk were reflected outside EBITDA.

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

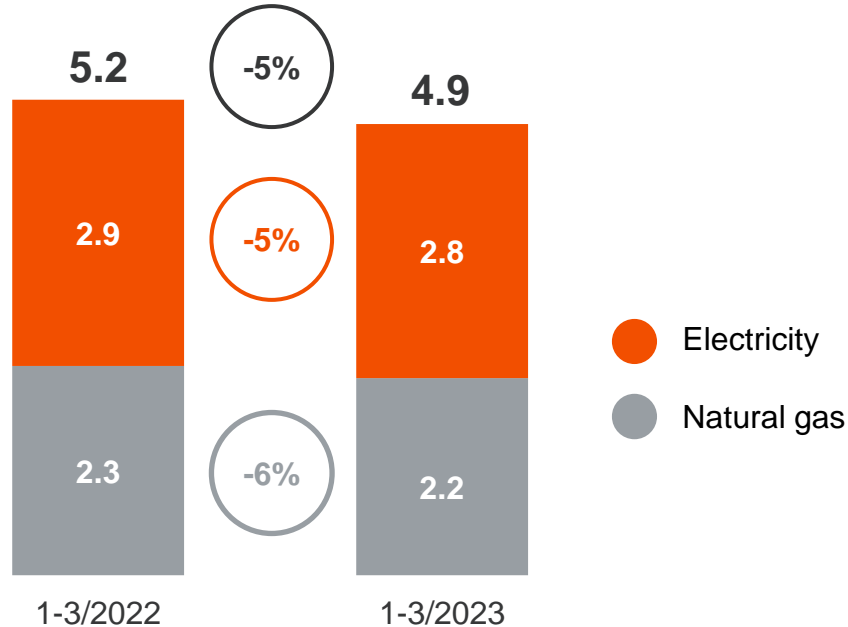
\*\* Mainly telecommunications companies, ČEZ Teplárenská, and other companies in the Sales segment

\*\*\* Prices for final 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. High commodity prices in 2023 make this factor even more important. For the full year 2023, a positive result is estimated for the retail segment or for ČEZ Prodej.

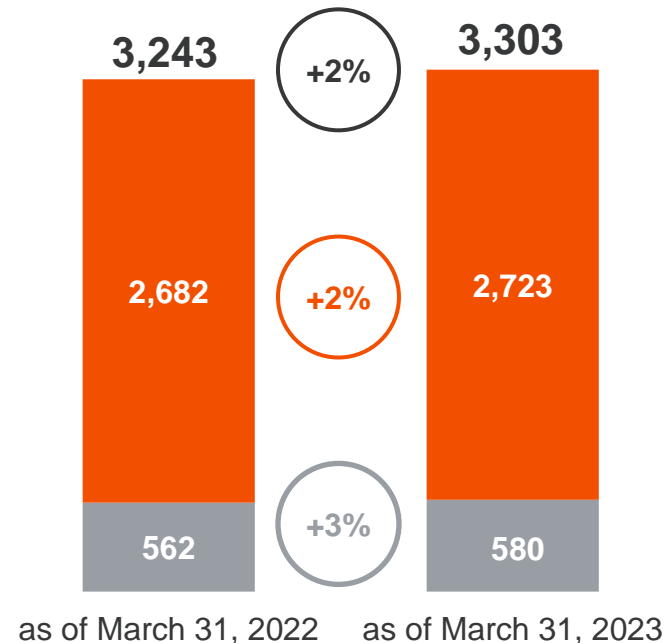
# Volume of electricity and gas sold; the number of customers Czech Rep.—Retail



**Total electricity and natural gas supply decreased by 5% year-on-year (TWh)**

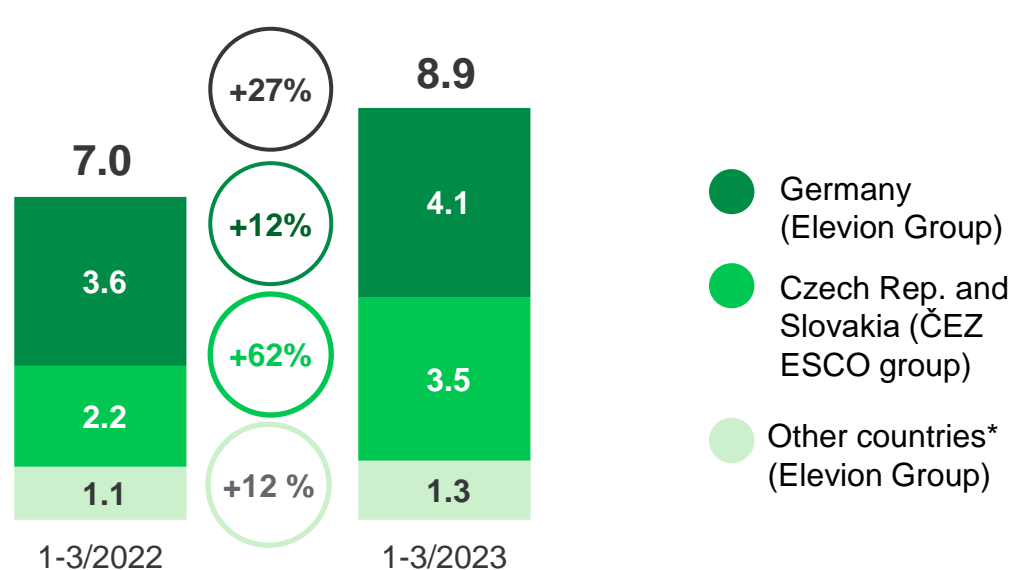


**The number of customers increased by 2% year-on-year (service points in thousands)**



- Year-on-year lower commodity supplies are due to a decrease in customer consumption. Firstly, due to the weather, with Q1 2023 being significantly warmer than 2022, and secondly, savings in customer consumption due to high commodity prices.
- The year-on-year increase of the customer portfolio confirms ČEZ Prodej's position as a reliable supplier.

# Revenues from the sale of energy services (CZK bn)



## Germany—Elevion Group (+12%)

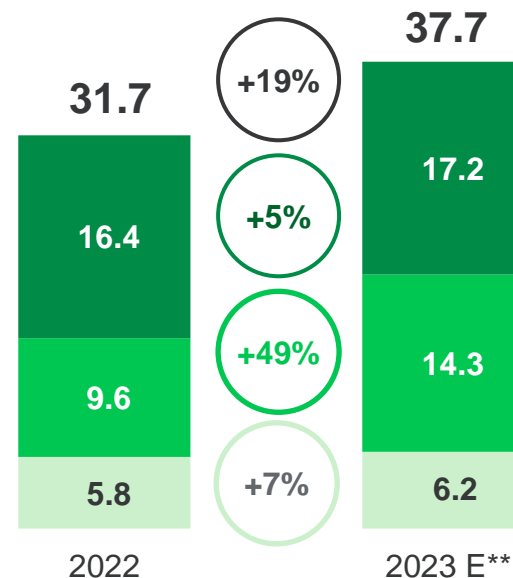
+ Organic increase +12% (+15% adjusted for exchange rate effects)

## Czech Rep. and Slovakia—ČEZ ESCO group (+62%)

+ Organic increase +61%

## Other countries\*—Elevion Group (+12%)

+ Organic increase (mainly Poland, Romania)



## Germany—Elevion Group (+5%)

+ Organic increase +5% (+10% adjusted for exchange rate effects)

## Czech Rep. and Slovakia—ČEZ ESCO group (+49%)

+ Organic increase (+48%)—mainly increase in commodity prices (+17%) and higher volume of cleanroom services provided by EP Rožnov Group (+10%)

\* Poland, Italy, and other countries where ESCO activities are managed by Elevion.

\*\* Forecast of revenues from the service sale of existing companies.



## > Selected events and economic results

- Selected Events in the Past Quarter
- Total operating results
- Operating revenues by segment and country
- EBITDA by segment and country
- Expected year-on-year change in EBITDA by segment
- Estimated taxes to the Czech state in 2023

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

- Investments in fixed assets (CAPEX)
- Credit frameworks and debt structure
- Change in net debt (cash flow)
- Hedging against currency and commodity risks in generation in the Czech Rep.

## Market Developments, Electricity Procured and Sold, and Other Information

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

# Selected Events in the Past Quarter



## Strengthening the energy security of the Czech Rep.

- Nuclear fuel for the Dukovany Nuclear Power Plant was secured from non-Russian suppliers.
- Contract with Westinghouse was signed for supplies from 2024.

## Development of renewables

- Czech Rep.: On April 11, 2023, the provision of investment subsidies from the ModF RES+ Call No. 2/2022 was approved for 24 CEZ Group applications (out of 44 submitted) for a total installed capacity of 728 MWp with a combined subsidy allocation of CZK 3.1 bn, representing ~56% of the amount allocated under the call.
- France: On April 1, 2023, the first CEZ Group wind park in France was put into commercial operation. This is the Aschères wind park (12 MW, 4 turbines).

## New energy

- CEZ Group, through Inven Capital, has received an additional EUR 50 mil from the EIB for co-investments in climate-friendly start-ups.
- A record number of new photovoltaic plants were connected to the distribution grid of ČEZ Distribuce—over 15,000 installations.

## Development of e-mobility in the Czech Rep.

- The 500th charging station in the Czech Rep. was put into operation.
- The largest charging hub in the Czech Rep.—50 charging points (POP Airport shopping mall in Prague)—was put into operation.
- The most powerful charging station in the Czech Rep.—360 kW—was put into operation (Mladá Boleslav).

## ČEZ Academy—educational webinar for ČEZ Prodej customers was launched

- The website <https://www.cez Akademie.cz/> was launched to provide customers with expert know-how and guidance on selected situations, e.g. helping the relatives with energy, insulation, windows, and shading, or using photovoltaics, heat pumps, and condensing boilers.

## Sustainability and ESG

- We were the first Czech company to publish an analysis of our own business in different climate scenarios, as recommended by the international Task Force on Climate-Related Financial Disclosures (TCFD).
- We have launched a modern ESG data library with more than 700 indicators and nonfinancial data for the last three years, allowing the public direct interactive access to CEZ Group's ESG data.
- Kateřina Bohuslavová, CEZ Group's ESG Director, won first place in the prestigious international competition “Women in Governance, Risk, and Compliance Awards” in the “ESG Officer of the Year” category.

# Overall operating results and selected information



|                            |     | Q1 2022 | Q1 2023 | Difference | %   |
|----------------------------|-----|---------|---------|------------|-----|
| Electricity generation     | TWh | 14.9    | 14.1    | -0.8       | -5% |
| of which in the Czech Rep. | TWh | 14.2    | 13.5    | -0.7       | -5% |
| Sales of heat              | TWh | 2.8     | 2.6     | -0.2       | -7% |
| of which in the Czech Rep. | TWh | 2.0     | 1.9     | -0.1       | -6% |

|                            |     | Q1 2022 | Q1 2023 | Difference | %    |
|----------------------------|-----|---------|---------|------------|------|
| Electricity Sales          | TWh | 6.4     | 6.7     | +0.4       | +6%  |
| of which in the Czech Rep. | TWh | 6.0     | 6.2     | +0.2       | +3%  |
| Gas sold                   | TWh | 3.4     | 4.5     | +1.2       | +34% |
| Electricity distribution   | TWh | 9.9     | 9.5     | -0.4       | -4%  |
| Gas distribution           | TWh | 0.2     | 0.2     | +0.0       | +18% |

|                            |                      | As of Mar 31, 2022 | As of Mar 31, 2023 | Difference | %   |
|----------------------------|----------------------|--------------------|--------------------|------------|-----|
| Installed capacity         | GW                   | 11.8               | 11.8               | +0.0       | +0% |
| of which in the Czech Rep. | GW                   | 11.1               | 11.1               | -0.0       | -0% |
| Workforce headcount        | thousands of persons | 27.7               | 29.1               | +1.4       | +5% |
| of which in the Czech Rep. | thousands of persons | 22.7               | 24.2               | +1.5       | +6% |

# Operating revenues by segment and country

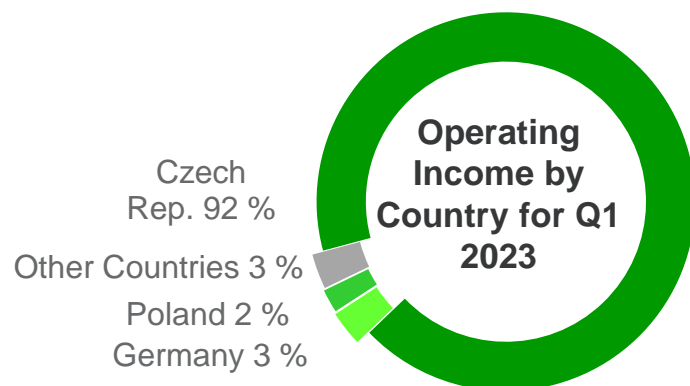


| GENERATION (CZK bn)     | Q1 2022     | Q1 2023     | Difference   | %           |
|-------------------------|-------------|-------------|--------------|-------------|
| Czech Rep.              | 57.0        | 72.2        | +15.2        | +27%        |
| Germany                 | 0.3         | 0.2         | -0.0         | -12%        |
| Poland                  | 1.8         | 2.7         | +0.9         | +51%        |
| Other Countries         | 1.8         | 3.4         | +1.6         | +91%        |
| Intragroup eliminations | -1.3        | -2.0        |              |             |
| <b>Total</b>            | <b>59.5</b> | <b>76.5</b> | <b>+17.0</b> | <b>+29%</b> |

| SALES (CZK bn)          | Q1 2022     | Q1 2023     | Difference   | %           |
|-------------------------|-------------|-------------|--------------|-------------|
| Czech Rep.              | 30.7        | 57.0        | +26.2        | +85%        |
| Germany                 | 3.7         | 4.1         | +0.4         | +12%        |
| Poland                  | 0.6         | 0.7         | +0.1         | +23%        |
| Other Countries         | 1.0         | 1.3         | +0.4         | +37%        |
| Intragroup eliminations | 0.0         | 0.0         |              |             |
| <b>Total</b>            | <b>35.9</b> | <b>63.1</b> | <b>+27.1</b> | <b>+75%</b> |

| MINING (CZK bn) | Q1 2022 | Q1 2023 | Difference | %    |
|-----------------|---------|---------|------------|------|
| Czech Rep.      | 3.4     | 6.0     | +2.5       | +74% |

| DISTRIBUTION (CZK bn) | Q1 2022 | Q1 2023 | Difference | %   |
|-----------------------|---------|---------|------------|-----|
| Czech Rep.            | 9.5     | 9.6     | +0.1       | +1% |



| Operating revenues (CZK bn) | Q1 2023     | Share       |
|-----------------------------|-------------|-------------|
| GENERATION                  | 76.5        | 49%         |
| MINING                      | 6.0         | 4%          |
| DISTRIBUTION                | 9.6         | 6%          |
| SALES                       | 63.1        | 41%         |
| Intragroup eliminations     | -61.8       |             |
| <b>Total</b>                | <b>93.4</b> | <b>100%</b> |



# EBITDA by segment and country



| GENERATION (CZK bn)     | Q1 2022     | Q1 2023     | Difference   | %           |
|-------------------------|-------------|-------------|--------------|-------------|
| Czech Rep.              | 36.4        | 25.4        | -10.9        | -30%        |
| Germany                 | 0.2         | 0.2         | -0.0         | -14%        |
| Poland                  | 0.1         | 0.1         | +0.1         | +67%        |
| Other Countries         | -0.0        | -0.0        | -0.0         | <-200%      |
| Intragroup eliminations | 0.0         | 0.0         |              |             |
| <b>Total</b>            | <b>36.7</b> | <b>25.8</b> | <b>-10.9</b> | <b>-30%</b> |

| SALES (CZK bn)          | Q1 2022     | Q1 2023     | Difference  | %               |
|-------------------------|-------------|-------------|-------------|-----------------|
| Czech Rep.              | -0.3        | -1.9        | -1.6        | >200%           |
| Germany                 | 0.2         | 0.2         | +0.0        | +5%             |
| Poland                  | 0.0         | 0.1         | +0.1        | >200%           |
| Other Countries         | 0.1         | 0.1         | +0.0        | +53%            |
| Intragroup eliminations | -0.0        | -0.0        |             |                 |
| <b>Total</b>            | <b>-0.1</b> | <b>-1.6</b> | <b>-1.5</b> | <b>&gt;200%</b> |

| MINING (CZK bn) | Q1 2022 | Q1 2023 | Difference | %     |
|-----------------|---------|---------|------------|-------|
| Czech Rep.      | 1.9     | 3.9     | +2.0       | +102% |

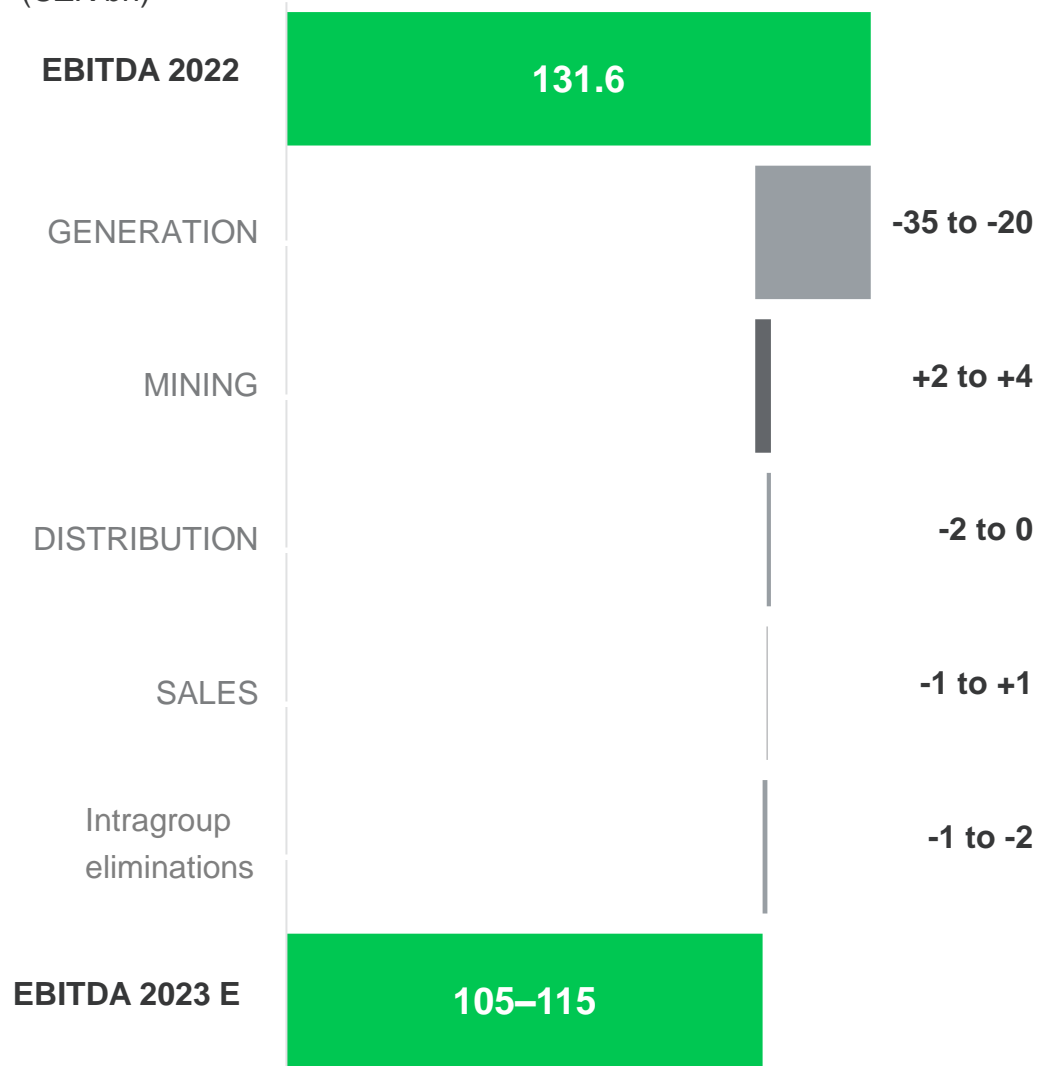
| DISTRIBUTION (CZK bn) | Q1 2022 | Q1 2023 | Difference | %   |
|-----------------------|---------|---------|------------|-----|
| Czech Rep.            | 5.2     | 5.1     | -0.1       | -2% |

| EBITDA (CZK bn)         | Q1 2023     | Share       |
|-------------------------|-------------|-------------|
| GENERATION              | 25.8        | 78%         |
| MINING                  | 3.9         | 12%         |
| DISTRIBUTION            | 5.1         | 15%         |
| SALES                   | -1.6        | -5%         |
| Intragroup eliminations | -0.6        |             |
| <b>Total</b>            | <b>32.5</b> | <b>100%</b> |

# Expected year-on-year change in individual business areas



(CZK bn)



## GENERATION

**of which Generation Facilities (CZK -15 to -5 bn)\***

- + Higher realization prices of electricity incl. hedging
- Levy on generation revenues above price caps (introduced from December 2022)
- Lower utilization of emission generation facilities
- Lower availability of nuclear facilities
- Higher fixed operating expenses

**of which Trading (CZK -20 to -15 bn)**

- Unprecedented record income from commodity trading in 2022
- + / - Uncertain level of trading income in 2023 and revaluation of derivatives

## MINING

- + Higher revenues from coal sales mainly due to higher realization prices
- Higher fixed operating expenses, especially on energy

## DISTRIBUTION

- Higher fixed operating expenses and negative impact of correction factors
- + Higher allowed revenue

## SALES

- + Acquisition and organic growth in energy services
- Higher electricity and gas acquisition expenses for customers

## Intragroup eliminations

- In particular, the effect of hedging the EUR/CZK risk of ČEZ ESCO (the SALES segment) through ČEZ, a. s. (the GENERATION segment) caused by the significant strengthening of the Czech koruna against the EUR. Within ČEZ, a. s., the effect of this hedge is reported within exchange gains and losses (outside EBITDA).

\* Estimated year-on-year change in earnings for each generation sub-segment (Nuclear, Renewable, and Fossil-fuel generation) were aggregated (compared to the previous approach) into a single value in view of the approved mechanism of levy on generation revenues in the Czech Rep. (levy on nuclear generation revenues depend, among other things, on the volume of emission generating facilities).

# In 2023, CEZ Group will pay CZK 30–40 bn to the Czech state in extraordinary duties and taxes



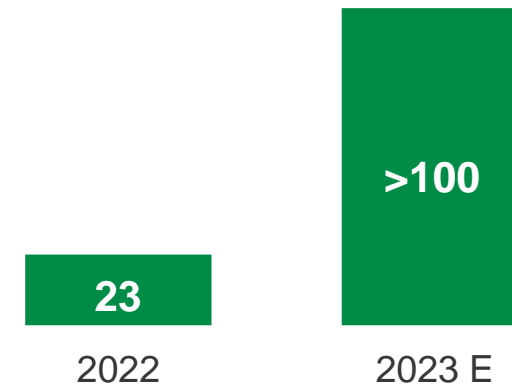
## CEZ Group's payments of extraordinary duties and taxes in 2023\* (CZK bn)

|                                   | Q1 2023   | 2023 E          |
|-----------------------------------|-----------|-----------------|
| Levy on revenues above price caps | 10        | 10 to 15        |
| Windfall tax                      | 9         | 20 to 30        |
| <b>Total expected taxes</b>       | <b>19</b> | <b>30 to 40</b> |

## Indication of State revenues from CEZ Group in 2023 (CZK bn)

|  | 2023 E   |
|--|----------|
| Windfall tax and levy on revenues above price caps | 30 to 40 |
| Current income taxes**                             | 26 to 30 |
| Dividend from 2022 earnings                        | 44***    |

## Czech Rep.'s revenues from dividends, income taxes, and levy on revenues from CEZ Group (CZK bn)



In 2023, CEZ Group will pay more than CZK 100 bn to the Czech state in dividends, income taxes, and levy on revenues

\* The values presented correspond to the tax obligation or compensation entitlement for the period (not to the exact cash flow, which reflects the dates of advances and settlements)

\*\* Advances for current income taxes on 2023 earnings and additional income taxes on 2022 earnings above the advances paid in 2022.

\*\*\* Value as proposed by the Board of Directors of CZK 117 per share, corresponding to the upper limit of the dividend policy (80% of CEZ Group's adjusted net income for 2022)



## **Selected events and economic results**

- Selected Events in the Past Quarter
- Total operating results
- Operating revenues by segment and country
- EBITDA by segment and country
- Expected year-on-year change in EBITDA by segment
- Estimated taxes to the Czech state in 2023



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

- Investments in fixed assets (CAPEX)
- Credit frameworks and debt structure
- Change in net debt (cash flow)
- Hedging against currency and commodity risks in generation in the Czech Rep.

## **Market Developments, Electricity Procured and Sold, and Other Information**

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

# Investment in fixed assets (CAPEX) by segment



| CAPEX (CZK bn)                     | Q1 2022 | Q1 2023 |
|------------------------------------|---------|---------|
| GENERATION                         | 1.3     | 3.0     |
| Of which: Nuclear fuel procurement | 0.3     | 1.2     |
| MINING                             | 0.3     | 0.4     |
| DISTRIBUTION                       | 2.7     | 3.1     |
| SALES                              | 0.3     | 0.3     |
| Intragroup eliminations            | 0.0     | -0.1    |
| TOTAL CEZ GROUP                    | 4.7     | 6.8     |

## Main causes of year-on-year change:

- GENERATION: in particular, timing shifts and acceleration of nuclear fuel purchases (in 2022, payment for the purchase of uranium for the Dukovany NPP was made in Q2, while in 2023 it was made in Q1; additionally, the volume of uranium purchases for the Temelín NPP increased)
- MINING: impact of the increase in expenses for the additional payment for a new excavator
- DISTRIBUTION: increase mainly in investments in customer construction

# Credit facilities and debt structure as of Mar 31, 2023



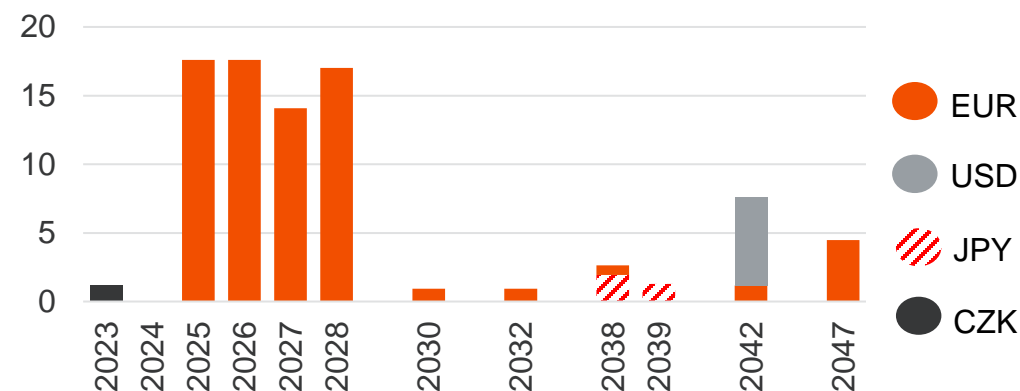
## Committed bank credit facilities



\* Available committed bank credit lines include an undrawn long-term loan from the EIB of EUR 790 mil

- Committed bank facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- As of Mar 31, 2023, CEZ Group had access to CZK 68.1 bn of committed bank credit facilities, of which only CZK 3 mil were drawn (under the overdraft facility).
- As of Mar 31, 2023, EUR 2 bn of the EUR 3 bn credit agreement with the Czech Rep. had been drawn down, i.e. EUR 1 bn was available.

## Bond maturity profile (CZK bn)

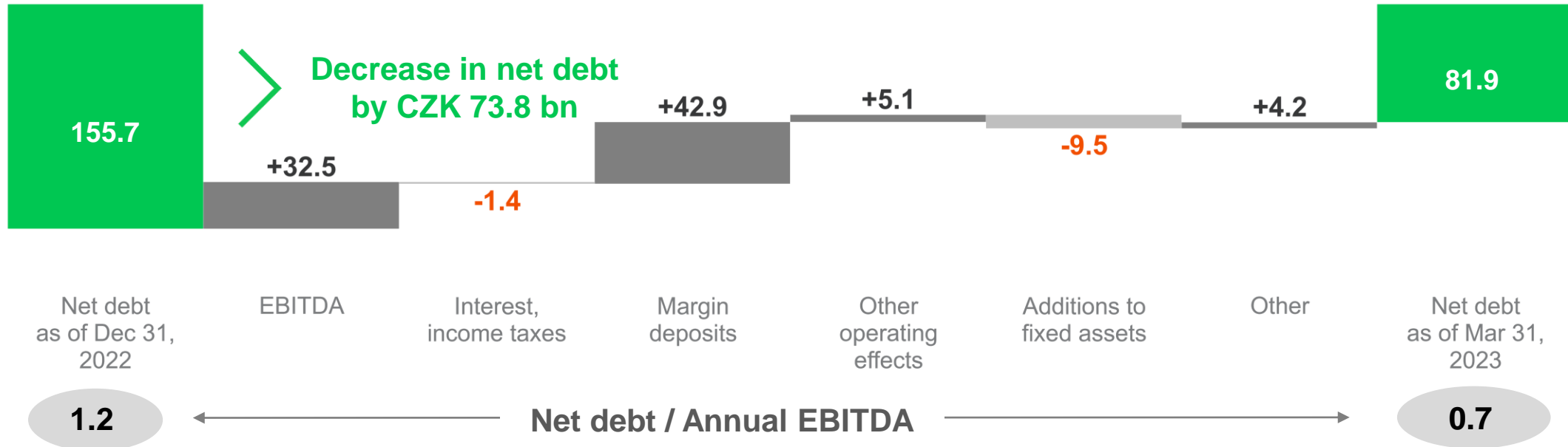


| Debt Level                | CZK bn | As of Mar 31, 2022 | As of Mar 31, 2023 |
|---------------------------|--------|--------------------|--------------------|
|                           |        |                    |                    |
| Debt and loans            | CZK bn | 133.8              | 181.1              |
| Of which: short-term bank | CZK bn | 13.7               | 7.7                |
| Cash and fin. assets**    | CZK bn | 52.0               | 99.3               |
| Net debt                  | CZK bn | 81.8               | 81.9               |
| Net debt / EBITDA         |        | 0.9                | 0.7                |

\*\* Cash and Cash Equivalents & Highly Liquid Financial Assets

Total liquid financial assets\*\* and undrawn committed bank credit facilities amounted to CZK 167.3 bn as of March 31, 2023.

# Net debt decreased by CZK 73.8 bn mainly due to a reduction in margin deposits on commodity exchanges



- **Interest, income taxes (CZK -1.4 bn):** income taxes paid (CZK -1.3 bn), balance of interest paid and received (CZK -0.1 bn)
- **Margin deposits (CZK +42.9 bn):** temporary margin deposits on commodity exchanges and with trading counterparties in relation to generation pre-sales decreased mainly due to the decrease in market prices for electricity and the gradual realization of deliveries at historically lower contracted prices compared to current market prices
- **Other operating effects (CZK +5.1 bn):** Change in inventories of materials and fossil fuels, mainly gas (CZK +4.2 bn)
- **Acquisition of fixed assets (CZK -9.5 bn):** acquisition of fixed assets (CAPEX) (CZK -6.8 bn), change in liabilities from fixed asset acquisition (CZK -2.5 bn), acquisition of Inven Capital securities (CZK -0.2 bn)
- **Other (CZK +4.2 bn):** mainly revaluation of debt due to the Czech koruna appreciation

# Currency and Commodity Hedging of Generation in the Czech Rep. in 2024–2026, Status as of Mar 31, 2023



## Currency Hedge of Expected EUR Cash Flow From Electricity Generation in the Czech Rep.

|  | 2024       | 2025       | 2026       |
|--|------------|------------|------------|
| <b>Total currency hedge of EUR CF from generation*</b>                         | <b>62%</b> | <b>44%</b> | <b>10%</b> |
| Natural currency hedge (debt and interest, capital, and other expenses in EUR) | 48%        | 44%        | 10%        |
| Transaction currency hedges  | 14%        | 0%         | 0%         |

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

The currency position for 2024–2026 is hedged at an exchange rate in the range of 25.3–25.8 CZK/EUR.

## Commodity hedging of expected electricity deliveries from generation in the Czech Rep.

|  | 100% of expected deliveries  | 2024       | 2025       | 2026      |
|--|------------------------------|------------|------------|-----------|
| <b>Total share of hedged deliveries</b>          | <b>40 to 45 TWh per year</b> | <b>53%</b> | <b>29%</b> | <b>7%</b> |
| Zero-emission facilities (nuclear and ČEZ RES)** | 29 to 30 TWh per year        | 58%        | 32%        | 8%        |
| Fossil-fuel facilities—medium-term hedged**      | 7 to 11 TWh per year         | 57%        | 31%        | 5%        |
| Fossil-fuel facilities—other***                  | 4 to 5 TWh per year          | 17%        | -          | -         |

\*\* hedged over a 3-year horizon

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





## **Selected events and economic results**

- Selected Events in the Past Quarter
- Total operating results
- Operating revenues by segment and country
- EBITDA by segment and country
- Expected year-on-year change in EBITDA by segment
- Estimated taxes to the Czech state in 2023

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

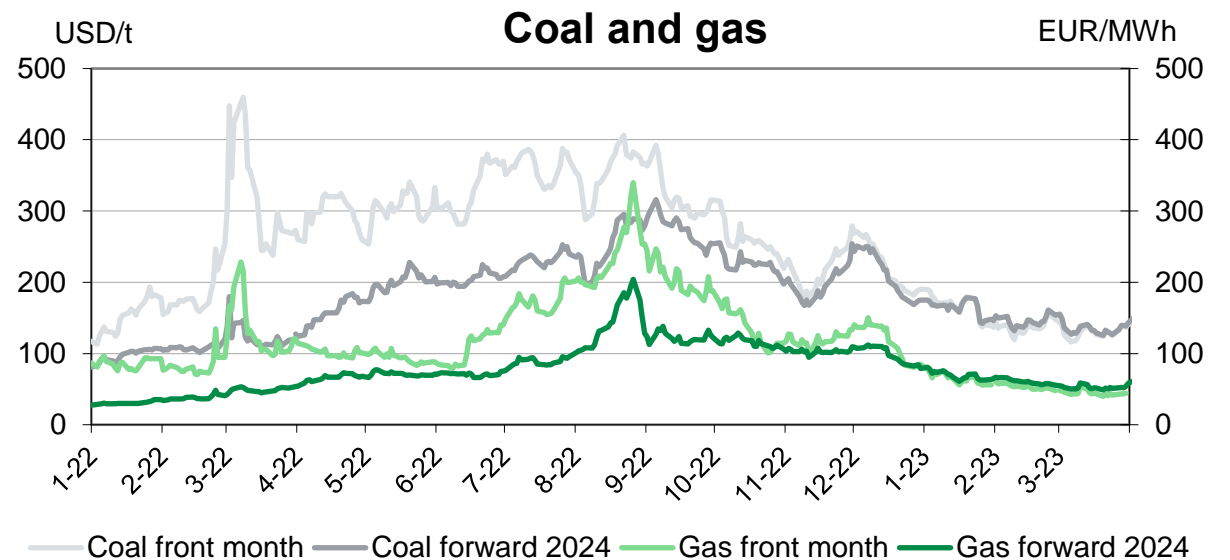
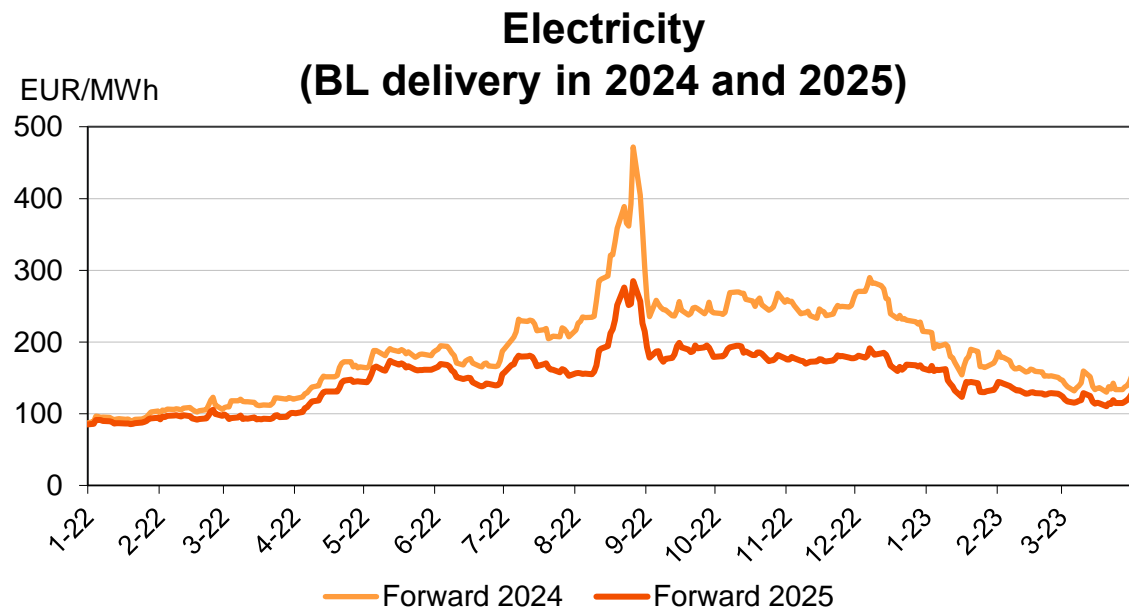
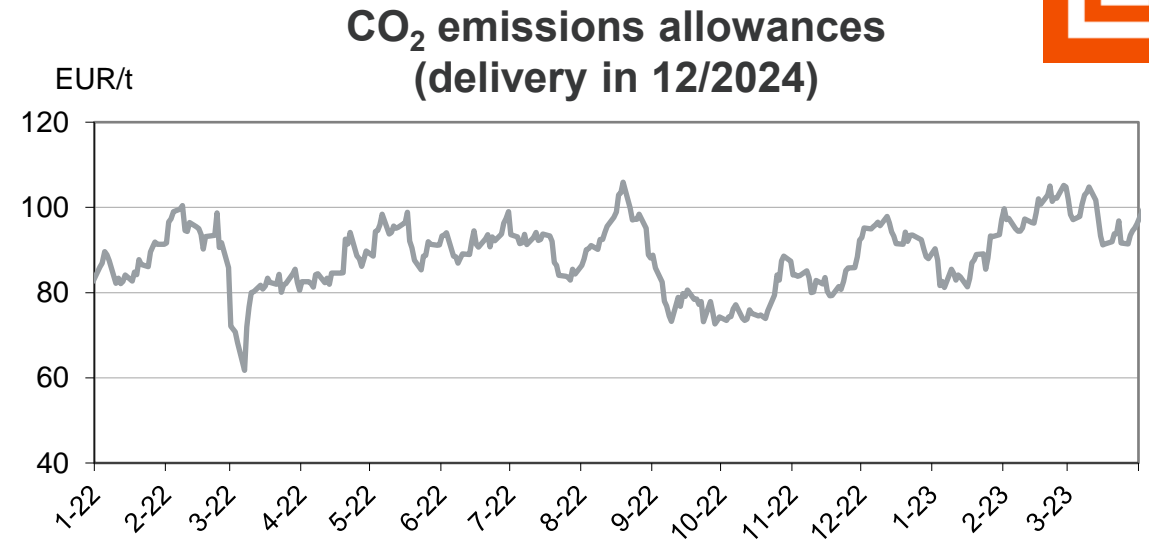
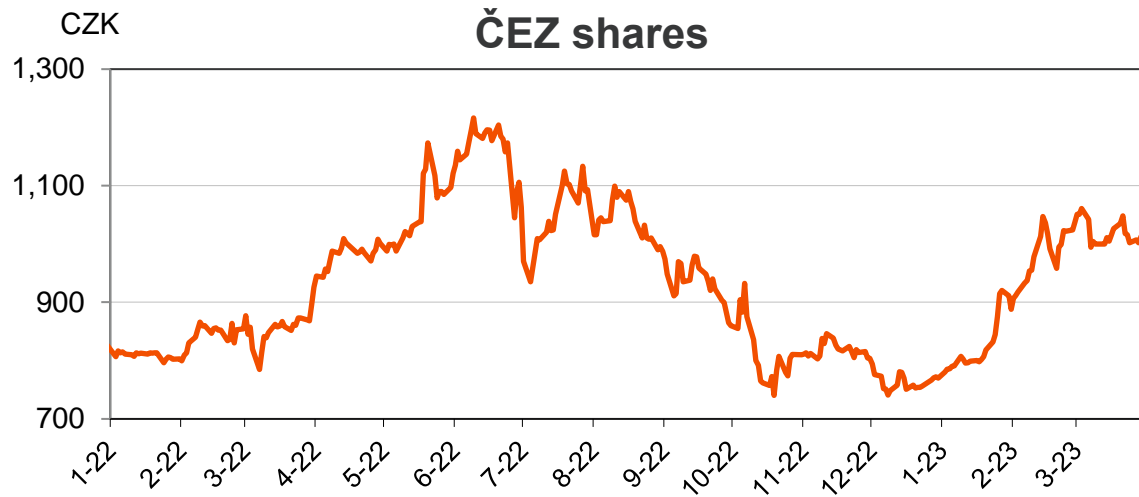
- Investments in fixed assets (CAPEX)
- Credit frameworks and debt structure
- Change in net debt (cash flow)
- Hedging against currency and commodity risks in generation in the Czech Rep.



## **Market Developments, Electricity Procured and Sold, and Other Information**

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

# Market developments from January 1, 2022 to Mar 31, 2023



## Electricity balance (GWh)

|  | Q1 2022       | Q1 2023       | Index<br>2023/2022 |
|--|---------------|---------------|--------------------|
| <b>Electricity procured</b>  | <b>13,419</b> | <b>12,770</b> | <b>-5%</b>         |
| Generated in-house (gross)   | 14,893        | 14,089        | -5%                |
| In-house and other consumption, including pumping in pumped-storage plants | -1,474        | -1,319        | -10%               |
| <b>Sold to end customers</b>   | <b>-6,368</b> | <b>-6,739</b> | <b>+6%</b>         |
| <b>Sold in the wholesale market (net)</b>                                  | <b>-6,597</b> | <b>-5,605</b> | <b>-15%</b>        |
| Sold in the wholesale market   | -41,720       | -23,113       | -45%               |
| Purchased in the wholesale market  | 35,123        | 17,508        | -50%               |
| <b>Grid losses</b>   | <b>-454</b>   | <b>-426</b>   | <b>-6%</b>         |

## Electricity generation by source (GWh)

|                  |               |               |            |
|------------------|---------------|---------------|------------|
| Nuclear          | 8,055         | 8,468         | +5%        |
| Coal and lignite | 5,245         | 4,072         | -22%       |
| Water            | 551           | 646           | +17%       |
| Biomass          | 205           | 179           | -12%       |
| Photovoltaic     | 27            | 19            | -29%       |
| Wind             | 93            | 114           | +24%       |
| Natural gas      | 718           | 590           | -18%       |
| Bio gas          | 0             | 0             | -          |
| <b>Total</b>     | <b>14,893</b> | <b>14,089</b> | <b>-5%</b> |

## Sales of electricity to end customers (GWh)

|   |               |               |            |
|---|---------------|---------------|------------|
| Households  | -2,591        | -2,413        | -7%        |
| Commercial (low voltage)                            | -717          | -806          | +12%       |
| Commercial and industrial (medium and high voltage) | -3,060        | -3,520        | +15%       |
| <b>Sold to end customers</b>                        | <b>-6,368</b> | <b>-6,739</b> | <b>+6%</b> |

## Distribution of electricity (GWh)

|  | Q1 2022 | Q1 2023 | Index<br>2023/2022 |
|--|---------|---------|--------------------|
| Distribution of electricity to end customers | 9,895   | 9,457   | -4%                |

### Electricity balance (GWh) by segment

| Q1 2023  | Generation     |             | Distribution |            | Sale          |            | Eliminations |            | CEZ Group     |             |
|--|----------------|-------------|--------------|------------|---------------|------------|--------------|------------|---------------|-------------|
|  | GWh            | +/-         | GWh          | +/-        | GWh           | +/-        | GWh          | +/-        | GWh           | +/-         |
| <b>Electricity procured</b>  | <b>12,645</b>  | <b>-5%</b>  | <b>0</b>     | <b>-</b>   | <b>125</b>    | <b>-7%</b> | <b>0</b>     | <b>-</b>   | <b>12,770</b> | <b>-5%</b>  |
| Generated in-house (gross)   | 13,943         | -5%         | 0            | -          | 146           | -6%        | 0            | -          | 14,089        | -5%         |
| In-house and other consumption, including pumping in pumped-storage plants | -1,298         | -11%        | 0            | -          | -21           | -2%        | 0            | -          | -1,319        | -10%        |
| <b>Sold to end customers</b>   | <b>-686</b>    | <b>+22%</b> | <b>0</b>     | <b>-</b>   | <b>-6,429</b> | <b>+3%</b> | <b>376</b>   | <b>-9%</b> | <b>-6,739</b> | <b>+6%</b>  |
| <b>Sold in the wholesale market (net)</b>                                  | <b>-11,959</b> | <b>-6%</b>  | <b>426</b>   | <b>-6%</b> | <b>6,304</b>  | <b>+4%</b> | <b>-376</b>  | <b>-9%</b> | <b>-5,605</b> | <b>-15%</b> |
| Sold in the wholesale market   | -29,815        | -38%        | 0            | -          | -2,004        | +115%      | 8,706        | +22%       | -23,113       | -45%        |
| Purchased in the wholesale market  | 17,856         | -49%        | 426          | -6%        | 8,308         | +18%       | -9,082       | +21%       | 17,508        | -50%        |
| <b>Grid losses</b>   | <b>0</b>       | <b>-</b>    | <b>-426</b>  | <b>-6%</b> | <b>0</b>      | <b>-</b>   | <b>0</b>     | <b>-</b>   | <b>-426</b>   | <b>-6%</b>  |

### Electricity generation by source (GWh) by segment

|                  | Generation    |          | Distribution |          | Sale       |          | Eliminations |          | CEZ Group     |            |
|------------------|---------------|----------|--------------|----------|------------|----------|--------------|----------|---------------|------------|
|                  | GWh           | +/-      | GWh          | +/-      | GWh        | +/-      | GWh          | +/-      | GWh           | +/-        |
| Nuclear          | 8,468         | +5%      | 0            | -        | 0          | -        | 0            | -        | 8,468         | +5%        |
| Coal and lignite | 4,072         | -22%     | 0            | -        | 0          | -        | 0            | -        | 4,072         | -22%       |
| Water            | 646           | +17%     | 0            | -        | 0          | -        | 0            | -        | 646           | +17%       |
| Biomass          | 164           | -15%     | 0            | -        | 15         | +44%     | 0            | -        | 179           | -12%       |
| Photovoltaic     | 19            | -30%     | 0            | -        | 0          | -        | 0            | -        | 19            | -29%       |
| Wind             | 114           | +24%     | 0            | -        | 0          | -        | 0            | -        | 114           | +24%       |
| Natural gas      | 459           | -20%     | 0            | -        | 131        | -10%     | 0            | -        | 590           | -18%       |
| Bio gas          | 0             | -        | 0            | -        | 0          | -        | 0            | -        | 0             | -          |
| <b>Total</b>     | <b>13,943</b> | <b>-</b> | <b>0</b>     | <b>-</b> | <b>146</b> | <b>-</b> | <b>0</b>     | <b>-</b> | <b>14,089</b> | <b>-5%</b> |

### Sales of electricity to end customers (GWh) by segment

|   | Generation  |             | Distribution |          | Sale          |            | Eliminations |            | CEZ Group     |            |
|---|-------------|-------------|--------------|----------|---------------|------------|--------------|------------|---------------|------------|
|   | GWh         | +/-         | GWh          | +/-      | GWh           | +/-        | GWh          | +/-        | GWh           | +/-        |
| Households  | 0           | -           | 0            | -        | -2,413        | -7%        | 0            | -          | -2,413        | -7%        |
| Commercial (low voltage)                            | 0           | -           | 0            | -        | -805          | +12%       | 0            | -          | -806          | +12%       |
| Commercial and industrial (medium and high voltage) | -685        | +22%        | 0            | -        | -3,211        | +10%       | 376          | -9%        | -3,520        | +15%       |
| <b>Sold to end customers</b>                        | <b>-686</b> | <b>+22%</b> | <b>0</b>     | <b>-</b> | <b>-6,429</b> | <b>+3%</b> | <b>376</b>   | <b>-9%</b> | <b>-6,739</b> | <b>+6%</b> |

### Electricity balance (GWh) by country

| Q1 2023  | Czechia       |             | Poland      |             | Germany     |             | Others      |             | Eliminations |          | CEZ Group     |             |
|--|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|----------|---------------|-------------|
|  | GWh           | +/-         | GWh         | +/-         | GWh         | +/-         | GWh         | +/-         | GWh          | +/-      | GWh           | +/-         |
| <b>Electricity procured</b>  | <b>12,236</b> | <b>-4%</b>  | <b>417</b>  | <b>-23%</b> | <b>107</b>  | <b>+21%</b> | <b>9</b>    | <b>-</b>    | <b>0</b>     | <b>-</b> | <b>12,770</b> | <b>-5%</b>  |
| Generated in-house (gross)   | 13,478        | -5%         | 492         | -22%        | 107         | +21%        | 11          | >200%       | 0            | -        | 14,089        | -5%         |
| In-house and other consumption, including pumping in pumped-storage plants | -1,242        | -10%        | -76         | -17%        | 0           | -           | -2          | -3%         | 0            | -        | -1,319        | -10%        |
| <b>Sold to end customers</b>   | <b>-6,166</b> | <b>+3%</b>  | <b>0</b>    | <b>-</b>    | <b>0</b>    | <b>-</b>    | <b>-573</b> | <b>+44%</b> | <b>0</b>     | <b>-</b> | <b>-6,739</b> | <b>+6%</b>  |
| <b>Sold in the wholesale market (net)</b>                                  | <b>-5,644</b> | <b>-11%</b> | <b>-417</b> | <b>-23%</b> | <b>-107</b> | <b>+21%</b> | <b>563</b>  | <b>+41%</b> | <b>0</b>     | <b>-</b> | <b>-5,605</b> | <b>-15%</b> |
| Sold in the wholesale market   | -23,185       | -44%        | -429        | -26%        | -107        | +21%        | -42         | +80%        | 649          | +2%      | -23,113       | -45%        |
| Purchased in the wholesale market  | 17,541        | -50%        | 12          | -66%        | 0           | -           | 605         | +44%        | -649         | +2%      | 17,508        | -50%        |
| <b>Grid losses</b>   | <b>-426</b>   | <b>-6%</b>  | <b>0</b>    | <b>-</b>    | <b>0</b>    | <b>-</b>    | <b>0</b>    | <b>-</b>    | <b>0</b>     | <b>-</b> | <b>-426</b>   | <b>-6%</b>  |

### Electricity generation by source (GWh) by country

|                  | Czechia       |          | Poland     |          | Germany    |          | Others    |          | Eliminations |          | CEZ Group     |            |
|------------------|---------------|----------|------------|----------|------------|----------|-----------|----------|--------------|----------|---------------|------------|
|                  | GWh           | +/-      | GWh        | +/-      | GWh        | +/-      | GWh       | +/-      | GWh          | +/-      | GWh           | +/-        |
| Nuclear          | 8,468         | +5%      | 0          | -        | 0          | -        | 0         | -        | 0            | -        | 8,468         | +5%        |
| Coal and lignite | 3,665         | -22%     | 407        | -27%     | 0          | -        | 0         | -        | 0            | -        | 4,072         | -22%       |
| Water            | 643           | +17%     | 3          | -15%     | 0          | -        | 0         | -        | 0            | -        | 646           | +17%       |
| Biomass          | 91            | -31%     | 83         | +14%     | 0          | -        | 5         | -        | 0            | -        | 179           | -12%       |
| Photovoltaic     | 19            | -30%     | 0          | -        | 0          | -        | 0         | -        | 0            | -        | 19            | -29%       |
| Wind             | 3             | -10%     | 0          | -        | 107        | +21%     | 4         | -        | 0            | -        | 114           | +24%       |
| Natural gas      | 588           | -18%     | 0          | -        | 0          | -        | 2         | +27%     | 0            | -        | 590           | -18%       |
| Bio gas          | 0             | -        | 0          | -        | 0          | -        | 0         | -        | 0            | -        | 0             | -          |
| <b>Total</b>     | <b>13,478</b> | <b>-</b> | <b>492</b> | <b>-</b> | <b>107</b> | <b>-</b> | <b>11</b> | <b>-</b> | <b>0</b>     | <b>-</b> | <b>14,089</b> | <b>-5%</b> |

### Sales of electricity to end customers (GWh) by country

|   | Czechia       |            | Poland   |          | Germany  |          | Others      |             | Eliminations |          | CEZ Group     |            |
|---|---------------|------------|----------|----------|----------|----------|-------------|-------------|--------------|----------|---------------|------------|
|   | GWh           | +/-        | GWh      | +/-      | GWh      | +/-      | GWh         | +/-         | GWh          | +/-      | GWh           | +/-        |
| Households  | -2,413        | -7%        | 0        | -        | 0        | -        | 0           | -           | 0            | -        | -2,413        | -7%        |
| Commercial (low voltage)                            | -805          | +12%       | 0        | -        | 0        | -        | -1          | -           | 0            | -        | -806          | +12%       |
| Commercial and industrial (medium and high voltage) | -2,949        | +11%       | 0        | -        | 0        | -        | -572        | +44%        | 0            | -        | -3,520        | +15%       |
| <b>Sold to end customers</b>                        | <b>-6,166</b> | <b>+3%</b> | <b>0</b> | <b>-</b> | <b>0</b> | <b>-</b> | <b>-573</b> | <b>+44%</b> | <b>0</b>     | <b>-</b> | <b>-6,739</b> | <b>+6%</b> |

### Distribution of electricity (GWh) by country

| Q1 2023                                      | Czechia |     | Poland |     | Germany |     | Others |     | Eliminations |     | CEZ Group |     |
|--|---------|-----|--------|-----|---------|-----|--------|-----|--------------|-----|-----------|-----|
|  | GWh     | +/- | GWh    | +/- | GWh     | +/- | GWh    | +/- | GWh          | +/- | GWh       | +/- |
| Distribution of electricity to end customers | 9,457   | -4% | 0      | -   | 0       | -   | 0      | -   | 0            | -   | 9,457     | -4% |

## 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<br>(After-Tax Income, Adjusted) | <p><u>Purpose:</u> 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.</p> <p><u>Definition:</u> 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.</p> |
| Net Debt  | <p><u>Purpose:</u> 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.</p> <p><u>Definition:</u> Long-Term Debt, Net of Current Portion + Current Portion of Long-Term Debt + Short-Term Loans – (Cash and Cash Equivalents + Highly Liquid Financial Assets).</p> <p>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.</p>       |
| Net Debt / EBITDA                                   | <p><u>Purpose:</u> 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.</p> <p><u>Definition:</u> 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. And so March 31 value is calculated from Net Debt as of March 31 and EBITDA for the period from April 1 of previous year until March 31 of current year.</p>   |

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,<br>2022 | As at Mar 31,<br>2023 |
|--|-----------------------|-----------------------|
| Current debt financial assets                | 9.8                   | 9.4                   |
| Non-current debt financial assets            | -                     | -                     |
| Current term deposits                        | 0.1                   | 0.4                   |
| Non-current term deposits                    | 0.0                   | -                     |
| Short-term equity securities                 | 0.0                   | 0.0                   |
| <b>Highly liquid financial assets, total</b> | <b>9.9</b>            | <b>9.8</b>            |

**Adjusted Net Income indicator—calculation for periods in question:**

| Adjusted Net Income (After-Tax Income, Adjusted)   | Unit                | Q1 2022     | Q1 2023     |
|--|---------------------|-------------|-------------|
| Net income   | CZK billions        | 26.7        | 10.8        |
| Impairments of property, plant, and equipment and intangible assets (including goodwill write-off) <sup>1)</sup> | CZK billions        | (0.0)       | (0.0)       |
| Impairments of developed projects <sup>2)</sup>  | CZK billions        | -           | -           |
| Effects of additions to or reversals of impairments on income tax <sup>3)</sup>                                  | CZK billions        | 0.0         | 0.0         |
| Other extraordinary effects  | CZK billions        | -           | -           |
| <b>Adjusted net income</b>   | <b>CZK billions</b> | <b>26.7</b> | <b>10.8</b> |

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

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