CEZ GROUP:
READY FOR DECENTRALIZED ENERGY FUTURE

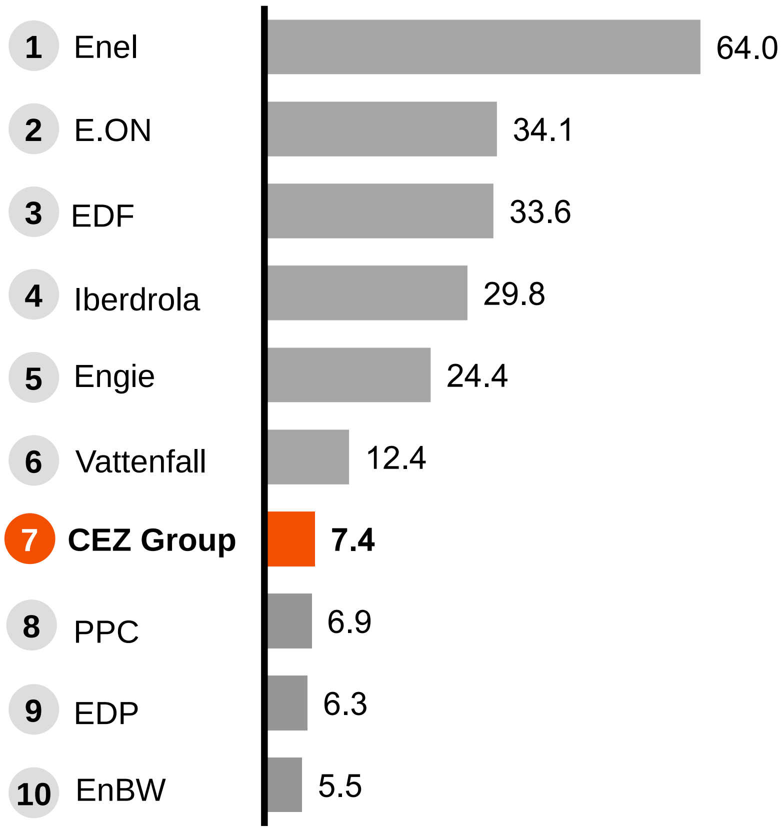
Investment story, April 2021

AGENDA

CEZ GROUP RANKS AMONG LEADING UTILITY COMPANIES IN EUROPE

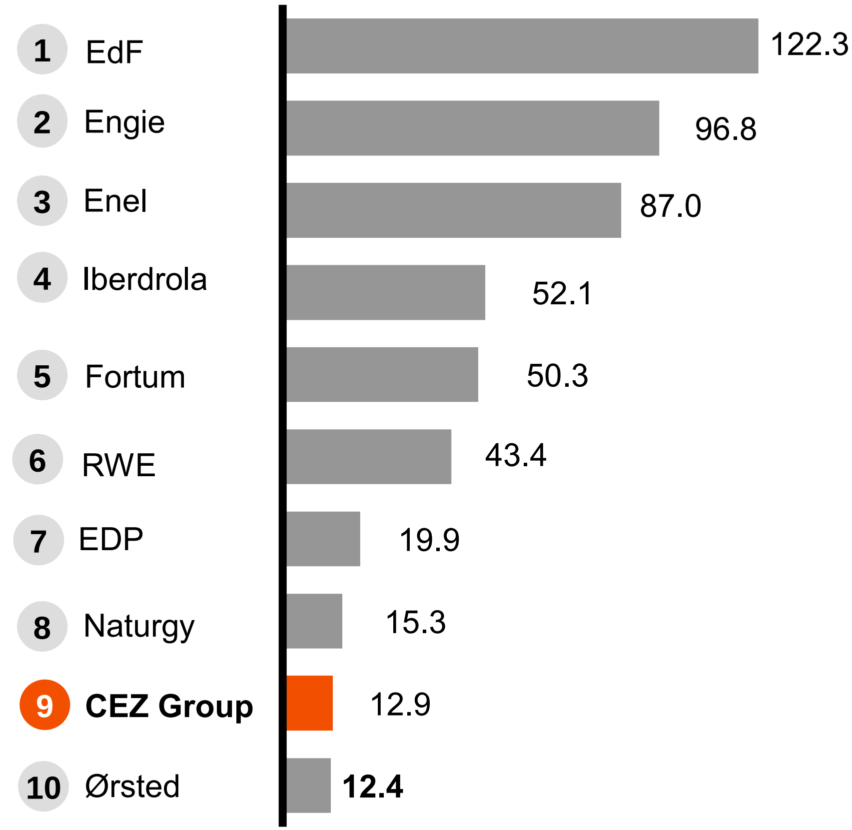
Number of customers of European utilities

2019, in millions



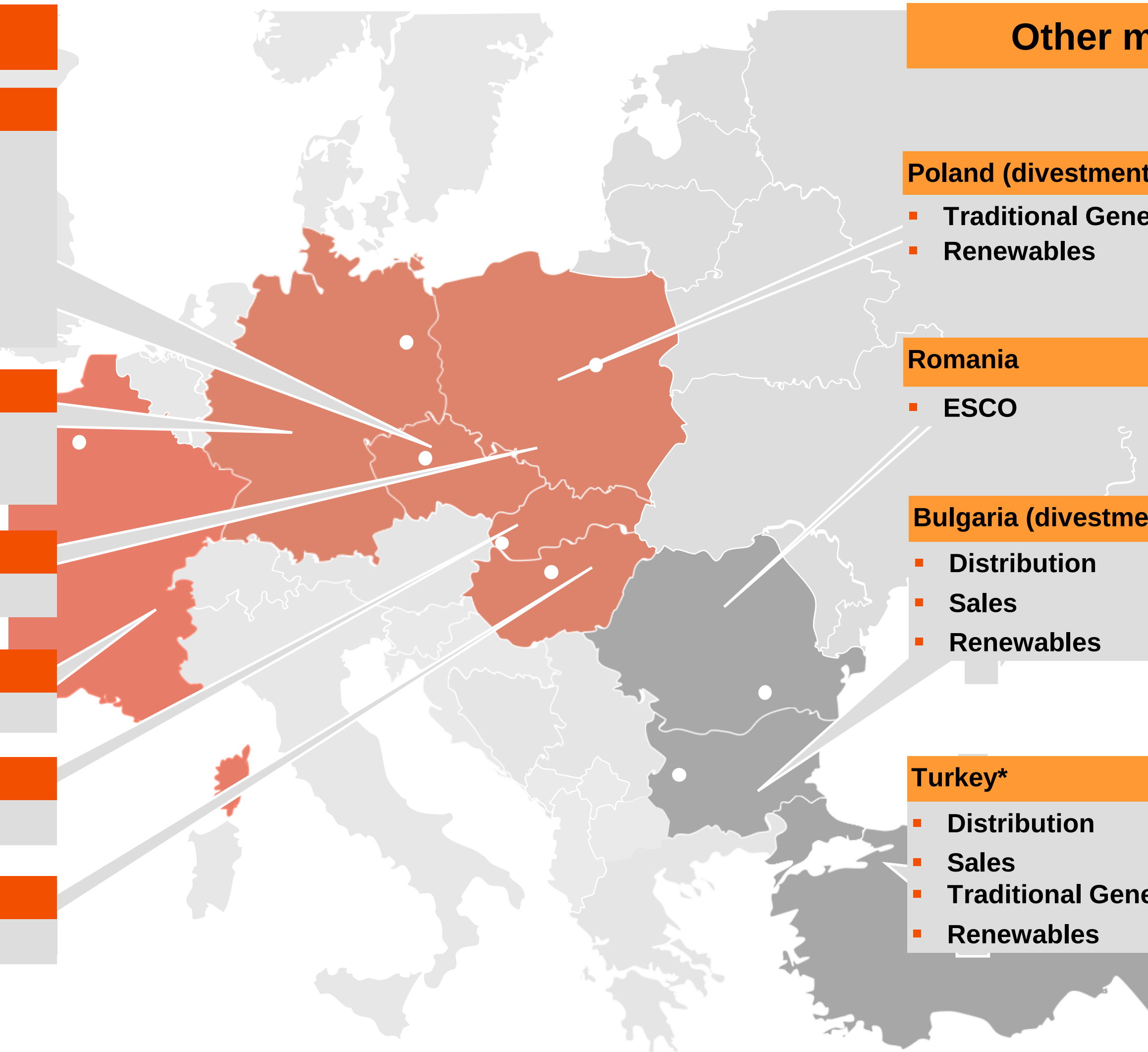
Installed capacity of European utilities

2020 where available, in GW



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
- 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	**52%** 15.4 million tons	**70%** 56.8 TWh	**100%** 66.3 TWh	**65%** 34.7 TWh	**29%** 17.0 TWh
Others	**48%** 14.1 million tons	**30%** 24.7 TWh		**35%** 18.9 TWh	**71%** 42.0 TWh

Lignite mining
- CEZ fully owns the largest Czech mining company (SD) covering 65% of CEZ' s Lignite needs of 16.8m tons
- 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

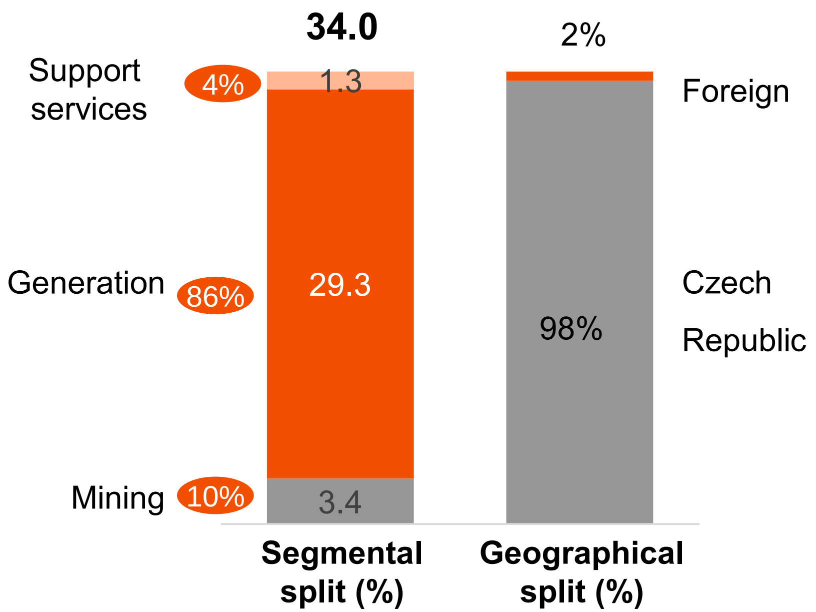
Source: CEZ, ERU, MPO, data for 2020

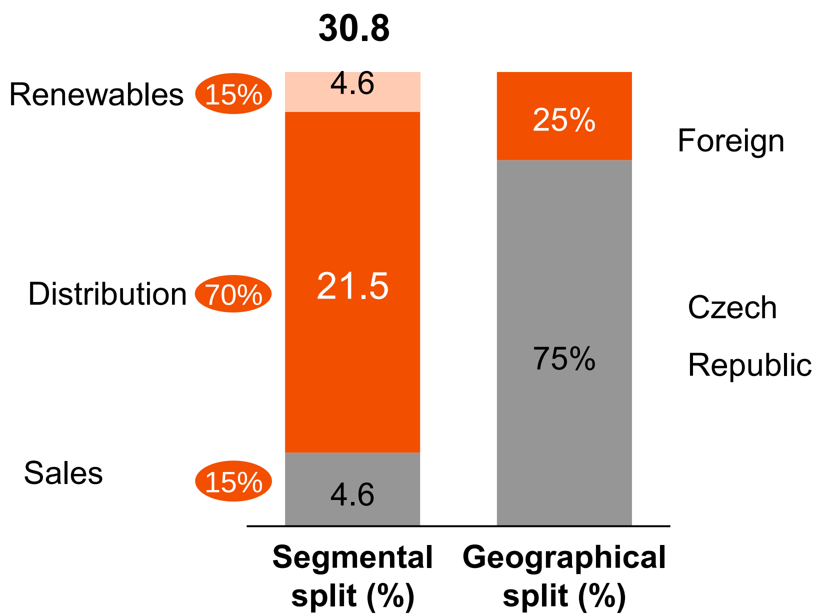
SEGMENTAL AND GEOGRAPHICAL CONTRIBUTIONS TO EBITDA IN 2020

~52% **Traditional Generation 2020 EBITDA**

2020 EBITDA CZK 64.8bn

48% **Regulated and New Energy 2020 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…..**
  - Current forwards* are 25% above 2021 hedges of EUR 46/MWh
- **….. as it is positively geared toward growing price of CO2 allowances**
  - CEZ emission intensity 0.33 t/MWh is well below 0.55 t/MWh intensity of price setting plant and will further drop to 0.28 t/MWh by 2021
- **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“)**
  - 2021 growth ambition in ESCO is set at CZK 25 bn (+14 % y-o-y)
  - Further growth anticipated organically and through acquisitions

* Cal-22 baseload of EUR 57.2/MWh on EEX as of March 21

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

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

2020 EBITDA contribution of assets contemplated for sale: CZK 7.6 bn*

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

STRATEGIC PRIORITIES FOR 2021

GENERATION & MINING

- Increasing generation at nuclear power plants to over 30.5 TWh
- Starting the construction of new RES facilities in Czechia
- Fulfilling the decarbonization strategy, incl. shutdown of Unit 3 of the Mělník power plant
- Preparing the transition of heat generation to low-emission sources
- NNPP—obtaining authorization and zoning permit and starting the contractor selection procedure

DISTRIBUTION

- Digitizing end-to-end distribution processes in customer service, asset management, and support services at over 25%
- Fulfilling the investment program and operational efficiency objectives of ČEZ Distribuce

SALES

- Digitizing sales processes, increasing the portfolio of end-use customers
- Stabilizing the ESCO business after Covid-19 impacts and restarting growth
- Reinforcing positions in ESCO markets in Italy and Slovakia

DIVESTMENT STRATEGY

- Completing the sale of foreign assets in Romania, Bulgaria, and Poland
- Protecting CEZ Group's interests in international arbitration in Bulgaria

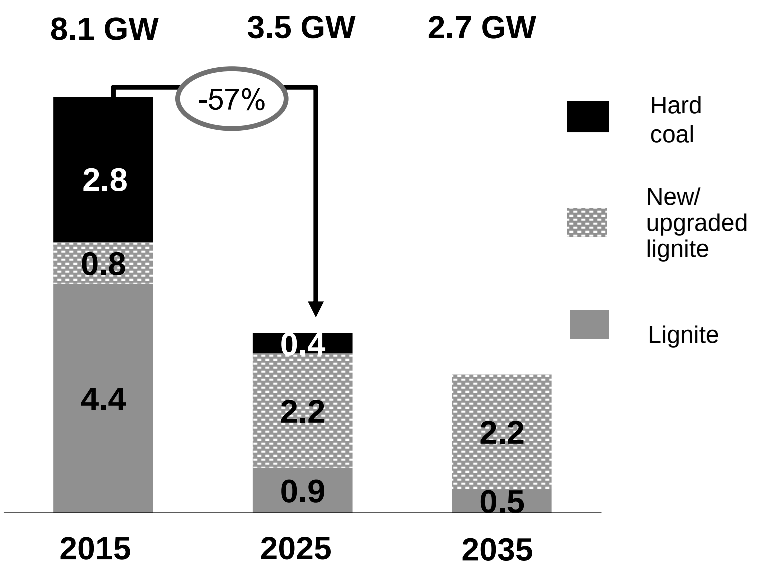
NNPP – new nuclear power plant

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 37% of capacity and 36% of generation volume in 2020. Their revenues are 16% of total.
- 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*

Expected development of installed capacity in coal (GW)



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)

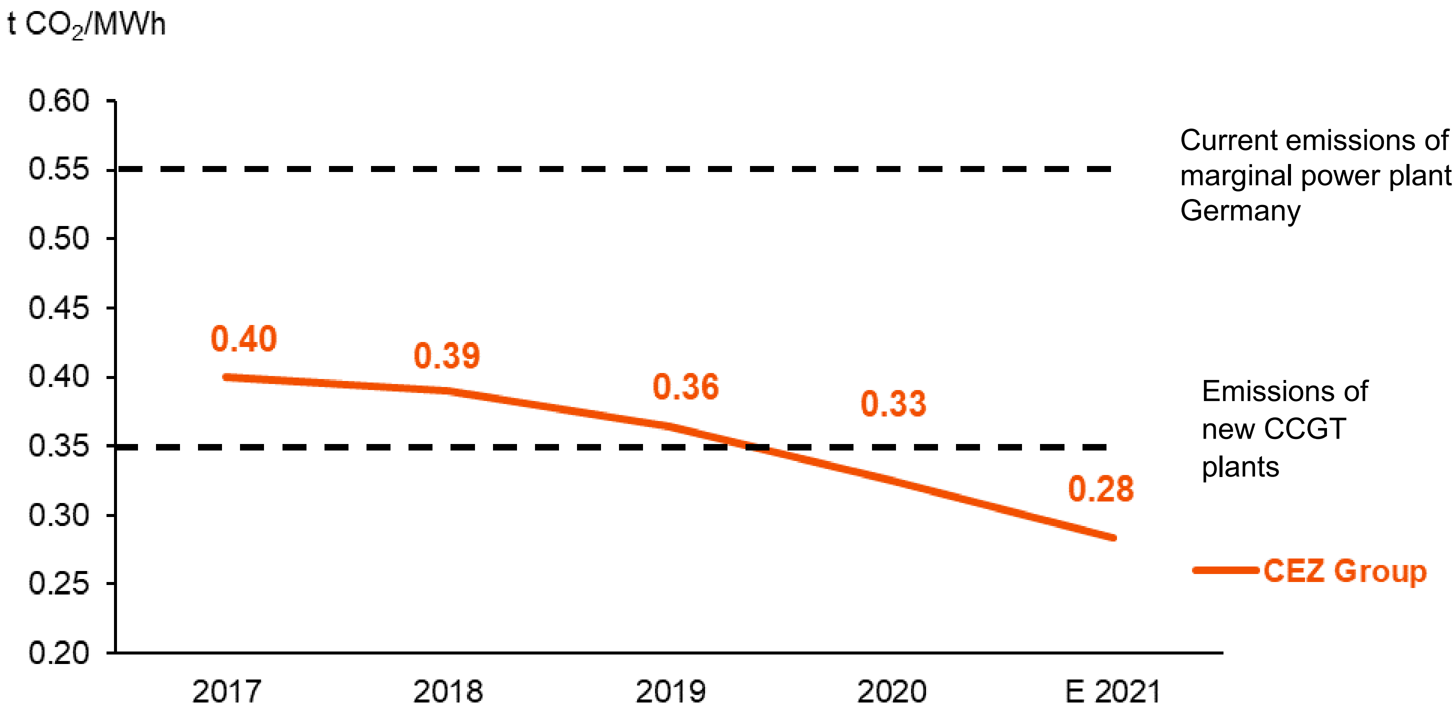
Coal extracted is mainly used in own power plants

- CEZ Group produced 15.4 mil tones of coal, out of which only 29% 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

CEZ GROUP'S EMISSION INTENSITY IS LOWER THAN SPECIFIC CO_2 EMISSIONS OF NEW CCGT PLANT

CEZ Group's emission intensity (tCO_2/MWh of generated electricity)

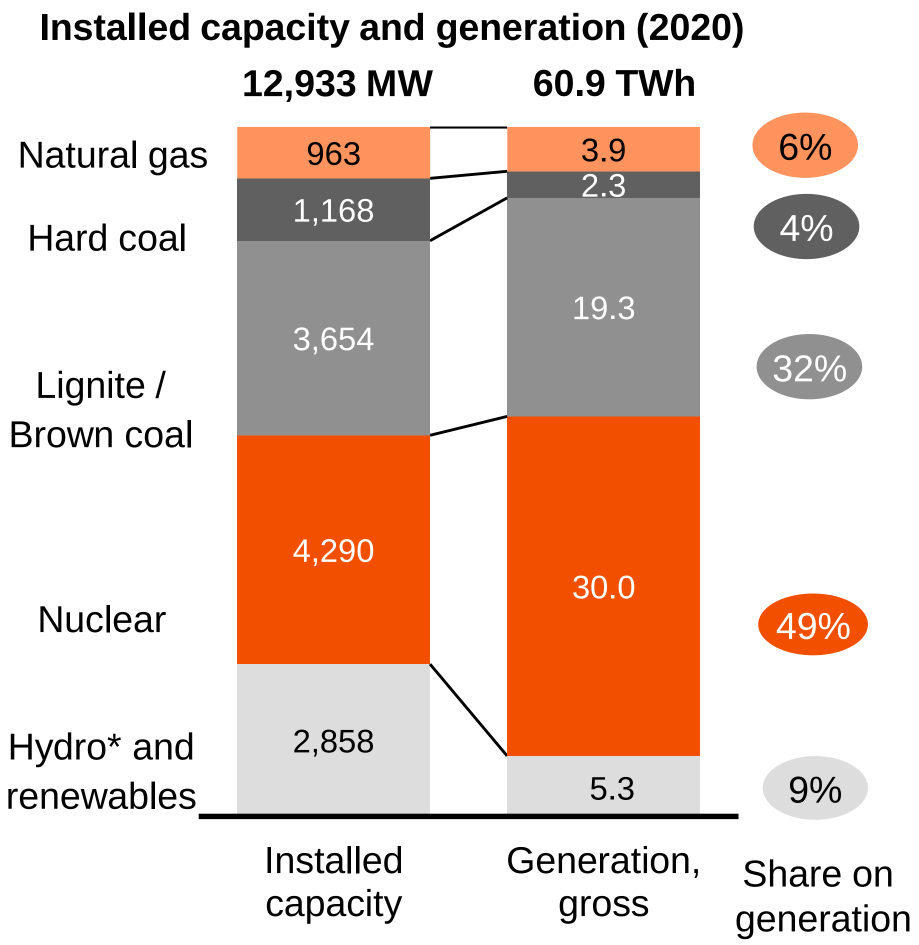


CEZ Group's emission intensity per generated electricity (emissions of 0.33 tCO_2/MWh_e):

- Decreased by more than 10% year-on-year
- The value reached in 2020 is already below the emission intensity of a new CCGT plant (0.35 tCO2/MWh_e)
- We expect another decrease of more than 12% in 2021, to 0.28 tCO2/MWh_e, which is a value corresponding to 50% of emissions produced by a marginal power plant, determining current market prices in Germany

AGENDA

CEZ GROUP OPERATES LOW-COST GENERATION FLEET



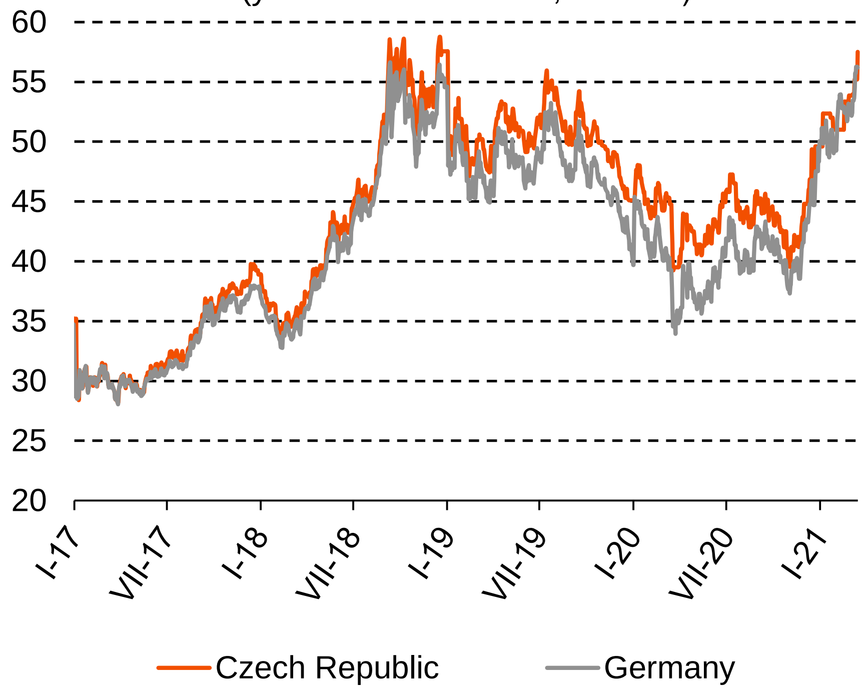
- **Emission-free production represents 58% of total**
- **Coal power plants are using mostly lignite from CEZ's own mine** (65% of lignite needs sourced internally, remaining volume through long-term supply contracts)
- **Nuclear plants have very low operational costs**

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

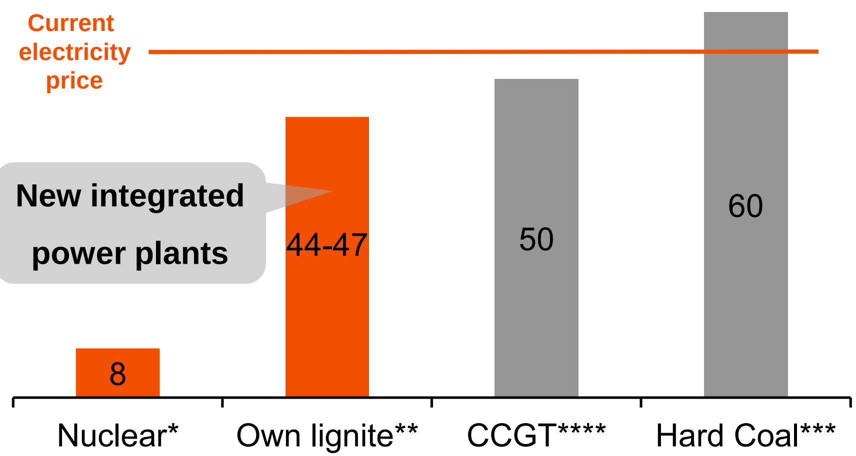
* Hydro 1,985 MW, out of which 1,170 MW in pumped-storage hydro

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)



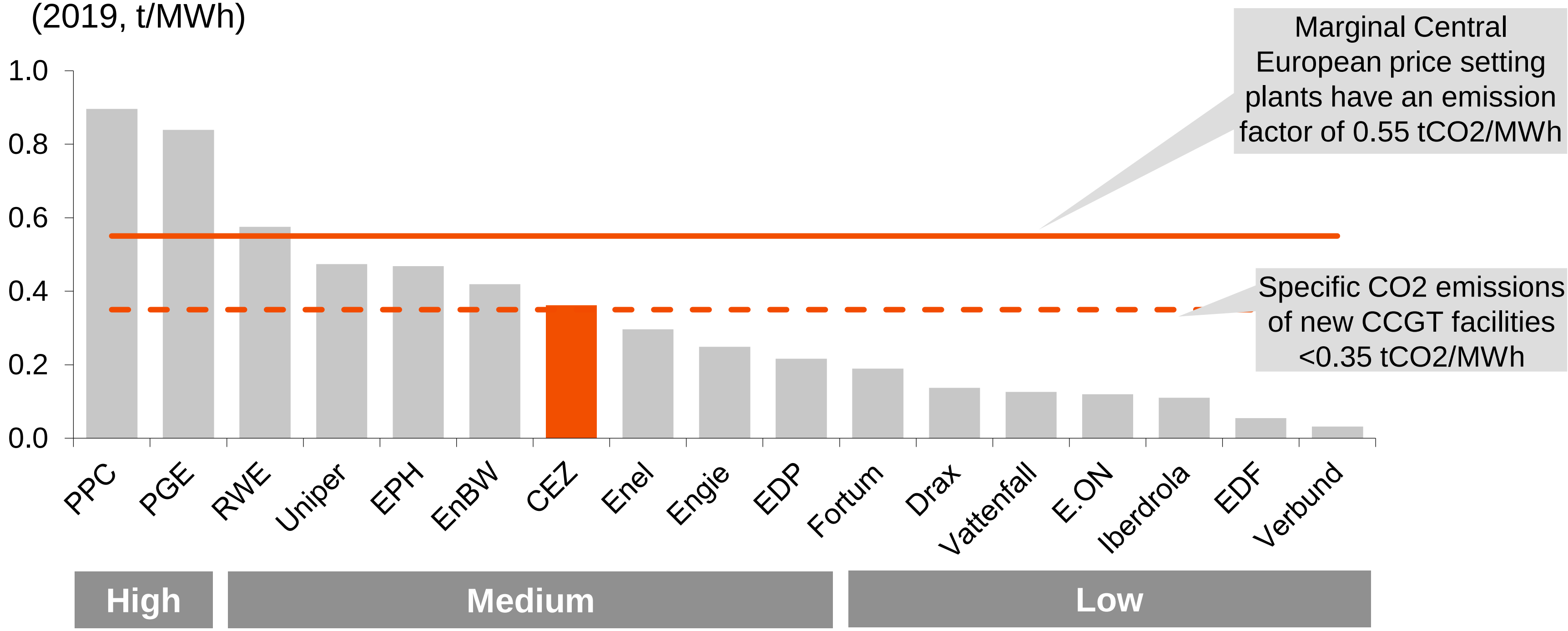
Drivers of electricity price

- **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 42.3 EUR/t, 0.96 t/MWh CO_2 *** Coal at 69.5USD/t, 38% efficiency, 0.90 t/MWh CO_2 ****Gas 17.9 EUR/MWh, 57% efficiency, 0.35 t/MWh CO_2

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

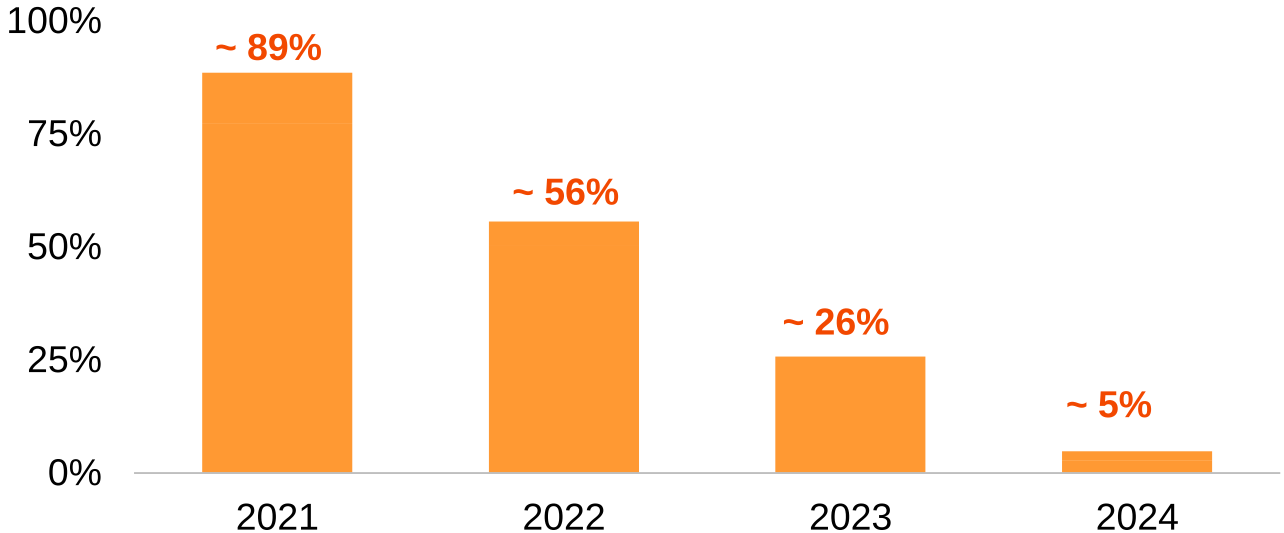
Carbon intensity of selected European utilities
(2019, t/MWh)



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 ČEZ* Facilities in Czechia as at Dec 31, 2020



Hedging Prices in Czechia as at Dec 31, 2020

	2021	2022	2023	2024
Electricity selling price (EUR/MWh)	€45.9	€47.0	€47.1	€48.5
Carbon allowances purchase price (EUR/t)	€20.6	€22.6	€23.7	€25.3

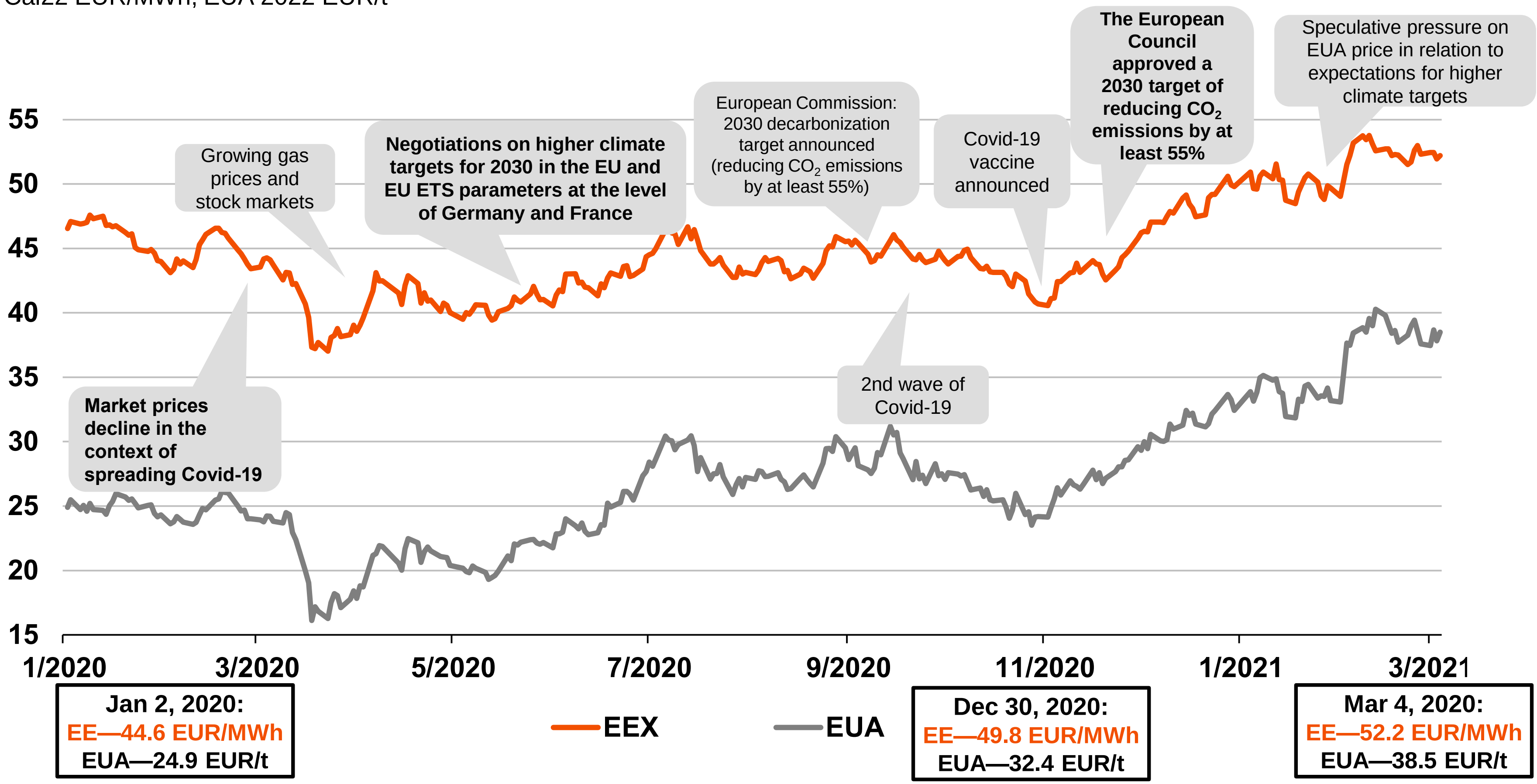
Expected achieved prices for generation in Czechia in 2021 (forecasts as at Dec 31, 2020):

- The expected average price of generated electricity is approximately **48 EUR/MWh** (compared to 45 EUR/MWh in 2020).
- The expected average purchase price of emission allowances for generation (incl. those allocated under a derogation) is **24 EUR/t**. (compared to 15 EUR/t in 2020)

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

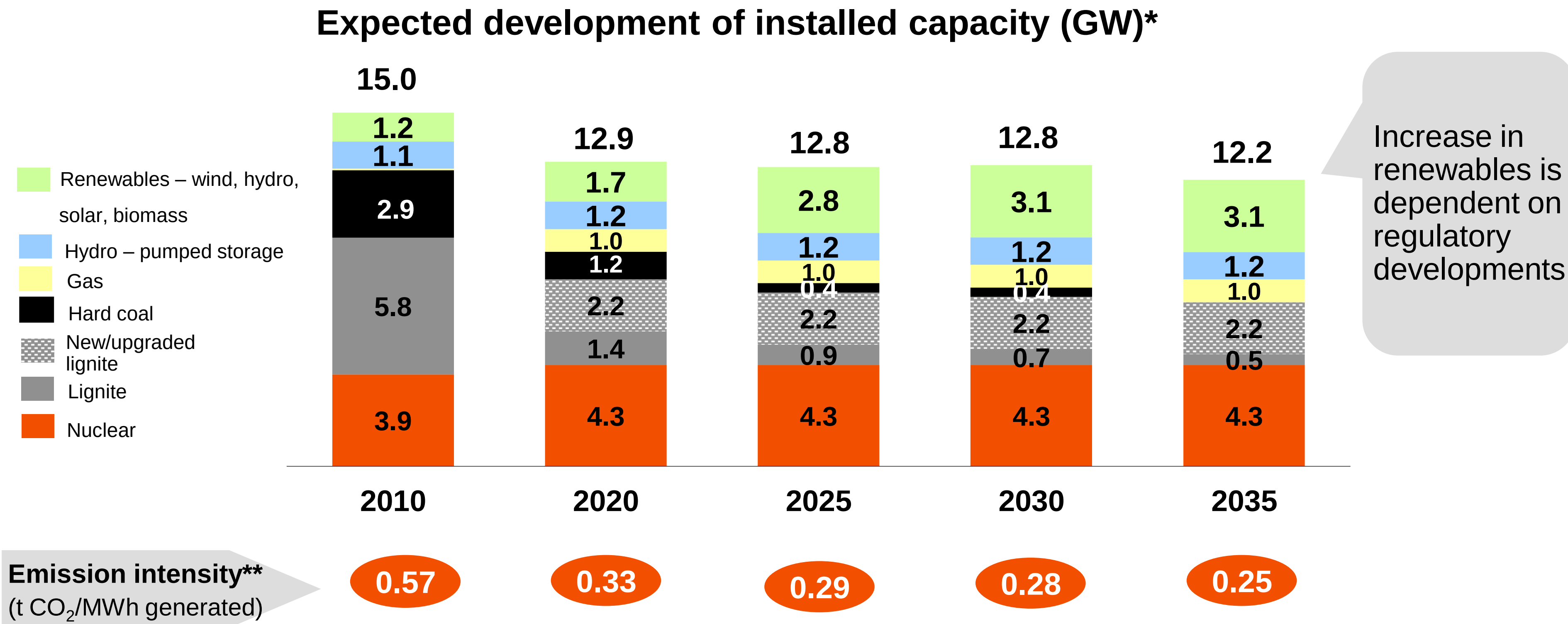
PRICE OF ELECTRICITY AND CARBON DETERMINED BY EU REGULATION AND IMPACT OF COVID-19

Prices of Electricity and Emission Allowances in Germany (Jan 1, 2020–Mar 4, 2021)
Cal22 EUR/MWh; EUA 2022 EUR/t



 EE – electricity; EUA - European Union Emission Allowance

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



- In 2020 alone 1,719 MW of coal capacity has been shut-down or sold. Additional 500MW Mělník III will be shut down in August 2021.
- 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.
- 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 2028 in renewables are not included ** Emission intensity of electricity generation (emissions related to generation of heat excluded from the calculations)

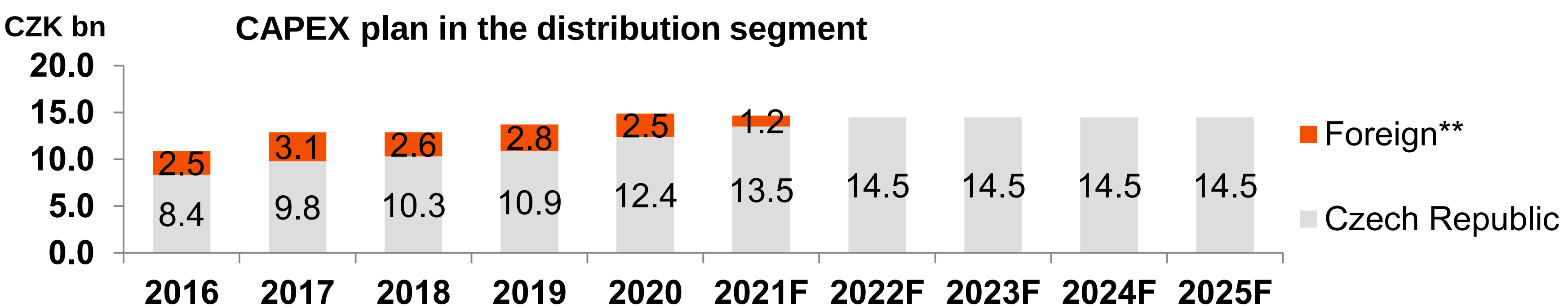
AGENDA

IN 2020 CZECH DISTRIBUTION MADE UP FOR 27% OF CEZ GROUP EBITDA, TRANSPARENT REGULATION INCENTIVISES HIGHER INVESTMENTS

Overview of 2020 regulation parameters and 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	6.54%	6.9%	6.67%
Regulatory period	2021 – 2025	2019 - 2023	2018 - 2021
2020 EBITDA (CZK bn)	17.7	2.0	1.9

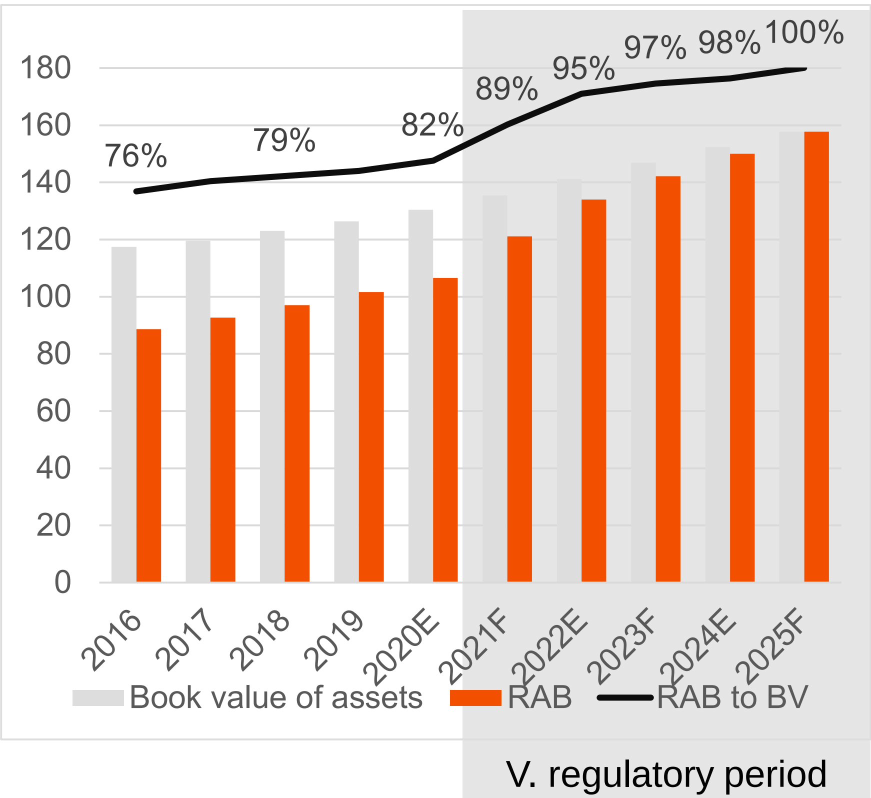
CAPEX plan in the distribution segment



EUR/CZK = 25.41, EUR/BGN = 1.96, EUR/RON = 4.78 * RAB value updated by inflation clause every year **consolidated only part of 2021

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 12.4 bn in 2020 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%

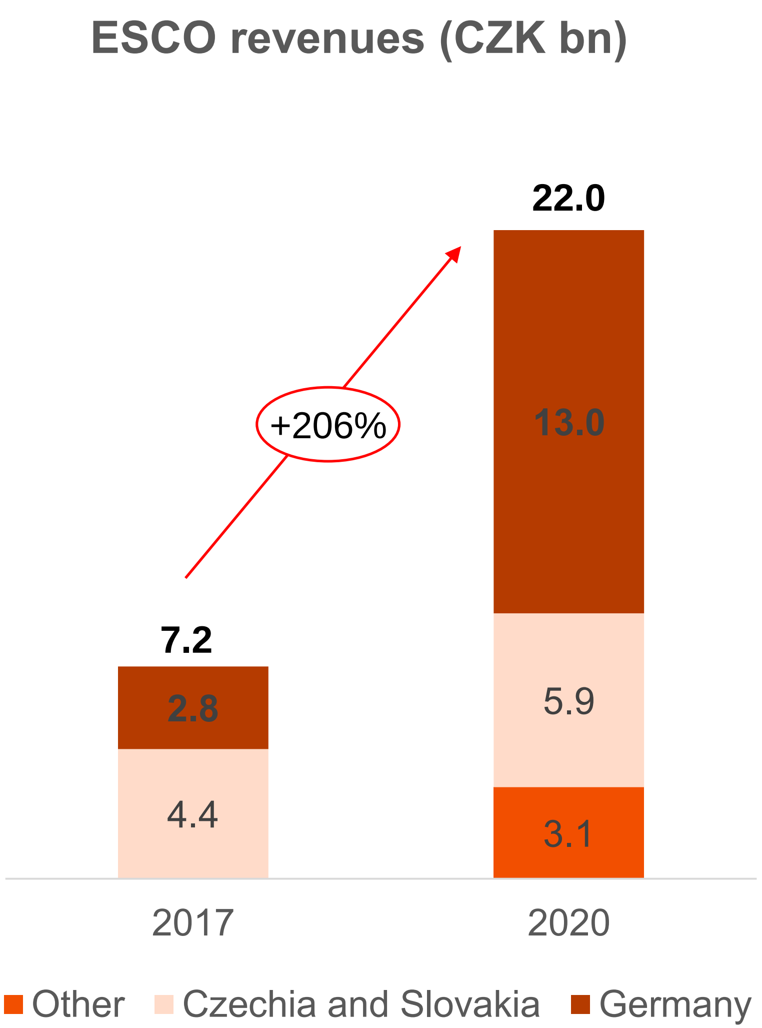
 ** Actual values for 2014 – 2019, planned values for 2020-25*

AGENDA

WE SEE LONG-TERM OPPORTUNITIES 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.



ESCO SERVICES IN 2020 NEGATIVELY AFFECTED BY COVID-19, GROWTH AMBITION FOR 2021 SET TO 14%

ESCO Revenues (CZK bn)

2020 revenues (+1%)

− Organic growth negatively affected by Covid-19

+ Effect of acquisition of Hermos (consolidated May 15, 2019) in Germany

\+ Effect of the acquisition of Euroklimat in Poland (consolidated Aug 30, 2019)

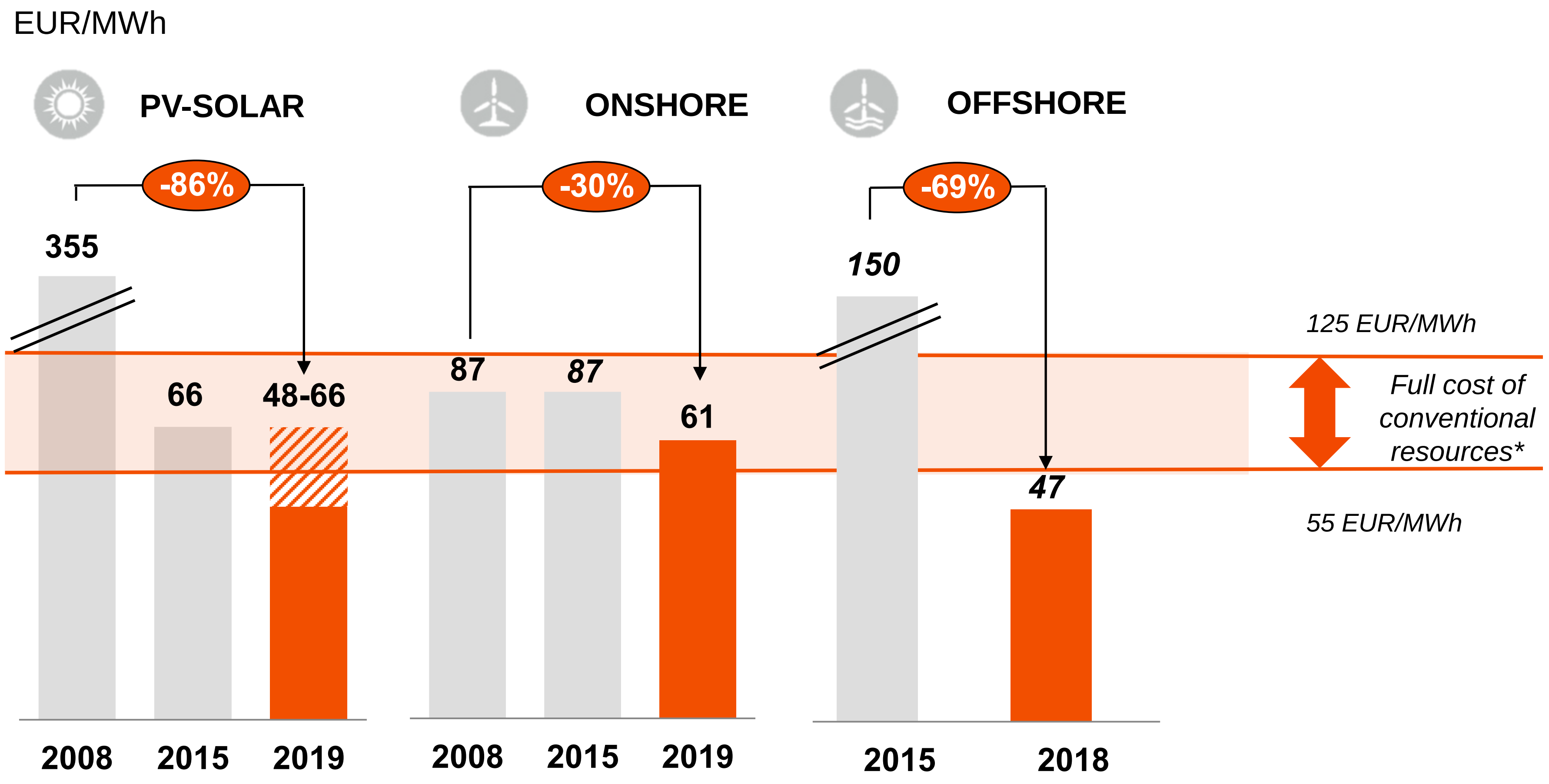
+Moser & Partner in Austria (consolidated Apr 9, 2020), AxE in Italy (consolidated Oct 29, 2020)

2021 revenues ambition (+14%)

+ Organic growth assuming market recovery after Covid-19

+ Growth in new products

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



 * Source: BNEF

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

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 142 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

CEZ EXPECTS TO COMMISSION MORE THAN 1 GW OF SOLAR CAPACITY BY 2025

- 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.**
- General parameters of **Modernization Fund's support for RES are approved, conditions for disbursement in Czechia are not.**
- **CEZ Group preliminary registered its projects and awaits conditions for subsequent live calls for grants.**

CEZ Group has an ambition to become a more significant player in renewables in Czechia and put RES facilities with capacity exceeding 1 GW into operation by 2025.

Competitive advantages

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

INVEN CAPITAL
SELECTED EVENTS IN 2020

Successful appreciation of share in CyberX:

- **CyberX**—an Israeli company providing comprehensive solutions for industrial cybersecurity
- **Share sold to Microsoft for about 1.6 times the purchase price in June 2020**

Investments in new companies:

- **Forto**—a German company developing a comprehensive platform that greatly simplifies all steps in international freight transportation, with focus on air and maritime transportation
- **Eliq**—a Swedish company developing a platform for electricity generators and distributors, which can be offered by these corporations to their customers as an application. Eliq's software analyzes consumption as well as other indicators such as outdoor temperature, humidity, and weather forecast to allow users to better control and predict their consumption
- **Topíte**—a Czech company developing a digital marketplace for fitters and customers, brokering job orders for fitters and providing customers with an insight into their projects for the installation of a heat pump, boiler, air conditioning, or solar panels

Investments in current companies:

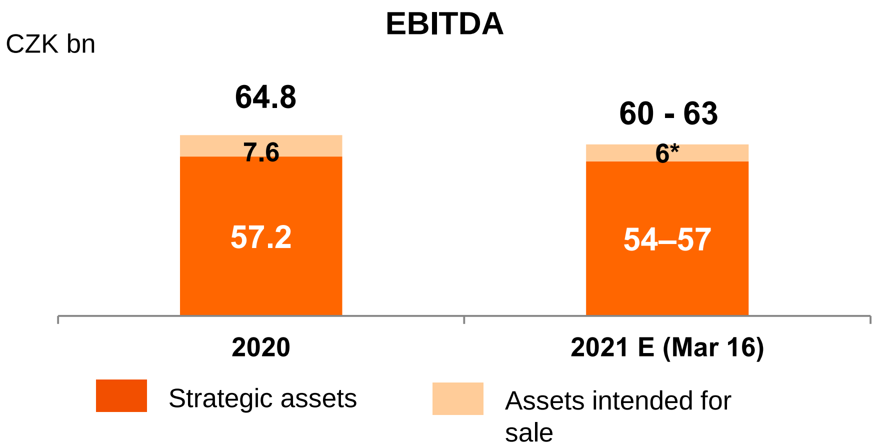
- **tado°**—a German company manufacturing smart thermostats and software for automatic remote control of household heating and air conditioning
- **Cloud & Heat**—a German company operating in 24 countries throughout the world, building a network of energy-saving data centers and using heat from servers for building and water heating
- **Vulog**—a French company providing green mobility sharing technologies
- **Neuron Soundware**—a Czech company developing artificial intelligence products for preventing machinery failures
- **Zolar**—a Germany company developing an innovative platform for the installation of solar panels and batteries

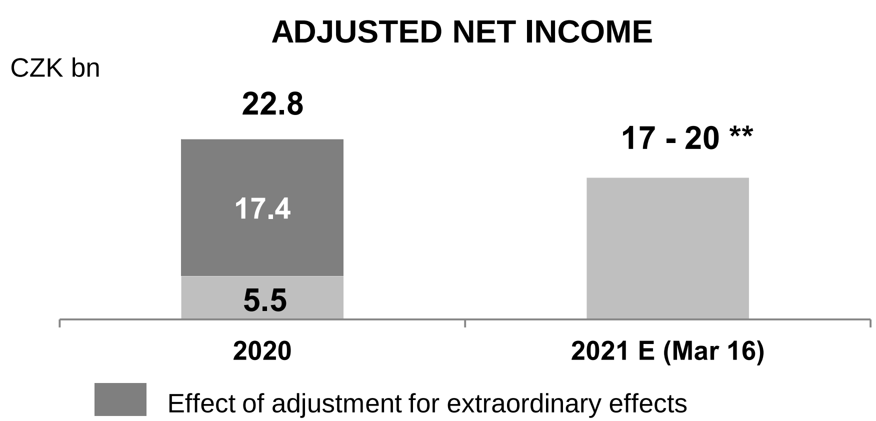
Two companies from Inven Capital's portfolio are included in Cleantech Group's prestigious global list of 100 most innovative businesses. **Tado°** and **Cloud & Heat** are among the top 100 most innovative clean-tech businesses across the globe.

AGENDA

FINANCIAL OUTLOOK FOR 2021: STRATEGIC ASSETS

EBITDA ESTIMATED AT CZK 54-57 BN, ADJUSTED NET INCOME AT CZK 17-20 BN





Main year-on-year effects (2021 vs. 2020):

− Higher expenses on emission allowances for generation

− Lower revenue from ancillary services

− Effect of a new regulatory period on ČEZ Distribuce in Czechia

− / + Uncertain amount of gain from commodity trading

+ Higher realization prices of electricity

+ Higher generation volume at nuclear plants

+ Stabilization of the Sales segment after the impacts of Covid-19 on corporate customers

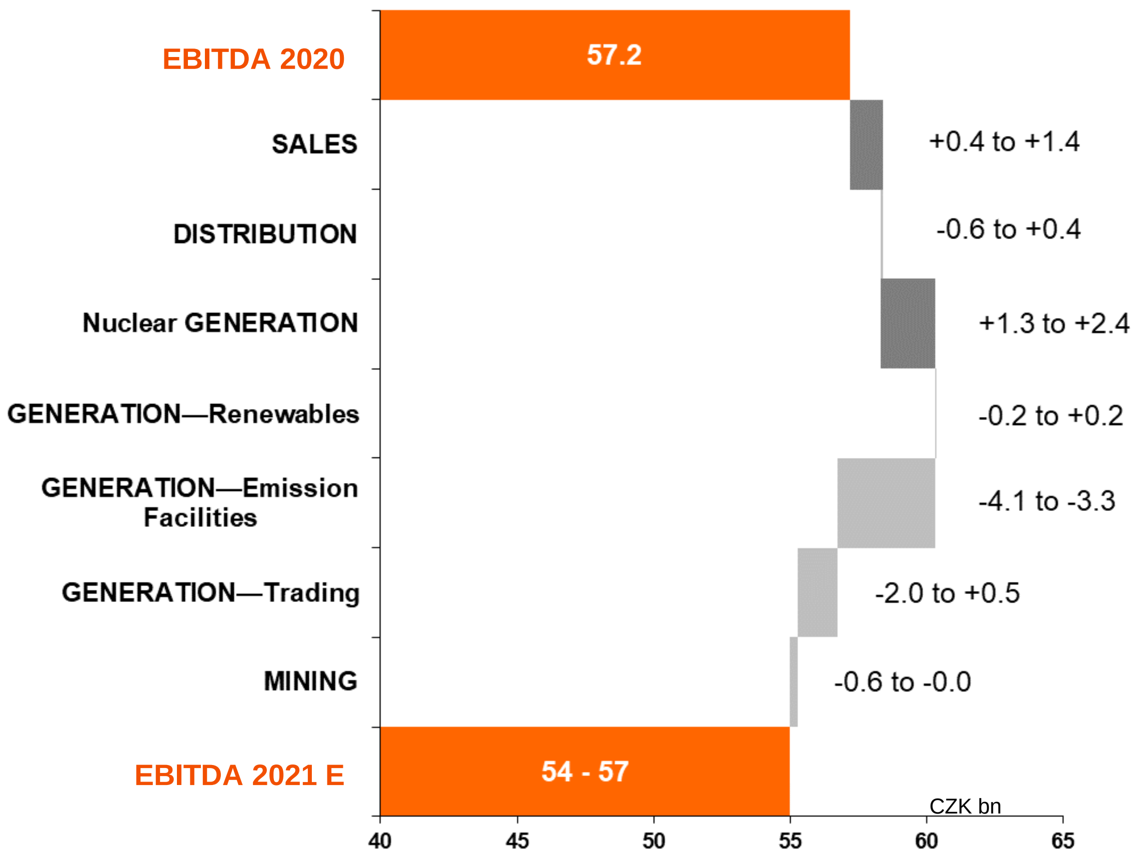
Selected prediction risks and opportunities:

- Availability of generating facilities
- Realization prices of generated electricity
- Gain from commodity trading and revaluation of derivatives
- Revenue from ancillary services provided by generating facilities in Czechia
- Effects of Covid-19

* Expected EBITDA of assets intended for sale for the full year 2021. The actual contribution to the consolidated results of CEZ Group will depend on the settlement date of disposals. According to current estimated dates (RO Mar 31, BG Jun 30, PL Dec 31), we estimate their contribution to EBITDA at CZK +2 to +3 bn.

** We estimate the contribution of assets held for sale to the 2021 consolidated net income at nearly zero, especially in view of already made contracts (for the sale of RO and BG assets), under which any profit belongs to the buyers.

EXPECTED YEAR-ON-YEAR CHANGE IN EBITDA FOR STRATEGIC ASSETS BY BUSINESS SEGMENT



STRATEGIC ASSETS
(total year-on-year decrease by CZK 0 to 3 bn)

SALES Segment

+ Growth ambitions in ESCO services
+ Negative effect of Covid-19 on ESCO companies in 2020
− Settlement of unbilled electricity at ČEZ Prodej in 2020

DISTRIBUTION Segment

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

GENERATION Segment Total (CZK -4.0 to -1.0 bn)

Nuclear Plants

+ Higher realization prices of electricity
+ Higher generation volume

Fossil fuel facilities

− Higher expenses on emission allowances for generation
− Lower revenue from sales of ancillary services
− Higher maintenance costs

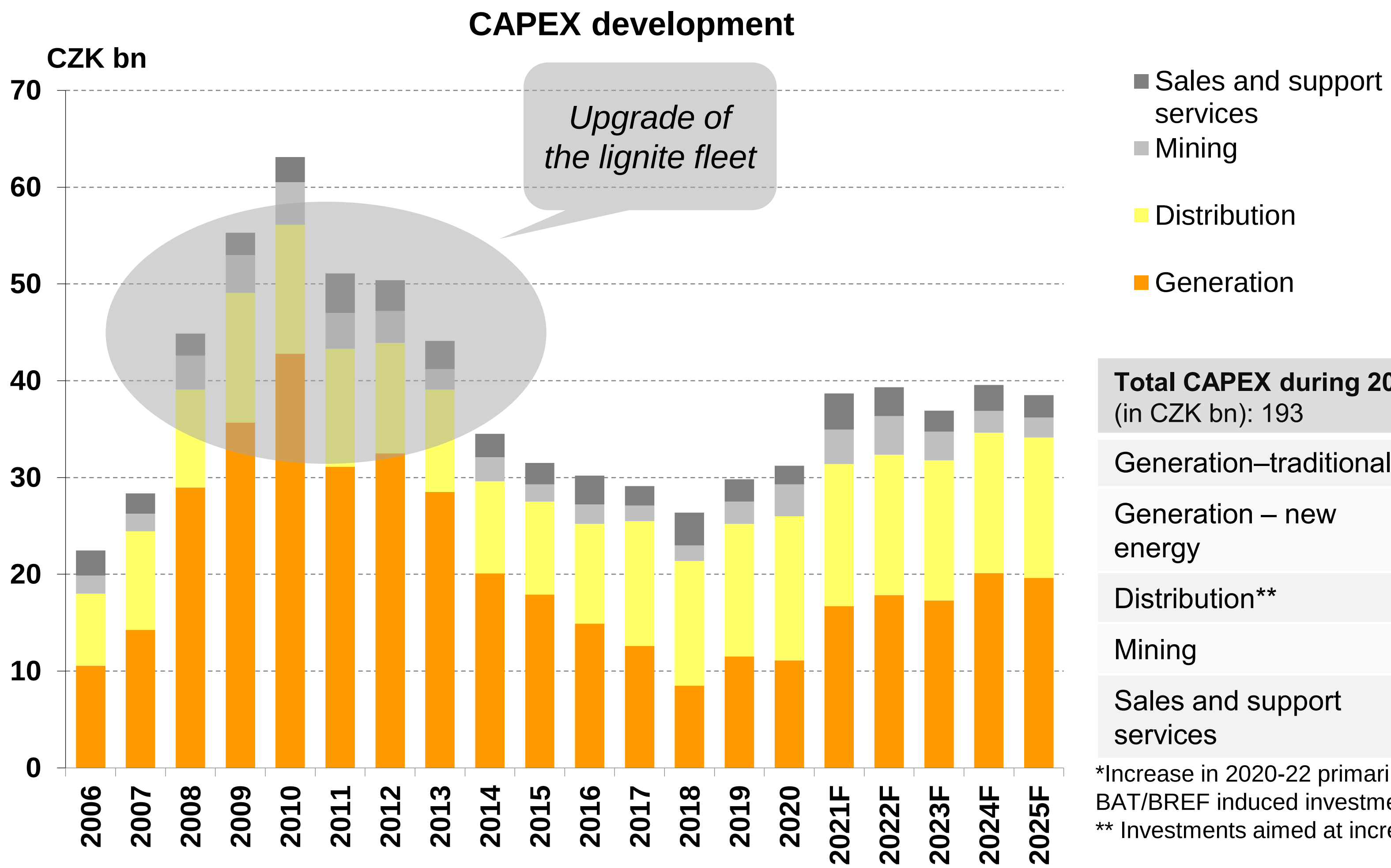
Trading

− -/+ Uncertain amount of commodity trading profit

MINING Segment

− Higher fixed operating expenses and higher expenses on land reclamation

AVERAGE CAPEX IN 2021-25 IS ANTICIPATED AT CZK 38.6 BN A YEAR



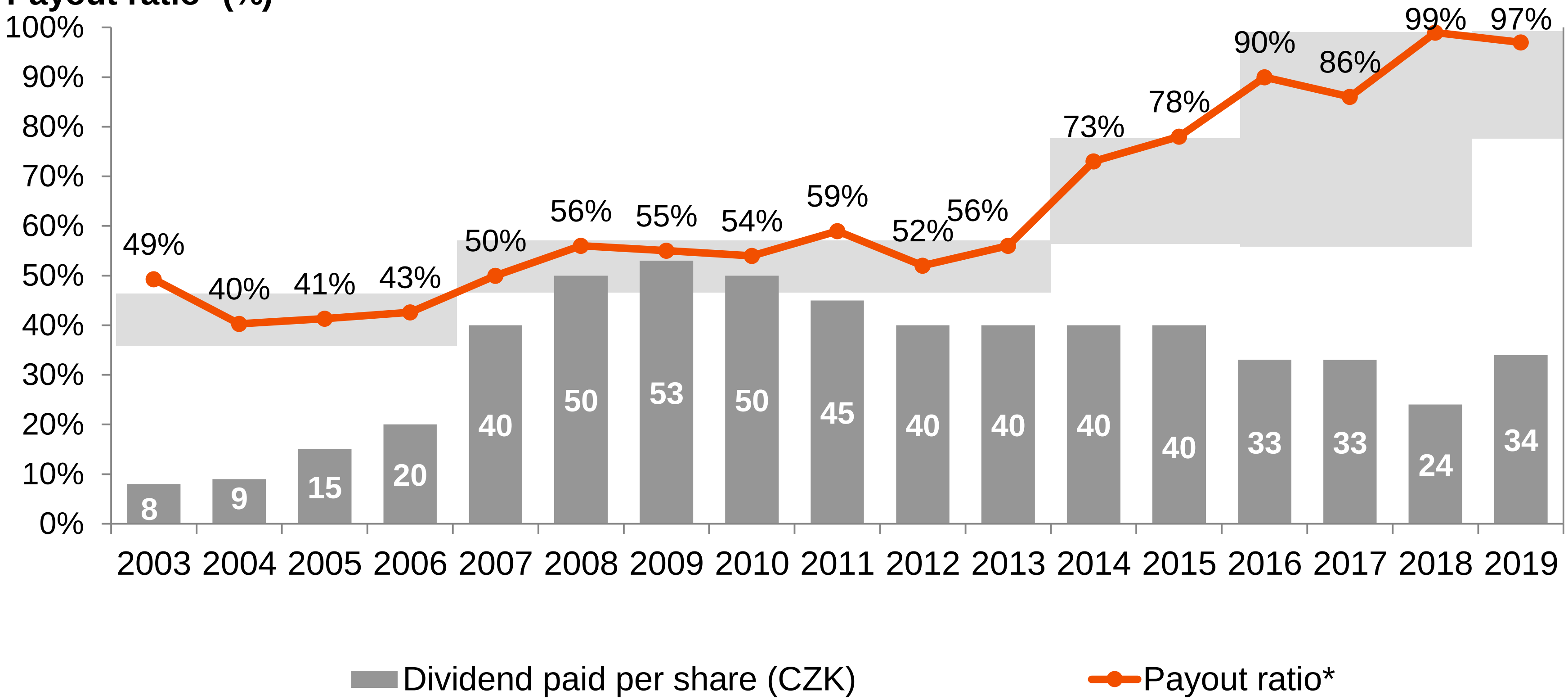
Total CAPEX during 2021-2025 (in CZK bn): 193	
Generation–traditional*	86
Generation – new energy	6
Distribution**	73
Mining	15
Sales and support services	14

*Increase in 2020-22 primarily given by BAT/BREF induced investments
** Investments aimed at increasing the RAB

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.**

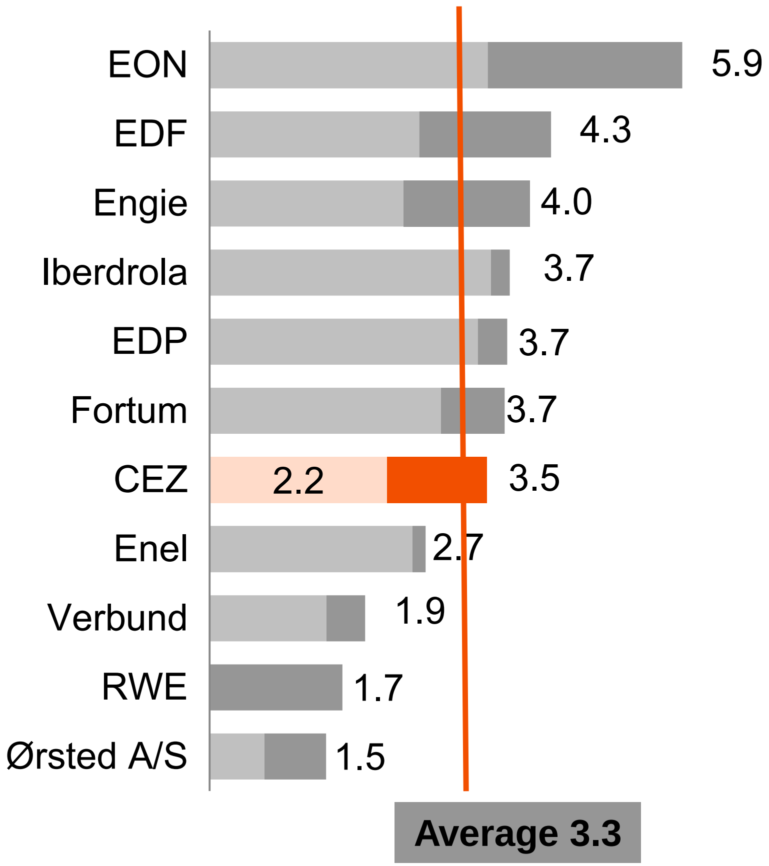
Payout ratio* (%)



 * As percentage of adjusted net income

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

Net economic debt/ EBITDA*
2020



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

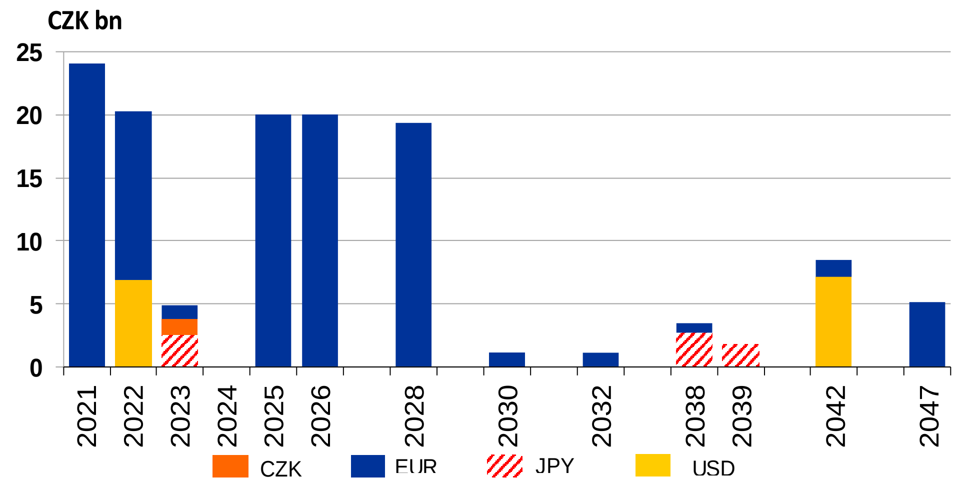
DEBT POSITION AND STRUCTURE

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

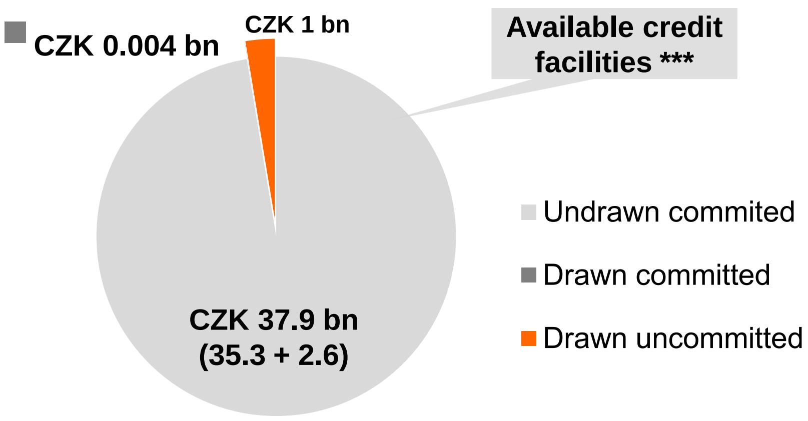
Debt Level*

		As at Dec 31, 2019	As at Dec 31, 2020
Debt and loans	CZK bn	173.7	156.5
Cash and fin. assets**	CZK bn	12.4	13.0
Net debt	CZK bn	161.2	143.5
Net debt/EBITDA		2.68	2.22

Bond Maturity Profile (as at Dec 31, 2020)



Utilization of Short-Term Lines* and Available Committed Credit Facilities*** (as at Dec 31, 2020)



- 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 37.9 bn in committed credit facilities, using just CZK 4 m as at Dec 31, 2020.
- The average maturity of CEZ Group's financial debt was 5.8 years as at Dec 31, 2020.
- Net Debt/EBITDA reached 2.22 in 2020.

* Including data for Bulgarian and Romanian assets held for sale. ** Cash and Cash Equivalents & Highly Liquid Financial Assets.
*** Available credit facilities include an undrawn EUR 100 m portion of a long-term loan from the EIB.

AGENDA

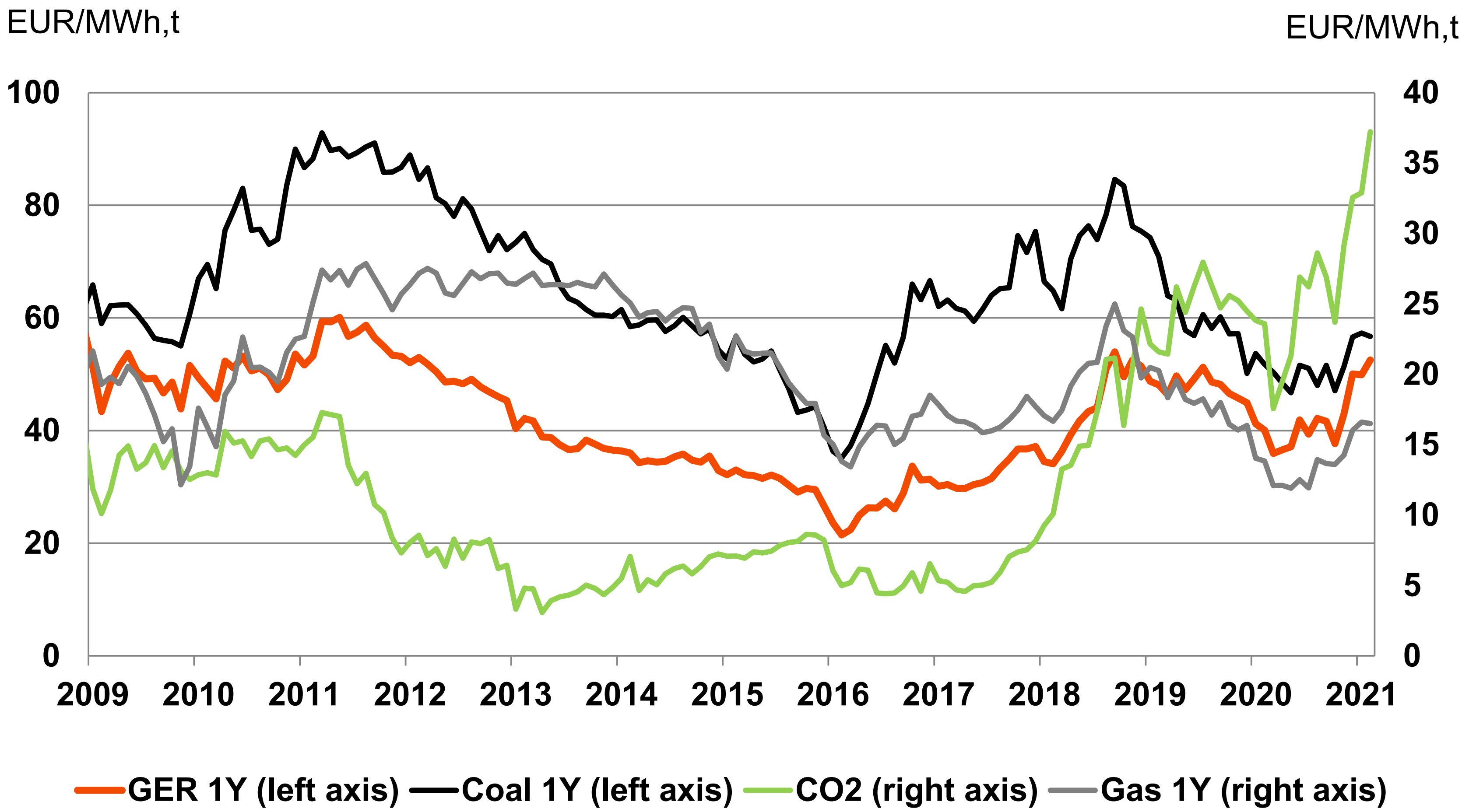
SUMMARY AND INVESTMENT HIGHLIGHS

- **CEZ is operating renewed low cost and profitable generation fleet**
  - CEZ is positioned for upsides in profitability due to growth of electricity prices in forward markets
  - CEZ's strategic priority is to maintain efficient operations, optimal utilization 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. Leverage target of Net Financial Debt/EBITDA between 2.5x and 3.0x

* Scope 1 and Scope 2 emissions

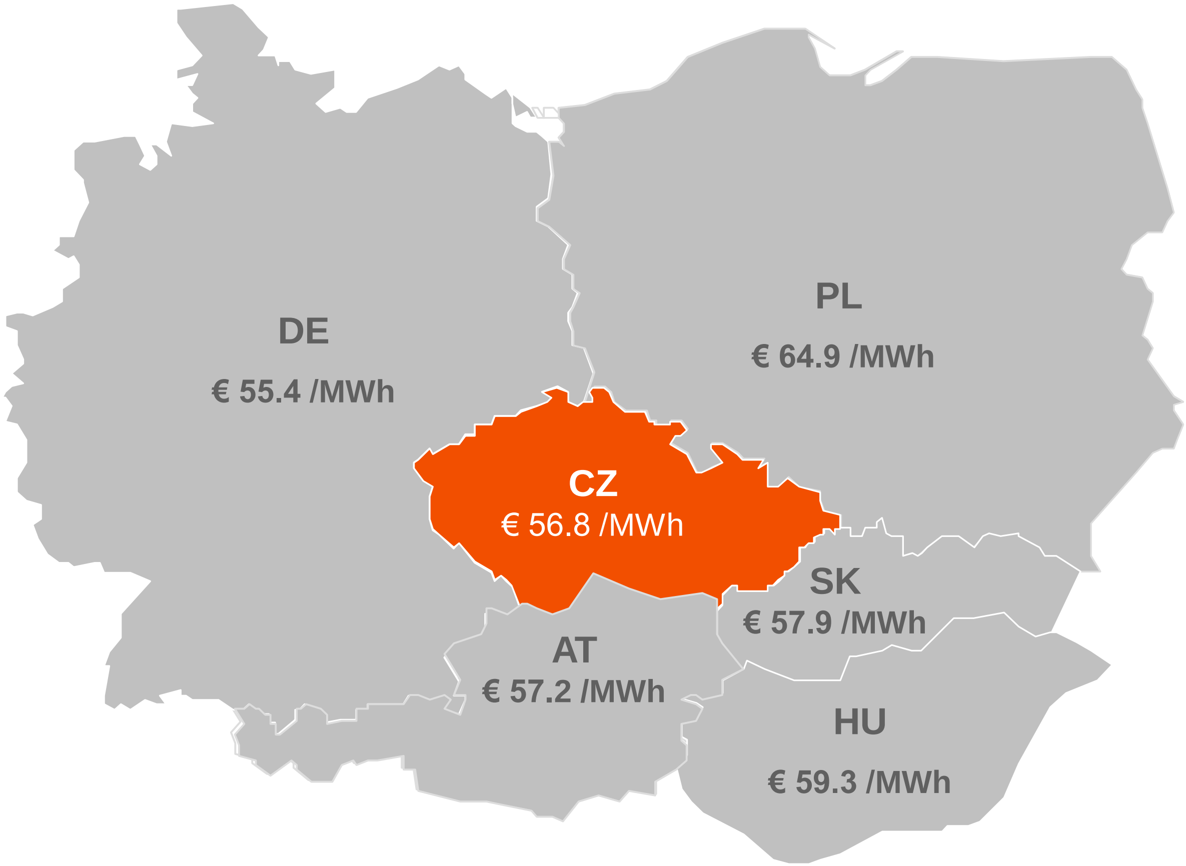
AGENDA

HISTORICAL DEVELOPMENT OF PRICES OF INPUT COMMODITIES



Note: year ahead baseload deliveries, CO_2 – Dec delivery

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

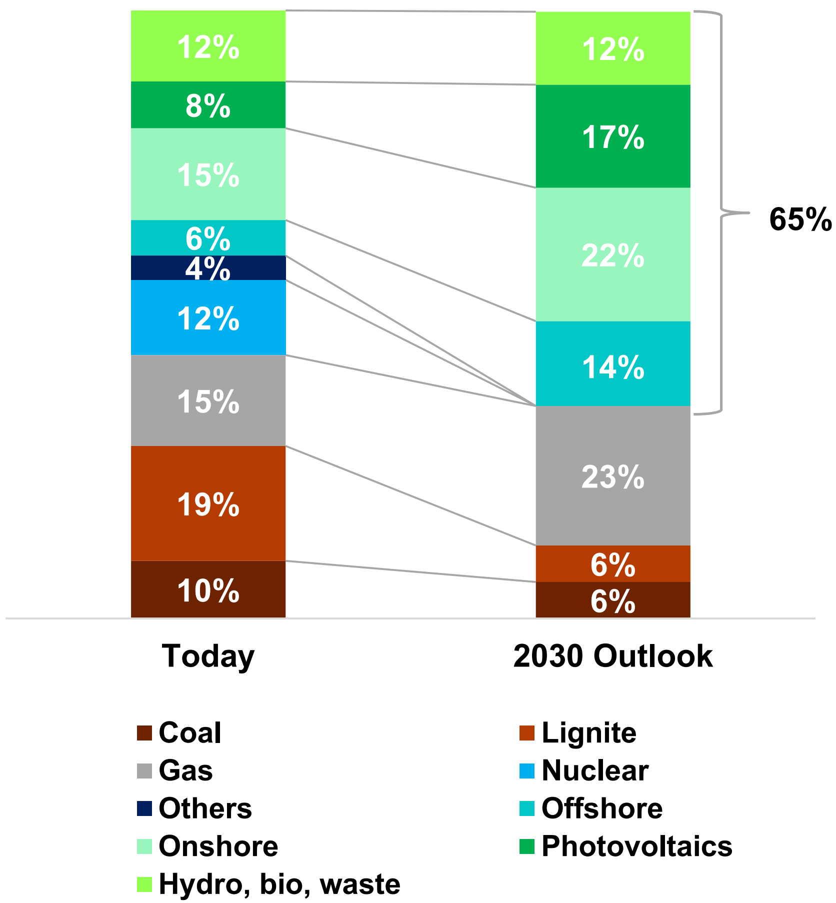


Source: EEX, PXE, TGE

 Note: Prices for 2021 baseload – as of Mar 19, 2021

GERMAN POWER MIX WILL REACH 65 % RES IN 2030, AND WILL AFFECT ITS NEIGHBOURS

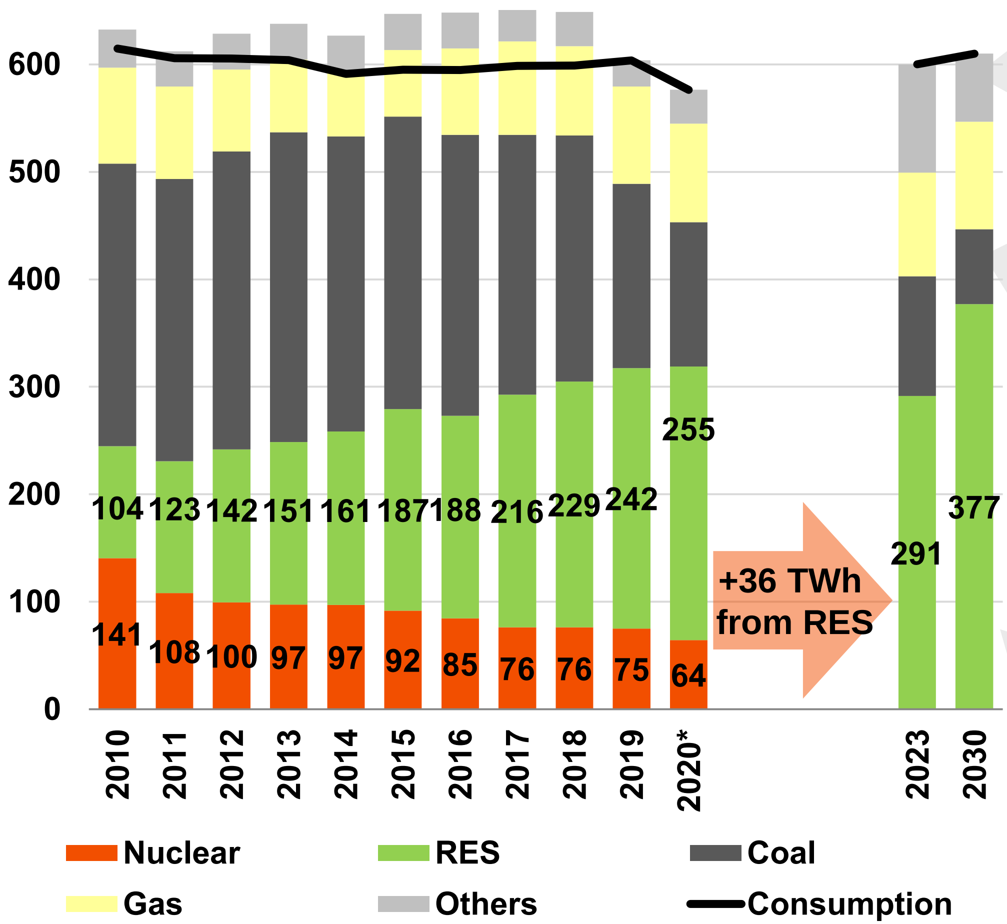
German power mix
% production



- Germany aims for 65 % of RES in power consumption by 2030
- The increased RES share will also increase the shape discount effect
  - Captured prices of photovoltaics and wind will be lower relatively to baseload prices each year
  - For photovoltaics, shape discount was about 20 % in 2020
- Germany will close all coal and lignite plants (2035 – 2038) and offshore wind output should grow from 20 GW to 40 GW. Hydrogen power development is planned as well, which should displace some gas sources.
- Peter Altmaier, Germany‘s minister of industry, speculated, that the country‘s power could be carbon free in 2040

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 or small growth
- Potential decrease due to Energy Efficiency Directive balanced by electrification and H_2
- 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 :** +190 TWh from RES
- **Coal phase-out :** Germany plans to reduce coal capacity by ~ 9 GW to 33 GW in 2022, but coal generation should remain more or less stable, depending on the EUA price

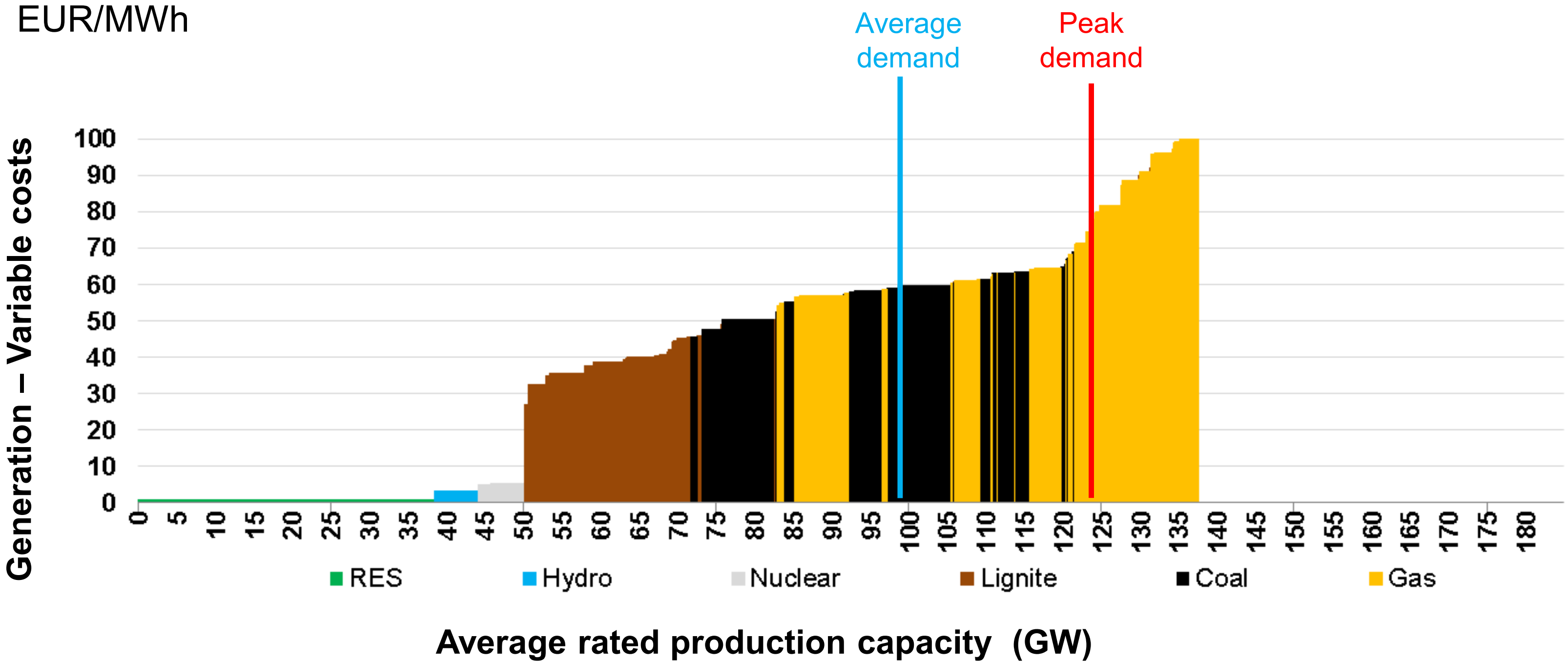
After 2023

- **Growth of RES volumes** based on plan. Annually displaces more than 1000 MW of coal from the market
- Germany aims at reducing its black- and brown-coal capacity to **30 GW** in **2022**, **18 GW** in **2030** and **phase out all its coal capacity** by **2038**
- **2030, 65 %** of power consumption will be **RES**

* Preliminaty; Source: www.ag-energiebilanzen.de, destatis.de, internal CEZ analyses, note: brutto values

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

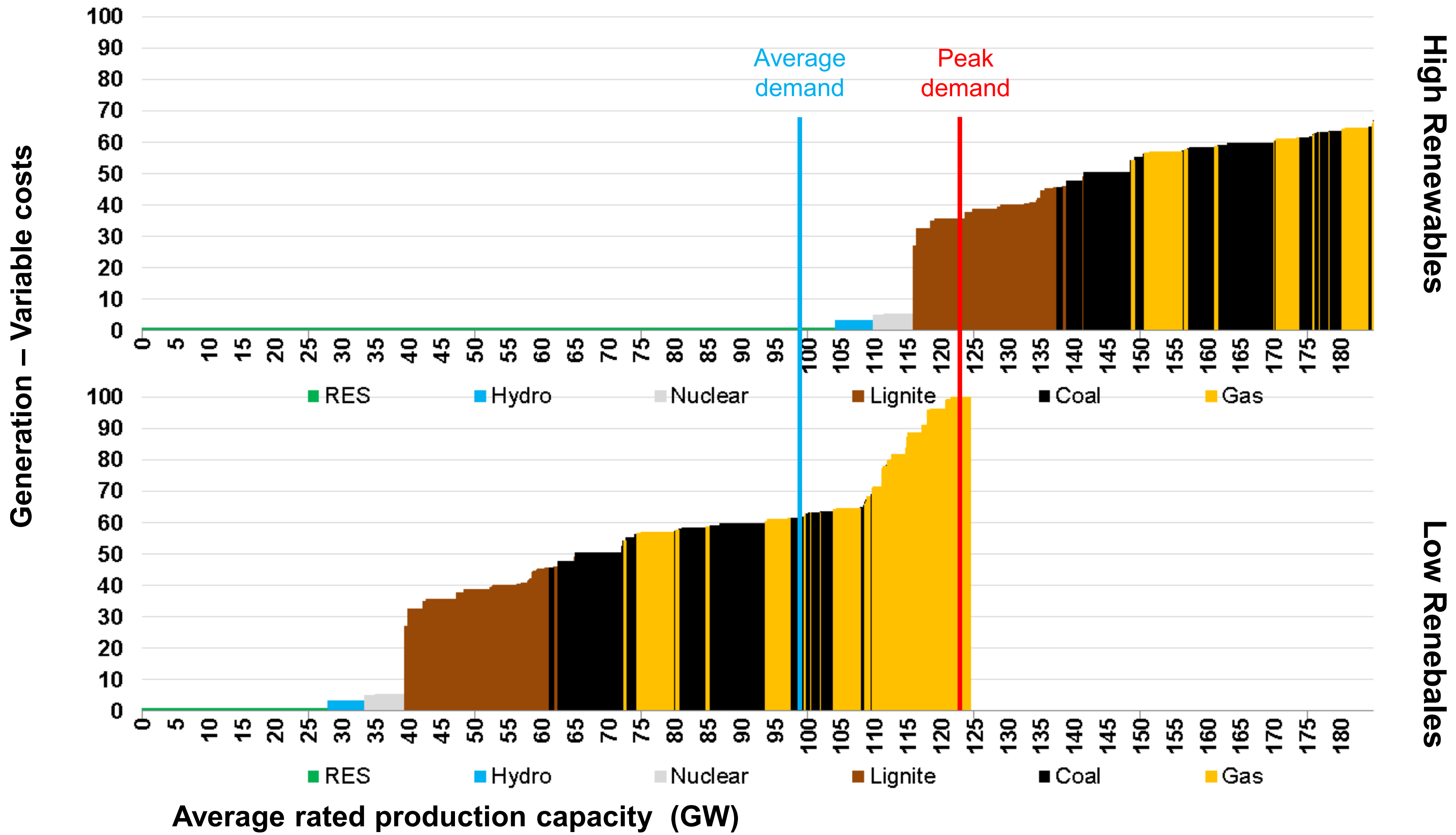
Illustrative cost curve for Central Europe 2023 with a phase outs
EUR/MWh



*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, EUR/MWh



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

CLIMATE NEUTRALITY BY 2050 IS THE EU'S PRIORITY - ALL 2030 TARGETS WERE INCREASED SIGNIFICANTLY IN 2020

	2030 (original agreement)*	2030 (European Commission (EC)'s current proposal)
Reduction of greenhouse gas emissions from 1990 levels	**At least 40%** ▪ Binding EU-wide target ▪ The target would probably be reached as a side effect of meeting the other two targets	**At least 55%** ▪ European Parliament requests 60% ▪ The Council supports the EC's proposal ▪ Compromise will be reached in the Trialogue
RES share in total final energy consumption**	**At least 32%** ▪ Binding EU-wide target ▪ RES electricity should grow to 55% in the EU (from 34% in 2020)	**38%–39%** ▪ According to 55% decarbonization scenarios ▪ 63%–65% share of RES in electricity ▪ Actual proposal in June 2021
Energy savings (EED)* as compared to 2007 predictions**	**At least 32.5%** ▪ Indicative EU-wide target ▪ Binding annual savings of 0.8% of final energy at national level	**39%–40%** ▪ According to 55% decarbonization scenarios ▪ 36%–37% of final energy consumption ▪ Actual proposal in June 2021

- **Approval of the European Green Deal was the key event of 2020.** It further emphasizes climate goals and intends to support their fulfillment with a huge reallocation of EU member states' funds of over EUR 1.8 trillion, of which at least 30% must be provided to projects related to climate protection.
- **Total potential for those funds for Czechia in the next 7 years exceeds EUR 50 bn.**
- A proposal for specific changes to the EU ETS, RES, and EED Directives will be published in June 2021.
- Additionally, the **EU adopted its hydrogen strategy**, which envisages that 40 GW of electrolyzers should be put into operation and the annual production of green hydrogen should reach 10 million tons by 2030.

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 are being revised based on the Green Deal; **RES: applicable to all kinds of energy, not just electricity; ***EED—Energy Efficiency Directive

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

2020	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/ 6.5 TWh	2.5 TWh
Number of sales customers (2019)	2.2 m	1.5 m	-
EBITDA (CZK bn)	2.3	4.6	0.7

Total contribution to CEZ Group (2020): CZK 7.6 bn EBITDA

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

DEVELOPMENT OF CEZ GROUP DIVESTMENT ACTIVITIES

POČERADY COAL-FIRED POWER PLANT – Transferred to Vršanská uhelná on Dec 31, 2020

- Power plant was transferred on Dec 31, 2020 for CZK 2.5bn.
- 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.

ROMANIA— Sold to Macquarie Infrastructure and Real Assets as at Mar 31, 2021

- 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 buyer obtained approval by the EU's Directorate-General for Competition on Dec 23, 2020 and by Romania's Supreme Council of National Defense (CSAT) on Jan 5,2021.

BULGARIA—Sale of Assets to Eurohold expected by June 30, 2021

- The Commission for Protection of Competition approved the sale of CEZ Group's Bulgarian assets to Eurohold on Oct 29, 2020. The Bulgarian energy regulatory authority approved the sale on Jan 19, 2021.

POLAND—Process of Selling Coal-Fired Assets Started

- On Sep 16, 2020, the process of selling Polish coal-fired and other Polish companies, except for ESCO companies was launched.
- ČEZ then received five indicative bids on Dec 11, 2020. Following their assessment, four prospective buyers advanced to the next stage. Binding bids are expected in Q2 2021.
- The sale of Polish wind projects in the development phase continues. The sale of the Krasin and Sakówko projects was completed in Q2 2020.

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

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 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,2020, 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

- EIA (2019)
- Permit for the siting of nuclear facility (2021)
- Zoning permit
- EPC tender
- Generating facility authorization

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

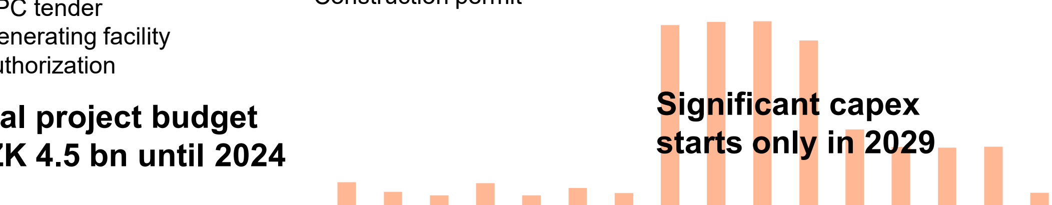
- Engineering
- Nuclear licenses
- Site permit
- Construction permit

- 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

Selected obligations of CEZ during Stage 1:

- 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

Selected rights of CEZ during Stage 1 :

- Sell off Elektrárna Dukovany II to the Czech state in the following cases:
  - a) 28 June 2024 occurs without
    - 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.

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

WE PROVED IN 2020 THAT SUSTAINABLE DEVELOPMENT AND SOCIAL RESPONSIBILITY ARE OUR PRIORITY

"E" Environment

- **Gradual reduction of CO_2 emissions**—shutting down the 440 MW Prunéřov 1 power plant.
- To help Czechia meet its EU commitments, **ČEZ and the Czech MIT signed an Energy Efficiency Enhancement Agreement** in 2020.
- **Energy saving projects** saved customers **a quarter of a billion CZK** and **reduced CO_2 emissions** by more than **39,000 tons** in 2020.
- Customers had **660 rooftop photovoltaic systems and over 500 heat pumps installed**.
- **62% more** public charging stations **installed** year-on-year. A total of **270 stations** were installed as at Dec 31, 2020.
- ČEZ has implemented an **environmental management system** (EMS) **according to ISO 14001.**
- **We continue with land reclamation. CZK 410 m was expended** on preparations for and elimination of the effects of past mining activities in 2020. CEZ Group **planted 232,000 trees** in 2020, having planted **almost 21.5 million trees in total.**

"S" Social

- **Employer of the Year 2020**—1st place for ČEZ in the main category of over 5,000 employees, 2nd place for ČEZ Distribuce in the category under 5,000 employees.
- In the **TOP Employers** survey conducted among university and college students, **CEZ Group was the overall winner** and defended 1st place in industry categories.
- To alleviate the impacts of Covid-19, the **ČEZ Foundation supported** a total of 647 Czech entities with an amount of almost **CZK 31 m.**
- **"Granting Wishes, Thinking about Others"** is the most generous employee collection in Czechia in 2020. **CEZ Group employees donated almost CZK 3 m to people in need**. The ČEZ Foundation doubled the amount to **CZK 5.9 m**.
- We launched a ČEZ Prodej customer care line with speech-to-text conversion to **facilitate communication for our hearing-impaired customers**.

"G" Governance

- **ČEZ promotes ethical principles** in business and its employees' conduct through its **Code of Ethics** and a comprehensive **Compliance Management System**
- All CEZ Group employees are mandatorily and regularly trained in **ethical behavior policy**.
- **The ČEZ shareholders' meeting approved** a transparent **remuneration policy** in 2020.
- **The manner of managing and ensuring the safety and security** of generating facilities, environmental protection, and the protection of individuals and the public is defined **in the Safety and Environmental Protection Policy.**
- We have been governed by a **Customer Constitution** since 2019, which defines the fundamental values and rules of conduct toward customers.
- **The ČEZ corporate ombudsman** has helped customers **for 11 years**.

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; MIT – Ministry of Industry and Trade

CEZ' ESG MATRIX 1/2

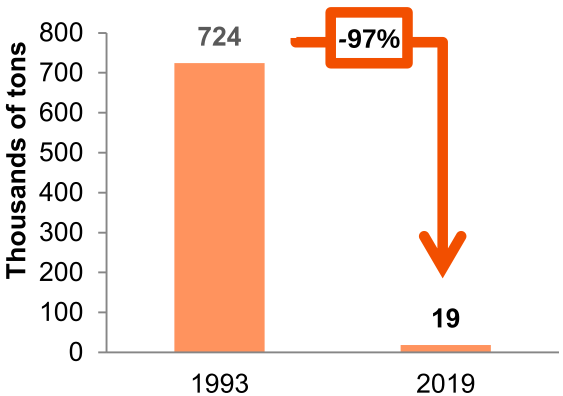
		unit	2018	2019
ENVIRONMENTAL	Direct CO_2 emissions (Scope 1)	million t	26.8	26.1
	Indirect CO_2 emissions (Scope 2)	million t	0.4	0.4
	Carbon intensity (electricity and heat generation)	kg/MWh	0.39	0.36
	Water consumption	m^3/MWh	12	9.9
	Fuel consumption from non-renewable sources	000' TJ	604	603
	2050 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

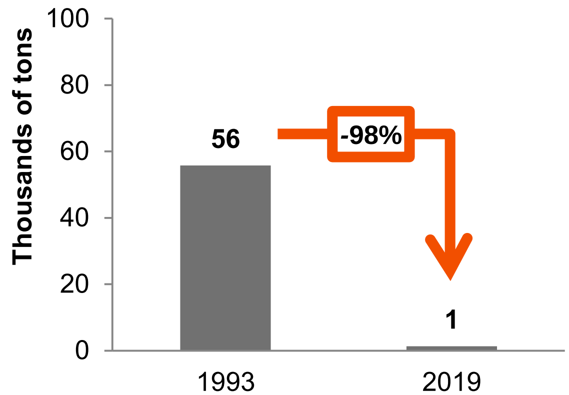
GOVERNANCE		unit	2019
	Supervisory Board meetings	#	12
	Supervisory Board member attendance	%	97.9
	Supervisory Board independence	%	67
	Female Supervisory Board members	%	8.3
	Number of Supervisory Board members	#	12
	Women in management	%	15.8

CEZ GROUP SIGNIFICANTLY REDUCED EMISSIONS FROM ITS COAL FLEET

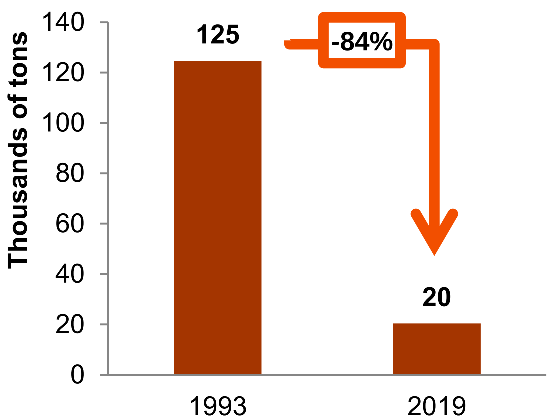
Sulphur dioxide*



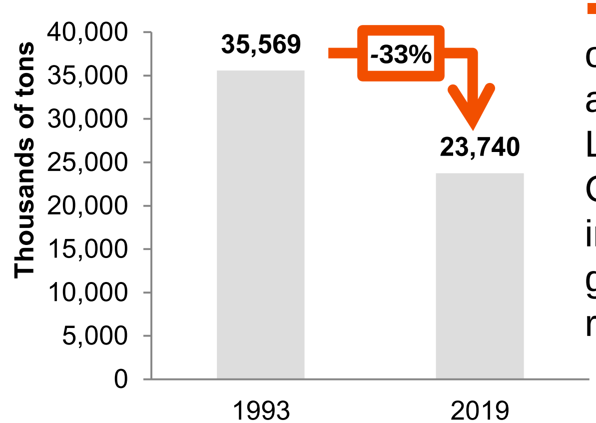
Particulate matter*



Nitrogen oxides*



Carbon dioxide*



- 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 Pruněřov 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' PORTFOLIO

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**
Mělník 3 (EME 3)	1.0	0	0%	**974 g CO_2/kWh**

Partly biomass

Gas

Heating Plant

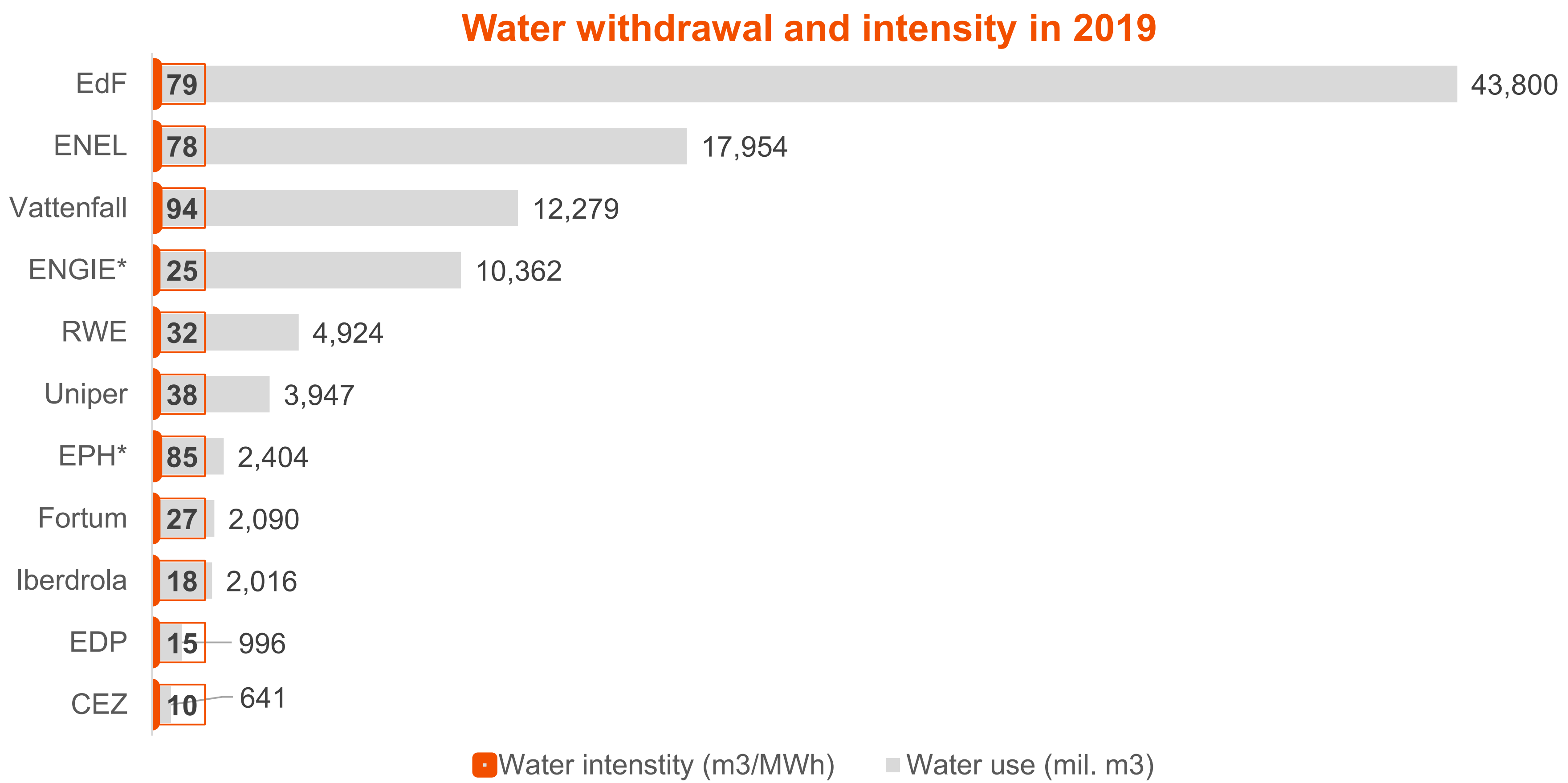
Power plant

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%**

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.

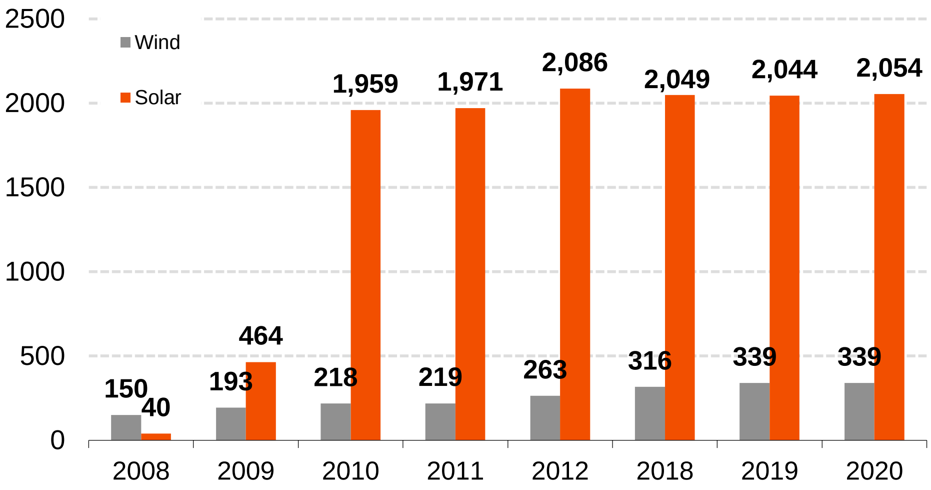
* Exchange rate used BGN/EUR = 0,51

CZECH REPUBLIC: RENEWABLES SUPPORT

2021 feed-in-tariffs (EUR per MWh)

	Plants commissioned in 2010	Plants commissioned in 2021
Solar <30 kW	584.4	0
Solar >30 kW	576.0	0
Wind	106.1	73.5

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

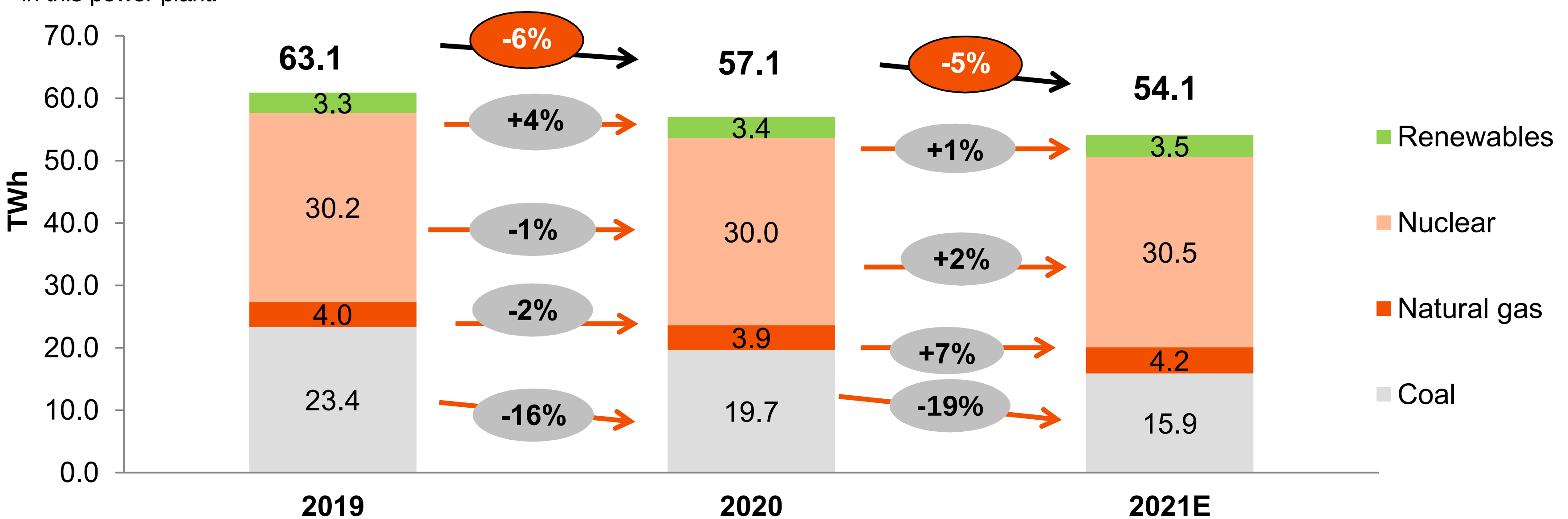


- Operators of renewables can choose from two options of support:
  - Feed-in tariffs (electricity purchased by distributor)
  - Green bonuses (electricity sold on the market, bonuses paid by distributor, level of green bonuses is derived from feed-in tariffs)
- Feed-in tariffs are set by a regulator 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 = 26.245

GENERATION VOLUMES OF STRATEGIC ASSETS AFFECTED BY DECARBONIZATION STRATEGY AND HIGH PRICES OF CARBON ALLOWANCES

Electricity Generation—Strategic Assets: excluding assets intended for sale. In 2020 assets intended for sale generated 2.0 TWh in coal power plants and 1.9 TWh in renewables. In 2021 the production volume of assets held for sale is expected at 3.6 TWh. On the other hand, the Počerady coal-fired power plant (sold as at 31 December 2020) is included in the chart until end of 2020. In 2020, 3.9 TWh of electricity was produced in this power plant.



2020 volume

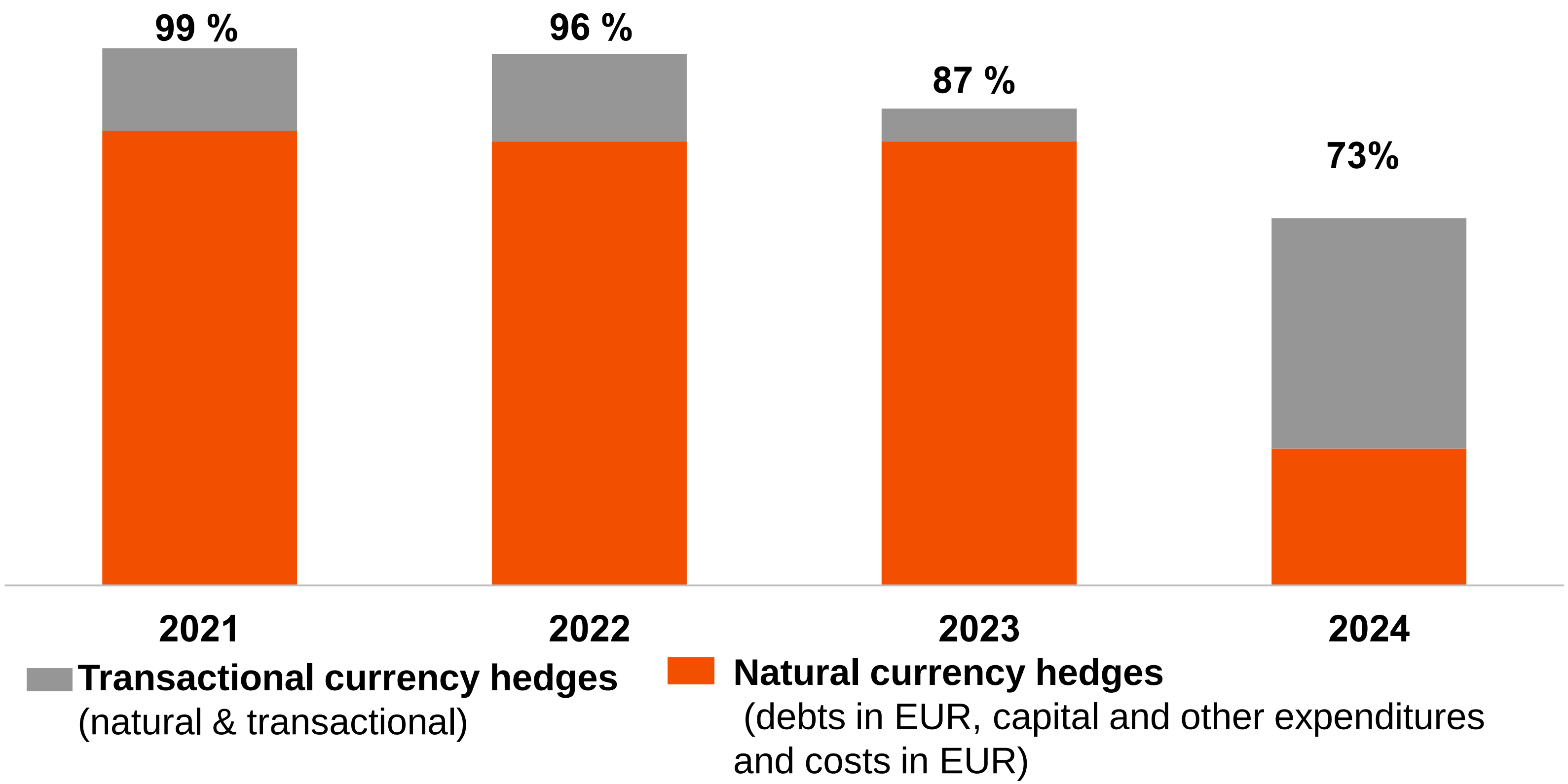
+ Higher generation in pump-storage power plants
− Nuclear:Operating inspections, investment projects, and grid effects
− Nat. gas: Longer planned outage of the Počerady 2 power plant
− Termination of the Prunéřov 1 power plant's operation
− Lower generation at the Mělník 3, Tušimice 2, Prunéřov 2, and Mělník 2 power plants, mainly in connection with unfavorable changes in the market prices of electricity and emission allowances

2021 volume ambition

+ Shorter outages at the Dukovany power plant
+ Shorter outage at the Počerady CCGT plant
− Sale of the Počerady coal power plant in 2020
− Closure of the Prunéřov 1 power plant in 2020
− Longer outages at the Tušimice 2 power plant
− Termination of Mělník 3 operation in August 2021
+ Shorter outages at the Ledvice 4 and Prunéřov 2 power plants

CEZ CONTINUES HEDGING ITS CURRENCY EXPOSURE IN LINE WITH STANDARD POLICY

Total currency hedges as of December 31, 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.

FINANCIAL AND OPERATING RESULTS

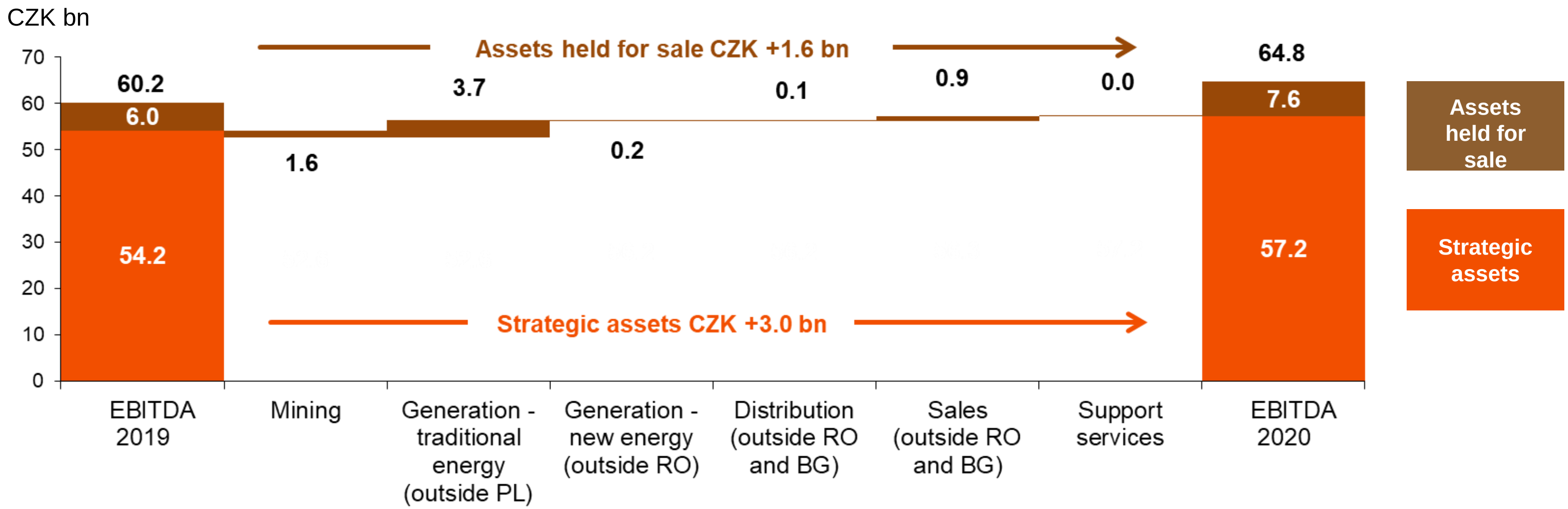
(CZK bn)	2019	2020	Change	%
Revenues	206.2	213.7	+7.5	+4%
EBITDA	60.2	64.8	+4.6	+8%
EBIT	26.4	12.6	-13.8	-52%
Net income	14.5	5.5	-9.0	-62%
Net income adjusted *	18.9	22.8	+4.0	+21%
Operating CF	42.9	72.2	+29.2	+68%
CAPEX	29.8	31.2	+1.4	+5%

		2019	2020	Change	%
Installed capacity **	GW	14.6	12.9	-1.7	-12%
Mining	m tons	20.4	15.4	-5.0	-25%
Generation of electricity - segment traditional energy	TWh	62.4	58.6	-3.8	-6%
Generation of electricity - segments new energy and sales	TWh	2.2	2.3	+0.1	+6%
Electricity distribution to end customers	TWh	52.1	50.6	-1.5	-3%
Electricity sales to end customers	TWh	35.2	33.3	-1.9	-5%
Sales of natural gas to end customers	TWh	9.8	9.3	-0.5	-5%
Sales of heat	000´TJ	24.1	24.0	-0.1	-1%
Number of employees **	000´s	32.4	32.5	+0.2	+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 impairment)
** As 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 EBITDA

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

- Higher realization prices of generated electricity, including the effect of hedges in Czechia (CZK +8.8 bn)
- Higher expenses on emission allowances for generation in Czechia due to increased purchase prices and lower allocation of free allowances (CZK -3.7 bn)
- Lower operation of fossil fuel plants and lower sales of coal in Czechia (CZK -2.7 bn)
- Effect of a 2019 court ruling under which the payment of a debt of SŽ (formerly SŽDC) to ČEZ Prodej from 2010 had to be paid back incl. interest and costs (CZK +1.3 bn)

Assets intended for sale (Romanian, Bulgarian, and Polish companies other than ESCO activities)

- Higher EBITDA of Romanian and Bulgarian distribution (CZK +0.8 bn) primarily due to lower costs of losses and higher revenue from electricity distribution
- Higher gross margin on electricity generation at Romanian wind parks due to both higher generated volume 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

OTHER INCOME (EXPENSES)

(CZK bn)	2019	2020	Change	%
EBITDA	60.2	64.8	+4.6	+8%
Depreciation, amortization and impairments*	**-33.7**	**-52.2**	**-18.5**	**-55%**
Other income (expenses)	**-8.0**	**-4.7**	**+3.3**	**+42%**
Interest income (expenses)	-5.1	-4.9	+0.2	+3%
Interest on nuclear and other provisions	-1.9	-2.0	-0.1	-3%
Income (expenses) from investments and securities	0.4	0.4	+0.0	+4%
Other	-1.5	1.7	+3.2	-
Income taxes	**-3.9**	**-2.4**	**+1.5**	**+38%**
Net income	14.5	5.5	-9.0	-62%
Net income adjusted	**18.9**	**22.8**	**+4.0**	**+21%**

Depreciation, Amortization, and Impairments* (CZK -18.5 bn)

- Higher additions to fixed asset impairments** in Romania (CZK -12.5 bn), Poland (CZK -4.3 bn), and Czechia (CZK -2.1 bn)
- Lower depreciation and amortization (CZK +0.7 bn), including at ČEZ, a. s. (CZK +0.9 bn), primarily due to increased service life of nuclear plants

Other Income (Expenses) (CZK +3.3 bn)

- Received interest on late payment in relation to the refund of a portion of gift tax paid on emission allowances from 2011 and 2012 (CZK +1.5 bn)
- Foreign exchange gain from the hedging of income from the sale of Romanian assets (CZK +1.0 bn)
- Lower additions to provisions for potential payment under guarantee provided for Akcez group companies' loans (CZK +0.8 bn)

Net Income Adjustments

- In 2020 adjusted for the negative effect of additions to a portion of fixed asset impairments** in Romania (CZK +9.5 bn), in Poland (CZK +4.8 bn), at Severočeské doly (CZK +2.7 bn), and for other assets (CZK +0.2 bn)
- In 2019 adjusted for the negative effect of additions to fixed asset impairments** in Czechia (CZK +1.5 bn), in Bulgaria (CZK +1.4 bn), in Poland (CZK +1.2 bn), and in Romania (CZK +0.3 bn)

* Including gain/loss from sales of tangible and intangible fixed assets; **including goodwill impairment

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*	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues	209.8	221.9	216.7	201.8	210.2	203.7	205.1	184.5	206.2	213.7
Sales of electricity	181.8	186.8	189.4	173.8	182.1	174.9	104.1	103.1	110.2	118.7
Sales of services							76.3	59.9	71.4	71.5
Sales of gas, heat and coal and other income	28	35.1	27.4	27.9	28.1	28.8	24.7	21.5	24.6	23.5
Operating Expenses	122.4	136.1	134.7	129.3	145.1	145.7	148	135	146	148.9
Purchased power and related services	65.9	71.7	79	75.8	90.9	88.3	57.4	52.2	55.5	56.3
Fuel and emission rights	17.1	15.8	13.8	12.7	13.1	13.2	16.0	19.1	21.4	23.3
Salaries and wages	18.1	18.7	18.7	18.9	17.8	19.2	22.1	25.6	28.8	30.9
Other	21.3	29.9	23.2	21.9	23.4	25.1	26.3	38.1	40.3	38.4
EBITDA	**87.4**	**85.8**	**82**	**72.5**	**65.1**	**58.1**	**53.9**	**49.5**	**60.2**	**64.8**
EBITDA margin	*42%*	*39%*	*38%*	*36%*	*31%*	*29%*	*26%*	*27%*	*29%*	*30%*
Depreciation, amortization, impairments	26.2	28.9	36.4	35.7	36.3	32.1	29.5	29.7	33.8	52.2
EBIT	**61.3**	**57**	**45.7**	**36.9**	**29**	**26.1**	**25.6**	**19.8**	**26.4**	**12.6**
EBIT margin	*29%*	*26%*	*21%*	*18%*	*14%*	*13%*	*12%*	*11%*	*13%*	*6%*
Net Income	**40.8**	**40.1**	**35.2**	**22.4**	**20.5**	**14.6**	**19**	**10.5**	**14.5**	**5.5**
Net income margin	*19%*	*18%*	*16%*	*11%*	*10%*	*7%*	*9%*	*6%*	*7%*	*3%*
Adjusted net income	**41.2**	**41.3**	**43**	**29.5**	**27.7**	**19.6**	**20.7**	**13.1**	**18.9**	**22.8**
Adjusted net income margin	*20%*	*19%*	*20%*	*15%*	*13%*	*10%*	*10%*	*7%*	*9%*	*11%*

Balance sheet *CZK bn*	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Non current assets	467.3	494.7	485.9	497.5	493.1	489.3	487.9	480.4	501.9	471.9
Current assets	131	141.1	154.5	130.4	109.6	141.6	136	227	202.7	230.5
- out of that cash and cash equivalents	22.1	18	25	20.1	13.5	11.2	12.6	7.3	9.8	6.1
Total Assets	**598.3**	**635.8**	**640.4**	**627.9**	**602.7**	**630.8**	**623.9**	**707.4**	**704.6**	**702.5**
Shareholders equity (excl. minority. int.)	226.8	250.2	258.1	261.3	267.9	256.8	250	234.7	250.8	233.9
Return on equity	*18%*	*17%*	*14%*	*9%*	*8%*	*6%*	*8%*	*4%*	*6%*	*2%*
Interest bearing debt	182	192.9	199	184.1	157.5	167.8	154.3	161	171.9	151.8
Other liabilities	189.4	192.6	183.3	182.4	177.3	206.2	219.6	311.7	281.9	316.8
Total liabilities	**598.3**	**635.8**	**640.4**	**627.9**	**602.7**	**630.8**	**623.9**	**707.4**	**704.6**	**702.5**

 The structure of PL and BS was changed in 2018

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

EUR

Profit and loss *EUR M*	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues	8,008	8,469	8,271	7,702	8,023	7,775	7,828	7,042	7,870	8,156
Sales of electricity	6,939	7,130	7,229	6,634	6,950	6,676	3,973	3,935	4,206	4,531
Sales of services							2,912	2,286	2,725	2,729
Sales of gas, heat and coal and other income	1,069	1,340	1,046	1,065	1,073	1,099	943	821	939	897
Operating Expenses	4,672	5,195	5,141	4,935	5,538	5,561	5,649	5,153	5,573	5,683
Purchased power and related services	2,515	2,737	3,015	2,893	3,469	3,370	2,191	1,992	2,118	2,149
Fuel and emission rights	653	603	527	485	500	504	611	729	817	889
Salaries and wages	691	714	714	721	679	733	844	977	1,099	1,179
Other	813	1,141	885	836	893	958	1,004	1,454	1,538	1,466
EBITDA	**3,336**	**3,275**	**3,130**	**2,767**	**2,485**	**2,218**	**2,057**	**1,889**	**2,298**	**2,473**
EBITDA margin	*42%*	*39%*	*38%*	*36%*	*31%*	*29%*	*26%*	*27%*	*29%*	*30%*
Depreciation, amortization, impairments	1,000	1,103	1,389	1,363	1,385	1,225	1,126	1,134	1,290	1,992
EBIT	**2,340**	**2,176**	**1,744**	**1,408**	**1,107**	**996**	**977**	**756**	**1,008**	**481**
EBIT margin	*29%*	*26%*	*21%*	*18%*	*14%*	*13%*	*12%*	*11%*	*13%*	*6%*
Net Income	**1,557**	**1,531**	**1,344**	**855**	**782**	**557**	**725**	**401**	**553**	**210**
Net income margin	*19%*	*18%*	*16%*	*11%*	*10%*	*7%*	*9%*	*6%*	*7%*	*3%*
Adjusted net income	**1,573**	**1,576**	**1,641**	**1,126**	**1,057**	**748**	**790**	**500**	**721**	**870**
Adjusted net income margin	*20%*	*19%*	*20%*	*15%*	*13%*	*10%*	*10%*	*7%*	*9%*	*11%*

Balance sheet *EUR M*	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Non current assets	17,836	18,882	18,546	18,989	18,821	18,676	18,622	18,336	19,156	18,011
Current assets	5,000	5,385	5,897	4,977	4,183	5,405	5,191	8,664	7,737	8,798
- out of that cash and cash equivalents	844	687	954	767	515	427	481	279	374	233
Total Assets	**22,836**	**24,267**	**24,443**	**23,966**	**23,004**	**24,076**	**23,813**	**27,000**	**26,893**	**26,813**
Shareholders equity (excl. minority. int.)	8,656	9,550	9,851	9,973	10,225	9,802	9,542	8,958	9,573	8,927
Return on equity	*18%*	*17%*	*14%*	*9%*	*8%*	*6%*	*8%*	*4%*	*6%*	*2%*
Interest bearing debt	6,947	7,363	7,595	7,027	6,011	6,405	5,889	6,145	6,561	5,794
Other liabilities	7,229	7,351	6,996	6,962	6,767	7,870	8,382	11,897	10,760	12,092
Total liabilities	**22,836**	**24,267**	**24,443**	**23,966**	**23,004**	**24,076**	**23,813**	**27,000**	**26,893**	**26,813**

The structure of PL and BS was changed in 2018

Exchange rate used:26.2 CZK/EUR

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