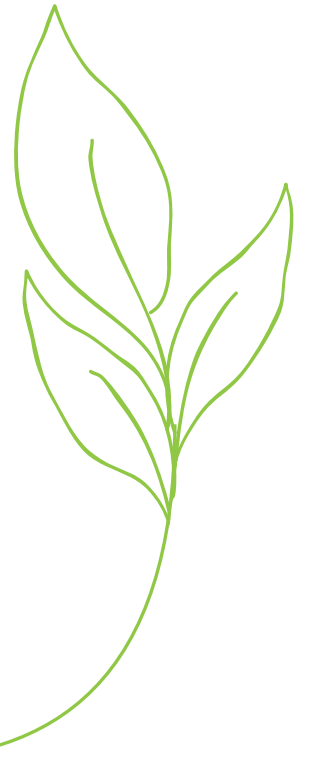




VICE 2030 CLEAN ENERGY OF TOMORROW

PRESS CONFERENCE
MAY 20, 2021

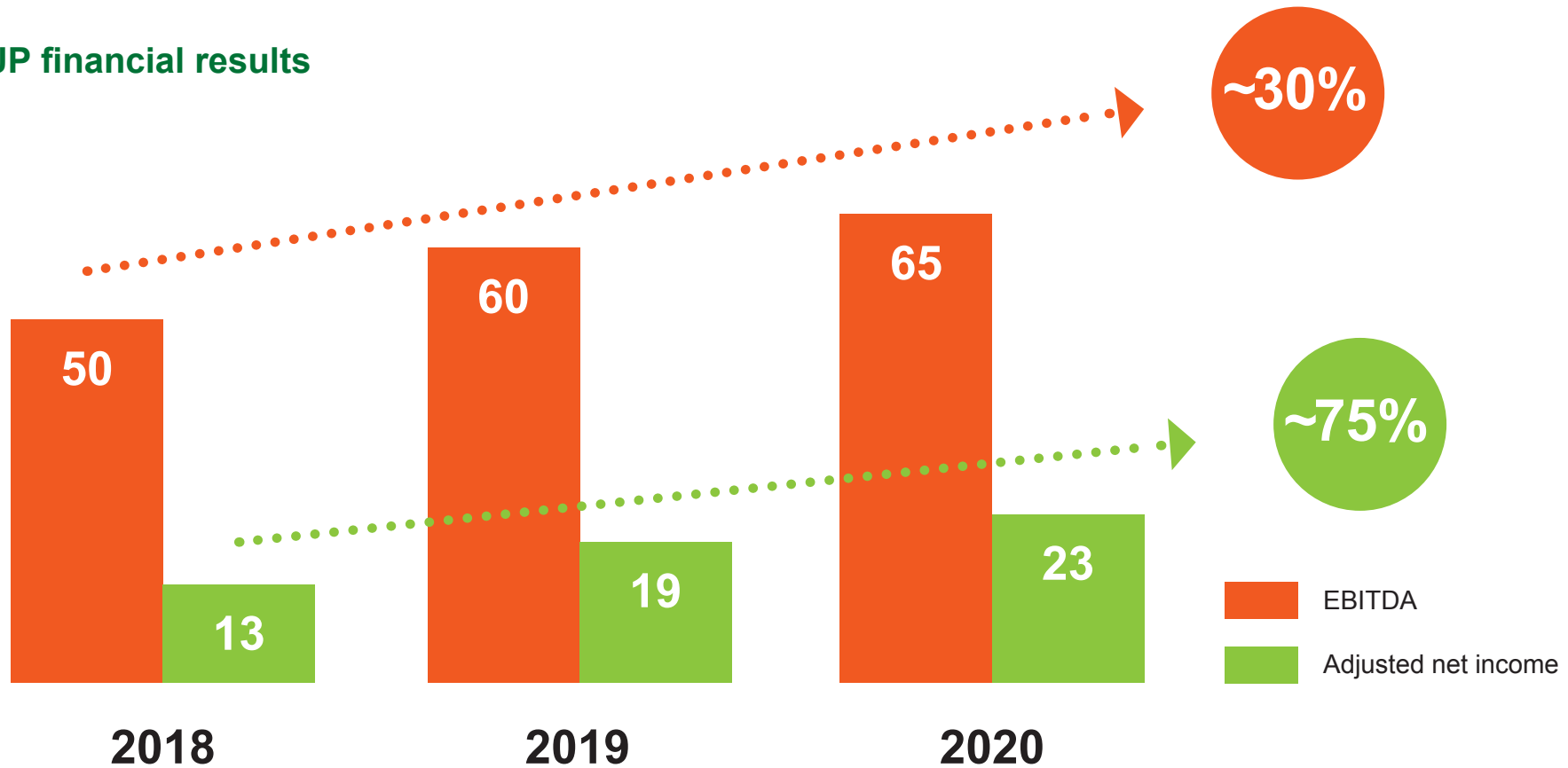
CLEAN
ENERGY OF
TOMORROW



CEZ GROUP'S STRATEGY UPDATE HAS CONTRIBUTED TO AN INCREASE IN PERFORMANCE



CEZ GROUP financial results
(CZK bn)



CEZ GROUP'S STRATEGY HAS BEEN SUCCESSFULLY IMPLEMENTED IN ALL SEGMENTS

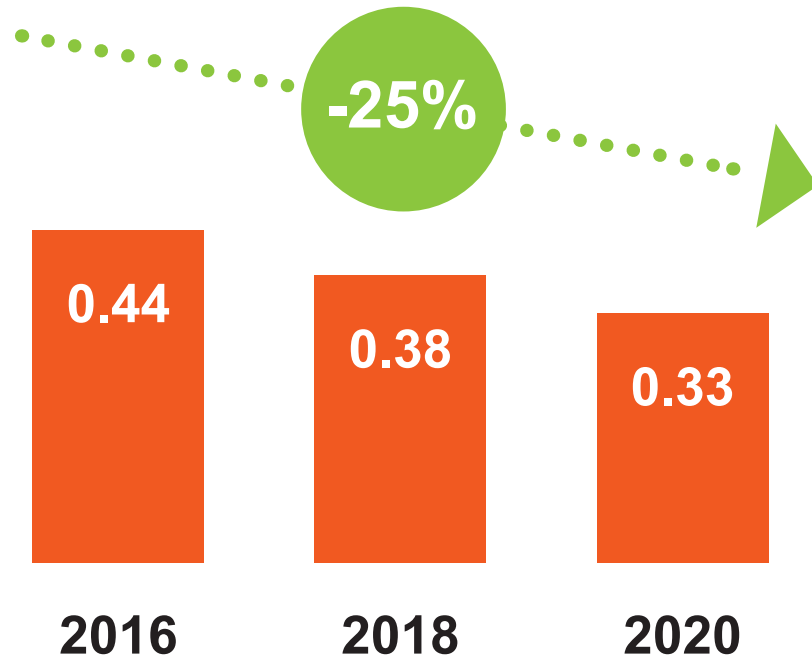


- **Nuclear facilities** generate safely and consistently above **30 TWh**
- Making production from emission sources **more efficient**
- **Modernization and digitization** of the distribution grid
- Increase in **customer satisfaction** and number of customers to **2.9 million**, **digitization** of customer processes
- **ČEZ ESCO** is the market leader in energy savings and decentralized energy in Czechia and Germany
- **Romanian assets sold** and sale of **Bulgarian** assets nearing completion

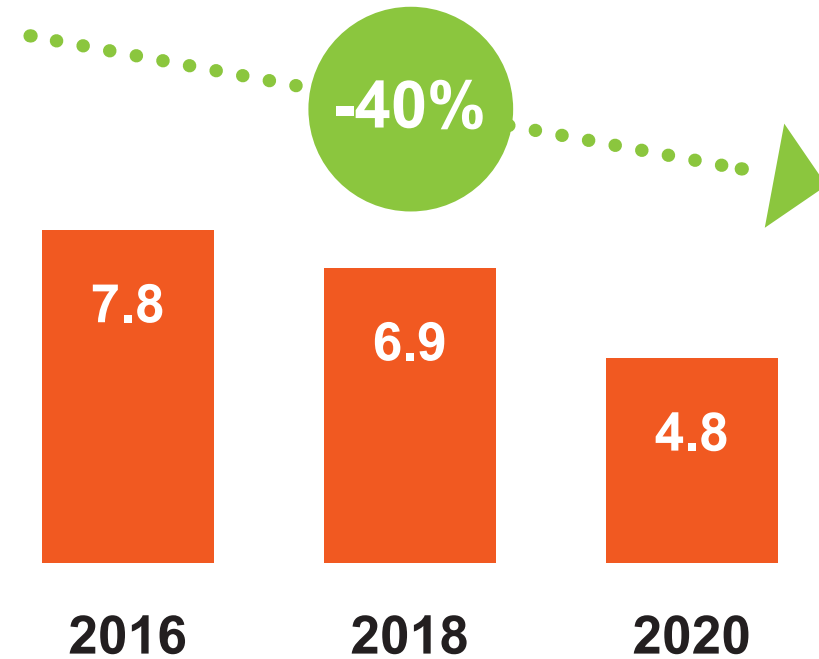
CEZ GROUP IS ALREADY GRADUALLY REDUCING THE GENERATION OF ELECTRICITY FROM COAL



CEZ Group's CO₂ emission intensity (t/MWh)



Installed capacity of CEZ Group's coal-fired power plants (GW)



CLIMATE NEUTRALITY BY 2050 IS A PRIORITY FOR THE EU, WITH ALL TARGETS SIGNIFICANTLY INCREASED LAST YEAR



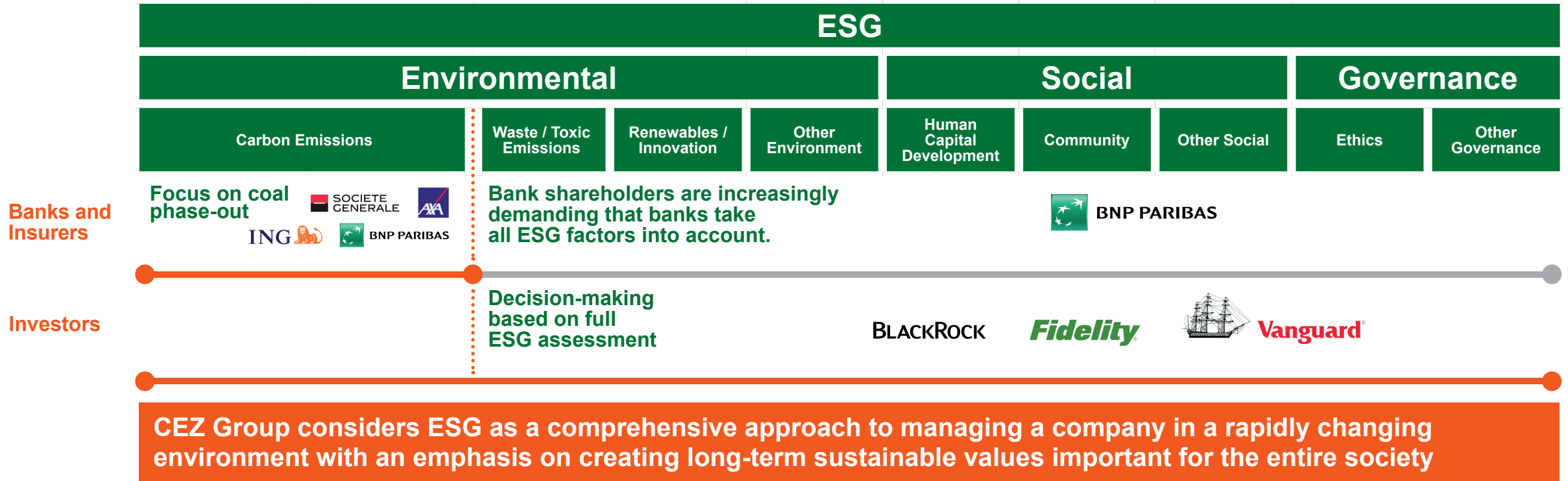
	2030 targets (original agreement)	2030 targets (EC's current proposal)
Reduction of greenhouse gas emissions from 1990 levels	<p>Min. 40%</p> <ul style="list-style-type: none"> ● Binding EU-wide target ● The target would probably be reached as a side effect of reaching for the other two targets 	<p>Min. 55%</p> <ul style="list-style-type: none"> ● European Parliament requests 60% ● The Council supports the EC's proposal ● Compromise will be reached in the Triilogue
RES share in total final energy consumption	<p>Min. 32%</p> <ul style="list-style-type: none"> ● Binding EU-wide target ● RES electricity should increase to 55% in the EU (from 34% in 2020) 	<p>38–39%</p> <ul style="list-style-type: none"> ● according to 55% decarbonization scenarios ● 63–65% share of RES in electricity ● Actual proposal in July 2021
Energy savings (EED) in comparison with levels in 2007 predictions	<p>Min. 32.5%</p> <ul style="list-style-type: none"> ● Indicative EU-wide target ● Binding annual savings of 0.8% of final energy at national level 	<p>39–40%</p> <ul style="list-style-type: none"> ● according to 55% decarbonization scenarios ● 36%–37% of final energy consumption ● Actual proposal in July 2021

SOCIAL AND POLITICAL INFLUENCE ON THE ECONOMY AND ENERGY SECTOR IS ACCELERATING



- Most of the major **banks** and insurers in the EU and Czechia make their services conditional on **ending the use of coal** and achieving carbon neutrality, and increasingly make the provision of their services dependent on “social responsibility”
- **Equity funds** with an **ESG policy** now manage more than **11% of the total assets** under management of all European equity funds
- Financial markets are already penalizing ČEZ as a coal-fired energy company, even though it pays the highest dividend among European energy companies and generates steady operating cash flow
- **7 out of 10 peer energy companies** have committed to **phasing out coal by 2030**, **8 out of 10** explicitly set a **target under the Paris Agreement**
- Companies are also responding to **carbon neutrality** targets with **changes in organizational structure**

INVESTOR DECISION-MAKING IS ALREADY BASED ON A COMPLETE ESG RATING



WE AIM TO BECOME ONE OF THE ESG LEADERS



CEZ Group aims to achieve an ESG score* of at least 80% by 2023

We have set core targets based on the ESG methodology for each ESG area

WE HAVE SET CORE ENVIRONMENTAL TARGETS



Decarbonisation

Carbon emissions targets:

- We will reduce CO₂ emissions in line with the Paris Agreement “well below 2 degrees” by 2030
- We will reduce the emission intensity from 0.36 tCO₂/MWh in 2019 to 0.26 tCO₂/MWh in 2025 and to 0.16 tCO₂/MWh in 2030
- We will reduce the share of coal-fired electricity generation from 39% in 2019 to 25% by 2025 and to 12.5% by 2030

Waste / Toxic Emissions and Natural Resources

Toxic emissions targets:

- We will reduce NO_x from 23 kt in 2019 to 13 kt in 2025 and 7 kt in 2030
- We will reduce SO₂ from 21 kt in 2019 to 6.5 kt in 2025 and 3 kt in 2030

Renewables

New RES capacity targets:

- We will build 1.5 GW of RES by 2025 and 6 GW of RES by 2030

WE HAVE SET CORE SOCIAL TARGETS



Community

Community relations targets:

- We will continue to be a good corporate citizen, cultivating good relationships with communities

Customer Orientation

Customer satisfaction targets:

- We will maintain the highest NPS (Net Promoter Score) among the major electricity suppliers

Digitization targets:

- We will bring all key customer processes online by 2025

Human Capital Development

Employer attractiveness targets:

- We will maintain our position as the most attractive employer for future talents and existing employees

Retraining targets:

- We will provide reassignment, or retraining and reskilling or compensation for all employees affected by coal phase-out

WE HAVE SET CORE GOVERNANCE TARGETS



Diversity and Equal Opportunities

Targets for the representation of women in management:

- We will reach 30% female representation in management, and increasing the proportion of women in management of non-technical segments to 30% by 2025

Business Ethics

Business Ethics training targets:

- We will increase the frequency of employee training in the Business Ethics, training at least 95% of employees annually from 2022 onwards

WE ACCELERATE THE IMPLEMENTATION OF THE CURRENT STRATEGY



CEZ Group's Strategic Priorities

Efficient operation, optimal utilization and development of generation portfolio

Modern distribution and care for customers' energy needs

Development of new energy in the Czech Republic

Development of energy services in Europe

CEZ Group's Key Strategy Thesis

- Efficiently managing nuclear power plants and preparing conditions for the construction of a new nuclear power plant as part of enhancement of energy security and decarbonization of the generation portfolio in Czechia
- Efficient management of coal-fired power plants located near the coal basins and decarbonization of Czech generating portfolio
- Modernizing and digitizing distribution and sales in Czechia, developing comprehensive services with respect to customers' needs
- Developing energy services (ESCO) and renewable energy sources (RES) in Czechia while fulfilling the Czech energy and climate plan
- Developing ESCO activities abroad and achieving a significant position in markets close to Czechia, primarily Germany, northern Italy, and Poland



VIZE 2030

CLEAN ENERGY OF TOMORROW

I Transforming the Generating Portfolio to Low Emissions and Achieving Carbon Neutrality

- Efficiently managing nuclear power plants and preparing conditions for the construction of a new nuclear power plant as part of enhancement of energy security in Czechia
- Efficient management of coal-fired power plants located near the coal basins and decarbonization of Czech generating portfolio (including transformation of the heating industry)
- Developing renewable energy sources (RES) while fulfilling the Czech energy and climate plan

II Providing the Best Energy Solutions and the Best Customer Experience on the Market

- Modernizing and digitizing distribution and sales in Czechia, developing comprehensive services with respect to customers' needs
- Developing energy services sources (ESCO) in Czechia while fulfilling the Czech energy and climate plan
- Developing energy services (ESCO) abroad to achieve a significant market position in Germany, Northern Italy, and Poland

WE WILL TRANSFORM OUR GENERATING PORTFOLIO TO LOW-EMISSION AND ACHIEVE CARBON NEUTRALITY



Nuclear Power Plants

- We will **safely increase generation from existing nuclear power plants** to an average of **over 32 TWh** and achieve a 60-year lifetime
- **We will build a new nuclear unit in Dukovany**
- We will prepare for the construction of **small modular reactors (SMRs)** with a total capacity of over 1000 MW after 2040

Renewables

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

Conventional Power Plants

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

WE PROVIDE THE BEST ENERGY SOLUTIONS AND THE BEST CUSTOMER EXPERIENCE ON THE MARKET



Distribution

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

Sales

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

ESCO

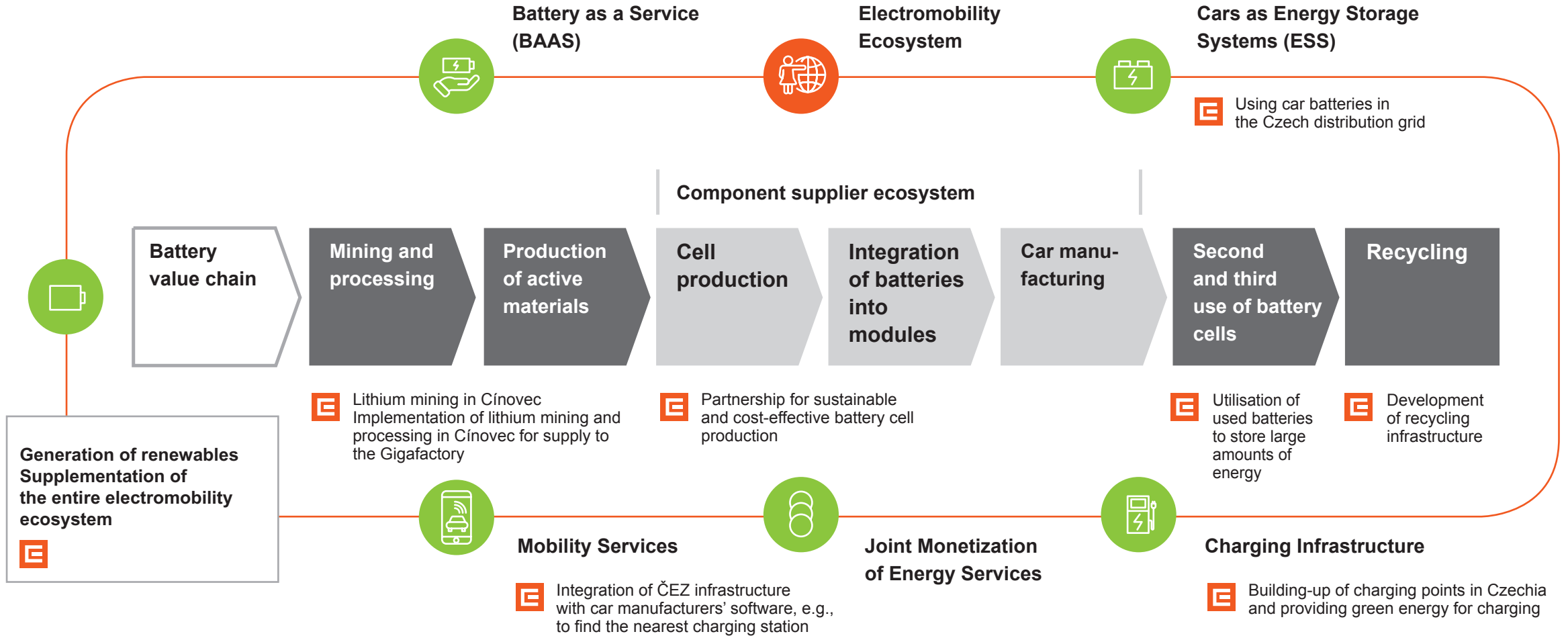
- We will **build electromobility** infrastructure—quadrupling charging capacity and operating at least 800 stations by 2025
- We will further develop our role as a key **decarbonization leader**—enabling effective emission reductions and **delivering energy savings** to our clients in industry, municipalities,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

New Segments

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



ADDITIONAL AREAS OF BATTERY PRODUCTION AND ELECTROMOBILITY WILL BE ADDITIONAL SOURCES OF GROWTH



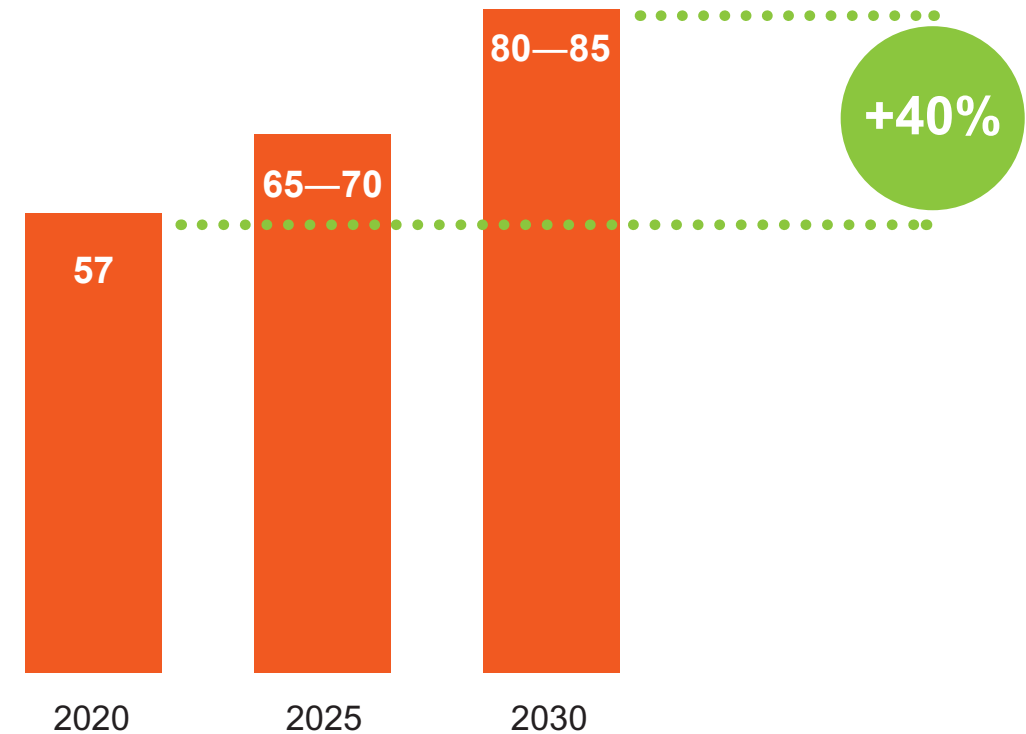
VICE 2030—CLEAN ENERGY OF TOMORROW WILL HELP US MEET OUR PRIMARY FINANCIAL TARGET



VICE 2030—CLEAN ENERGY OF TOMORROW

I
Transforming the Generating Portfolio to Low Emissions and Achieving Carbon Neutrality

II
Providing the Best Energy Solutions and the Best Customer Experience on the Market



EBITDA of CEZ Group
(Strategic assets in CZK bn)



- We will **develop CEZ Group** responsibly and sustainably **in accordance with the ESG**
- **We are accelerating development as part of the strategy:**
 - **We will transform our generating portfolio to low-carbon** in line with the Paris Agreement by 2030 and achieve **carbon neutrality** by 2050
 - We will provide **the most cost-effective energy solutions and the best customer experience on the market**
- We aim to **increase our ESG rating to 80%*** by 2023, **reduce our emissions intensity by more than 50%** by 2030 and **increase EBITDA** by 40% by 2030
- We will adapt the **CEZ Group structure** to meet the demands of our investors, financing banks, and employees

* Average score according to ESG agencies MSCI and Sustainalytics





2020

Operating revenues	CZK 214 bn
EBITDA	CZK 65 bn
Net income	CZK 5.5 bn
Adjusted net income	CZK 22.8 bn
Number of employees	32.5 thousand
Installed capacity	12,933 MW
Length of Czechia's distribution grid	311,652 km
Electricity generation	60.9 TWh
Electricity sales	33.3 TWh
Volume of electricity distributed	50.6 TW

CEZ GROUP IS AN INTERNATIONAL COMPANY WITH A STRONG POSITION ON THE CZECH MARKET AND GROWING POSITION IN WESTERN EUROPE



MAIN TARGET MARKETS

Czechia

- Mining
- Traditional generation (CE, NPP)
- Renewables
- Distribution
- ESCO, Sales

Germany

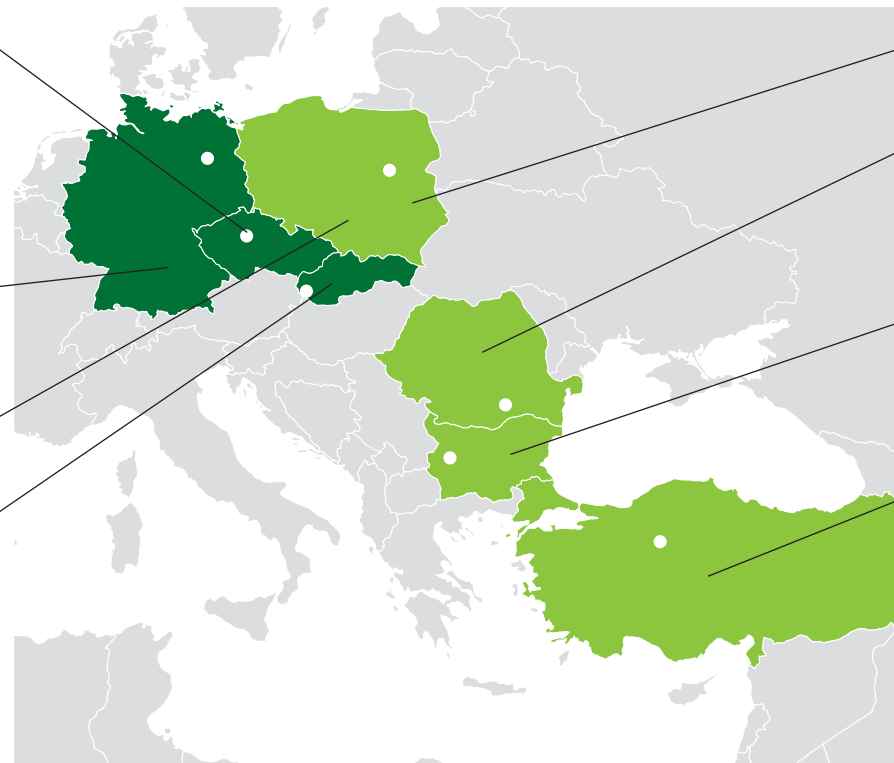
- Renewables
- ESCO

Poland

- ESCO

Slovakia

- ESCO



OTHER MARKETS

Poland (divestment ongoing)

- Traditional generation

Romania (divestment done)

- Renewables
- Distribution
- Sales

Bulgaria (divestment ongoing)

- Distribution
- Sales
- Renewables

Turkey

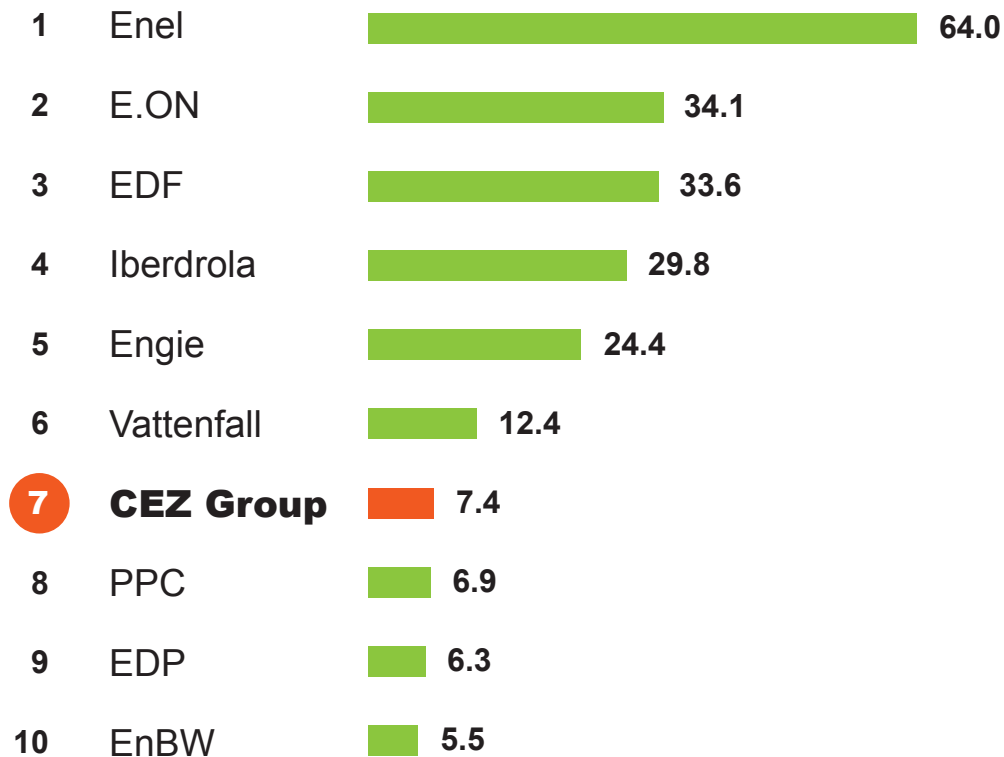
- Distribution
- Sales
- Traditional generation
- Renewables

Assets held for divestment/divestment done

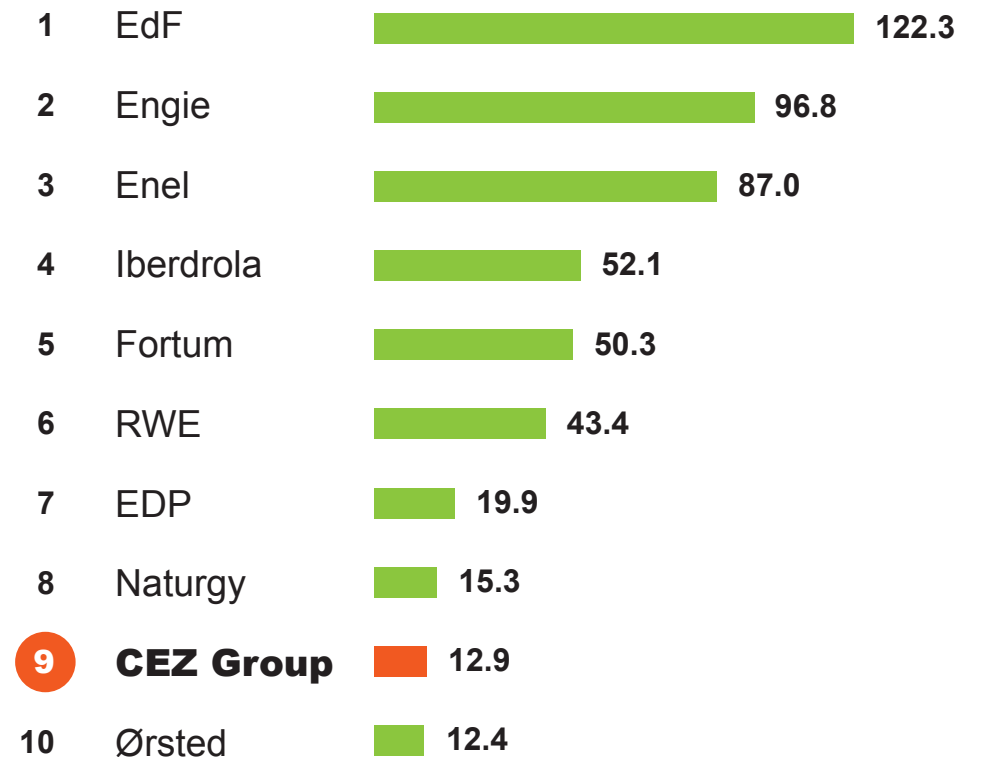
CEZ RANKS AMONG THE TEN MOST IMPORTANT EUROPEAN ENERGY COMPANIES



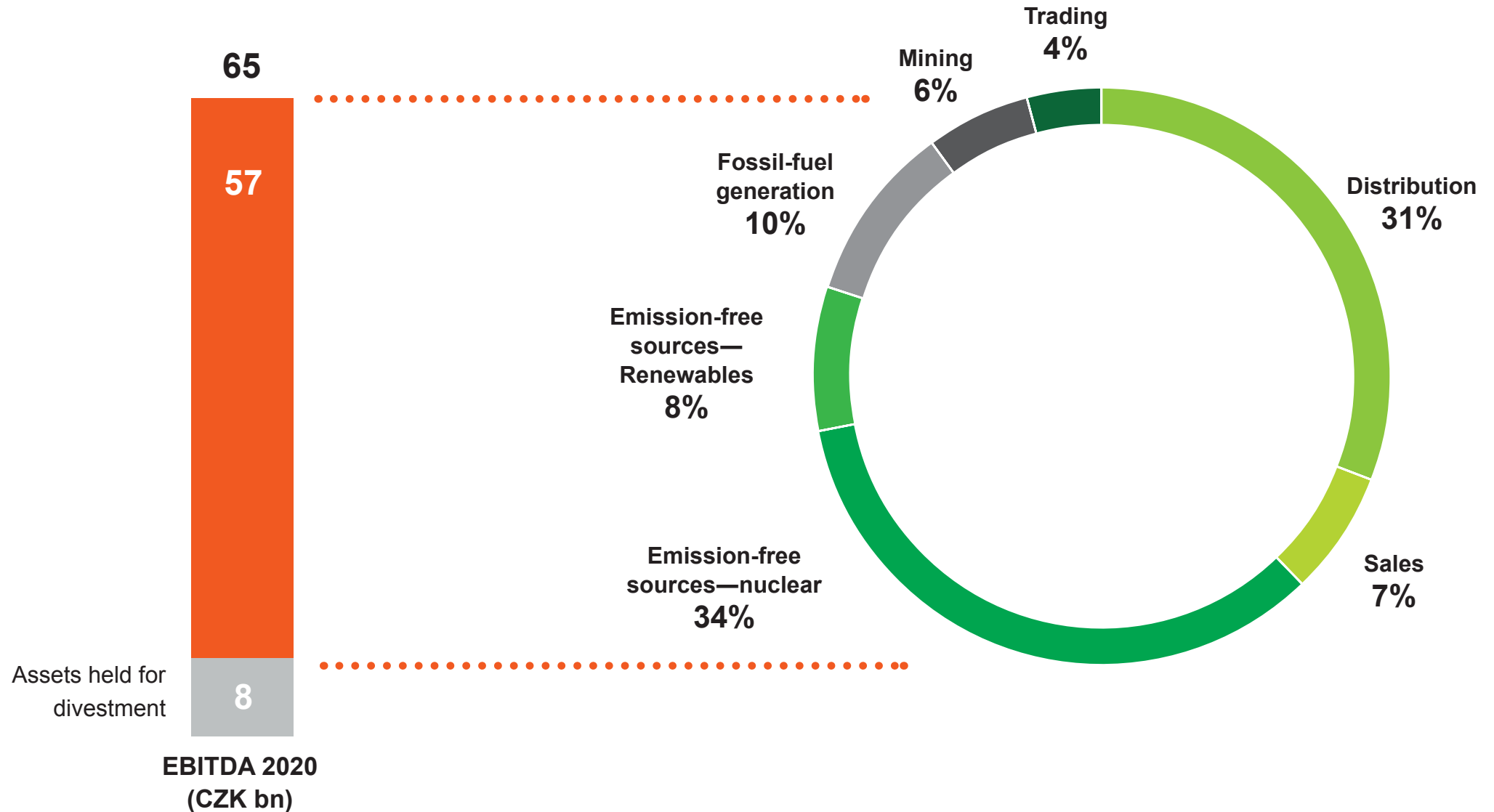
Number of customers millions in 2019



Installed capacity GW in 2020



EBITDA SHARE OF FOSSIL-FUEL GENERATION WAS ONLY 10% IN 2020, CUSTOMER PART WAS 38%



STRATEGIC PRIORITIES OF THE CURRENT STRATEGY



In 2019, the General Meeting of CEZ approved a new business concept on the proposal of the Board of Directors, which also forms the basis for a new strategy based on 4+1 priorities.

CEZ Group's Main Opportunities

- Strengthening the Energy Security of Czechia
- Modernizing the Czech Energy Sector
- Fulfilling the Climate and Energy Plan for Czechia
- Close Links between Czech Industry and Neighboring Countries



CEZ Group's Strategic Priorities

- Efficient operation, optimal utilization and development of generation portfolio
- Modern distribution and care for customers' energy needs
- Development of new energy in the Czech Republic
- Energy services development in Europe
- Divestment Strategy

CEZ Group's Key Strategy Thesis

- Efficiently managing nuclear power plants and coal-fired power plants located near the coal basins and preparing conditions for the construction of a new nuclear power plant as part of enhancement of Czechia's energy security and decarbonization of the generation portfolio in Czechia
- Modernizing and digitizing distribution and sales in Czechia, developing comprehensive services with respect to customers' needs
- Developing energy services (ESCO) and renewable energy sources (RES) in Czechia while fulfilling the Czech energy and climate plan
- Developing ESCO activities abroad and achieving a significant position in markets close to Czechia, primarily Germany, northern Italy, and Poland
- Implementing efficient exit strategies from risky and unpromising markets and energy segments
- Completing RES development abroad and ensuring return on invested funds

