CLEAN
ENERGY OF
TOMORROW

Report on CEZ Group Financial Results for 2023

Audited consolidated results

prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union

March 21, 2024

Agenda

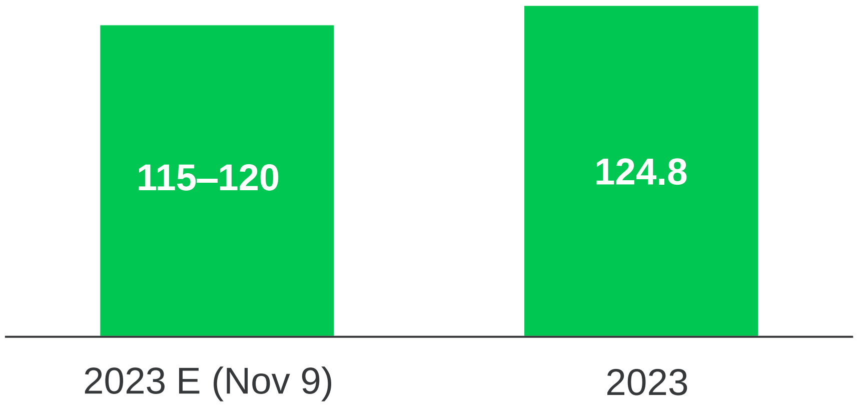
Financial Highlights and Selected Events
Daniel Beneš

Generation Segments and Financial Results
Martin Novák

Customer Segments and Fulfillment of VISION 2030
Pavel Cyrani

EBITDA of CEZ Group reached CZK 124.8 bn. We exceeded the outlook from November 9 mainly thanks to the additional profit of Trading

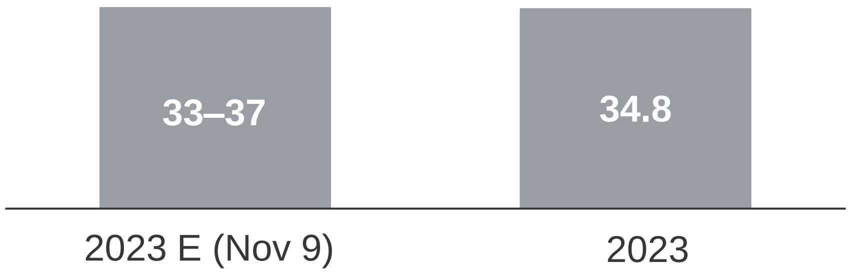
EBITDA (CZK bn)



Selected causes of higher EBITDA compared to the outlook from November 9, 2023:

+ GENERATION Segment – Trading (CZK +3.5 bn), of which:
  - Income from commodity trading (CZK +2.0 bn)
  - Revaluation of derivatives trades hedging generation positions for 2024+ (CZK +1.5 bn)
+ Revenues from ancillary services and sales of heat in Czechia (CZK +1.0 bn)
+ MINING Segment (CZK +0.7 bn) – higher revenues from external sales of coal

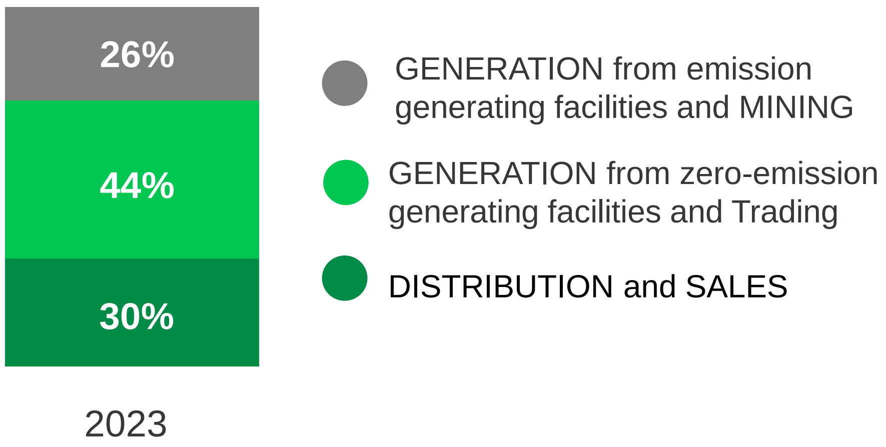
Adjusted Net Income (CZK bn)



At the net income level, the positive EBITDA effects were eliminated by higher taxation, including the effect of the change in the income tax rate in Czechia from Jan 1, 2024 (from 19 to 21%) on the amount of deferred taxes.

The achieved adjusted net income of CZK 34.8 bn and the applicable dividend policy indicate a dividend of CZK 39 to 52 per share

Adjusted net income



Zero-emission activities* accounted for 74% of the net income.

The achieved income and the applicable dividend policy of the company (60% to 80% of the net income adjusted for extraordinary effects) indicate the dividend of:

- CZK 39 to 52 per share, i.e., payment to shareholders of CZK 21 to 28 bn

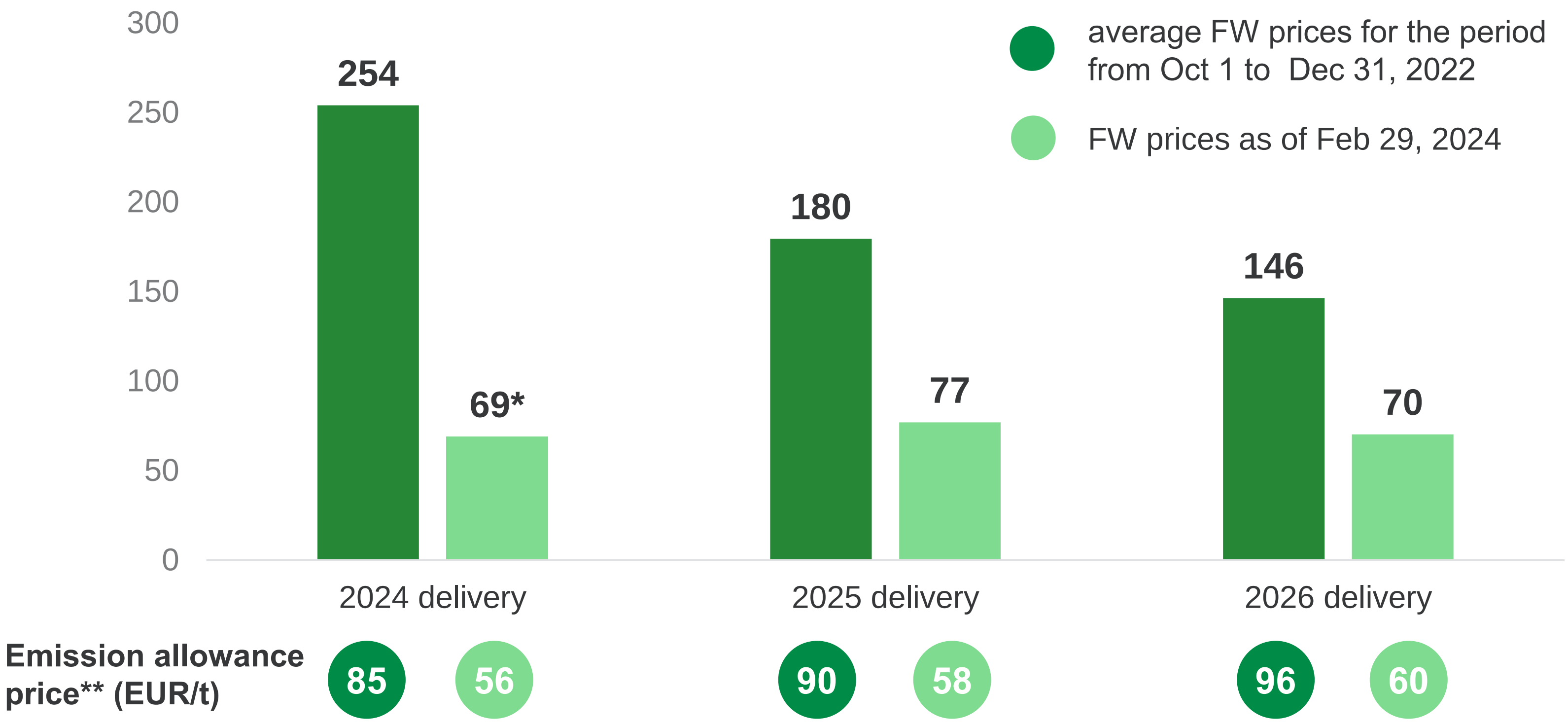
The average payout ratio at ČEZ for the period 2003–2023 is ~ 70% of the adjusted income.

The current average payout ratio of the largest European utilities is ~ 50% of the adjusted income.

* Zero-emission activity = DISTRIBUTION segment + SALES segment + Trading and nuclear facilities and renewables in GENERATION segment

Over the last year, there was a significant stabilization of commodity prices, electricity prices fell to the 2021 price level

Electricity price development in Czechia (EUR/MWh)



* Stated price of electricity as of Feb 29, 2024 with delivery in 2024 is calculated based on the actual spot price for January to February and FW prices with the delivery in March, Q2, Q3 and Q4

** With delivery in December of the respective year

- The sharp increase in electricity prices in 2022 was caused by the rise in gas prices after Russia's invasion of Ukraine
- After securing LNG gas supplies and adapting the European energy market to the new situation, there was a fundamental reduction in electricity prices to the 2021 price level.
- The development of the price of natural gas and emission allowances is the main current driver of the development of the price of electricity.

Current market situation in Europe:

- indicates a significant acceleration of coal-fired power plants closures
- requires the acceleration of measures to ensure the stability of transmission and distribution networks and to support the rapid construction of gas, nuclear and renewable generation facilities.

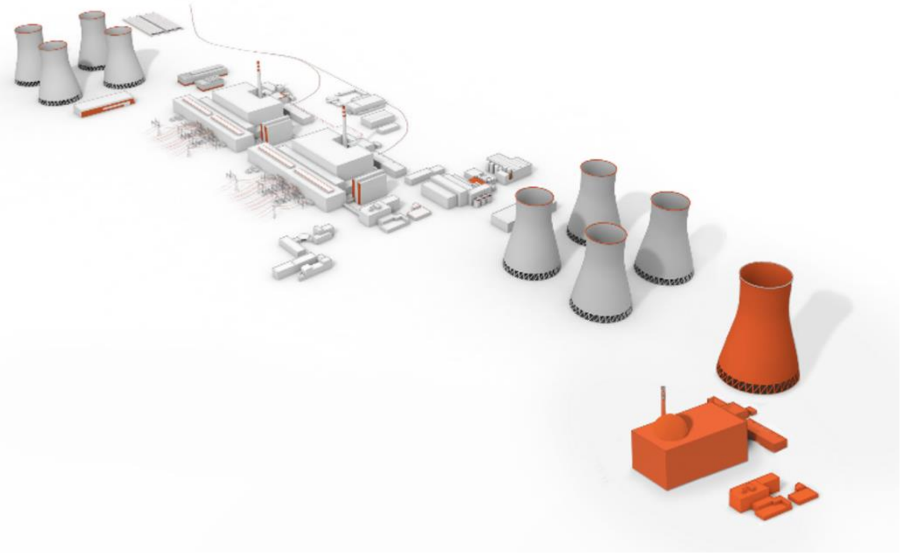
CEZ Group makes a fundamental contribution to ensuring energy security and the development of corporate social responsibility in Czechia

Energy security **Development of zero-emission generating facilities** **Decarbonization**	▪ We secured the supply of new non-Russian nuclear fuel for the Temelín NPP and the Dukovany NPP. ▪ In view of the capacity of the LNG terminal in the Netherlands (contracted for 5 years in 2022), we secured capacity in the newly built LNG terminal in Stade, Germany. The contract with ČEZ is concluded for 15 years, starting from 2027, for one quarter of the consumption in Czechia. ▪ The tender for the contractor for the construction of the new nuclear unit at Dukovany site reached the final stage. The government of the Czech Republic expects to select the winner of the tender for the construction of nuclear unit 5 at Dukovany site in the summer of 2024. ▪ We continue to develop renewables in Czechia, and we have obtained a decision on the allocation of investment support of over CZK 3 bn for projects with a total installed capacity of 728 MWp. ▪ As part of the transformation of the heating industry, we have launched tenders for supplier of Waste Incineration Plant Mělník, and we are preparing construction of new biomass and gas facilities throughout Czechia. ▪ We completed the heat pipe connecting the Temelín NPP and České Budějovice, which is the largest heating project of the decade.

Corporate social responsibility	▪ We fulfilled the main ESG strategic goal announced in 2021 to rank among the top 20% in 2023. According to the ESG ranking aggregator CSRHub, which compares 35,000 companies, ČEZ reached the 84th percentile. ▪ CEZ Group and its employees donated a total of more than CZK 500 mil in 2023 for targeted projects, primarily through charitable projects and programs of the ČEZ Foundation.

The tender for the new nuclear unit in Dukovany is entering its final phase

- In October 2023, the company Elektrárna Dukovany II received bids for the construction of the NNPP in Dukovany from three bidders. Bids were submitted by the French company EDF, the South Korean company KHNP and the US-Canadian company Westinghouse.
- On Jan 31, 2024, the government of the Czech Republic approved the conclusion of an amendment to the first implementation agreement on cooperation in the construction of the nuclear facility in Dukovany, Czechia, between the Czech state and the companies ČEZ and Elektrárna Dukovany II.
- The government of the Czech Republic has decided that bidders who submitted a binding offer for the construction of unit 5 in Dukovany will be invited to submit improved bids for unit 5 in Dukovany and at the same time to submit binding offers for unit 6 in Dukovany and units 3 and 4 in Temelín.
- Two bidders, the French EDF and the South Korean KHNP were invited. The deadline for submitting bids is set to Apr 15, 2024.



- On May 31, 2024, Elektrárna Dukovany II will submit an Evaluation Report to the Czech state
- The government of the Czech Republic expects to select the winner of the tender for the construction of nuclear unit 5 at Dukovany site in the summer of 2024

- The government of the Czech Republic is currently finalizing the notification of the financing of unit 5 in Dukovany and has established a working group for the proposal for financing the additional nuclear units. The group is comprised of representatives of the Ministry of Finance, the Ministry of Industry and Trade and the investor.
- The overall schedule for the start of the construction and operation of the unit remains unchanged. The goal remains to sign the contract with the selected bidder in Q1 2025.

Import capacities are key to covering Czechia's gas needs, and ČEZ contributed to securing these by contracting LNG capacities

In September 2022, ČEZ contracted capacity in the LNG terminal in Eemshaven (Netherlands) for 5 years

- The total capacity reaches 8 bn m^3 of gas per year
- The terminal is operated by the Dutch national company Gasunie
- Capacity in the terminal is currently contracted by ČEZ, Shell and Engie
- The terminal is a floating storage regasification unit (FSRU)
- **The contracted capacity is 3 bn m^3 per year** (~1/3 of the annual gas consumption in Czechia)
- The capacity is commercially managed by ČEZ. The contracts include options to cede capacity to the Czech state.

ČEZ contracted capacity in the LNG terminal in Stade (Germany), to be commissioned in 2027, for 15 years (with an option for additional 10 years)

- The total capacity will reach 13.3 bn m^3 of gas per year
- The operator will be Hanseatic Energy Hub
- Capacity in the terminal is currently contracted by ČEZ, EnBW and SEFE.
- It is expected to start operation in 2027.
- **The contracted capacity is 2 bn m^3 per year** (~1/4 of the annual gas consumption in Czechia)
- It will subsequently be possible to convert the terminal for the import and processing of ammonia, either for direct use or for the production of green hydrogen.

Main Financial and Strategic Targets for 2024

Financial targets*

EBITDA	Adjusted net income
115–120 CZK bn	25–30 CZK bn

Selected assumptions of the current forecast

- Total electricity supply from production in Czechia of 41 to 42 TWh,
- Average realized price of electricity generated in Czechia of 130 to 135 EUR/MWh
- Acceleration of depreciation of coal-fired power plant
- Windfall tax of CZK 20–30 bn

Selected prediction risks and opportunities

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

Key strategic targets and priorities

- Safe generation of electricity from nuclear power plants of 30 TWh and implementation of NPP projects leading to the achievement of an annual generation of over 32 TWh
- Evaluation of updated bids and recommendation of the preferred bidder for new nuclear unit in Dukovany
- Decarbonization of the generation portfolio, development of zero-emission generating facilities and transformation of the heating industry.
- Digitization, increasing efficiency and innovation
- Development of our energy services offering

* The given predictions of CEZ Group's financial targets do not include the contribution of the potential purchase of a stake in Czech Gas Networks. The transaction is subject to the approval of the European Commission and the Ministry of Industry and Trade of the Czech Republic.

CEZ concluded a contract for the purchase of a 55% stake in the company owning GasNet – the largest gas distributor in the Czech Republic

Basic parameters of the contract

On March 20, 2024 ČEZ signed an agreement to purchase a 55.21% stake in Luxembourg based company Czech Gas Networks, S.à r.l., which is the indirect 100% owner of:

- GasNet, s.r.o., the operator of the largest gas distribution network in the Czech Republic
- Service company GasNet Služby, s.r.o.

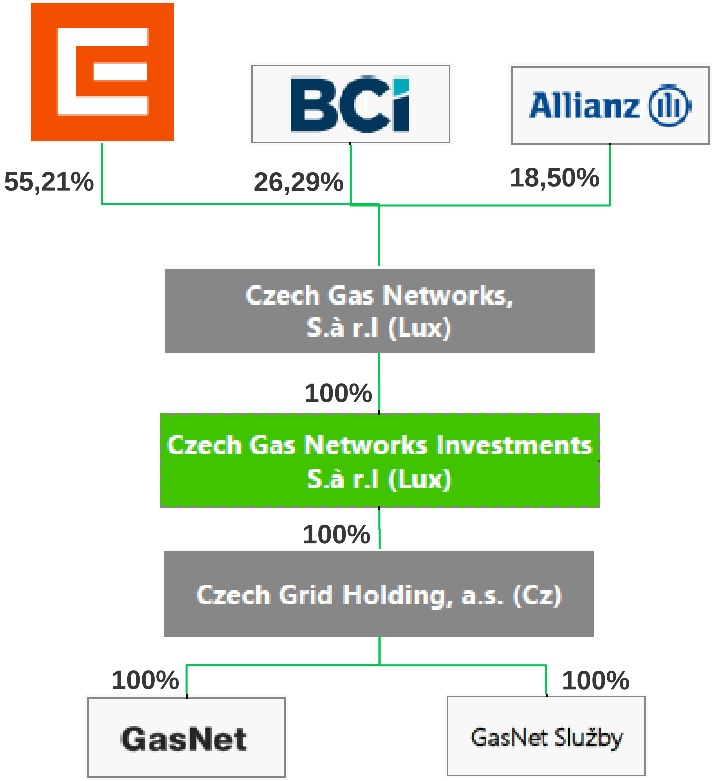
Purchase price of equity stake being acquired is EUR 846.5 million.

The completion of the transaction is subject to approval by the European Commission and the Czech Ministry of Industry and Trade.

GasNet distribution area

Basic information about GasNet

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



The diagram shows the future ownership structure of the GasNet group in case of approval of the concluded contract by the EC and the Ministry of Industry and Trade of the Czech Republic.

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Overall financial results and realized prices of generation in 2023

Key financial results and indicators

- Operating revenues increased by 18% year-on-year to CZK 340.6 bn
- EBITDA decreased by 5% year-on-year to CZK 124.8 bn
- Net income reached CZK 29.6 bn
- Adjusted net income for extraordinary effects amounted to CZK 34.8 bn

Extraordinary taxations 2023

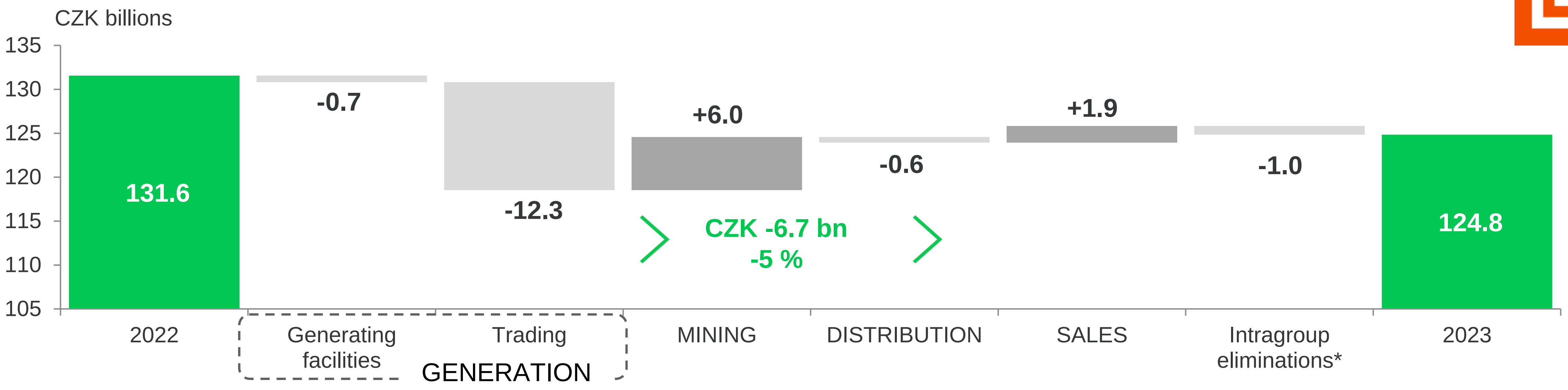
- Levy on excess revenues from generation of CZK 10.0 bn
- Windfall tax of CZK 30.1 bn

- Capital expenditures (CAPEX) reached CZK 45.8 bn, increased by CZK 11 bn year-on-year
- Net debt decreased by CZK 4.4 bn year-on-year to CZK 151.3 bn (as of Dec 31, 2023)
- The Net Debt/EBITDA indicator corresponds to a value of 1.2

Realized prices and generation volumes in Czechia

Volume of electricity sold:	43.5 TWh	Volume of emission allowances:	13.4 mil t
Average selling price:	EUR 126/MWh	Average purchase price:	EUR 61/t

Main Causes of Year-On-Year Change in EBITDA



GENERATION Segment – Generating Facilities (CZK -0.7 bn):
- Higher margin on generation in Czechia as a result of higher realized electricity prices and change of purchase prices of emission allowances and of gas (CZK +8.4 bn)
- Increased levy on excess revenues from generation (CZK -8.8 bn)

GENERATION Segment – Trading (CZK -12.3 bn):
- Lower proprietary trading margin (CZK -17.5 bn) as a result of extraordinary income of CZK 26.9 bn in 2022 compared to CZK 9.4 bn in 2023
- Other trade and consolidation effects (CZK +5.2 bn): in particular temporary revaluation of derivative trades hedging generation with the supply in future years

MINING Segment (CZK +6.0 bn):
- Higher revenues from coal supplies to CEZ Group due to price increase (CZK +6.6 bn)

SALES Segment (CZK +1.9 bn):
- Purchase of electricity from RES in Czechia (CZK +2.2 bn): effect of market prices and a higher purchase volume
- Proceeds from litigation between ČEZ Prodej and the state-owned enterprise Railway Administration concerning electricity supply in 2010 and 2011 (CZK +1.2 bn)
- Sales of electricity and gas in Czechia (CZK -1.7 bn): higher expenses to cover fluctuations in customer consumption, lower customer consumption and the effect of price caps in 2023

* 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)	2022	2023	Difference	%
EBITDA	131.6	124.8	-6.7	-5%
Depreciation and amortization	-32.8	-35.3	-2.6	-8%
Asset impairments*	3.1	-5.0	-8.1	-
Other income and expenses	-2.3	-5.5	-3.2	-139%
Interest income and expenses	-1.2	-0.0	+1.2	+99%
Interest from nuclear and other provisions	-2.9	-7.3	-4.4	-155%
Other	1.7	1.8	+0.1	+6%
Income taxes	-18.9	-49.4	-30.5	-161%
Net income	80.7	29.6	-51.1	-63%
Adjusted net income	78.4	34.8	-43.5	-56%

Net income adjustments
The net income in 2023 adjusted for impairments of property, plant and equipment in Severočeské doly (CZK -5.0 bn) and the effect of impairments in Germany (CZK -0.2 bn).

Depreciation and amortization (CZK -2.6 bn)
- Increase in depreciation and amortization of ČEZ’s power plants (CZK -1.3 bn) as a result of update of provisions for disassembly and demolition after decommissioning facilities
- Higher depreciation and amortization in Severočeské doly (CZK -0.8 bn) due to the reversal of impairments in 2022, higher depreciation and amortization of ČEZ Distribuce (CZK -0.6 bn)

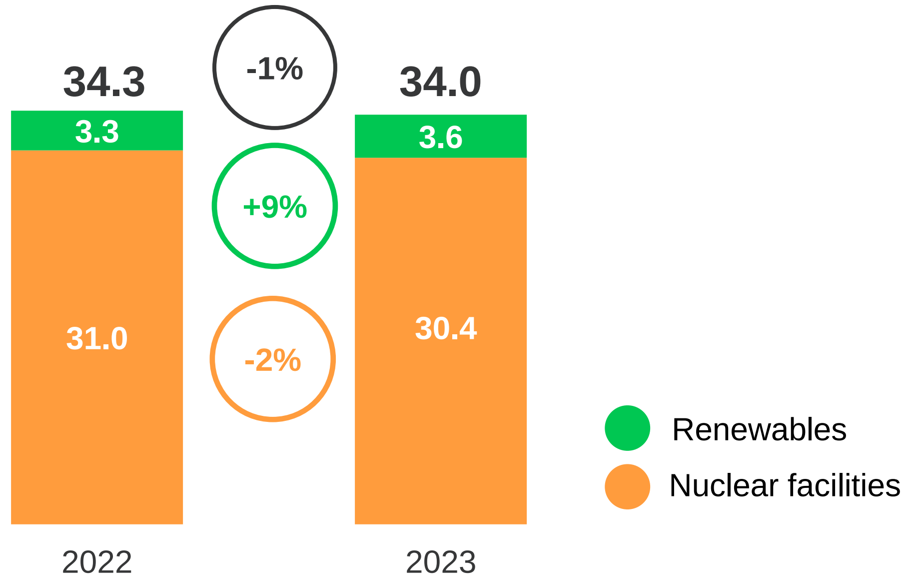
Asset impairments* (CZK -8.1 bn)
- Severočeské doly (CZK -7.8 bn): creation in 2023 due to deterioration of market conditions for future mining (CZK -5.0 bn) and, conversely, the reversal of part of the impairments in 2022 (CZK -2.8 bn)
- Impairments for wind facilities in Germany (CZK -0.3 bn) mainly as a result of the increase in discount rates

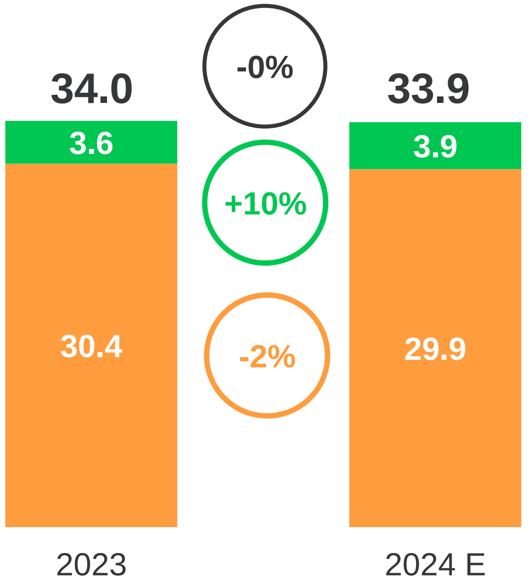
Other income and expenses (CZK -3.2 bn)
- Interest from nuclear and other provisions (CZK -4.4 bn) due to an increase in interests due to the interest rates‘ growth and an increase in provisions in 2022
- Interest income and expenses (CZK +1.2 bn) due to higher interest rates

Income tax (CZK -30.5 bn) – the newly introduced 60% windfall tax in 2023 (CZK -30.1 bn) greatly exceeded the growth of the standard 19% income tax

* Including income/loss from asset sales, depreciation and amortization of suspended investments and goodwill

Nuclear and renewable generation (TWh)





Renewables (+0.3 TWh) hydroelectric, wind, solar, biomass, biogas

- Czechia hydroelectric (+0.3 TWh)
  - + Better-than-average hydrological conditions in 2023
  - + Higher utilization of pumped-storage hydroelectric power plants
- Germany wind (+0.1 TWh)
  - + Worse-than-average weather conditions in 2022

Nuclear plants (-0.6 TWh)

- – Effect of the facility schedule of planned outages

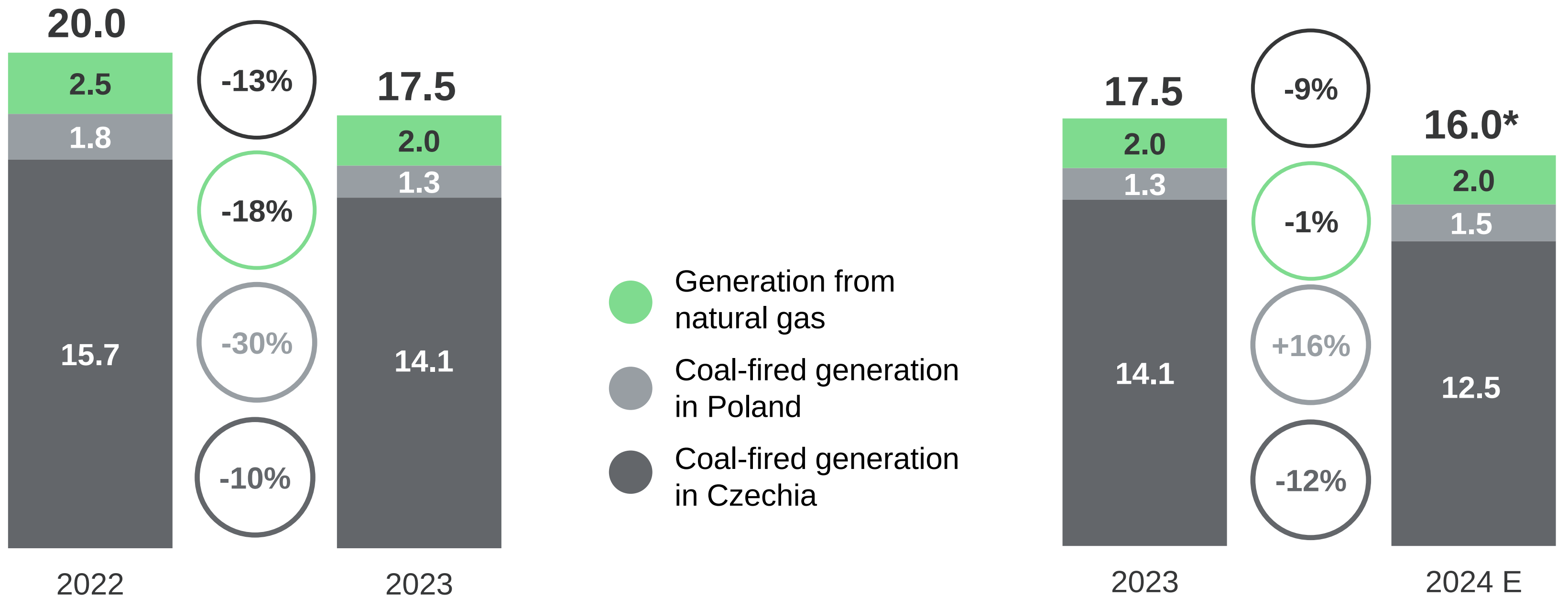
Renewables (+0.4 TWh)

- Poland biomass (+0.1 TWh)
  - + Biomass availability and price
- Germany and Czechia solar (+0.1 TWh)
  - + New photovoltaic power plants
- France wind (+0.1 TWh)
  - + New wind power plants

Nuclear plants (-0.5 TWh)

- – Effect of the facility schedule of planned outages
- + Increase of achievable capacity at the Dukovany NPP

Electricity generation from coal and natural gas (TWh)



Generation from natural gas (-0.4 TWh)

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

Coal-fired generation in Poland (-0.6 TWh)

– Lower deployment reflecting market conditions

Coal-fired generation in Czechia (-1.5 TWh)

– Lower deployment reflecting market conditions

Generation from natural gas (-0.0 TWh)

Coal-fired generation in Poland (+0.2 TWh)

+ Higher deployment (the effect of weather on heat generation)

Coal-fired generation in Czechia (-1.7 TWh)

– Lower deployment reflecting market conditions

* A significantly different deployment of gas and coal-fired facilities may occur in 2024 due to the high volatility of the market prices of electricity, gas and emission allowances.

GENERATION and MINING Segments EBITDA

(CZK billions)	2022	2023	Difference	%
Zero-emission generating facilities of which	58.5	59.2	+0.7	+1%
Nuclear	47.1	48.4	+1.3	+3%
Renewable	11.4	10.8	-0.6	-5%
Emission generating facilities	22.8	21.4	-1.5	-6%
Trading	22.2	9.9	-12.3	-55%
GENERATION Segment Total	**103.5**	**90.4**	**-13.0**	**-13%**
MINING Segment	**6.2**	**12.3**	**+6.0**	**+97%**

MINING Segment – Year-on-Year Effects (CZK +6.0 bn):

- Higher revenues from coal supplies to CEZ Group due to price increase (CZK +6.6 bn)
- Higher external revenues due to price increase (CZK +1.4 bn)
- Higher fixed operating expenses (CZK -2.3 bn), mainly for energy

GENERATION Segment – Year-on-Year Effects (CZK -13.0 bn):

Nuclear facilities (CZK +1.3 bn):

- Price trade effects (CZK +14.1 bn): higher generation realized prices
- Levy on excess revenues from generation (CZK -8.6 bn): levies of CZK 9.8 bn in 2023 compared to CZK 1.2 bn in 2022
- Operating effects (CZK -3.0 bn): schedule of planned outages Dukovany NPP (CZK -0.9 bn) and Temelín NPP (CZK -0.5 bn), higher fixed expenses (CZK -1.6 bn)
- Reduction of nuclear provisions in 2022 due to the acquisition of Škoda JS (CZK -1.3 bn)

Renewables (CZK -0.6 bn):

- Trade effects (CZK -1.2 bn): price effect (CZK -0.5 bn), ancillary services and regulatory energy (CZK -0.7 bn)
- Levy on excess revenues from generation (CZK -0.2 bn)
- Operating effects (CZK +0.7 bn): hydroelectric facilities in Czechia (CZK +0.5 bn), solar and wind facilities (CZK +0.2 bn)

Emission facilities (CZK -1.5 bn):

- Trade effects in Czechia (CZK -3.1 bn): price effect (CZK -5.2 bn), on-site trade (CZK +1.2 bn), sales of heat (CZK +1.5 bn), other effects (CZK -0.6 bn), in particular deviations and system services
- Operating effects in Czechia (CZK +0.6 bn): operational availability of facilities in Czechia (CZK +0.9 bn); other effects (CZK -0.3 bn), in particular higher fixed expenses
- Poland (CZK +1.0 bn): higher revenues from the sales of electricity and heat

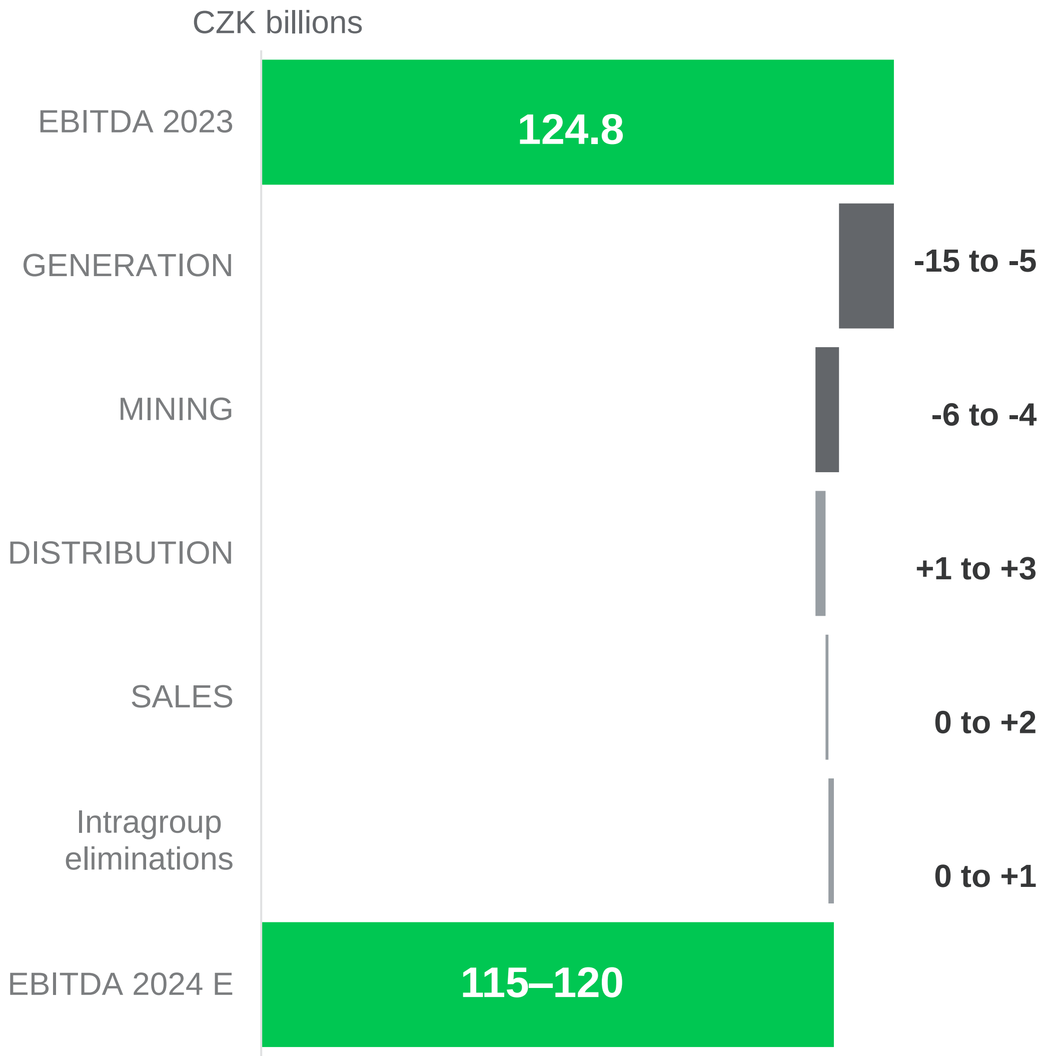
Trading (CZK -12.3 bn):

- Lower proprietary trading margin (CZK -17.5 bn) as a result of extraordinary income of CZK 26.9 bn in 2022 compared to CZK 9.4 bn in 2023
- Other trade and consolidation effects (CZK +5.2 bn), in particular temporary revaluation of derivative transactions hedging generation and sales with the supply in future years. These temporary effects reduced EBITDA 2022 by CZK 4.7 bn and increased EBITDA 2023 by CZK 0.5 bn.

The breakdown of EBITDA of the GENERATION segment into four sub-segments is only indicative on the basis of central allocation assumptions (in particular the allocation of ČEZ’s gross margin and fixed expenses of the central divisions of ČEZ, a. s.) and simplified consolidation with other companies.

The allocation of 2022 EBITDA between the sub-segments is always reported in accordance with the current methodology for allocation of 2023 EBITDA for comparability.

Expected year-on-year change in EBITDA by segment



GENERATION

– Lower expected income from commodity trading (CZK -8 to -4 bn) due to the achievement of the 2nd highest income in history CZK 9.4 bn in 2023
– Lower sales for ancillary services and higher purchase prices of emission allowances
– Higher fixed operating expenses
– Lower generation revenues due to CZK/EUR exchange rate.
\+ Higher realized prices of electricity
\+ Levy on excess revenues from generation in 2023

MINING

– Lower revenues from sales of coal mainly due to lower realized prices (partially compensated by lower expenses for energy consumed during mining)
– Higher fixed expenses

DISTRIBUTION

\+ Higher allowed revenues and a negative effect of correction factors in 2023
– Higher fixed expenses

SALES

\+ Organic and acquisition-based growth in energy services
\+ Sales of commodities in the retail area
– Increased revenues from the purchase of electricity from RES in Czechia in 2023
– Proceeds from litigation with the Railway Administration in 2023 regarding the supply of electricity in 2011

Intragroup eliminations

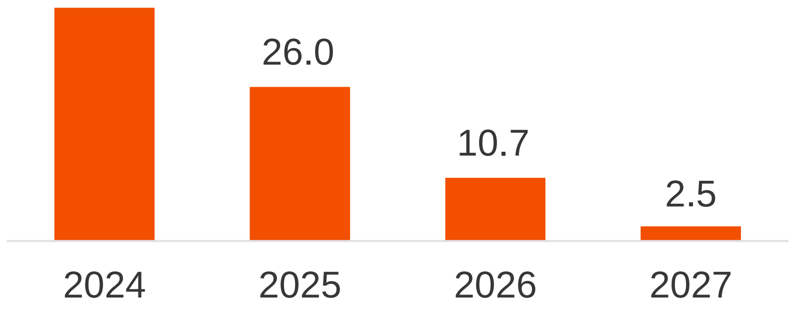
– Mainly the elimination of impact of the EUR/CZK risk hedging effect of ČEZ ESCO (SALES segment) through ČEZ, a. s. (GENERATION segment), where the hedging effect is reported under foreign exchange gains and losses (outside EBITDA).

The given predictions of EBITDA 2024 do not include the contribution of the potential purchase of a stake in Czech Gas Networks. The transaction is subject to the approval of the European Commission and the Ministry of Industry and Trade of the Czech Republic.

Hedging of the market risks of electricity generation in Czechia for 2024–2027

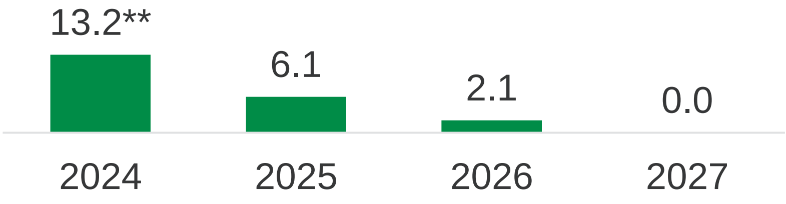
Concluded contracts as of Dec 31, 2023

Electricity sold in TWh



Electricity selling price (EUR/MWh)	2024	2025	2026	2027
	129	125	107	92

Contracted emission allowances in mil t



EUA purchase price (EUR/t)	2024	2025	2026	2027
	78**	96	97	N/A

Share of hedged expected generation as of Feb 29, 2024

2024	2025	2026	2027
~ 94%*	~ 65%	~ 29%	~ 7%

External annual supplies from electricity generation (100%) amount to 37 to 42 TWh

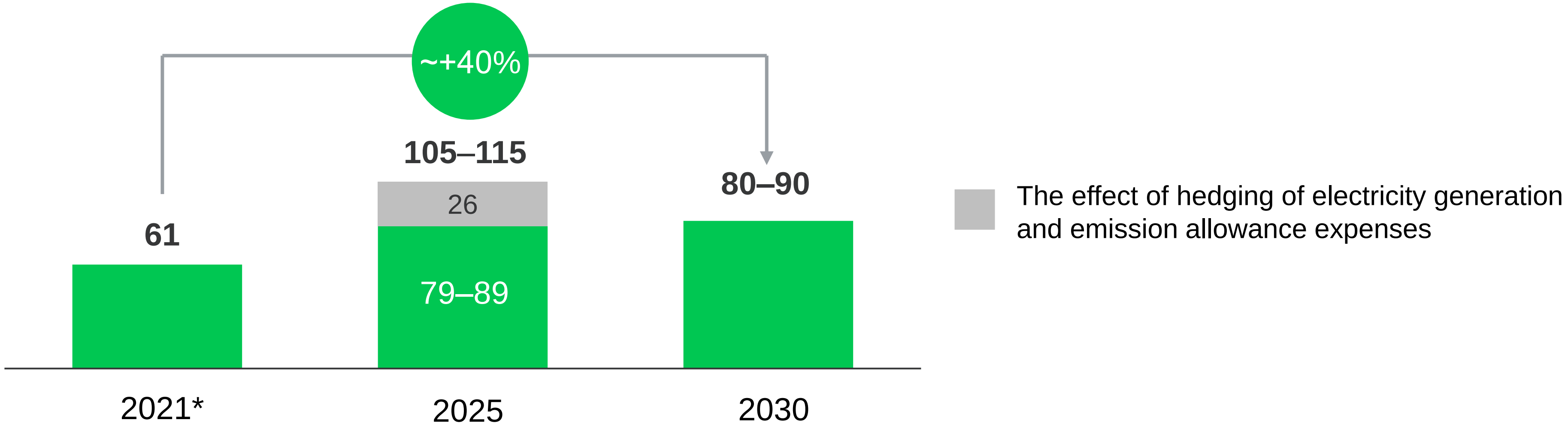
* The total supply of electricity from generation in Czechia in 2024 is expected to reach 41 to 42 TWh, an open position of ~ 6% of the volume of the expected supply corresponds to an open position of ~ 9% of the expected sales

** The data for 2024 also include unused emission allowances for 2023 generation in the amount of 1.4 mil t

The given predictions of CEZ Group's financial targets do not include the contribution of the potential purchase of a stake in Czech Gas Networks. The transaction is subject to the approval of the European Commission and the Ministry of Industry and Trade of the Czech Republic.

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

Current EBITDA target of CEZ Group (CZK billions)



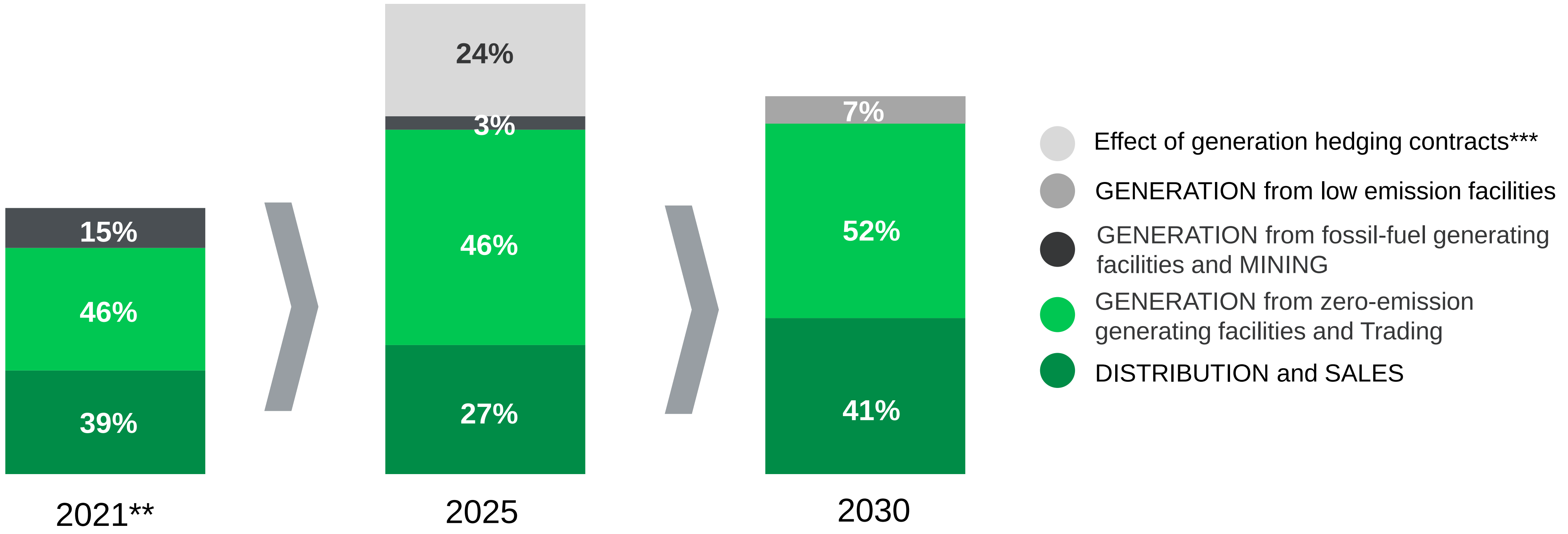
2021*	2025	2030	
55	105	70	Average realized prices of electricity (EUR/MWh)
	77	70	Electricity prices for open position** (EUR/MWh)
	58	70	Prices of emission allowances for open position** (EUR/t)

* Excluding assets sold (RO, BG)

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

The given predictions of EBITDA do not include the contribution of the potential purchase of a stake in Czech Gas Networks. The transaction is subject to the approval of the European Commission and the Ministry of Industry and Trade of the Czech Republic.

The share of zero-emission activities* in EBITDA will increase to 97% in 2025, and by 2030 electricity generation from coal will be replaced by gas.



* Zero-emission activity = DISTRIBUTION segment + SALES segment + Trading and nuclear facilities and renewables in GENERATION segment
** Excluding assets sold (RO, BG)
*** The effect of commercial hedging of electricity generation and costs of emission allowances beyond market FW prices as of 29 Feb 2024

The given indications of the shares of individual activities do not include the contribution of the potential purchase of a stake in Czech Gas Networks. The transaction is subject to the approval of the European Commission and the Ministry of Industry and Trade of the Czech Republic.

Agenda

Financial Highlights and Selected Events
Daniel Beneš

Generation Segments and Financial Results
Martin Novák

Customer Segments and Fulfillment of VISION 2030
Pavel Cyrani

The commodity trading profit reached the second-best result in history

Total trading margin* in 2023 reached CZK 9.4 bn following the record-high CZK 26.9 bn in 2022

278,000 transactions were concluded as part of trading activities and ČEZ traded:

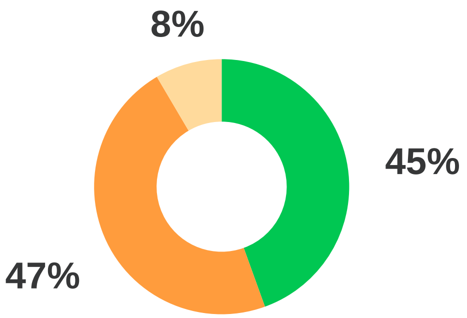
- 318 TWh of electricity
- 1,047 TWh of natural gas
- 179 mil t of emission allowances

The activity is managed centrally from Czechia by ČEZ, a. s.

The economic effect of trading activities is generated primarily at ČEZ, a. s., and it is reported primarily within the results of the GENERATION Segment.

All trading activities are subject to established Risk Management Frameworks defining limits, permitted deals and trading rules. Compliance is regularly monitored by the CEZ Group Risk Management Committee.

Structure of trading margin achieved in 2023



- commodity trading in Western European markets
- commodity trading in Central and Eastern European markets
- other trading (in particular emission allowances, options and structured trades)

* Part of the trading margin achieved in 2023 (corresponding to the difference between internal demand for a transaction and the contracted external deal) is not reflected in CEZ Group’s income or loss until the year of supply, meaning in future years. This mainly involves continuous hedging of future electricity generation, emission allowance purchases for generation, or electricity and gas purchases for end-use customers.

DISTRIBUTION segment EBITDA

(CZK billions)	2022	2023	Difference	%
Czechia	18.1	17.4	-0.6	-4%

Year-on-year effects (CZK -0.6 bn):

- Higher revenue from activities to ensure input power and connection (CZK +0.4 bn)
- Lower gross margin from electricity distribution (CZK -0.2 bn), mainly due to the lower volume of distributed electricity, which reflects lower consumption by customers resulting from high commodity prices
- Creation of allowances on receivables (CZK -0.4 bn)
- Higher fixed operating expenses (CZK -0.8 bn)
- Settlement of electricity purchases for losses (CZK +0.5 bn)

Electricity distribution (TWh)

Climate- and calendar-adjusted electricity consumption decreased by 3% year-on-year from 35.4 TWh to 34.3 TWh.

- The volume of electricity distributed corresponds to the total electricity consumption in the ČEZ Distribuce area. 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.

The drop in consumption is influenced by the boom in the installation of rooftop photovoltaic power plants by customers.

SALES segment EBITDA

(CZK billions)	2022	2023	Difference	%
Retail segment – ČEZ Prodej	2.5	1.4	-1.2	-46%
B2B segment – ESCO companies:	1.2	4.4	+3.2	>200%
Energy services – Czechia and Slovakia	0.6	1.1	+0.5	+86%
Energy services – Germany and other countries*	1.4	1.6	+0.3	+20%
Commodity sales – Czechia	-0.7	1.7	+2.4	-
B2B segment – other activities**	0.7	0.5	-0.1	-17%
SALES Segment Total	**4.4**	**6.3**	**+1.9**	**+43%**

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

- Sales of electricity and gas (CZK -1.7 bn), mainly due to higher purchase expenses to cover fluctuations in customer consumption, lower volume of supplies due to reduction in customer consumption and as a result of price caps in 2023
- Specification of the estimate of uninvoiced gas consumption to customers (CZK -0.4 bn)
- Settlement of sales of electricity for losses in the ČEZ Distribuce grid (CZK -0.5 bn)
- Proceeds from litigations with the Railway Administration regarding electricity supply in 2010 and 2011 (CZK +1.2 bn)

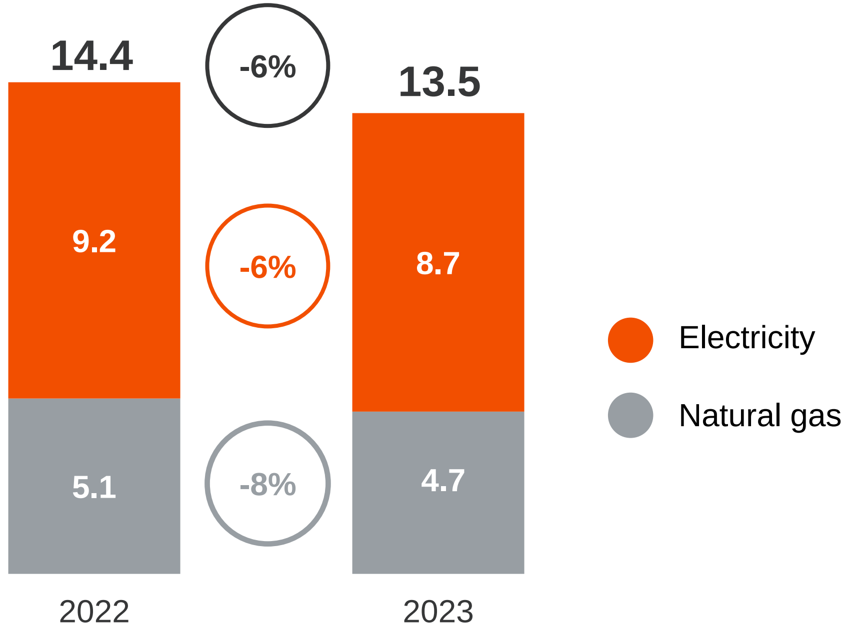
B2B segment – ESCO companies (CZK +3.2 bn):

- Energy services – Czechia and Slovakia (CZK +0.5 bn): in particular the field of industrial energy
- Energy services – Germany and other countries (CZK +0.3 bn): higher margins and volume of orders from German and Polish companies and the effect of the acquisition of the German company Sercoo
- Commodity sales – Czechia (CZK +2.4 bn):
  - Purchase of electricity from RES (CZK +2.2 bn): effect of market prices and a higher purchase volume
  - Commodity sales to end-use customers (CZK +0.2 bn), mainly stabilization of prices on the markets and higher delivered volumes of electricity and gas

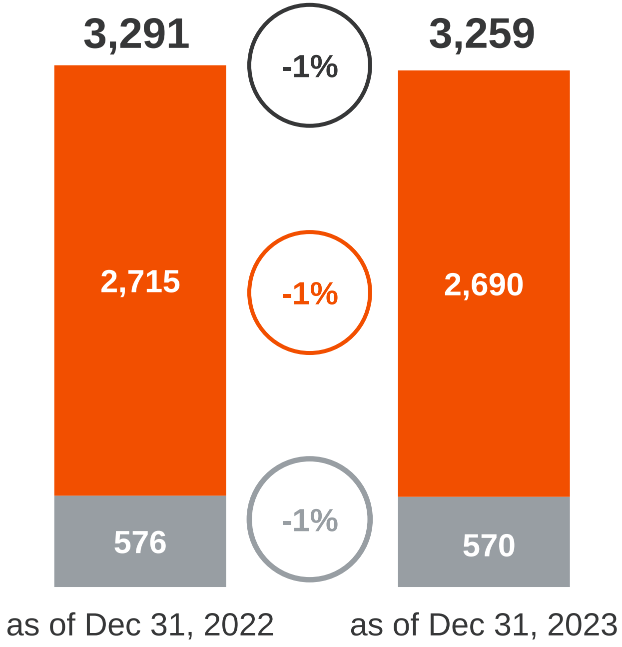
* Poland, Italy, Austria and other countries where ESCO activities are managed by Elevion Group
** Mainly telecommunications companies, ČEZ Teplárenská and other companies in the SALES segment

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

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

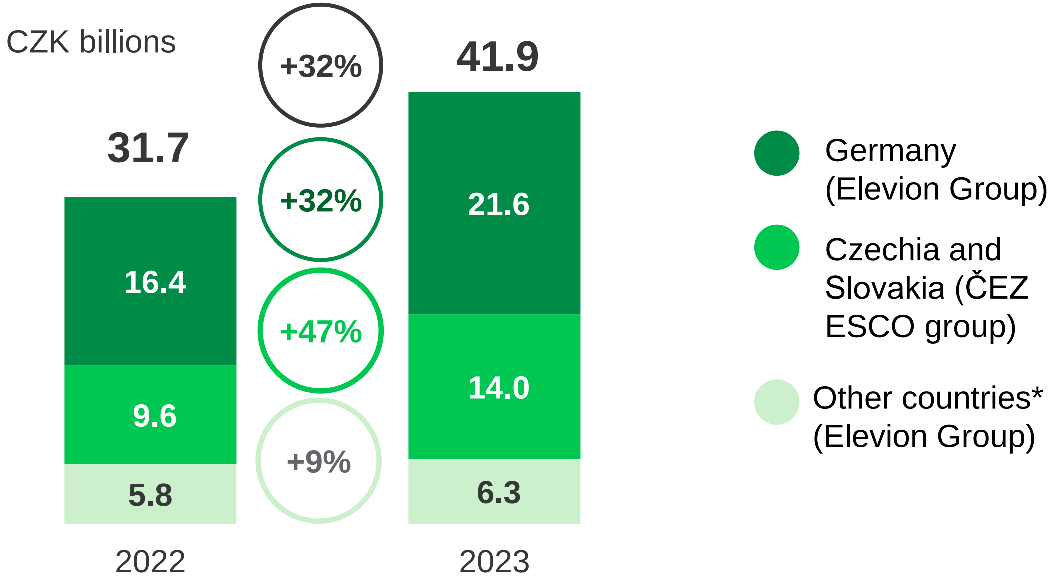


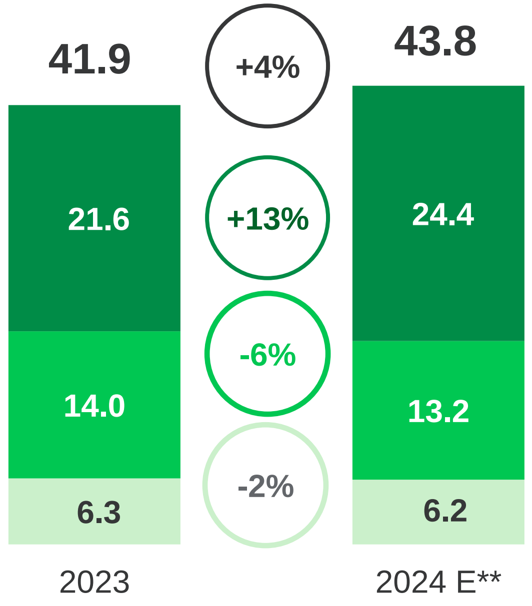
The number of customers decreased by 1% year-on-year (service points in thousands)



- Lower supply of commodities was significantly influenced by warmer weather in 2023, which was the warmest year on record.
- Lower year-on-year supply of electricity and natural gas were also influenced by customer savings due to high commodity prices.

Revenues from sales of energy services





Germany – Elevion Group (CZK +5.2 bn)
+ Organic growth (CZK +4.1 bn), in particular in industrial and green energy
– Effect of the CZK/EUR exchange rate (CZK -0.4 bn)
+ New acquisitions (CZK +1.5 bn), in particular SERCOO group Aug 31, 2023, Alexander Ochs Gruppe Jul 7, 2023, and Hofmockel Apr 20, 2023

Czechia and Slovakia – ČEZ ESCO Group (CZK +4.5 bn)
+ Organic growth of EP Rožnov group (CZK +1.2 bn), mainly thanks to a major contract in chip production for electric cars
+ Organic growth outside EP Rožnov group (CZK +1.8 bn) in particular in industrial and green energy
+ Effect of increase in commodity prices (CZK +1.5 bn)

Other countries* – Elevion Group (CZK +0.5 bn)
+ Organic growth, mainly in Poland, Romania, Austria and Italy

Germany – Elevion Group (CZK +2.8 bn)
+ Organic growth mainly in industrial and green energy

Czechia and Slovakia – ČEZ ESCO Group (CZK -0.8 bn)
– Decrease in commodity prices (CZK -0.7 bn)
– Decrease of EP Rožnov group (CZK -1.2 bn) CZK) due to a major contract in chip production for electric cars in 2023
+ Organic growth outside EP Rožnov group (CZK +1.1 bn)

Other countries* – Elevion Group (CZK -0.1 bn)
– Extraordinary Euroklimat results in 2023 and conservative market expectations for 2024

* Poland, Italy and other countries where ESCO activities are managed by the Elevion Group
** Only includes revenues of existing companies

We continue to implement the “VISION 2030 – Clean Energy for Tomorrow” strategy, which is based on two strategic pillars

Main goals of VISION 2030 – Clean Energy Tomorrow (announced in May 2021)

- We will develop CEZ Group responsibly and sustainably and we aim to rank among the top 20% in ESG rating by 2023
- By 2030, we have an ambition to:
  - reduce emissions intensity by more than 50%
  - increase EBITDA by 35%*
  - implement a growth strategy while maintaining the target ratio of net debt to EBITDA below 3.0x
- We will adapt the structure of CEZ Group to meet the demands of investors, financing banks and employees

The VISION 2030 goals also fulfill the goals in the field of climate protection and increasing energy independence of Czechia

The strategy has two strategic pillars:

I. Transform the generation portfolio into a low-emission one and reach climate neutrality

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

* Growth compared to 2021 in prices of electricity and emission allowances assumed in May 2021. At FW prices as of Feb 29, 2024, we expect a growth of 40%.

Strategy pillar I: Transform the generation portfolio into a low-emission one and reach climate neutrality

2023: Meeting the targets and selected events

- Nuclear facility generation reached 30.4 TWh – it exceeded 30 TWh for the fifth consecutive year. Emission intensity of heat and power generation of CEZ Group declined y-o-y by 8% to 0.27 t CO_2e/Wh, SO_2 emissions declined by 15%, NO_x emissions by 10%.
- CEZ Group received a zoning permission from the Czech state for a new nuclear facility in Dukovany and completed the documentation for the EIA notification and for the application for a permit to place SMR in Temelin location. We also completed preliminary feasibility study for SMR in locations Tušimice and Dětmarovice.
- We secured capacity in the LNG terminal in Stade, Germany in a volume of 2 bn m^3 from 2027 for up to 25 years.
- We started the construction of new low-emission heating sources in the location of Dvur Králové and started the selection of suppliers for the locations of Mělník, Dětmarovice, Trmice and Prunéřov-Tušimice.
- We have started implementation of the first 7 PV projects in Czechia (38.4 MWp in total) and received decisions on the allocation of investment support of CZK 3.1 bn for projects with total installed capacity of 730 MWp.

Strategy pillar II: Provide the most cost-effective energy solutions and the best customer experience in the market

2023: Meeting the targets and selected events

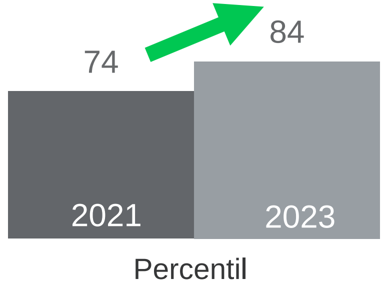
- 51,422 PV power plants with a capacity of 609 MW were connected to the ČEZ Distribuce grid (3.4 times more y-o-y)
- The digitalization of contacts with customers of ČEZ Distribuce exceeded 64%. We processed more than 1.2 mil contacts through digital channels and internet portal. Contacts through Proud application increased four times.
- Almost 4,000 PV plants with capacity of 28.2 MWp were installed for households in the Czech Republic, additional 96 rooftop and ground PV plants with capacity of 25 MWp were installed for companies and municipalities.
- Our fundamentally improved online application for households "MůJ ČEZ" has already been downloaded by more than 300,000 customers.
- Revenues from the sale of energy services to corporates and municipalities increased by 32% to a record CZK 42 bn.
- The interest of customers in emission-free electricity with certification of origin was also record high. We sold 2 TWh of green electricity produced in 2023 from renewable sources and 0.6 TWh of electricity produced from nuclear sources.
- More than 145 charging stations for electric vehicles were commissioned, their total capacity reached 49.5 MW. Volume of pumped electricity increased 25% to 5.5 GWh.

We fulfilled the main ESG strategic goal announced in 2021 to rank among the top 20% in 2023

Development of ČEZ’s ESG ranking since the announcement of VISION 2030 (in May 2021)

* Sustainalytics rating is defined on the basis of risk score. A zero score means the lowest level of risk and therefore the best ESG ranking.

Development of ČEZ’s percentile according to the ranking aggregator CSR Hub since the announcement of VISION 2030 (in May 2021)



2023: Meeting the targets and selected events

- SBTi (Science Based Target initiative) validated ČEZ’s commitment to reduce emission intensity in Scope 1 and 2 by 83% by 2033 (compared to 2019) and the commitment to achieve "net-zero" in its entire value chain by 2040 (both in-line with the 1.5 °C temperature increase scenario)
- The 2022 Sustainability Report was issued in accordance with international standards (GRI, SASB, WEF, EU Taxonomy).
- CEZ Group committed to report the impacts of its business on the environment, landscape, ecosystems and biological diversity according to the recommendations and evaluation criteria of the Taskforce on Nature-related Financial Disclosures (TNFD).
- Joining the UN Women’s Empowerment Principles global initiative, which supports companies in creating equal opportunities and empowering women.
- ČEZ won the prestigious international Sustainable Company Awards 2023 of the expert portal Environmental Finance in the categories of “Sustainability Reporting of the Year in EMEA region” and "Sustainable Business Leader of the Year 2023". ČEZ was in particular awarded for its interactive data library, which is the largest database of non-financial indicators among European utilities.
- ČEZ achieved B-score (management = coordinated action on climate) in the comprehensive assessment of the climate protection approach "CDP Climate Change"

Main strategic priorities and financial targets for 2024

I. Transform the generation portfolio into a low-emission one and reach climate neutrality

- Safe generation of electricity from nuclear power plants of 30 TWh and implementation of NPP projects leading to the achievement of an annual generation of over 32 TWh
- Securing the supply of nuclear fuel and preparing the transition to new suppliers for both Dukovany NPP and Temelín NPP.
- Evaluation of updated bids for the NNPP in Dukovany and recommendation of the preferred bidder; support for obtaining EU notification for Czechia.
- Acceleration of SMR projects preparation, selection of preferred technology and strategic partner.
- Development of RES projects in Czechia.

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

- Digitizing distribution and preparing the distribution grid for the increase of RES and electromobility.
- Digitizing customer processes, improving end-use customer service and installing technology products (PV power plants and heat pumps).
- Development of our energy services offering

Sustainability priorities

- Remaining in the top 20% of companies in the ESG ranking
- Implementation of the requirements of CSRD and ESRS standards in ESG reporting
- Development of the ESG approach in financing (sustainability and green financing framework)
- Expansion and integration of climate and ESG risk management

Financial targets*

EBITDA
115–120
CZK bn

Adjusted
net income
25–30
CZK bn

* The given predictions of CEZ Group's financial targets do not include the contribution of the potential purchase of a stake in Czech Gas Networks. The transaction is subject to the approval of the European Commission and the Ministry of Industry and Trade of the Czech Republic.

Annexes

I. Q4 2023 Economic Results

- GENERATION and MINING Segments EBITDA in Q4
- DISTRIBUTION Segment EBITDA in Q4
- SALES Segment EBITDA in Q4
- Net income in Q4

II. 2023 Summary Financial and Operating Results

- Total financial results
- Operating revenues by segment and country
- EBITDA by segment and country
- Overall operating results and selected information
- Emissions from electricity and heat generation

III. Investments, Cash Flow Development, Debt as of Dec 31 and Financial Exposure

- Investment in fixed assets (CAPEX) by segment
- Development of net debt
- Credit facilities and debt structure as of Dec 31, 2023
- Currency and commodity hedging for future generation

IV. Market Developments, Balance of Electricity and Specification of Selected Indicators

- Market developments from Jan 1, 2022 to Dec 31, 2023
- Balance of electricity
- Specification of EBITDA, Adjusted Net Income and ROE indicators (ESMA)

GENERATION and MINING Segments EBITDA in Q4

(CZK billions)	10–12/2022	10–12/2023	Diff	%
Zero-emission generating facilities, of which:	17.3	14.0	-3.3	-19%
Nuclear	15.3	11.4	-3.9	-25%
Renewable	2.0	2.6	+0.6	+30%
Emission generating facilities	11.9	7.6	-4.3	-36%
Trading	7.4	2.1	-5.3	-72%
GENERATION Segment Total	**36.6**	**23.8**	**-12.8**	**-35%**
MINING Segment	**1.2**	**3.4**	**+2.2**	**+178%**

MINING Segment – Year-on-Year Effects for 10–12 (CZK +2.2 bn):

- Higher revenues from coal supplies to CEZ Group due to price increase (CZK +2.7 bn)
- Higher fixed operating expenses (CZK -0.8 bn), in particular energy expenses

GENERATION Segment – Year-on-Year Effects for 10–12 (CZK -12.8 bn):

Nuclear generating facilities (CZK -3.9 bn):

- Price trade effects (CZK -0.7 bn):
- Levy on excess revenues from generation (CZK -0.1 bn)
- Operating effects (CZK -1.8 bn): schedule of planned outages (CZK -1.1 bn), other operating effects (CZK -0.8 bn), in particular higher fixed expenses
- Reduction of nuclear provisions in Q4 2022 due to the acquisition of Škoda JS (CZK -1.3 bn)

Renewables (CZK +0.6 bn):

- Trade effects (CZK +0.0 bn): price effect (CZK -0.4 bn), ancillary services and regulatory energy (CZK +0.4 bn)
- Operating effects (CZK +0.5 bn): solar and wind facilities (CZK +0.4 bn), hydroelectric facilities in Czechia (CZK +0.1 bn)

Emission facilities (CZK -4.3 bn):

- Trade effects in Czechia (CZK -5.3 bn): price effect (CZK -6.5 bn), on-site trade (CZK +0.3 bn), sales of heat (CZK +1.0 bn)
- Operating effects in Czechia (CZK +1.0 bn): operational availability (CZK +0.5 bn), other effects (CZK +0.5 bn), in particular update of provisions
- Poland (CZK +0.0 bn)

Trading (CZK -5.3 bn) :

- Proprietary trading margin (CZK -5.8 bn) due to extraordinary income of CZK 8.4 bn in Q4 2022 compared to CZK 2.6 bn in Q4 2023
- Other trade and consolidation effects (CZK +0.5 bn), in particular temporary revaluation of derivative trades hedging generation and sales with the supply in future years.

The breakdown of EBITDA of the GENERATION segment into four sub-segments is only indicative on the basis of central allocation assumptions (in particular the allocation of ČEZ’s gross margin and fixed expenses of the central divisions of ČEZ, a. s.) and simplified consolidation with other companies.

The allocation of 2022 EBITDA among the sub-segments is always reported in accordance with the current methodology for allocation of 2023 EBITDA for comparability.

DISTRIBUTION segment EBITDA in Q4

(CZK billions)	10–12/2022	10–12/2023	Difference	%
Czechia	4.3	4.4	+0.1	+1%

Year-on-year effects (CZK +0.1 bn):

- Higher gross margin from electricity distribution (CZK +0.1 bn), in particular the effect of uninvoiced electricity to customers
- Settlement of electricity purchases for losses (CZK +0.5 bn)
- Creation of allowances on receivables (CZK -0.4 bn)
- Higher fixed operating expenses (CZK -0.1 bn),

SALES segment EBITDA in Q4

(CZK billions)	10–12/2022	10–12/2023	Difference	%
Retail segment – ČEZ Prodej	-0.2	-2.5	-2.2	>200%
B2B segment – ESCO companies:	0.6	0.9	+0.3	+59%
Energy services – Czechia and Slovakia	0.3	0.3	+0.0	+6%
Energy services – Germany and other countries*	0.6	0.8	+0.2	+31%
Commodity sales – Czechia	-0.4	-0.3	+0.1	+28%
B2B segment – other activities**	0.2	0.2	-0.0	-12%
SALES Segment Total	**0.5**	**-1.4**	**-1.9**	**-**

Retail segment – ČEZ Prodej (CZK -2.2 bn):

- Sales of electricity and gas (CZK -1.1 bn), mainly due to higher purchase expenses to cover fluctuations in customer consumption, lower volume of supplies and price caps in 2023
- Specification of the estimate of uninvoiced gas consumption to customers (CZK -0.4 bn)
- Settlement of sales of electricity for losses in the ČEZ Distribuce grid (CZK -0.5 bn)

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

- Energy services – Germany and other countries (CZK +0.2 bn): higher margins and volume of orders from German companies and the effect of the acquisitions, in particular the German group Sercoo
- Commodity sales in Czechia (CZK +0.1 bn):
  - Purchase of electricity from RES (CZK +0.9 bn): effect of market prices and a higher purchase volume
  - Commodity sales to end-use customers (CZK -0.8 bn), in particular lower supply to customers and losses from commodity sales at lower prices

* Poland, Italy, Austria and other countries where ESCO activities are managed by Elevion Group
** Mainly telecommunications companies, ČEZ Teplárenská and other companies in the SALES segment

Net income in Q4

(CZK billions)	10–12/2022	10–12/2023	Difference	%
EBITDA	42.3	29.8	-12.5	-29%
Depreciation and amortization	-8.5	-9.2	-0.7	-8%
Asset impairments*	2.9	-3.3	-6.2	-
Other income and expenses	-0.4	-1.8	-1.4	>200%
Interest income and expenses	-0.2	-0.4	-0.2	-127%
Interest from nuclear and other provisions	-0.9	-1.8	-0.9	-96%
Other	0.7	0.4	-0.3	-40%
Income taxes	-7.9	-15.9	-7.9	-100%
Net income	**28.4**	**-0.2**	**-28.7**	**-**
Adjusted net income	26.1	3.0	-23.1	-88%

Net income adjustments
The net income in Q4 2023 adjusted, in particular, for impairments of property, plant and equipment in Severočeské doly (CZK +3.0 bn) and the effect of impairments in Germany (CZK -0.2 bn).

Depreciation and amortization (CZK -0.7 bn)
- Increase in depreciation and amortization of ČEZ (CZK -0.3 bn), in particular as a result of update of provisions for disassembly and demolition after decommissioning facilities
- Higher depreciation and amortization in ČEZ Distribuce (CZK -0.2 bn) and Severočeské doly (CZK -0.1 bn)

Asset impairments* (CZK -6.2 bn)
- Severočeské doly (CZK -5.8 bn): creation in Q4 2023 due to deterioration of market conditions for future mining (CZK -3.0 bn) and, conversely, the dissolution of part of the impairments in Q4 2022 (CZK -2.8 bn)
- Creation of impairments for wind facilities in Germany (CZK -0.3 bn) mainly as a result of the increase in discount rates

Other income and expenses (CZK -1.4 bn)
- Interest income and expenses (CZK -0.2 bn) due to higher interest rates and the development of net debt
- Interest from nuclear and other provisions (CZK -0.9 bn) due to an increase in interests due to higher interest rates
- Exchange rate effects and revaluation of financial derivatives (CZK -0.8 bn); income from the sale of the Turkish company AKCEZ (CZK +0.5 bn)
- Increase in the value of shares in Inven Capital (CZK +0.4 bn)

Income tax (CZK -7.9 bn) – newly introduced 60% windfall tax (CZK -8.6 bn)

* Including income/loss from asset sales, depreciation and amortization of suspended investments and goodwill

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Total financial results

(CZK bn)	2022	2023	Difference	%
Operating revenues	288.5	340.6	+52.1	+18%
EBITDA	131.6	124.8	-6.7	-5%
EBIT	101.9	84.5	-17.4	-17%
Net income	80.7	29.6	-51.1	-63%
Adjusted net income	78.4	34.8	-43.5	-56%
Operating cash flow	5.1	137.6	+132.5	>200%
CAPEX	34.8	45.8	+11.0	+32%

Adjusted net income = Net income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given period (in particular creation and settlement of impairments of property, plant and equipment)

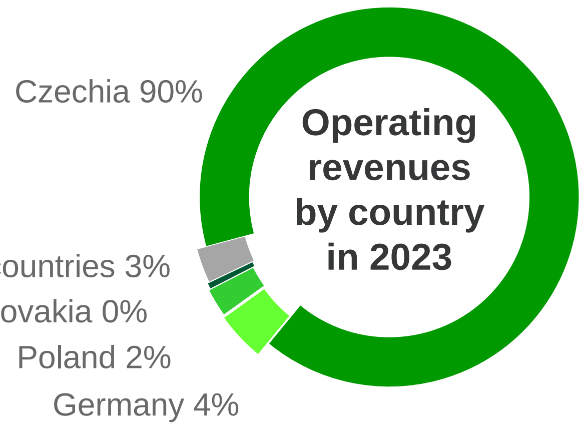
Operating revenues by segment and country

GENERATION (CZK billions)	2022	2023	Difference	%
Czechia	201.9	230.5	+28.6	+14%
Germany	0.7	0.7	+0.1	+7%
Poland	6.5	9.3	+2.7	+42%
Other countries	10.6	12.0	+1.4	+13%
Intragroup eliminations	-7.9	-7.4		
Total	211.9	245.1	+33.2	+16%

SALES (CZK billions)	2022	2023	Difference	%
Czechia	120.0	191.1	+71.1	+59%
Germany	16.5	21.5	+4.9	+30%
Poland	2.9	3.3	+0.4	+14%
Slovakia	1.7	2.5	+0.8	+46%
Other countries	3.2	3.4	+0.2	+7%
Intragroup eliminations	-0.1	0.0		
Total	144.2	221.8	+77.6	+54%

MINING (CZK billions)	2022	2023	Difference	%
Czechia	13.2	21.5	+8.3	+63%

DISTRIBUTION (CZK billions)	2022	2023	Difference	%
Czechia	35.8	36.2	+0.4	+1%



(CZK bn)	2023	Share
GENERATION	245.1	47%
MINING	21.5	4%
DISTRIBUTION	36.2	7%
SALES	221.8	42%
Intragroup eliminations	-184.0	
Total	340.6	100%

EBITDA by segment and country

GENERATION (CZK billions)	2022	2023	Difference	%
Czechia	103.6	88.3	-15.3	-15%
Germany	0.5	0.6	+0.0	+9%
Poland	-0.1	0.9	+1.0	-
Other countries	-0.6	0.7	+1.3	-
Intragroup eliminations	0.0	0.0		
Total	103.5	90.4	-13.0	-13%

SALES (CZK billions)	2022	2023	Difference	%
Czechia	2.9	4.5	+1.6	+53%
Germany	1.1	1.4	+0.4	+35%
Poland	0.2	0.3	+0.1	+68%
Slovakia	-0.1	-0.1	-0.0	-10%
Other countries	0.2	0.1	-0.1	-47%
Intragroup eliminations	0.1	0.1		
Total	4.4	6.3	+1.9	+43%

MINING (CZK billions)	2022	2023	Difference	%
Czechia	6.2	12.3	+6.0	+97%

DISTRIBUTION (CZK billions)	2022	2023	Difference	%
Czechia	18.1	17.4	-0.6	-4%

(CZK billions)	2023	Share
GENERATION	90.4	72%
MINING	12.3	10%
DISTRIBUTION	17.4	14%
SALES	6.3	5%
Intragroup eliminations	-1.6	
Total	124.8	100%

Overall operating results and selected information

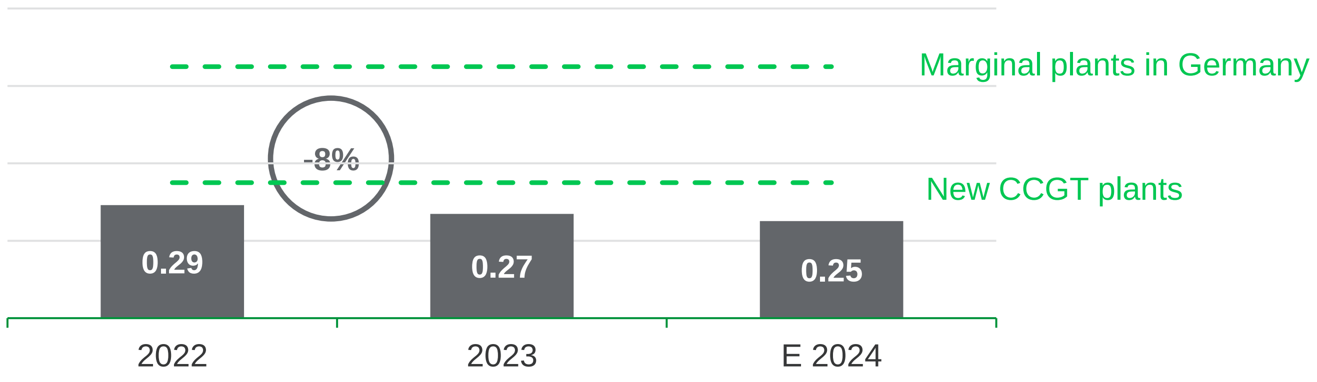
		2022	2023	Difference	%
Electricity generation	TWh	54.3	51.5	-2.9	-5%
of which in Czechia	TWh	51.9	49.5	-2.3	-5%
Sales of heat	TWh	6.7	6.5	-0.3	-4%
of which in Czechia	TWh	4.9	4.8	-0.2	-3%
Sales of electricity*	TWh	22.5	24.0	+1.5	+7%
of which in Czechia	TWh	20.7	21.6	+0.9	+4%
Sales of gas*	TWh	8.1	11.2	+3.1	+38%
Electricity distribution*	TWh	35.1	33.8	-1.2	-4%
Gas distribution*	TWh	0.8	0.9	+0.1	+18%
Volume of coal mining	mil t	17.8	15.6	-2.1	-12%

* to end-use customers

		As of Dec 31, 2022	As of Dec 31, 2023	Difference	%
Installed capacity	GW	11.8	11.9	+0.1	+1%
of which in Czechia	GW	11.1	11.1	+0.0	+0%
Workforce headcount	thousands persons	28.7	30.6	+1.8	+6%
of which in Czechia	thousands persons	23.9	24.9	+1.0	+4%

Emissions of CO_2, SO_2 and NO_X from electricity and heat generation

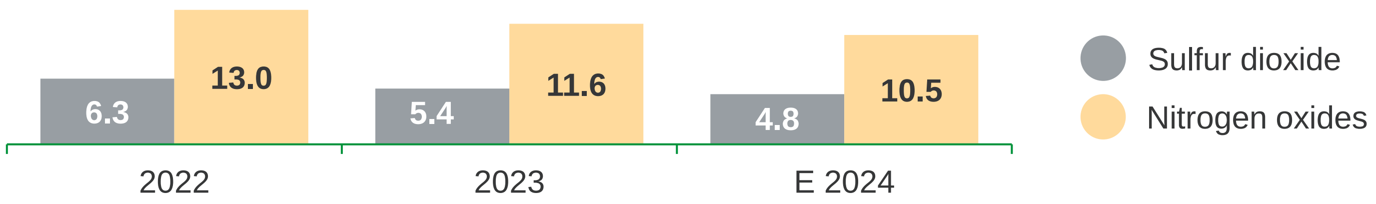
CO_2e emission intensity of electricity and heat generation (t CO_2e/MWh)



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

- 77% of the emissions of the new CCGT power plant
- 41% 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 2023:

- SO_2 emissions of 5.4 thousand tons decreased by 15% year-on-year
- NO_X emissions of 11.6 thousand tons decreased by 10% 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_2 emissions from biomass combustion, CH_4 emissions from coal mining and HFC, PFC and SF_6 emissions from air conditioning and other equipment.

Annexes

I. Q4 2023 Economic Results

- GENERATION and MINING Segments EBITDA in Q4
- DISTRIBUTION Segment EBITDA in Q4
- SALES Segment EBITDA in Q4
- Net income in Q4

II. 2023 Summary Financial and Operating Results

- Total financial results
- Operating revenues by segment and country
- EBITDA by segment and country
- Overall operating results and selected information
- Emissions from electricity and heat generation

III. Investments, Cash Flow Development, Debt as of Dec 31 and Financial Exposure

- Investment in fixed assets (CAPEX) by segment
- Development of net debt
- Credit facilities and debt structure as of Dec 31, 2023
- Currency and commodity hedging for future generation

IV. Market Developments, Balance of Electricity and Specification of Selected Indicators

- Market developments from Jan 1, 2022 to Dec 31, 2023
- Balance of electricity
- Specification of EBITDA, Adjusted Net Income and ROE indicators (ESMA)

Investment in fixed assets (CAPEX) by segment

CAPEX (CZK billions)	2022	2023
GENERATION	14.9	22.3
of which nuclear fuel procurement	3.1	8.7
MINING	2.2	2.5
DISTRIBUTION	15.1	17.0
SALES	3.0	4.8
Intragroup eliminations	-0.4	-0.8
TOTAL CEZ GROUP	**34.8**	**45.8**

The share of sustainable investments according to the EU ESG taxonomy in 2023 was 66.4%.

Main causes of year-on-year change:

GENERATION:

- Nuclear fuel procurement (CZK +5.6 bn), in particular purchase of more nuclear fuel
- Investment in renewables (CZK +0.5 bn) and fossil-fuel facilities (CZK +0.1 bn)
- Project of a new nuclear power facility EDU II (CZK +0.2 bn)
- Other (CZK +0.3 bn), in particular an increase in investments in electromobility and asset management of ČEZ, a. s.

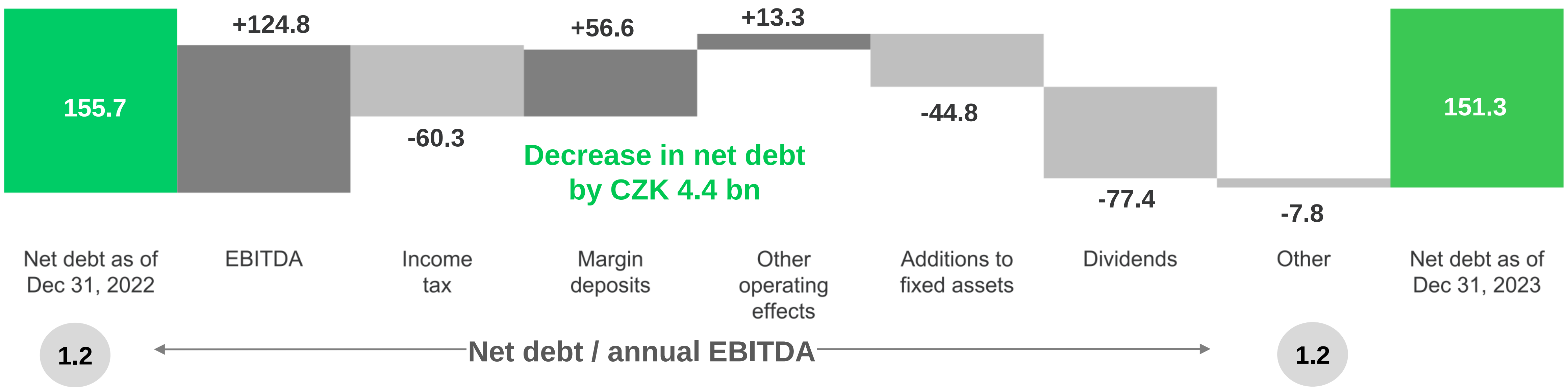
MINING: the effect of delay of construction of the KK1600 wheeled excavator to 2023

DISTRIBUTION: higher investment in customer construction, in particular due to customer requests for connecting RES

SALES: higher CAPEX for the construction of photovoltaic power plants (primarily the Belectric group)

EDU – Dukovany Nuclear Power Plant

CEZ Group’s net debt declined despite a record-high dividend, extraordinary taxation and a significant increase in investments



- **Income tax (CZK -60.3 bn):** regular income tax paid, including windfall tax advances for 2023
- **Margin deposits (CZK +56.6 bn):** decrease in temporary margin deposits on commodity exchanges and with trading partners due to decline in electricity prices
- **Other operating effects (CZK +13.3 bn):** advances for levies on excess revenues from generation in Czechia beyond the levy obligation in 2023 (CZK -3.3 bn), the effect of other non-monetary operations (CZK +13.5 bn), a positive change in the stock of material and fossil fuels (CZK +3.0 bn)
- **Additions to fixed assets (CZK -44.8 bn):** investment in fixed assets – CAPEX (CZK -45.8 bn), change in liabilities from fixed asset acquisition (CZK +1.5 bn), investment of Inven Capital (CZK -0.4 bn)
- **Other (CZK -7.8 bn):** change in the fair value of the debt due to exchange rate changes (CZK -3.6 bn); acquisition of subsidiaries (CZK -2.6 bn), in particular acquisition of German ESCO companies; income from the sale of subsidiaries and joint ventures (CZK +2.7 bn), in particular payment of the receivable from the sale of the Počerady coal-fired power plant; change of restricted assets (CZK -1.7 bn); payments of other long-term liabilities (CZK -2.4 bn)

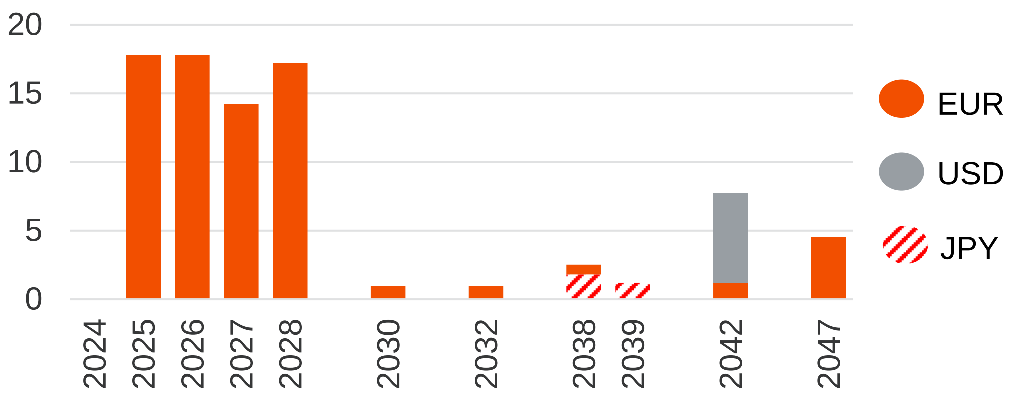
Credit facilities and debt structure as of Dec 31, 2023

Committed bank credit lines

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

- Committed bank lines are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- As of Dec 31, 2023, CEZ Group had access to CZK 68 bn of committed bank credit lines, of which only CZK 1.2 bn were drawn.
- On Dec 18, 2023, EUR 250 mil were drawn from the EIB credit line; with drawdown for 10 years and a three-year deferral of payments.
- As of Dec 31, 2022, CEZ Group had drawn EUR 1 bn under the credit agreement with the Czech state, which was concluded in 2022 to cover margining requirements. It is due on Apr 2, 2024.

Bond maturity profile (CZK billions)



Debt level		Dec 31, 2022	Dec 31, 2023
Debts and loans	CZK bn	202.1	168.9
of which short-term bank	CZK bn	4.8	7.2
Cash and fin. assets**	CZK bn	46.5	17.6
Net debt	CZK bn	155.7	151.3
Net Debt / EBITDA		1.2	1.2

** Cash and cash equivalents and highly liquid financial assets

Total liquid financial assets** and undrawn committed bank credit lines amounted to CZK 84.2 bn as of Dec 31, 2023.

Currency and commodity hedging of generation in Czechia for 2025-2027

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

	2025	2026	2027
Total currency hedge of EUR denominated CF from generation*	**~ 86%**	**~ 65%**	**~ 52%**
Natural currency hedge **	~ 62%	~ 51%	~ 35%
Transaction currency hedges	~ 24%	~ 14%	~ 17%

The currency position for 2025-2027 was hedged at an exchange rate of 23.5 to 24.8 CZK/EUR as of Dec 31, 2023.

* The hedging (100%) is used for the expected EUR sales, or sales exposed to the CZK/EUR exchange rate risk, from generation reduced by expected EUR expenses, in particular for emission allowances and natural gas (as of Feb 29, 2024)

** Debt, interest, capital and other expenses in EUR

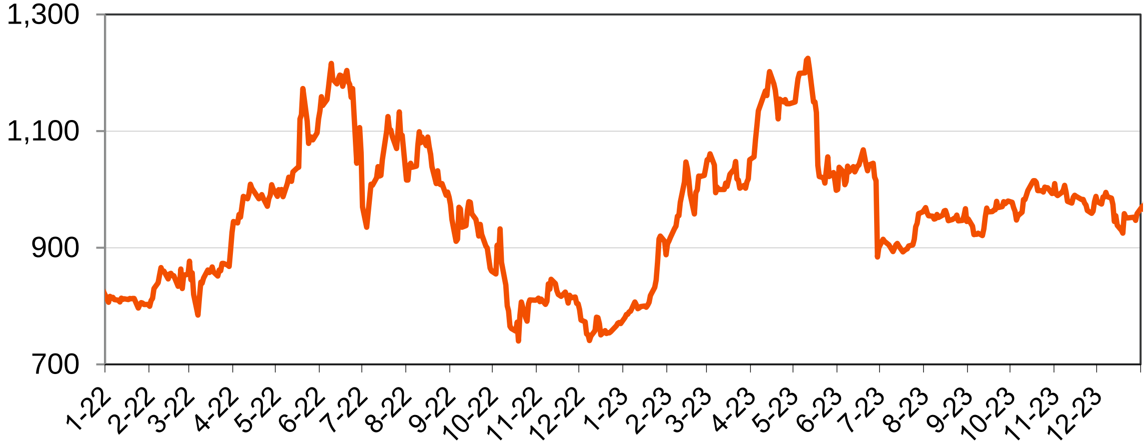
Commodity hedges of expected electricity supply from generation in Czechia as of Feb 29, 2024

	2025	2026	2027	2025-2027
Expected supply in TWh (100%)	**38 to 42**	**36 to 40**	**36 to 40**	
Total share of hedged supply in %	**~ 65%**	**~ 29%**	**~ 7%**	
Zero-emission facilities (nuclear and ČEZ RES)	~ 63%	~ 28%	~ 8%	30 to 33 TWh per year
Emission generating facilities	~ 72%	~ 29%	-	4 to 10 TWh per year

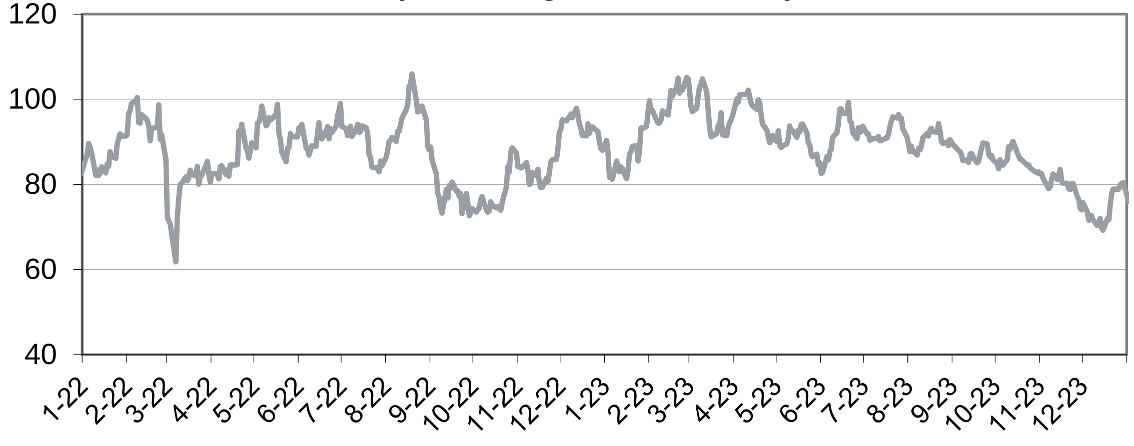
Annexes

Market developments from January 1, 2022 to December 31, 2023

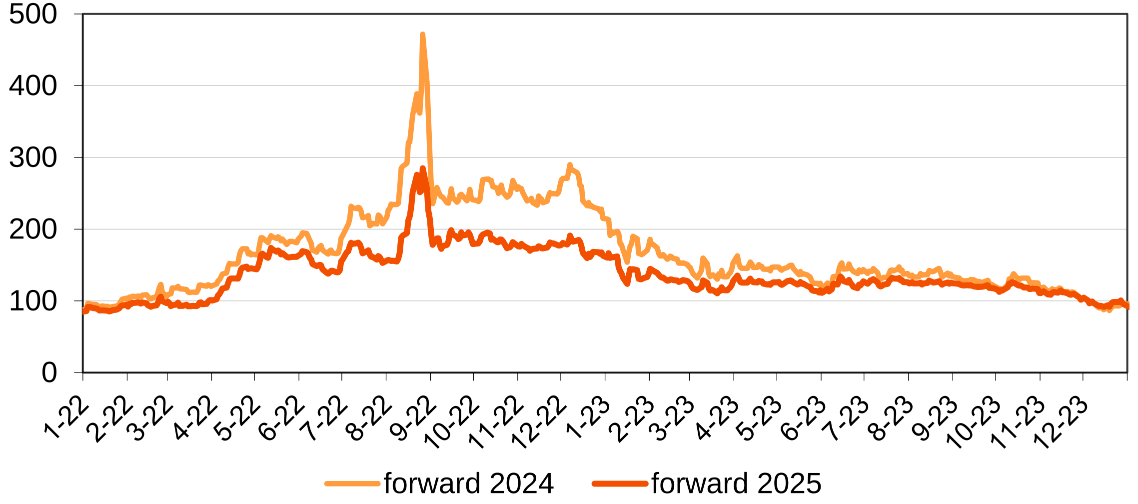
ČEZ shares



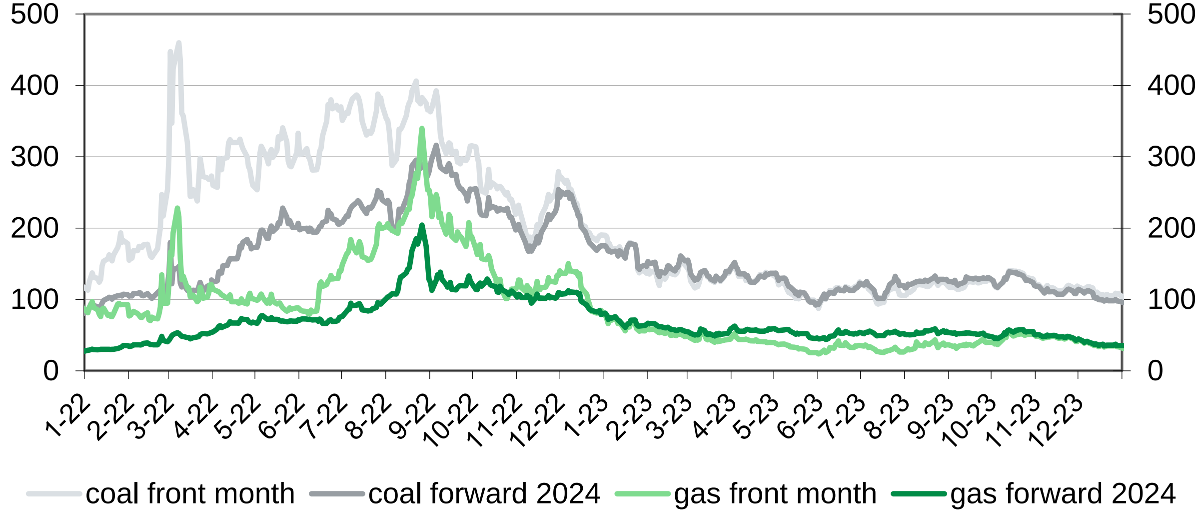
CO_2 emission allowances (delivery in 12/2024)



Electricity (BL delivery in 2024 and 2025)



Coal and gas



Electricity balance (GWh) by country

2023	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Generation net	**44,581**	**-5%**	**1,319**	**-29%**	**319**	**+24%**	**50**	**+107%**	**0**	**-**	**46,269**	**-6%**
Generated in-house (gross)	49,515	-5%	1,561	-27%	319	+23%	50	+107%	0	-	51,451	-5%
In-house and other consumption, including pumping in pumped-storage plants	-4,934	-2%	-242	-17%	-1	-41%	0	-	0	-	-5,182	-3%
Sold in the wholesale market (net)	**-21,504**	**-13%**	**-1,319**	**-29%**	**-316**	**+25%**	**2,343**	**+32%**	**0**	**-**	**-20,769**	**-17%**
Sold in the wholesale market	-95,165	-40%	-1,404	-28%	-317	+24%	-129	-30%	2,682	+8%	-94,333	-40%
Purchased in the wholesale market	73,661	-45%	85	+0%	1	-41%	2,473	+26%	-2,682	+8%	73,564	-45%
Grid losses	**-1,519**	**-5%**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**-1,519**	**-5%**
Sold to end customers	**-21,558**	**+4%**	**0**	**-**	**-3**	**-42%**	**-2,394**	**+33%**	**0**	**-**	**-23,981**	**+7%**

Electricity generation by source (GWh) by country

	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Emission-free	**32,916**	**-1%**	**9**	**-17%**	**317**	**+24%**	**30**	**>200%**	**0**	**-**	**33,272**	**-1%**
Nuclear	30,409	-2%	0	-	0	-	0	-	0	-	30,409	-2%
Water	2,369	+12%	9	-17%	0	-	0	-	0	-	2,378	+12%
Photovoltaic	132	-3%	0	-	0	+6%	1	+3%	0	-	133	-3%
Wind	6	-29%	0	-	317	+24%	29	-	0	-	352	+34%
Emission-generating	**16,599**	**-11%**	**1,551**	**-28%**	**3**	**-43%**	**20**	**-14%**	**0**	**-**	**18,179**	**-12%**
Coal and lignite	14,149	-10%	1,288	-30%	0	-	0	-	0	-	15,438	-12%
Natural gas	2,013	-18%	0	-	3	-43%	4	+46%	0	-	2,025	-18%
Biomass	437	-4%	263	-11%	0	-	16	-21%	0	-	717	-7%
Total	**49,515**	**-5%**	**1,561**	**-27%**	**319**	**+23%**	**50**	**+107%**	**0**	**-**	**51,451**	**-5%**
Of which: Renewables (water, sun, wind, biomass)	2,944	+9%	272	**-11%**	317	**+24%**	47	**+114%**	0	**-**	3,579	**+9%**

Sales of electricity to end customers (GWh) by country

	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-7,563	-5%	0	-	0	-	0	-	0	-	-7,564	-5%
Commercial (low voltage)	-2,770	+10%	0	-	-3	-42%	-5	+36%	0	-	-2,777	+10%
Commercial and industrial (medium and high voltage)	-11,225	+11%	0	-	0	-	-2,389	+33%	0	-	-13,640	+14%
Sold to end customers	**-21,558**	**+4%**	**0**	**-**	**-3**	**-42%**	**-2,394**	**+33%**	**0**	**-**	**-23,981**	**+7%**

Distribution of electricity (GWh) by country

2023	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	33,812	-4%	0	-	0	-	0	-	0	-	33,839	-4%

Electricity balance (GWh) by segment

2023	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Generation net	**45,923**	**-6%**	**0**	**-**	**347**	**-**	**0**	**-**	**46,269**	**-6%**
Generated in-house (gross)	51,035	-5%	0	-	416	-	0	-	51,451	-5%
In-house and other consumption, including pumping in pumped-storage plants	-5,112	-2%	0	-	-70	-	0	-	-5,182	-3%
Sold in the wholesale market (net)	**-43,119**	**-7%**	**1,519**	**-**	**22,116**	**-**	**-1,285**	**-13%**	**-20,769**	**-17%**
Sold in the wholesale market	-115,878	-35%	0	-	-6,997	-	28,542	+10%	-94,333	-40%
Purchased in the wholesale market	72,759	-45%	1,519	-	29,114	-	-29,827	+9%	73,564	-45%
Grid losses	**0**	**-29%**	**-1,519**	**-**	**0**	**-**	**0**	**-**	**-1,519**	**-5%**
Sold to end customers	**-2,803**	**+19%**	**0**	**-**	**-22,463**	**-**	**1,285**	**-13%**	**-23,981**	**+7%**

Electricity generation by source (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Emission-free	**33,271**	**-1%**	**0**	**-**	**1**	**-**	**0**	**-**	**33,272**	**-1%**
Nuclear	30,409	-2%	0	-	0	-	0	-	30,409	-2%
Water	2,378	+12%	0	-	0	-	0	-	2,378	+12%
Photovoltaic	132	-3%	0	-	1	-	0	-	133	-3%
Wind	352	+34%	0	-	0	-	0	-	352	+34%
Emission-generating	**17,764**	**-13%**	**0**	**-**	**415**	**-**	**0**	**-**	**18,179**	**-12%**
Coal and lignite	15,438	-12%	0	-	0	-	0	-	15,438	-12%
Natural gas	1,666	-20%	0	-	359	-	0	-	2,025	-18%
Biomass	660	-7%	0	-	56	-	0	-	717	-7%
Total	**51,035**	**-5%**	**0**	**-**	**416**	**-**	**0**	**-**	**51,451**	**-5%**
Of which: Renewables (water, sun, wind, biomass)	3,522	**+9%**	0	**-**	57	**-**	0	**-**	3,579	**+9%**

Sales of electricity to end customers (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	0	-	-7,564	-	0	-	-7,564	-5%
Commercial (low voltage)	-5	-17%	0	-	-2,772	-	0	-	-2,777	+10%
Commercial and industrial (medium and high voltage)	-2,799	+19%	0	-	-12,127	-	1,285	-13%	-13,640	+14%
Sold to end customers	**-2,803**	**+19%**	**0**	**-**	**-22,463**	**-**	**1,285**	**-13%**	**-23,981**	**+7%**

Electricity balance (GWh)

	2022	2023	Index 2023/2022
Generation net	**48,982**	**46,269**	**-6%**
Generated in-house (gross)	54,302	51,451	-5%
In-house and other consumption, including pumping in pumped-storage plants	-5,320	-5,182	-3%
Sold in the wholesale market (net)	**-24,892**	**-20,769**	**-17%**
Sold in the wholesale market	-157,815	-94,333	-40%
Purchased in the wholesale market	132,923	73,564	-45%
Grid losses	**-1,594**	**-1,519**	**-5%**
Sold to end customers	**-22,495**	**-23,981**	**+7%**

Electricity generation by source (GWh)

Emission-free	**33,544**	**33,272**	**-1%**
Nuclear	31,021	30,409	-2%
Water	2,123	2,378	+12%
Photovoltaic	137	133	-3%
Wind	263	352	+34%
Emission-generating	**20,758**	**18,179**	**-12%**
Coal and lignite	17,522	15,438	-12%
Natural gas	2,466	2,025	-18%
Biomass	770	717	-7%
Total	**54,302**	**51,451**	**-5%**
Of which: Renewables (water, sun, wind, biomass)	3,293	3,579	+9%

Sales of electricity to end customers (GWh)

Households	-7,998	-7,564	-5%
Commercial (low voltage)	-2,526	-2,777	+10%
Commercial and industrial (medium and high voltage)	-11,971	-13,640	+14%
Sold to end customers	**-22,495**	**-23,981**	**+7%**

Distribution of electricity (GWh)

	2022	2023	Index 2023/2022
Distribution of electricity to end customers	35,077	33,839	-4%

Definitions and Calculations of Indicators Unspecified in IFRS

In accordance with the ESMA guidelines, ČEZ informs in more detail about indicators that are not normally reported in IFRS. Such indicators represent supplementary information in respect of financial data, providing report users with additional information for their assessment of the financial position and performance of CEZ Group. In general, these indicators are also commonly used in other commercial companies, not only in the energy sector.

Below are the definitions of individual indicators, including the specification of components that are not directly available in the financial statements or notes to the consolidated financial statements.

Indicator	
EBITDA	Purpose: It is a basic indicator of the operational performance of publicly traded companies, which is monitored by international analysts, creditors, investors and shareholders. The EBITDA value indicates the generated cash flow from operating activities for the past period, i.e., it is the basic source for investment and financial expenses. Definition: Included in the notes to the financial statements, note 15.
Adjusted Net Income (After-Tax Income, Adjusted)	Purpose: This is a supporting indicator, intended primarily for investors, creditors and shareholders, which allows interpreting the 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 impairment of property, plant and equipment and intangible assets, including impairment of goodwill +/- 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.
Return on Equity (ROE), Net	Purpose: This is a ratio indicator of the income achieved and the shareholders' capital invested in the company. It enables investors to assess the return on the investment (ROE achieved) over the past period. Definition: Net income attributable to the equity holders of the parent company / average equity attributable to the equity holders of the parent company. Net income uses the value for the last 12 months. Equity uses the average annual value, calculated from the value of the current period and the value of the period 12 months ago.

Most of the indicator components are directly calculated in the company's consolidated financial statements. Those not included in the financial statements relate to the Adjusted net income indicator and are calculated as follows:

Adjusted Net Income Indicator – calculation for period in question:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	2022	2023
Net income	CZK billions	80.7	29.6
Impairment of property, plant and equipment and intangible assets (including goodwill write-off) 1)	CZK billions	-2.9	5.3
Impairments of developed projects 2)	CZK billions	–	–
Effects of additions to or reversals of impairments on income tax 3)	CZK billions	0.5	-0.0
Other extraordinary effects	CZK billions	–	–
Adjusted net income	**CZK billions**	**78.4**	**34.8**

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.