CEZ GROUP:
READY FOR DECENTRALIZED ENERGY FUTURE

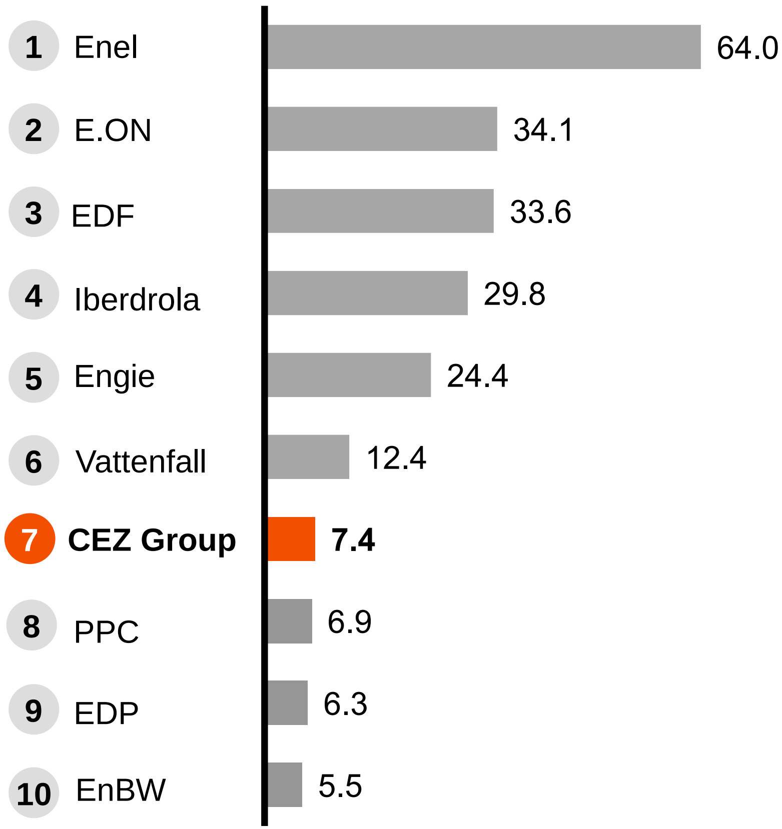
Investment story, December 2020

AGENDA

CEZ GROUP RANKS AMONG LEADING UTILITY COMPANIES IN EUROPE

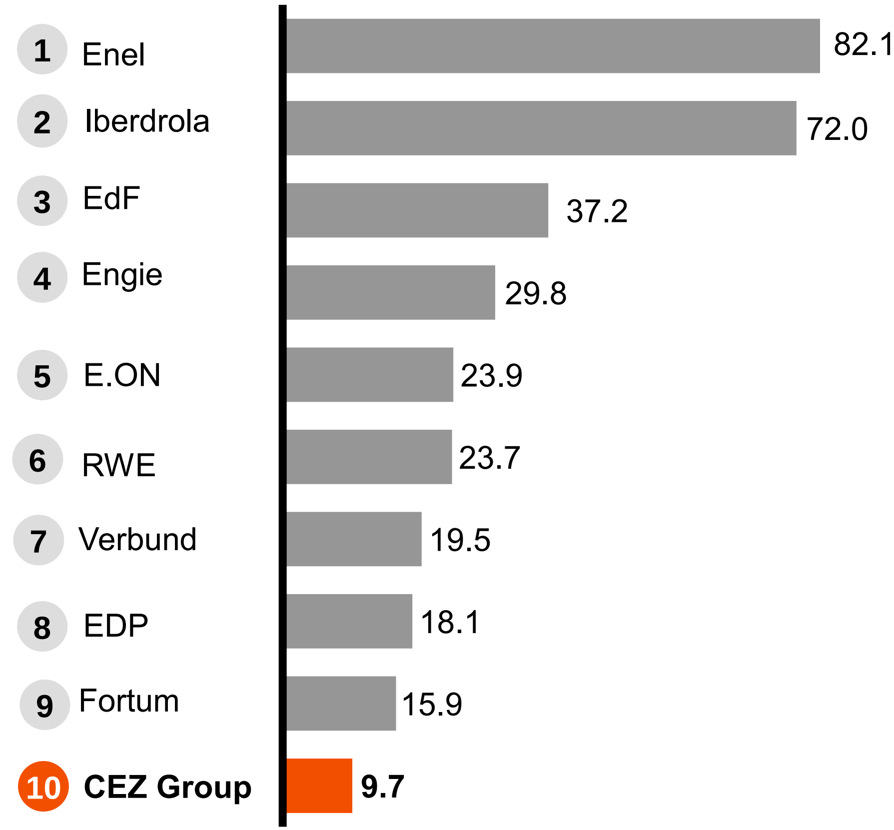
Top 10 European power utilities

Number of customers in 2019, in millions



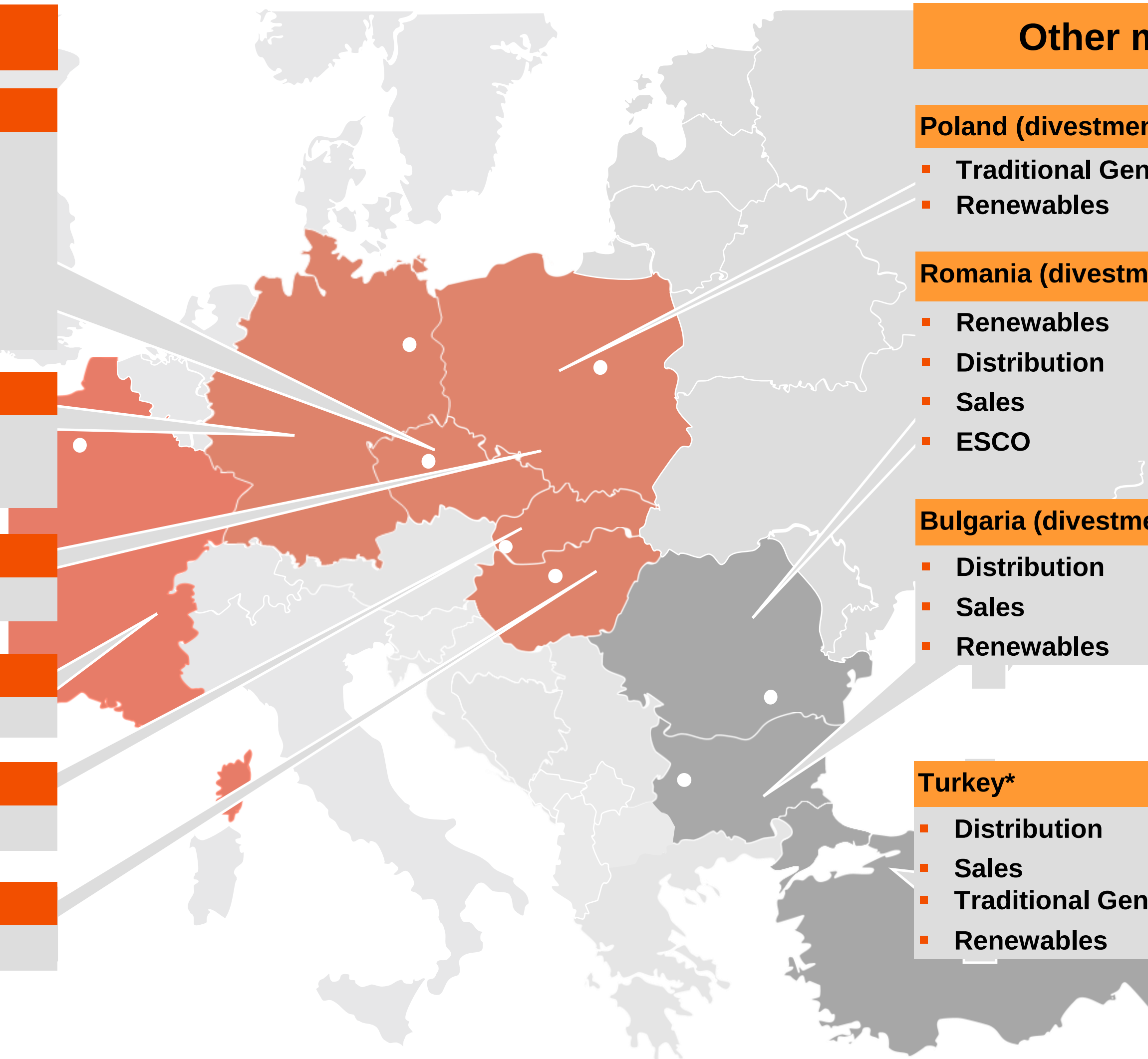
Top 10 European power utilities

Market capitalization in EUR bn, as of Nov 23, 2020



 Source: Bloomberg, Annual reports, companies' websites and presentations

CEZ GROUP IS AN INTERNATIONAL UTILITY WITH A STRONG POSITION IN ITS DOMESTIC MARKET AND GROWING PRESENCE IN WESTERN EUROPE



Target markets

Czech Republic
- Mining
- Traditional Generation
- Renewables
- Distribution
- ESCO, Sales

Germany
- Renewables
- ESCO

Poland
- ESCO, Sales

France
- Renewables

Slovakia
- ESCO, Sales

Hungary
- ESCO, Sales

Other markets

Poland (divestment ongoing)
- Traditional Generation
- Renewables

Romania (divestment ongoing)
- Renewables
- Distribution
- Sales
- ESCO

Bulgaria (divestment ongoing)
- Distribution
- Sales
- Renewables

Turkey*
- Distribution
- Sales
- Traditional Generation
- Renewables

*(50% stake in SEDAŞ through AkCez, 37.36% stake in Akenerji)

CZECH REPUBLIC IS THE MOST IMPORTANT MARKET FOR CEZ GROUP, IT IS VERTICALLY INTEGRATED THERE

	Lignite mining	Generation	Transmisson	Distribution	Supply
CEZ	**55%** 20.4 million tons	**70%** 60.8 TWh	**100%** 67.7 TWh	**65%** 35.9 TWh	**27%** 16.7 TWh
Others	**45%** 17.0 million tons	**30%** 26.3 TWh		**35%** 19.6 TWh	**73%** 44.4 TWh

Lignite mining
- CEZ fully owns the largest Czech mining company (SD) covering 72% of CEZ' s Lignite needs
- Remaining 3 coal mining companies are privately owned

Generation
- Other competitors are individual IPPs

Transmisson
- The Czech transmission grid is owned and operated by CEPS, 100% owned by the Czech state

Distribution

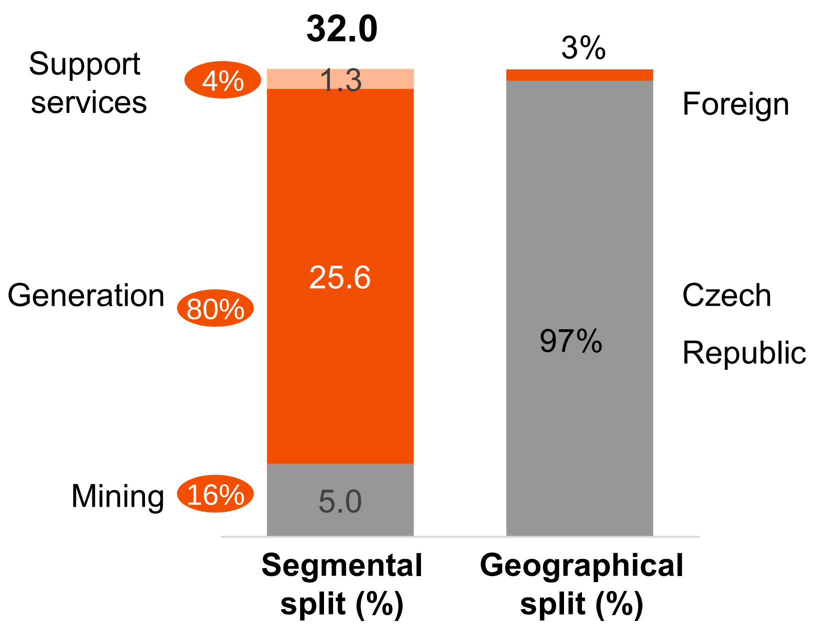
Supply
- Other competitors – E.ON, PRE (41% held by EnBW), Bohemia Energy, Innogy, Centropol Energy

 Source: CEZ, ERU, MPO, data for 2019

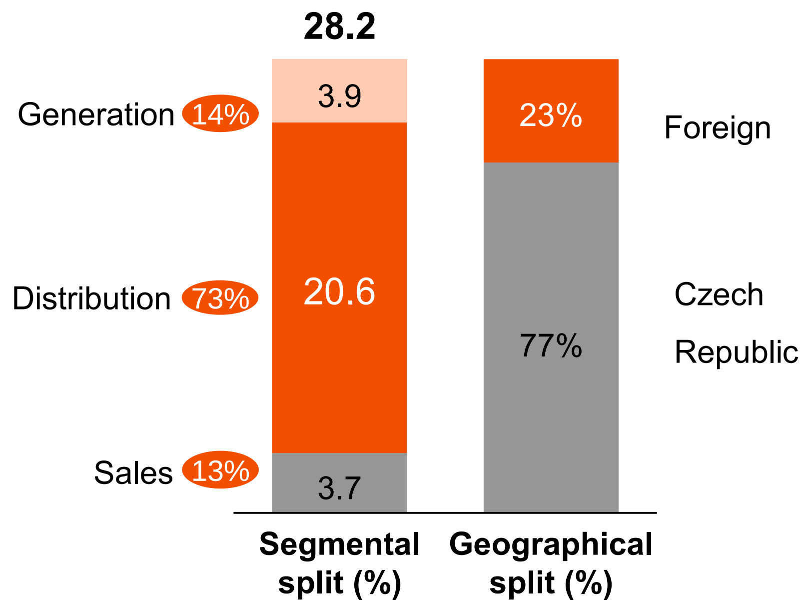
SEGMENTAL AND GEOGRAPHICAL CONTRIBUTIONS TO EBITDA IN 2019

2019 EBITDA CZK 60.2bn

~53% **Traditional Generation 2019 EBITDA**



47% **Regulated and New Energy 2019 EBITDA**



- The most effective use of our traditional assets
- Proactively adjusting to the new energy environment
- Generating sufficient cash flows to develop new activities and pay dividends to our shareholders

- Ensuring future growth for CEZ based on ESCO activities, decentralized energy, distribution and domestic renewables with focus on end customers
- Acquisitions and organic growth in stable countries

*including eliminations

KEY BUSINESS DRIVERS OF CEZ GROUP

Traditional Generation

- **Benefits from higher power prices…..**
  - 2020 expected achieved electricity price is EUR 46/MWh, approximately 20% higher y-o-y
- **….. as it is positively geared toward growing price of CO2 allowances**
  - CEZ emission intensity 0.33 t/MWh is well below 0.6 t/MWh intensity of price setting plant and will further drop to 0.29 t/MWh by 2025
- **Stable CAPEX**
  - Upgrade of lignite fleet completed
  - Current Capex mostly maintenance related

Regulated and New Energy

- **Benefits from RAB growth**
  - CAGR 8% pa in 2020-25 in Czech distribution
- **Additions of renewables capacity**
  - Current pipeline of up to 419 MW of wind parks in Europe
  - Ambition to add further renewable capacities in the Czech Rep.
- **Expansion of energy services offering („ESCO“)**
  - 2019 revenues increased by 37% to CZK 22 bn
  - Further growth anticipated organically and through acquisitions

PRIORITIES OF CEZ GROUP BUSINESS STRATEGY

Strategic priorities of CEZ Group

Efficient operation, optimal utilization and development of generation portfolio

Modern distribution and a care for customers' energy needs

Development of new energy in the Czech Republic

Development of energy services in Europe

Main strategic thesis of CEZ Group

- Efficient management of nuclear plants and coal plants located near the coal basins and preparation of conditions for realization of new nuclear plant as part of strengthening energy security and decarbonization of generation portfolio in Czechia
- Modernization and digitalization of distribution and sales in Czechia, development of complex services taking into account customers' needs
- Development of energy services (ESCO) and renewables (RES) in Czechia in fulfilling Czech climate and energy plan
- Development of foreign ESCO activities and achieving significant position in markets close to Czechia, primarily Germany, northern Italy and Poland

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- Realization of efficient exit strategies from markets and energy segments, which are risky or do not have attractive prospects
- Finalization of RES development abroad and securing return of funds invested

KEY SUBSTANTIVE AND FINANCIAL OBJECTIVES OF CEZ GROUP STRATEGY

Strategic Priorities	Key Substantive Objectives and Ambitions for 2025	Additional 2025 EBITDA* Goal (CZK bn)
Efficient Operation, Optimum Utilization & Development of Generation Portfolio	▪ Safe and efficient generation by nuclear plants (WANO's assessment of CEZ's nuclear power plants above the global nuclear operators median; annual generation above 31.5 TWh). ▪ Long-term NPP operation (Temelín units at least until 2060 and 2062, Dukovany units until 2045 and 2047). ▪ Value maximization in mining and conventional generation, efficient generation by power and heating plants in mining regions. Controlled phaseout of plants outside mining regions. ▪ Negotiating a framework for the construction of a new nuclear unit at Dukovany, which would cover the regulatory and market risks of the project. Commencing project preparations according to the approved contractual framework.	**+1 to +2** beyond the effect of market prices
Modern Distribution & Care for Customers' Energy Needs	▪ Distribution CZ: Increasing revenues by way of increased investments in the context of changes induced by decentral energy; increasing efficiency and reducing operating expenses. ▪ Sales CZ: Maintaining current profitability by way of: maintaining the current customer base, increasing customer satisfaction, and expanding offerings in the portfolio of noncommodity products and services.	**+2 to +4**
New Energy Sector Development in Czechia	▪ ESCO CZ and SK: 25%+ share in the growing market with target EBITDA margin > 7%. ▪ RES CZ: Playing a major role in the growth of renewables in Czechia. Total potential for Czech solar installed capacity estimated at up to 5 GW, including about 0.5 GW on land currently owned by CEZ Group.	**+2 to +3**
Energy Services Development in Europe	▪ Continuing with quick organic and acquisition expansion in Germany, northern Italy, and Poland. ▪ Maximizing synergies from the consolidation of activities in target markets. ▪ Becoming a Top 3 ESCO player in these markets by 2025, with target EBITDA margin > 7%.	**+2 to +3**
Divestment Strategy	▪ Return of capital invested in RES assets in Germany and France. ▪ Completion of sale of assets in Bulgaria, sale of generation and distribution assets in Romania, Poland, and Turkey. The goal is to sell those assets by the end of 2022. The assets' contribution to CEZ Group's annual 2019 EBITDA was CZK 6.0 bn.	

The goal of additional 2025 EBITDA* demands significant investments in new assets, primarily in RES in Czechia, ESCO abroad, and distribution in Czechia. Investments in RES development in Czechia and ESCO development will be financed by income from divestments.

*Expected increase in annual EBITDA of target business segments as compared to 2019 (based on an vbsiness plan from Dec 2018)

CEZ GROUP INTENDS TO LEAVE MARKESTS WITH INSUFFICIENTLY APPEALING OUTLOOK AND NEED FOR INCREASED MANAGEMENT FOCUS

Strategic priorities	Key initiatives
Leaving risky and non-perspective markets and segments	▪ Carry out divestments of assets in Poland ▪ Finalize divestments of assets in Romania, Bulgaria and Turkey
Recovery of capital invested in foreign renewables	▪ Finalization of renewables development abroad and securing recovery of invested funds

Reasons for the divestments

- Romanian regulatory environment has stabilized after brief wobbles at the start of new regulatory period
- Increased interest from various financial groups in Romania who seek infrastructure investments with higher yields compared to Western Europe
- Monetization of Polish coal business and reduction of CEZ's carbon footprint
- Turkish market is extremely risky especially due to currency volatility

Potential use of proceeds

- Debt reduction to avoid negative impact on consolidated leverage through divested EBITDA
- Reinvestments into energy services and domestic renewables
- Distribution to shareholders

2019 EBITDA contribution of assets contemplated for sale: CZK 6 bn*

* Contribution of Bulgaria, Poland, Romania (excluding ESCO), excluding contribution of wind farms in Germany with EBITDA of CZK 0.5bn

Steps of strategy implementation taken in 2020 (1/2)

Strategic Priorities

I. Efficient Operation, Optimum Utilization & Development of Generation Portfolio

Nuclear energy and new nuclear unit areas

- Unlimited license for further operation of Temelín Unit 1 received on Sep 23, 2020. Similarly to the Dukovany NPP, the license is subject to a number of conditions; compliance will be checked at ten-year intervals. Preparation for a license extension for Temelín Unit 2 continues.
- Achievable capacity of Temelín Unit 2 increased by 4 MWe to 1,086 MWe.
- On July 28, 2020, the Government of the Czech Republic signed two agreements with CEZ and Elektrárna Dukovany II regulating the conditions for the construction of a new nuclear power plant.

Other areas

- CEZ has upgraded capacity of Počerady CCGT to 880MWe.
- CEZ accelerated the sale of Počerady coal-fired power plant to Vršanská uhelná by 3 years and agreed with the buyer to terminate a coal supply contract.
- ČEZ is making environmental upgrades to its power plants to prepare them for new European BAT rules as much as possible. Modern technologies are being installed (e.g., activated carbon dosing technology will be applied to generating facilities, GORE modules are tested within Energotrans). Most environmental measures will be installed in 2022–2023.
- ČEZ Korporátní služby will be merged into ČEZ, a. s., as at Jan 1, 2021. The total benefits of the transformation at the EBITDA level exceed CZK 100 m per year.

EIA – Environmental Impact Assessment; BAT – Best Available Technology; AEL – Achievable Emission Level

Steps of strategy implementation taken in 2020 (2/2)

Strategic Priorities

II. Modern Distribution and Care for Customers' Energy Needs	▪ In June 2020 the Energy Regulatory Office (ERO) approved the parameters of the new regulatory period for 2021 – 2025 in Czechia. Nominal pre-tax WACC of 6.54% was set. ▪ There will be a 100% adjustment of the regulatory asset base (RAB) to the book value of assets by the end of 2025 in a progressive manner (in 2020 the RAB value is CZK 106.6 bn and accounts for 82% of the book value of assets, estimated to increase to 89% in 2021, to 95% in 2022, to 97% in 2023, to 98% in 2024 and to 100% in 2025). ▪ The investment plan assumes a gradual increase to CZK 14.5 bn per year from 2022. ▪ ČEZ Prodej has had a CX (customer satisfaction indicator) of more than 85% for five consecutive quarters.
III. New Energy Sector Development in Czechia	▪ CEZ continues to evaluate lithium extraction opportunity at Cínovec. CEZ and EMH agreed to make an amendment to their agreement, under which Severočeské doly acquired a 51% stake in Geomet by raising its capital by EUR 29.1 m. Geomet holds priority rights to deposit exploration and exploitation. ▪ ČEZ ESCO became a 100% owner of ČEZ Energo. The remaining share of 49.9% was purchased from TEDOM as at June 30, 2020. ČEZ Energo operates 137 cogeneration units with 116 MWe.
IV. Energy Services Development in Europe	▪ INVEN CAPITAL buyed into Eliq and Forto and increased its investments Zolar, NeuronSW, and Cloud&Heat. It sold a share in CyberX to Microsoft. The original investment in CyberX was thus multiplied in just 15 months. ▪ Sunfire from the INVEN CAPITAL participates in a project that aims to replace aviation gasoline with clean hydrogen fuel, saving 250,000 t of $CO2$ emissions a year by 2026. Sunfire will produce an electrolyzer for hydrogen production.

Divestment Strategy

- The sale of Bulgarian assets to Eurohold was approved by Commission for Protection of Competition on Oct 29.
- SPA signed with Macquarie Infrastructure and Real Assets regarding the sale of Romanian assets on Oct 22.
- We managed to reduce distribution losses:
  - in Romania to 8.2% (from 8.6%)
  - in Bulgaria to 8.0% (from 9.1%)
- On Sep 16, 2020, the process of selling Polish coal-fired assets (the Chorzów and Skawina power plants) and other Polish companies except for ESCO companies, was started.

EIA – Environmental Impact Assessment; BAT - Best Available Technology; AEL - Achievable Emission Level

57% REDUCTION IN INSTALLED COAL CAPACITY ALREADY BY 2025 AND FULL COAL DECOMMISSIONING BY 2050

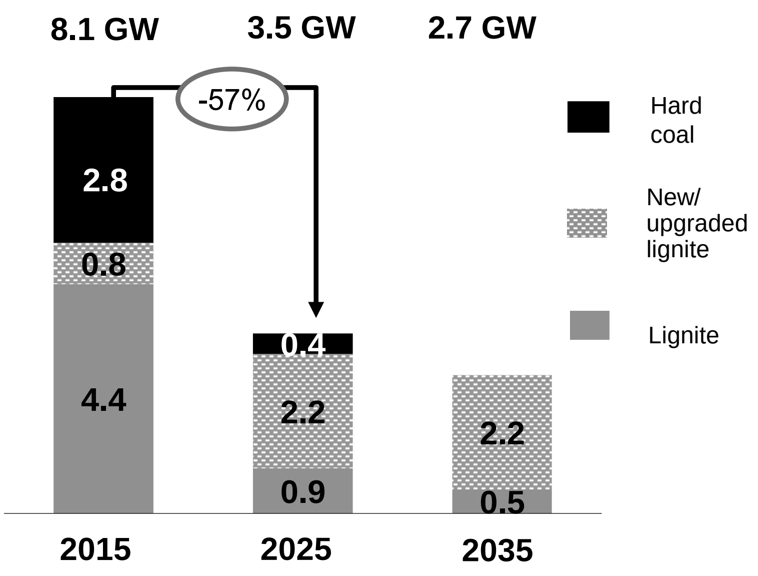
Coal fired power plants will be gradually closed, full exit by 2050

- Coal fired power plants represented 45% of capacity and 39% of generation volume in 2019. Their revenues are less than 20% of total.
- Coal fired capacity will decrease by half from 8.1 GW in 2015 to 3.5 GW by 2025 and further to 2.7 GW in 2035
- The goal for 2030 is to reduce CO_2 emissions by 30% compared to 2018 and reduce the emission intensity to at least 300 g/kWh by a combination of closure of selected coal plants and development of renewables.
- CEZ made commitment for carbon neutrality by 2050*

CEZ is expanding its footprint in renewables and is committed to no new coal capacity investments

- CEZ's strategy focuses on power generation capacity growth in renewables expanding its currently running 1,700 MW renewable generation capacity (half of which built in the last decade)

Expected development of installed capacity in coal (GW)



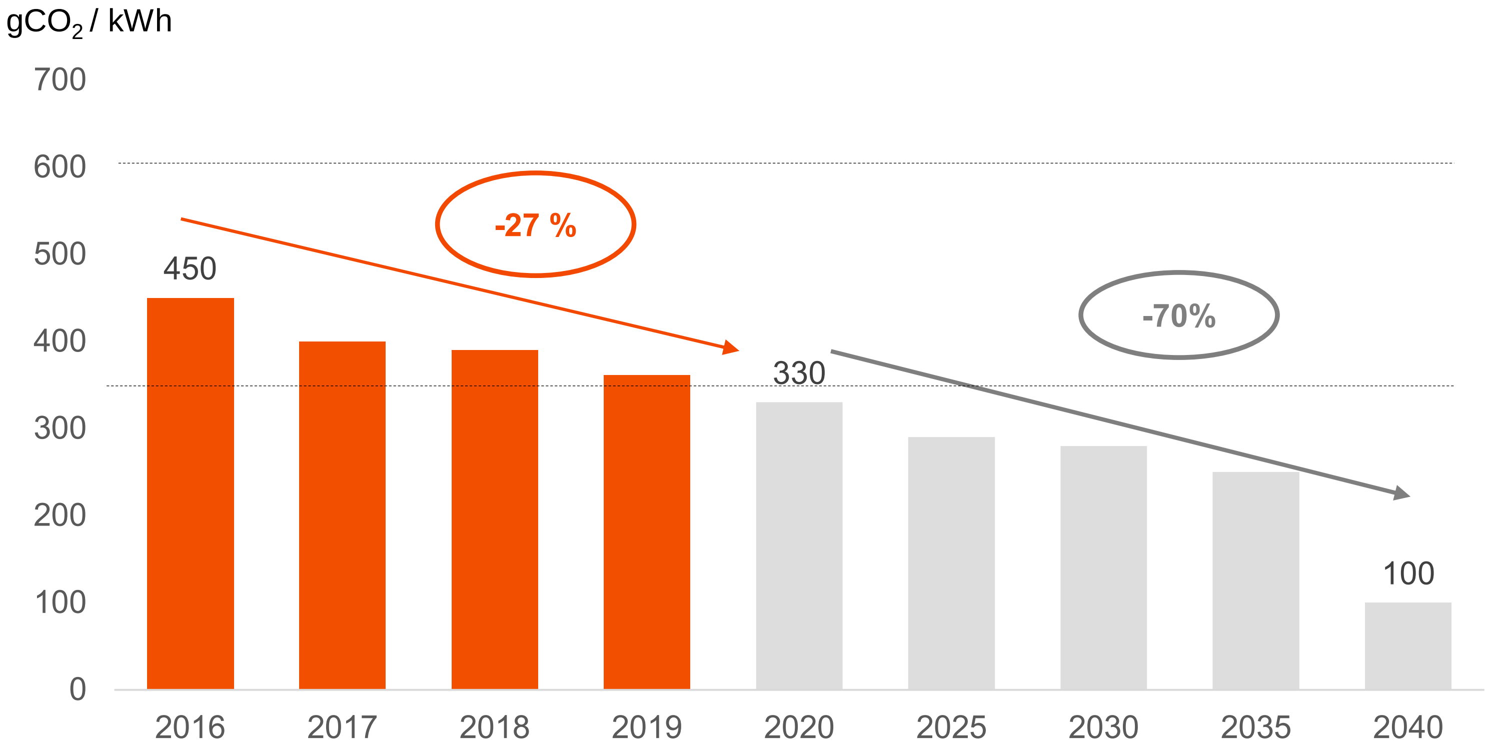
Coal extracted is mainly used in own power plants

- CEZ Group produced 20.4 mil tones of coal, out of which only 26% is sold externally
- Share of coal mining and related activities (except power generation) on CEZ group's revenues is 2% only
- Volume of extracted coal is expected to decline reflecting the closures of CEZ coal capacities.

* Applies to coal mining, power and heat generation, covers Scope 1 and Scope 2 emissions

CO2 INTENSITY WILL DECLINE BY 70% BY 2040 THANKS TO COAL PLANT CLOSURES

CO_2 emissions from electricity generated by CEZ Group facilities



The average specific CO_2 emissions of the marginal plant in Europe are now approx. 600g of CO_2/kWh

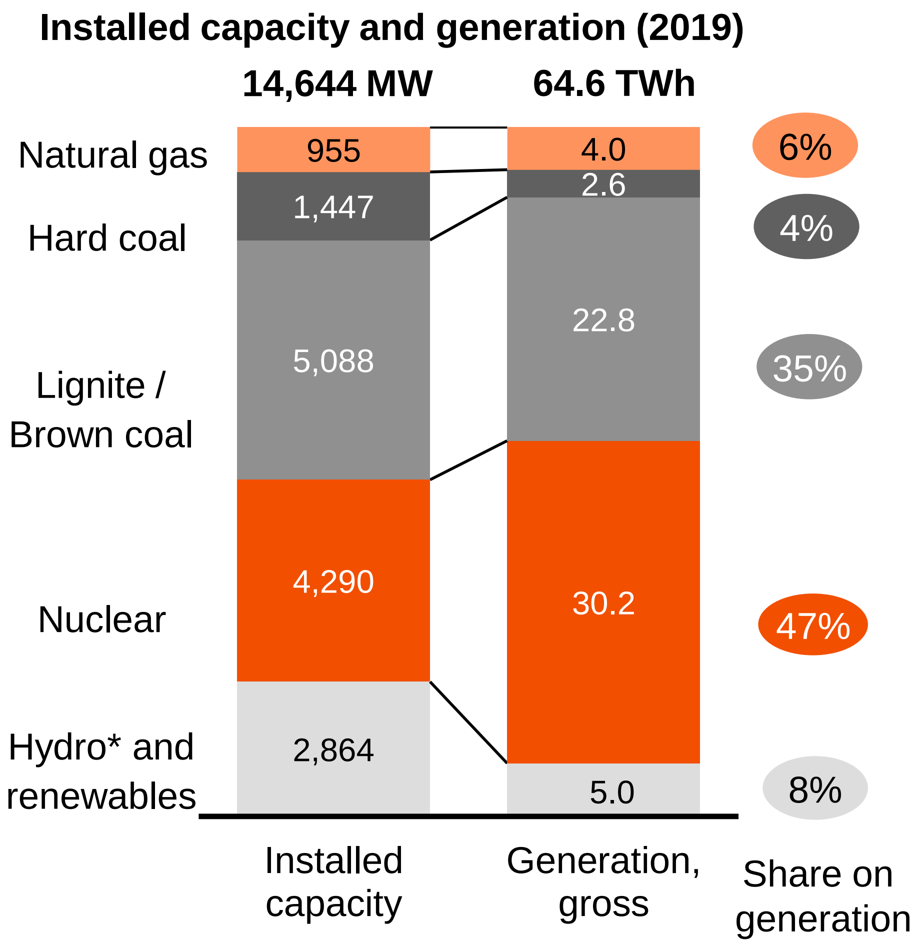
Specific CO_2 emissions of new CCGT plant of <350g of CO_2/kWh

Mean specific emissions of CO_2 from electricity generated by CEZ Group sources have decreased by **20%** in the past 3 years. The value of 361 gCO_2/kWh achieved in 2019 nearly reached the level of new CCGT.

On June 30, 2020 the operation of the Prunéřov 1 (440 MW) coal-fired power plant was terminated; it produced a total of 139 TWh of electricity, which is Czechia's 2-year consumption.

AGENDA

CEZ GROUP OPERATES LOW COST GENERATION FLEET



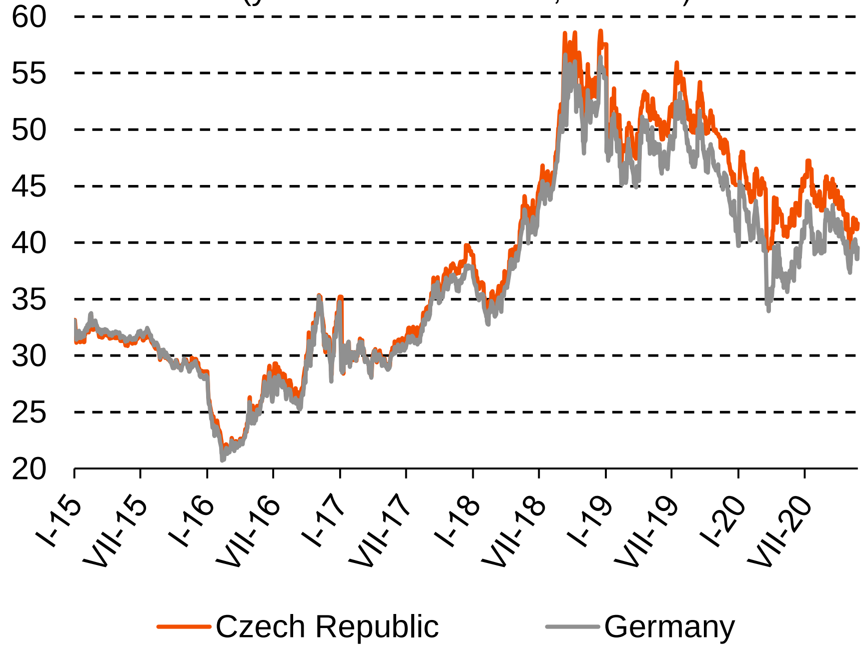
- **Emission-free production represents 55% of total**
- **Coal power plants are using mostly lignite from CEZ's own mine** (72% of lignite needs sourced internally, remaining volume through long-term supply contracts)
- **Nuclear plants have very low operational costs**

CEZ has a long-term competitive advantage of low and relatively stable generation costs

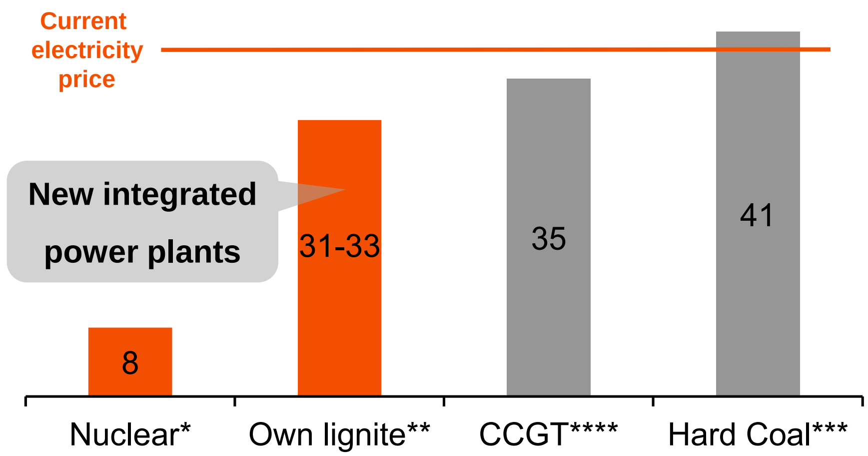
 * Hydro 1,985 MW, out of which 1,170 MW in pumped-storage hydro

LOW COST AND UPGRADED GENERATION PORTFOLIO GENERATES HEALTHY MARGINS EVEN IN THE CURRENT PRICE ENVIRONMENT

Development of electricity price
(year-ahead baseload, €/MWh)



Cash fuel costs by technology
(€/MWh)



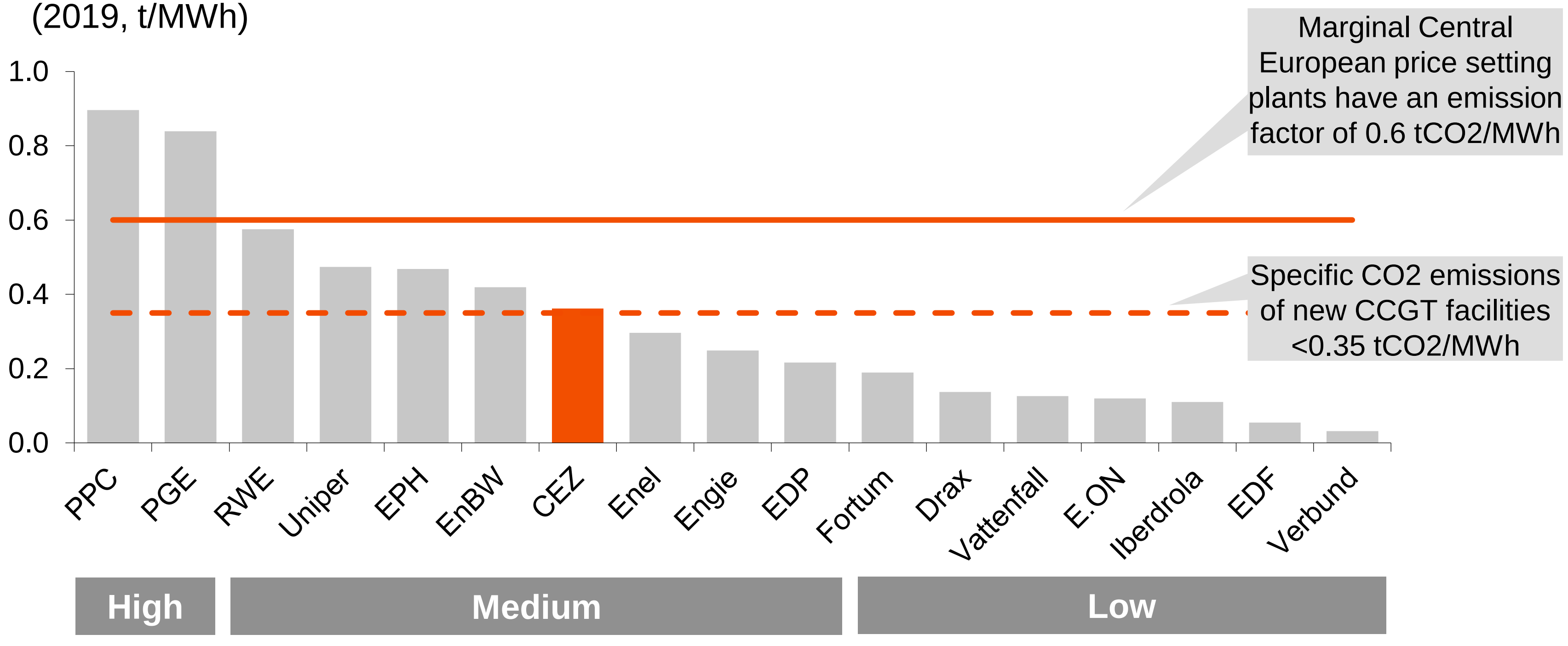
Drivers of electricity price

- **hard coal prices** being driven by Chinese imports, minor impact by gas oversupply
- **carbon prices** supported by the EU Green Deal discussions
- **growing** capacity of subsidized **renewables**
- **falling** electricity **demand** due to suspension of economic activity as a measure against the coronavirus

* Nuclear fuel costs + CZK55/MWh payment for fuel storage ** Cash cost of extracting own lignite, 42/39.5% efficiency, 11,5 GJ/t calorific value, carbon at 27.25 EUR/t, 0.96 t/MWh CO2 *** Coal at 56.3USD/t, 38% efficiency, 0.90 t/MWh CO2 ****Gas 13.2 EUR/MWh, 57% efficiency, 0.35 t/MWh CO2

CEZ GROUP'S CO_2 INTENSITY IS BELOW INTENSITY OF A EUROPEAN PRICE SETTING PLANTS

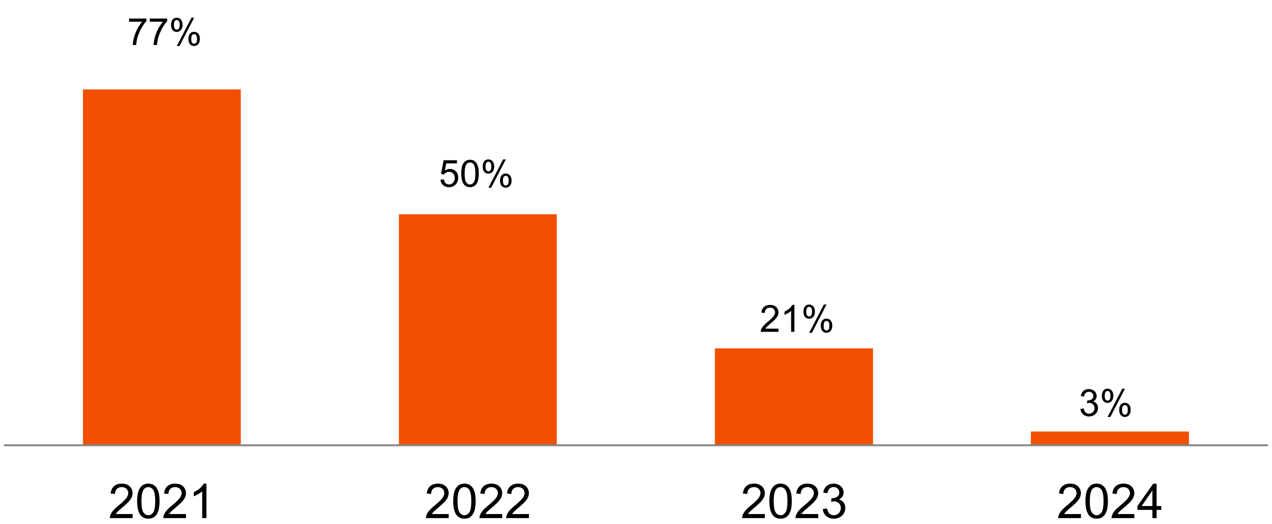
Carbon intensity of selected European utilities
(2019, t/MWh)



Increase in CO_2 price has a positive impact on CEZ profitability

CEZ HEDGES ITS GENERATION REVENUES THREE YEARS AHEAD IN LINE WITH STANDARD POLICY

Share of Hedged Production of CEZ* Facilities as of Sep 30, 2020
(100% of deliveries in 2021–2024 corresponds to 51–55 TWh)



	2021	2022	2023	2024
Electricity selling price (EUR/MWh)	€45.8	€47.1	€47.4	€48.5
EUA purchase price (EUR/t)**	€19.9	€22.2	€23.3	€25.0

A contract for the sale of the Počerady power plant was signed on Oct 22, 2020, which will reduce the hedged production in 2021 through 2023 by 4 to 5 TWh. (See also slide 70 in the Backup)

Predicted realization price of generated electricity in Czechia in 2020 (as of Sep 30, 2020):

- Expected average realization price of generated electricity is **EUR 45.5 / MWh**.
- Estimated average price of acquired emission allowances for generation is **EUR 14.5 t.**

* ČEZ, a. s. including the Energotrans, Počerady and Dětmarovice
** The average purchase price of EUA in 2020 (14.5 EUR/t) includes allowances allocated under derogations (with zero value).

ELECTRICITY PRICE HAS DECREASED BY 12% IN 2020 AFTER A PERIOD OF RELATIVE STABILITY IN 2019

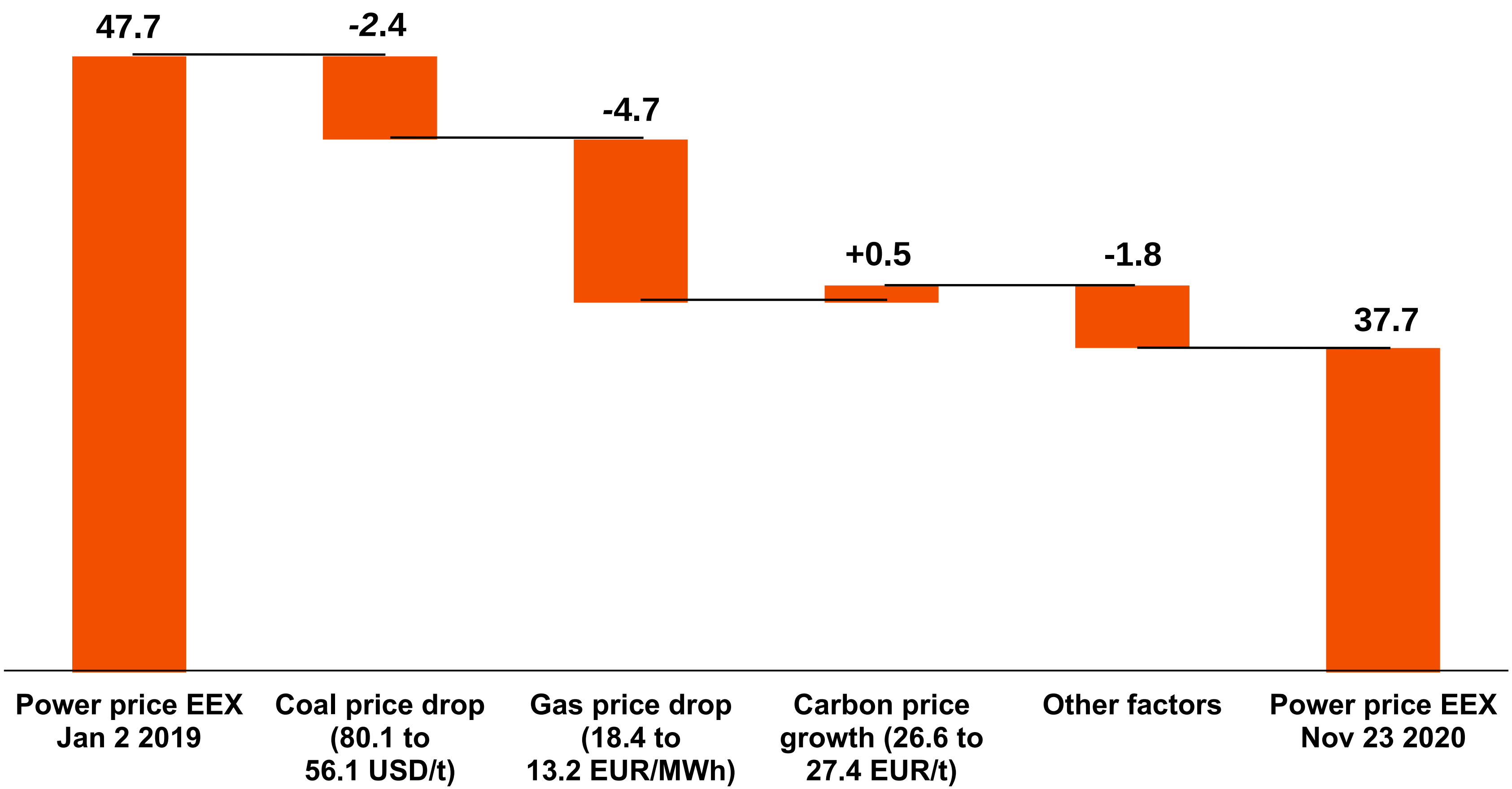
Development of Electricity Price in Germany (Jan 2, 2019 – Nov 23, 2020)

Cal21, EUR/MWh, EEX

ELECTRICITY PRICES HAVE DROPPED PRIMARILY DUE TO DECREASING PRICES OF GAS AND COAL, CARBON REMAINS STRONG

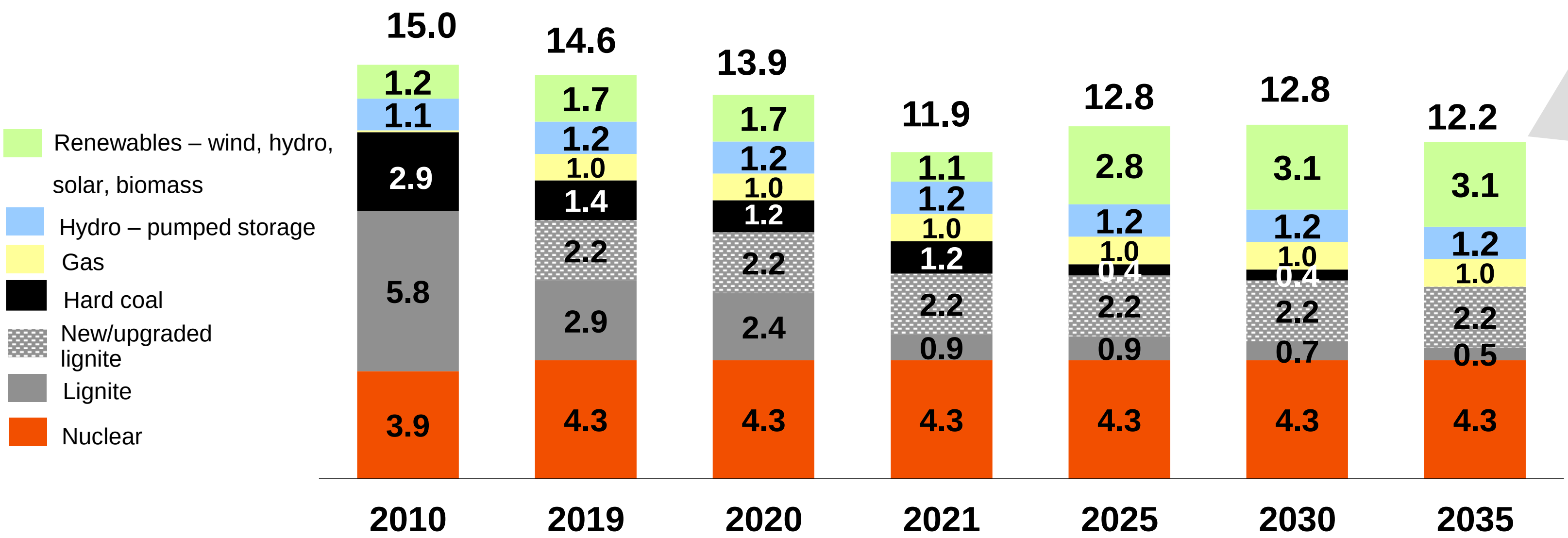
Breakdown of Causes for Change in Wholesale Electricity Prices in 2021

EUR/MWh (EEX, Base Load 2021 in Germany; Jan 2, 2019–*Nov* 23, 2020)



CEZ GROUP'S CO2 EMISSIONS INTENSITY TO DECLINE DUE TO CLOSURES OF OLD LOW-MARGIN COAL UNITS AND GROWTH OF RENEWABLES

Expected development of installed capacity (GW)*



Increase in renewables is dependent on regulatory developments

Emission intensity** (t CO_2/MWh generated)

2010	2019	2020	2021	2025	2030	2035
0.57	0.36	0.33	0.29	0.29	0.28	0.25

- Expected CO2 emission intensity in 2021 to decrease by over 40% compared to 2010 levels.
- Upgraded portfolio contains highly efficient Tušimice (39%), Prunéřov (40%) and Ledvice (42.5%) power plants.
- Closures of old lignite and hard coal units not supplied by our own coal, i.e. units with low profit will result in decrease of the total installed capacity.
- Capacity of nuclear increased by 0.5 GW in 2009-13 enabling additional 3.8 TWh of carbon free production.

* Includes existing pipeline of RES projects untill 2025 in France, Germany and Czech. Growth ambitions beyond 2025 in renewables are not included ** Emission intensity of electricity generation (emissions related to generation of heat excluded from the calculations)

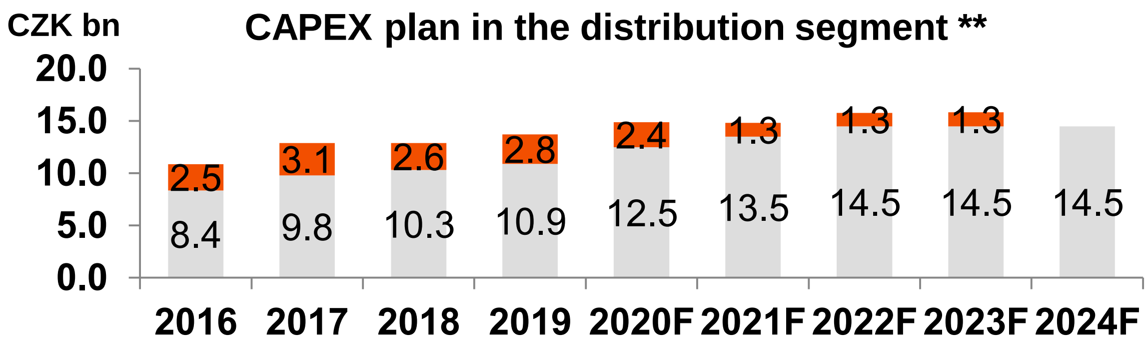
AGENDA

IN 2019 CZECH DISTRIBUTION MADE UP FOR 29% OF CEZ GROUP EBITDA, TRANSPARENT REGULATION INCENTIVISES HIGHER INVESTMENTS

Overview of 2020 regulation parameters and 2019 EBITDA contribution

	Czech Republic 2020	Romania 2020	Bulgaria 2020
RAB (local currency m)	106,587	2,342*	588
RAB (€ m)	4,195	490	300
WACC pre-tax	7.951%	6.9%	6.67%
Regulatory period	2016 – 2020	2019 - 2023	2018 - 2021
2019 EBITDA (CZK bn)	17.5	1.5	1.5

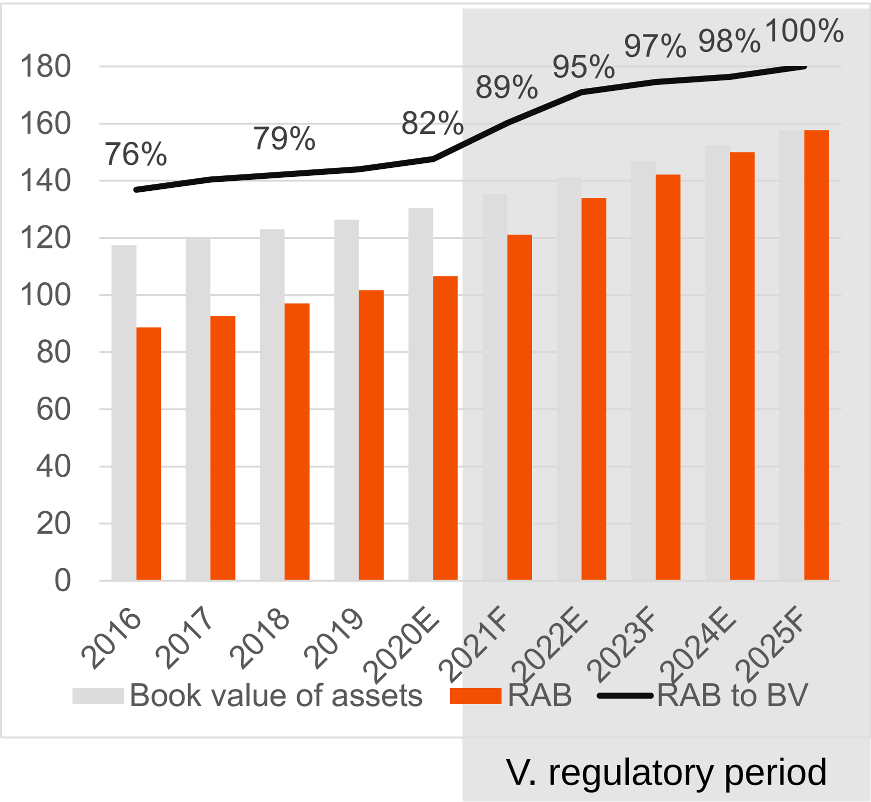
CAPEX plan in the distribution segment **



EUR/CZK = 25.41 EUR/BGN = 1.96 EUR/RON = 4.78 * RAB value updated by inflation clause every year
** Romania not included from 2021 and Bulgaria from 2024 due to expected divestment

CZECH REPUBLIC – OUTCOME OF REGULATORY REVIEW IS SUPPORTIVE FOR RAB GROWTH DRIVEN BY CAPEX AND RAB/BV CONVERGENCE

RAB development* (CZK bn)



Key regulatory parameters for 2021-2025

- **Current gap between BV and RAB to close progressively** (in 2020 the RAB value is CZK 106.6 bn and accounts for 82% of BV, it should grow to 89% in 2021, 94% in 2022, 96% in 2023, 98% in 2024 and 100% in 2025)
- Allowed **return** on asset base is set **at 6.54%** (nominal, pretax)
- Costs efficiency factor is set at 0.2% (lowest among distribution companies)
- **Investments to grow** from CZK 10.9 bn in 2019 to the level of CKZ 14.5 from 2022F

RAB is expected to increase by 14% y-o-y in 2021, by 8% p.a. on average between 2020-25

	2021	2022	2023	2024	2025
% difference of RAB and BV reflected in a given year	40%	30%	10%	10%	10%

 ** Actual values for 2014 – 2019, planned values for 2020-25*

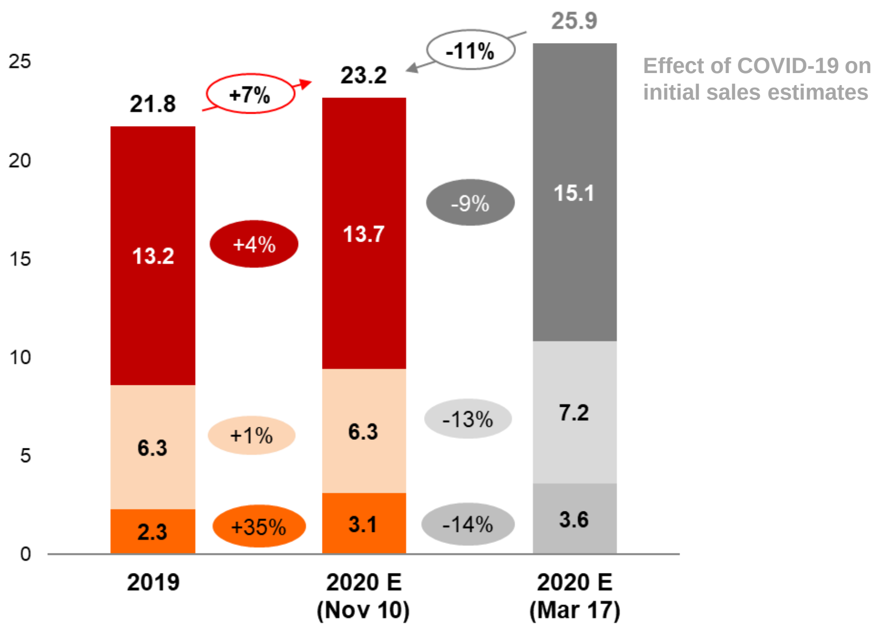
AGENDA

WE SEE LONG-TERM OPPORTUNITINIES IN GROWING ENERGY SERVICES SEGMENT

The potential for CEZ Group's dynamic growth in ESCO is amplified by the EU countries' commitment to major energy savings by 2030.

- We estimate investment costs needed for the fulfilment of the EU energy efficiency directive until 2030 (derived from GDP growth) at **approx. EUR 600bn in Germany** and **approx. CZK 700bn in the Czech Republic**.
- However, high demand for ESCO services in the future is primarily guaranteed by attractiveness for customers: **projects effectively pay for themselves from savings (they do not need subsidies)** and new technologies provide customers with greater comfort and modern functionalities.

Our ambition for 2020 is increase of ESCO revenues to CZK 23 bn



Germany (+4%)
+ Effect of the acquisition of Hermos and Moser & Partner
− Organic growth negatively affected by COVID-19

Czechia & Slovakia (+1%)
+ Organic growth negatively affected by COVID-19

Other (+35%)
+ Effect of the acquisition of Euroklimat in Poland
− Organic growth negatively affected by COVID-19

* Data for all ESCO entities correspond to estimated figures January to December 2019, adjusted for specific effects; Globally, they are indicative values aimed to illustrate the size of the ESCO portfolio and its future growth.

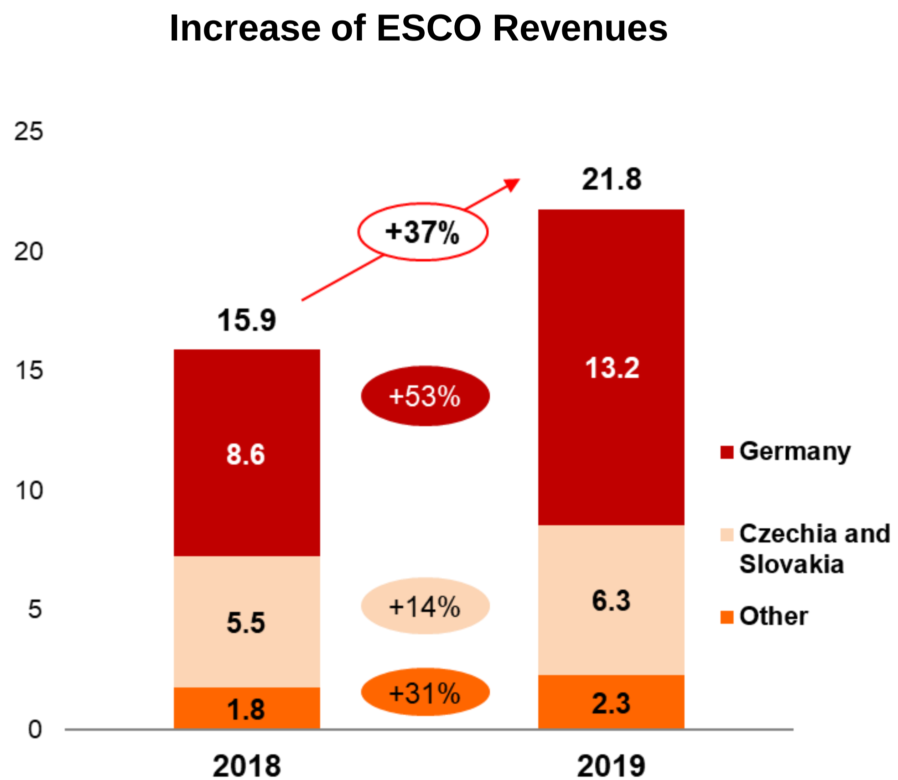
IN 2019 ESCO REVENUES GREW BY 37% TO ALMOST CZK 22 BN THANKS TO BOTH ORGANIC GROWTH AND ACQUISITIONS

Czechia and Slovakia

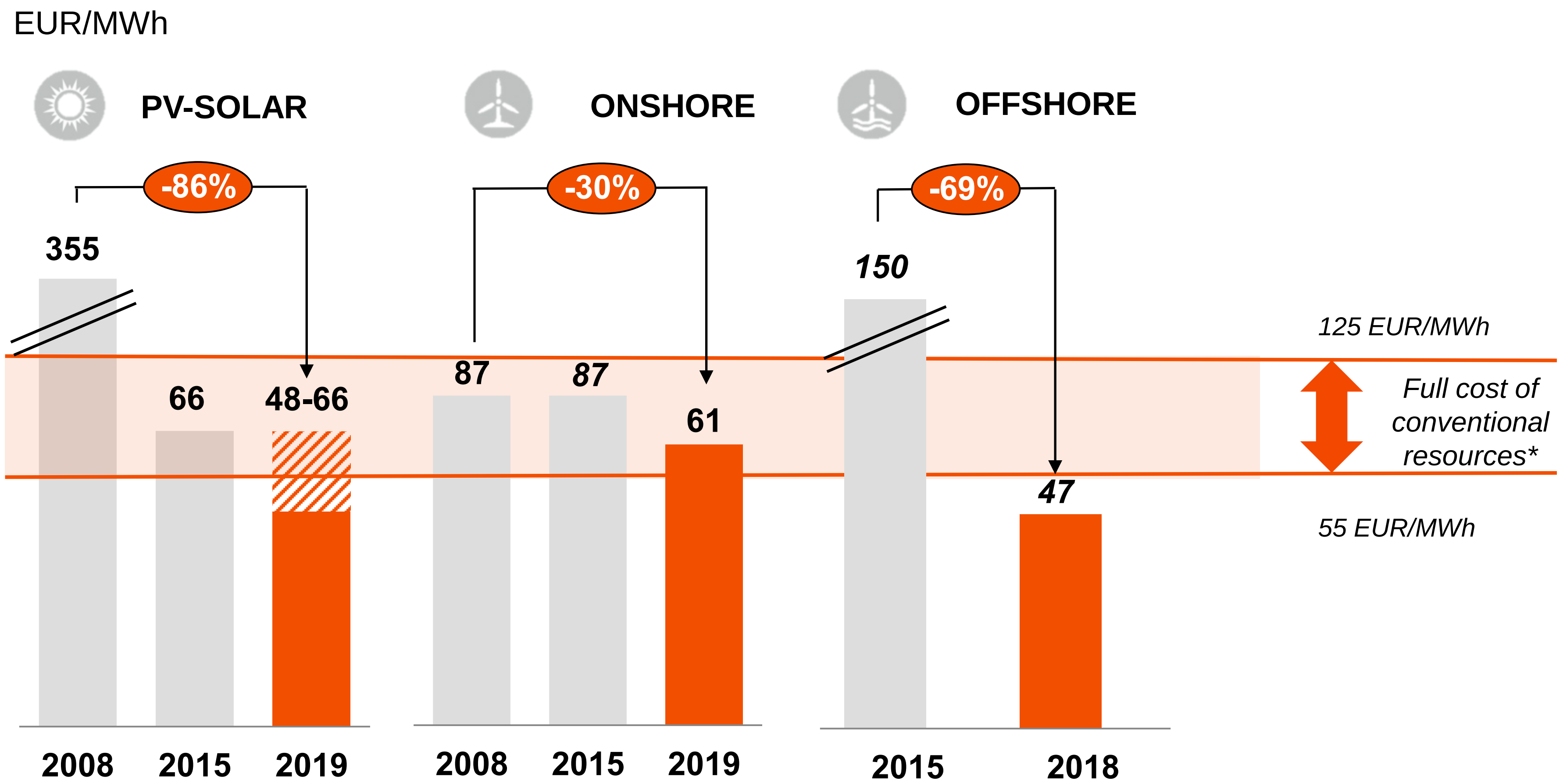
- **The ESCO Group acquired a** 51% share in the Slovak company **e-Dome**, and a 100% share in the Czech company **HA.EM OSTRAVA**.
- ESCO CR and SR now includes **16** subsidiaries with **1,900 employees**.
- In the **5 years** of activity the group supplied **21 thousand** orders.
- ČEZ ESCO operates **132** co-generation units in **78** localities.

Abroad

- In Germany:
  - Elevion Group **acquired** a 100% share in **Hermos Group** and a 100% share in **En.plus, H & R Elektromontagen, FEA Automation, Detlef Walther, Kälteanlagenbau Schröder, GBM Gesellschaft für Büromanagement** and **Elektro-Technik-Pfisterer**,
  - Kofler Energies Group **acquired** a 100% share in **GWE**
- Kofler Energies Group **acquired** in Italy a 100% share in **SYNECO Group** and a 70% share in **BUDRIO**.
- In Poland a 76% share was acquired in the Polish company **Euroklimat**.
- **In Germany** ESCO provides services through its **3,000 employees**.
- In **Poland** and **Romania** CEZ Group employs **600 people**.



CEZ INTENDS TO EXPAND ITS INVOLVEMENT IN RENEWABLES, WHICH ARE ALREADY COMPETITIVE WITH CONVENTIONAL GENERATION



 * Source: BNEF

CEZ SUSSESFULLY OPERATES WIND FARMS IN ROMANIA AND GERMANY, IT HAS SIGNIFICANT PIPELINE ALSO IN FRANCE

Romania (sold to MIRA)

- The largest European on-shore wind park - **600 MW** operated since 2010.
- Operating support in the form of green certificates for 15 years

Germany

- **133.5 MW** operated since 2016, operating support in the form of a 20-year feed-in tariff with average 89 EUR/MWh (flat)

Pipeline in France and Germany

- Stakes in projects with a potential installed capacity of up to **419 MW** acquired in Germany and France. The projects will participate in the auctions and are expected to be operational in 2022-2028

CEZ operates 742 MW of wind farms and has additional pipeline of 419 MW
CEZ expects to develop the pipeline to „ready-to-build" phase and then decide if to sell or construct and operate them

* Including wind capacity in Czechia 8.2 MW

NEW OPPORTUNITIES IN RENEWABLES ARE EMERGING IN THE CZECH REPUBLIC

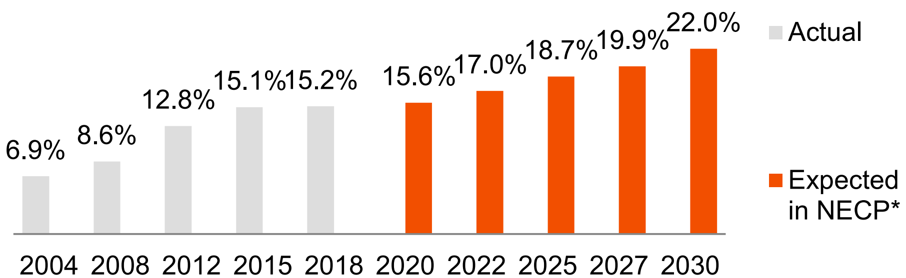
- Czech **climate and energy plan envisages significant increase in the targeted share of production from renewables from 13.0% in 2020 to 22% in 2030.**
- Establishment of **Modernization Fund was approved by Czech parliament** in December 2019**. The fund should provide investment subsidies for renewables**, energy efficiency and emission reductions. The specific rules should be drafted by Ministry of Environment.

CEZ aims to remain leader in the Czech Republic also in the renewables segment

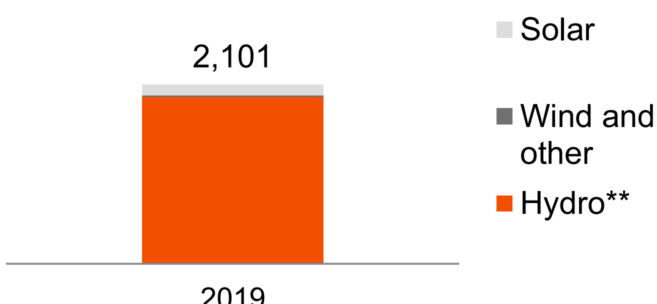
Competitive advantages

- deep knowledge of the market and construction process regulations
- ownership of land suitable for first renewable projects

Share of renewables on energy consumption in Czech R.



CEZ capacity in renewables in Czechia in MW



 * NECP=National Energy and Climate Plan of Czech Republic **Out of that 1170MW pumped storage

NEW ENERGY SECTOR:
SELECTED EVENTS

Renewable Generation

- Decrease of equity by the Romanian companies Tomis Team S.A. and Ovidiu Development S.R.L. on Dec 13, 2019 resulted in the capital return to the shareholders of the companies. CEZ received a cash amount of CZK 2.5 bn.

Energy Storage – Large-Capacity Battery at Tušimice Launched

- Dec 13, 2019 - a large-scale battery system for energy storage and testing of various modes of ancillary service provision for the Czech grid (including but not limited to primary regulation of frequency) was launched
- Installed capacity 4 MW, storage capacity 2.8 MWh, life expectancy minimum ten years
- Connection en bloc with the existing 200 MW turbo generator of Tušimice II PP certified for provision of frequency regulation is an advantage
- The implementation was based on a joint research project of CEZ and ČEPS

Investment fund Inven Capital

Sale of stakes

sonnen
- A battery system manufacturer; this was the first sold investment of the fund; the selling price was about two times the purchase price.

CYBERX
- An Israeli company providing comprehensive solutions for industrial cybersecurity. A minority share was sold to Microsoft after 15 months since purchase

Recent investments

Neuron soundware
- A Czech technological company, which developed a complex solution of sound analysis enabling predictions of machine failures

ZOLAR
- A German company, whose online configurator enables to purchase photovoltaic panels with battery according to customers specifications via Internet; it also installs this equipment through external companies, which are consolidated to its digital platform

vulog
- Convertible loan provided to existing VULOG company (loan can be converted to higher investment in the company)

AGENDA

THANKS TO HEDGING IN GENERATION, A NEGATIVE IMPACT OF COVID-19 ON CEZ'S RESULTS WILL BE CZK 3 BN THIS YEAR

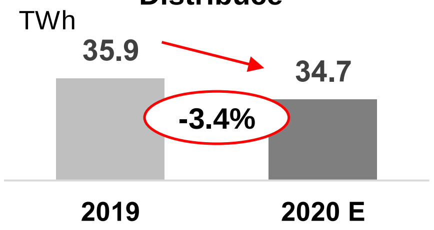
We estimate the total negative effect of COVID-19 on CEZ Group's 2020 EBITDA at approx. CZK 3 bn, including CZK 2 bn in Sales and Distribution segments and CZK 1 bn in Generation—Traditional Energy and Mining segments.

Effect of COVID-19 on CEZ Group:

- Reduced consumption negatively affects especially the customer segments (Sales/ESCO and Distribution) and indirectly also generation and mining. The economic slowdown will restrict corporate customers' capital expenditure and ESCO contracts more so.
- Moreover, overall uncertainty in the market brings about postponements of development acquisitions and new ESCO investments.
- The global nature of the COVID-19 crisis results in declining prices of energy commodities, and thus declining prices of electricity, which has a negative effect on the generation and mining segments. This negative trend will manifest itself especially in the next years (generation revenue was largely hedged for 2020).
- The ever more important "Green Deal" in the EU has resulted in a significant increase in the price of emission allowances, which further intensifies the negative effect on coal-fired power plants and mining.
- All of the above has resulted in a lower estimate of the 2021 profit and a worse outlook for the business plan in the next years.

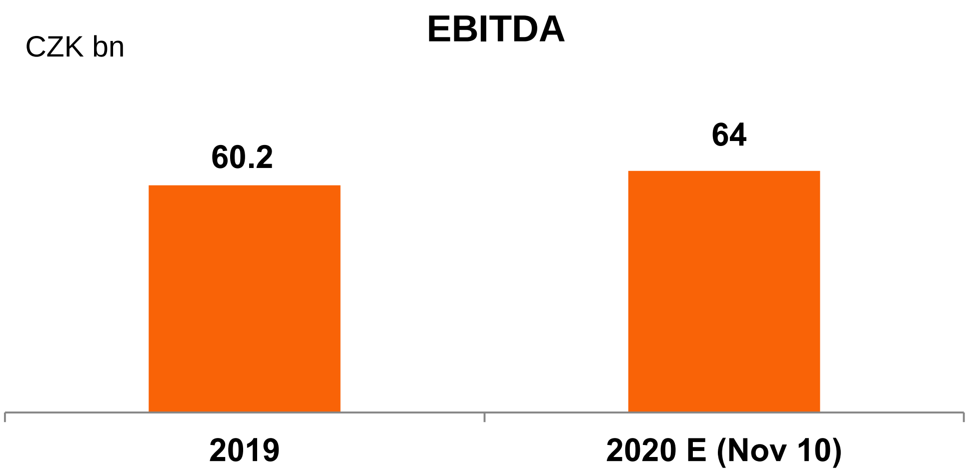
- The COVID-19 pandemic together with the EU's ambitions under the "Green Deal" and increased CO_2 prices have triggered additions to fixed asset impairments in CEZ Group.
- Additions to asset impairments and goodwill write-off in Q1–Q3 2020 amount to CZK 5.7 bn.

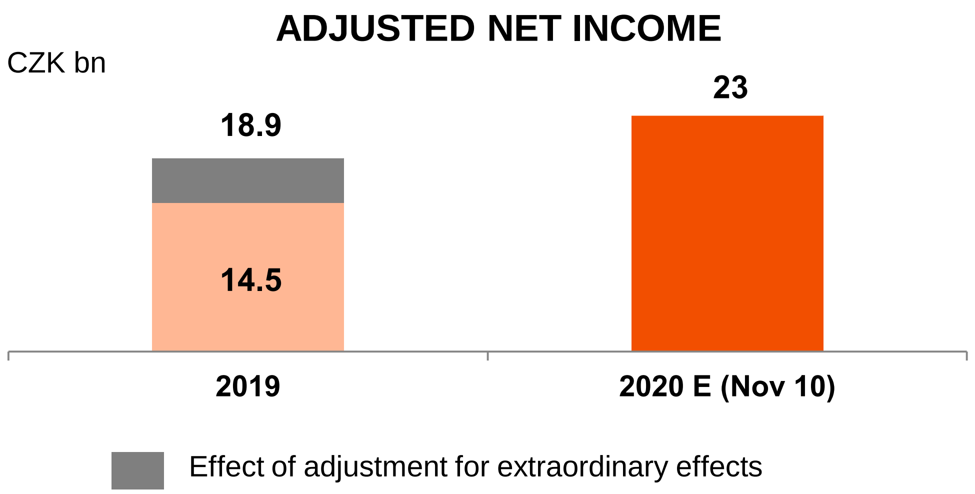
Electricity Consumption in the Distribution Area of ČEZ Distribuce*



* ČEZ Distribuce's distribution area covers about 5/8 of Czechia.

FINANCIAL OUTLOOK FOR 2020:
EBITDA ESTIMATED AT CZK 64 BN, ADJUSTED NET INCOME AT CZK 23 BN





Selected reasons for refining the financial outlook as compared to the outlook from Aug 11, 2020:

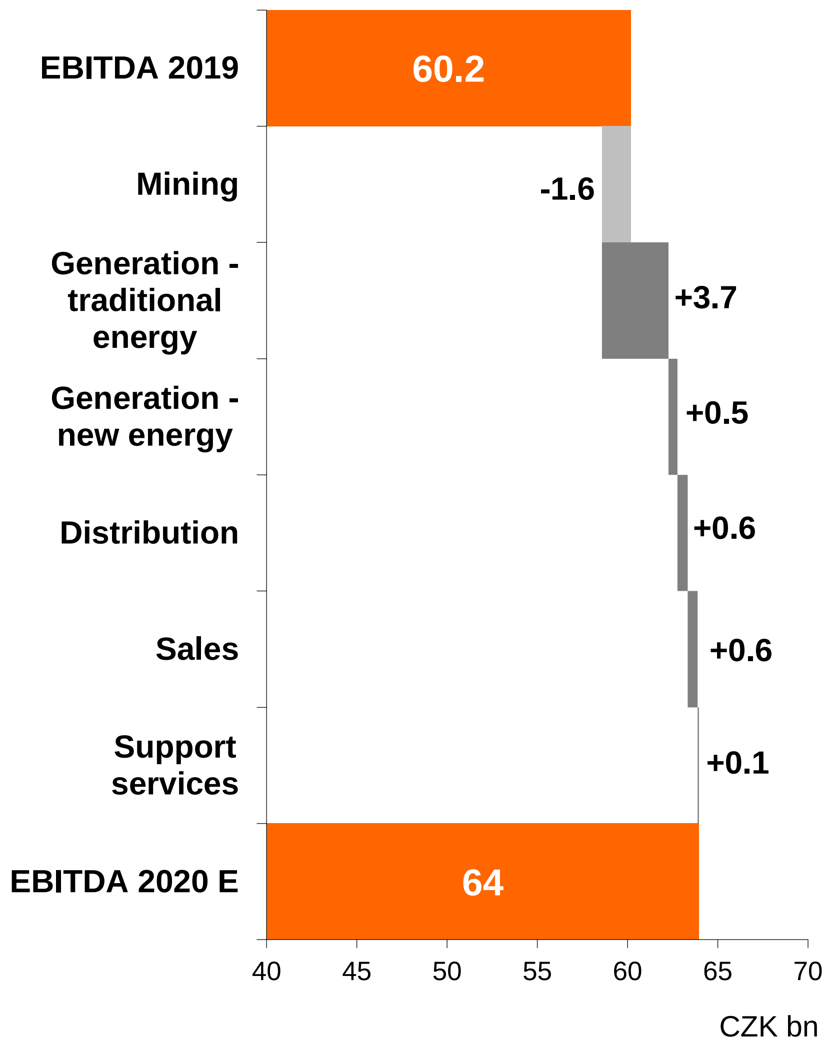
- Lower negative impact of COVID-19 on the Distribution segment
- Higher revenues from commodity trading
- Higher revenues from ancillary services
- Higher gross margin on electricity sales
- Greater negative impact of COVID-19 on the ESCO business

Selected prediction risks and opportunities:

- Availability of generating facilities
- Profit from commodity trading and revaluation of derivatives
- COVID-19 impacts

The effect of the contracts made for the sale of Romanian assets on net income in Q4 2020 will be subject to adjustment according to the definition of the Adjusted Net Income indicator. These are nonrecurrent extraordinary effects without any effect on cash flows in 2020.

ESTIMATED YEAR-ON-YEAR CHANGE IN EBITDA BY BUSINESS SEGMENT



Mining (CZK -1.5 to -1.7 bn)

- Lower sales of coal for CEZ power plants (as a result of increased prices of emission allowances and lower electricity prices due to COVID-19 and outages) and due to lower customer demand outside CEZ Group

Generation—Traditional Energy (CZK +3.2 to +4.2 bn)

- Higher realization prices of generated electricity, including hedging
- Additional gains from German hedge contracts for deliveries from generation in Czechia in 2020 to 2025
- Higher expenses on emission allowances for generation
- Lower profit from commodity trading (as compared to exceptionally good results in 2019, especially in Q4 2019)
- Lower revenues from ancillary services

Generation—New Energy (CZK +0.4 to +0.6 bn)

- Higher amount of generation and higher electricity prices in Romania

Distribution (CZK +0.4 to +0.8 bn)

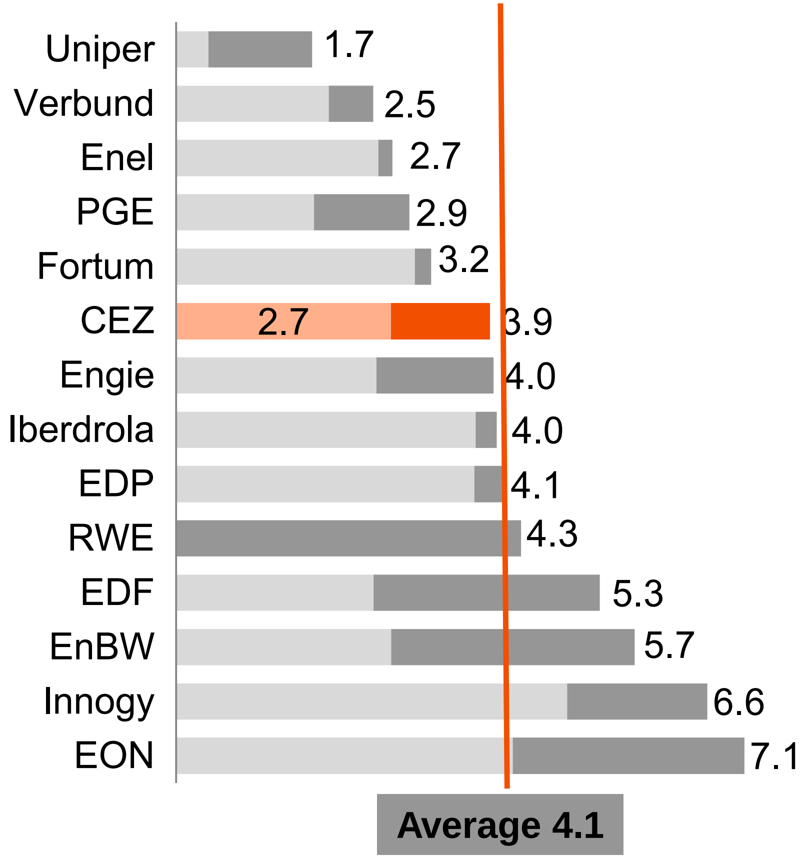
- Lower costs to cover network losses
- Higher tariffs in Bulgaria and Romania
- Lower amount of distributed electricity, -1.7 TWh (COVID-19)

Sales (CZK +0.4 to +1.0 bn)

- Negative impact of the court's decision on the results of 2019 on the basis of which the fulfilment of SŽDC‘s liability to ČEZ Prodej from 2010 (+CZK 1.3 bn) was returned in 2019
- Negative impact of COVID-19 on ESCO services

CEZ TARGETS ITS LEVERAGE RATIO OF NET FINANCIAL DEBT/EBITDA BETWEEN 2.5x AND 3.0x

Net economic debt/ EBITDA*
2019



Current credit rating

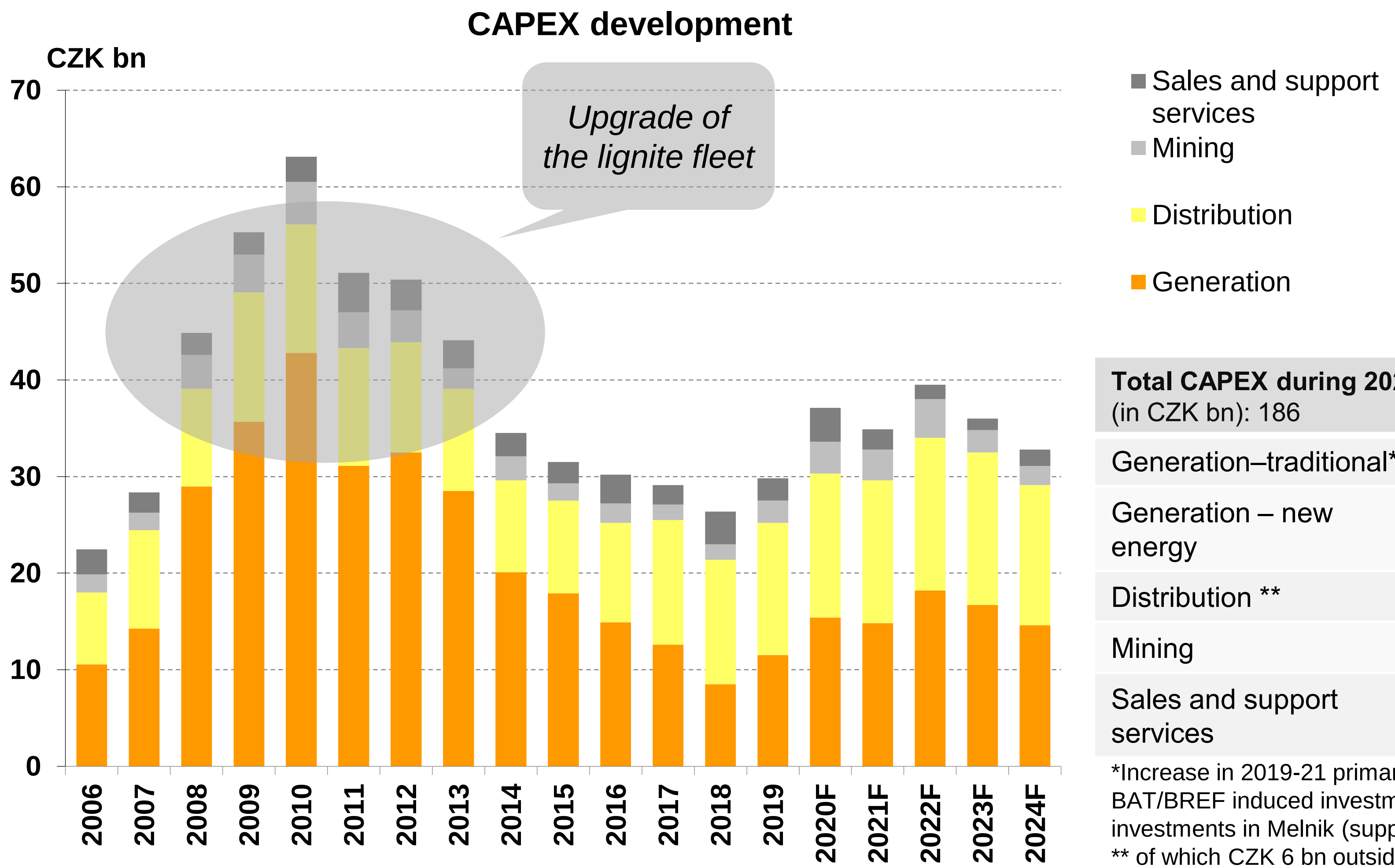
- A-, stable outlook from S&P
- Baa1, stable outlook from Moody's

Tolerated leverage

- net financial debt/EBITDA ratio at 2.5-3.0x

*EBITDA as reported by companies, ** Net economic debt = net financial debt + net nuclear provisions + provisions for employee pensions + net reclamation provision

AVERAGE CAPEX IN 2020-24 IS ANTICIPATED AT CZK 37 BN A YEAR

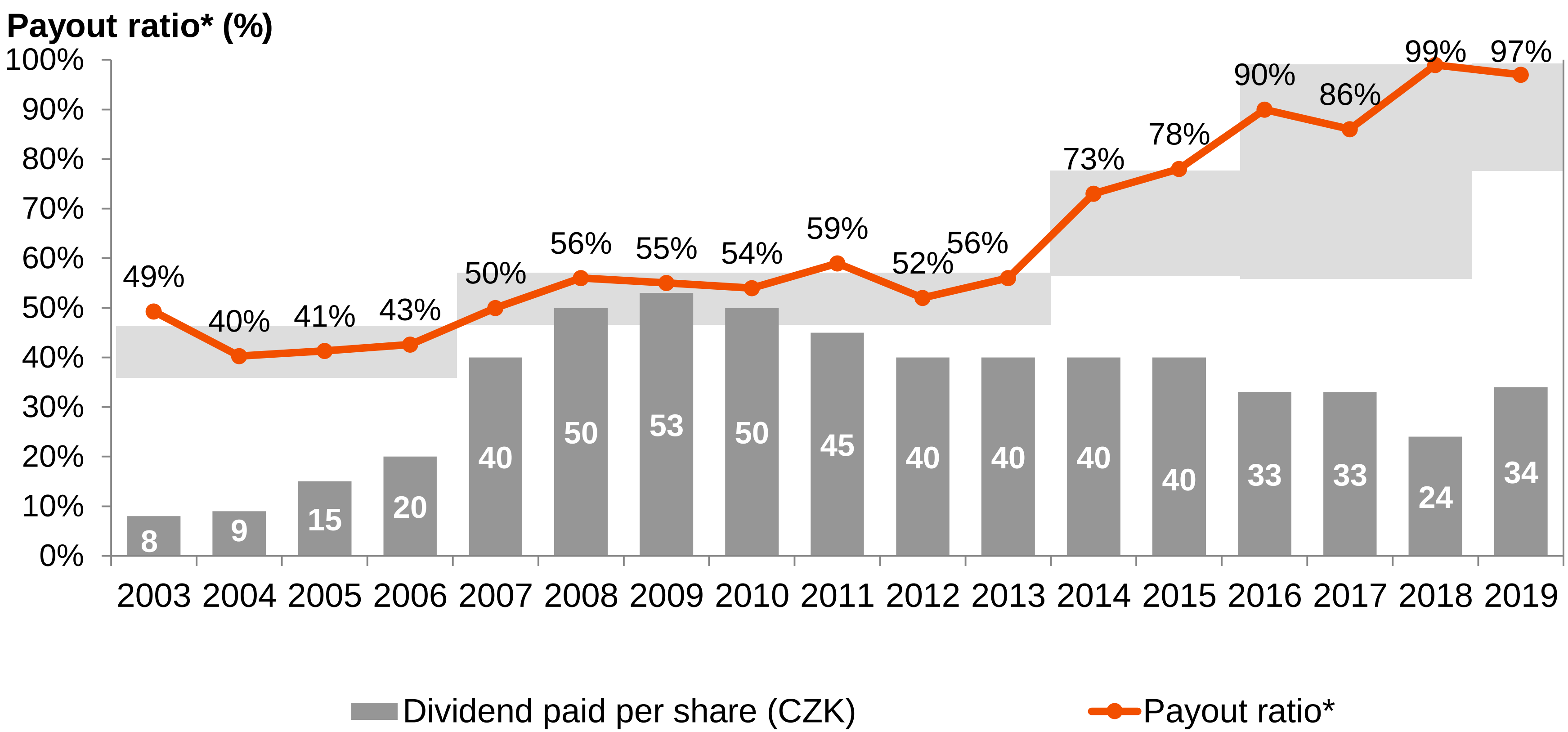


Total CAPEX during 2020-2024 (in CZK bn): 186	
Generation–traditional*	74
Generation – new energy	6
Distribution **	76
Mining	15
Sales and support services	15

*Increase in 2019-21 primarily given by BAT/BREF induced investments and investments in Melnik (supply of heat to Prague)
** of which CZK 6 bn outside Czech Rep., excludes Bulgaria from 2020

DIVIDEND POLICY IS TO DISTRIBUTE 80 – 100 % OF ADJUSTED NET INCOME

- On May 27, 2019 Board of Directors approved **dividend policy of 80-100% payout** of consolidated net income adjusted for extraordinary items.
- AGM, which was held on June 29, 2020 approved the dividend from **2019 profit at CZK 34 per share.**



* As percentage of adjusted net income

AGENDA

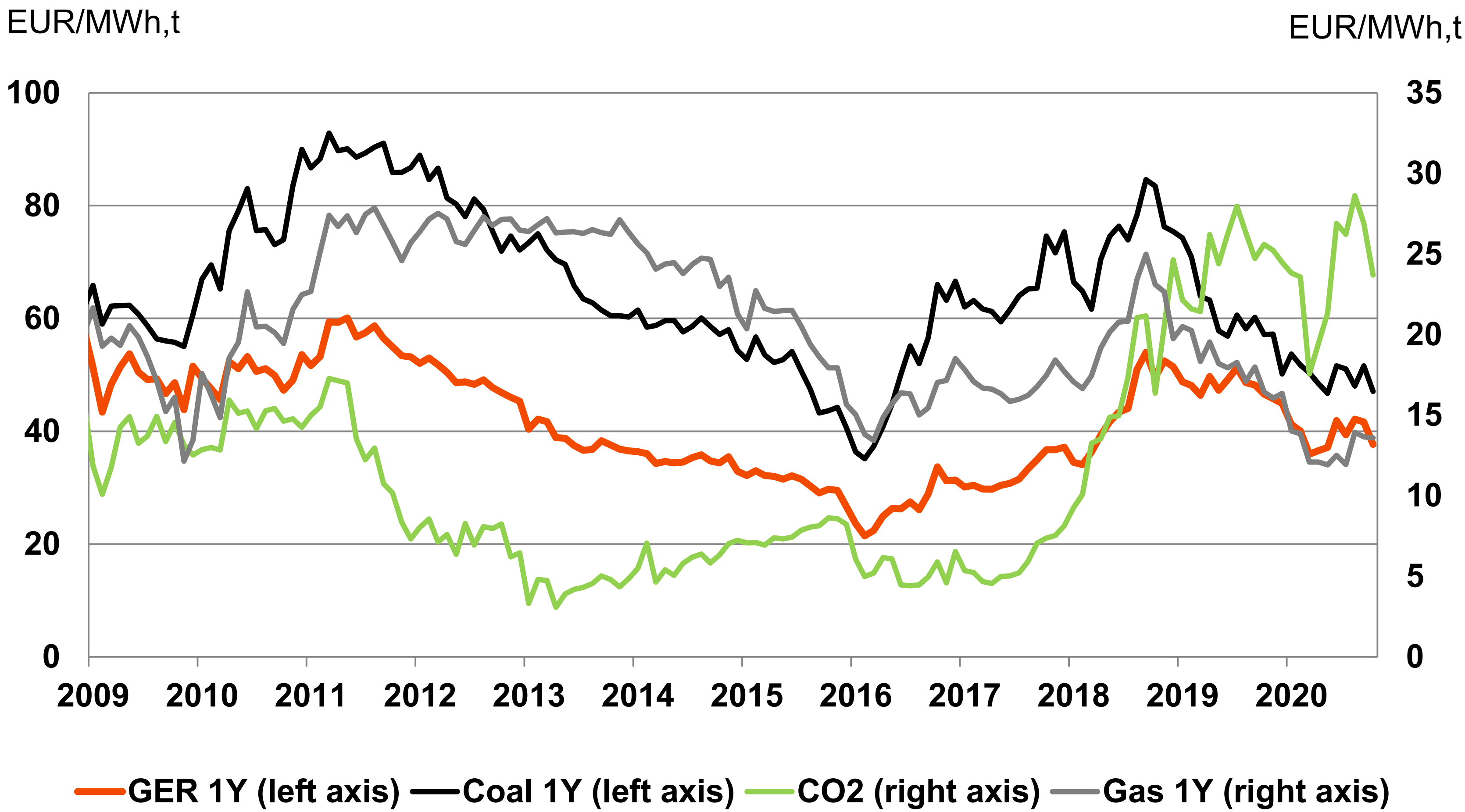
SUMMARY AND INVESTMENT HIGHLIGHS

- **CEZ is operating renewed low cost and profitable generation fleet**
  - CEZ is positioned for upsides in profitability due to high CO2 and/or hard coal prices
  - CEZ's strategic priority is to maintain efficient operations, optimal utilization and development of generation portfolio
  - CEZ has measures in place to maintain nuclear (CO_2 free) output at and above 31 TWh
  - As part of CEZ's sustainable development strategy "Energy for the Future", CEZ is committed to become carbon neutral by 2050*
- **CEZ expands energy services offering, distributed energy and renewables in Central/Western Europe**
  - CEZ is increasing its investments into distribution
  - CEZ aims to become a leading player in energy efficiency solutions
  - CEZ wants to grow its presence in domestic renewables
- **Financial summary**
  - Dividend at CZK 34 per share from 2019 earnings, i.e. 97% of adjusted net income. Dividend policy: 80-100% payout ratio
  - Strong Credit Rating and Leverage target of Net Financial Debt/EBITDA between 2.5x and 3.0x

 * Scope 1 and Scope 2 emissions

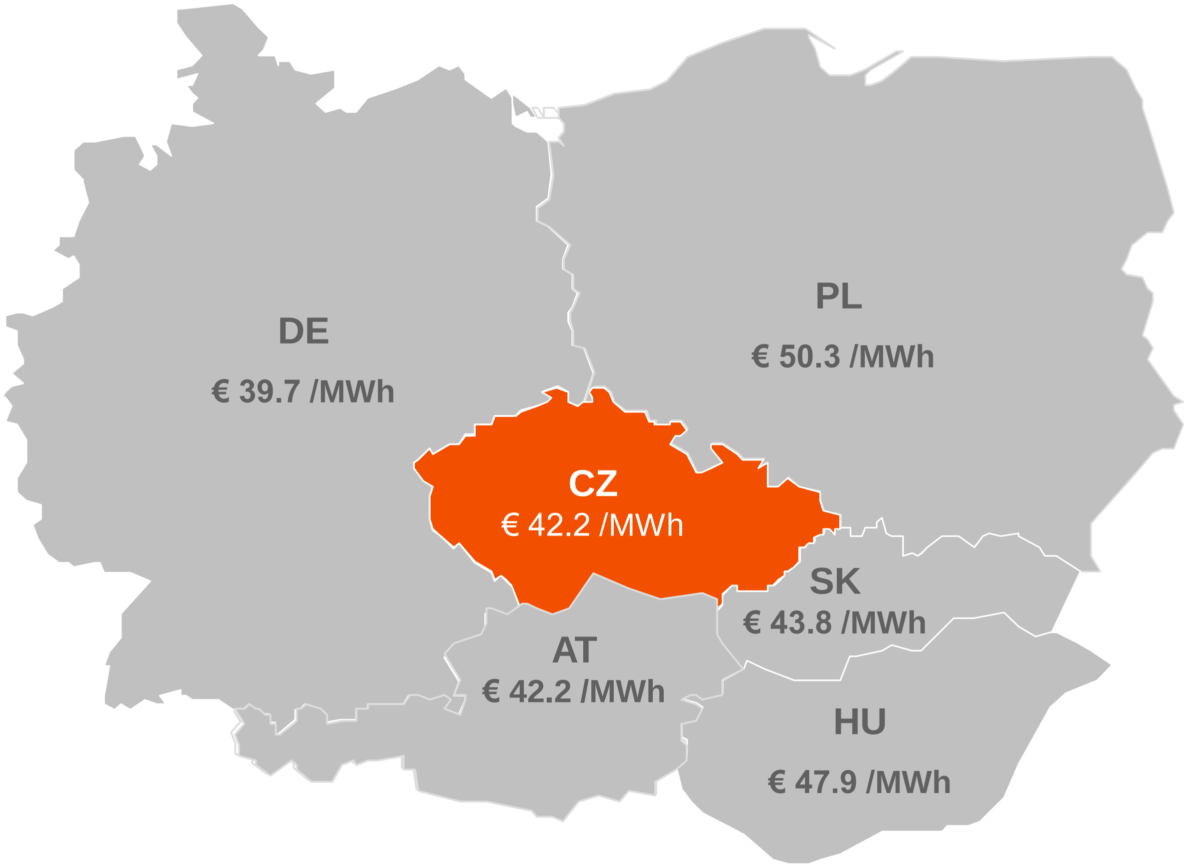
AGENDA

HISTORICAL DEVELOPMENT OF PRICES OF INPUT COMMODITIES



Note: year ahead baseload deliveries, CO2 – Dec delivery

ELECTRICITY MARKETS IN THE REGION ARE INTEGRATED, CEZ CAN SELL ITS POWER ABROAD

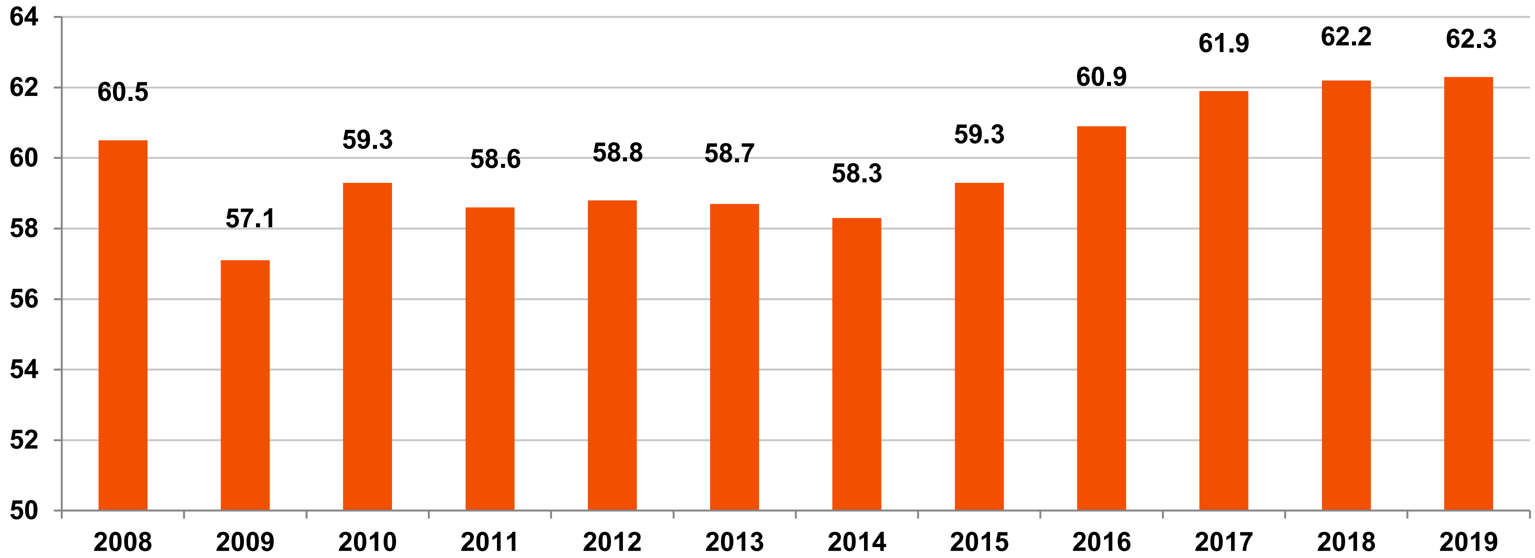


Source: EEX, PXE, TGE

 Note: Prices for 2021 baseload – as of Nov 24, 2020

CZECH ELECTRICITY DEMAND GREW BY 0.1% IN 2019

Net electricity consumption in the Czech Republic (TWh)

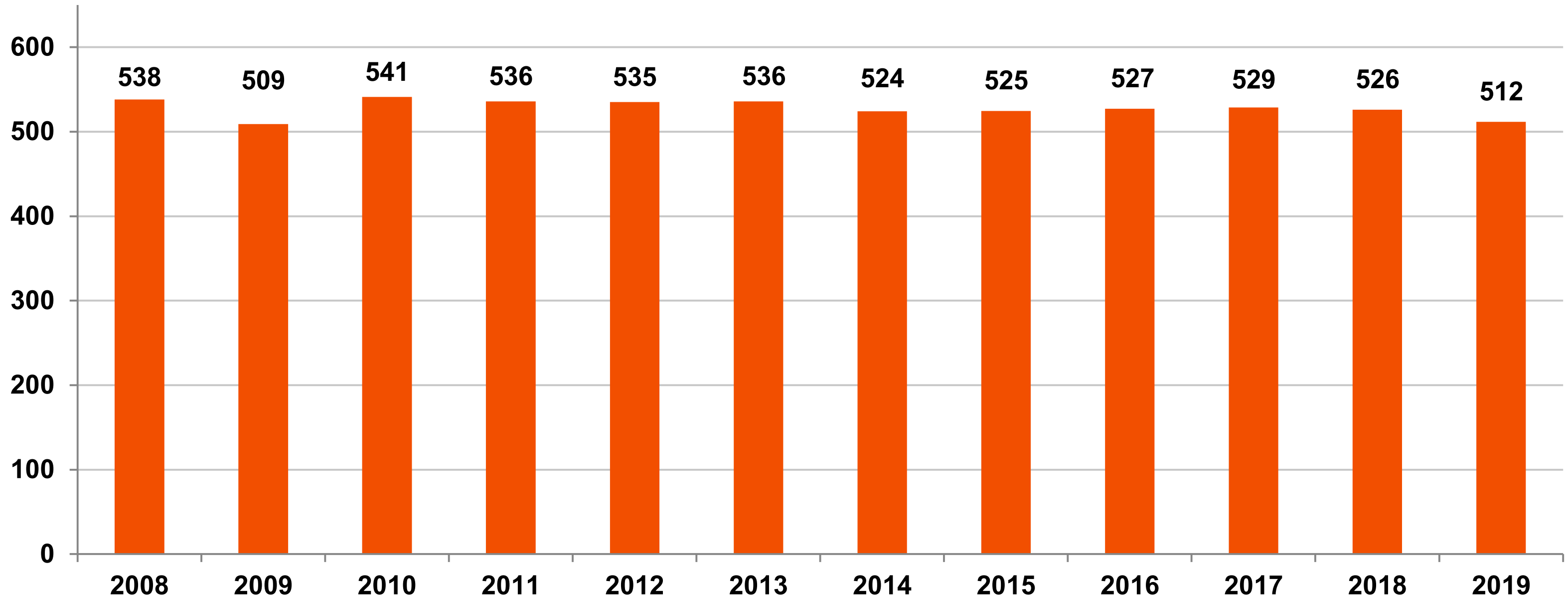


- **Consumption** in the Czech Republic grew **0.1% in 2019**, of which:
  - \- 1.1% large industrial companies
  - \+ 1.4% households
  - \- 0.5% small businesses
- **Consumption** in the distribution area of CEZ Distribuce* decreased by 0.3%
  - **-** 1.3% large industrial companies
  - \+ 1.8% households
  - \+ 0.0% small businesses

 Source: CEZ, ERU *5/8 of the Czech Republic

INDUSTRY WAS THE MAIN CAUSE FOR DECREASE OF GERMAN ELECTRICITY DEMAND IN 2019

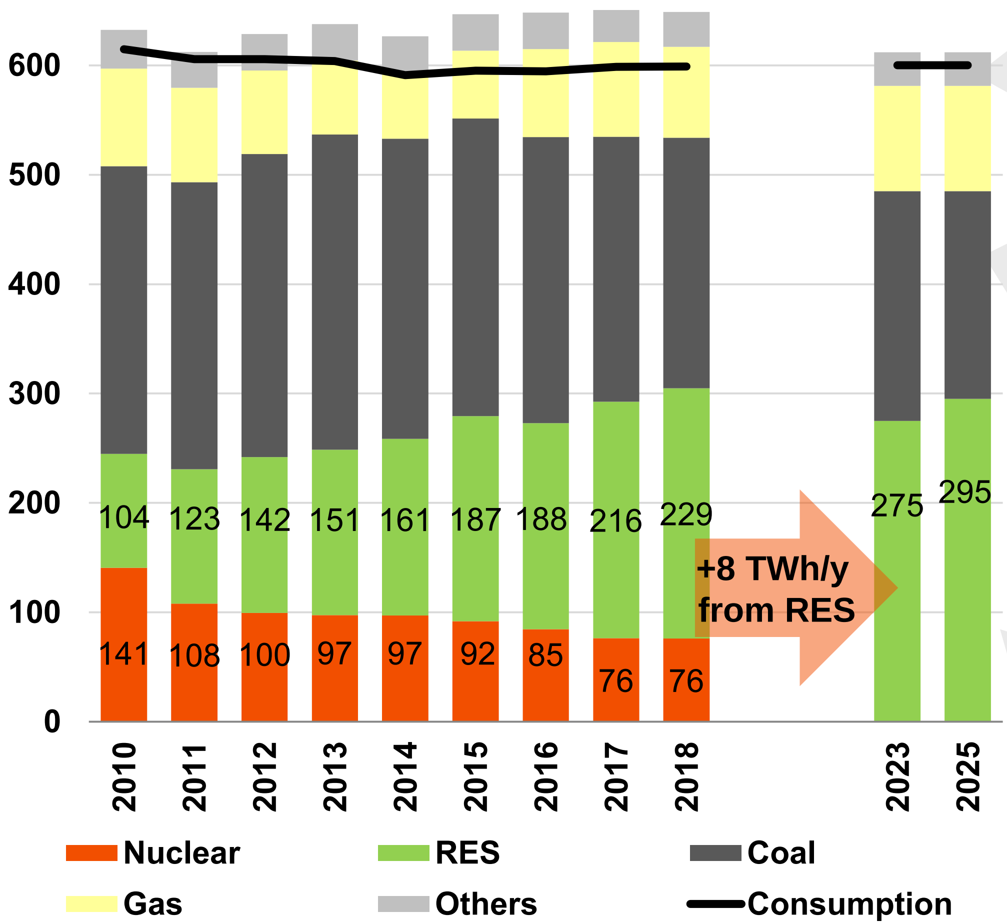
Net electricity consumption in the Germany (TWh)



- **Net electricity consumption** in Germany has **decreased by 2.7 % in 2019 of which:**
  - \- 5.5% industry
  - \- 0.9% households
  - +0.0% trade, small businesses, public institutions and agriculture

RENEWABLE GENERATION GROWTH IN GERMANY WILL OFFSET PLANNED PHASE OUT OF GERMAN NUCLEAR AND COAL POWER PLANTS BY 2023...

Electricity energy balance in Germany
TWh/year, brutto



German consumption

- Long term stagnation
- Potential decrease due to Energy Efficiency Directive
- Most likely low support from EV; 2022 target: 1m cars ~ 2.5 TWh/year

German supply (2023 vs 2010)

- **Nuclear power plants phase out (Atomausstieg) :** –141 TWh from Nuclear
- **Energiewende :** +170 TWh from RES
- **Coal phase-out :** Germany plans to reduce coal capacity by ~ 9 GW to 30 GW in 2022, but coal generation should remain more or less stable until 2023 due to sufficient spare coal capacity

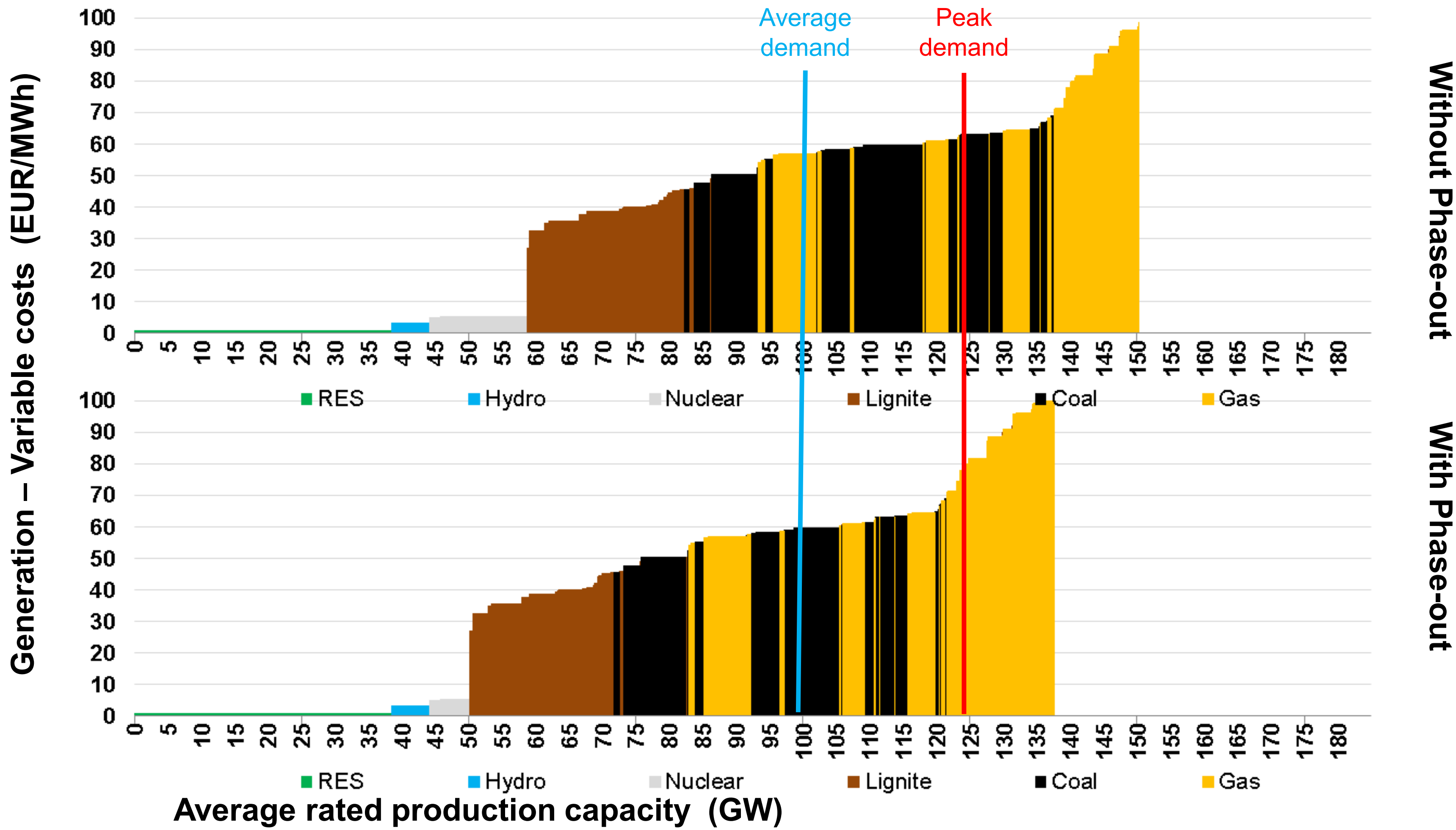
After 2023

- **Growth of RES volumes** based on plan. Annually displaces 1000 MW of coal from the market
- Germany aims at reducing its black- and brown-coal capacity to **30 GW** in **2022**, **17 GW** in **2030** and **phase out all its coal capacity** by **2038**

 Source: www.ag-energiebilanzen.de, and internal CEZ analyses, note: brutto values

…AND PRICE UPSIDE FROM THE GERMAN'S COAL AND NUCLEAR PHASE OUT MIGHT BE EXPECTED…

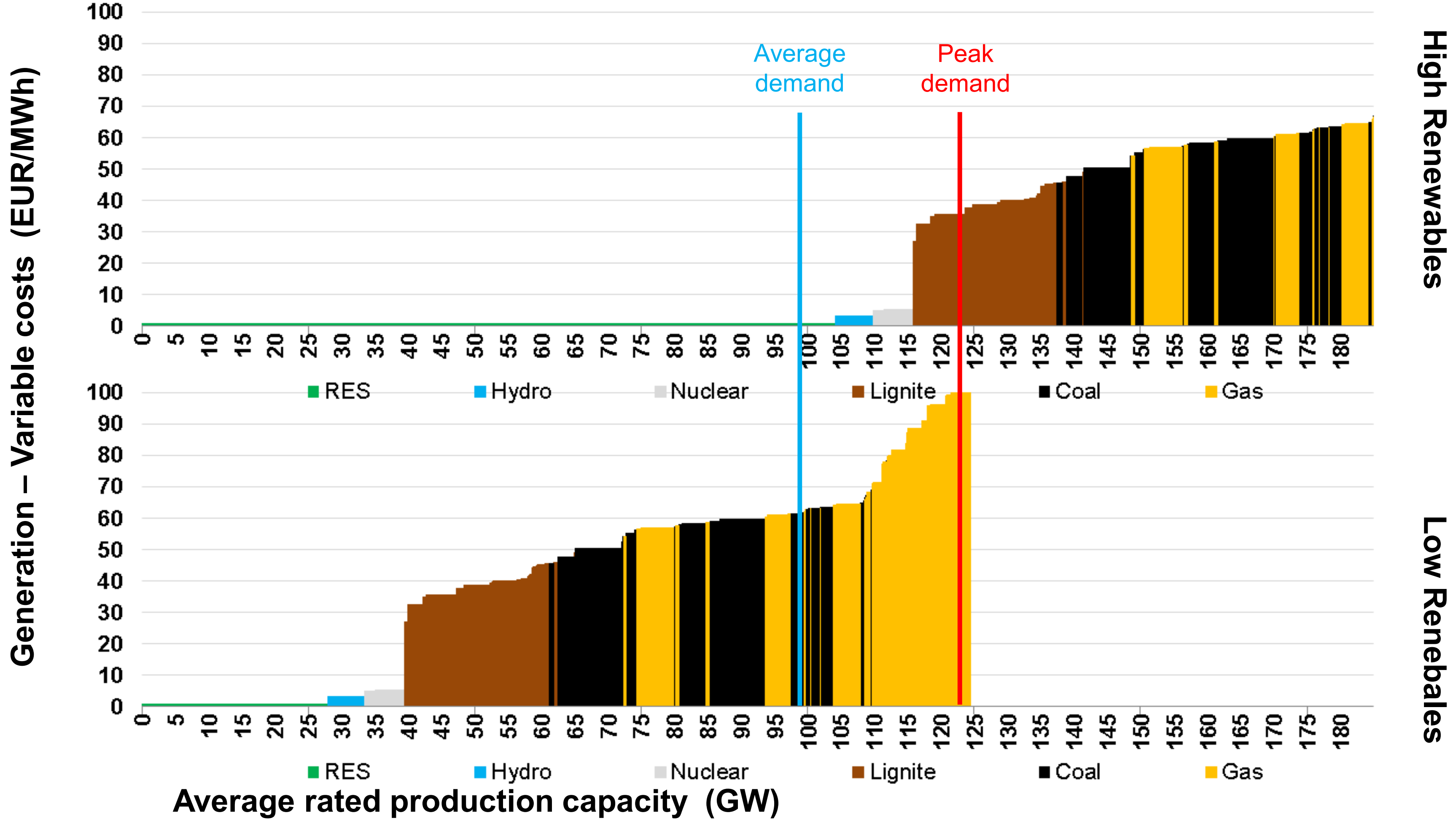
Illustrative cost curve for Central Europe 2023 with and without phase outs



*Commodity assumptions (2023): Coal 65 EUR/t, Gas 18 EUR/MWh, CO2 28 EUR/t, Peak demand equals sum of 95th percentile of hourly demands.

… RENEWABLES WILL BRING MORE VOLATILITY INTO THE MARKET

Illustrative cost curves for Central Europe 2023



*Rated capacity (High/Low): Renewables 60%/10% of Installed capacity, Other sources – annual average. Peak demand equals sum of 95th percentile of hourly demands

THE CLIMATE TARGETS IN EUROPE ARE BECOMMING MORE AND MORE AMBITIOUS

	2020	2030 (current targets)*	2030 (new EC proposal)
Reduction of greenhouse gas emissions from the 1990 baseline	**20%** ▪ **Binding EU-wide** target ▪ Partial target for EU ETS: 21% reduction from 2005 levels by 2020	**At least 40%** ▪ **Binding EU-wide** target ▪ Can be reached as a side effect while going for the other two targets	**55%** ▪ European Parliament requests 60%
RES share in total final energy consumption**	**20%** ▪ **Binding national** target ▪ Initially supported mainly through feed-in tariffs, auctions since 2017	**At least 32%** ▪ **Binding EU-wide target** ▪ Fulfillment in electricity, heat, and transportation ▪ RES electricity in the EU should grow to 55% (from 34% in 2020)	**38–39%** ▪ 55% decarbonization according to scenarios, actual proposal in June 2021 ▪ **63–65%** share of RES **in electricity**
Energy savings (EED)* as compared to 2007 predictions**	**20%** ▪ **Indicative national** target ▪ Mandatory energy-saving measures in final consumption	**At least 32.5%** ▪ **Indicative EU-wide target** ▪ **Binding annual savings of 0.8% of final** energy **consumption at national level** ▪ For Czechia, both targets require similar reduction in consumption (about 30%) by 2030 ****	**39–40%** ▪ Primary energy consumption savings, actual proposal in June 2021 ▪ The target corresponds to **36–37% savings** at final energy consumption level

Implications for CEZ Group

- Potential for increased emission allowance prices and thus **higher generation margin** by virtue of low CO_2 emission factor
- Further potential for **ESCO development** (as a result of pressure on energy savings) and **RES development**

*The 2030 targets will be revised based on the Green Deal; **RES: applicable to all kinds of energy, not just electricity; ***EED—Energy Efficiency Directive;
****NCEP sent to Brussels anticipates Czech savings of 30.2%

HUGE FINANCIAL ASSISTANCE FOR SPECIFIC GREEN INVESTMENTS PREPARED IN THE EU IN LINE WITH THE "GREEN DEAL"

Fixed funds allocated at EU level *

- **EU budget for 2021–2027 totaling EUR 1,074 bn** earmarked for operational programs, common agricultural policy, and EU functioning.
- **"Next Generation EU" recovery plan: EUR 750 bn** (390 bn grants and 360 bn loans), of which **EUR 672.5 bn** is earmarked for member states under a "*Recovery and Resilience Plan.*" Funds will be allocated in **2021–2023**. Related reforms and investments must be carried out by 2026.
- At least **30%** of the total EU funds (amounting to EUR 1,824 bn, see above) **must be spent** on **climate-related projects**.
- Total **potential for funds for Czechia** in the next 7 years exceeds **EUR 50 bn**. Of that, approx. EUR 27 bn is allocation from the EU budget, approx. EUR 9 bn is estimated to come from recovery plan grants, and approx. EUR 15 bn from recovery plan loans.

EU ETS funds, income from emission allowances

- **Modernization fund** of tens of bn of EUR (approx. **EUR 5 bn** for Czechia) for RES, efficiency, storage, …
- **Innovation fund**—more than **EUR 11 bn** at EU level for innovation in RES, CCS, storage, and industry.
- At least **50% of income from EUA auctions** earmarked for climate and energy expenditure.
- Potential increase in EUA price would mean further increase in these resources.

Sustainable Finance

- Financial market regulation
- In the first stage, technologies will be labeled as **sustainable/ temporarily unsustainable**.
- In the next stage, the financial market will be motivated **to prefer sustainable projects** over unsustainable.
- Green investments will be preferred in financial markets.
- A significant portion of banks/insurance companies already takes this criterion into account and restrict collaboration with entities planning to use coal.

* in 2018 prices

DIVESTITURES OF DISTRIBUTION, SALES AND GENERATION ASSETS EAST OF HOME MARKET ARE ONGOING

2019	Bulgarian assets (67% stake)	Romanian assets (100% stake)	Polish generation (100% stake)
2020 RAB (EUR m)	300	490	-
Installed capacity	-	600 MW wind 22 MW hydro	568 MW coal
Electricity generated/ distributed*	9.4 TWh	1.3 TWh/ 6.8 TWh	2.4 TWh
Number of sales customers (2018)	2.1 m	1.4 m	-
External revenues (CZK bn)**	18.3	16.4	4.9
EBITDA (CZK bn)	1.9	3.3	0.8
Net profit (CZK bn)	0.2 1)	1.0	-1.1 1)

Total contribution to CEZ Group (2019): CZK 6.0 bn EBITDA and CZK 39.4 bn revenues

Turkish assets are consolidated with equity method. CEZ owns 50% share in Akcez Enerji owner of distribution company SEDAŞ which distributed 9.7 TWh of electricity to 1.8million customers in 2018. CEZ also owns 38% share in Akenerji Elektrik Űretim which operates 1224 MW of capacity (904 MW gas, 292 MW hydro, 28 MW wind); it generated 3.9 TWh electricity in 2019.

*electricity distribution to end-customers ** intersegment revenues excluded

1) incl. –CZK -1.6 bn of impairments in Bulgaria, CZK -1.4 bn

DEVELOPMENT OF CEZ GROUP DIVESTMENT ACTIVITIES

POČERADY COAL-FIRED POWER STATION – To Be Transferred to Vršanská uhelná as at Dec 31, 2020

- Power plant is expected to be transferred on Dec 31, 2020 for CZK 2.5bn, conditional on the Czech competition authority's approval.
- An existing take-or-pay obligation for 5 million tons/year of coal has been terminated. CEZ will buy 5 TWh of electricity per year for a fixed price during 2021-23. All of ČEZ's hedge contracts for the purchase of emission allowances and sales of electricity from the power plant's expected production in 2021–2023 are still owned by ČEZ and are not included in the transaction.

ROMANIA—Sold to London-based Infrastructure Investor Macquarie Infrastructure and Real Assets

- On Oct 22, 2020, CEZ signed SPA with the winning bidder. The assets sold comprise of a distribution company, a sales company, the Fântânele and Cogealac wind parks, four small hydroelectric power plants, and service company CEZ Romania.
- The transaction is subject to approval by the EU's Directorate-General for Competition and will also be debated by Romania's Supreme Council of National Defense (CSAT). The transaction is expected to be settled during 2021.

BULGARIA—Commission for Protection of Competition Approves the Sale of Assets to Eurohold

- The agreement on the purchase of Bulgarian assets with Eurohold concluded on June 20, 2019 remains in force.
- The Commission for Protection of Competition approved the sale of CEZ Group's Bulgarian assets to Eurohold at its meeting held on Oct 29, 2020. The transaction is now subject to approval by the Bulgarian energy regulatory authority.

POLAND—Process of Selling Coal-Fired Assets Started

- On Sep 16, 2020, the process of selling Polish coal-fired assets (the Chorzów and Skawina power plants) and other Polish companies, except for ESCO companies, was started by publishing a request for expression of interest, to be submitted by Sep 29, 2020. The request resulted in 14 expressions of interest from potential investors.
- A standard compliance check of the prospective bidders was carried out in October and the first round of the selling process was then started, which will end in the submission and evaluation of indicative offers. The deadline for submitting indicative offers is Dec 7, 2020.
- The sale of Polish wind projects in the development phase continues. The sale of the Krasin and Sakówko projects was completed in Q2 of this year; we expect to sell the remaining 4 projects by the end of 2020.

PROJECT OF NEW NUCLEAR - BUSINESS MODEL AND TIMELINE (1/2)

At its meeting held on July 27, 2020 the **Czech government** approved a proposal of a bill on measures for transition to low-carbon energy, with the aim of allowing the state to make **an order for the construction of a nuclear power plant with a firm deadline for the commissioning of the new unit, volume of generation, and purchase price. The bill would also enable the state to provide partial financing through** the loan with 0% interest during construction and at least 2% during operations. The bill was passed on to the parliament for discussion.

On July 28th, government signed with CEZ **a framework agreement** that will regulate general terms and conditions for the preparation of construction and **an implementation contract for the 1st phase**.

The whole **framework is subject to approval by the European Commission** from State Aid rules perspective.

	2020	2024-25	2029-32	2036-38
Business model selection	EPC contractor selection	Construction permit and final notice to proceed	Construction phase	New nuclear unit operational

Framework agreement

1st phase contract

Off-take agreement – May include arrangements contemplated for agreements over phases 2-4 *

- EIA (2019)
- Permit for the siting of nuclear installation
- Zoning permit
- EPC tender

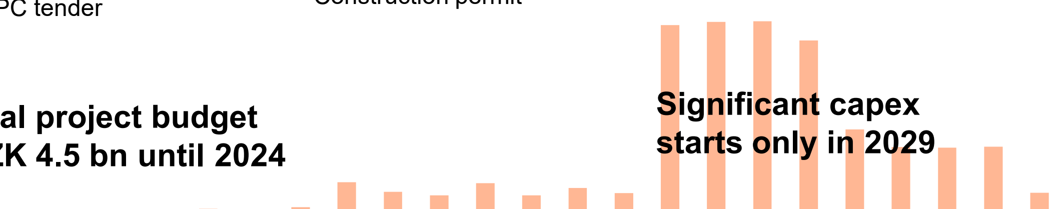
- Engineering
- Nuclear licenses
- Site permit
- Construction permit

- Construction
- Commissioning

- Operation

Anticipated CAPEX

Total project budget CZK 4.5 bn until 2024



* Alternatively implementation contracts for phases 2-4 could be agreed instead of an off-take contract.

PROJECT OF NEW NUCLEAR – KEY PRINCIPLES OF THE SIGNED CONTRACTS (2/2)

1) FRAMEWORK AGREEMENT, not binding legally, covers overall cooperation in the project

2) IMPLEMENTATION AGREEMENT for Stage 1 of new nuclear power plant at Dukovany project

<u>Selected obligations of CEZ during Stage 1:</u>

- Ensure the issuance of a zoning decision, a permit for the location of a nuclear facility and the necessary rights to real estate and land
- Select a contractor and enable the state to control the choice of contractor with regard to the security interests of Czechia
- Keep to the schedule and budget for Stage 1 and allow the Czech state to monitor performance
- Hand over fully functional company Elektrárna Dukovany II if the company is to be bought by the Czech state at the end of phase 1

<u>Selected rights of CEZ during Stage 1 :</u>

- Sell off Elektrárna Dukovany II to the Czech state in the following cases:
  - a) 28 June 2024 occurs <u>without</u>
    - i. Implementation contract for Phase 2 entering into force.
    - ii. Contract for electricity offtake is signed.
  - b) 31 December 2024 occurs without Contract for electricity offtake entering into force
  - c) Contractual parties confirm in writing that they are not interested in signing Offtake contract nor the implementation contract for Phase 2;
  - d) Antimonopoly office decides that tender for supplier is not eligible for exemption from public procurement law.
  - Get compensation from the Czech state in the amount of costs incurred amounting to CZK 4.5 bn.

SELECTED ACTIVITIES AND MILESTONES EXPECTED IN 2020

- Submission of a request for notification to the European Commission (responsibility of the Czech state)
- Launch a tender for a contractor (responsibility CEZ)

NNPP—New nuclear power plant; MIT—Ministry of Industry and Trade

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

CEZ Group has formulated a sustainable development strategy "Energy for the Future" and has nominated Member of the Board of Directors **Michaela Chaloupková** to be CEZ Group Sustainability Leader with responsibility for oversight of the sustainable development. The Board oversees ESG and climate-related issues regularly.

Environment

- CEZ made a commitment to generate SCOPE 1 and SCOPE 2 carbon neutral electricity before 2050 and published expected decarbonization timeline.
- CEZ is giving a priority to projects enabling plant operation after 2020 when new BAT/BREF limits are to enter into force
- CEZ is active in e-mobility, its 244 charging stations are the largest network in Czechia

Social

- CEZ has donated CZK 349 million in 2019 through CEZ Foundation or directly to more than thousand public benefit projects
- CEZ has shortened 37.5-hour work week and guarantees one additional week of paid vacation beyond the statutory minimum
- Freedom of association in trade unions, collective bargaining and a long-term collective agreement is in place within CEZ Group companies
- Environmental protection, social criteria and respect for human rights are integral part of CEZ Group suppliers' obligations

Governance

- 21.6% of employees are women, 26.7% of new employee hires are women, 15.8% of managers are women
- 4 out of 12 Supervisory Board members are employee representatives
- 2 out of 19 Board of Directors and Supervisory Board members are women
- CEZ has emphasis on providing equal opportunity and promoting diversity

Sustainability* report providing details of our initiatives can be downloaded at www.cez.cz/en/investors.html

* Report was prepared in accordance with GRI standards

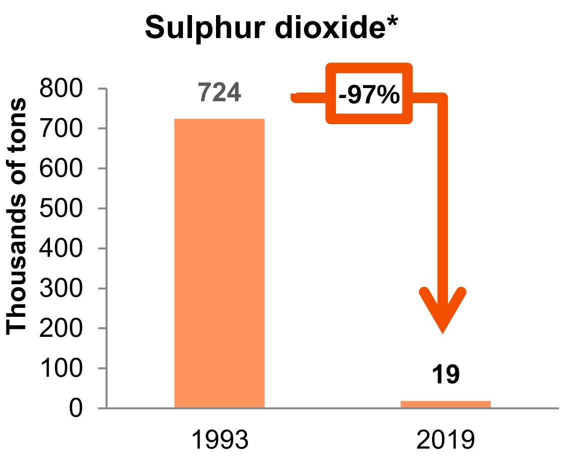
CEZ' ESG MATRIX 1/2

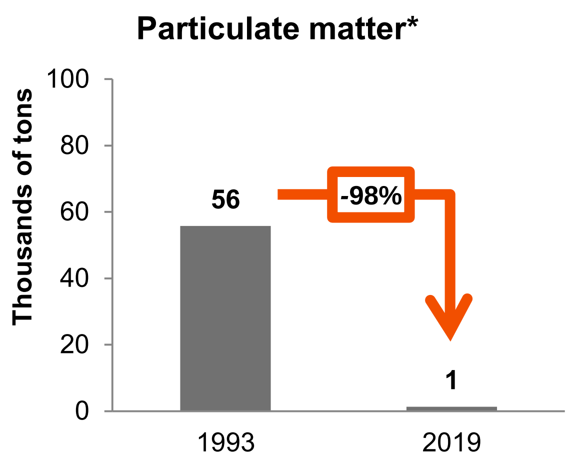
		unit	2018	2019
ENVIRONMENTAL	Direct CO_2 emissions (Scope 1)	million t	26.8	26.1
	Indirect CO_2 emissions (Scope 2)	million t	0.4	0.4
	Carbon intensity (electricity and heat generation)	kg/MWh	0.39	0.36
	Water consumption	m^3/MWh	12	9.9
	Fuel consumption from non-renewable sources	000' TJ	604	603
	2050 carbon neutrality target		YES	YES
	Weight of waste (non-hazardous)	000' t	439	294
	ISO 14001 certified MWs	%	87	88
SOCIAL	Number of employees	#	31,385	32,365
	Employee turnover	%	8.5	10.4
	Employees unionized	%	27%	26%
	Donorship	m CZK	336	349
	Fatalities	#	5	0
	Training hours	000'	493	624
	Injuries	#	293	363
	Women in workforce	%	21.8	21.6
	SAIDI	minutes /customer	247	233
	R&D expenses	m CZK	396	961

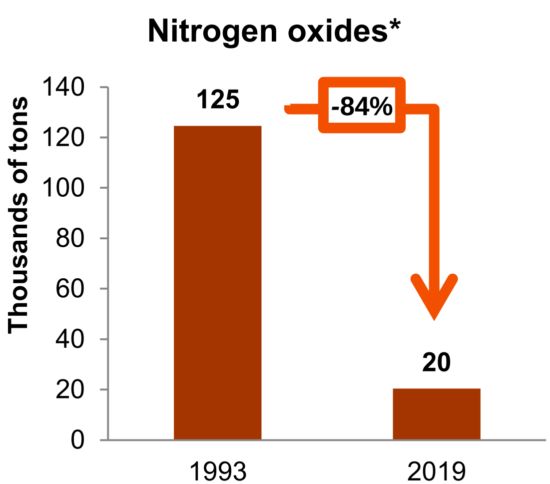
CEZ' ESG MATRIX 2/2

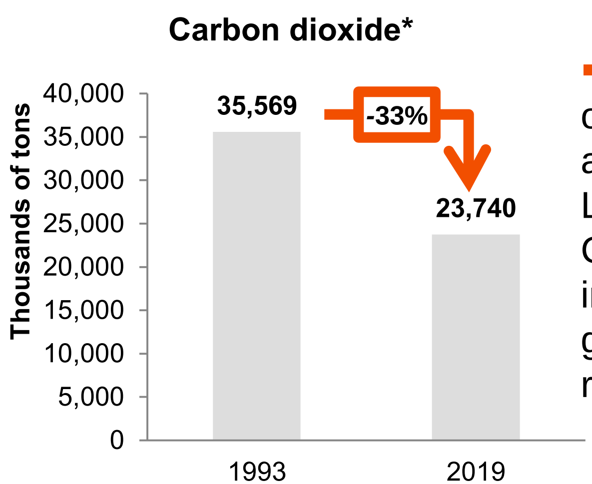
GOVERNANCE		unit	2019
	Supervisory Board meetings	#	12
	Supervisory Board member attendance	%	97.9
	Supervisory Board independence	%	67
	Female Supervisory Board members	%	8.3
	Number of Supervisory Board members	#	12
	Women in management	%	15.8

CEZ GROUP SIGNIFICANTLY REDUCED EMISSIONS FROM ITS COAL FLEET









- During 1990’s CZK 111 bn has been invested into complex, modernization of power stations, desulphurization, denitrification and efficiency upgrades. 1,965 MW of old units have been decommissioned
- In 2000-02 nuclear power plant Temelin was commissioned and contributed to reduction of coal output
- 2010’s comprehensive renewal of Tušimice and Prunéřov TPP’s and new supercritical unit at Ledvice. Investment of more than CZK100 bn has led to further increase in efficiency of the power generation and emission reductions

* Emissions of CEZ power stations in Czechia

CARBON INTENSITY OF CEZ' PORFOLIO

Lignite | Black coal | Gas | Biomass

	Power Supply (TWh)	Heat supply (TJ)	Heat supply ratio [1)]	Emissions of CO_2 per EE and HE[3)] produced
Hodonín (EHO)	0.3	453	12%	**129 g CO_2/kWh**
Poříčí 2 (EPO)	0.6	1,312	19%	**547 g CO_2/kWh**
Počerady 2 (EPC 2)	1.8	0	0%	**356 g CO_2/kWh**
Energotrans (EGT)	0.9	9,575	80%	**428 g CO_2/kWh**
Trmice (TETR)	0.3	2,929	59%	**506 g CO_2/kWh**
Dvůr Králové (TDK)	0.0	164	68%	**542 g CO_2/kWh**
Mělník 2 (EME 2)	1.3	2,250	19%	**699 g CO_2/kWh**
Ledvice 3 (ELE 3)	0.5	898	19%	**731 g CO_2/kWh**
Ledvice 4 (ELE 4)	2.7	347	2%	**765 g CO_2/kWh**
Dětmarovice (EDE)	1.4	534	4%	**826 g CO_2/kWh**
Prunéřov 2 (EPR 2)	2.8	262	1%	**826 g CO_2/kWh**
Tušimice 2 (ETU 2)	5.2	460	1%	**833 g CO_2/kWh**
Počerady (EPC)	5.3	*172* [2)]	<1 %	**948 g CO_2/kWh**
Mělník 3 (EME 3)	1.0	0	0%	**974 g CO_2/kWh**

Partly biomass

Gas

Heating Plant

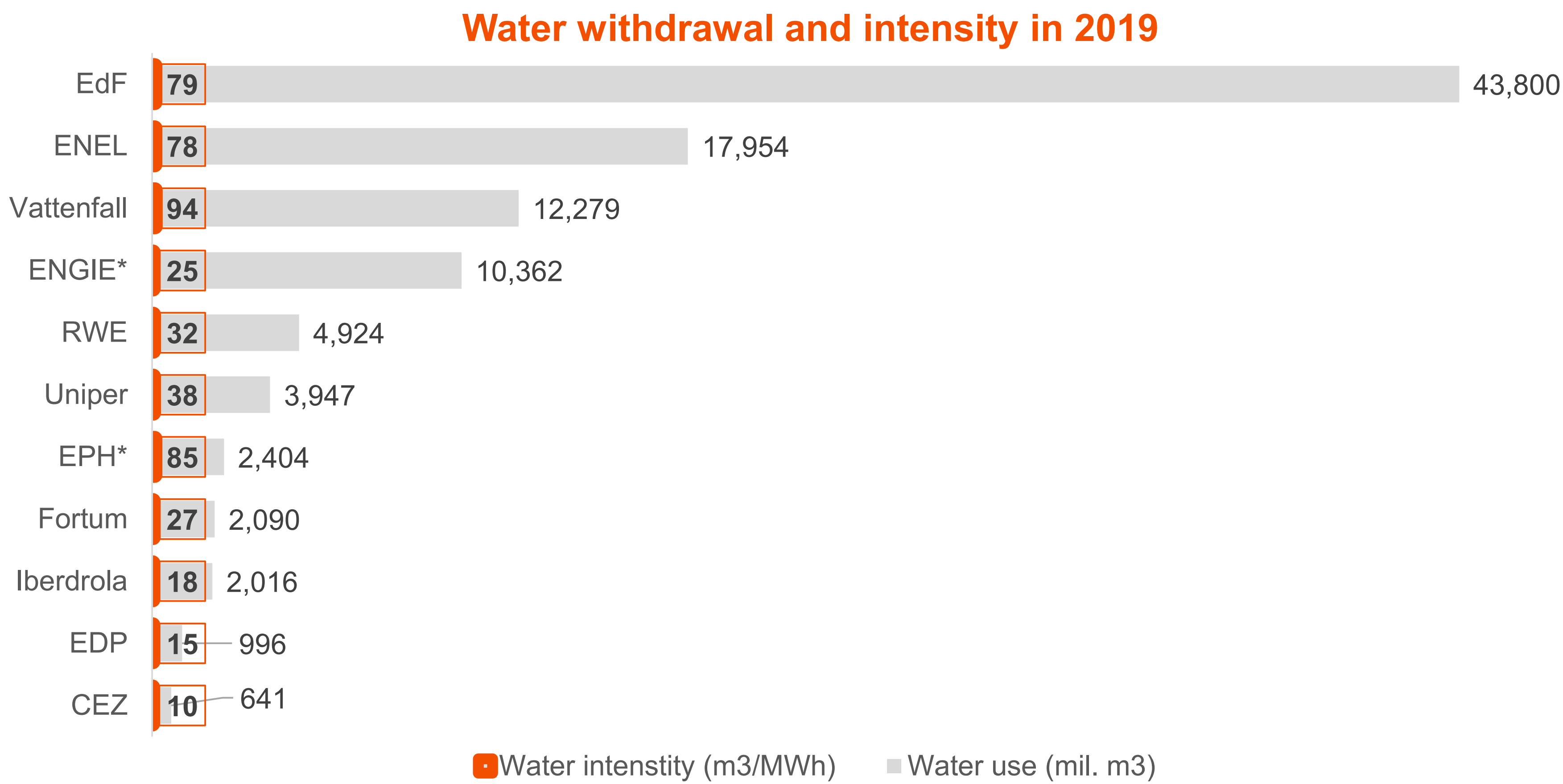
Power plant

Note: CO_2 only from coal part of power plant, except PPC

Note: 1) Boiler heat supply indicator, Q_sup_oth / Qprod_boi, where Qprod = Qsup + Qown + Qloss, 2) Heat supply for heating purposes; 3) Excluding CO_2 emissions from biomass

CEZ IS THE MOST WATER RESPONSIBLE UTILITY AMONG THERMAL GENERATING PEERS

- CEZ needs 10 cubic meter of water per MWh generated. Less than any other power generator. High water efficiency is enabled by extensive use of closed cycle in water cooling.



* in 2018 ; Source: Sustainability Reports, Annual reports, CDP

CZECH REPUBLIC: ELECTRICITY DISTRIBUTION - OVERVIEW OF REGULATORY FRAMEWORK

Regulatory Framework

- Regulated by ERU (Energy Regulatory Office, www.eru.cz)
- The main components of regulatory formula for distribution
  - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB - Other revenues corrections +/- Quality factor + Market factor
  - RAB adjusted annually to reflect net investments and revaluation trajectory
  - Regulatory rate of return (WACC nominal, pre-tax) – 6.54% for 2021-2025
  - Operating costs are indexed to weighted average of wage inflation index and market services price index. In V. Regulatory period efficiency factor set at 0.2% per year.
  - Quality factor – prescribed levels of SAIDI and SAIFI parameters. Maximum bonus or penalisation +/- 4% of allowed profit. Currently has neutral impact on CEZ Distribuce.
  - Market factor to reflect unexpected cost which could not had been planned while setting planned values of allowed costs (e.g. new duties coming from new legislation). Never used by ERU in case of CEZ Distribuce.

Regulatory period

- 5th regulatory period from January 1, 2021 till December 31, 2025,
- Main focus:

- lowering allowed costs compared to the previous period (reflecting actual costs in the previous regulatory period);
- pressure on quality and security of electricity distribution (prescribed SAIDI and SAIFI parameters);
- renew and develop the networks incentivised by reasonable regulation parameters.

Unbundling & Liberalization

- Since January 1, 2006 all customers can choose their electricity supplier, market is 100% liberalized
- Prices for distribution regulated as per above, price of commodity is not regulated at all.

CZECH DISTRIBUTION - WACC COMPONENTS IN V. REGULATORY PERIOD

- WACC set using CAPM formula:

$$WACC=\left(k_e\times\frac{E}{D+E}\right)+\left[\left(k_d\times\frac{D}{D+E}\right)\times(1-T)\right]$$

$$k_e = r_f + \beta \times MRP$$

$$k_d = r_f + credit\ risk\ margin\ (CRM)$$

- Risk free rate (r_f) was derived from median yields of 10-y Czech sovereign bonds for 10 years period

- Credit risk margin set as a difference between BBB rated corporate bonds and 10Y AAA EUR Sovereign bonds

WACC components	4th regulatory period 2016 – 2020	5th regulatory period 2021-2025
Risk free rate (r_f)	3.82 %	2.04%
Market risk premium (MRP)	5 %	6.54%
ß unlevered	0.536	0.51
ß levered (ß)	0.901	0.90
Cost of equity (k_e)	**8.32 %**	**7.94%**
Credit risk margin (CRM)	1.38 %	1.09%
Cost of debt, pre tax (k_d)	**5.19 %**	**3.14%**
Tax rate (T)	19 %	19%
Cost of debt, post-tax	**4.21 %**	**2.54%**
Debt/(Debt+Equity)	45.75 %	48.92%
WACC (nominal, before tax)	**7.951%**	**6.54%**

ROMANIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by ANRE (Autoritatea Nationala de Reglementare in domeniul Energiei)
- Price cap (tariff basket) methodology
- Revenue = Controllable OPEX + non-controllable OPEX + Depreciation + Purchase of losses + Regulatory return on RAB - Revenues from reactive energy - 50% gross profit from other activities
- Losses (technical + commercial) reduction program agreed with ANRE on voltage levels
- Possibility for annual corrections
- Investment plan – approved by ANRE before regulatory period starts, revision of investments carried out usually done at the end of the regulatory period.
- 2020 RAB set at 2,342 mil RON
- Regulatory return (WACC pre-tax real terms) equals to 6.9%.
- Distribution tariff growth capped in real terms at 10% yearly on voltage levels and at 7% yearly for average weighted distribution tariff in the third regulatory period

Regulatory periods

- 4th regulatory period Jan 1, 2019 – Dec 31, 2023

Unbundling & Liberalization

- Starting January 2018 the market was liberalized. Consumers who have not chosen their energy supplier in the free market are priced with a Last Resort Supplier tariff (endorsed by ANRE)
- In 2019 regulated supply tariffs for households and small business customers were reintroduced. Shall be abolished during 2020 again. The market will be again fully liberalized.

BULGARIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by EWRC (Energy and Water Regulatory Commission)
- The regulatory formula for distribution
  - Revenue cap = Costs + Regulatory return on RAB + Depreciation
  - Regulatory rate of return (WACC nominal, pre-tax) at 6.67% for the 5th regulatory period
  - Average values set for the NBV, depreciation and investments for the whole period
  - RAB set at EUR 300 mil. for the 5th regulatory period*
  - Technological losses in 5th regulatory period set by regulator at 8%

Regulatory periods

- 3rd regulatory period August 1, 2013 – July 31, 2015
- 4th regulatory period August 1, 2015 – June 30, 2018
- 5th regulatory period July 1, 2018 – June 30, 2021

Unbundling & Liberalization

- Unbundling successfully completed by December 31, 2006
- Since July 2007, all consumers have the right to become eligible. Most of the household customers remain in universal service with regulated tariffs though
- Liberalization process and transfer of all consumers to free market is ongoing, Bulgarian authorities are taking slow steps toward liberalization of households and small businesses, by which the proces of liberalization shall be completed.

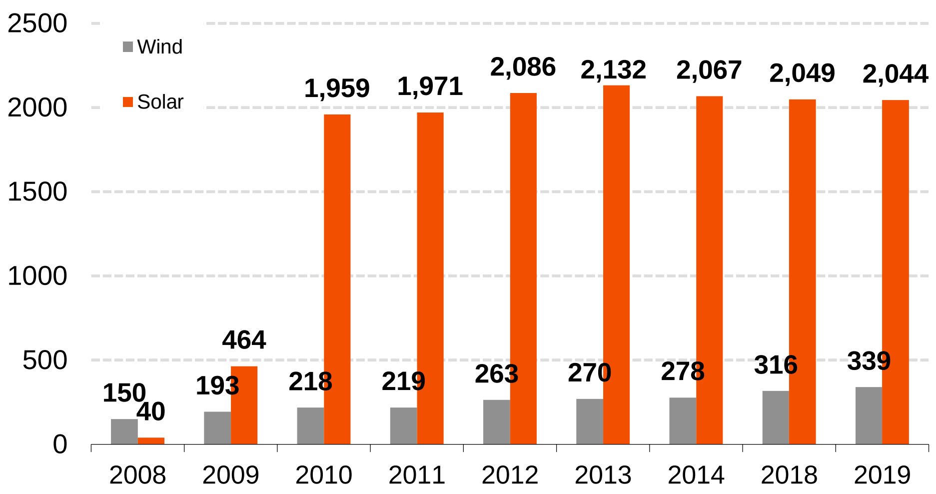
* Exchange rate used BGN/EUR = 0,51

CZECH REPUBLIC: RENEWABLES SUPPORT

2020 feed-in-tariffs (EUR per MWh)

	Plants commissioned in 2010	Plants commissioned in 2020
Solar <30 kW	587.9	0
Solar >30 kW	583.3	0
Wind	107.4	76.0

Installed capacity of wind and solar power plants in the Czech Republic (MWe)



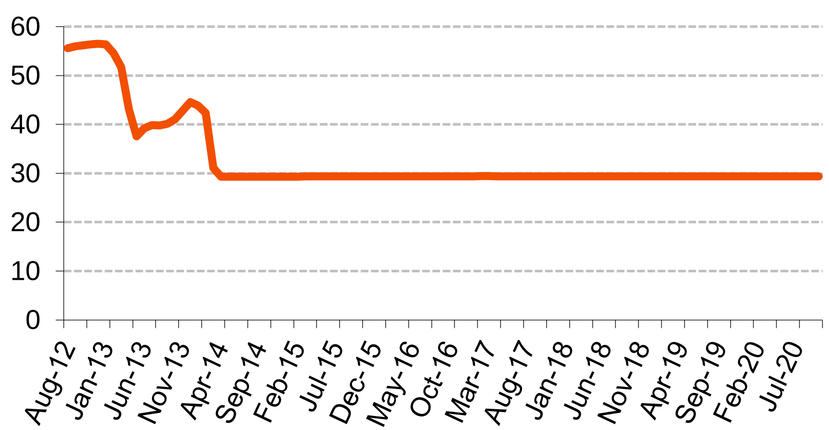
- Operators of renewables can choose from two options of support:
  - Feed-in tariffs (electricity purchased by distributor)
  - Green bonuses (electricity sold on the market, bonuses paid by distributor, level of green bonuses is derived from feed-in tariffs)
- Feed-in tariffs are set by a regulator to ensure 15-year payback period. During operation of a power plant they are escalated by PPI index or by 2% at minimum and 4% at maximum.
- Support is provided for 20 years to solar, wind, pure biomass and biogas plants and for 30 years to hydro.
- Solar plants commissioned in 2014 or later do not receive any support.
- Solar plants put into operations in 2010 with capacity over 30kWp are obliged to pay 10% tax of revenues.

 Source: Energy Regulatory Office (www.eru.cz), EUR/CZK = 25.41

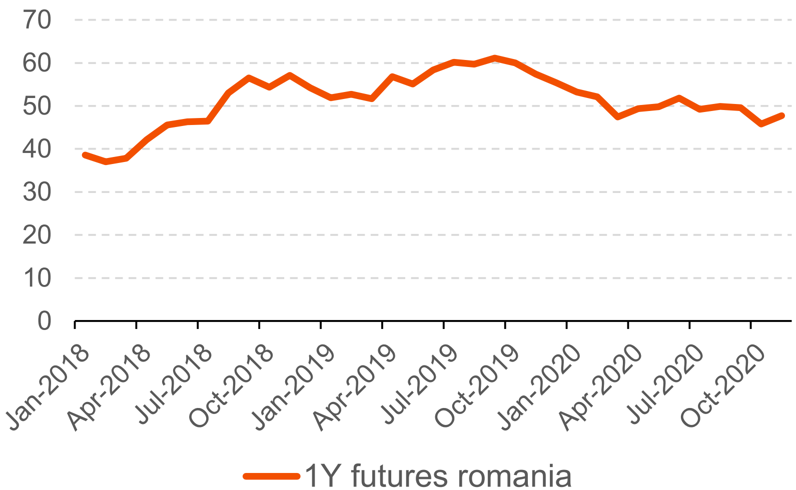
ROMANIA: RENEWABLES SUPPORT
UPDATE OF THE RULES ADOPTED IN 2017 SIGNIGICANTLY IMPROVED VISIBILITY OF FUTURE CASH FLOWS

- Wind farms receive income from sales of electricity on the market and from sales of green certificates
- Two green certificates (GC) obtained by the producer for each MWh supplied from wind to the network until 2017, one GC from 2018 onwards, duration of support – 15 years.
- Legally set price for green certificate is EUR 29.4 – EUR 35 (adjusted in March 2017 from previous EUR 27 to EUR 55)
- In March 2017 the tradability of green certificates was extended – all certificates issued after 1st April 2017 are tradable until 31st March 2032 (originally the lifespan was limited to 12 months).
- The updated regulatory scheme assumes an obligation to buy a constant annual amount of green certificates for 15 years, starting Apr 1, 2017, so that all green certificates are absorbed at the end of the 15-year periode

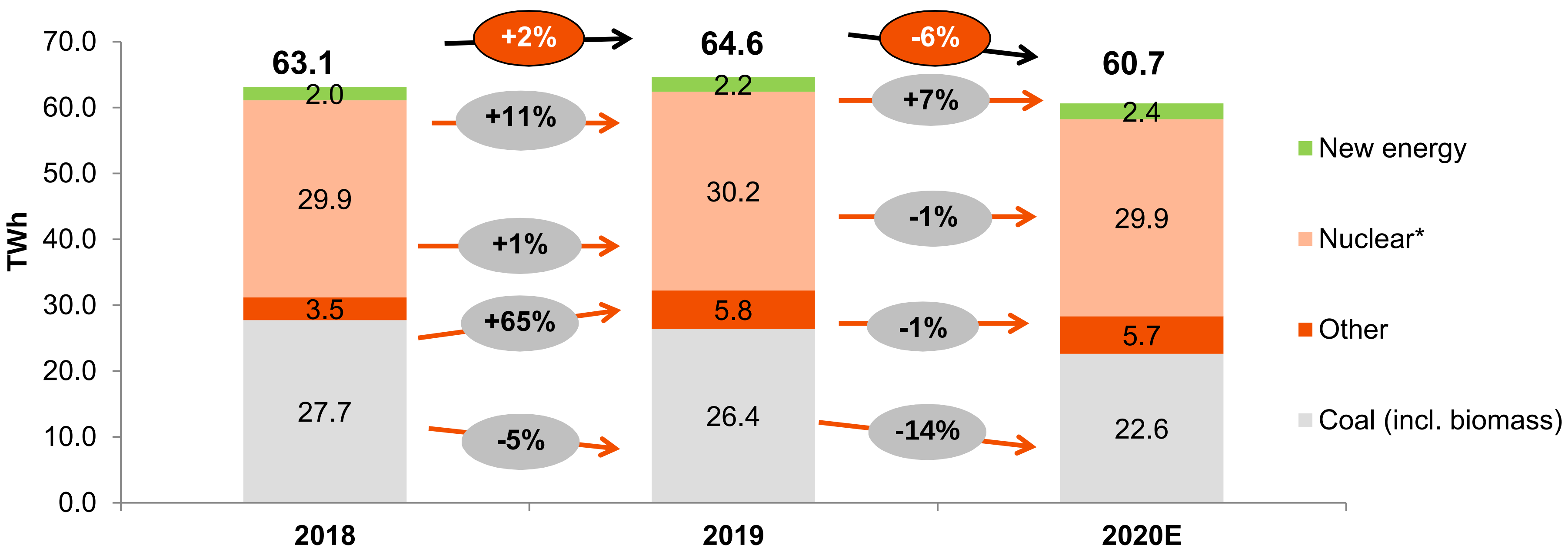
Green certificates market clearing price (EUR/certificate)



Romanian year ahead electricity price (EUR/MWh)



2020 GENERATION VOLUMES AFFECTED BY UNFAVOURABLE CHANGES IN THE MARKET PRICES OF ELECTRICITY AND CARBON ALLOWANCES



2019 volume

\+ Efficient operation and optimization of unit outages at both power plants
\+ Shorter outages at Prunéřov 2, and Mělník 3 power plants
\- Lover generation by Dětmarovice, Počerady and Ledvice 3 power plants
\+ Primarily higher generation by Počerady CCGT plant due to favorable market prices of electricity and gas
\+ Worse-than-average weather conditions in 2018

2020 volume ambition

− Operating inspections, investment actions, and grid effects
− Closing of the Prunéřov 1 power plant's operation at Jun 30, 2020
− Lower generation at the Mělník 3, Tušimice 2, and Mělník 2 power plants in connection with the market prices of electricity and carbon
− Longer outages at the Prunéřov 2 and Počerady CCGT stations
\+ Shorter outages at the Ledvice 3 power plant
\+ Worse-than-average weather conditions in 2019 improving volumes of wind in Germany and Romania

 * Full potential of Nuclear generation is 31.5 TWh (conditional by outage cycles in given year).

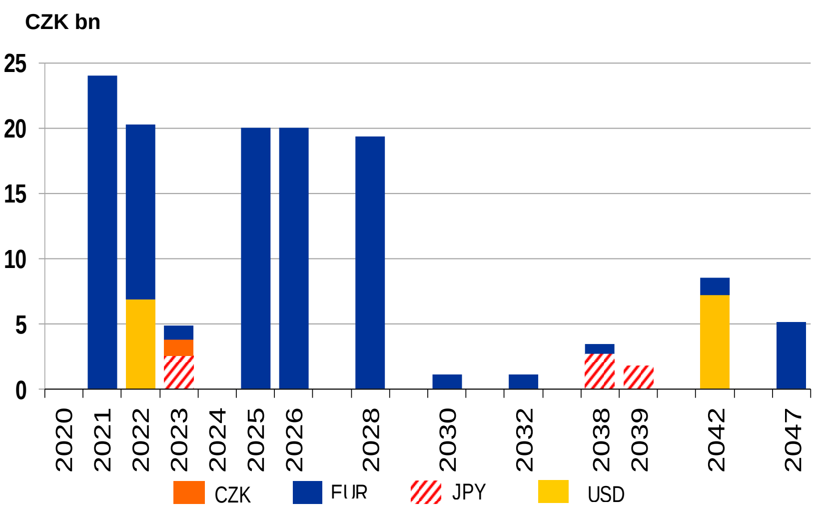
DEBT POSITION AND STRUCTURE

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

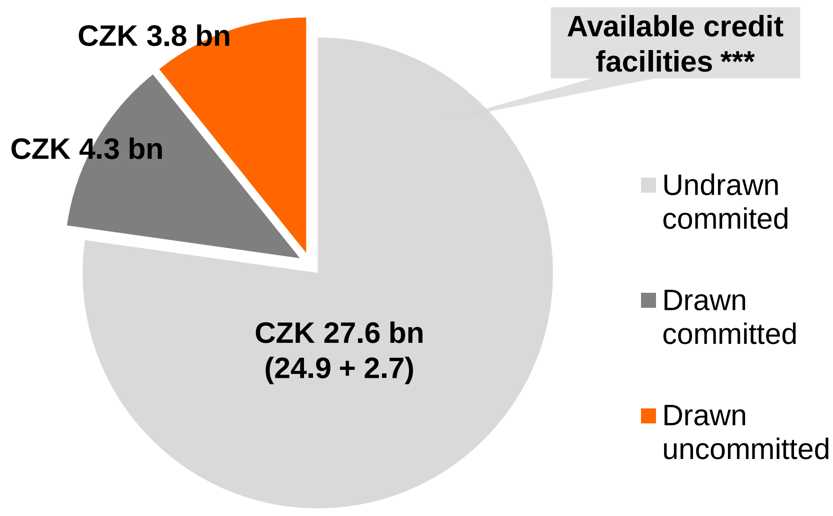
Debt Level*

		As at Sep 30, 2019	As at Sep 30, 2020
Debt and loans	CZK bn	166.8	171.6
Cash and fin. assets**	CZK bn	11.1	10.1
Net debt	CZK bn	155.7	161.5
Net debt/EBITDA		2.80	2.43

Bond Maturity Profile (as at Sep 30, 2020)



Utilization of Short-Term Lines* and Available Committed Credit Facilities*** (as at Sep 30, 2020)

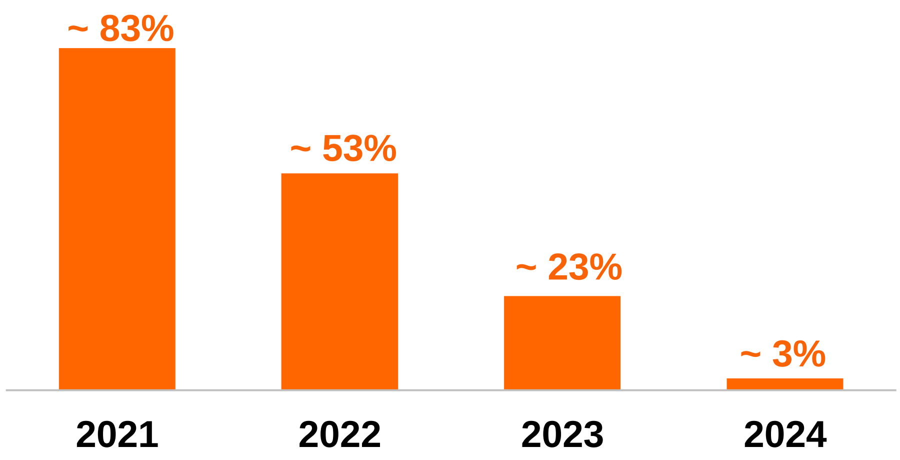


- EUR 80 m drawn from an EIB credit facility in August 2020 (a total of EUR 230 m drawn out of an overall credit limit of EUR 330 m).
- Committed facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- CEZ Group has access to a total of CZK 31.9 bn in committed credit facilities, having drawn CZK 4.3 bn as at Sep 30, 2020.
- The payment of dividends for 2019 (CZK 18.3 bn) began on Aug 3, 2020. 99% of the amount awarded was paid by Sep 30, 2020.

* Including data for Bulgarian assets held for sale. ** Cash and cash equivalents & highly liquid financial assets.
*** Available credit facilities, including an undrawn portion of EUR 100 m of the long-term loan from the EIB

HEDGING AGAINST COMMODITY RISKS IN GENERATION AS AT OCT 22, 2020 REFLECTING THE SALE OF THE POČERADY POWER PLANT

Share of Hedged Production of ČEZ* Facilities in Czechia as at Oct 22, 2020



100% of deliveries volume in 2021–2024 corresponds to **47–50 TWh**.

Hedged volume as at Oct 22, 2020

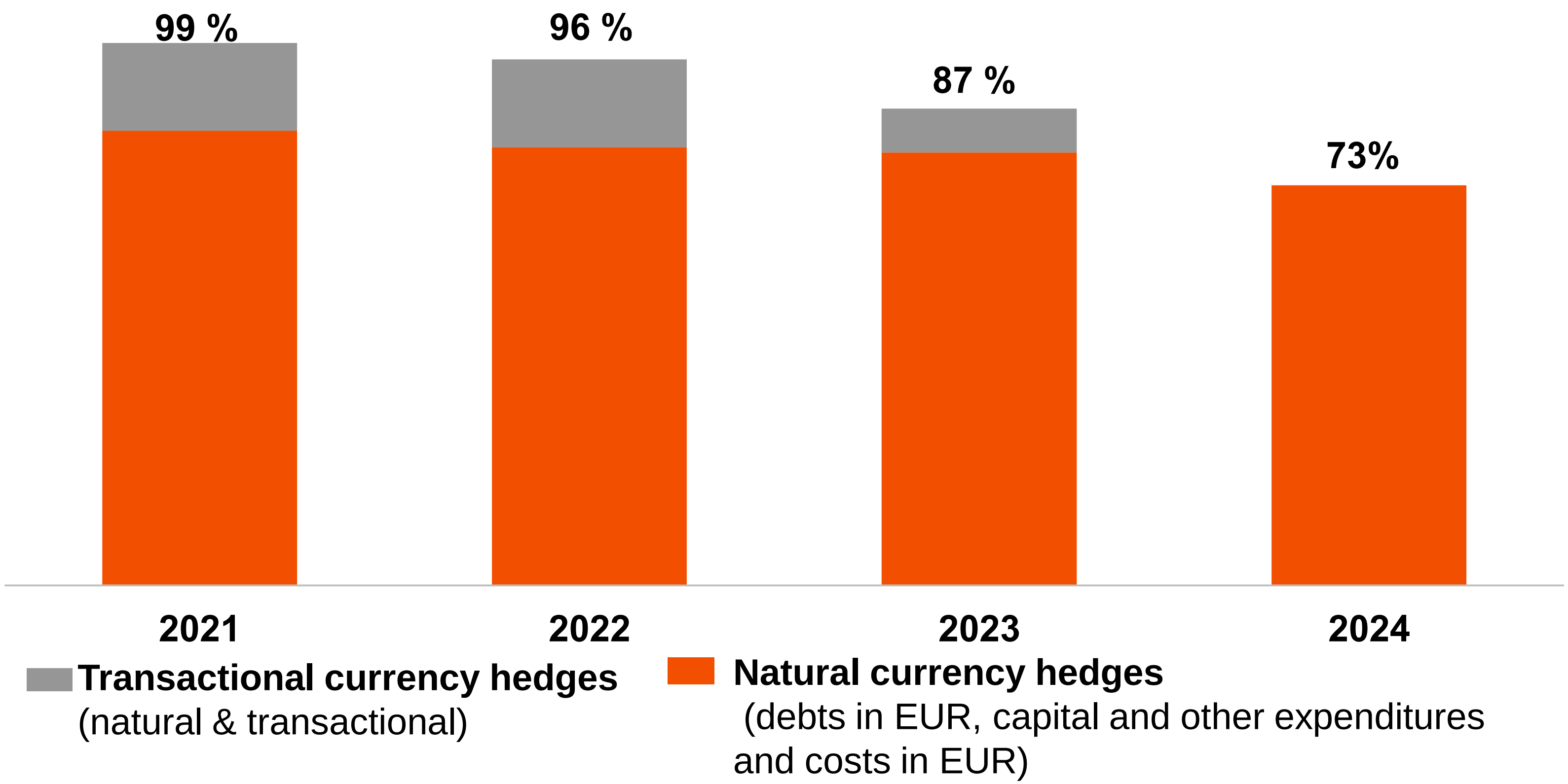
Hedging Prices of Electricity & Emission Allowances for Generation in Czechia as at Oct 22, 2020

	2021	2022	2023	2024
Electricity selling price (EUR/MWh)	€45.8	€46.9	€47.1	€48.5
EUA purchase price (EUR/t)	€20.1	€22.2	€23.4	€25.1

* ČEZ, a. s., including the Energotrans and Dětmarovice power plants

CEZ CONTINUES HEDGING ITS CURRENCY EXPOSURE IN LINE WITH STANDARD POLICY

Total currency hedges as of September 30, 2020
(as % of total expected EUR long position in a given year)



The foreign exchange position for 2021 is hedged at an average rate of 26.9 CZK/EUR, for 2022–2024 at a rate of 25.8–26.2 CZK/EUR.

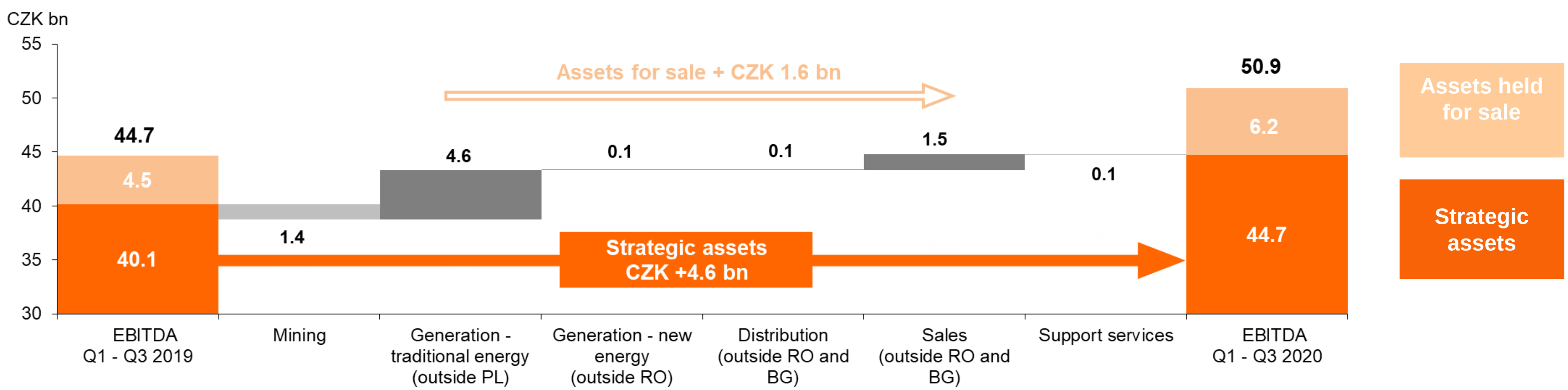
CEZ GROUP
FINANCIAL AND OPERATING RESULTS

(CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Revenues	148.1	155.5	+7.5	+5%
EBITDA	44.7	50.9	+6.2	+14%
EBIT	22.1	23.2	+1.1	+5%
Net income	13.6	13.6	-0.0	-0%
Net income adjusted *	14.7	18.7	+4.0	+27%
Operating CF	40.5	52.0	+11.5	+28%
CAPEX	18.6	18.9	+0.4	+2%

		Q1 - Q3 2019	Q1 - Q3 2020	Change	%
Installed capacity **	GW	14.9	13.9	-0.9	-6%
Mining	m tons	14.7	10.7	-4.1	-28%
Generation of electricity - segment traditional energy	TWh	45.1	42.4	-2.7	-6%
Generation of electricity - segments new energy and sales	TWh	1.6	1.7	+0.1	+7%
Electricity distribution to end customers	TWh	38.5	36.8	-1.7	-4%
Electricity sales to end customers	TWh	26.0	24.3	-1.6	-6%
Sales of natural gas to end customers	TWh	6.7	6.2	-0.5	-7%
Sales of heat	000´TJ	16.1	15.7	-0.4	-3%
Number of employees **	000´s	32.2	31.9	-0.3	-1%

* Adjusted net income = Net income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given period (such as fixed asset impairments and goodwill write-offs)
** At the last date of the period

YEAR-ON-YEAR CHANGE IN EBITDA
BY SEGMENT (INCL. STRATEGIC VS. OTHER ASSETS)



Main Causes of Year-on-Year Change in Q1–Q3 EBITDA

Strategic assets (CEZ Group except for companies intended for sale under the valid strategy from 2019)

- Higher realization prices of generated electricity, including the effect of hedges in Czechia and commodity trading (CZK +7.9 bn)
- Higher expenses on emission allowances for generation in Czechia (CZK -2.9 bn) due to increased purchase prices and lower allocation of free allowances
- Decreased revenue from coal sales (CZK -1.3 bn); lower generation at non-nuclear generating facilities in Czechia (CZK -1.3 bn), higher generation at nuclear power plants (CZK +0.5 bn)
- Effect of a 2019 court ruling under which the payment of SŽDC’s liability to ČEZ Prodej from 2010 had to be paid back incl. interest and costs (CZK +1.3 bn)

Assets held for sale (Romanian, Bulgarian, and Polish companies other than ESCOs)

- Higher EBITDA of Romanian and Bulgarian distribution (CZK +0.7 bn) especially due to lower costs to cover network losses and higher revenues from electricity distribution
- Higher gross margin on electricity generation at Romanian wind parks due to both higher generation and higher realization prices (CZK +0.6 bn)

Due to precise mathematical rounding, the sum of listed partial values can sometimes differ from the total value.

OTHER INCOME (EXPENSES)

(CZK bn)	Q1 - Q3 2019	Q1 - Q3 2020	Change	%
EBITDA	44.7	50.9	+6.2	+14%
Depreciation, amortization and impairments*	**-22.6**	**-27.7**	**-5.2**	**-23%**
Other income (expenses)	**-5.4**	**-5.7**	**-0.3**	**-6%**
Interest income (expenses)	-3.8	-3.7	+0.1	+2%
Interest on nuclear and other provisions	-1.4	-1.5	-0.1	-5%
Income (expenses) from investments and securities	0.5	0.0	-0.5	-93%
Other	-0.7	-0.6	+0.1	+16%
Income taxes	**-3.1**	**-3.9**	**-0.8**	**-24%**
Net income	13.6	13.6	-0.0	-0%
Net income adjusted	**14.7**	**18.7**	**+4.0**	**+27%**

Depreciation, Amortization, and Impairments* (CZK -5.2 bn)

- Higher additions to fixed asset impairments, including goodwill impairment, in Poland (CZK -2.0 bn), Romania (CZK -1.4 bn), and Czechia (CZK -1.1 bn)
- Higher depreciation and amortization (CZK -0.7 bn), primarily at ČEZ Distribuce (CZK -0.3 bn), ČEZ, a. s. (CZK -0.2 bn) and in Romania (CZK -0.1 bn)

Net Income Adjustments

- In Q1–Q3 2020 adjusted for the negative effect of additions to fixed asset impairments and for the negative effect of goodwill impairment in Poland
(CZK +1.8 bn), in Romania (CZK +1.5 bn), and at Severočeské doly (CZK +0.7 bn) as well as for the negative effect of additions to fixed asset impairments in Bulgaria (CZK +0.9 bn) and at the Dětmarovice power plant (CZK +0.2 bn)
- In Q1–Q3 2019 adjusted for the negative effect of additions to fixed asset impairments in Bulgaria (CZK +1.0 bn) and in Romania (CZK +0.1 bn)

Significant event after Q3:

- On Oct 14, 2020, ČEZ, a. s., received CZK 1,463 m under a court ruling concerning the assessment of the period for the reward of interest relating to a refunded overpayment of gift tax on emission allowances for 2011 and 2012.
- The ruling will increase CEZ Group's net income in Q4 2020 and this income is exempt from income tax.

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

NUCLEAR AND MINING PROVISIONS AS OF YE 2019

Nuclear and mining provisions as of YE 2019 in accordance with IFRS

(discount rate 0.7 % p.a. (real), est. Inflation effect 1.5%)

	Provision (CZK bn)	Responsibility of:	Cash cover (CZK)
Interim storage of spent nuclear fuel	8.7 bn	CEZ	0.01 bn
Permanent storage of spent nuclear fuel	32.2 bn	State*, costs paid by CEZ	Fee 55 CZK/MWh generated in NPP to Nuclear Account***
Nuclear Facility decommissioning	34.9 bn	CEZ	14.1 bn
Mining reclamation	9.4bn	CEZ (SD**)	5.6 bn
Landfills (ash storage)	0.8 bn	CEZ	0.2 bn

*** RAWRA - Radioactive Waste Repository Authority**

****SD – Severočeské doly**

***** State Nuclear Account balance as of YE 2019 CZK 30.2bn**

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

CZK

Profit and loss

CZK bn	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues	198.8	209.8	221.9	216.7	201.8	210.2	203.7	205.1	184.5	206.2
Sales of electricity	175.3	181.8	186.8	189.4	173.8	182.1	174.9	104.1	103.1	110.2
Sales of services								76.3	59.9	71.4
Sales of gas, heat and coal and other income	23.6	28	35.1	27.4	27.9	28.1	28.8	24.7	21.5	24.6
Operating Expenses	110	122.4	136.1	134.7	129.3	145.1	145.7	148	135	146
Purchased power and related services	54.4	65.9	71.7	79	75.8	90.9	88.3	57.4	52.2	55.5
Fuel and emission rights	16.9	17.1	15.8	13.8	12.7	13.1	13.2	16.0	19.1	21.4
Salaries and wages	18.7	18.1	18.7	18.7	18.9	17.8	19.2	22.1	25.6	28.8
Other	20	21.3	29.9	23.2	21.9	23.4	25.1	26.3	38.1	40.3
EBITDA	**88.8**	**87.4**	**85.8**	**82**	**72.5**	**65.1**	**58.1**	**53.9**	**49.5**	**60.2**
EBITDA margin	*45%*	*42%*	*39%*	*38%*	*36%*	*31%*	*29%*	*26%*	*27%*	*29%*
Depreciation, amortization, impairments	26.9	26.2	28.9	36.4	35.7	36.3	32.1	29.5	29.7	33.8
EBIT	**62**	**61.3**	**57**	**45.7**	**36.9**	**29**	**26.1**	**25.6**	**19.8**	**26.4**
EBIT margin	*31%*	*29%*	*26%*	*21%*	*18%*	*14%*	*13%*	*12%*	*11%*	*13%*
Net Income	**46.9**	**40.8**	**40.1**	**35.2**	**22.4**	**20.5**	**14.6**	**19**	**10.5**	**14.5**
Net income margin	*24%*	*19%*	*18%*	*16%*	*11%*	*10%*	*7%*	*9%*	*6%*	*7%*
Adjusted net income	**49.8**	**41.2**	**41.3**	**43**	**29.5**	**27.7**	**19.6**	**20.7**	**13.1**	**18.9**
Adjusted net income margin	*25%*	*20%*	*19%*	*20%*	*15%*	*13%*	*10%*	*10%*	*7%*	*9%*

Balance sheet

CZK bn	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Non current assets	448.3	467.3	494.7	485.9	497.5	493.1	489.3	487.9	480.4	501.9
Current assets	96.1	131	141.1	154.5	130.4	109.6	141.6	136	227	202.7
- out of that cash and cash equivalents	22.2	22.1	18	25	20.1	13.5	11.2	12.6	7.3	9.8
Total Assets	**544.4**	**598.3**	**635.8**	**640.4**	**627.9**	**602.7**	**630.8**	**623.9**	**707.4**	**704.6**
Shareholders equity (excl. minority. int.)	221.4	226.8	250.2	258.1	261.3	267.9	256.8	250	234.7	250.8
Return on equity	*22%*	*18%*	*17%*	*14%*	*9%*	*8%*	*6%*	*8%*	*4%*	*6%*
Interest bearing debt	158.5	182	192.9	199	184.1	157.5	167.8	154.3	161	171.9
Other liabilities	164.4	189.4	192.6	183.3	182.4	177.3	206.2	219.6	311.7	281.9
Total liabilities	**544.4**	**598.3**	**635.8**	**640.4**	**627.9**	**602.7**	**630.8**	**623.9**	**707.4**	**704.6**

The structure of PL and BS was changed in 2018

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

EUR

Profit and loss

EUR M	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues	7,827	8,260	8,736	8,531	7,945	8,276	8,020	8,075	7,264	8,118
Sales of electricity	6,902	7,157	7,354	7,457	6,843	7,169	6,886	4,098	4,059	4,339
Sales of services								3,004	2,358	2,811
Sales of gas, heat and coal and other income	929	1,102	1,382	1,079	1,098	1,106	1,134	972	846	969
Operating Expenses	4,331	4,819	5,358	5,303	5,091	5,713	5,736	5,827	5,315	5,748
Purchased power and related services	2,142	2,594	2,823	3,110	2,984	3,579	3,476	2,260	2,055	2,185
Fuel and emission rights	665	673	622	543	500	516	520	630	752	843
Salaries and wages	736	713	736	736	744	701	756	870	1,008	1,134
Other	787	839	1,177	913	862	921	988	1,035	1,500	1,587
EBITDA	**3,496**	**3,441**	**3,378**	**3,228**	**2,854**	**2,563**	**2,287**	**2,122**	**1,949**	**2,370**
EBITDA margin	*45%*	*42%*	*39%*	*38%*	*36%*	*31%*	*29%*	*26%*	*27%*	*29%*
Depreciation, amortization, impairments	1,059	1,031	1,138	1,433	1,406	1,429	1,264	1,161	1,169	1,331
EBIT	**2,441**	**2,413**	**2,244**	**1,799**	**1,453**	**1,142**	**1,028**	**1,008**	**780**	**1,039**
EBIT margin	*31%*	*29%*	*26%*	*21%*	*18%*	*14%*	*13%*	*12%*	*11%*	*13%*
Net Income	**1,846**	**1,606**	**1,579**	**1,386**	**882**	**807**	**575**	**748**	**413**	**571**
Net income margin	*24%*	*19%*	*18%*	*16%*	*11%*	*10%*	*7%*	*9%*	*6%*	*7%*
Adjusted net income	**1,961**	**1,622**	**1,626**	**1,693**	**1,161**	**1,091**	**772**	**815**	**516**	**744**
Adjusted net income margin	*25%*	*20%*	*19%*	*20%*	*15%*	*13%*	*10%*	*10%*	*7%*	*9%*

Balance sheet

EUR M	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Non current assets	17,650	18,398	19,476	19,130	19,587	19,413	19,264	19,209	18,913	19,760
Current assets	3,783	5,157	5,555	6,083	5,134	4,315	5,575	5,354	8,937	7,980
- out of that cash and cash equivalents	874	870	709	984	791	531	441	496	287	386
Total Assets	**21,433**	**23,555**	**25,031**	**25,213**	**24,720**	**23,728**	**24,835**	**24,563**	**27,850**	**27,740**
Shareholders equity (excl. minority. int.)	8,717	8,929	9,850	10,161	10,287	10,547	10,110	9,843	9,240	9,874
Return on equity	*22%*	*18%*	*17%*	*14%*	*9%*	*8%*	*6%*	*8%*	*4%*	*6%*
Interest bearing debt	6,240	7,165	7,594	7,835	7,248	6,201	6,606	6,075	6,339	6,768
Other liabilities	6,472	7,457	7,583	7,217	7,181	6,980	8,118	8,646	12,272	11,098
Total liabilities	**21,433**	**23,555**	**25,031**	**25,213**	**24,720**	**23,728**	**24,835**	**24,563**	**27,850**	**27,740**

 The structure of PL and BS was changed in 2018 Exchange rate used:25.4 CZK/EUR

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