CLEAN
ENERGY OF
TOMORROW

Report on CEZ Group Financial Results for Q1–Q3 2023

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

November 9, 2023

Agenda

Highlights of Financial Results for Q1–Q3 2022 and Outlook for the Full Year

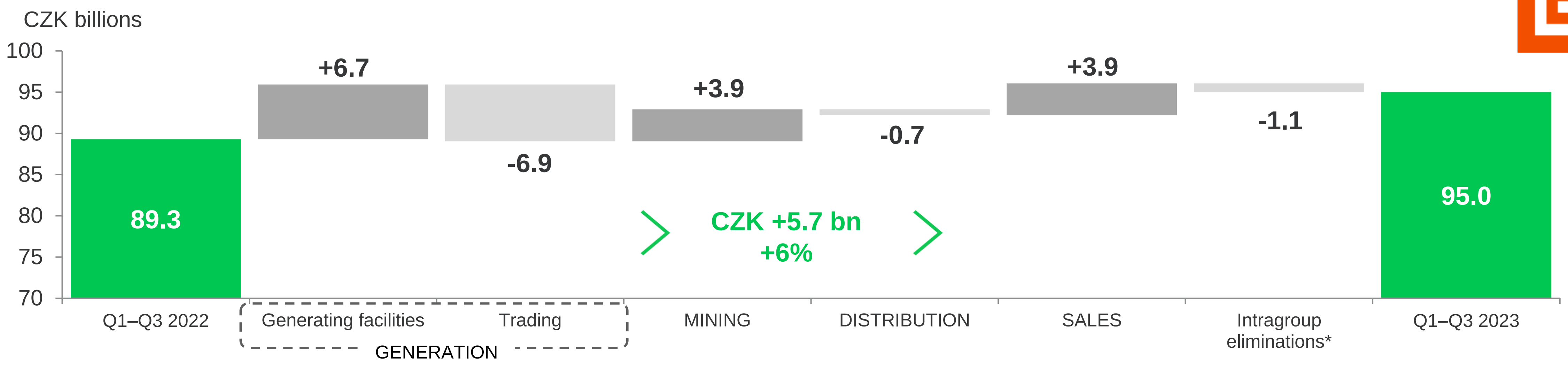
(CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
Operating revenues	211.1	246.5	+35.4	+17%
EBITDA	89.3	95.0	+5.7	+6%
EBIT	65.2	67.1	+1.9	+3%
Net income	52.3	29.8	-22.5	-43%
Adjusted net income*	52.3	31.4	-20.9	-40%
Operating cash flow	13.1	133.7	+120.7	>200%
CAPEX	21.4	27.9	+6.6	+31%

Financial Outlook for the Full Year 2023

- EBITDA: **CZK 115–120 bn**
- Net income adjusted for extraordinary effects: **CZK 33–37 bn**

* 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 +6.7 bn):

- Higher margin on generation in Czechia as a result of higher realized electricity prices and change of purchase prices of emission allowances and gas (CZK +16.0 bn)
- Levy on excess revenues from generation in Czechia (CZK -8.7 bn)
- Other effects (CZK -0.6 bn), mainly higher fixed expenses

GENERATION Segment – Trading (CZK -6.9 bn):

- Lower trading prop margin (CZK -11.7 bn): this year's margin CZK +6.8 bn, while in Q1–Q3 2022 it reached the extraordinary amount of CZK +18.5 bn
- Negative impact of disruption of gas supply from Gazprom Export in 2022 (CZK +1.7 bn)
- Other trade and consolidation effects (CZK +3.2 bn): mainly temporary effects due to the revaluation of derivative trades hedging generation and sales positions for the next period

MINING Segment (CZK +3.9 bn):

- Higher revenues (CZK +5.5 bn) due to growing prices (volume of mining decreased by 1.9 mil tons), higher fixed expenses (CZK -1.5 bn), mainly for energy

SALES Segment (CZK +3.9 bn):

- Proceeds from litigation between ČEZ Prodej and the state-owned enterprise Railway Administration concerning electricity supply in 2010 and 2011 (CZK +1.2 bn)
- Purchase of electricity from RES in Czechia (CZK +1.3 bn): impact of market prices and higher purchase volume
- Sales of commodities by ČEZ ESCO (CZK +0.7 bn), mainly stabilization of prices on the markets and higher delivered volumes of electricity and gas
- Sales of energy services (CZK +0.6 bn)

* 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).

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

(CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
EBITDA	89.3	95.0	+5.7	+6%
Depreciation and amortization	-24.3	-26.2	-1.9	-8%
Asset impairments*	0.2	-1.7	-1.9	-
Other income and expenses	-1.9	-3.7	-1.8	-95%
Interest income and expenses	-1.0	0.4	+1.4	-
Other	-0.9	-4.1	-3.2	>200%
Income taxes	-11.0	-33.6	-22.6	>200%
Net income	52.3	29.8	-22.5	-43%
Adjusted net income	52.3	31.4	-20.9	-40%

Net income adjustments
The net income in Q1–Q3 2023 adjusted for impairments of fixed assets, including tax shielding in Severočeské doly (CZK -1.6 bn).

Depreciation and amortization (CZK -1.9 bn):

- Increase in depreciation and amortization of ČEZ's coal-fired power plants (CZK -0.7 bn) and nuclear power plants (CZK -0.5 bn), mainly due to an update of provisions for the termination of operation
- Higher depreciation and amortization of Severočeské doly (CZK -0.6 bn) and ČEZ Distribuce (CZK -0.5 bn)
- Decrease in depreciation and amortization of Energotrans (CZK +0.7 bn) due to the termination of depreciation of the Mělník 3 power plant in 2022

Impairments (CZK -1.9 bn): Impairments of fixed assets in Severočeské doly (CZK -2.0 bn)

Other income and expenses (CZK -1.8 bn):

- Effect of higher interest rates and development of net debt on the balance of interest expenses and income (CZK +1.4 bn)
- Exchange rate effects and revaluation of financial derivatives (CZK +1.6 bn) due to the revaluation of ČEZ's margin deposits and the revaluation of bonds and loans
- Temporary value fluctuations of ownership interests held by Inven Capital (CZK -1.4 bn) due to an increased valuation in 2022 CZK +0.5 bn and the reduction of value in 2022
  CZK -0.9 bn
- Higher interests on nuclear and other provisions (CZK -3.5 bn) due to a major increase in interest rates** and an increase in provisions in 2022

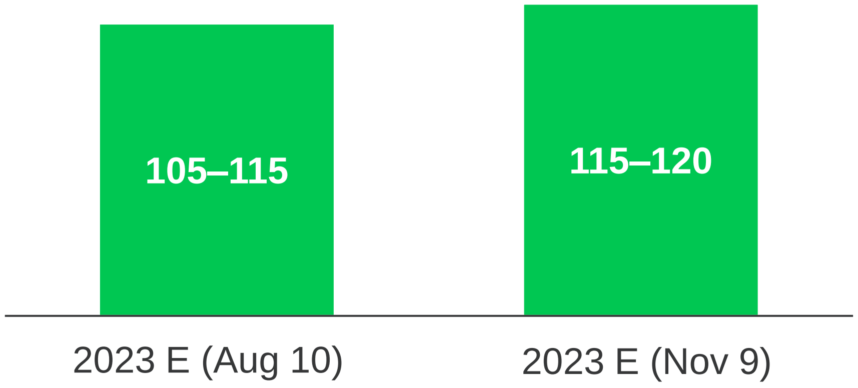
Income tax (CZK -22.6 bn):

- Newly introduced 60% windfall tax in Q1–Q3 2023 (CZK ~21 bn) greatly exceeded the increase of the regular 19% income tax.

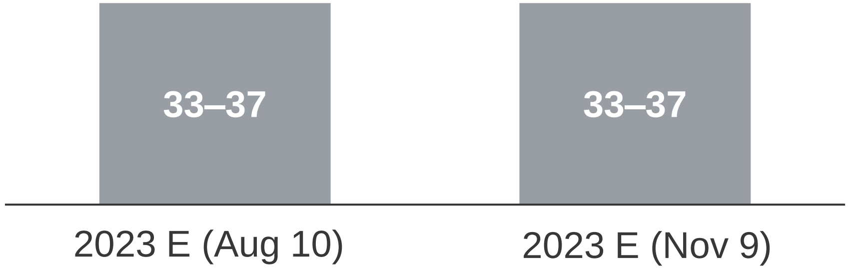
* Including gain/loss from sales of tangible and intangible fixed assets including goodwill
** Long-term nominal risk-free interest rates increased year-on-year from 2.3% to 4.9% and medium-term rates from 1.6% to 4.8%.

Modified Financial Outlook for 2023: EBITDA CZK 115 to 120 bn, adjusted net income CZK 33 to 37 bn

EBITDA (CZK billions)



Adjusted net income (CZK billions)



Main causes of adjustments in EBITDA outlook compared to the August 10 outlook (improvement by CZK 3 to 4 bn):

+ Higher contribution of the Trading sub-segment
+ Improved financial results of the SALES and DISTRIBUTION segments
+ Higher availability of nuclear facilities

In addition, the higher windfall tax has an effect at the net income level compared to the August 10 outlook due to the difference between the tax base (under CAS) and the income before tax (under IFRS)

Selected Generation Assumptions of the Forecast

- Total electricity supply in Czechia 43 to 45 TWh
- Levy on excess revenues CZK 9 to 11 bn
- Windfall tax CZK 28 to 34 bn

Selected Prediction Risks and Opportunities

- Amount of the windfall tax and amount of deferred taxes
- Availability of generating facilities and realized prices of generated electricity
- Income from commodity trading and revaluation of derivatives

Selected Events in the Past Quarter

CEZ Group received three binding offers for the construction of a new nuclear power plant at the Dukovany site and obtained the zoning permission.

- On October 30, the Ministry of Industry and Trade of the Czech Republic issued a siting decision for the new nuclear unit at the Dukovany site.
- The company EDU II received offers for the construction of new nuclear units in Czechia from three bidders by the specified deadline (October 31, 2023). Binding offers were submitted by the French company EdF, the South Korean KHNP and the US-Canadian Westinghouse. All offers for the construction of a new nuclear unit at the Dukovany site also include a non-binding offer for three more nuclear units in Czechia.
- CEZ Group expects that the overall evaluation will be carried out and the evaluation report submitted to the Czech state in the first quarter of 2024.
- The EPC contract with the preferred bidder is expected to be finalized and the relevant contracts with the state concluded by the end of 2024.

ČEZ Prodej decreases the prices of baseline products for an unlimited period of time. The price of electricity will decrease by 20% and the price of gas by 28%.

- ČEZ Prodej has updated the price list of products for an unlimited period of time, with effect from January 1, 2024. The price of electricity will decrease to CZK 3,960 per MWh, excl. VAT, and the price of gas to CZK 1,790 per MWh, excl. VAT.
- The major decrease reflects the lower commodity purchase prices for 2024 compared to the purchase prices for 2023 (contracted mostly during 2022).

The biggest Czech heating project of the last decade – hot water piping connecting the Temelín NPP and České Budějovice – completed.

- Before this year's heating season, ČEZ has put into operation the third longest hot water piping in Czechia, connecting the Temelín Nuclear Power Plant and the regional city of České Budějovice.
- Each year the nuclear power plant should supply at least 750 TJ (0.2 TWh) of zero-emission heat, covering about a third of the city's consumption.

ESG – international award in sustainability and validation of a key climate goal by SBTI

- ČEZ won the prestigious international competition Sustainable Company Awards 2023 (run by the specialized portal Environmental Finance) in the categories of "Sustainability Reporting of the Year in EMEA region" and "Sustainable Business Leader of the Year 2023". The jury especially appreciated ČEZ's interactive data library, which is the biggest database of non-financial indicators among European energy utilities.
- SBTi (Science Based Target initiative) validated ČEZ commitment to reduce emission intensity Scope 1 and Scope 2 by 83% per MWh by 2033 (compared to 2019 base year) and to reach net-zero GHG emissions across the value chain by 2040. Both these commitments are consistent with 1.5°C scenario.

This year, ČEZ Distribuce has connected over 42,000 photovoltaic power plants with an installed capacity of 488 MW to the grid.

- Most of them are micro plants of up to 10 kW at the low voltage level. 21,300 power plants with an installed capacity of 188 MW were connected to the grid over the entire year 2022. In Q3 2023 alone, it connected power plants with an installed capacity of 159 MW.

EPC – Engineering, Procurement and Construction

Agenda

Financial Highlights and Selected Events

Generation and Mining

Distribution and Sales

GENERATION Segment EBITDA

EBITDA (CZK billions)*	Q1–Q3 2022**	Q1–Q3 2023	Difference	%	Q3 2022**	Q3 2023	Difference	%
Zero-emission generating facilities of which:	41.2	45.2	+4.0	+10%	12.3	17.6	+5.3	+44%
Nuclear	31.8	37.0	+5.2	+16%	9.0	15.0	+6.0	+67%
Renewable	9.4	8.2	-1.2	-13%	3.3	2.6	-0.7	-21%
Emission generating facilities	11.1	13.7	+2.7	+24%	3.7	1.9	-1.9	-50%
Trading	14.7	7.8	-6.9	-47%	5.0	1.7	-3.3	-65%
GENERATION Segment Total	**66.9**	**66.7**	**-0.2**	**-0%**	**21.0**	**21.2**	**+0.2**	**+1%**

Year-on-year effects Q1–Q3 (CZK -0.2 bn):

Nuclear facilities (CZK +5.2 bn):
- Price and trade effects (+14.8)
- Levy on excess revenues (-8.5)***
- Operating effects (-1.1): outage schedule for power plants (-0.3), other effects (-0.8), mainly higher fixed expenses

Renewables (CZK -1.2 bn):
- Trade effects (-1.4): ancillary services and regulatory energy (-1.1), price effect (-0.1), levy on excess revenues (-0.2)
- Operating effects (+0.2): hydroelectric plants in Czechia (+0.4), photovoltaic plants in Czechia (-0.2)

Emission facilities (CZK +2.7 bn):
- Trade effects in Czechia (+2.1): price effect (+1.3), on-site trading (+0.9), sales of heat (+0.5), ancillary services (-0.2), other services and deviations (-0.4)
- Operating effects in Czechia (-0.4): availability of coal-fired facilities (+0.4), fixed expenses (-0.8)
- Poland (+1.0): higher revenues from the sales of electricity and heat

Trading (CZK -6.9 bn):
- Lower trading prop margin (-11.7): in Q1–Q3 2022 it reached the extraordinary amount of CZK +18.5 bn and in Q1–Q3 2023 it reached CZK +6.8 bn
- Negative impact of interruption of gas supply from Gazprom Export in 2022 (+1.7)
- Other trade and consolidation effects (+3.2), mainly temporary effects due to the revaluation of derivative trades hedging generation and sales positions with supply in the remaining part of the year and with supply in 2024

Year-on-year effects Q3 (CZK +0.2 bn):

Nuclear facilities (CZK +6.0 bn):
- Price and trade effects (+3.8)
- Levy on excess revenues (+2.6)***
- Operating effects (-0.5): outage schedule for power plants

Renewables (CZK -0.7 bn):
- Trade effects (-0.6): price effect including the effect of levy on excess revenues (-0.2), ancillary services and regulatory energy (-0.3)
- Operating effects (-0.1): hydroelectric plants in Czechia (-0.2), photovoltaic plants in Czechia (+0.1)

Emission facilities (CZK -1.9 bn):
- Trade effects in Czechia (-1.8): price effect (-2.1), on-site trading (+0.3), Operating effects in Czechia (-0.7): availability of coal-fired facilities (-0.1), fixed expenses (-0.6)
- Poland (+0.5) higher revenues from the sales of electricity and heat

Trading (CZK -3.3 bn):
- Trading prop margin (-5.2): in Q3 2022 it reached the extraordinary amount of CZK +6.8 bn and in Q3 2023 it reached CZK +1.6 bn
- Negative impact of interruption of gas supply from Gazprom Export in 2022 (+0.6)
- Other trade and consolidation effects (+1.4)

* 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) 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 subsegments for comparability.

*** In Q3, the statutory cap was higher than the average generated revenues of ČEZ, hence the positive impact on P/L as a result of lower accounting expenses in 2023.

MINING Segment EBITDA

EBITDA (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%	Q3 2022	Q3 2023	Difference	%
Czechia	5.0	8.9	+3.9	+77%	1.9	3.2	+1.3	+71%

Year-on-year effects Q1–Q3 (CZK +3.9 bn):

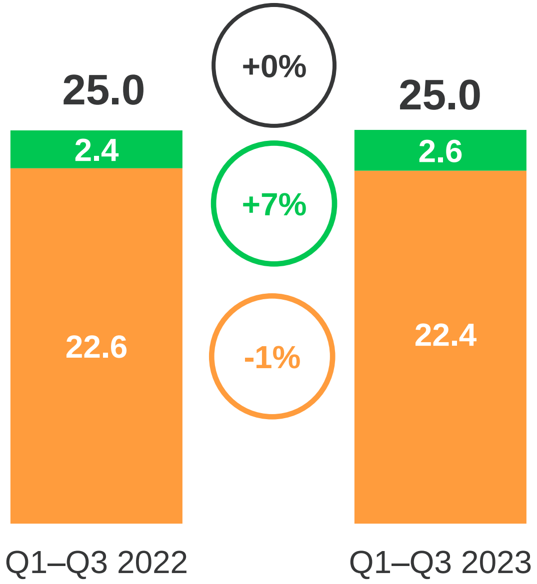
- Higher revenues from coal supplies to CEZ Group due to price increase (CZK +4.0 bn)
- Higher external revenues due to price increase (CZK +1.5 bn)
- Higher fixed expenses (CZK -1.5 bn), mainly on energy

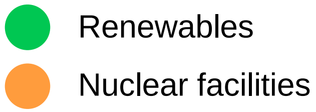
Year-on-year effects Q3 (CZK +1.3 bn):

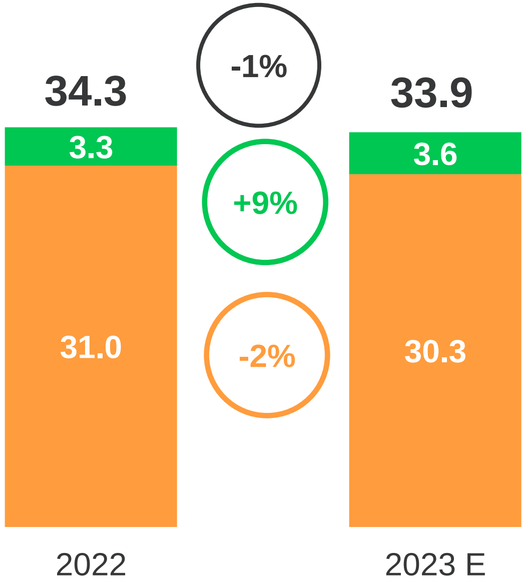
- Higher revenues from coal supplies to CEZ Group due to price increase (CZK +1.8 bn)
- Higher external revenues due to price increase (CZK +0.1 bn)
- Higher fixed operating expenses (CZK -0.5 bn), mainly on energy

Mining volume (million tons)	Q1–Q3 2022	Q1–Q3 2023	Difference	%	Q3 2022	Q3 2023	Difference	%
Czechia	12.9	11.0	-1.9	-14%	4.3	3.6	-0.7	-16%

Nuclear and renewable generation (TWh)







Renewables (+7%) hydroelectric, wind, solar, biomass, bio gas

- Czechia hydroelectric (+12%)
  - + Better-than-average hydrological conditions
- Czechia biomass (-8%)
  - – Effect of unfavorable market conditions
- Germany wind (+16%)
  - + Worse-than-average weather conditions in 2022

Nuclear plants (-1%)

- – Longer scheduled outages of the Dukovany NPP

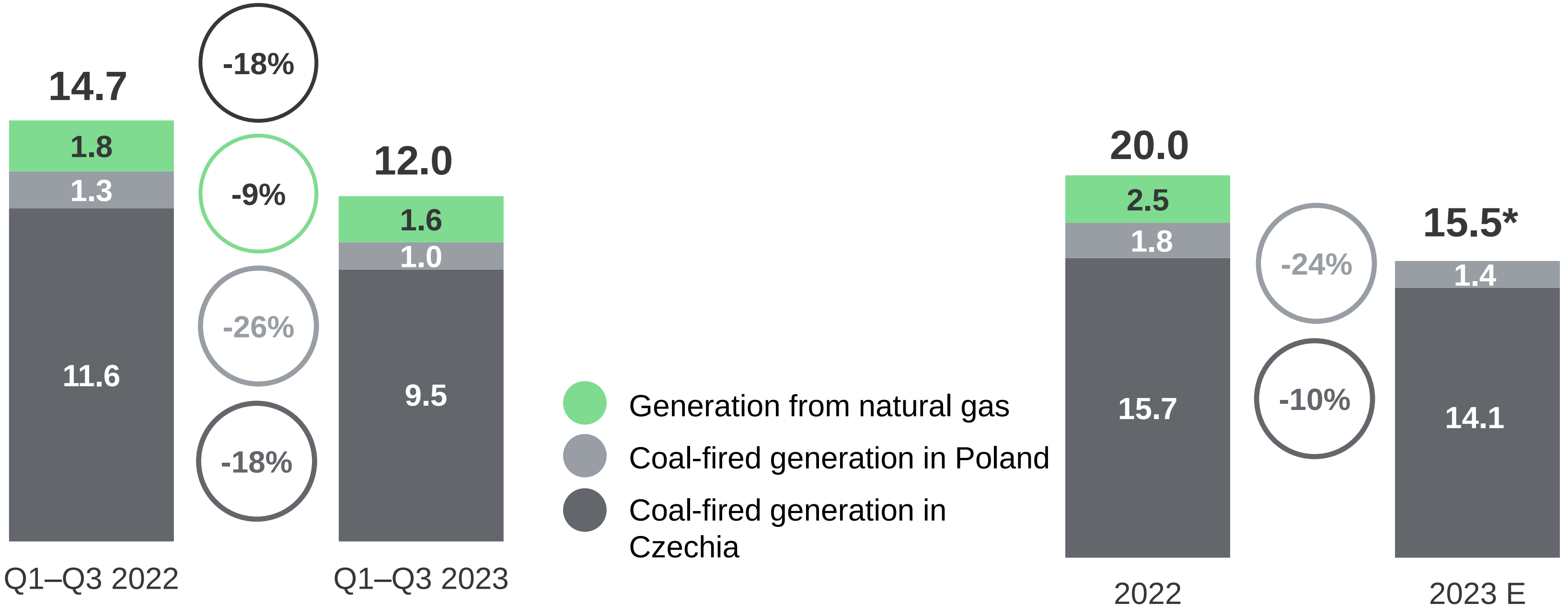
Renewables (+9%)

- Czechia hydroelectric (+13%)
  - + Better-than-average hydrological conditions
  - + Effect of market conditions on the use of hydroelectric plants
- Czechia biomass (-10%)
  - – Effect of unfavorable market conditions
- Germany wind (+17%)
  - + Worse-than-average weather conditions in 2022

Nuclear plants (-2%)

- – Longer scheduled outages of both power plants

Electricity generation from coal and natural gas (TWh)



Generation from natural gas (-9%)
- Lower deployment of the Počerady 2 power plant, reflecting market conditions

Coal-fired generation in Poland (-26%)
- Lower deployment reflecting market conditions

Coal-fired generation in Czechia (-18%)
- Lower deployment reflecting market conditions

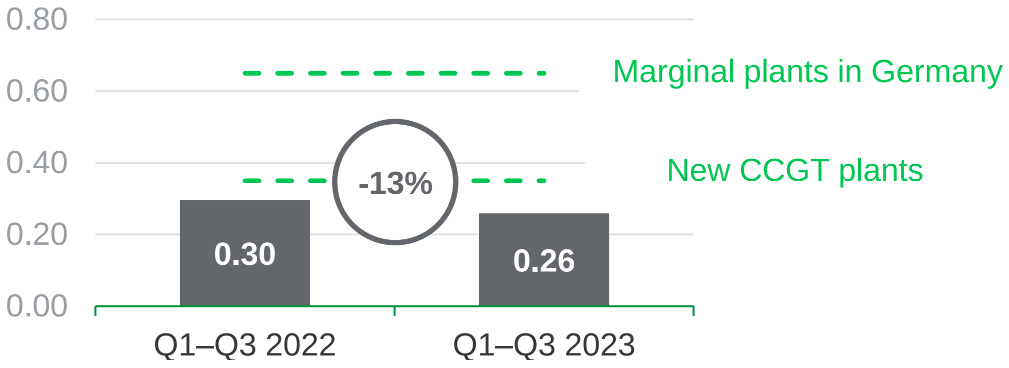
Coal-fired generation in Poland (-24%)
- Lower deployment reflecting market conditions

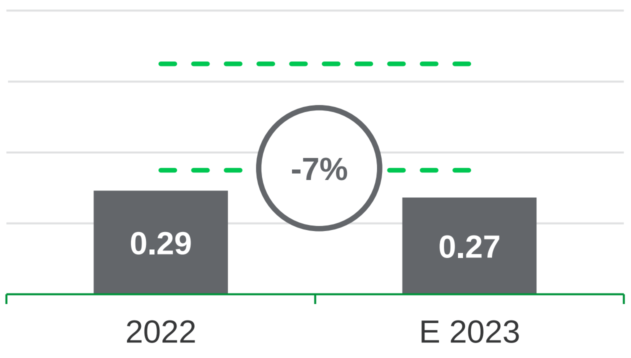
Coal-fired generation in Czechia (-10%)
- – Lower deployment reflecting market conditions
- – Lower availability of the Ledvice power plant
- – Longer outages at the Prunéřov 2 power plant
- \+ Shorter outages at the Tušimice 2 power plant

* The forecast of expected generation from emission facilities for 2023 does not include the actual expected generation from the CCGT plant, considering the high volatility of market prices of electricity, gas, and emission allowances, and thus the highly volatile expected power plant deployment.

Emissions of CO_2, SO_2 and NO_X from electricity and heat generation have decreased year-on-year

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

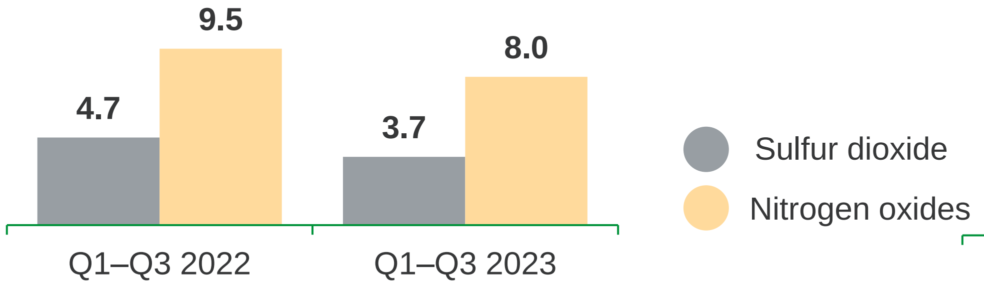


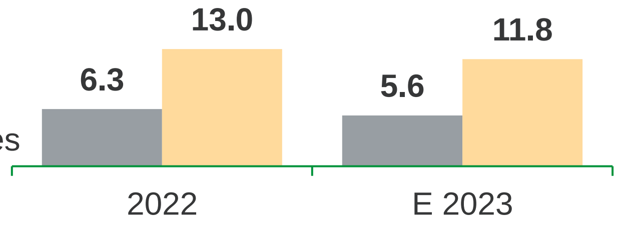


Expected CEZ Group's emission intensity for electricity and heat generation in 2023 of 0.27 t CO_2e/MWh corresponds to:

- 78% of the emissions of the new CCGT plant,
- 42% of emissions produced by the marginal generating facility determining the current electricity market prices in Germany.

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





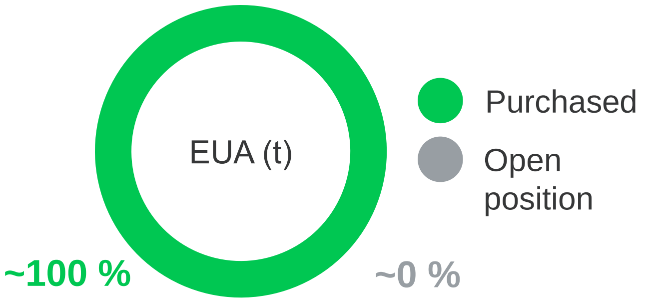
In Q1–Q3 2023:

- SO_2 emissions were 3,700 tons and decreased by 22% year-on-year,
- NO_X emissions were 8,000 tons and decreased by 16% year-on-year.

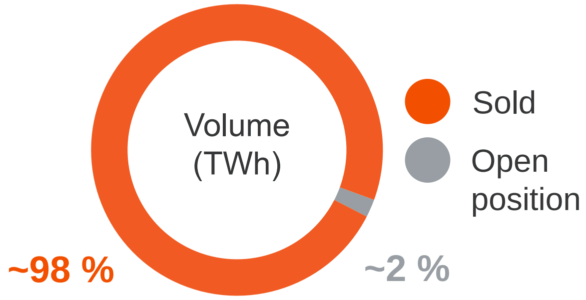
The CO_2e indicator corresponds to emissions as defined in "SCOPE 1 of the GHG Protocol". Under CEZ Group's conditions, these are emissions related to the combustion of fossil fuels in the generation of electricity and heat (CO_2, CH_4 and N_2O emissions) and CO_2 emissions from transport. The indicator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

Status of selected price risk hedges of the generation margin in Czechia* and expected realized prices of generation for 2023

Emission allowances – status of generation hedging in Czechia* for 2023 (as of Sep 30)



Electricity – share of hedged deliveries from generation in Czechia* for 2023 (as of Sep 30)



Emission allowances – expected purchase price for 2023 generation as of Sep 30

- 100% of purchases of emission allowances for Czechia* are ~14 mil tons.
- Average purchase price** is EUR ~60 per ton.

Electricity – expected realized price from generation in 2023 as of Sep 30

- 100% of the expected electricity supply in Czechia* corresponds to 43–45 TWh.
- Average expected realized price** is EUR 124–129 per MWh.

Electricity – generation revenue hedging as of Sep 30

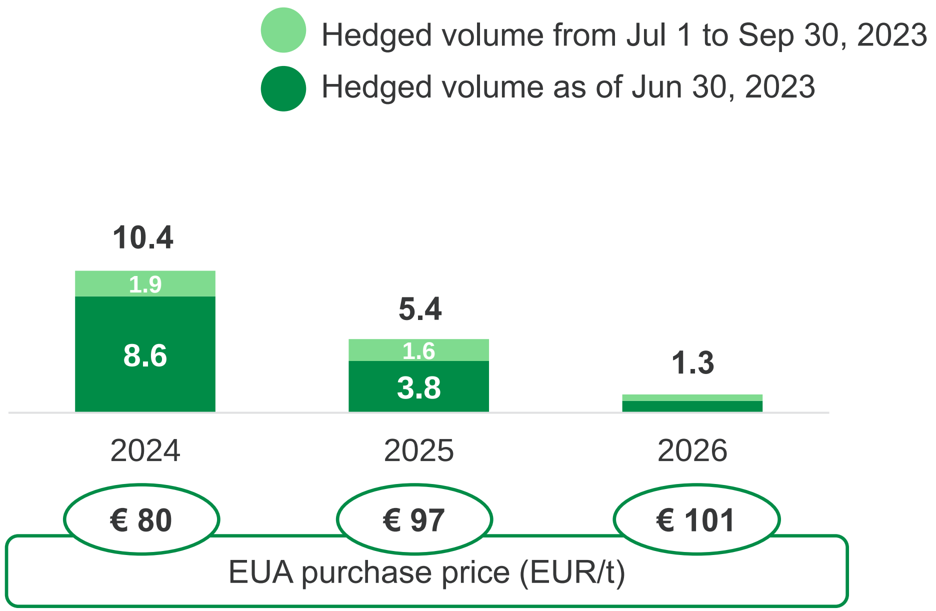
- 42.8 TWh sold at an average realized price of EUR ~125 per MWh.

* Generation in ČEZ and Energotrans (following the merger, the Dětmarovice power plant has been part of ČEZ, a. s. since January 1, 2023).

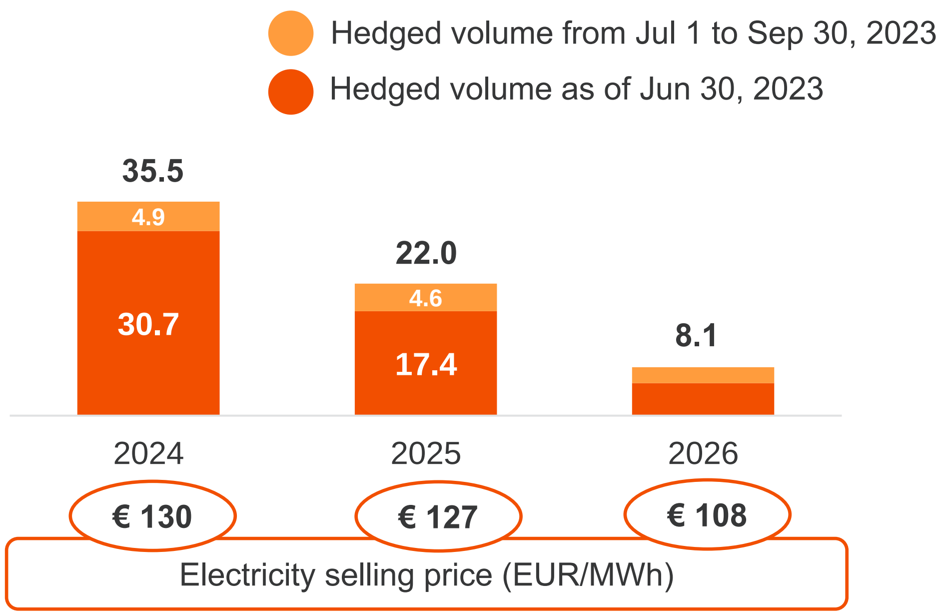
** This is the result of hedging trades and as far as electricity is concerned, current market valuation of yet unsold electricity from expected generation in 2023. Some of the hedging contracts for the sales of electricity (mainly from gas and some coal-fired facilities) and the purchase of emission allowances, are continuously revalued in the P/L statement due to uncertain final deliveries.

Hedging of market risks of generation in Czechia for 2024–2026, Status as of Sep 30, 2023

Contracted emission allowances* in mil t



Electricity sold** in TWh



	2024	2025	2026
Share of electricity supply hedged from generation (100% of expected external annual supply corresponds to 40–47 TWh)	**77%**	**51%**	**20%**

* As of Sep 30, 2023, 100% of the expected annual volume of emission allowances for generation in Czechia for 2024–2026 was 10–17 mil t.
** Includes volumes of expected generation hedged by derivative contracts with supply in Czechia.

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 billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%	Q3 2022	Q3 2023	Difference	%
Czechia	13.7	13.0	-0.7	-5%	4.2	4.0	-0.2	-4%

Year-on-year effects Q1–Q3 (CZK -0.7 bn):

- Lower gross margin from electricity distribution (CZK -0.3 bn), mainly due to the lower volume of distributed electricity, reflecting in particular the reduction in customer consumption due to high commodity prices
- Higher revenue from activities to ensure input power and connection (CZK +0.4 bn)
- Higher fixed operating expenses (CZK -0.7 bn)

Year-on-year effects Q3 (CZK -0.2 bn):

- Higher fixed operating expenses (CZK -0.3 bn)
- Lower contractual fines (CZK -0.1 bn)
- Higher revenue from activities to ensure input power and connection (CZK +0.3 bn)

Electricity distribution (TWh)

Climate- and calendar-adjusted electricity consumption decreased by 4% year-on-year from 26.1 TWh to 25.1 TWh.

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

SALES segment EBITDA

EBITDA (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%	Q3 2022	Q3 2023	Difference	%
Retail segment – ČEZ Prodej	2.7	3.8	+1.1	+39%	2.4	3.6	+1.2	+48%
B2B segment – ESCO companies:	0.7	3.5	+2.9	>200%	0.7	1.0	+0.3	+40%
Energy services – Czechia and Slovakia	0.3	0.8	+0.5	+181%	0.1	0.2	+0.2	>200%
Energy services – Germany and other countries*	0.7	0.8	+0.1	+11%	0.3	0.3	-0.0	-7%
Sales of commodities and purchases from RESs – Czechia	-0.3	2.0	+2.3	-	0.3	0.5	+0.2	+46%
B2B segment – Other activities**	0.4	0.3	-0.1	-19%	0.0	-0.1	-0.0	-
SALES Segment Total	**3.9**	**7.7**	**+3.9**	**+100%**	**3.1**	**4.6**	**+1.4**	**+45%**

Year-on-year effects Q1–Q3 (CZK +3.9 bn):

Retail segment – ČEZ Prodej (CZK +1.1 bn):

- Proceeds from litigations with SŽ concerning electricity supply in 2010 and 2011 (CZK +1.2 bn)
- Sales of electricity and gas (CZK -0.6 bn), mainly due to higher expenses on purchases to cover fluctuations in customer consumption and lower volume of supply due to customers' consumption savings
- Lower loss from trade receivables (CZK +0.2 bn)
- Other (CZK +0.3 bn): increase of the number of photovoltaic plant installations, fixed expenses and other effects

B2B segment – ESCO companies (CZK +2.9 bn):

- Energy services – Czechia and Slovakia (CZK +0.5 bn): mainly in the field of industrial energy
- Energy services – Germany and other countries (CZK +0.1 bn): higher profitability of orders of German and Polish companies
- Sales of commodities and purchases from RESs – Czechia (CZK +2.3 bn):
  - Purchase of electricity from RESs in Czechia (CZK +1.3 bn) due to market prices and higher purchase volume
  - Sales of commodities to end-use customers (CZK +0.7 bn), mainly stabilization of prices on the markets and higher delivered volumes of electricity and gas
  - Effect of commencement of hedging accounting for foreign exchange risk of revenues from the sales of electricity and gas in ČEZ ESCO since May 2022 (CZK +0.3 bn); in the past, the hedging effects were reflected outside EBITDA

Year-on-year effects Q3 (CZK +1.4 bn):

Retail segment – ČEZ Prodej (CZK +1.2 bn):

- Sales of commodities to end-use customers (CZK +0.9 bn), mainly due to lower purchase prices of commodities and seasonal factors
- Lower loss from trade receivables (CZK +0.4 bn)
- Higher fixed operating expenses (CZK -0.1 bn)

B2B segment – ESCO companies (CZK +0.3 bn):

- Energy services – Czechia and Slovakia (CZK +0.2 bn), mainly in the field of industrial energy
- Sales of commodities and purchases from RESs – Czechia (CZK +0.2 bn):
  - Purchase of electricity from RESs (CZK +0.4 bn), development of market prices and higher purchase volume
  - Sales of commodities to end-use customers (CZK -0.2 bn), mainly lower supply to customers and loss from the sales of commodities at currently lower prices

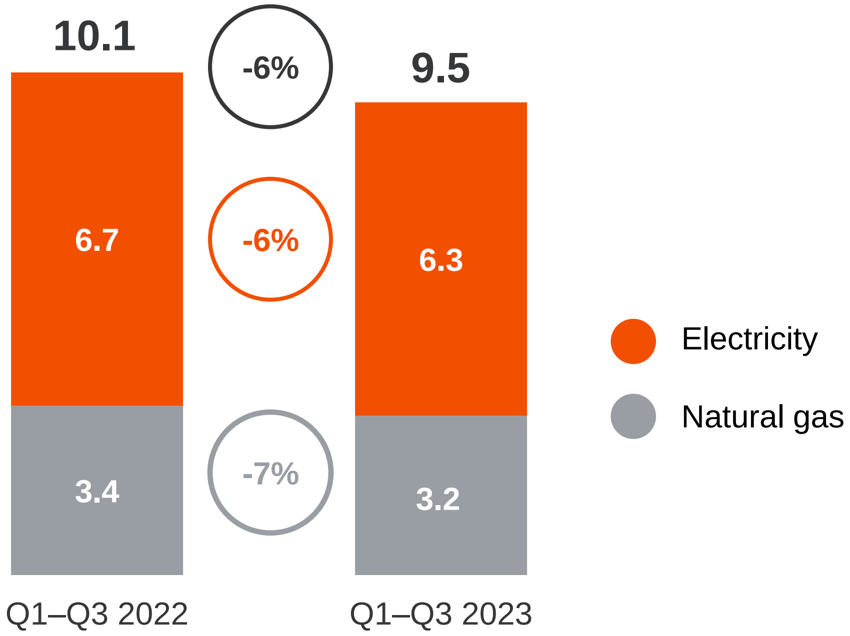
SŽ – state-owned enterprise Railway Administration of the Czech Republic (formerly SŽDC)

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

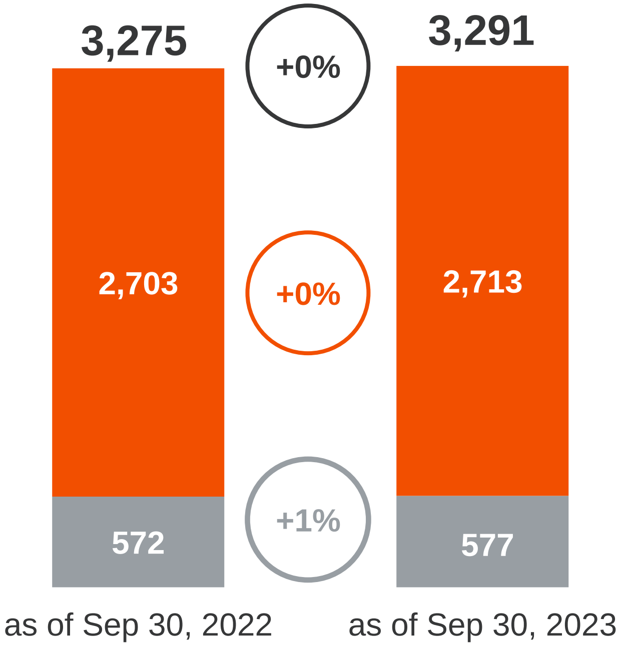
** Mainly telecommunications companies, ČEZ Teplárenská, and other companies in the SALES segment

Volume of electricity and gas sold; number of customers Czechia – Retail

Total electricity and natural gas supply decreased by 6% year-on-year (TWh)

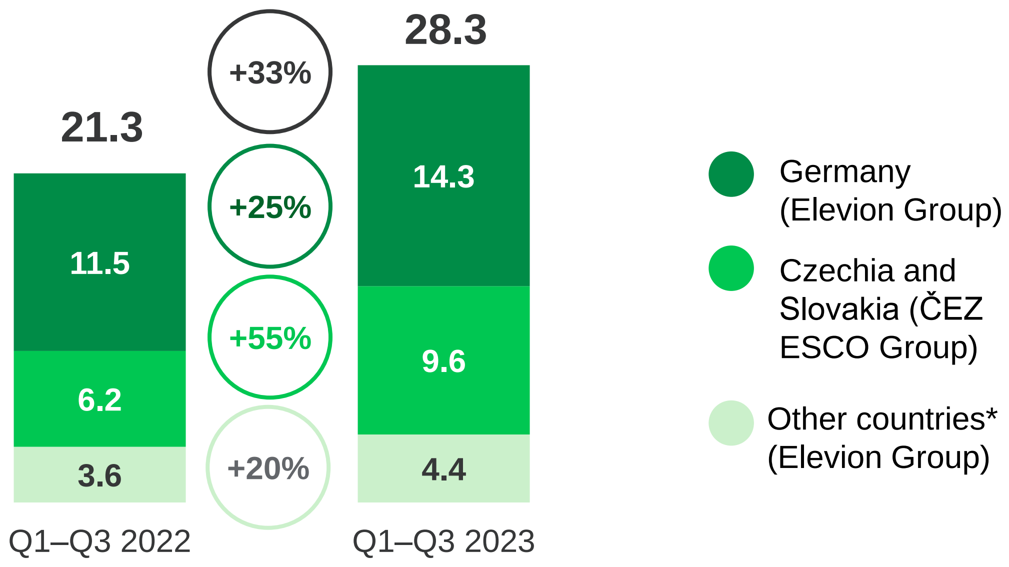


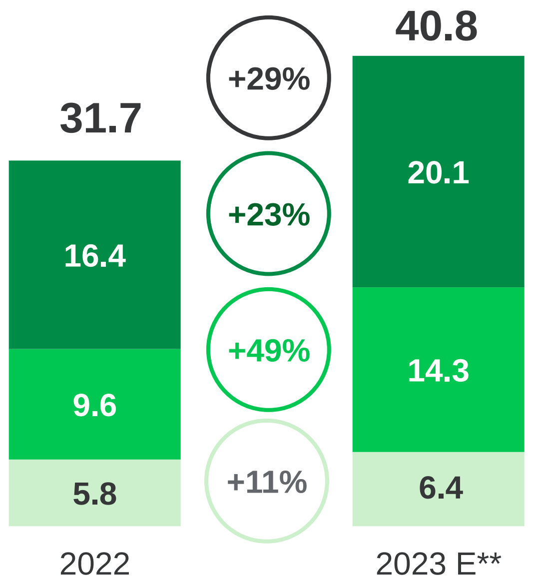
Stable number of customers year-on-year (service points in thousands)



- Lower year-on-year supply of electricity and natural gas is caused mainly by customer savings due to high commodity prices.
- Low natural gas supply was also affected by the significantly warmer weather in 2023.

Revenues from the sale of energy services (CZK billions)





Germany – Elevion Group (+25%)
+ Organic increase +20% (+23% adjusted for exchange rate effects)
+ New acquisitions (mainly SERCOO Group, August 31, 2023)

Czechia and Slovakia – ČEZ ESCO Group (+55%)
+ Organic increase (+54%), mainly the effect of growing commodity prices +24%, most significant increase in revenues in the industrial energy sector, revenues in the green energy sector more than doubled.

Other countries* – Elevion Group (+20%)
+ Organic increase (mainly Poland, Romania, and Austria)

Germany – Elevion Group (+20%)
+ Organic increase +20% (+21% adjusted for exchange rate effects)
+ New acquisitions (mainly SERCOO Group, August 31, 2023)

Czechia and Slovakia – ČEZ ESCO Group (+49%)
+ Organic increase (+47%), mainly growing commodity prices +25%, the most significant increase in revenues in the industrial energy sector, revenues in the green energy sector to more than double

Other countries* – Elevion Group (+11%)
+ Organic increase (mainly Poland, Italy, and Austria)

* Poland, Italy, and other countries where ESCO activities are managed by the Elevion Group
** Forecast of revenues from the sales of services of existing companies

Annexes

Selected events and financial results

- Overall operating results and selected information
- Net income in Q3
- Operating revenues by segment and country
- EBITDA by segment and country
- Expected year-on-year change in EBITDA by segment
- Expected taxes for the Czech state in 2023

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

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

Market developments, balance, and other information

- Market developments
- Balance of electricity
- Calculation of alternative indicators according to ESMA

Overall operating results and selected information

		Q1–Q3 2022	Q1–Q3 2023	Difference	%
Electricity generation	TWh	39.6	37.0	-2.6	-7%
of which in Czechia	TWh	37.9	35.6	-2.3	-6%
Sales of heat	TWh	4.5	4.3	-0.3	-6%
of which in Czechia	TWh	3.3	3.1	-0.2	-5%
Sales of electricity*	TWh	16.6	17.8	+1.1	+7%
of which in Czechia	TWh	15.2	15.9	+0.7	+5%
Sales of gas*	TWh	5.6	7.5	+1.9	+33%
Electricity distribution*	TWh	26.0	25.0	-1.0	-4%
Gas distribution*	TWh	0.5	0.7	+0.2	+38%

* This refers to the sales and distribution to end-use customers.

		as of Sep 30, 2022	as of Sep 30, 2023	Difference	%
Installed capacity	GW	11.8	11.9	+0.0	+0%
of which in Czechia	GW	11.1	11.1	+0.0	+0%
Workforce headcount	thousands of persons	27.5	30.2	+2.7	+10%
of which in Czechia	thousands of persons	22.8	24.7	+2.0	+9%

Net income in Q3

(CZK billions)	Q3 2022	Q3 2023	Difference	%
EBITDA	30.0	32.6	+2.6	+9%
Depreciation and amortization	-9.1	-9.1	-0.0	-0%
Asset impairments*	0.1	-1.7	-1.8	-
Other income and expenses	0.6	-2.5	-3.1	-
Interest income and expenses	-0.3	0.1	+0.3	-
Other	0.9	-2.6	-3.4	-
Income taxes	-2.9	-11.8	-8.9	>200%
Net income	18.7	7.5	-11.1	-60%
Adjusted net income	18.7	9.0	-9.7	-52%

Net income adjustments

The net income in Q3 2023 adjusted for impairments of fixed assets, including tax shield in Severočeské doly (CZK +1.4 bn).

Depreciation and amortization (CZK -0.0 bn):

- Decrease in depreciation and amortization of Energotrans (CZK +0.9 bn) due to the termination of depreciation of the Mělník 3 power plant in 2022
- Higher depreciation and amortization mainly in Severočeské doly (CZK -0.4 bn) and ČEZ Distribuce (CZK -0.2 bn) and in nuclear power plants (CZK -0.1 bn)
- Depreciation and amortization of newly included companies (CZK -0.1 bn)

Impairments (CZK -1.8 bn): impairments of fixed assets in Severočeské doly

Other income and expenses (CZK -3.1 bn):

- Effect of higher interest rates and development of net debt on the balance of interest expenses and income (CZK +0.3 bn)
- Higher interests on nuclear and other provisions (CZK -1.2 bn) due to a major increase in interest rates** and an increase in provisions in 2022
- Exchange rate effects and revaluation of financial derivatives (CZK -0.7 bn), mainly due to the revaluation of ČEZ's margin deposits
- Temporary value fluctuations of ownership interests held by Inven Capital (CZK -1.5 bn) due to an increased valuation in 2022 CZK +0.5 bn and the reduction of value in 2023
  CZK -1.0 bn

Income tax (CZK -8.9 bn):

- Newly introduced 60% windfall tax (CZK ~8 bn) exceeded the increase of the regular 19% income tax in Q3 2023.

* Including gain/loss from sales of tangible and intangible fixed assets including goodwill
** Long-term nominal risk-free interest rates increased year-on-year from 2.3% to 4.9% and medium-term rates from 1.6% to 4.8%.

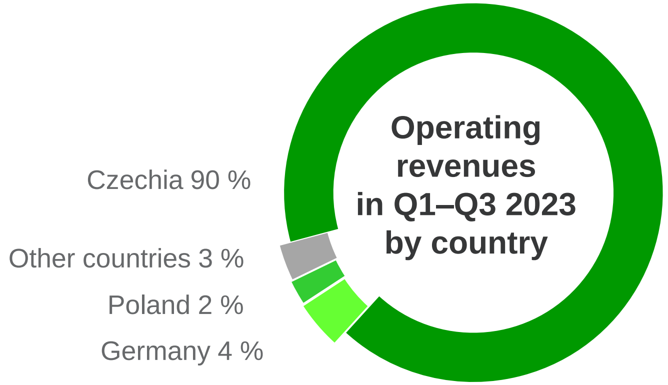
Operating revenues by segment and country

GENERATION (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
Czechia	148.8	164.9	+16.1	+11%
Germany	0.5	0.5	-0.0	-4%
Poland	4.2	6.6	+2.5	+59%
Other countries	8.1	9.3	+1.1	+14%
Intragroup eliminations	-5.8	-5.6		
Total	155.8	175.7	+19.8	+13%

SALES (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
Czechia	84.2	141.2	+57.0	+68%
Germany	11.7	14.1	+2.5	+21%
Poland	2.0	2.4	+0.4	+19%
Other countries	2.9	4.0	+1.1	+37%
Intragroup eliminations	-0.1	0.1		
Total	100.7	161.9	+61.2	+61%

MINING (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
Czechia	9.7	15.2	+5.5	+57%

DISTRIBUTION (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
Czechia	26.2	26.6	+0.4	+1%



Operating revenues (CZK billions)	Q1–Q3 2023	Share
GENERATION	175.7	46%
MINING	15.2	4%
DISTRIBUTION	26.6	7%
SALES	161.9	43%
Intragroup eliminations	-132.9	
Total	246.5	100%

EBITDA by segment and country

GENERATION (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
Czechia	66.7	65.1	-1.5	-2%
Germany	0.4	0.3	-0.0	-5%
Poland	-0.3	0.7	+1.0	-
Other countries	0.2	0.5	+0.3	+119%
Intragroup eliminations	0.0	0.0		
Total	66.9	66.7	-0.2	-0%

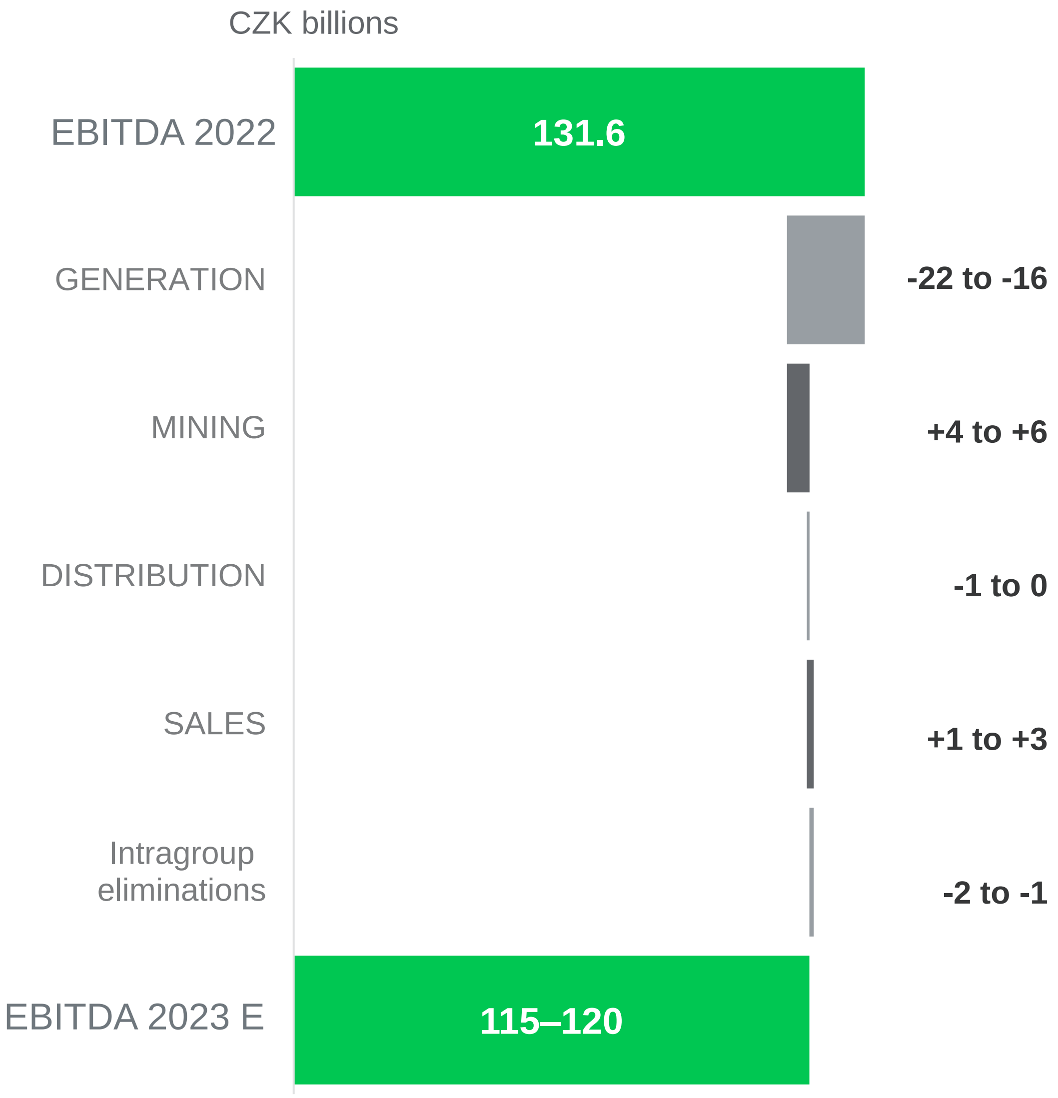
SALES (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
Czechia	3.1	6.8	+3.7	+119%
Germany	0.6	0.6	+0.1	+11%
Poland	0.1	0.2	+0.1	+139%
Other countries	0.2	0.2	+0.0	+28%
Intragroup eliminations	-0.0	-0.1		
Total	3.9	7.7	+3.9	+100%

MINING (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
Czechia	5.0	8.9	+3.9	+77%

DISTRIBUTION (CZK billions)	Q1–Q3 2022	Q1–Q3 2023	Difference	%
Czechia	13.7	13.0	-0.7	-5%

EBITDA (CZK billions)	Q1–Q3 2023	Share
GENERATION	66.7	69%
MINING	8.9	9%
DISTRIBUTION	13.0	14%
SALES	7.7	8%
Intragroup eliminations	-1.3	
Total	95.0	100%

Expected year-on-year change in individual business areas



GENERATION

of which Generating facilities (CZK -7 to 0 bn)

+ Higher realized prices of electricity, including hedging
– Levy on excess revenues in generation (introduced in Czechia from Dec 1, 2022)
– Lower deployment of emission facilities
– Outage schedule for nuclear power plants
– Higher fixed operating expenses

of which Trading (CZK -18 to -13 bn)

– Record-high income from commodity trading in 2022
+ / – Uncertain income from trading in 2023 and revaluation of derivatives

MINING

+ Higher revenues from the sale of coal, mainly due to higher realized prices
– Higher fixed operating expenses, mainly on energy

DISTRIBUTION

– Higher fixed operating expenses and negative effect of correction factors
+ Higher allowed revenues

SALES

+ Acquisition-induced and organic increase in energy services
+ Higher margin from the purchase of electricity from RESs
– Higher purchase expenses on electricity and gas for customers

Intragroup eliminations

– Mainly the elimination of impact of the EUR/CZK risk hedging effect of ČEZ ESCO (SALES segment) through ČEZ, a. s., (GENERATION segment), caused by the significant strengthening of CZK against EUR. Within ČEZ, a. s., this hedging effect is included in foreign exchange gains and losses (outside EBITDA).

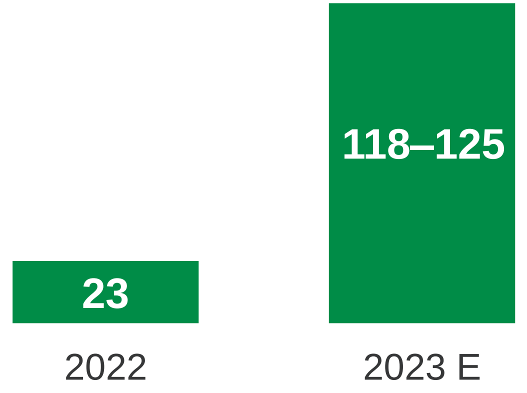
In 2023, CEZ Group will pay CZK 37–45 bn to the Czech state in extraordinary duties and taxes

Indication of state revenues from CEZ Group in 2023 (CZK billions)

	2023 E
Final settlement of income tax payments on 2022 profits	~16
Dividend (paid on August 1)	~54
Advances on regular income tax on 2023 income	~11
Levy on excess revenues from generation*	9 to 11
Windfall tax*	28 to 34

* The stated values correspond to the total levy/tax obligation in 2023, which may differ from the cash flow due to advances on the levies, or taxes in question in 2023.

Revenues of Czechia from dividends, income taxes, and levy on excess revenues from generation from CEZ Group (CZK billions)



In 2023, CEZ Group will pay more than CZK 118 to 125 bn to the Czech state in dividends, income taxes, and levy on revenues from generation.

Annexes

Selected events and financial results

- Overall operating results and selected information
- Net income in Q3
- Operating revenues by segment and country
- EBITDA by segment and country
- Expected year-on-year change in EBITDA by segment
- Expected taxes for the Czech state in 2023

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

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

Market developments, balance, and other information

- Market developments
- Balance of electricity
- Calculation of alternative indicators according to ESMA

Investment in fixed assets (CAPEX) by segment

CAPEX (CZK billions)	Q1–Q3 2022	Q1–Q3 2023
GENERATION	8.3	13.3
of which nuclear fuel procurement	2.3	6.0
MINING	1.2	1.3
DISTRIBUTION	10.3	11.6
SALES	1.6	1.9
Intragroup eliminations	-0.1	-0.3
TOTAL CEZ GROUP	**21.4**	**27.9**

Main causes of year-on-year change:

GENERATION:

- Purchase of nuclear fuel (CZK +3.7 bn), mainly purchase of a larger amount of nuclear fuel and increase in the volume of uranium purchase for the Temelín NPP in accordance with the nuclear fuel inventory increase strategy
- Investment in existing nuclear facilities (CZK +0.3 bn), mainly at the Temelín nuclear power plant site
- Project of a new nuclear power plant EDU II (CZK +0.2 bn)
- Investment in emissions facilities (CZK +0.4 bn), of which ČEZ (CZK +0.3 bn), Energotrans (CZK +0.2 bn) and CEZ Chorzów (CZK -0.1 bn)
- Investment in renewables (CZK +0.2 bn)
- Other (CZK +0.2 bn), mainly growing ICT investments (SAP upgrade project)

DISTRIBUTION:

- Investment in customers’ construction projects (CZK +1.8 bn), mainly in photovoltaic power plants
- Other (CZK -0.5 bn), mainly lower investment in equipment renewal

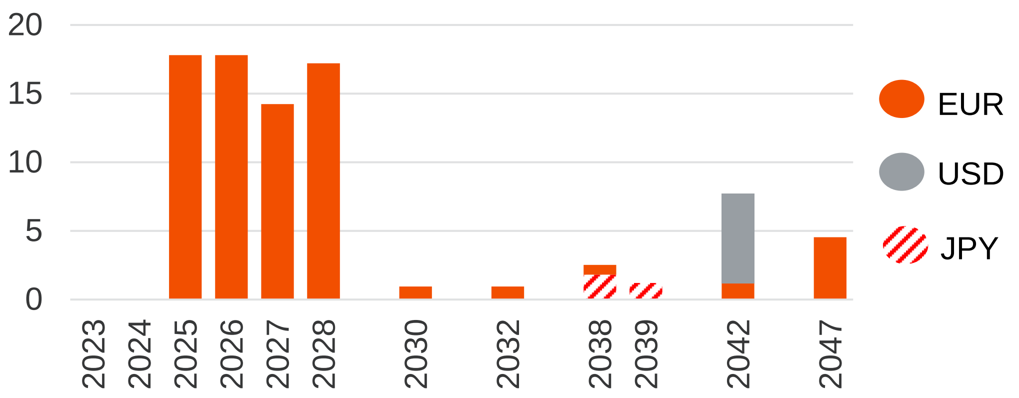
Credit lines and debt structure as of Sep 30, 2023

Committed bank credit lines

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

- Committed bank lines are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- As of September 30, 2023, CEZ Group had access to CZK 73.3 bn of committed bank credit lines, of which only CZK 0.35 bn have been drawn.
- Of the loan contract with Czechia, only EUR 1 bn was drawn as of September 30, 2023 (payable by April 2, 2024). The company can still draw an additional EUR 1 bn.

Bond maturity profile (CZK billions)

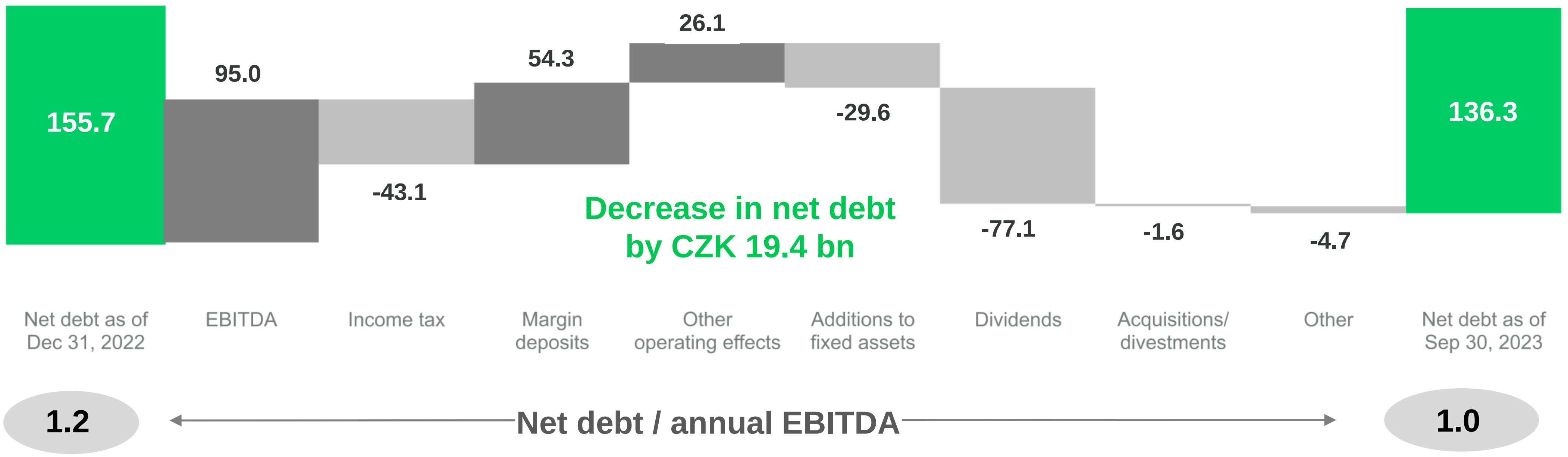


Debt level		as of Sep 30, 2022	as of Sep 30, 2023
Debts and loans	CZK billions	205.9	154.8
of which short-term bank	CZK billions	3.0	2.1
Cash and fin. assets**	CZK billions	84.2	18.5
Net debt	CZK billions	121.7	136.3
Net debt / EBITDA		1.2	1.0

** Cash and cash equivalents & highly liquid financial assets

Total liquid financial assets** and undrawn committed bank credit lines amounted to CZK 91.5 bn as of September 30, 2023.

Net debt decreased by CZK 19.4 bn. Outside EBITDA, the decrease of margin deposits on commodity exchanges played a major role.



- **Income tax (CZK -43.1 bn):** Regular income tax paid, including the paid windfall tax advance for 2023
- **Margin deposits (CZK +54.3 bn):** temporary margin deposits on commodity exchanges and with trading counterparties due to generation pre-sales decreased due to lower market prices of electricity
- **Other operating effects (CZK +26.1 bn):** non-cash expense on emission allowances used for generation (CZK +21.7 bn), change in stocks of materials and fossil fuels (CZK +0.7 bn), other operating effects (CZK +3.7 bn)
- **Additions to fixed assets (CZK -29.6 bn):** acquisition of fixed assets – CAPEX (CZK -27.9 bn), change in liabilities from acquired fixed assets (CZK -1.3 bn), Inven Capital investment (CZK -0.3 bn)
- **Acquisitions/divestments (CZK -1.6 bn):** mainly acquisitions of new subsidiaries in Germany (SERCOO Group and Hofmockel)
- **Other (CZK -4.7 bn):** change of restricted assets (CZK -1.4 bn), change of fair value of the debt due to exchange rate change (CZK -1.4 bn), payments of other long-term liabilities (CZK -2.4 bn)

Currency and Commodity Hedging of Generation in Czechia for 2024–2026, Status as of Sep 30, 2023

Currency hedge of expected EUR cash flow* from electricity generation in Czechia

	2024	2025	2026
Total currency hedge of EUR denominated CF from generation*	**93%**	**78%**	**53%**
Natural currency hedge (debts and interests, capital, and other expenses in EUR)	64%	58%	42%
Transaction currency hedges	29%	20%	11%

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

The currency position for 2024–2026 is hedged at an exchange rate in the range of 24 to 26 CZK/EUR.

Commodity hedges of expected electricity supply from generation in Czechia

	100% of expected supply	2024	2025	2026
Total share of hedged supply	**40 to 47 TWh per year**	**77%**	**51%**	**20%**
Zero-emission facilities (nuclear and ČEZ RESs)**	29 to 30 TWh per year	81%	54%	22%
Emission facilities – medium-term hedged**	7 to 13 TWh per year	75%	54%	20%
Emission facilities – other***	3 to 5 TWh per year	56%	-	-

** 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

Annexes

Selected events and financial results

- Overall operating results and selected information
- Net income in Q3
- Operating revenues by segment and country
- EBITDA by segment and country
- Expected year-on-year change in EBITDA by segment
- Expected taxes for the Czech state in 2023

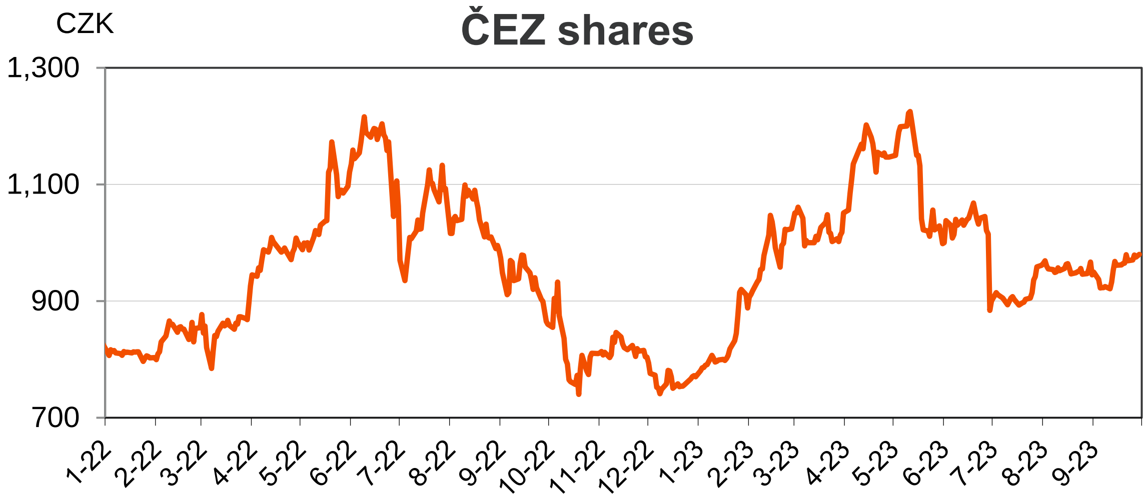
Investments, development of cash flow, debt, and financial exposure

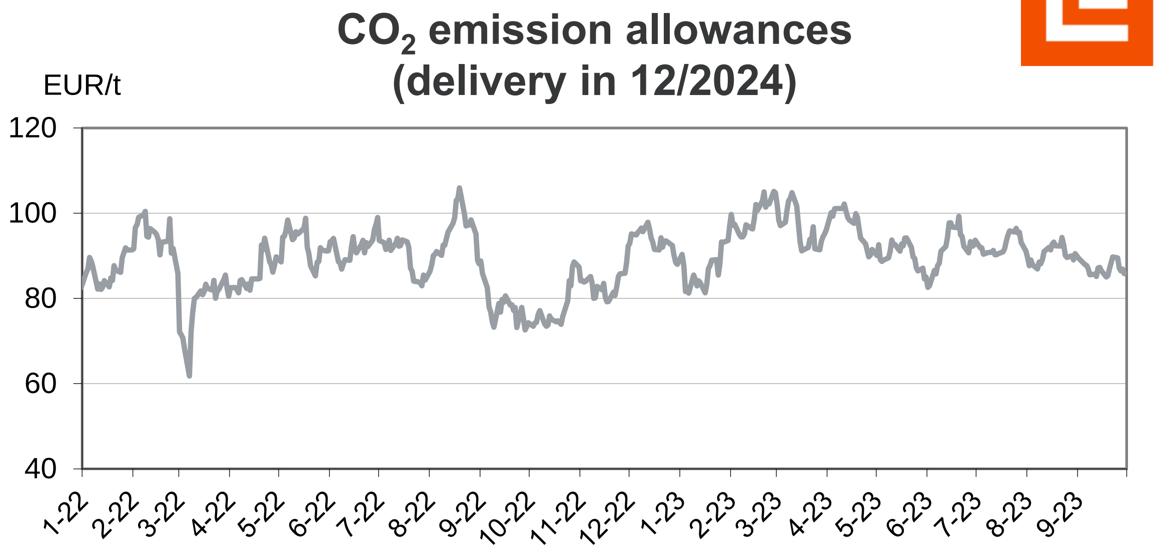
- Investments in fixed assets (CAPEX)
- Credit lines and debt structure
- Change in net debt (cash flow)
- Hedging against currency and commodity risks in generation in Czechia

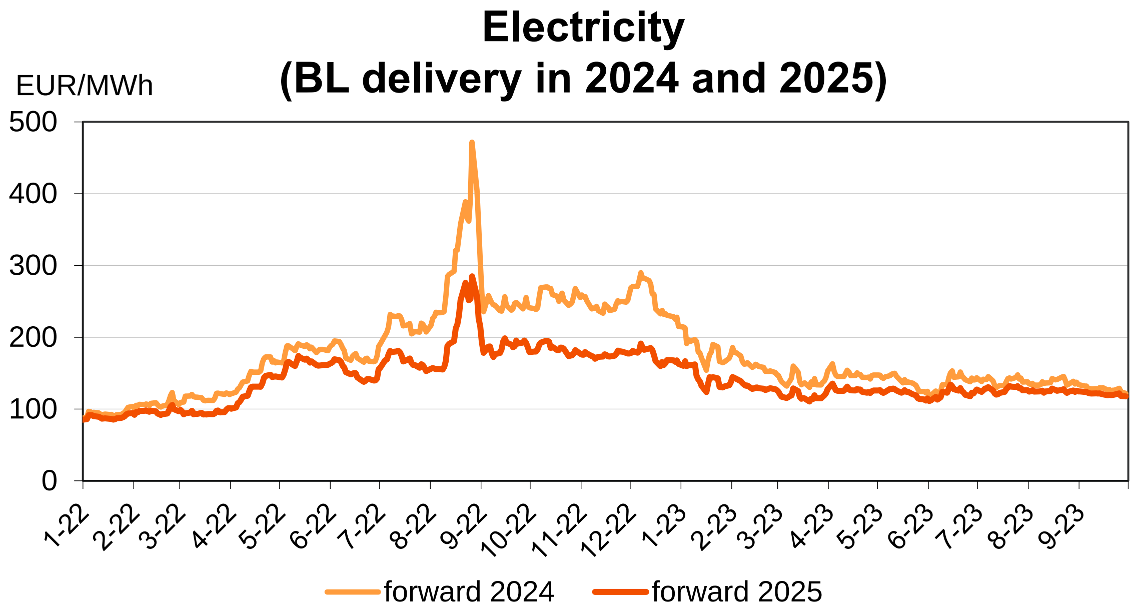
Market developments, balance, and other information

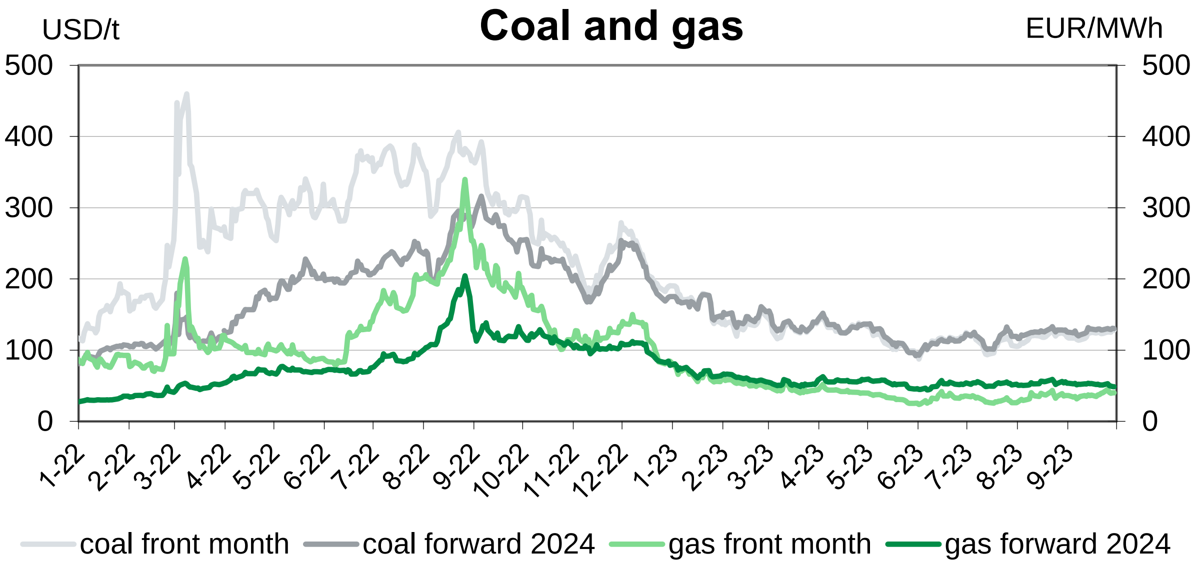
- Market developments
- Balance of electricity
- Calculation of alternative indicators according to ESMA

Market developments from January 1, 2022 to September 30, 2023









Electricity balance (GWh)

	Q1 - Q3 2022	Q1 - Q3 2023	Index 2023/2022
Electricity procured	**35,779**	**33,312**	**-7%**
Generated in-house (gross)	39,633	37,017	-7%
In-house and other consumption, including pumping in pumped-storage plants	-3,854	-3,705	-4%
Sold to end customers	**-16,615**	**-17,762**	**+7%**
Sold in the wholesale market (net)	**-17,988**	**-14,430**	**-20%**
Sold in the wholesale market	-118,000	-67,436	-43%
Purchased in the wholesale market	100,012	53,006	-47%
Grid losses	**-1,176**	**-1,120**	**-5%**

Electricity generation by source (GWh)

Nuclear	22,551	22,395	-1%
Coal and lignite	12,904	10,431	-19%
Water	1,536	1,721	+12%
Biomass	563	524	-7%
Photovoltaic	121	115	-5%
Wind	186	224	+20%
Natural gas	1,771	1,606	-9%
Bio gas	0	0	-
Total	**39,633**	**37,017**	**-7%**

Sales of electricity to end customers (GWh)

Households	-5,757	-5,416	-6%
Commercial (low voltage)	-1,801	-2,048	+14%
Commercial and industrial (medium and high voltage)	-9,057	-10,297	+14%
Sold to end customers	**-16,615**	**-17,762**	**+7%**

Distribution of electricity (GWh)

	Q1 - Q3 2022	Q1 - Q3 2023	Index 2023/2022
Distribution of electricity to end customers	26,027	24,986	-4%

Electricity balance (GWh) by segment

Q1 - Q3 2023	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**33,086**	**-**	**0**	**-**	**226**	**-**	**0**	**-**	**33,312**	**-7%**
Generated in-house (gross)	36,735	-	0	-	282	-	0	-	37,017	-7%
In-house and other consumption, including pumping in pumped-storage plants	-3,649	-	0	-	-56	-	0	-	-3,705	-4%
Sold to end customers	**-2,113**	**-**	**0**	**-**	**-16,583**	**-**	**935**	**-12%**	**-17,762**	**+7%**
Sold in the wholesale market (net)	**-30,973**	**-**	**1,120**	**-**	**16,357**	**-**	**-935**	**-12%**	**-14,430**	**-20%**
Sold in the wholesale market	-83,331	-	0	-	-5,064	-	20,959	+17%	-67,436	-43%
Purchased in the wholesale market	52,358	-	1,120	-	21,421	-	-21,893	+15%	53,006	-47%
Grid losses	**0**	**-**	**-1,120**	**-**	**0**	**-**	**0**	**-**	**-1,120**	**-5%**

Electricity generation by source (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	22,395	-	0	-	0	-	0	-	22,395	-1%
Coal and lignite	10,431	-	0	-	0	-	0	-	10,431	-19%
Water	1,721	-	0	-	0	-	0	-	1,721	+12%
Biomass	483	-	0	-	41	-	0	-	524	-7%
Photovoltaic	113	-	0	-	1	-	0	-	115	-5%
Wind	224	-	0	-	0	-	0	-	224	+20%
Natural gas	1,367	-	0	-	239	-	0	-	1,606	-9%
Bio gas	0	-	0	-	0	-	0	-	0	-
Total	**36,735**	**-**	**0**	**-**	**282**	**-**	**0**	**-**	**37,017**	**-7%**

Sales of electricity to end customers (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	0	-	-5,416	-	0	-	-5,416	-6%
Commercial (low voltage)	-3	-	0	-	-2,045	-	0	-	-2,048	+14%
Commercial and industrial (medium and high voltage)	-2,110	-	0	-	-9,122	-	935	-12%	-10,297	+14%
Sold to end customers	**-2,113**	**-**	**0**	**-**	**-16,583**	**-**	**935**	**-12%**	**-17,762**	**+7%**

Electricity balance (GWh) by country

Q1 - Q3 2023	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**32,092**	**-**	**986**	**-**	**208**	**-**	**27**	**-**	**0**	**-**	**33,312**	**-7%**
Generated in-house (gross)	35,616	-	1,163	-	208	-	30	-	0	-	37,017	-7%
In-house and other consumption, including pumping in pumped-storage plants	-3,524	-	-177	-	0	-	-3	-	0	-	-3,705	-4%
Sold to end customers	**-15,933**	**-**	**0**	**-**	**0**	**-**	**-1,829**	**-**	**0**	**-**	**-17,762**	**+7%**
Sold in the wholesale market (net)	**-15,039**	**-**	**-986**	**-**	**-208**	**-**	**1,803**	**-**	**0**	**-**	**-14,430**	**-20%**
Sold in the wholesale market	-68,066	-	-1,035	-	-208	-	-97	-	1,970	+8%	-67,436	-43%
Purchased in the wholesale market	53,028	-	49	-	0	-	1,900	-	-1,970	+8%	53,006	-47%
Grid losses	**-1,120**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**-1,120**	**-5%**

Electricity generation by source (GWh) by country

	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	22,395	-	0	-	0	-	0	-	0	-	22,395	-1%
Coal and lignite	9,478	-	953	-	0	-	0	-	0	-	10,431	-19%
Water	1,714	-	7	-	0	-	0	-	0	-	1,721	+12%
Biomass	309	-	203	-	0	-	12	-	0	-	524	-7%
Photovoltaic	113	-	0	-	0	-	1	-	0	-	115	-5%
Wind	6	-	0	-	208	-	10	-	0	-	224	+20%
Natural gas	1,599	-	0	-	0	-	7	-	0	-	1,606	-9%
Bio gas	0	-	0	-	0	-	0	-	0	-	0	-
Total	**35,616**	**-**	**1,163**	**-**	**208**	**-**	**30**	**-**	**0**	**-**	**37,017**	**-7%**

Sales of electricity to end customers (GWh) by country

	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-5,416	-	0	-	0	-	-1	-	0	-	-5,416	-6%
Commercial (low voltage)	-2,044	-	0	-	0	-	-4	-	0	-	-2,048	+14%
Commercial and industrial (medium and high voltage)	-8,473	-	0	-	0	-	-1,824	-	0	-	-10,297	+14%
Sold to end customers	**-15,933**	**-**	**0**	**-**	**0**	**-**	**-1,829**	**-**	**0**	**-**	**-17,762**	**+7%**

Distribution of electricity (GWh) by country

Q1 - Q3 2023	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	24,966	-	0	-	0	-	-20	-	0	-	24,986	-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 (After-Tax Income, Adjusted)	Purpose: This is a supporting indicator, intended primarily for investors, creditors, and shareholders, which allows interpreting achieved financial results with the exclusion of extraordinary, usually nonrecurring effects that are generally unrelated to ordinary financial performance and value creation in a given period. Definition: Net income (after-tax income) +/− additions to and reversals of impairments of property, plant, and equipment and intangible assets (including goodwill write-off) +/− additions to and reversals of impairments of developed projects +/− other extraordinary effects that are generally unrelated to ordinary financial performance and value creation in a given period +/− effects of the above on income tax.
Net Debt	Purpose: The indicator shows the real level of a company's financial debt, i.e., the carrying amount of debt net of cash, cash equivalents, and highly liquid financial assets held. The indicator is primarily used to assess the overall appropriateness of the indebtedness, e.g., in comparison with selected profit or balance sheet indicators. Definition: Long-Term Debt, Net of Current Portion + Current Portion of Long-Term Debt + Short-Term Loans – (Cash and Cash Equivalents + Highly Liquid Financial Assets). The components of the indicator, except for Highly Liquid Financial Assets, are reported individually on the balance sheet, with items related to assets held for sale are presented separately on the balance sheet.
Net Debt / EBITDA	Purpose: This indicates a company's capability to pay back its debt as well as its ability to take on additional debt to grow its business. CEZ Group uses this indicator primarily to assess the adequacy of its capital structure to the structure and stability of its expected cash flows. Definition: Net Debt / EBITDA. Net Debt is the amount at the end of the reported period. EBITDA is the running total for the past 12 months. And so September 30 value is calculated from Net Debt as of September 30 and EBITDA for the period from October 1 of previous year to September 30 of current year.

Most of the components used in the calculation of individual indicators are directly shown in financial statements. The components of calculations that are not included in the financial statements are usually shown directly in a company's books and are calculated as follows:

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

	As at Dec 31, 2022	As at Sep 30, 2023
Current debt financial assets	9.8	8.0
Non-current debt financial assets	-	-
Current term deposits	0.1	0.4
Non-current term deposits	-	-
Short-term equity securities	0.0	0.0
Highly liquid financial assets, total	**9.9**	**8.4**

Adjusted Net Income indicator—calculation for periods in question:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1 – Q3 2023	Q1 – Q3 2023
Net income	CZK billions	52.3	29.8
Impairments of property, plant, and equipment and intangible assets (including goodwill write-off)1)	CZK billions	-0.0	2.0
Impairments of developed projects2)	CZK billions	-	-
Effects of additions to or reversals of impairments on income tax3)	CZK billions	-0.0	-0.4
Other extraordinary effects	CZK billions	-	-
Adjusted net income	**CZK billions**	**52.3**	**31.4**

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.