PRESENTATION ON CEZ GROUP FINANCIAL RESULTS IN H1 2021

NON-AUDITED CONSOLIDATED RESULTS
PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS (IFRS)

AUGUST 10, 2021

CLEAN ENERGY OF TOMORROW

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CEZ GROUP FINANCIAL AND OPERATING RESULTS

		H1 2020	H1 2021	Difference	%
Operating revenues	CZK bn	106.3	108.2	+2.0	+2%
EBITDA	CZK bn	38.7	31.6	-7.1	-18%
EBIT	CZK bn	22.0	6.1	-15.8	-72%
Net income	CZK bn	14.7	1.6	-13.1	-89%
Adjusted net income*	CZK bn	16.4	11.3	-5.1	-31%
Operating cash flow	CZK bn	31.1	23.6	-7.6	-24%
CAPEX	CZK bn	12.2	11.7	-0.5	-4%

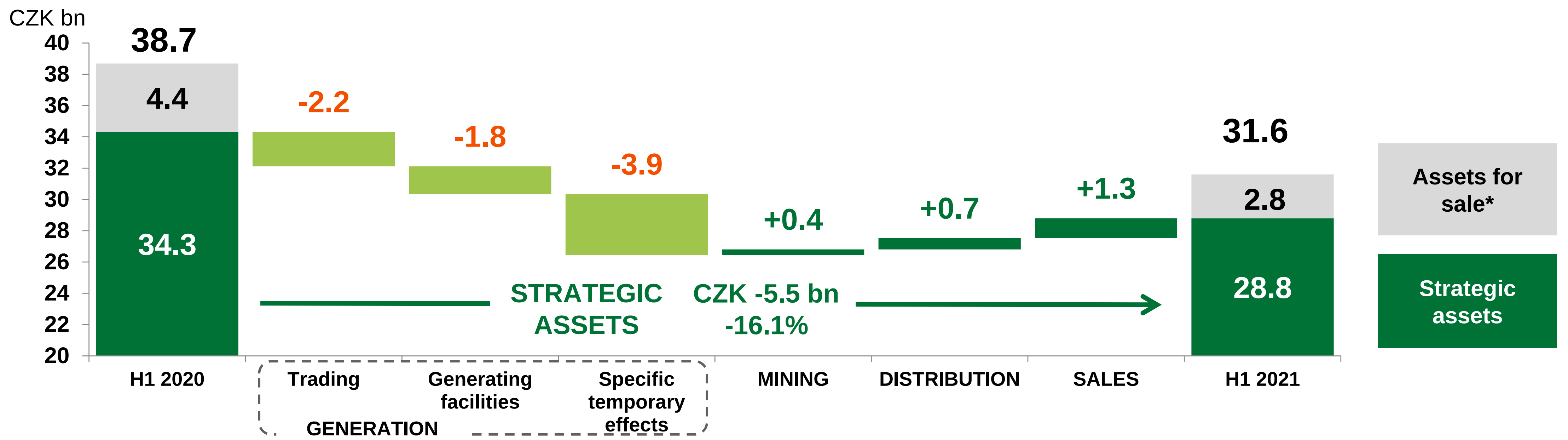
		H1 2020	H1 2021	Difference	%
Installed capacity**	GW	13.9	12.3	-1.6	-11%
Electricity generation***	TWh	29.8	27.7	-2.1	-7%
Coal mining	m tons	7.8	7.7	-0.1	-1%
Electricity distributed to end-use customers	TWh	25.4	25.8	+0.4	+2%
Sales of electricity to end customers	TWh	17.0	16.9	-0.1	-0%
Sales of gas to end customers	TWh	5.2	4.3	-0.9	-17%
Sales of heat	000‘TJ	13.7	15.2	+1.6	+11%
Workforce headcount**	000‘s	32.7	30.3	-2.4	-7%

* 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 impairment)

** As at the last date of the period

*** of which 27.5 TWh were generated within the companies in the GENERATION segment in H1 2021 and 0.2 TWh within ČEZ Energo, which is part of the SALES segment

YEAR-ON-YEAR CHANGE IN EBITDA AFFECTED BY SPECIFIC TEMPORARY EFFECTS OF CZK 3.9 BN AND SALE OF ROMANIAN ASSETS



Main causes of year-on-year change in EBITDA

Strategic assets—CEZ Group excl. assets intended for sale (CZK -5.5 bn)

- GENERATION segment (CZK -7.9 bn):
  - Trading (CZK -2.2 bn)—trading margin in H1 2020 reached a record level of CZK 2.9 bn
  - Impact of market prices of emission allowances, natural gas, and electricity on the margin from generation in Czechia, including the impact of hedging and exchange rate (CZK -2.1 bn)
  - Higher generation volume in nuclear sources (CZK +0.4 bn)
  - Specific temporary effects caused mainly by the decrease in market prices after the COVID-19 outbreak in Europe in Q1 2020 (CZK -3.9 bn): overhedge in Q1 2020 from German hedging contracts for generation supplies in Czechia for the years 2021–2024 (due to a significant increase in the difference between CZ and DE market prices of electricity) and specific effects associated with the revaluation of generation hedging contracts
- DISTRIBUTION segment (CZK +0.7 bn): higher electricity distribution volume (CZK +0.5 bn)
- SALES segment (CZK +1.3 bn): higher margin on commodity sales (CZK +1.0 bn)

Assets for sale—Romanian, Bulgarian, and Polish companies outside ESCO activities (CZK -1.6 bn), of which Romania (CZK -1.4 bn)

* Romanian assets sold on March 31, 2021, Bulgarian assets sold on July 27, 2021.

OTHER INCOME AND EXPENSES

(CZK bn)	H1 2020	H1 2021	Difference	%
EBITDA	38.7	31.6	-7.1	-18%
Depreciation, amortization, and impairments*	-16.7	-25.5	-8.7	-52%
Other income (expenses)	-3.7	-1.9	+1.8	+50%
Interest income (expenses)	-2.6	-2.0	+0.6	+23%
Interest on nuclear and other reserves	-1.0	-1.0	-0.0	-2%
Income and expenses from investments and securities	-0.0	0.2	+0.3	—
Other	-0.1	0.9	+1.0	—
Income tax	-3.5	-2.7	+0.9	+24%
Net income	14.7	1.6	-13.1	-89%
Adjusted net income	16.4	11.3	-5.1	-31%

Depreciation, Amortization, and Impairments* (CZK -8.7 bn)

- Additions to fixed asset impairments in Severočeské doly (CZK -8.7 bn)
- Higher impairments in Poland (CZK -0.6 bn), Romania (CZK -0.3 bn), and Bulgaria (CZK -0.1 bn)
- Lower depreciation and amortization (CZK +1.0 bn), including the impact of the suspension of depreciation and amortization of the Romanian companies being sold (CZK +1.2 bn), ČEZ Distribuce (CZK -0.2 bn)

Other Income and Expenses (CZK +1.8 bn)

- Exchange rate effects and revaluation of financial derivatives and securities (CZK +1.3 bn), mainly exchange rate and interest rate effects on JPY bonds and hedging swaps
- Lower interest expense (CZK +0.6 bn) due to a decrease in the total amount of debt

Net Income Adjustments

- In H1 2021: impairments of non-current assets in Severočeské doly (CZK +8.7 bn) and in Poland (CZK +1.0 bn)
- In H1 2020: impairments of non-current assets in Romania (CZK +0.7 bn) and Bulgaria (CZK +0.6 bn) and the negative impact of the decrease in the goodwill value in Poland (CZK +0.4 bn)

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

SALE OF BULGARIAN ASSETS COMPLETED, PURCHASE PRICE PAID. INTERNATIONAL ARBITRATION AGAINST THE BULGARIAN STATE CONTINUES

On July 27, 2021, the companies‘ shares were handed over to the buyer against the payment of the full purchase price (EUR 335 million)

- On July 27, the shares were transferred to the buyer – Eurohold Bulgaria AD (the largest Bulgarian publicly traded company and a major player on the markets of Central and South-Eastern Europe) and the full purchase price of EUR 335 million was paid.
- CEZ Group is leaving the Bulgarian market after almost 17 years. The divestment process started in 2017 with the sale of the decommissioned Varna coal-fired power plant and has now been completed with the sale of the distribution and sales companies in the country. CEZ Group's total income from the sale of Bulgarian assets exceeded CZK 10 billion. Overall, CEZ Group leaves Bulgaria with a positive cash balance exceeding CZK 1 billion.
- The assets sold include a total of 7 mainly distribution and sales companies (CEZ Bulgaria, CEZ Elektro Bulgaria, CEZ Razpredelenie Bulgaria, CEZ Trade Bulgaria, CEZ ICT Bulgaria, Free Energy Project Oreshets, and Bara Group).
- Following the transaction settlement, CEZ Group remains active in Bulgaria in the provision of energy services (through CEZ ESCO Bulgaria) and in the trading business (through ČEZ, a. s.).

Expected Use of Funds Gained from the Sale

The proceeds from the sale of assets in the amount of CZK 8.6 billion will contribute to the reduction of financial debt, will be used for development investments in Czechia and in stable countries and will enable a higher dividend for shareholders.

Arbitration with the Bulgarian State continues and represents a potential additional revenue for shareholders

- The sale of the Bulgarian assets has no impact on the international investment arbitration independently pending against the Bulgarian State. The arbitration claim is based on the Bulgarian State's failure to comply with its obligations under the privatization agreement and its liabilities upon joining the European Union in 2007.
- The arbitration claim covers all areas of CEZ Group's operations in Bulgaria, i.e. generation, distribution, and electricity sales. For CEZ and its shareholders, the arbitration claim represents a potential additional revenue of hundreds of millions of EUR.
- Following the commencement of the merits phase of the arbitration, CEZ filed a statement to the case in July, which was registered with the International Centre for Settlement of Investment Disputes (ICSID) in Washington.

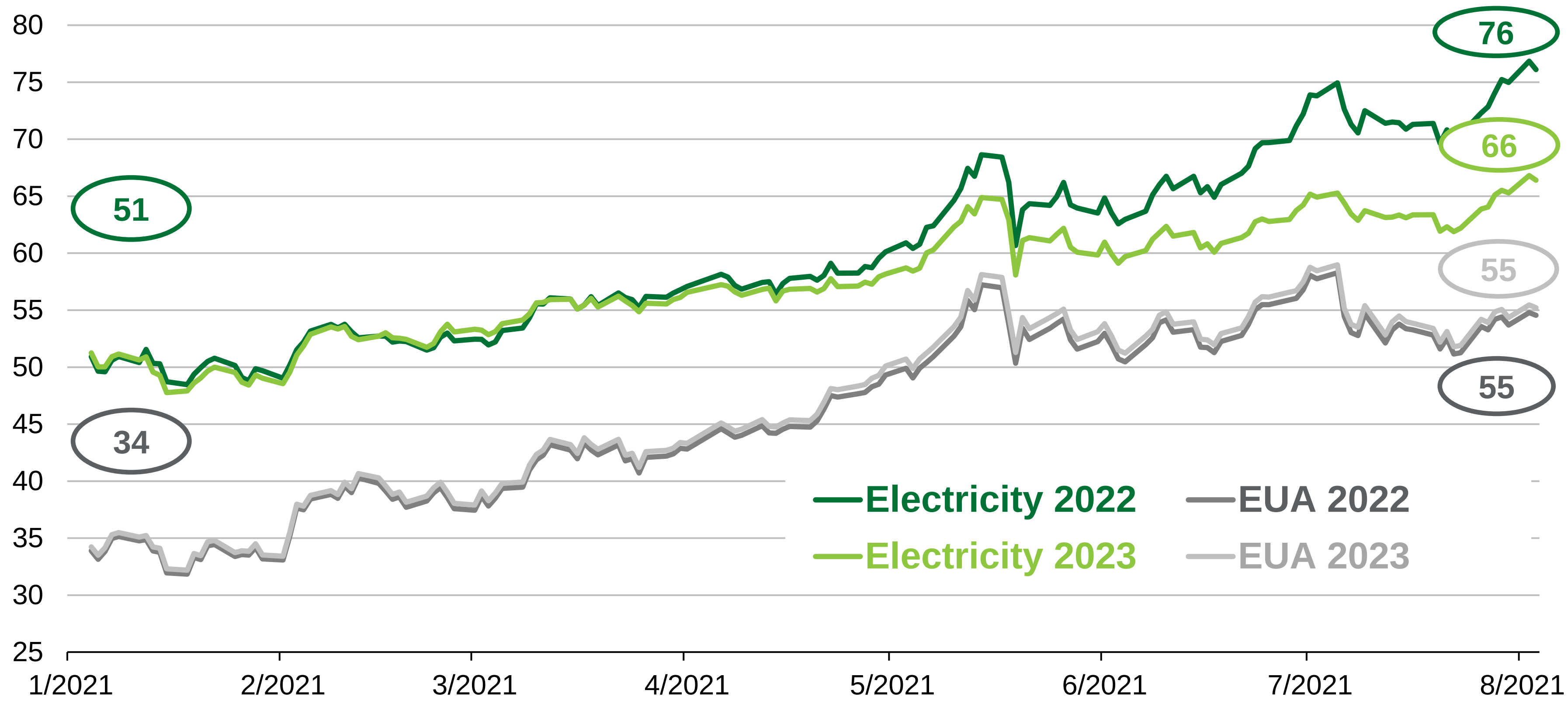
EUROPEAN COMMISSION SPECIFIED DRAFT CLIMATE TARGETS WITH SIGNIFICANT INCREASES ALREADY FOR THE CURRENT DECADE

	2030 targets (original agreement)	2030 targets (EC's current proposal)
Reduction of greenhouse gas emissions from 1990 levels	**At least 40%** • Binding EU-wide target • Reduction of EU ETS emissions **by 43%** by 2030 compared to 2005	**At least 55%** • Binding EU-wide target • Reduction of EU ETS emissions **by 61%** by 2030 compared to 2005*
RES share in total final energy consumption	**At least 32%** • Binding EU-wide target • RES share in **electricity** consumption should increase to **55%** in the EU (21% in 2010 and 34% in 2019)	**At least 40%** • Binding EU-wide target • RES share in **electricity** consumption should increase to **65%** in the EU (21% in 2010 and 34% in 2019)
Energy savings (EED) as compared to 2007 predictions	**At least 32.5%** • Indicative EU-wide target • Target for the decrease in **primary energy consumption** (target for the decrease in **final energy consumption** of **32.5%**) • Binding annual savings of 0.8% of final energy at national level	**At least 39%** • Binding EU-wide target • Target for the decrease in **primary energy consumption** (target for the decrease in **final energy consumption** of **36%**) • Binding annual savings of 0.8% of final energy at national level (until 2023) or **1.5% per year** (from 2024)

* The increase in the binding target is directly reflected in the supply of emission allowances in the EU ETS—the updated target implies an annual decrease in supply of approx. 80 million tons (previously approx. 40 million tons per year) to a total of approx. 800 million tons in 2030. Note: Emissions were almost 1,300 million tons in 2020 and they exceeded 1,500 million tons in 2019). The total volume of EUAs offered during the decade of 2021–2030 will therefore decrease by around 14% (1,900 Mt less than the EUA supply corresponding to the existing EU ETS reduction target).

PRICES OF ELECTRICITY AND EMISSION ALLOWANCES REFLECT THE EU'S GROWING CLIMATE AMBITIONS AND INCREASING GAS PRICES

Prices of Electricity and Emission Allowances in Germany (Jan 1, 2021–Aug 3, 2021)
EEX: Cal22 BL, Cal23 BL (EUR/MWh); EUA with delivery in 12/2022 and 12/2023 (EUR/ton)



- The increase in electricity prices and emission allowances with delivery in 2022 reflected expectations of increasing climate targets at EU level and increasing gas prices due to low storage capacity in Europe and high global demand.
- Market forward electricity prices for 2023 indicate lower price increases than for 2022, mainly reflecting lower forward commodity prices (gas, coal) for 2023.

EUA—European Union Allowances (emission allowances)

MAY 20 CEZ GROUP INTRODUCED STRATEGIC AMBITIONS UNTIL 2030 UNDER “VISION 2030—CLEAN ENERGY OF TOMORROW”

The main objectives of the accelerated strategy—VISION 2030

- We will **develop CEZ Group** in a responsible and sustainable manner **in accordance with ESG principles.**
- **We are accelerating development as part of the strategy:**
  - **We will transform our generation portfolio to low-carbon** in line with the Paris Agreement by 2030 and achieve **carbon neutrality** by 2050.
  - We will build **1.5 GW of renewables by 2025** and **6 GW by 2030.**
  - We will provide **the most cost-effective energy solutions and the best customer experience in the market.**
- We aim **to increase our ESG score to 80%** by 2023, **reduce our emissions intensity by more than 50%** by 2030, and **increase EBITDA by 40%** by 2030.
- We will adapt the **CEZ Group's structure** to meet the demands of our investors, financing banks, and employees.
- **We can execute our growth strategy** (with investments of over CZK 500 bn by 2030) while **maintaining our goal of reasonable leverage** and a **high dividend payout ratio.**

*** The full presentation on VISION 2030, published on July 22, 2021, is available at the following link:**
https://www.cez.cz/en/investors/investor-presentations

STRATEGIC AMBITIONS OF “VISION 2030—CLEAN ENERGY OF TOMORROW”

Transform our generation portfolio to a low-emission one and achieve carbon neutrality

Nuclear Power Plants

- We will **safely increase generation from existing nuclear power plants** to an average of **over 32 TWh** and achieve a 60-year lifetime.
- **We will build a new nuclear unit at Dukovany.**
- We will prepare for the construction of **small modular reactors** (SMRs) with a total capacity of over 1,000 MW after 2040.

Renewables

- We will build **1.5 GW of RES by 2025** and **6 GW** by **2030.**
- **We will increase** the installed capacity for **electricity storage** by at least **300 MW_e** by 2030.

Conventional Power Plants

- **We will decarbonize the heating sector** and **convert** our **coal sites to new activities** after phasing out coal.
- We will build **new gas-fired capacity** that will be ready for **hydrogen combustion.**
- We will **reduce** the share of **coal-fired electricity** generation to 25% by 2025 and to **12.5%** by 2030.

Provide the best energy solutions and the best customer experience in the market

Distribution

- We are investing in **Smart grids** and **decentralization** to further develop a reliable and **digital distribution grid,** including the development of fiber optic networks.

Sales

- **We will digitize 100% of key customer processes** by 2025.
- By increasing service quality, we will maintain **the highest NPS** (Net Promoter Score) among the major electricity suppliers and increase our **customer base.**
- We will offer **residential customers a product portfolio** that enables them to achieve energy savings and reduce emissions.

ESCO

- We will **build electromobility** infrastructure—quadrupling charging capacity and operating at least 800 stations by 2025.
- We will further develop our role as a key **decarbonization leader**—enabling effective emission reductions and **delivering energy savings** to our clients in industry, municipalities, and government as well in line with the EU target of delivering energy savings of 39–40%.

New Segments

- We will expand our **business** into other areas of **battery production, electromobility,** and hydrogen.

WE HAVE SET SPECIFIC TARGETS IN ALL THREE AREAS OF ESG TO ACHIEVE THIS AMBITION

CEZ Group‘s ESG commitments

Environment

- **CO_2 emissions reduction in line with Paris Agreement‘s "well below 2°" scenario until 2030** (decrease from 0.36 t CO_2e/MWh in 2019 to 0.16 in 2030).
- **Lowering share of coal** generation from 39% in 2019 to 25% in 2025; to 12.5% in 2030.
- Newly build **renewables** of 1.5 GW until 2025, 6 GW until 2030.
- **NO_x emission reduction** from 23 kt in 2019 to 13 kt in 2025 and 7 kt in 2030.
- **SO_2 emission reduction** from 21 kt in 2019 and 6.5 kt in 2025 and 3 kt in 2030.

Social

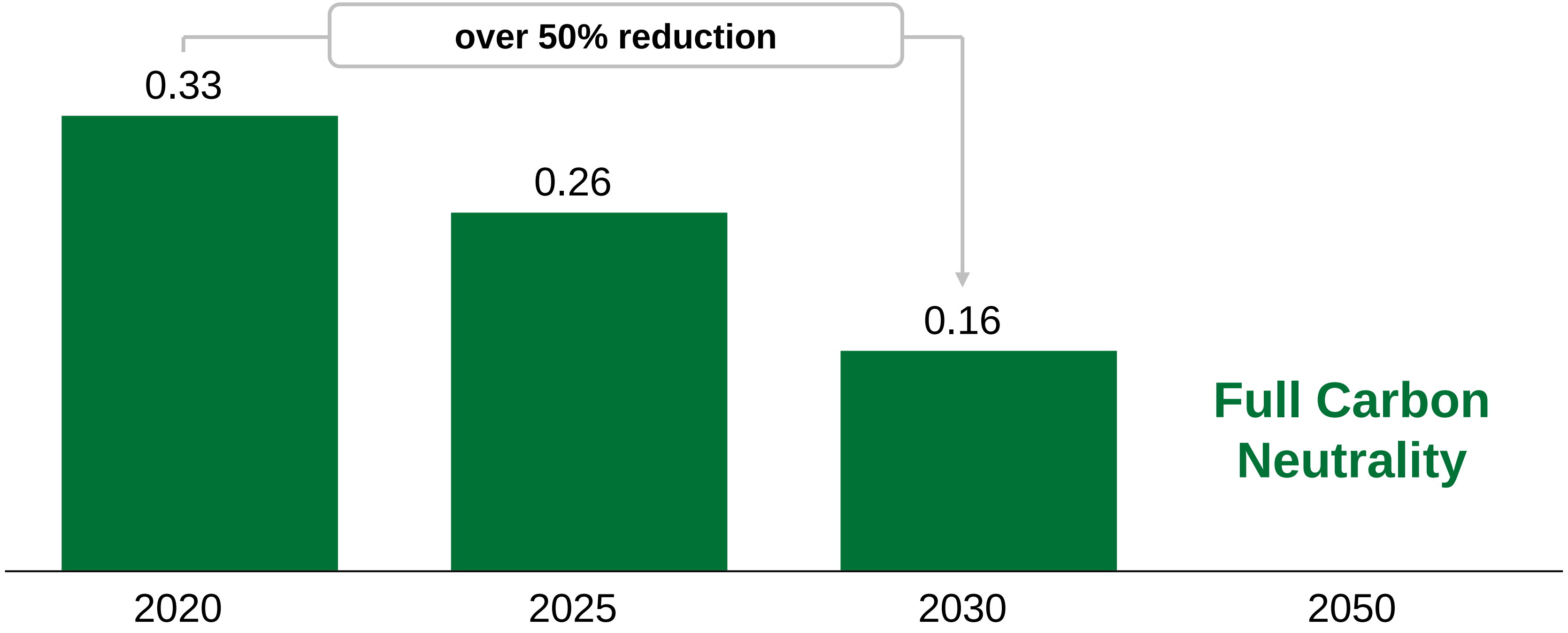
- **Remain good corporate citizen** developing good relationship with communities.
- **Rank among Top Employers** for future talent and current employees.
- **Ensuring just transition** through re-skilling or compensation for 100% of employees affected by coal exit.
- **Highest net promoter score** among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

Governance

- We will reach **30% share of women** in management; increase share of women in non-technical positions to 30% by 2025.
- **Further proceed in Code of Ethics training,** annually train above 95% of employees from 2022 onwards.

WE WILL REDUCE CO_2 EMISSIONS IN LINE WITH THE PARIS AGREEMENT AND ACHIEVE CARBON NEUTRALITY BY 2050

Reduction of CO_2 emission intensity
(t CO_2e/MWh)



- **By 2030, we will reduce the share of** coal-fired power generation **to below 12.5%** and **by 2038 we will phase out coal-fired generation** completely.
- **Speed of carbon emissions reduction until 2030 in line with Paris agreement** “well below 2 degrees”.
- We will reach carbon neutrality by **2050.**

The emission intensity in 2019 was 0.36 t CO_2/MWh$_e$.

THE FINANCIAL TARGET OF VISION 2030: INCREASE EBITDA BY AT LEAST 40% BY 2030

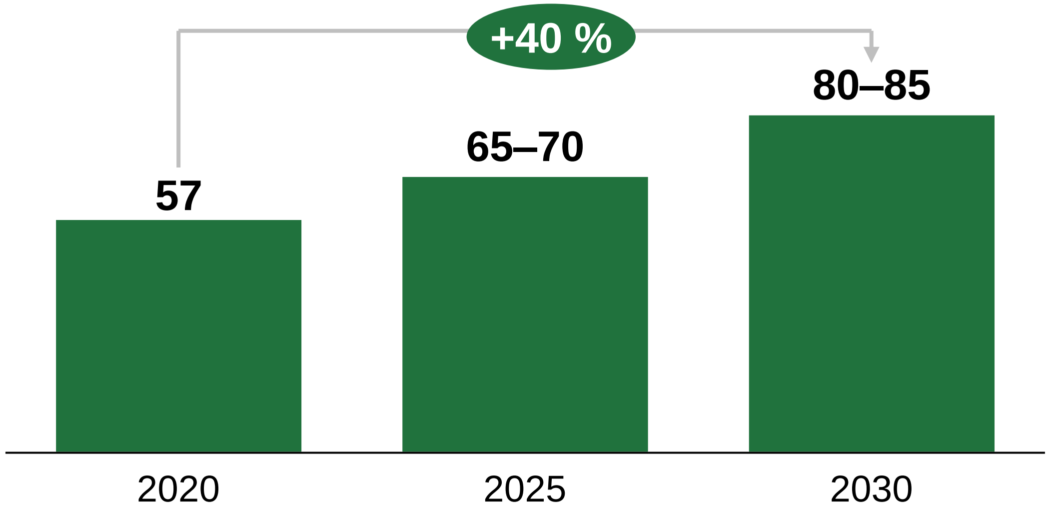
Vision 2030

CLEAN ENERGY OF TOMORROW

I Transform our generation portfolio to a low-emission one and achieve carbon neutrality.

II Provide the most cost-effective energy solutions and the best customer experience in the market.

CEZ Group's EBITDA* (CZK bn)



Annual Investment**
CZK bn, average

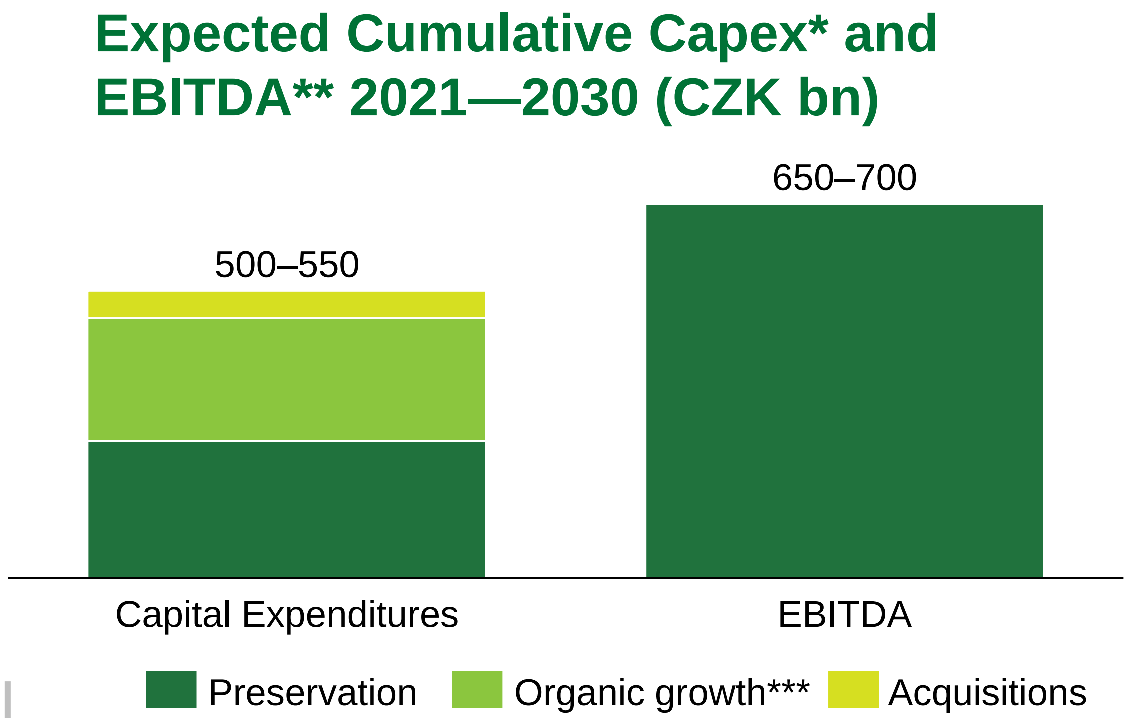
2021–25	2026–30
~48	50–55

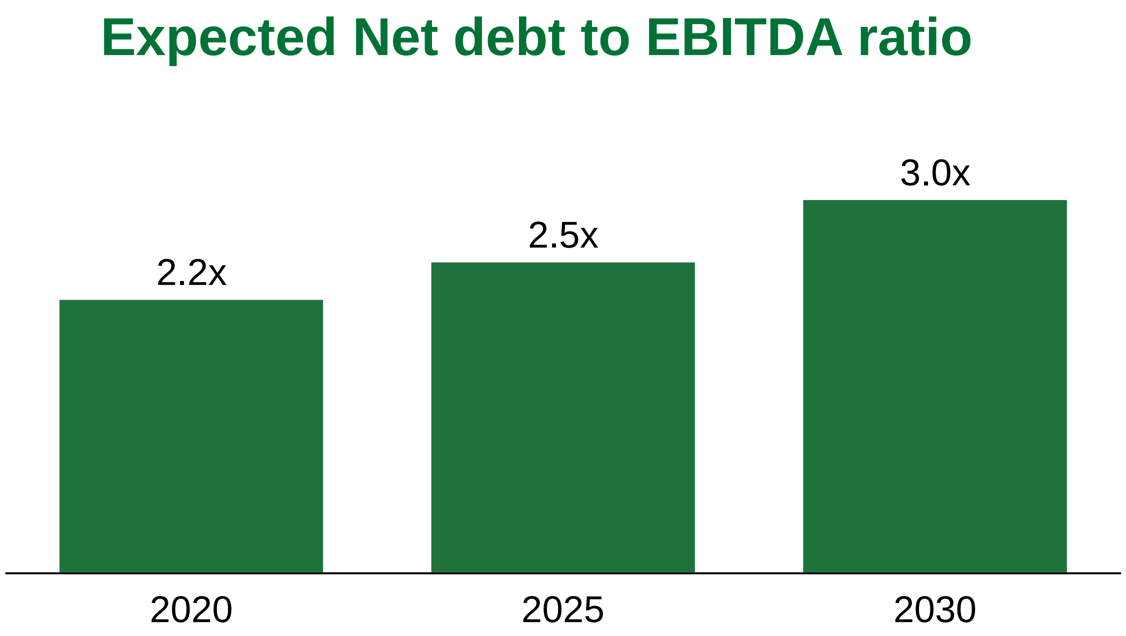
Wholesale electricity prices*
EUR/MWh

2020	2025	2030
51	~51	~57

* Strategic Asset EBITDA, Ambition of 2025 and 2030 quantified assuming March 2021 forward electricity prices that have been escalated for inflation; assumptions for 2025 emissions allowance prices **41 EUR/t** and for 2030 **46 EUR/t**
** CAPEX + financial investment

WE CAN EXECUTE OUR 2030 GROWTH STRATEGY WHILE KEEPING LEVERAGE WITHIN OUR TARGET





We will continue to generate positive free cash flow even with the increased Capex and our leverage would stay below 3.0x of EBITDA.

* CAPEX + financial investments

** Ambition of 2025 and 2030 Strategic Asset EBITDA quantified assuming March 2021 forward electricity prices that have been escalated for inflation; electricity price assumptions of ~EUR 51/MWh for 2025 and ~EUR 57/MWh for 2030 and emission allowance price assumptions of EUR 41/t in 2025 and EUR 46/t in 2030

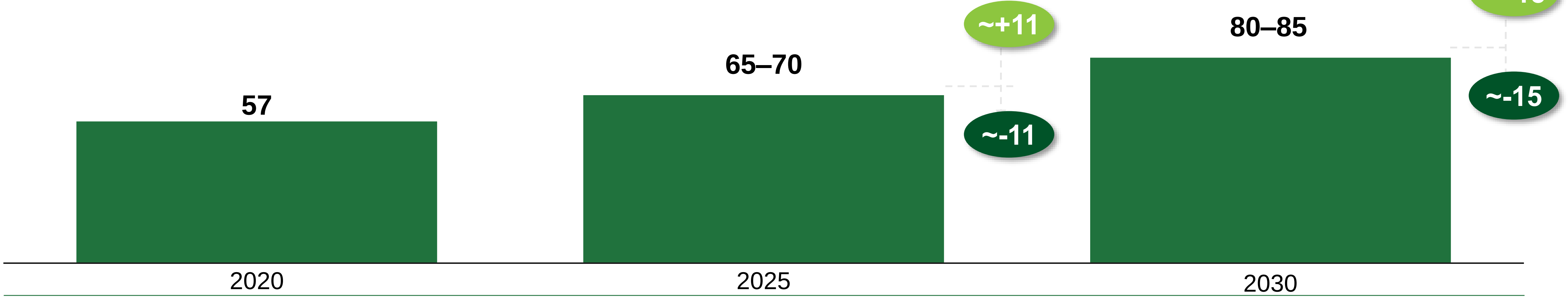
*** Organic growth = new RES and gas capacities, expansion of distribution grid, Acquisitions = ESCOs abroad

2025 AND 2030 EBITDA SENSITIVITY TO CHANGES IN ELECTRICITY PRICES: Q2 2021 INCREASE IN FORWARD ELECTRICITY PRICES, THE LEVEL OF WHICH WOULD INDICATE EBITDA IN 2030 WOULD BE CZK 15 BN HIGHER

CEZ Group EBITDA* incl. indication of sensitivity to market prices of electricity (CZK bn)

+XX Positive impact on EBITDA***

-XX Negative impact on EBITDA**



Wholesale electricity and emission allowance prices*

EUR/MWh; EUR/t

	2020	2025		2030	
Electricity prices*:	51	~ 51	± 11 EUR/MWh**	~57	± 12 EUR/MWh**
Allowance prices*:	25	41	± 14 EUR/t**	46	± 15 EUR/t**

* Ambition of 2025 and 2030 Strategic Asset EBITDA quantified assuming March 2021 forward electricity prices that have been escalated for inflation; assumptions for 2025 emissions allowance prices EUR 41/t and EUR 46/t for 2030

** Escalated forward prices with sensitivity applied: sensitivity applied as if wholesale electricity prices in 2025 and 2030 were at the level of current forward prices Y+3 (July 19, 2021: CZ base band 2024—EUR 61/MWh, EUA 2024—EUR 54/t) and further escalated by inflation.

*** indicative impact of the change in electricity prices and emission allowances for the period March to July 19, 2021 on EBITDA ambition in 2025 and 2030 respectively beyond the baseline

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STRATEGIC ASSETS OF CEZ GROUP*
EBITDA BY SEGMENTS AND OPERATING RESULTS

EBITDA (CZK bn)	**H1 2020**	**H1 2021**	**Difference**	**%**
GENERATION Segment	21.4	13.5	-7.9	-37%
MINING Segment	1.7	2.1	+0.4	+21%
DISTRIBUTION Segment	8.9	9.6	+0.7	+8%
SALES Segment	2.3	3.6	+1.3	+55%
Total Strategic Assets	**34.3**	**28.8**	**-5.5**	**-16%**

		H1 2020	**H1 2021**	**Difference**	**%**
Coal mining in Czechia	m tons	7.8	7.7	-0.1	-1%
Electricity generation in Czechia	TWh	27.7	26.1	-1.6	-6%
Electricity generation in Germany	TWh	0.2	0.1	-0.0	-29%
Electricity distributed to end-use customers in Czechia	TWh	17.5	19.0	+1.6	+9%
Electricity sales to end-use customers in Czechia and Hungary	TWh	9.3	10.3	+1.0	+10%
Gas sales to end-use customers in Czechia	TWh	3.1	3.7	+0.6	+20%
Heat sales in Czechia	000'TJ	10.6	11.7	+1.1	+10%

* CEZ Group without companies intended for sale, i.e. excluding assets in Romania, Bulgaria, and Poland. CEZ Slovensko is also excluded due to realized sale of commodity portfolio on April 1, 2021.

EBITDA OF THE SEGMENT GENERATION STRATEGIC ASSETS

EBITDA (CZK bn)	H1 2020	H1 2021	Diff	%	Q2 2020	Q2 2021	Diff	%
Zero-emission Generating Facilities	13.1	13.4	+0.3	+2%	6.5	6.1	-0.4	-6%
of which: nuclear	10.8	10.8	+0.0	+0%	5.2	4.5	-0.7	-13%
of which: renewables	2.3	2.5	+0.2	+10%	1.3	1.4	+0.1	+8%
Fossil Fuel Generation	4.5	2.5	-2.0	-45%	0.9	0.1	-0.8	-89%
Trading	2.5	0.3	-2.2	-87%	-0.1	0.3	+0.4	—
Specific temporary effects	1.3	-2.6	-3.9	—	-1.5	-1.6	-0.1	-7%
Generation—Strategic Assets	**21.4**	**13.5**	**-7.9**	**-37%**	**5.8**	**4.7**	**-1.1**	**-19%**

Semiannual year-on-year effects:

Nuclear Generating Facilities (CZK +0.0 bn)
- Higher generation volume (CZK +0.4 bn), compensation received in Dukovany power plant in H1 2020 (CZK -0.2 bn), higher fixed costs
- Achieved power prices on the level of H1 2020 (hedged revenues for H1 2020 were not yet impacted by Covid-19)

Renewables (CZK +0.2 bn)—operation of hydroelectric power plants (CZK +0.3 bn), operation of wind power plants (CZK -0.1 bn)

Fossil Fuel Generation (CZK -2.0 bn)
- The impact of market prices of emission allowances and commodities on the generation margin, including the effects of hedging, and the exchange rate (CZK -1.9 bn) – consequence of COVID-19 impacts on achieved power prices and simultaneous increase in carbon allowances due to EC climate goals.
- Higher heat sales (CZK +0.3 bn), lower ancillary service revenues and control energy (CZK -0.2 bn), higher fixed costs

Trading (CZK -2.2 bn)—trading margin in H1 2020 reached a record level of CZK 2.9 bn

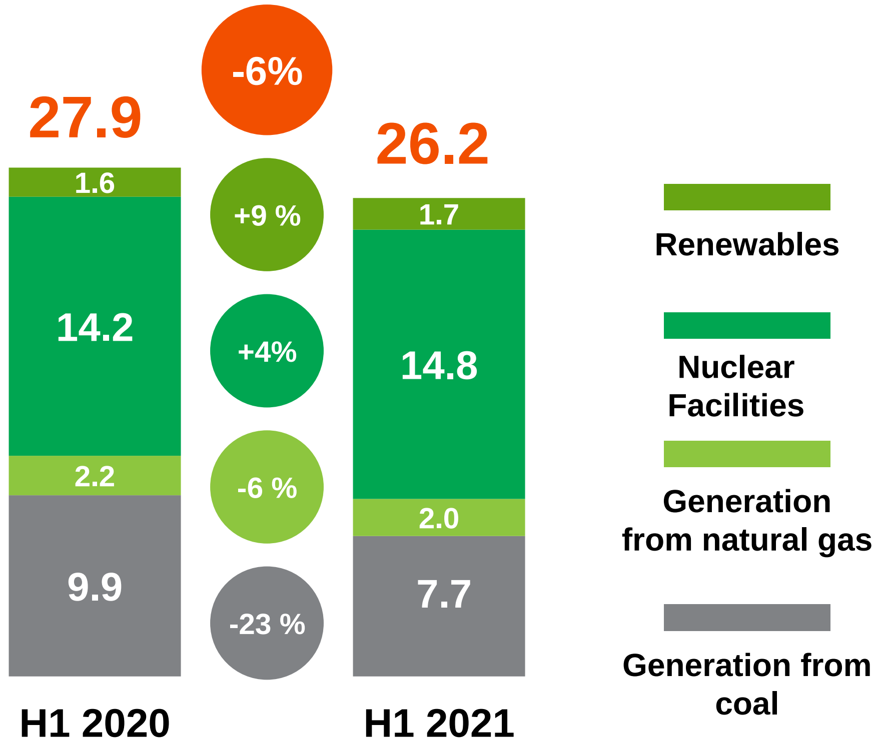
Specific temporary effects (CZK -3.9 bn)
- Overhedge in 2020 from German hedging contracts for generation supplies in Czechia in the years 2021 to 2024 due to a significant increase in the difference between Czech and German market electricity prices (CZK -0.8 bn)
- Specific effects of the revaluation of commodity hedging contracts for generation (CZK -2.8 bn) and other specific effects (CZK -0.3 bn)

Quarterly year-on-year effects:

- **Nuclear Generating Facilities (CZK -0.7 bn):** lower production volume (CZK -0.2 bn), compensation received at the Dukovany power plant in Q2 2020 (CZK -0.2 bn), higher fixed costs (CZK -0.2 bn)
- **Fossil Fuel Generation (CZK -0.8 bn):** The impact of market prices of emission allowances and commodities on the generation margin, including the effects of hedging, and the exchange rate (CZK -0.8 bn) – consequence of COVID-19 impacts on achieved power prices and on simultaneous increase in carbon allowances due to EC climate goals
- **Trading (CZK +0.4 bn):** higher trading margin

* The division 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 gross margin and fixed costs of the central divisions of ČEZ, a. s.) and simplified consolidation with other companies in the segment.

ELECTRICITY GENERATION IN H1 (TWH) STRATEGIC ASSETS



Renewables (+9%)
(Hydro, Wind, Photovoltaics, Biomass, Biogas)

Czechia hydro (+16%)

- ⊕ Higher generation at hydroelectric power plants due to better-than-average hydrometeorological conditions

Germany—Wind (-29%)

- ⊖ Worse-than-average weather conditions
- ⊖ The effect of the outage of some turbines for necessary repairs

Nuclear plants (+4%)

- ⊕ Shorter outages of both nuclear power plants and a 4 MWe increase in power output at Temelín Unit 2

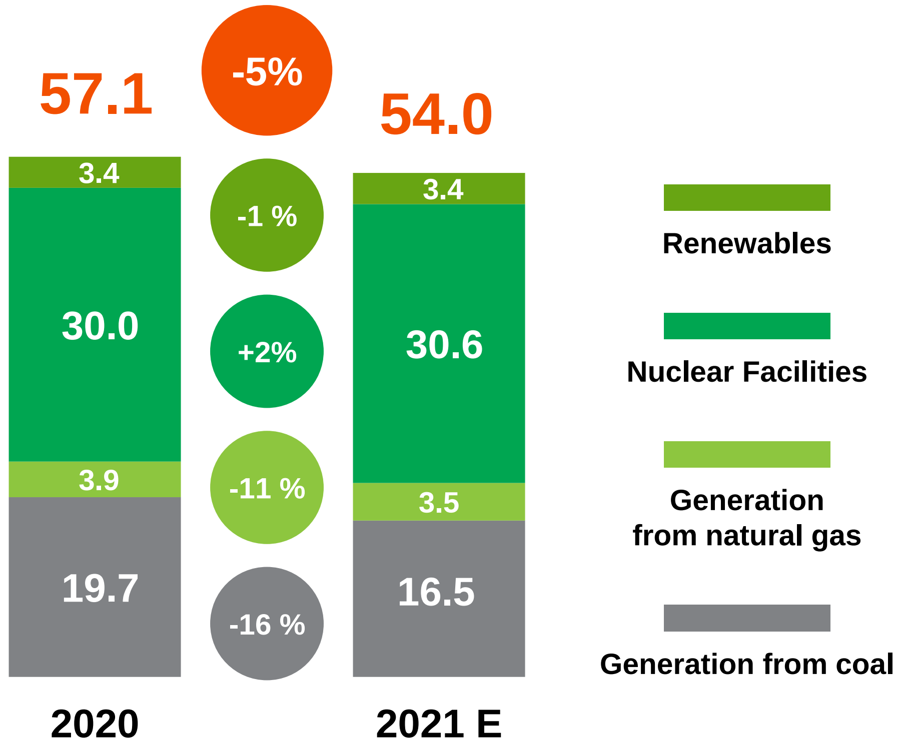
Natural gas–fired generation (-6%)

- ⊖ Lower generation at Počerady 2 due to unfavorable gas prices and emission allowances

Coal–fired generation—Czechia (-23%)

- ⊖ Sale of the Počerady power plant on Dec 31, 2020 (-2.5 TWh)
- ⊖ Closure of the Prunéřov 1 power plant on Jun 30, 2020 (-0.6 TWh)
- ⊖ Longer outages at the Tušimice 2 power plant
- ⊕ Shorter outages at the Ledvice 4 and Prunéřov 2 power plants

ESTIMATED ELECTRICITY GENERATION IN 2021 (TWH)
STRATEGIC ASSETS



Forecasted achieved prices for generation in Czechia in 2021:

- Estimated realization price of generated electricity is approx. **52 EUR/MWh**.
- The expected purchase price of emission allowances for generation is approximately **28 EUR/t**.

This is the result of hedging transactions from previous years and the current market valuation of electricity not yet sold and emission allowances not yet acquired for expected production in 2021.

Renewables (-1%)

Czechia hydro (+1%)

+ Higher generation at hydroelectric power plants due to better-than-average hydrometeorological conditions

Czechia biomass (-3%)

− Generation decrease from biomass at the Hodonín power plant due to greening

Germany—Wind (-8%)

− Worse-than-average weather conditions
− The effect of the outage of some turbines for necessary repairs

Nuclear plants (+2%)

+ Shorter outages of Dukovany NPP and increased capacity of Temelín NPP

Natural gas–fired generation (-11%)

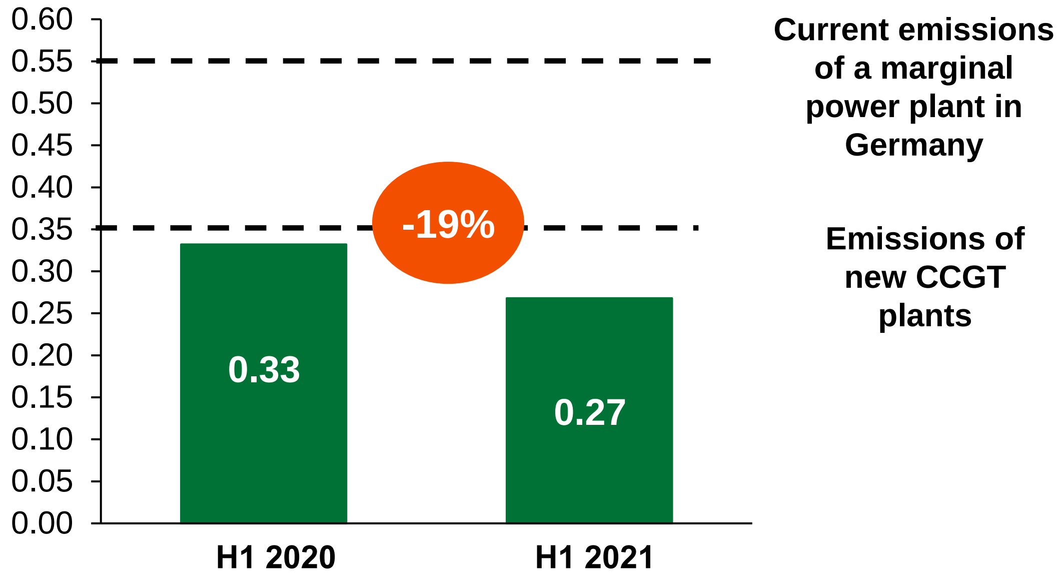
− the impact of unfavorable market prices for commodities and emission allowances

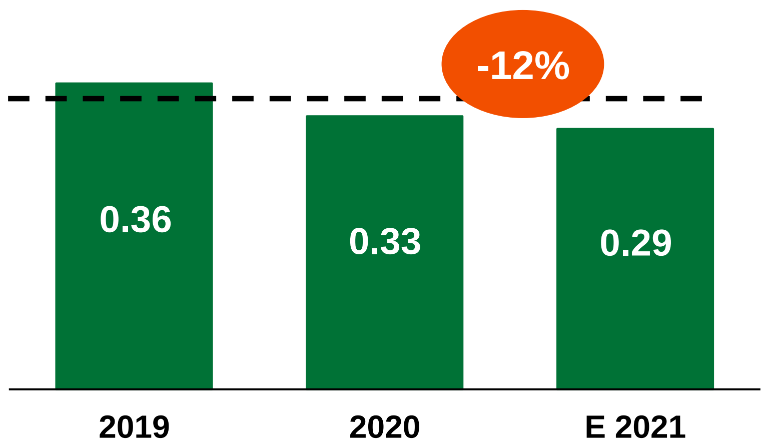
Coal-fired generation (-16%)

− Sale of the Počerady power plant on Dec 31, 2020 (-4.9 TWh)
− Closure of the Prunéřov 1 power on Jun 30, 2020 (-0.6 TWh)
− Lower generation at the Mělník 3 power plant due to the termination of its operation as at Aug 1, 2021
− Longer outages at the Tušimice 2 power plant
+ Shorter outages at the Ledvice 4 and Prunéřov 2 power plants

WE EXPECT THE EMISSION INTENSITY OF CEZ GROUP IN ELECTRICITY GENERATION TO BE 0.29 T CO_2/MWH_E FOR THE WHOLE YEAR 2021

CEZ Group's Emission Intensity of Electricity Generated (t CO_2/MWh_e)



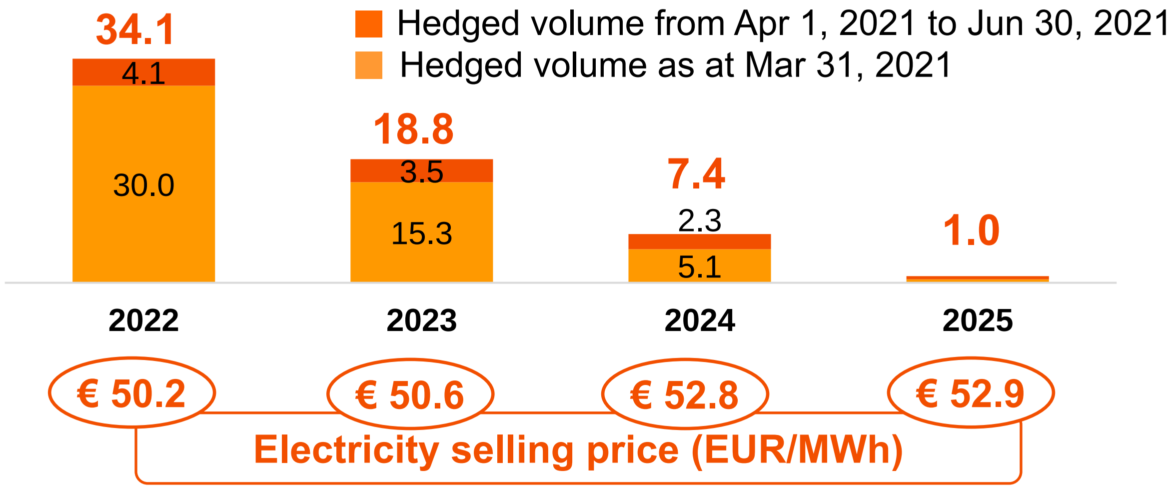


Emission intensity 0.29 t CO_2/MWh_e corresponds to:

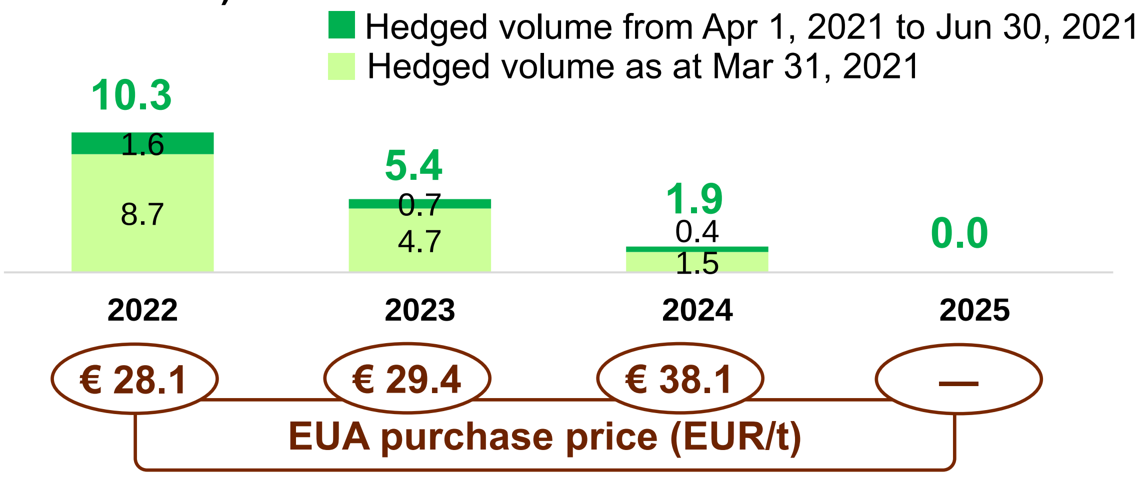
- Approx. 80% of emissions from a new CCGT source
- Approx. 50% of emissions produced by the marginal generation source determining the current market prices in Germany

HEDGING 2022–25 GENERATION MARGIN AGAINST MARKET RISKS: FOR 2022 34 TWH OF ELECTRICITY SOLD FOR 50.2 EUR/MWH, 10.3 MILLION TON EUA PURCHASED FOR 28.1 EUR/T

Electricity sold for 2022–2025 in TWh (as at June 30)



Contracted emission allowances in million tons for 2022–2025* (as at June 30)



Share of hedged deliveries of electricity from generation in Czechia* (as at June 30)

	2022	2023	2024	2025	100% of expected deliveries in Czechia
Share of hedged deliveries of electricity	75 %	42 %	17 %	2 %	43 až 46 TWh annual external deliveries

* 100% of the expected annual volume of emission allowances for generation in Czechia for 2022–2025 is 12–15 million tons.

EBITDA OF THE SEGMENT MINING

EBITDA (CZK bn)	H1 2020	H1 2021	Diff	%	Q2 2020	Q2 2021	Diff	%
Czechia	1.7	2.1	+0.4	+21%	0.4	0.6	+0.2	+55%
Total Mining Segment	**1.7**	**2.1**	**+0.4**	**+21%**	**0.4**	**0.6**	**+0.2**	**+55%**

Semiannual year-on-year effects:

Czechia (CZK +0.4 bn)

- Higher revenues related to higher coal supplies to CEZ Group (CZK +0.4 bn)
- Decrease in revenues from coal sales to external customers (CZK -0.2 bn)
- Lower fixed operating expenses of Severočeské doly (CZK +0.1 bn), in particular lower maintenance and personnel expenses

Quarterly year-on-year effects:

Czechia (CZK +0.2 bn)

- Higher revenues related to higher coal supplies to CEZ Group (CZK +0.3 bn)
- Decrease in revenue from coal sales to external customers (CZK -0.1 bn)

EBITDA OF THE SEGMENT DISTRIBUTION

EBITDA (CZK bn)	H1 2020	H1 2021	Diff	%	Q2 2020	Q2 2021	Diff	%
Czechia	8.9	9.6	+0.7	+8%	4.1	4.4	+0.3	+7%
Romania	0.9	0.5	-0.4	-42%	0.5	—	-0.5	—
Bulgaria	1.1	1.0	-0.1	-9%	0.5	0.4	-0.1	-21%
Total Distribution Segment	**10.9**	**11.1**	**+0.2**	**+2%**	**5.1**	**4.8**	**-0.3**	**-6%**
of which: Strategic assets	8.9	9.6	+0.7	+8%	4.1	4.4	+0.3	+7%
of which: Assets for sale*	2.0	1.5	-0.5	-24%	1.0	0.4	-0.6	-61%

Semiannual year-on-year effects:

Czechia (CZK +0.7 bn)

- Higher gross margin on the electricity distribution (CZK +0.5 bn) primarily due to the higher volume of distributed electricity
- Higher revenue from activities to ensure input power and connection (CZK +0.3 bn)
- Higher fixed costs (CZK -0.1 bn)

Romania (CZK -0.4 bn)

- Effect of the sale of Romanian assets (CZK -0.5 bn)
- Other effects (CZK +0.1 bn) mainly higher revenues from electricity distribution and lower expenses for covering losses in the grid

Bulgaria (CZK -0.1 bn)

- Higher price for the purchase of electricity to cover losses in the grid (CZK -0.1 bn)

Quarterly year-on-year effects:

Czechia (CZK +0.3 bn)

- Higher margin on electricity distribution (CZK +0.2 bn)
- Higher revenues from connection fees (CZK +0.1 bn)

Romania (CZK -0.5 bn)—effect of disposal

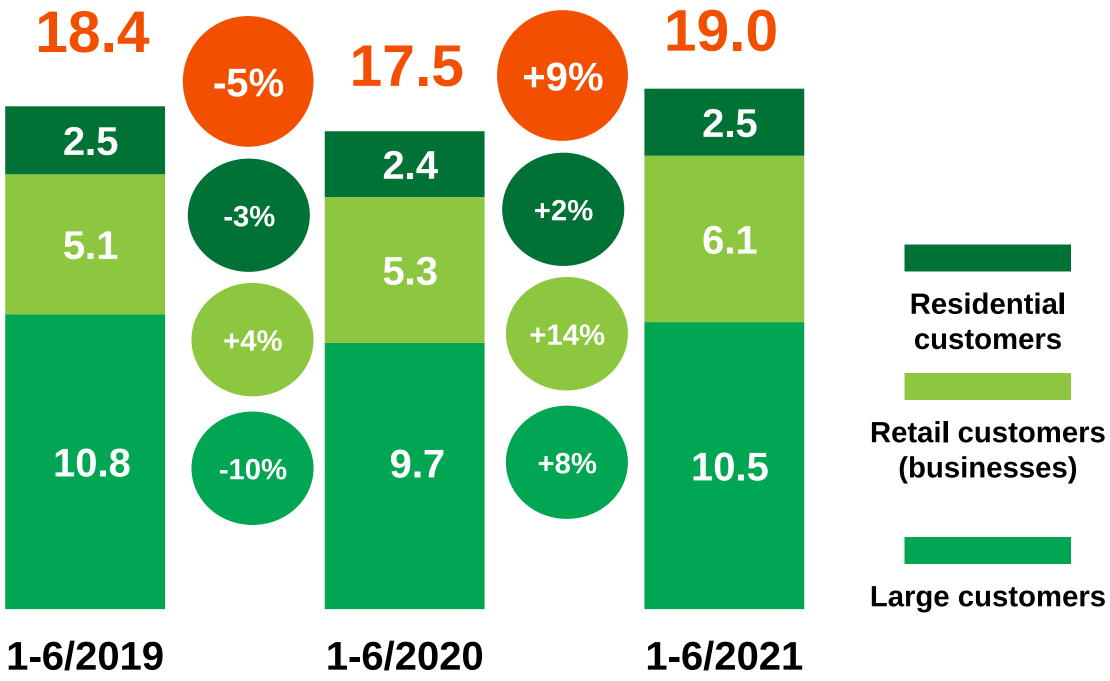
Bulgaria (CZK -0.1 bn)

- Higher cost for the purchase of electricity to cover losses in the grid

* Romanian assets sold on March 31, 2021, Bulgarian assets sold on July 27, 2021.

ELECTRICITY CONSUMPTION IN THE DISTRIBUTION AREA OF ČEZ DISTRIBUCE INCREASED ABOVE THE 2019 LEVEL

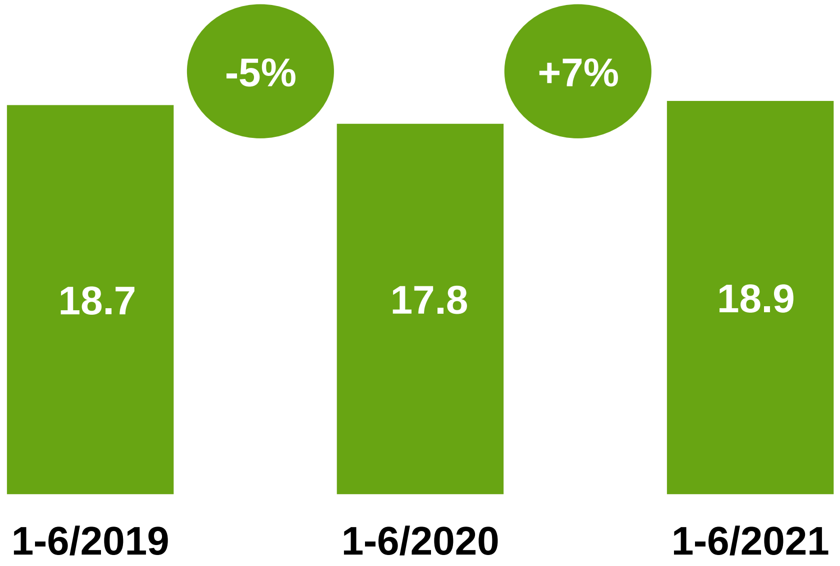
Electricity distribution (TWh)



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 Czechia’s territory, so the data are a good indicator of total nationwide electricity consumption trends.

Temperature- and calendar-adjusted electricity consumption (TWh)



The recalculated consumption is based on the internal model and volume of electricity distributed by ČEZ Distribuce, a. s.

EBITDA OF THE SALES SEGMENT STRATEGIC ASSETS

EBITDA (CZK bn)	H1 2020	H1 2021	Diff	%	Q2 2020	Q2 2021	Diff	%
Retail segment—ČEZ Prodej	**1.8**	**2.5**	**+0.8**	**+43%**	**0.8**	**1.1**	**+0.3**	**+43%**
B2B segment—ESCO companies	**0.5**	**0.9**	**+0.3**	**+64%**	**0.1**	**0.3**	**+0.3**	**>200%**
of which Energy Services—Czechia and Slovakia	0.4	0.4	-0.1	-13%	0.1	0.1	-0.0	-26%
of which Energy Services—Germany and other countries*	0.3	0.4	+0.1	+31%	0.1	0.2	+0.1	+37%
of which Sales of commodities—Czechia	-0.2	0.2	+0.3	-	-0.2	0.0	+0.2	-
B2B segment—Other activities**	**0.0**	**0.2**	**+0.1**	>200%	**0.0**	**0.1**	**+0.1**	>200%
Total SALES Segment	**2.3**	**3.6**	**+1.3**	**+55%**	**0.8**	**1.6**	**+0.7**	**+87%**

Semiannual year-on-year effects:

Retail segment—ČEZ Prodej (CZK +0.8 bn)

- Higher margin on sales of commodities to retail customers due to higher sales volume and lower purchase prices (CZK +0.8 bn)

B2B segment—Energy services—Gemany and other countries* (CZK +0.1 bn)

- Restored growth after the negative impact of COVID-19 in 2020, especially for German companies Kofler and Elevion (CZK +0.1 bn)

B2B segment— Sales of commodities in Czechia (CZK +0.3 bn)

- Negative impact of COVID-19 on commodity sales in 2020

B2B segment—Other activities (CZK +0.1 bn)**

- ČEZ Slovensko (CZK +0.1 bn) negative impact of COVID-19 in 2020 and benefit from sale of commodity portfolio as at April 1, 2021

Quarterly year-on-year effects:

Retail segment—ČEZ Prodej (CZK +0.3 bn)

- Higher margin on sales of commodities to retail customers mainly due to higher sales volume and lower purchase prices (CZK +0.1 bn)
- Greater settlement of unbilled electricity (CZK +0.2 bn)

B2B segment—Energy services—Germany and other countries* (CZK +0.1 bn)

- Restored growth especially in Germany after the negative impact of COVID-19

B2B segment—Sales of commodities in Czechia (CZK +0.2 bn)

- Negative impact of COVID-19 on commodity sales in 2020

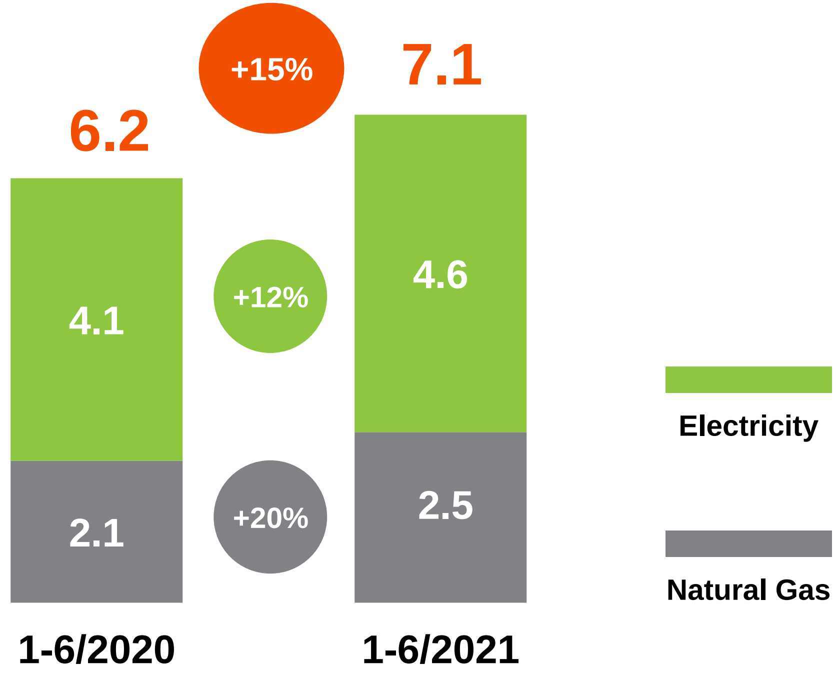
B2B segment—Other activities (CZK +0.1 bn)**

- ČEZ Slovensko (CZK +0.1 bn) negative impact of COVID-19 in 2020 and benefit from sale of commodity portfolio as at April 1, 2021

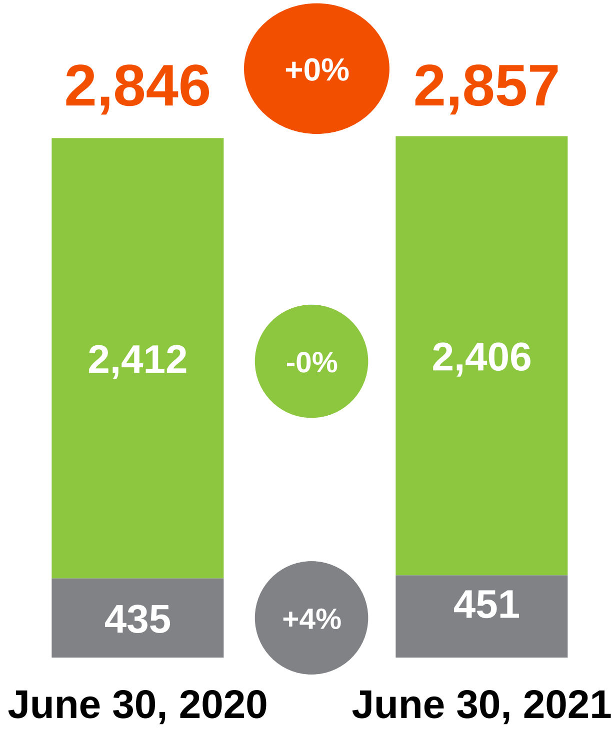
* This includes Poland, Italy, and other countries where ESCO activities are managed by Elevion Group.
** These include mainly telecommunications companies, ČEZ Slovensko and other companies in the Sales segment.

VOLUME OF ELECTRICITY AND GAS SOLD AND NUMBER OF CUSTOMERS; CZECH REPUBLIC—RETAIL

Electricity and gas supply increased by 15% year-on-year
(TWh)

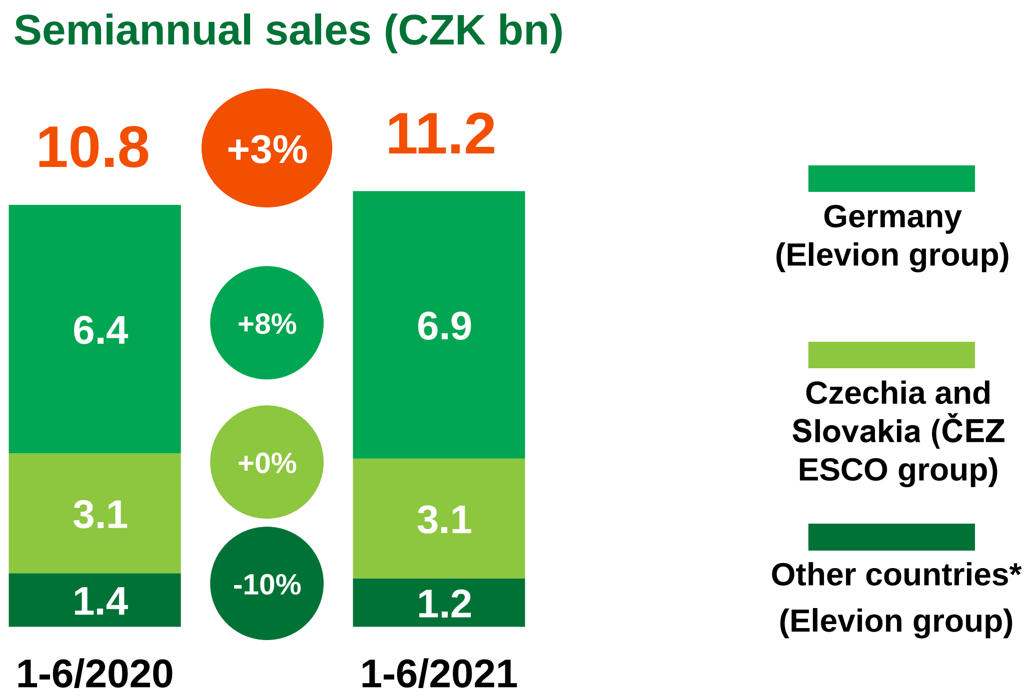


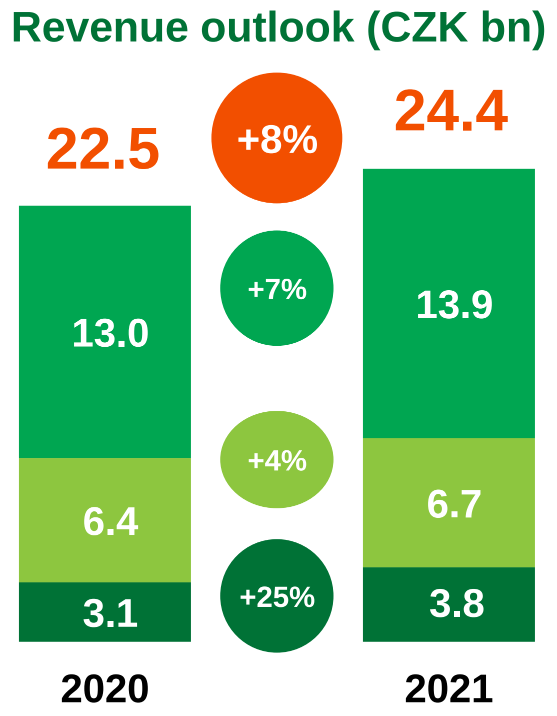
Number of customers stable year-on-year
(service points in thousands)



- Electricity and gas supplies increased mainly due to the colder winter in 2021.
- In addition, the increase in the volume of electricity sold was due to higher residential customer consumption in 2021 as a result of Anti COVID-19 measures.
- The increase in gas volume was further supported by the acquisition of new customers, which is also reflected in the overall year-on-year increase in the number of service points by 16 thousand.
- Overall, the number of service points is stabilized, increased by 11 thousand.

REVENUES FROM THE SALE OF ENERGY SERVICES
INCREASED BY +3% IN H1, INCREASE FOR THE WHOLE YEAR IS EXPECTED AT +8%





Germany—Elevion group (+8%)
+ organic growth

Czechia and Slovakia—ČEZ ESCO group (+0%)
- negative impact of COVID-19 on Q1 2021 (the year 2020 was affected only from Q3 onwards), in Q2, realized sales 9% above 2020 levels

Other countries*—Elevion group (-10%)
- negative impact of COVID-19 on Q1 2021 (the year 2020 was affected only from Q3 onwards), in Q2, realized sales at the 2020 levels

Germany—Elevion group (+7%)
+ organic growth

Czechia and Slovakia—ČEZ ESCO group (+4%)
+ Assumption of resuming organic growth and implementation of orders deferred in connection to COVID-19

Other countries—Elevion group (+25%)
+ Assumption of resuming organic growth and implementation of orders deferred in connection to COVID-19

* This includes Poland, Italy, and other countries where ESCO activities are managed by Elevion Group.

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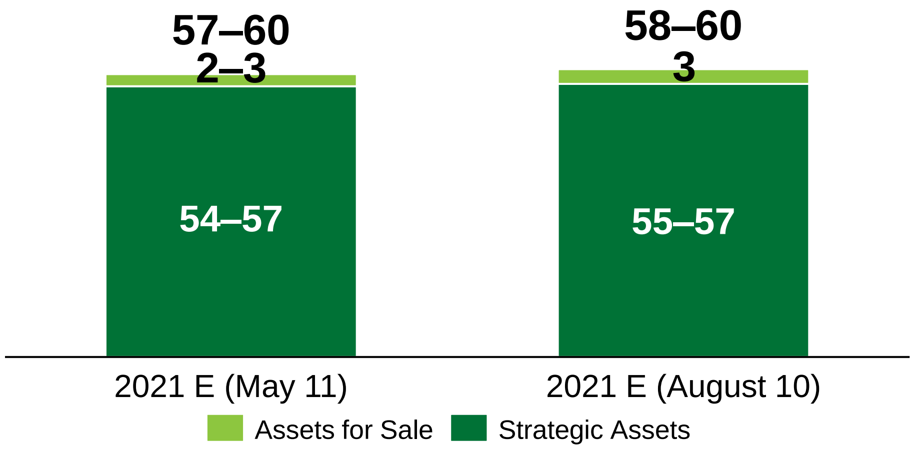
REFINING THE FINANCIAL OUTLOOK FOR 2021: EBITDA CZK 58–60 BN, ADJUSTED NET INCOME CZK 18–20 BN

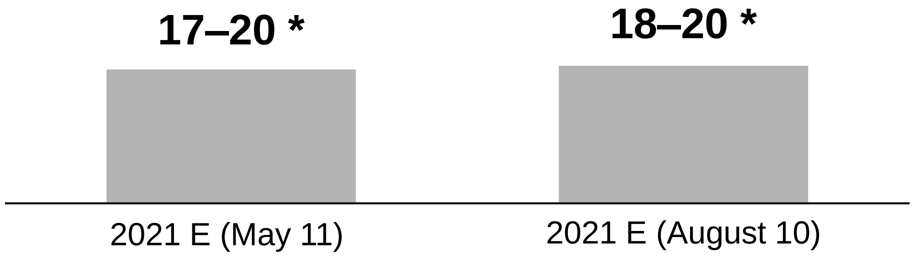
EBITDA

CZK bn



Adjusted net profit

CZK bn



Selected reasons for increase in financial outlook as compared to outlook from May 11, 2021

- Higher electricity distributed in Czechia
- Higher supply of electricity and gas to end-use customers in Czechia
- Contribution of higher deployment of coal-fired sources to the Mining segment as a result of improved market conditions for generation in H2

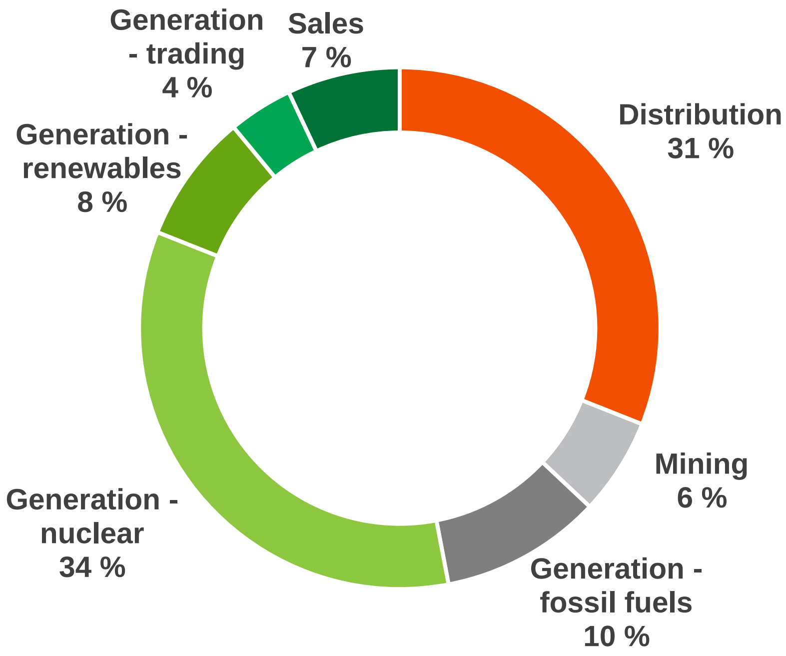
Selected Prediction Risks and Opportunities:

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

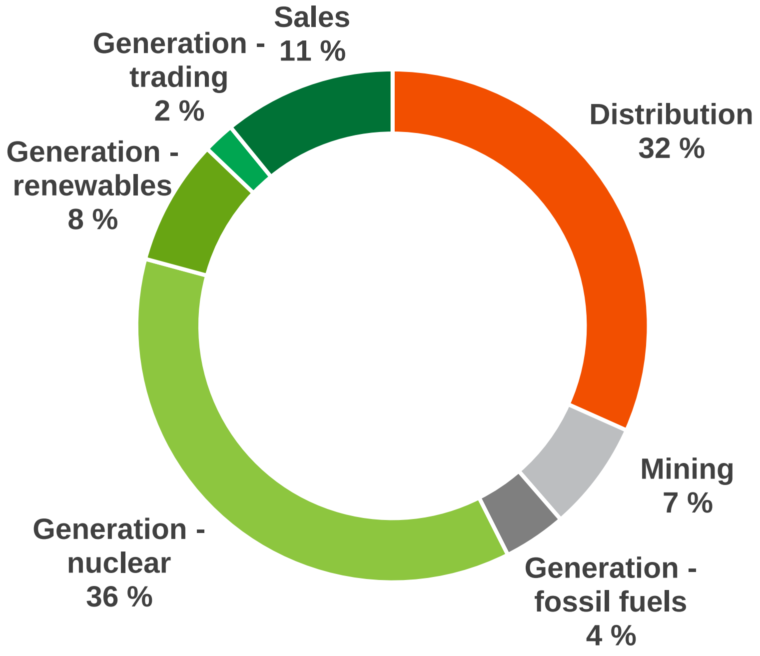
* We estimate the contribution of assets held for sale to the 2021 consolidated net income at nearly zero, especially in view of concluded contracts for the sale of foreign assets, under which any profit from 2021 belongs to the buyers.

WE ESTIMATE THAT THE SHARE OF FOSSIL-FUEL GENERATION IN STRATEGIC ASSETS EBITDA WILL DECREASE TO 4% IN 2021

2020 EBITDA—Strategic Assets
(CEZ Group Excluding Assets for Sale)



2021 EBITDA—Strategic Assets
(CEZ Group Excluding Assets for Sale)



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THE ANNUAL SHAREHOLDERS' MEETING OF ČEZ, A. S., WAS HELD ON JUNE 28, 2021

As part of the approved agenda:

- It heard the reports of the company's bodies,
- Heard information on CEZ Group's development plans for 2030 “Vision 2030—Clean Energy of Tomorrow”,
- Approved the Financial Statements of ČEZ, a. s., the Consolidated Financial Statements of CEZ Group and the Final Financial Statements of ČEZ Korporátní služby, s.r.o. (the company that was dissolved on January 1, 2021 after the merger into ČEZ, a. s.) for 2020,
- Approved the distribution of the company's profit for 2020 in the amount of CZK 21.1 bn and part of the retained earnings of previous years in the amount of CZK 6.9 bn, approved the share of profit to be distributed to shareholders in the total amount of CZK 28 bn (dividend of CZK 52 per share before tax). In this:
    - The ordinary component of CZK 22.8 bn corresponded to 100% of the consolidated profit after tax for 2020 adjusted for extraordinary effects,
    - The extraordinary component of CZK 5.2 bn reflected the contribution of the sale of Romanian assets to CEZ Group's total debt capacity,
- Appointed the auditing company Ernst & Young Audit, s.r.o., as the auditor to perform the statutory audit for 2021 and 2022 and the auditing company Deloitte Audit s.r.o. for 2023 and 2024,
- Approved the amount of funds for donations for 2022 in the amount of CZK 110 million
- Approved the Report on Remuneration of ČEZ, a. s., for the accounting period of 2020,
- And elected Tomáš Vyhnánek and Jiří Pelák as members of the Audit Committee of ČEZ, a. s.

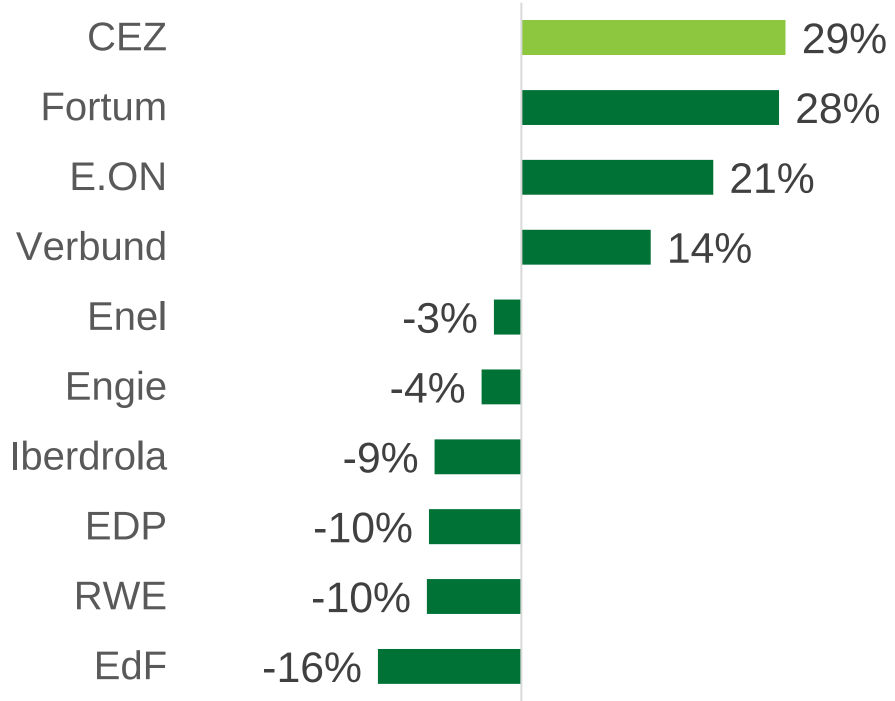
CEZ’S SHARE PROVIDES THE HIGHEST TOTAL SHAREHOLDER RETURN AMONG COMPARABLE EUROPEAN ENERGY COMPANIES THIS YEAR (+29%), THE HIGHEST DIVIDEND PAYOUT RATIO CONTRIBUTED TO THIS

CEZ's share price and European Utilities Index in 2021 (%, from January 1 to August 3, 2021)

Dividend payout ratio *

122%
41%
55%
75%
64%
75%
77%
84%
45%
45%

Total shareholder return in 2021 (in % for the period from January 1 to August 3, 2021)**



* Dividend as % of consolidated net profit for 2020 adjusted for extraordinary effects
** TSR (Total Shareholder Return calculation) - reinvestment of dividend assumed

SELECTED EVENTS FOR THE PAST QUARTER:
NUCLEAR ENERGY, DIVESTMENT PROCESS IN POLAND

Preparatory steps for the construction of a new nuclear power plant at Dukovany are in progress

- Nuclear facility siting permit obtained from SÚJB, plant authorization issued in accordance with the Energy Act
- Application for zoning permit submitted
- Invitation to participate in the safety assessment sent to three applicants (approved by the Czech State). Following the confirmation of their interest and fulfillment of the conditions, preliminary enquirytender documentation was also sent to all three.

Achievable capacity of Temelín NPP Unit 1 increased by 4 MW_e

- The increase was due to the installation of two new separators—steam reheaters in the nonnuclear part of the power plant, which enhanced the unit's efficiency at the same reactor output. This increased the unit's achievable capacity to 1,086 MW_e. The same investment was undertaken at Temelín NPP Unit 2 in 2020.

A new parking lot with a photovoltaic power plant was opened at the Dukovany NPP on June 23, 2021

- The roofed parking lot for more than 320 cars of the plant's employees and suppliers, the so-called Carport, consists of 2,600 photovoltaic panels and thanks to its power it will generate approximately 850 MWh of emission-free electricity per year, which will cover the year-round consumption of almost three hundred households.

Digitization of nuclear power plant processes continues

- The "Mobile Support for Operation and Maintenance Preparation" has been deployed at both nuclear power plants. We currently record 10 million readings of technological parameters. Maintenance preparation is already fully managed through a digital application that increases efficiency and ensures safe execution of work. The launch of mobile support for suppliers' personnel to manage the work directly at the facility is in preparation. The system in place will enable real-time transmission of instructions and necessary information on the status of the equipment to all the personnel concerned, and furthermore significantly streamline the entire cycle of activities at the facility. The system ensures significantly higher control and demonstrability of all activities performed and high usability of the digital form of the information obtained.

Divestment process in Poland—binding offers received

- On June 25, ČEZ received binding offers for the purchase of Polish production assets and started their evaluation.

SELECTED EVENTS FOR THE PAST QUARTER
TRADITIONAL AND NEW ENERGY

Greening and decarbonization measures in the Traditional Energy

- The overhaul of Units 21 and 22 of the Tušimice power plant was started, including the implementation of additional greening measures, enabling the units to operate in accordance with the new BAT limits.
- In connection with the accelerated “Clean Energy of Tomorrow” strategy, an update of the concept for the future operation of the coal-fired portfolio and the use of all sites was initiated. Priority was given to the sites of Mělník and Dětmarovice, where the operation of facilities is linked to a large supply to the district heating systems. At the other sites, analyses were initiated to determine the technically and economically optimal structure of the future facility portfolio in accordance with CEZ Group's decarbonization commitments and in line with the development of the market and regulatory environment.

The conditions for supporting the construction of RES from the Modernization Fund (MoF) in Czechia were specified

- Under the RES+ program, 38.7% of the MoF is allocated (CZK 58–108 bn at emission allowance prices of 30–56 EUR/t), of which 60% directly to existing CO_2 emitters.
- The amount of investment support will be determined in regular calls announced every 1–2 years by auction.
- The maximum amount of funding is set at 60% of the eligible costs or 6.2–7.3 million CZK/MW (the maximum funding per MW is determined by the size of the project and the type of installation—rooftop vs. ground-mounted).

On July 27, 2021, the Ministry of Industry and Trade and CEZ concluded a memorandum on the preparation of a project for a battery cell factory for electric vehicles, the so-called Gigafactory

- The document sets out the basic conditions for establishing the factory and is a prerequisite for an agreement with other potential investors in this venture where in addition to CEZ, there would also be representatives of the automotive industry or battery manufacturers.
- The investment in the project, with an annual production capacity of 40 GWh, is expected to reach EUR 2 bn and create 2,300 jobs.
- Within the envisaged investor consortium, CEZ could act as a developer, which will, among other things, provide the necessary land and take care of energy supply and energy services. Synergy effects for CEZ Group may be further strengthened by the upcoming lithium ore mining project in Cínovec and the development of electromobility and charging station networks in Czechia.

SELECTED EVENTS FOR THE PAST QUARTER
INNOVATION, SALES, DISTRIBUTION

Selected Events in Innovations

- As an additional investment in its existing portfolio, Inven Capital invested in, among others, the German company Forto (focused on the digitization of maritime and air transport). The valuation of this company exceeded USD 1 bn and it became only the second “unicorn” in the portfolio of Czech venture capital funds.
- CEZ has been strengthening its position as a leader in the field of electromobility in Czechia. Electricity consumption at CEZ charging stations increased by 45% in the H1. CEZ already operates a total of 298 charging stations, 246 of which are fast charging (DC) and 52 with normal charging (AC).

Selected Events in Sales

- On July 15, 2021, ČEZ ESCO became a 100% owner of EP Rožnov, a Czech market leader in comprehensive services in the design and implementation of cleanrooms, especially for the electrical, automotive, pharmaceutical, and medical industries.
- ČEZ ESCO has completed the largest energy saving project in Slovakia. Thanks to the modernization, which included replacement of lighting in selected buildings, a new boiler room, laundry and ventilation refurbishment, the university hospital with polyclinic in Nové Zámky will save up to CZK 20 million annually in operating expenses and will also reduce CO_2 emissions by 2,000 tons per year.
- Thanks to the new strategic partnership with Česká pošta, ČEZ Prodej will be closer to its customers in the regions in the service of electricity and gas customers. The current network of 24 customer centers and other contact points of ČEZ Prodej will be gradually supplemented this year and next year by 73 branches of Česká pošta.

Selected Events in Distribution

- A new information website, www.cezdistribuce.cz/pro-výrobce, was launched, offering producers clear information and instructions on how to proceed when applying to connect a generating facility or micro-source, with an emphasis on self-care channels.
- In June, a new (tenth) Technical Consultation Point (TKM) was opened in Karlovy Vary. TKM serves more than 5 thousand customers per month.
- In H1 2021, 4 calamities hit the distribution territory of ČEZ Distribuce. In total, during these calamities, more than 363 thousand customer points were reduced in supply, more than 24 thousand calls were recorded at the call center and more than 49 thousand accesses to the distribution portal BezŠťávy. The consequences of the calamities were handled in record time.

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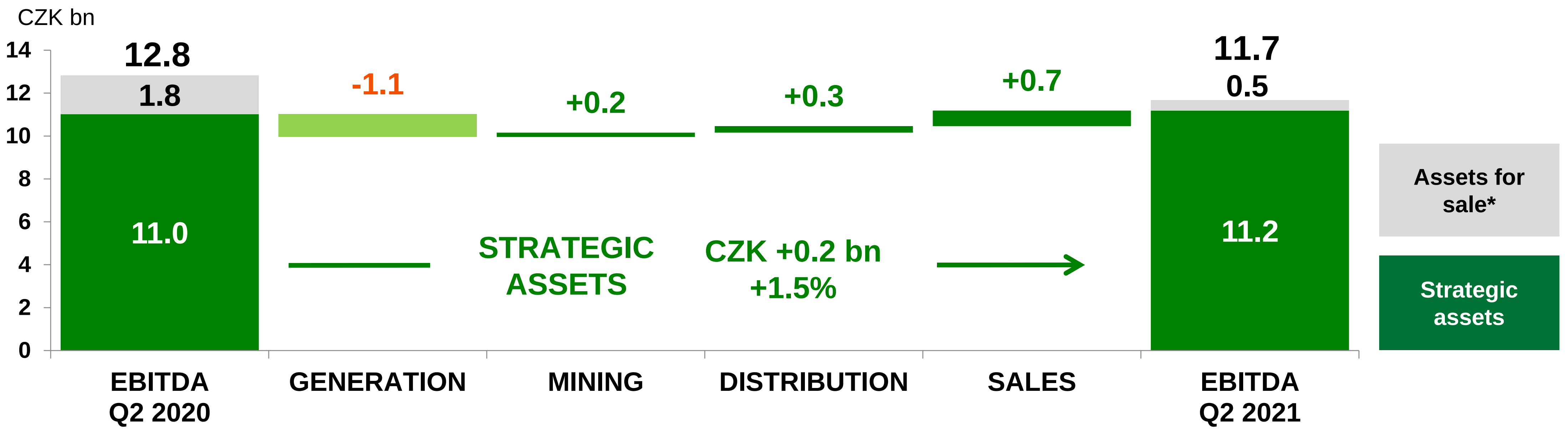
EBITDA – Q2 YEAR-ON-YEAR COMPARISON



Strategic assets (CZK +0.2 bn)

- SALES segment (CZK +0.7 bn): Czechia (CZK +0.6 bn) higher gross margin; Slovakia (CZK +0.1 bn) impact of sale of commodities portfolio
- DISTRIBUTION segment (CZK +0.3 bn): higher margin from electricity distribution in Czechia (CZK +0.2 bn) and higher revenues from connection fees in Czechia (CZK +0.1 bn)
- GENERATION segment (CZK -1.1 bn): impact of market prices of emission allowances and commodities on generation margin including hedging and exchange rate effects (CZK -0.8 bn), lower generation volumes at nuclear facilities (CZK -0.2 bn), higher facility maintenance costs (CZK -0.2 bn), compensation received for damage at the Dukovany nuclear power plant in Q2 2020 (CZK -0.2 billion), higher sales margin from trading (CZK +0.4 bn)
- MINING segment (CZK +0.2 bn): higher revenues related to higher coal deliveries to CEZ Group (CZK +0.3 bn), decrease in revenues from coal sales to external customers (CZK -0.1 bn)

Assets for sale (CZK -1.3 bn)

- SALES segment (CZK -0.2 bn): Romania (CZK -0.1 bn) impact of the sale of assets; Bulgaria (CZK -0.1 bn)
- DISTRIBUTION segment (CZK -0.6 bn): Romania (CZK -0.5 bn) impact of the sale of assets; Bulgaria (CZK -0.1 bn)
- GENERATION segment (CZK -0.5 bn): impact of the sale of assets

* Romanian assets sold on March 31, 2021, Bulgarian assets sold on July 27, 2021.

GENERATION SEGMENT EBITDA BY COUNTRIES

EBITDA (CZK bn)	H1 2020	H1 2021	Diff	%	Q2 2020	Q2 2021	Diff	%
Czechia	21.1	13.4	-7.7	-37%	5.7	4.7	-1.0	-18%
Germany	0.3	0.2	-0.1	-28%	0.1	0.1	+0.0	+45%
Poland	0.4	0.3	-0.0	-12%	0.0	0.1	+0.0	+77%
Romania	1.3	0.6	-0.7	-53%	0.5	0.0	-0.5	-100%
Other Countries	0.0	0.0	+0.0	+88%	0.0	0.0	+0.0	+91%
GENERATION Segment	**23.1**	**14.5**	**-8.6**	**-37%**	**6.3**	**4.9**	**-1.5**	**-23%**
of which: Strategic assets	21.4	13.5	-7.9	-37%	5.8	4.7	-1.1	-19%
of which: Assets for sale*	1.7	1.0	-0.8	-44%	0.6	0.1	-0.5	-86%

H1 year-on-year effects:

Czechia (CZK -7.7 bn)

- Lower gross margin from trading (CZK -2.2 bn) due to record profit in Q1 2020
- The impact of market prices of emission allowances and commodities on the generation margin, including the effects of hedging, and the exchange rate (CZK -2.1 bn)
- Higher generation volume in nuclear and renewable sources (CZK +0.6 bn)
- Specific temporary effects caused mainly by the decrease in market prices after the COVID-19 outbreak in Europe in Q1 2020 (CZK -3.9 bn): overhedge in Q1 2020 from German hedging contracts for generation supplies in Czechia for the years 2021–2024 (due to a significant increase in the difference between CZ and DE market prices of electricity) and specific effects associated with the revaluation of generation hedging contracts

Germany (CZK -0.1 bn)

- Lower generation at wind turbines due to below-average climatic conditions and outages of several turbines

* Romanian assets sold as at March 31, 2021 (year-on-year impact of CZK -0.5 bn).

SALES SEGMENT EBITDA BY COUNTRIES

EBITDA (CZK bn)	H1 2020	H1 2021	Diff	%	Q2 2020	Q2 2021	Diff	%
Czechia	2.0	3.1	+1.1	+53%	0.7	1.3	+0.6	+84%
Germany	0.2	0.4	+0.1	+50%	0.1	0.2	+0.1	+45%
Romania	0.4	0.1	-0.3	-83%	0.1	-0.0	-0.1	—
Bulgaria	0.3	0.2	-0.1	-21%	0.1	0.0	-0.1	-88%
Other Countries	0.1	0.2	+0.1	+183%	0.0	0.1	+0.1	+179%
SALES Segment	**3.0**	**3.9**	**+0.9**	**+32%**	**1.1**	**1.6**	**+0.5**	**+48%**
of which: Strategic assets	2.3	3.6	+1.3	+55%	0.8	1.6	+0.7	+87%
of which: Assets for sale*	0.6	0.3	-0.3	-51%	0.2	0.0	-0.2	-93%

H1 year-on-year effects:

Czechia (CZK +1.1 bn)

- Higher margin on sales of commodities due to higher volume and lower purchase prices (CZK +0.8 bn)
- Negative impact of COVID-19 on commodity sales to corporate customers in 2020 (CZK +0.3 bn)

Germany (CZK +0.1 bn)

- Kofler and Elevion’s resumed growth after the negative impact of COVID-19 in 2020

Romania (CZK -0.3 bn)—impact of disposal

Bulgaria (CZK -0.1 bn)

- Lower gross margin on electricity sales due to higher electricity purchase costs

Other countries (CZK +0.1 bn)

- Mainly contribution from the sale of the commodity portfolio in Slovakia as at April 1, 2021

Q2 year-on-year effects:

Czechia (CZK +0.6 bn)

- Mainly higher sales volume of commodities and lower purchase prices (CZK +0.4 bn)
- Greater settlement of unbilled electricity (CZK +0.2 bn)

Romania (CZK -0.1 bn)—impact of disposal

Bulgaria (CZK -0.1 bn)

- Lower gross margin on electricity sales

Other countries (CZK +0.1 bn)

- Mainly contribution from the sale of the commodity portfolio in Slovakia

* Romanian assets sold on March 31, 2021, Bulgarian assets sold on July 27, 2021.

NET INCOME – Q2 YEAR-ON-YEAR COMPARISON

(CZK bn)	Q2 2020	Q2 2021	Difference	%
EBITDA	12.8	11.7	-1.2	-9%
Depreciation, amortization, and impairments*	-9.7	-16.8	-7.1	-73%
Other income (expenses)	-2.1	-1.1	+1.0	+50%
Income tax	-0.5	-0.7	-0.1	-28%
Net income	0.5	-6.8	-7.3	—
Adjusted net income	2.5	2.9	+0.4	+16%

Depreciation, Amortization, and Impairments* (CZK -7.1 bn)

- Higher impairments of fixed assets of Severočeské doly (CZK -8.7 bn) and fixed assets in Poland (CZK -0.6 bn)
- Lower impairments of fixed assets in Bulgaria (CZK +1.0 bn) and Romania (CZK +0.8 bn)
- Lower depreciation and amortization (CZK +0.3 bn), including the impact of the suspension of depreciation and amortization of the Romanian assets held for sale (CZK +0.6 bn), ČEZ, a. s. (CZK -0.2 bn)

Other Income and Expenses (CZK +1.0 bn)

- Exchange rate effects and revaluation of financial derivatives and securities (CZK +0.8 bn), mainly exchange rate and interest rate effects on JPY bonds and hedging swaps
- Lower interest expense (CZK +0.4 bn)

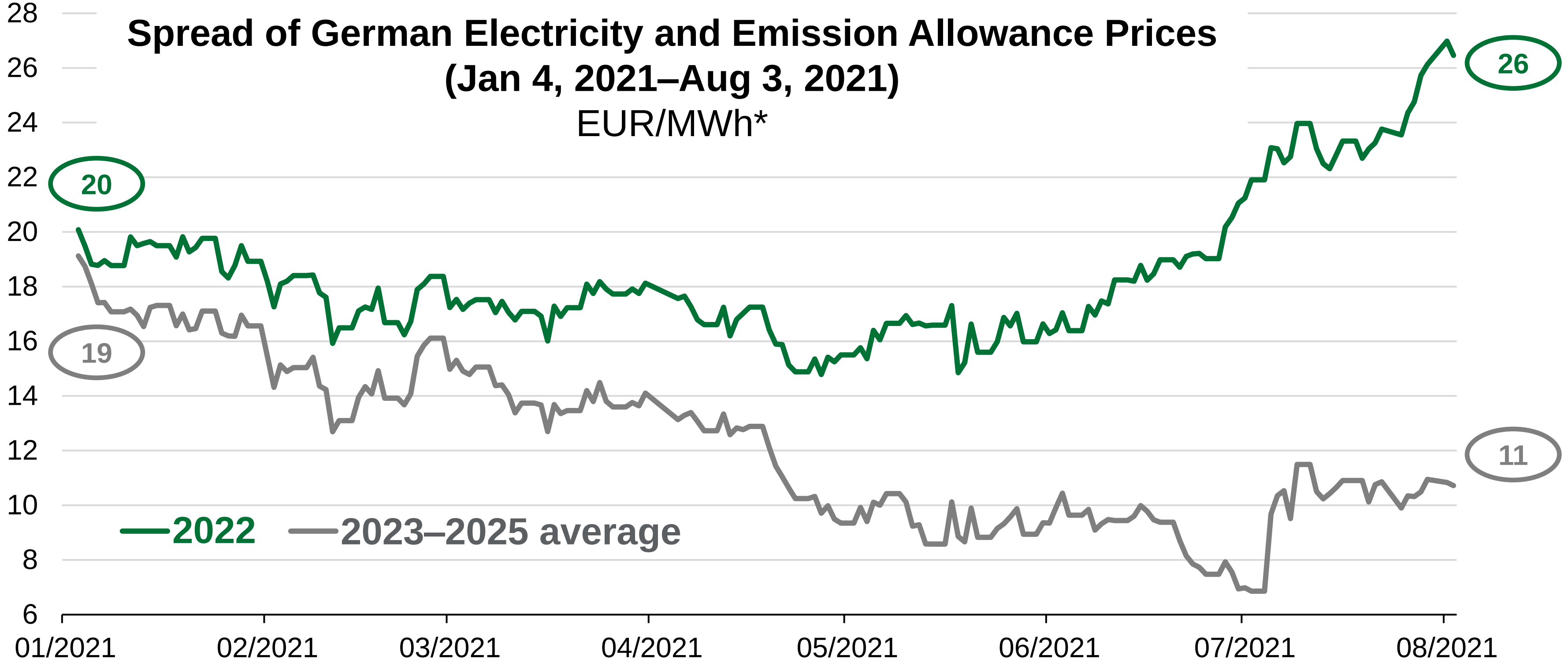
Net Income Adjustments

- Q2 2021 adjusted for the negative effect of impairments of fixed assets at Severočeské doly (CZK +8.7 bn) and in Poland (CZK +1.0 bn)
- Q2 2020 adjusted for the negative effect of impairment of fixed assets in Bulgaria (CZK +0.8 bn) and Romania (CZK +0.7 bn) and for the negative effect of goodwill impairment in Poland (CZK +0.4 bn)

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

IMPAIRMENT OF THE ASSETS OF THE MINING COMPANY SEVEROČESKÉ DOLY REFLECTS THE DETERIORATION OF MARKET CONDITIONS FOR THE COAL POWER INDUSTRY IN Q2

The spread between market prices for electricity and emission allowances for years 2023–2025 has almost halved since the beginning of the year.*



Electricity prices (EUR/MWh)	Jan 4, 2021	Aug 3, 2021
2022	51	76
2023	51	66
2024	50	61
2025	51	58
2023-25 average	**51**	**62**

EUA prices (EUR/t)	Jan 4, 2021	Aug 3, 2021
2022	34	55
2023	34	55
2024	35	56
2025	35	57
2023-25 average	**35**	**56**

* Spread between the price of electricity and the emission allowances (converted by an emission coefficient of 0.9, which corresponds approximately to the emission intensity of CEZ's coal-fired sources)

CEZ GROUP OPERATING REVENUES FOR H1, BY MAIN BUSINESS SEGMENTS AND INDIVIDUAL COUNTRIES

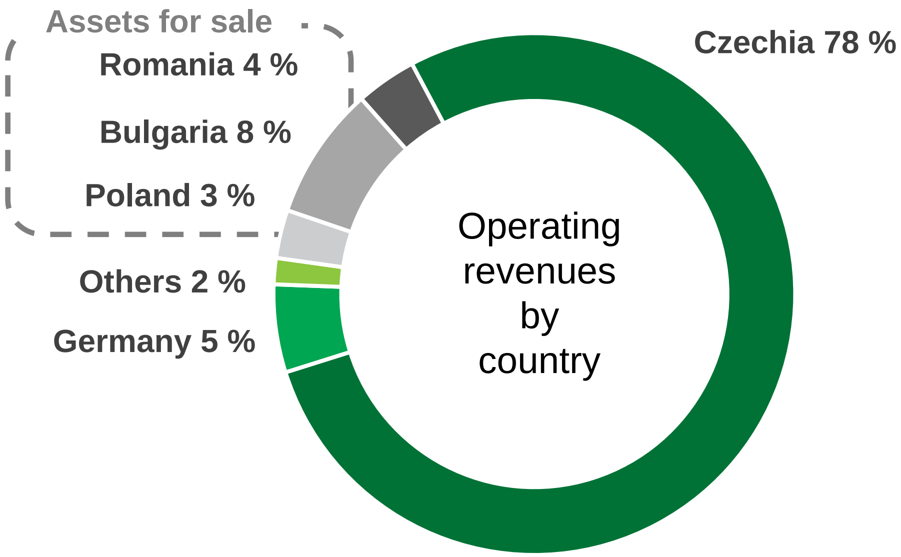
GENERATION (CZK bn)	H1 2020	H1 2021	Change	%
Czechia	50.3	52.8	+2.5	+5%
Germany	0.4	0.3	-0.1	-21%
Poland	3.2	3.0	-0.2	-7%
Romania	2.0	1.2	-0.9	-43%
Other states	1.1	1.2	+0.1	+13%
Elimination of Internal Relation	-1.8	-1.3		
Total	**55.3**	**57.2**	**+1.9**	**+4%**

MINING (CZK bn)	H1 2020	H1 2021	Change	%
Czechia	4.4	4.7	+0.3	+8%
Elimination of Internal Relation	0.0	0.0		
Total	**4.4**	**4.7**	**+0.3**	**+8%**

DISTRIBUTION (CZK bn)	H1 2020	H1 2021	Change	%
Czechia	17.0	17.4	+0.4	+2%
Romania	2.6	1.5	-1.2	-44%
Bulgaria	2.6	2.6	+0.0	+1%
Elimination of Internal Relation	0.0	0.0		
Total	**22.3**	**21.5**	**-0.8**	**-4%**

SALES (CZK bn)	H1 2020	H1 2021	Change	%
Czechia	27.7	29.4	+1.7	+6%
Germany	6.5	7.0	+0.5	+8%
Romania	4.5	2.4	-2.1	-47%
Bulgaria	8.0	8.4	+0.4	+5%
Other states	3.4	2.0	-1.4	-41%
Elimination of Internal Relation	-0.0	-0.0		
Total	**50.0**	**49.1**	**-0.9**	**-2%**

Operating Revenues for H1 2021

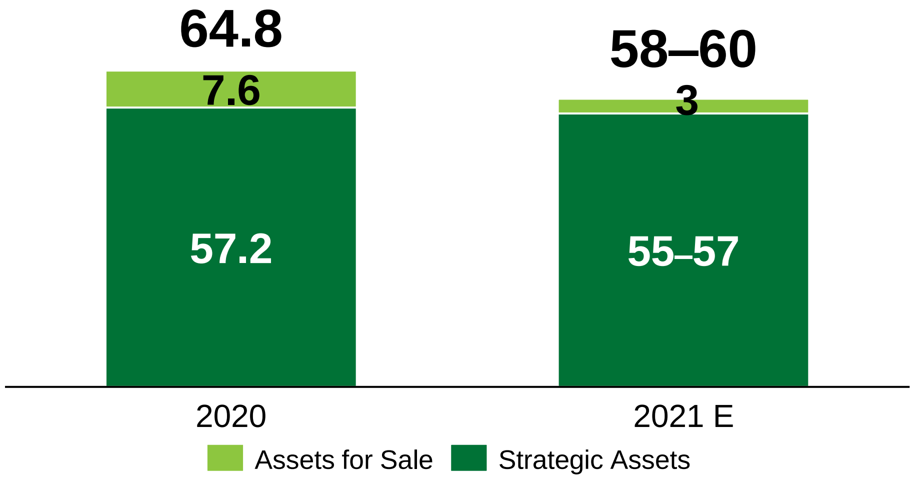


By segments (CZK bn)	H1 2021	share
Generation	57.2	43%
Mining	4.7	4%
Distribution	21.5	16%
Sales	49.1	37%
Elimination of intra-group relations	-24.2	
SUM	**108.2**	

REFINING THE FINANCIAL OUTLOOK FOR 2021: EBITDA CZK 58–60 BN, ADJUSTED NET PROFIT CZK 18–20 BN

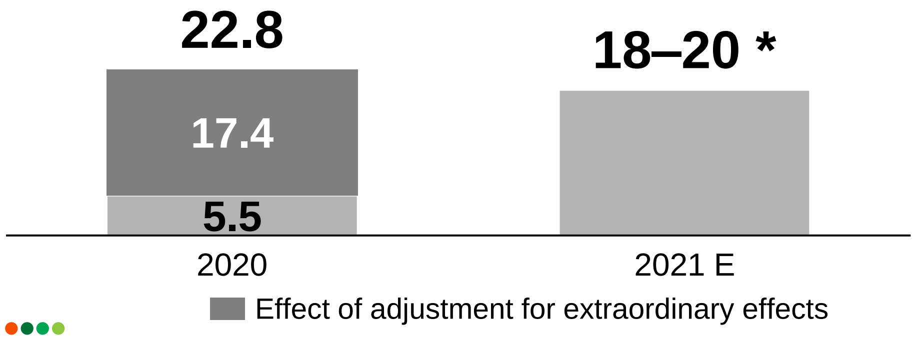
EBITDA

CZK bn



Adjusted net profit

CZK bn



Main Year-On-Year Effects (2021 vs. 2020):

- ⊕ Higher realization prices of electricity
- ⊕ Stabilization of the Sales segment after the impacts of COVID-19 on corporate customers
- ⊕ Higher generation at nuclear power plants

- ⊖ Sale of Romanian and Bulgarian assets
- ⊖ Higher expenses on emission allowances for generation
- ⊖ Lower revenue from ancillary services
- ⊖ Lower gain from commodity trading

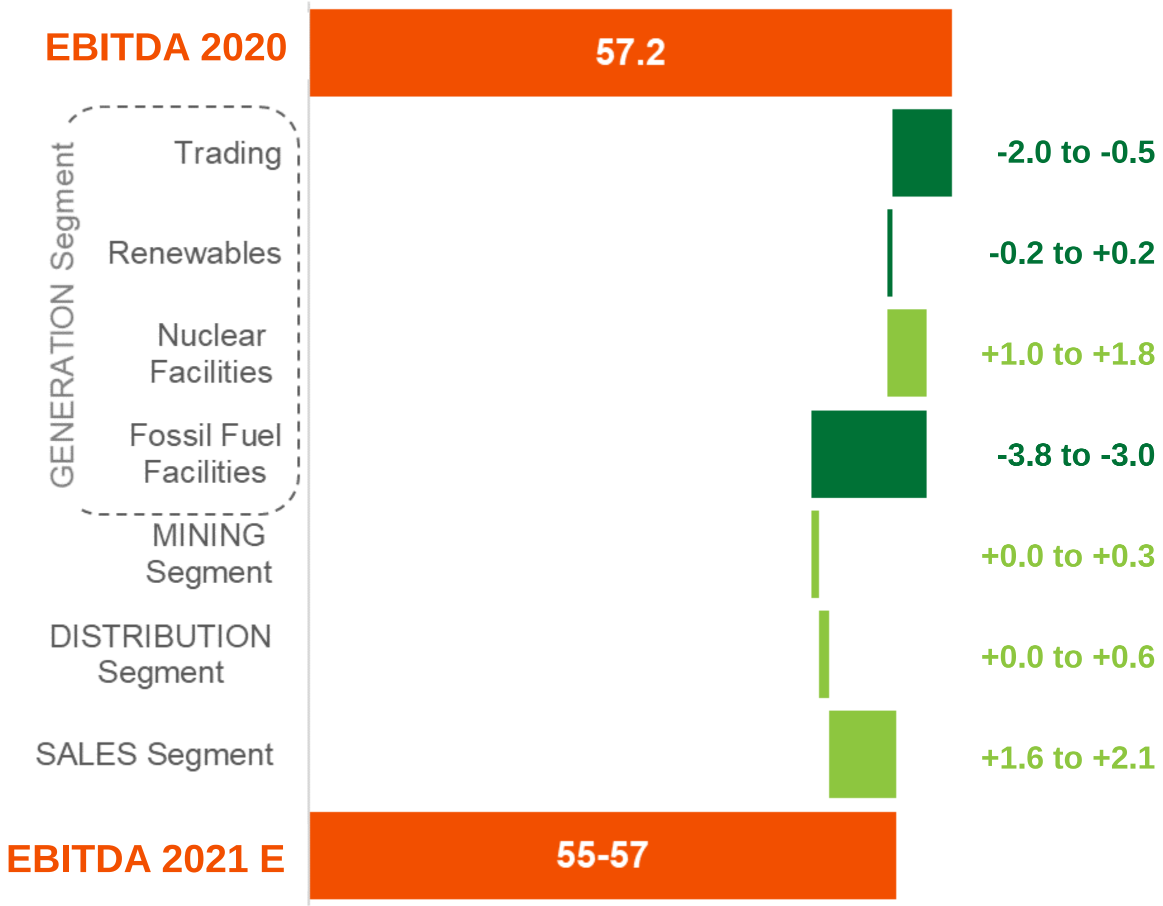
Selected Prediction Risks and Opportunities:

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

* We estimate the contribution of assets held for sale to the 2021 consolidated net income at nearly zero, especially in view of concluded contracts for the sale of foreign assets, under which any profit from 2021 belongs to the buyers.

ESTIMATED YEAR-ON-YEAR CHANGE IN STRATEGIC ASSETS EBITDA 2021 VS. 2020 IN INDIVIDUAL BUSINESS SEGMENTS

(CZK bn)



STRATEGIC ASSETS

(Total Year-On-Year Unchanged to Decrease up to CZK 2 bn)

GENERATION Segment

Trading

- − Lower gains from commodity trading

Nuclear Facilities

- + Higher realization prices of electricity incl. hedging (CZK +1.2 to +1.7 bn)
- + Higher generation

Fossil Fuel Facilities

- − The effect of market prices of emission allowances, natural gas and electricity on the gross margin from generation incl. hedging (CZK -2.7 to -2.2 bn)
- − Lower revenue from ancillary services
- − Higher maintenance costs

MINING Segment

- + Higher volumes of sales of coal

DISTRIBUTION Segment

- + Positive effect of correction factors
- − Effect of a new regulatory period on company ČEZ Distribuce

SALES Segment

- + Growth ambitions in ESCO
- + Negative effect of COVID-19 on ESCOs in 2020
- − Lower settlement of unbilled electricity at ČEZ Prodej

ANNEXES

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- Shareholders' Meeting
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- Selected events in individual segments

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Debt Development, Investments, and Financial Exposure
- Cash flow (change in Net debt in H1)
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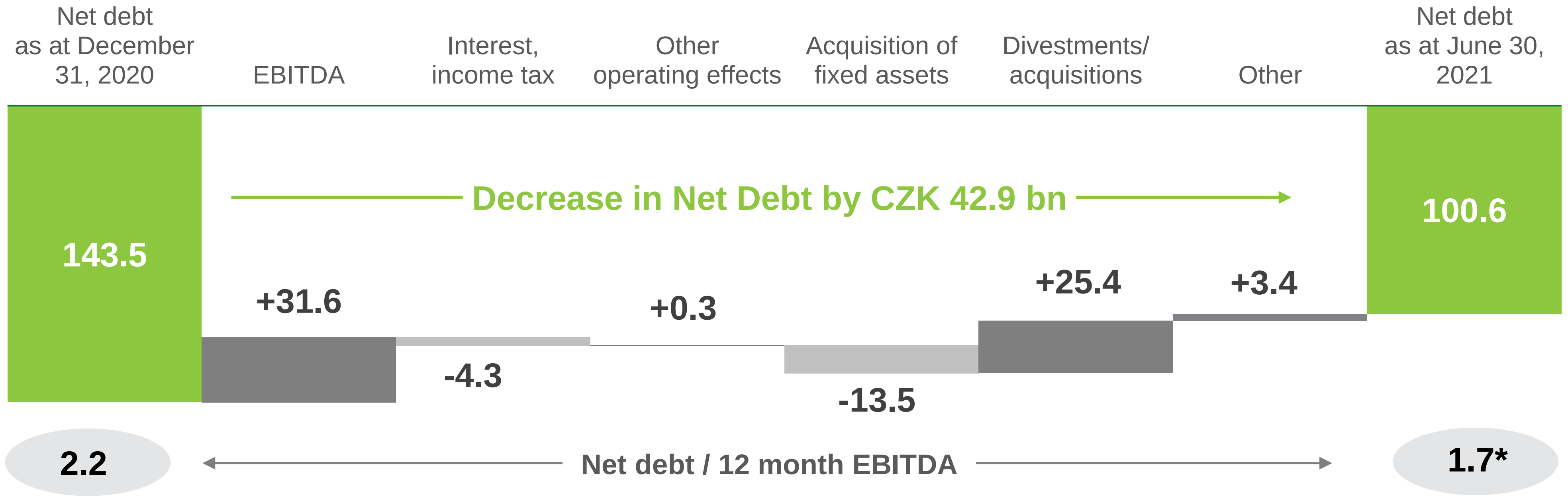
- Debt position and structure as at June 30
- Hedging against currency risks in generation

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

GROUP'S NET DEBT DECLINED IN H1 2021 BY ALMOST CZK 43 BN, CZK 15 BN OF WHICH IN Q2



- **Interest, income tax (CZK -4.3 bn):** income tax paid (CZK -2.0 bn), balance of interest paid and received (CZK -2.3 bn)
- **Other operating effects (CZK +0.3 bn):** revaluation of emission allowances (CZK -19.2 bn), change in receivables and payables from derivatives (CZK +14.1 bn), other effects (CZK +5.4 bn) mainly margin deposits on the energy exchange
- **Additions to non-current assets (CZK -13.5 bn):** CAPEX for the period (CZK -11.7 bn), change in liabilities from non-current assets acquisition (CZK -1.4 bn), change in equity securities (CZK -0.4 bn)
- **Divestments/acquisitions (CZK +25.4 bn):** proceeds from the sale of Romanian assets (CZK +24.6 bn), proceeds from the sale of the stake in ESCO Slovakia (CZK +0.8 bn)
- **Others (CZK +3.4 bn):** mainly change in fair value of bonds and bank loans

* the indicator includes annual EBITDA from already sold Romanian assets in the amount of CZK 3.2 bn. Not including this annual EBITDA in the calculation, the indicator would be 1.8.

CAPITAL EXPENDITURES (CAPEX) IN H1
BY SEGMENT

CAPEX (CZK bn)	H1 2020	H1 2021	Q2 2020	Q2 2021
GENERATION Segment	4.0	3.5	2.5	2.1
Thereof: Nuclear fuel procurement	1.1	1.2	0.5	0.7
MINING Segment	0.9	0.8	0.7	0.5
DISTRIBUTION Segment	5.0	5.7	3.3	3.5
SALES Segment	0.4	0.6	0.3	0.4
Total strategic assets	**10.4**	**10.5**	**6.8**	**6.4**
Poland	0.3	0.1	0.1	0.1
Romania	0.8	0.5	0.5	—
Bulgaria	0.6	0.6	0.3	0.4
Total assets held for sale	**1.8**	**1.2**	**0.9**	**0.4**
TOTAL CEZ GROUP	**12.2**	**11.7**	**7.7**	**6.9**

Strategic assets—main H1 year-on-year effects:

- **GENERATION segment**—higher spending in 2020 mainly due to greening (completion of SO_x reduction project at Energotrans, desulfurization of absorber at Dětmarovice power plant, reduction of emissions at the Trmice heating plant)
- **DISTRIBUTION segment**—year-on-year increase in investments in accordance with the gradual onset of increased investments within the parameters of the 5th regulatory period (especially associated with the connection of customers and producers).
- **SALES segment—**mainly year-on-year increase in investments in the Telco Pro Services group companies and in ČEZ Prodej within the framework of digitization projects

Assets for Sale

- **Poland**—higher spending in 2020 at ČEZ Skawina—completion of denitrification program (DeNOx)
- **Romania**—impact of sale of Romanian assets as at March 31, 2021

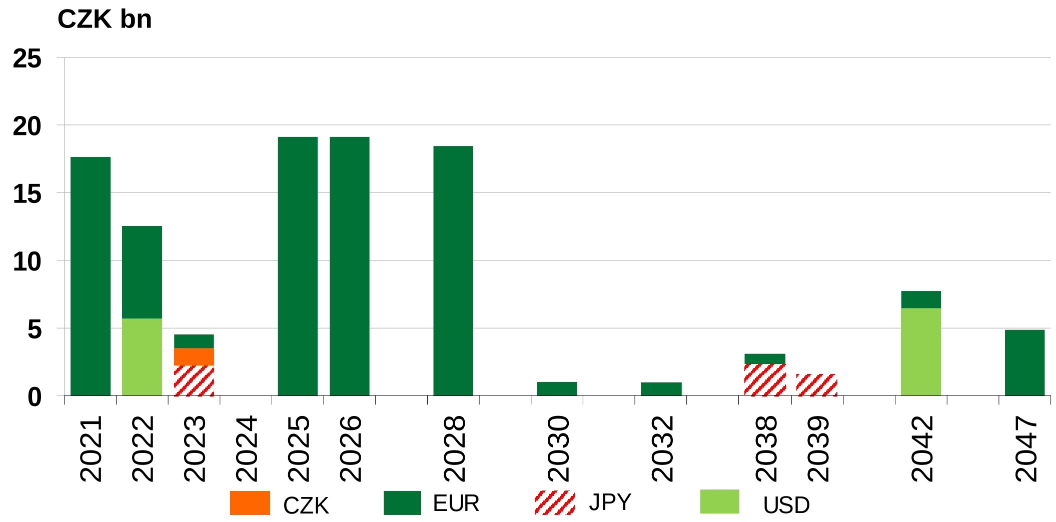
DEBT POSITION AND STRUCTURE AS AT JUNE 30, 2021
CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

Utilization of Short-Term Lines and Available Committed Credit Facilities* (as at Jun 30, 2021)

* The available credit facilities include the undrawn portion of the long-term EIB loan (EUR 100 million).

- Committed facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- CEZ Group has access to a total of CZK 39 bn in committed credit facilities, using CZK 4.6 bn as at Jun 30, 2021.
- After receiving funds from the divestment of Romanian assets as at March 31, 2021, the debt was repaid early in Q2 totaling over CZK 14 bn.

Bond Maturity Profile (as at Jun 30, 2021)



Debt Level

		Jun 30, 2020	Jun 30, 2021
Debt and loans	CZK bn	164.2	133.9
Cash and fin. assets**	CZK bn	10.5	33.3
Net debt	CZK bn	153.7	100.6
Net debt / EBITDA***		2.4	1.7

** Cash and Cash Equivalents & Highly Liquid Financial Assets
*** The indicator includes EBITDA from already sold Romanian assets in the amount of CZK 3.2 bn. Not including this EBITDA in the calculation, the indicator would be 1.8.

The total values of indebtedness and use of short-term lines include data for Bulgarian assets classified as held for sale as at June 30.

CURRENCY AND COMMODITY HEDGING OF ELECTRICITY GENERATION IN CZECHIA FOR 2022–2025

Currency hedging of expected revenues from electricity generation in Czechia for 2022–2025 (as at Jun 30)

	2022	2023	2024	2025
Total currency hedges (natural & transactional) as at Jun 30, 2021	**97%**	**90%**	**83%**	**72%**
Natural currency hedging (debt in EUR, capital and other expenditure and costs in EUR)	81%	82%	29%	72%

The currency position for 2022–2025 is hedged at **CZK 25.6–26.3/EUR**, the currency position for 2021 at CZK 27.1/EUR.

Commodity hedging of expected deliveries of electricity from generation in Czechia (as at Jun 30)

	2022	2023	2024	2025	100% of expected external delivery
Generation in Czechia - total	**75 %**	**42 %**	**17 %**	**2 %**	**43 to 46 TWh per year**
Emission-free sources (nuclear and RES ČEZ)	78%	46%	18%	3%	29 to 31 TWh per year
Emission sources (medium-term hedged)*	82%	52%	21%	—	9 to 11 TWh per year
Other emission sources**	48%	—	—	—	4 to 6 TWh per year

* sources hedged in a 3-year horizon ** Gas and selected coal-fired resources which, due to the nature of generation and market conditions, are hedged only on an annual/intra-annual basis

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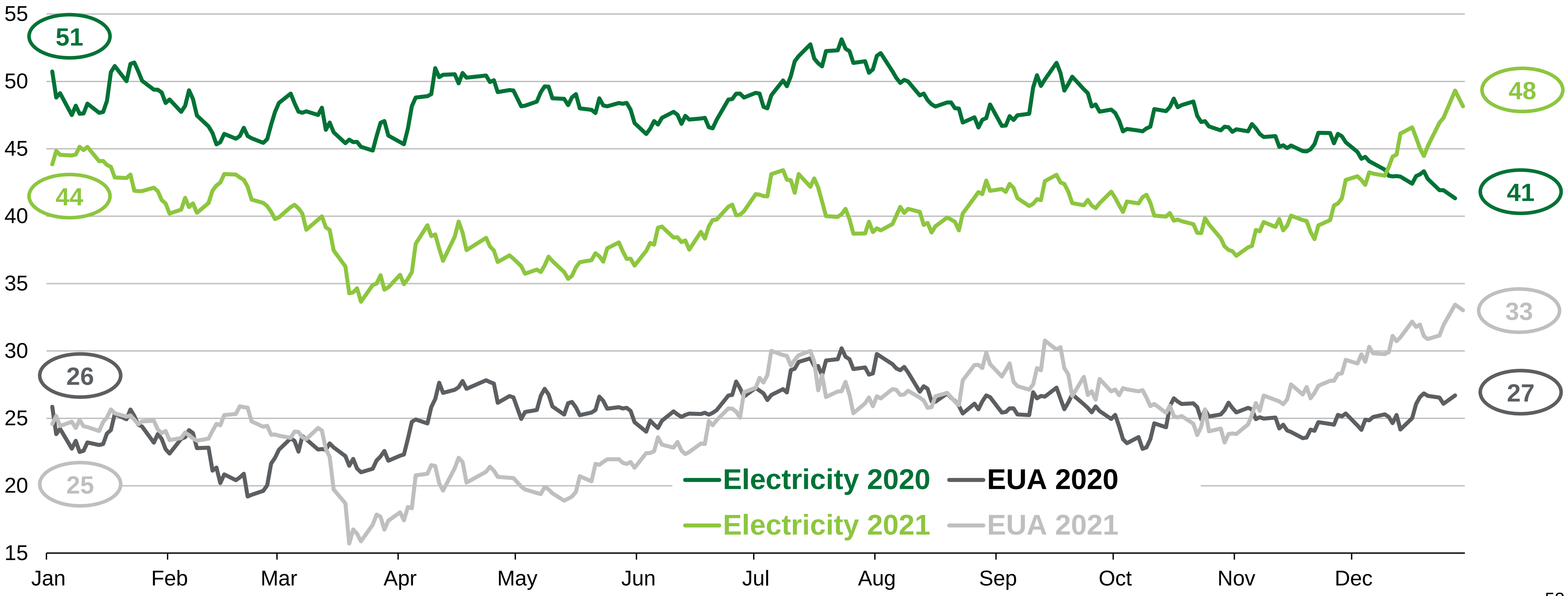
2021 ELECTRICITY HEDGES WERE NEGATIVELY INFLUENCED BY LOWER PRICES DURING 2020 DUE TO COVID-19. ELECTRICITY AND EUA PRICES IMPROVED ONLY AT THE END OF 2020

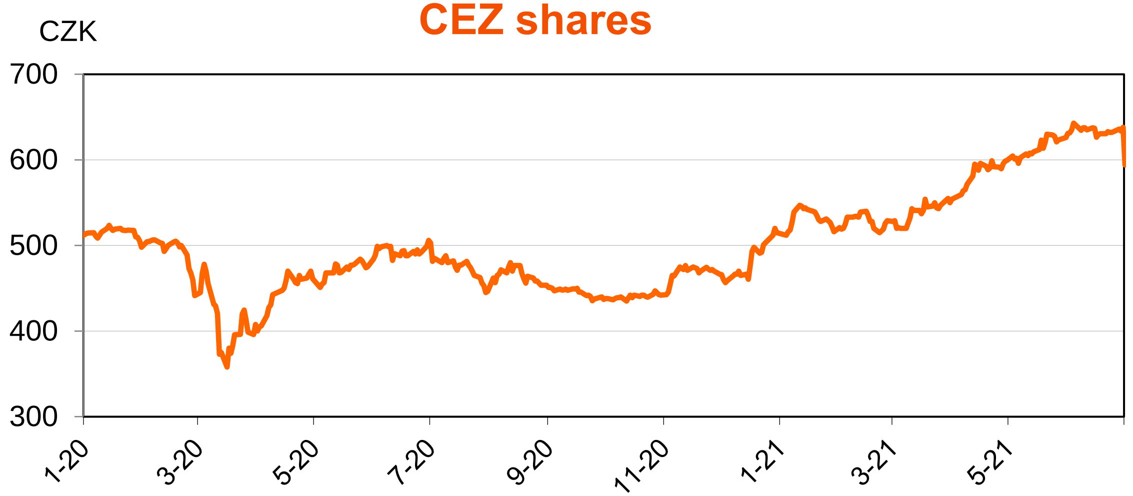
Development of market prices of electricity and emission allowances in Germany (January 1 – Dec 31 year before delivery)
EEX: Cal20 BL, Cal21 BL (EUR/MWh); EUA with delivery 12/2020, 12/2021 (EUR/t)



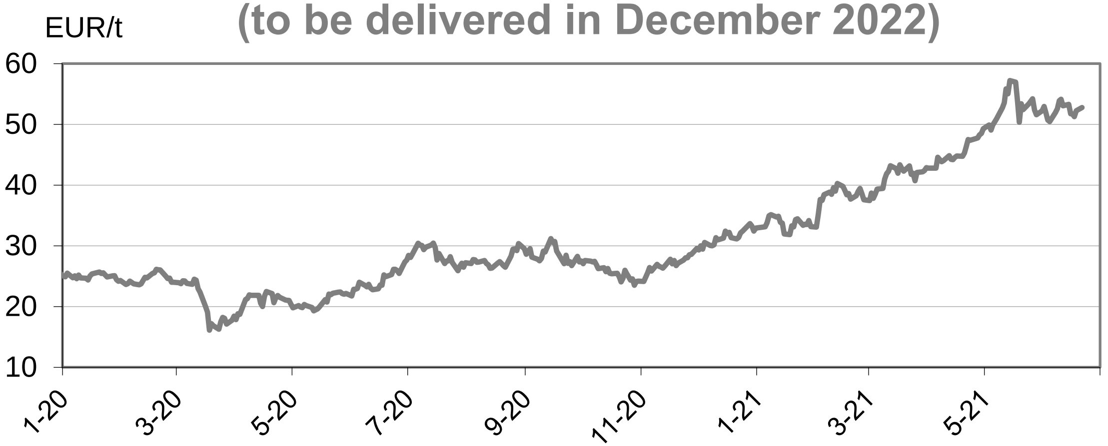
EUA - European Union Allowances (emission allowances)

MARKET DEVELOPMENTS

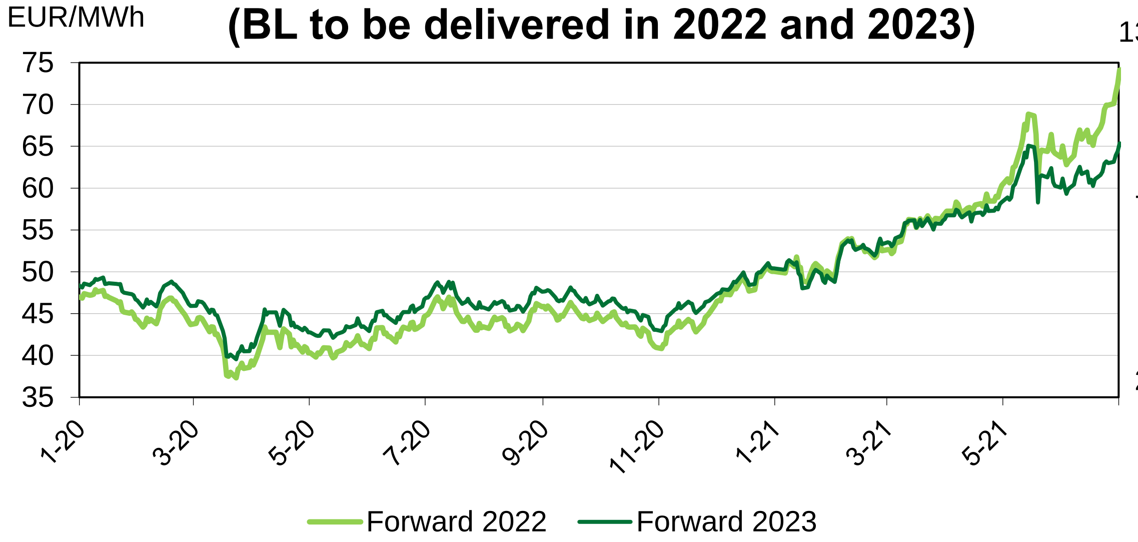
CEZ shares



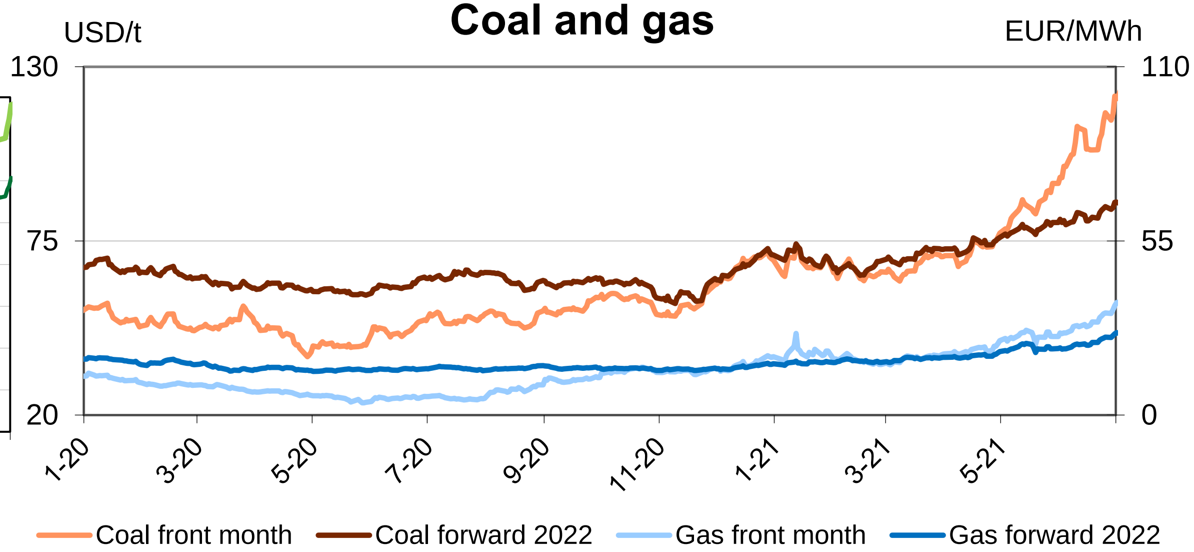
CO_2 emissions allowances (to be delivered in December 2022)



Electricity (BL to be delivered in 2022 and 2023)



Coal and gas



Electricity balance (GWh)

	Q1 - Q2 2020	Q1 - Q2 2021	Index 2021/2020
Electricity procured	**26,783**	**25,011**	**-7%**
Generated in-house (gross)	29,805	27,724	-7%
In-house and other consumption, including pumping in pumped-storage plants	-3,022	-2,713	-10%
Sold to end customers	**-16,984**	**-16,910**	**-0%**
Sold in the wholesale market (net)	**-7,926**	**-6,569**	**-17%**
Sold in the wholesale market	-134,682	-121,231	-10%
Purchased in the wholesale market	126,755	114,662	-10%
Grid losses	**-1,872**	**-1,533**	**-18%**

Electricity generation by source (GWh)

Nuclear	14,233	14,759	+4%
Coal and lignite	10,828	8,616	-20%
Water	1,102	1,268	+15%
Biomass	532	494	-7%
Photovoltaic	75	67	-10%
Wind	871	485	-44%
Natural gas	2,162	2,032	-6%
Bio gas	1	2	+13%
Total	**29,805**	**27,724**	**-7%**

Sales of electricity to end customers (GWh)

Households	-7,037	-7,163	+2%
Commercial (low voltage)	-2,341	-1,915	-18%
Commercial and industrial (medium and high voltage)	-7,606	-7,833	+3%
Sold to end customers	**-16,984**	**-16,910**	**-0%**

Distribution of electricity (GWh)

	Q1 - Q2 2020	Q1 - Q2 2021	Index 2021/2020
Distribution of electricity to end customers	25,405	25,805	+2%

Electricity balance (GWh) by segment

Q1 - Q2 2021	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**24,815**	**-7%**	**0**	**-**	**197**	**+10%**	**0**	**-**	**25,011**	**-7%**
Generated in-house (gross)	27,519	-7%	0	-	205	+11%	0	-	27,724	-7%
In-house and other consumption, including pumping in pumped-storage plants	-2,704	-10%	0	-	-8	+29%	0	-	-2,713	-10%
Sold to end customers	**-1,155**	**-7%**	**0**	**-**	**-16,610**	**+0%**	**855**	**+1%**	**-16,910**	**-0%**
Sold in the wholesale market (net)	**-23,660**	**-7%**	**1,533**	**-18%**	**16,414**	**-0%**	**-855**	**+1%**	**-6,569**	**-17%**
Sold in the wholesale market	-130,616	-9%	0	-	-2,393	-11%	11,777	-3%	-121,231	-10%
Purchased in the wholesale market	106,956	-10%	1,533	-18%	18,807	-2%	-12,632	-3%	114,662	-10%
Grid losses	**0**	**-**	**-1,533**	**-18%**	**0**	**-**	**0**	**-**	**-1,533**	**-18%**

Electricity generation by source (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	14,759	+4%	0	-	0	-	0	-	14,759	+4%
Coal and lignite	8,616	-20%	0	-	0	-	0	-	8,616	-20%
Water	1,268	+15%	0	-	0	-	0	-	1,268	+15%
Biomass	494	-7%	0	-	0	-	0	-	494	-7%
Photovoltaic	67	-10%	0	-	0	-	0	-	67	-10%
Wind	485	-44%	0	-	0	-	0	-	485	-44%
Natural gas	1,827	-8%	0	-	205	+11%	0	-	2,032	-6%
Bio gas	2	+13%	0	-	0	-	0	-	2	+13%
Total	**27,519**	**-7%**	**0**	**-**	**205**	**+11%**	**0**	**-**	**27,724**	**-7%**

Sales of electricity to end customers (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	0	-	-7,163	+2%	0	-	-7,163	+2%
Commercial (low voltage)	-4	-57%	0	-	-1,911	-18%	0	-	-1,915	-18%
Commercial and industrial (medium and high voltage)	-1,151	-7%	0	-	-7,537	+4%	855	+1%	-7,833	+3%
Sold to end customers	**-1,155**	**-7%**	**0**	**-**	**-16,610**	**+0%**	**855**	**+1%**	**-16,910**	**-0%**

Electricity balance (GWh) by country

Q1 - Q2 2021	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**23,555**	**-5%**	**948**	**-5%**	**388**	**-47%**	**3**	**-5%**	**117**	**-29%**	**0**	**-**	**0**	**-**	**25,011**	**-7%**
Generated in-house (gross)	26,101	-6%	1,108	-4%	394	-47%	3	-5%	117	-29%	0	-	0	-	27,724	-7%
In-house and other consumption, including pumping in pumped-storage plants	-2,546	-11%	-160	+4%	-6	-37%	0	-	0	-	0	-	0	-	-2,713	-10%
Sold to end customers	**-9,586**	**+11%**	**-82**	**-42%**	**-1,045**	**-41%**	**-5,417**	**-2%**	**0**	**-**	**-779**	**-10%**	**0**	**-**	**-16,910**	**-0%**
Sold in the wholesale market (net)	**-13,090**	**-14%**	**-866**	**+1%**	**924**	**-38%**	**5,801**	**-2%**	**-117**	**-29%**	**779**	**-10%**	**0**	**-**	**-6,569**	**-17%**
Sold in the wholesale market	-121,576	-10%	-1,039	-12%	-378	-50%	-176	-19%	-117	-29%	-45	-18%	2,100	-10%	-121,231	-10%
Purchased in the wholesale market	108,486	-9%	173	-47%	1,302	-42%	5,977	-3%	0	-	824	-11%	-2,100	-10%	114,662	-10%
Grid losses	**-879**	**-14%**	**0**	**-**	**-267**	**-40%**	**-387**	**-5%**	**0**	**-**	**0**	**-**	**0**	**-**	**-1,533**	**-18%**

Electricity generation by source (GWh) by country

	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	14,759	+4%	0	-	0	-	0	-	0	-	0	-	0	-	14,759	+4%
Coal and lignite	7,691	-23%	926	+3%	0	-	0	-	0	-	0	-	0	-	8,616	-20%
Water	1,233	+16%	6	+61%	30	-26%	0	-	0	-	0	-	0	-	1,268	+15%
Biomass	317	+10%	177	-27%	0	-	0	-	0	-	0	-	0	-	494	-7%
Photovoltaic	64	-11%	0	-	0	-	3	-5%	0	-	0	-	0	-	67	-10%
Wind	4	-15%	0	-	364	-48%	0	-	117	-29%	0	-	0	-	485	-44%
Natural gas	2,032	-6%	0	-	0	-	0	-	0	-	0	-	0	-	2,032	-6%
Bio gas	2	+13%	0	-	0	-	0	-	0	-	0	-	0	-	2	+13%
Total	**26,101**	**-6%**	**1,108**	**-4%**	**394**	**-47%**	**3**	**-5%**	**117**	**-29%**	**0**	**-**	**0**	**-**	**27,724**	**-7%**

Sales of electricity to end customers (GWh) by country

	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-4,151	+12%	0	-	-509	-42%	-2,502	+2%	0	-	0	-	0	-	-7,163	+2%
Commercial (low voltage)	-1,014	-4%	-3	-60%	-235	-44%	-634	-20%	0	-	-28	-59%	0	-	-1,915	-18%
Commercial and industrial (medium and high voltage)	-4,422	+13%	-79	-41%	-301	-37%	-2,281	-0%	0	-	-750	-6%	0	-	-7,833	+3%
Sold to end customers	**-9,586**	**+11%**	**-82**	**-42%**	**-1,045**	**-41%**	**-5,417**	**-2%**	**0**	**-**	**-779**	**-10%**	**0**	**-**	**-16,910**	**-0%**

Distribution of electricity (GWh) by country

Q1 - Q2 2021	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	19,007	+9%	0	-	1,773	-43%	5,025	+3%	0	-	0	-	0	-	25,805	+2%

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, i.e. as at June 30 and EBITDA for the period from July 1 of previous year until June 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, 2020	As at Jun 30, 2021
Current debt financial assets	0.1	0.0
Non-current debt financial assets	0.0	0.0
Current term deposits	2.8	6.6
Non-current term deposits	0.0	0.0
Short-term equity securities	0.0	0.3
Highly liquid financial assets, total	**2.9**	**6.9**

Adjusted Net Income indicator—calculation for periods in question:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1–Q2 2020	Q1–Q2 2021
Net income	CZK billions	14.7	1.6
Impairments of property, plant, and equipment and intangible assets (including goodwill write-off)1)	CZK billions	1.9	11.6
Impairments of developed projects2)	CZK billions	-	-
Effects of additions to or reversals of impairments on income tax3)	CZK billions	(0.2)	(0.3)
Other extraordinary effects4)	CZK billions	-	(1.7)
Adjusted net income	**CZK billions**	**16.4**	**11.3**

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

4) The adjustment consists of a correction of adjustment of the net income by the part of impairments of property, plant, and equipment and intangible assets (including the related effect on income taxes) that relates—based on its characteristics—to the current year. This item represents impairments of non-current assets in H1 2021 of companies in Romania and Bulgaria that are being sold, which reflect that net income for this period — taking into account the "Locked-box date" as defined in agreements for the sale of assets—belongs effectively to purchasers.

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