



# REPORT ON CEZ GROUP FINANCIAL RESULTS IN Q1 2022

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

MAY 10, 2022

**CLEAN  
ENERGY OF  
TOMORROW** ●●●●

# REPORT ON CEZ GROUP FINANCIAL RESULTS FOR Q1 2022



## **Financial Highlights and Selected Events**

**Generation & Mining**

**Distribution and Sale**

# HIGHLIGHTS OF FINANCIAL RESULTS FOR Q1 AND OUTLOOK FOR CEZ GROUP FOR THE FULL YEAR 2022



## Q1 2022 Financial highlights

- **Operating revenues** increased by 29% year-on-year to **CZK 76.0 bn.**
- **EBITDA** increased by 119% year-on-year to **CZK 43.7 bn.**
- **Net income** reached **CZK 26.7 bn.**
- **Net income adjusted for extraordinary effects** amounted to **CZK 26.7 bn.**

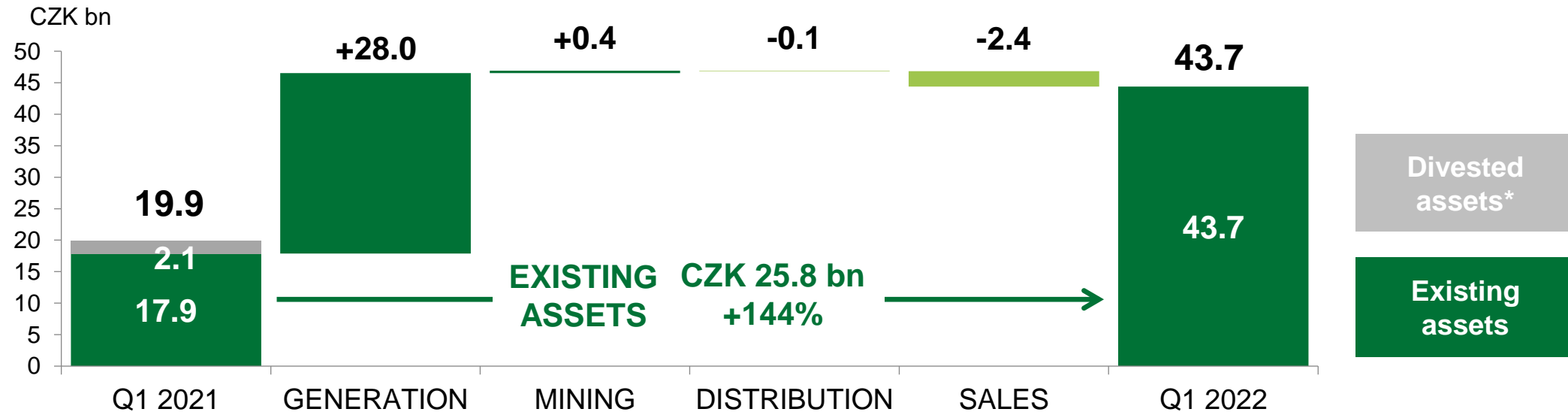
## Financial outlook and dividend for the full year 2022

- **EBITDA is** expected at **CZK 95–99 bn.**
- **Net income adjusted for extraordinary effects** is estimated at **CZK 45–49 bn.**
- Current dividend policy (60–80% of net income adjusted for extraordinary effects) implies **dividend at CZK 67–73 per share** in the case of setting a dividend at the upper limit of a defined interval.

## Date of the Annual Shareholders' Meeting

- The Shareholders' Meeting of ČEZ, a. s., will be held on June 28, 2022 in Prague.

# MAIN CAUSES OF YEAR-ON-YEAR CHANGE IN EBITDA



## Existing assets (CZK +25.8 bn):

### GENERATION Segment (CZK +28.0 bn):

- The impact of extreme increase in market prices of commodities on the wholesale market (CZK +13.8 bn)
- Profit from commodity trading (CZK +4.9 bn)
- Specific temporary effect (CZK +4.3 bn) from the sale of emission allowances for generation according to the Risk Committee's decision to strengthen liquidity to cover margining risks on exchanges. This income will be eliminated in the remaining months of 2022 as part of a higher provision for generating emissions (due to the higher purchase value of emission allowances). Other specific effects mainly due to the revaluation of generation hedging contracts (CZK +3.5 bn)

### SALES Segment (CZK -2.4 bn):

- Retail segment—ČEZ Prodej (CZK -1.6 bn)—significant increase in commodity prices and market volatility, which amplified the seasonality of the result\*\*
- B2B segment—Sales of commodities in Czechia (CZK -0.8 bn)—mainly significant increase in commodity purchase prices and market volatility, which amplified the seasonality of the result\*\*

\* In Q1 2021 divested assets generated EBITDA (CZK +2.1 bn): of which Romania (CZK +1.2 bn) and Bulgaria (CZK +0.8 bn)

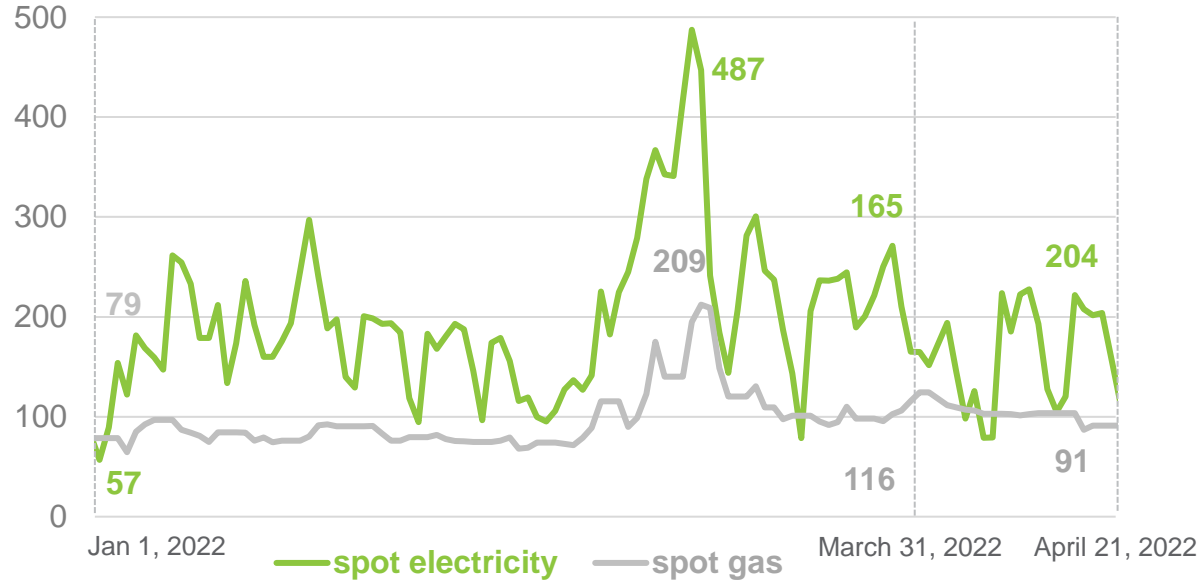
\*\* Prices for end-use customers are generally set the same for winter and summer, while the purchase price of electricity and gas is generally higher in winter than at other times of the year. This seasonal effect was significantly higher in Q1 2022, given the extreme increase in gas and thus electricity prices.

# ČEZ'S INCREASED EARNINGS REFLECT RISING MARKET ELECTRICITY PRICES, HIGH OPERATIONAL AVAILABILITY OF GENERATING FACILITIES AND RECORD PROFIT FROM COMMODITY TRADING IN Q1



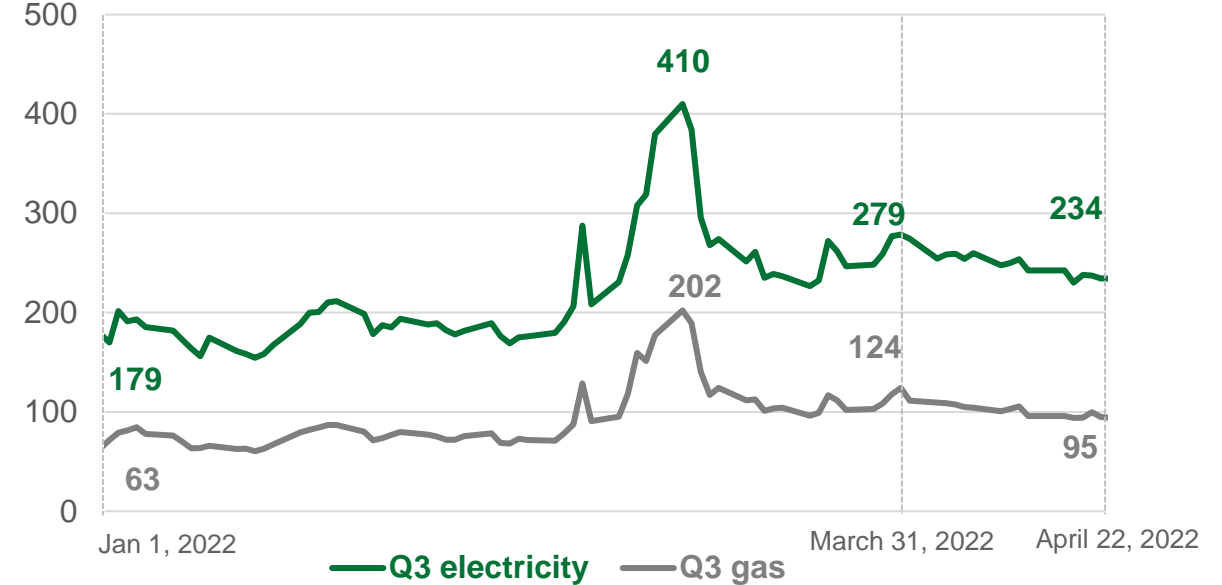
## Development of spot electricity and gas prices

PXE spot electricity, TTF spot gas, EUR/MWh



## Electricity and gas prices with delivery in Q3 2022

PXE BL Q3/22 electricity, TTF Q3/22 gas, EUR/MWh



- The increase in electricity market prices in Q1 2022 was mainly due to the increase in natural gas market prices primarily as a result of the conflict in Ukraine
- The increase in market electricity prices has a significant impact on the considerable increase in the realized and expected profits of CEZ Group in 2022 in the GENERATION segment and at the same time has a negative impact on the results of operations of the sales companies in the SALES segment (especially on the retail company ČEZ Prodej, which is forced to purchase electricity and gas for its end-use customers at increasing prices and this impact is reflected in the prices for end-use customers with a time lag).
- High price volatility contributed to record profit from commodity trading. The total trading margin for Q1 2022 was CZK +5.2 bn, the best quarterly result in history. Structure of the achieved trading margin: 39% of electricity trading in Western European markets, 39% of gas trading, 11% of electricity trading in Central and Eastern European markets, and 11% of other trading in commodities, emission allowances, and options.



# MAIN CAUSES OF YEAR-ON-YEAR CHANGE IN NET INCOME



(CZK bn)	Q1 2021	Q1 2022	Difference	%
EBITDA	19.9	43.7	+23.8	+119%
Depreciation and amortization	-6.7	-7.5	-0.9	-13%
Impairments*	-2.0	0.1	+2.1	-
Other income (expenses)	-0.8	-2.8	-2.0	>200%
Interest income (expenses)	-1.0	-0.5	+0.5	+47%
Other	0.2	-2.2	-2.4	-
Income tax	-2.0	-6.7	-4.7	>200%
Net income	8.4	26.7	+18.3	>200%
Adjusted net income	8.4	26.7	+18.3	>200%

## Impairments\* (CZK +2.1 bn)

- Provisioning in Q1 2021 for fixed assets in Romania (CZK +1.1 bn) and Bulgaria (CZK +0.9 bn)

## Depreciation and Amortization (CZK -0.9 bn)

- Acceleration of depreciation and amortization of coal-fired power plants in Czechia as a result of the deterioration of market and regulatory conditions for the long-term operation of coal-fired power plants in Czechia (CZK -1.1 bn)
- Higher depreciation and amortization of ČEZ Distribuce (CZK -0.1 bn)
- Lower depreciation and amortization of assets at Severočeské doly (CZK +0.3 bn) reflecting provisioning in 2021

## Other Income and Expenses (CZK -2.0 bn)

- Exchange rate effects and revaluation of financial derivatives (CZK -2.2 bn), mainly due to the revaluation of ČEZ's margin deposits on exchanges and with trading counterparties (the total amount of margin deposits exceeded CZK 100 bn as of March 8 and subsequently decreased below CZK 60 bn as of March 31).
- Lower interest expense (CZK +0.3 bn) due to a decrease in the total amount of debt

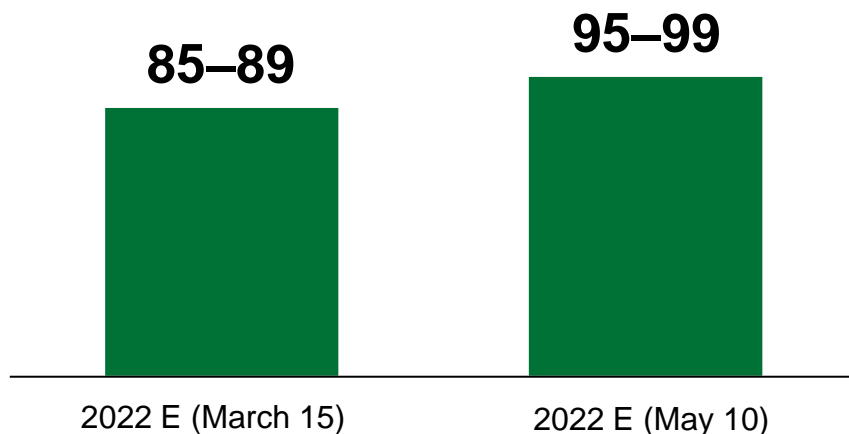


\* Including gain/loss from sales of tangible and intangible fixed Assets

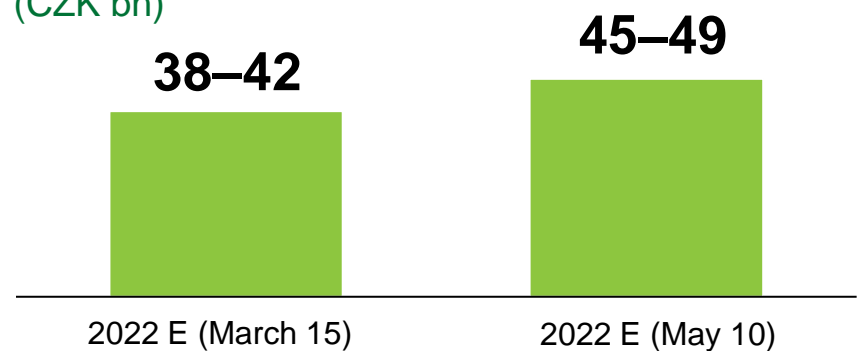
# WE INCREASE THE FINANCIAL OUTLOOK FOR 2022: EBITDA OF CZK 95–99 BN, ADJUSTED NET INCOME OF CZK 45–49 BN



## EBITDA (CZK bn)



## Adjusted net income (CZK bn)



### Main reasons for adjusting the financial outlook as compared to the outlook from Mar 15, 2022:

- ⊕⊕ Significantly higher realization prices of electricity
- ⊕ Higher profit from commodity trading

### Selected Prediction Risks and Opportunities:

- Realization prices of generated electricity
- Availability of generating facilities
- The cost of acquiring emission allowances and natural gas for generation
- Gain from commodity trading and revaluation of derivatives
- The impact of economic sanctions against Russia imposed in connection with the conflict in Ukraine

### Dividend from 2022 earnings:

- Current dividend policy (60–80% of net income adjusted for extraordinary effects) implies **dividend at CZK 67–73 per share** in the case of setting a dividend at the upper limit of a defined interval.

# SELECTED EVENTS IN Q1 2022



## **Czechia allocates first investment support for new renewables from the Modernization Fund in the amount of CZK 3.5 bn**

- On March 15, 2022, a decision was issued on the provision of financial resources from the State Environmental Fund of the Czech Republic for photovoltaic power plants above 1 MWp. From the planned allocation of CZK 3.5 bn, CZK 2.6 bn was allocated under the RES+ call No. 2/2021.
- Of this, investment support of CZK 1.0 bn was approved for ČEZ for 17 projects with a total capacity of 173 MW (applications were submitted for 22 projects with a total capacity of 211 MW). The projects must be implemented within 60 months of the granting.
- The date of the next call (again for over CZK 3.5 bn) is expected in Q2 2022. The condition for obtaining the subsidy is, among other things, a connection contract with the transmission or distribution system operator.

## **ČEZ issued the first bonds whose yield is linked to sustainability parameters, the Sustainability-Linked Bond**

- On April 6, a EUR 600 million bond was issued, maturing in 2027, with a coupon of 2.375%. In case of failure to meet the defined issuance intensity commitments, the 2027 coupon would be increased by 0.75%.
- This is the first ever EUR sustainability-linked bond issued by an energy company in Central and Eastern Europe.

## **CEZ Group's emphasis on sustainability is recognized by ESG rating agencies. With the upgrade of its rating from MSCI to AA, CEZ Group is already among the top 33% of energy companies in the ESG area.**

- MSCI upgraded the rating to AA on April 8, 2022 (an increase of 2 notches from BBB)
- S&P Global rates ČEZ's ESG at the 72nd percentile within the industry (a year-on-year increase from the 63rd percentile)
- Sustainalytics decreased ČEZ's ESG risk score to 37.0 from 37.6

CEZ Group's participation in the UN Global Compact\* in January 2022 contributed to the improved rating. Membership commits us to global sustainability principles and support for the UN Sustainable Development Goals (SDGs) and provides assurance to ESG agencies that ČEZ meets a number of ESG baseline parameters.

●●● \* UN Global Compact is the world's largest corporate sustainability initiative. It brings together companies whose top management is committed to implementing sustainability principles and supporting the UN Sustainable Development Goals (SDGs).



# TENDER FOR THE CONTRACTOR FOR CONSTRUCTING THE NEW NUCLEAR POWER PLANT IN DUKOVANY WAS LAUNCHED



## **On March 17, Elektrárna Dukovany II launched a tender for the construction contractor**

- Qualified bidders include the American company Westinghouse, the French company EdF, and the Korean company KHNP.
- The Ministry of Industry and Trade of the Czech Republic gave its prior approval for the move after Czechia assessed the incorporation of safety requirements into the tender documentation and completed safety assessments of all three bidders.
- On the occasion of the tender announcement, the Prime Minister of the Czech Republic Petr Fiala, the Minister of Finance of the Czech Republic Zbyněk Stanjura, and the Minister of Industry and Trade of the Czech Republic Jozef Síkela visited the Dukovany power plant on March 17.

## **Selected anticipated milestones of the tender process**

- Initial bids by November 30, 2022
- Final bids in Q4 2023
- State's comments on the tender evaluation notice in Q1 2024
- Finalization and signing of contracts with the selected contractor at the end of 2024

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## **Financial Highlights and Selected Events**



**Generation & Mining**

**Distribution and Sale**

# GENERATION SEGMENT EBITDA



EBITDA (CZK bn)	Q1 2021*	Q1 2022	Diff	%
Zero-emission Generating Facilities	7.6	15.6	+8.1	+107%
of which: nuclear	6.4	12.4	+6.0	+93%
of which: renewables	1.1	3.2	+2.1	+187%
Fossil-Fuel Generating Facilities	1.7	8.4	+6.7	> 200%
Trading	0.0	5.4	+5.4	> 200%
Specific temporary effects	-0.5	7.4	+7.9	> 200%
<b>Total Generation Segment</b>	<b>8.8</b>	<b>36.7</b>	<b>+28.0</b>	<b>&gt; 200%</b>

The division of EBITDA of the GENERATION segment into five sub-segments is only indicative on the basis of central allocation assumptions (in particular the allocation of gross margin and fixed costs of the central divisions of ČEZ) and simplified consolidation with other companies in the segment.

RMC—Risk Management Committee

\* excluding the divested assets in Romania and Bulgaria

## Year-on-year effects:

### Nuclear facilities (CZK +6.0 bn):

- Business effects (CZK +5.7 bn): price impact (CZK +5.9 bn), lower intra-group revenues (CZK -0.2 bn)
- Operating effects (CZK +0.3 bn): Temelín nuclear power plant operating availability (CZK +0.3 bn), Dukovany nuclear power plant operating availability (CZK +0.2 bn), fixed costs (CZK -0.3 bn)

### Renewables (CZK +2.1 bn):

- Business effects (CZK +2.2 bn): price impact (CZK +0.7 bn), ancillary services and regulatory energy (CZK +1.5 bn)
- Operating effects (CZK -0.1 bn): hydroelectric plants in Czechia (CZK -0.3 bn), photovoltaic plants in Czechia (CZK +0.1 bn), wind power plants in Germany (CZK +0.1 bn)

### Fossil-Fuel sources (CZK +6.7 bn):

- Business effects in Czechia (CZK +6.8 bn): price impact (CZK +6.8 bn), ancillary services and regulatory energy (CZK +0.1 bn), lower intra-group revenues (CZK -0.1 bn)
- Operating effects in Czechia (CZK +0.2 bn): operating availability (CZK -0.1 bn), heat sales revenues (CZK +0.2 bn), trading at generating facilities (CZK +0.3 bn), fixed costs (CZK -0.1 bn)
- Poland (CZK -0.2 bn) mainly lower generation margin due to the increase in the cost of emission allowances

**Trading (CZK +5.4 bn):** higher trading prop margin (CZK +4.9 bn), consolidation and other effects on gross margin (CZK +0.5 bn)

### Specific temporary effects (CZK +7.9 bn):

- Income from the sale of generation allowances due to RMC's decision to strengthen liquidity to cover margining risks on exchanges (CZK +4.3 bn). This income will be eliminated in the remaining months of 2022 as part of the higher provision for generation emissions (due to the higher cost value of emission allowances purchased).
- Revaluation of the CCGT facility generation hedging commodity contracts for Q2, Q3, and Q4 2022 (CZK +1.7 bn)
- Revaluation of other hedging commodity contracts for generation and other specific effects (CZK +1.8 bn)



# MINING SEGMENT EBITDA



EBITDA (CZK bn)	Q1 2021	Q1 2022	Difference	%
Czechia	1.5	1.9	+0.4	+25%

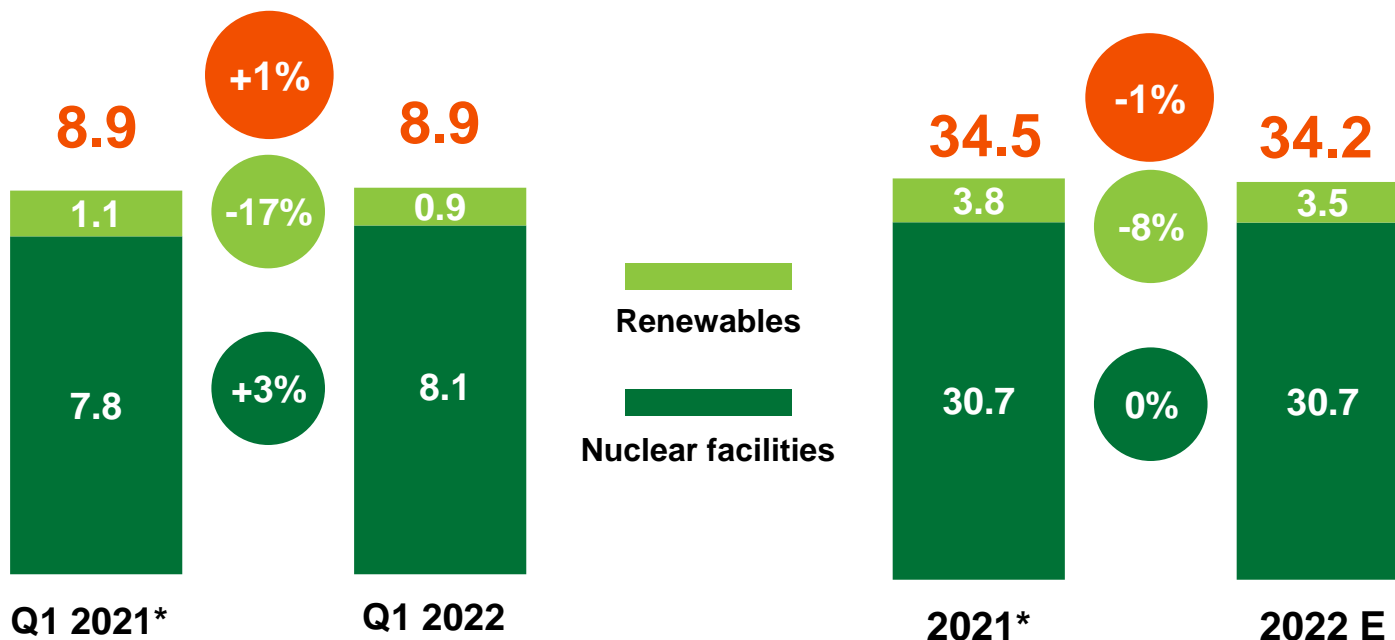
## Year-on-year effects:

### Czechia (CZK +0.4 bn)

- Higher revenues due to the increase in the price of deliveries to CEZ Group (CZK +0.3 bn)
- Higher sales related to higher deliveries to external customers (CZK +0.3 bn)
- Higher fixed operating expenses (CZK -0.2 bn), mainly energy expenses

Mining volume (million tons)	Q1 2021	Q1 2022	Difference	%
Czechia	4.7	4.9	+0.2	+4%

# GENERATION FROM RENEWABLE AND NUCLEAR SOURCES (TWH)



**Temelín Nuclear Power Plant generation in January reached the highest monthly generation in history**

Generation record helped by:

- Reliable, trouble-free operation
- Equipment upgrades
- Cold weather
- The **1,637 GWh of generation** achieved represents a saving of almost 1.5 million tons of CO<sub>2</sub> that would have been emitted by coal-fired power plants.

**Renewables (-17%)** hydro, wind, solar, biomass, biogas

**Czechia hydro (-23%)**

⊖ Worse-than-average hydrometeorological conditions

**Germany—Wind (+33%)**

+ Worse-than-average weather conditions in 2021

**Czechia and Poland biomass (-21%)**

**Nuclear plants (+3%)**

+ Shorter outages of both power plants

+ Increase in the achievable output of both units of Temelín NPP

**Renewables (-8%)**

**Czechia hydro (-9%)**

⊖ Better-than-average hydrometeorological conditions in 2021

**Germany—Wind (+28%)**

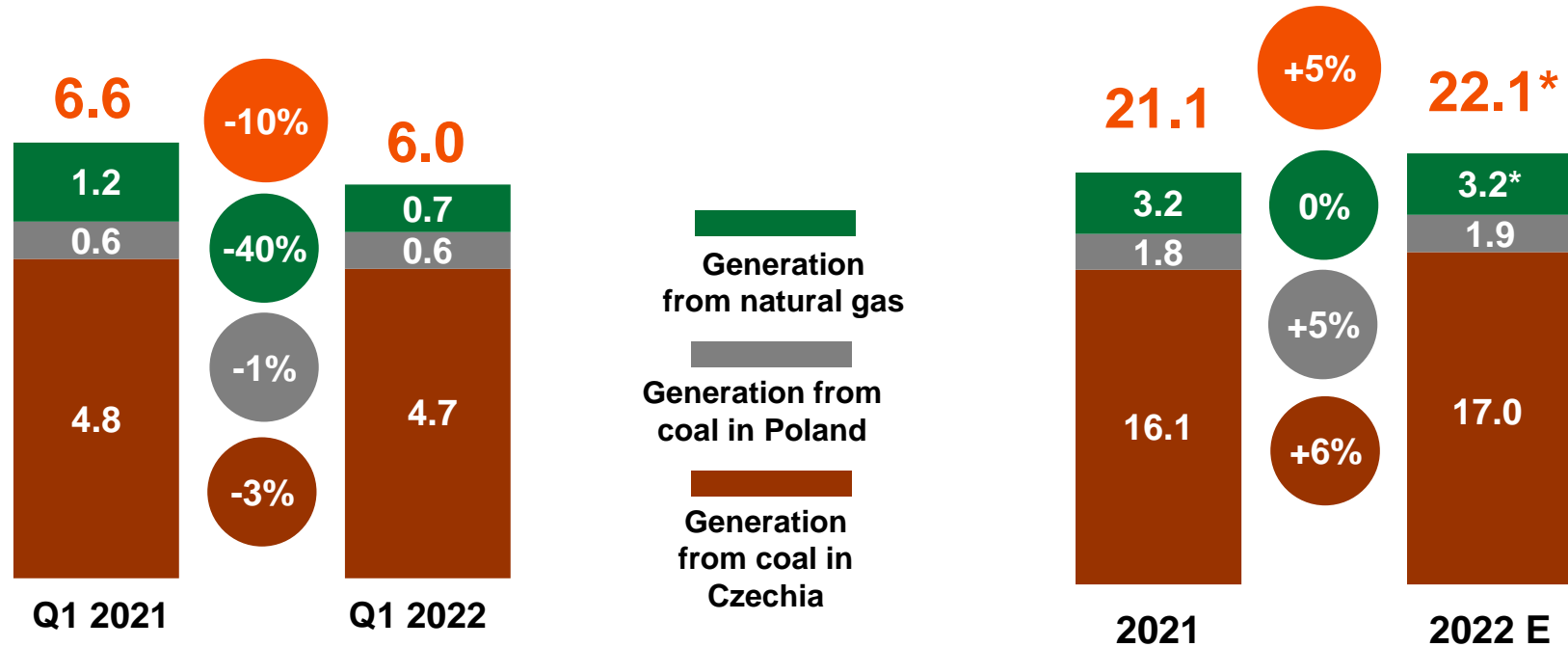
+ Worse-than-average weather conditions in 2021

**Czechia and Poland biomass (-16%)**



\* Excluding generation from companies sold in Romania and Bulgaria

# ELECTRICITY GENERATION FROM COAL AND NATURAL GAS (TWH)



## Natural gas-fired generation (-40%)

- ⊖ Lower generation at the Počerady 2 power plant due to unfavorable development of gas market prices and emission allowances

## Coal-fired generation in Czechia (-3%)

- ⊖ Closure of the Mělník 3 power plant on August 17, 2021 (-0.15 TWh)
- ⊖ Longer outages at the Ledvice 4 power plant

## Coal-fired generation in POLAND (+1%)

## Coal-fired generation—Czechia (+6%)

- + Shorter outages at Prunéřov 2 and Tušimice 2 power plants
- + Higher generation at the Dětmarovice power plant due to favorable development of market prices of electricity and emission allowances
- ⊖ Closure of the Mělník 3 power plant on August 17, 2021 (-0.15 TWh)

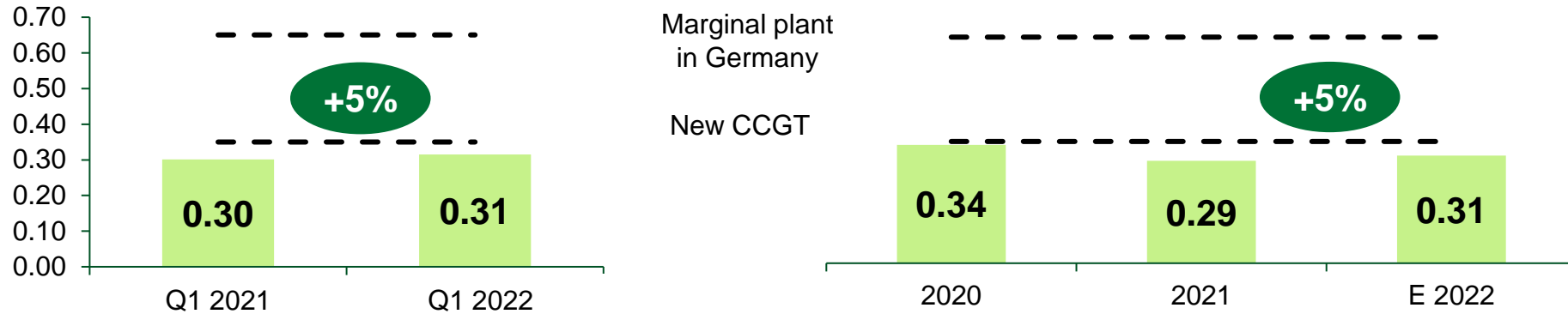
## Coal-fired generation in POLAND (+5%)

\* Volume of generation from natural gas in 2022 may be significantly affected by developments in Ukraine and the consequences of sanctions against Russia.

# EMISSIONS OF CO<sub>2</sub>, SO<sub>2</sub>, AND NO<sub>x</sub> IN ELECTRICITY AND HEAT GENERATION



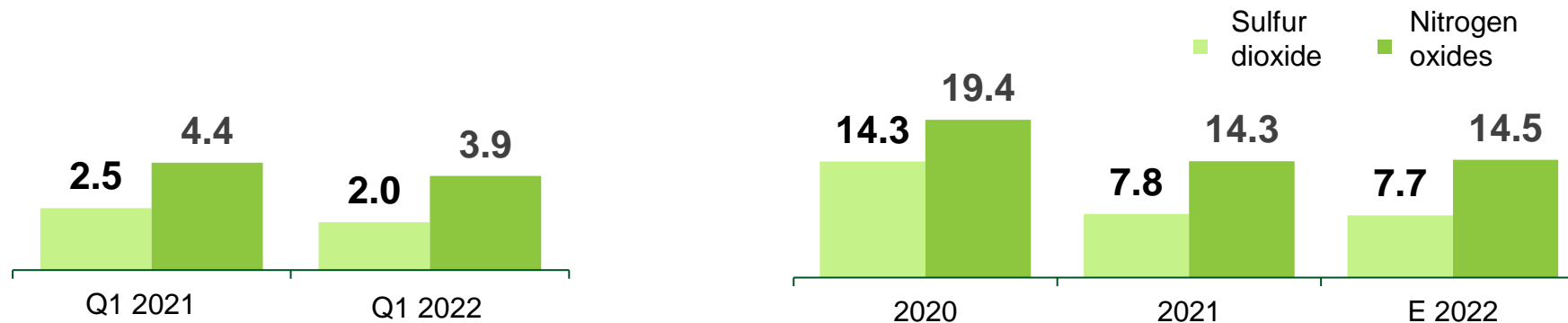
## CO<sub>2</sub>e emission intensity of electricity and heat generation (t CO<sub>2</sub>e/MWh)



CEZ Group's emission intensity for electricity generation in Q1 2022 of 0.31 t CO<sub>2</sub>e/MWh corresponds to:

- Approx. 89% of the emissions of the new CCGT power plant
- Approx. 48% of emissions produced by the marginal generation source determining the current electricity market prices in Germany.

## Sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>) (thousand tons)



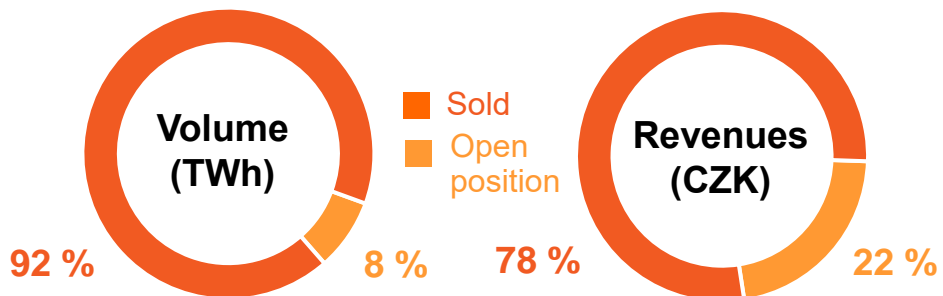
The CO<sub>2</sub>e indicator corresponds to emissions as defined in "SCOPE 1 of the GHG Protocol". In CEZ Group's terms, these are emissions related to the combustion of fossil fuels in the generation of electricity and heat (CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O emissions) and CO<sub>2</sub> emissions from transport. The indicator also includes CH<sub>4</sub> and N<sub>2</sub>O emissions from biomass combustion, CH<sub>4</sub> emissions from coal mining, and HFC, PFC, and SF<sub>6</sub> emissions from air conditioning and other equipment.



# SELECTED OPERATIONAL AND PRICE ASSUMPTIONS FOR GENERATION IN CZECHIA\* COMMODITY RISK HEDGING OF GROSS MARGINS ON GENERATION



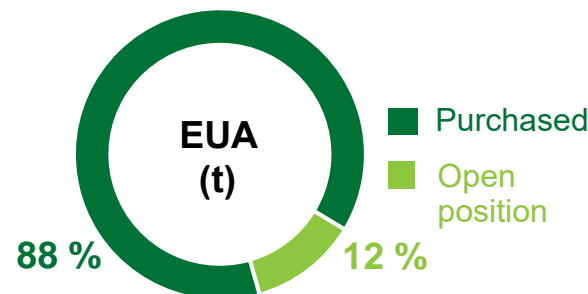
## Electricity—share of hedged deliveries from generation in Czechia\* for 2022



## Electricity—generation revenue hedging status

- **43.6 TWh** sold at an average achieved price **83 EUR/MWh**
- Open position assumption of **3.6 TWh**
- 100% of the expected electricity deliveries in Czechia\* is **47.2 TWh** and average expected realization price\*\* is **95 to 98 EUR/MWh**

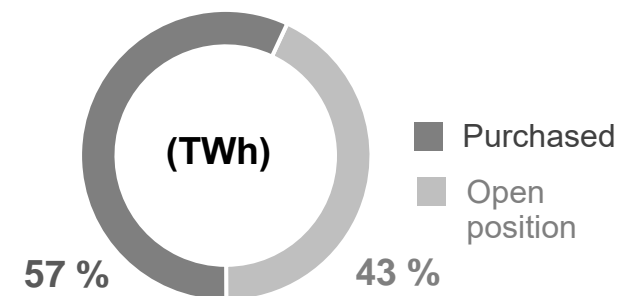
## Emission Allowances



## Emission allowances—generation costs hedging status

- The average purchase price of **14.7 million tons** of emission allowances is **35 EUR/t**.
- Open position assumption of **2.1 million tons of EUAs**

## Natural Gas\*\*\*



## Natural gas—generation cost hedging status

- The average cost\*\*\*\* of natural gas in a volume of **3.1 TWh** is **81 EUR/MWh**.
- Natural gas open position assumption of **2.4 TWh**

In addition to the above, hedging the expected generation from CCGT plants, CEZ Group has contracted 100% of the gas volume for 2022 for existing end-use customers of ČEZ Prodej and ČEZ ESCO.

\* This includes supplies from the generation of ČEZ, Energotrans, and Elektrárna Dětmarovice.

\*\* This is the result of hedging trades and current market valuation of unsold electricity for expected generation in 2022. In the case of executed hedging contracts for the sale of electricity from gas and some coal-fired facilities, the contracts are revalued in profit or loss on an ongoing basis. Realization price of these contracts, where they effectively enter into the 2022 results, is therefore consistent with the market prices as of December 31, 2021 and is therefore significantly higher than the starting price when they were entered into in the past.

\*\*\* The volume of generation from natural gas may be significantly affected by the development of the situation in Ukraine and the consequences of the sanctions adopted against the Russian Federation.

\*\*\*\* The gas purchase prices quoted correspond to the market prices as of December 31, 2021, at which they will effectively enter the 2022 results. The hedges in question are revalued in the results of operations on an ongoing basis, as are the sales of electricity from gas plants, which are concluded simultaneously.

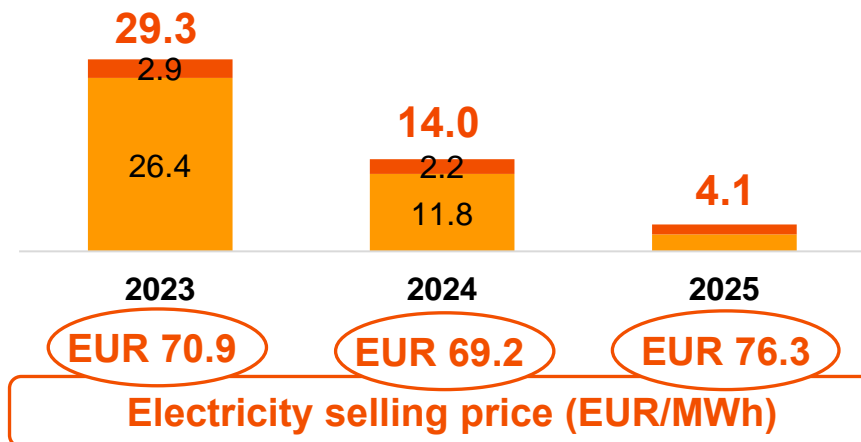


# HEDGING THE MARKET RISKS OF GENERATION IN CZECHIA FOR 2023–2025



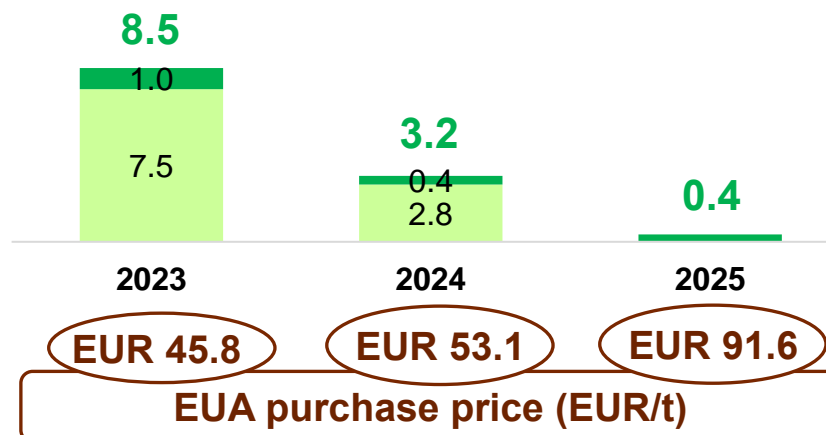
## Electricity sold in TWh (as of March 31)

- Hedged volume from Jan 1, 2022, to Mar 31, 2022
- Hedged volume as of Dec 31, 2021



## Contracted emission allowances\* in million tons (as of March 31)

- Hedged volume from Jan 1, 2022, to Mar 31, 2022
- Hedged volume as of Dec 31, 2021



## Share of hedged electricity deliveries from generation in Czechia (as of March 31)

	2023	2024	2025	100% of expected deliveries
Proportion of electricity deliveries hedged	61%	32%	10%	42 to 48 TWh of external deliveries per year

In Q1 2022, as part of liquidity risk management, the Risk Committee decided to temporarily limit the hedging of market risks of generation through contracts requiring margining, i.e., mainly by selling on the commodity exchange, thus temporarily slowing down the current pace of hedging market risks of generation.



\* 100% of the expected annual volume of emission allowances for generation in Czechia for 2023–2025 is 11–18 m tons.

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**Generation & Mining**



**Distribution and Sale**

# DISTRIBUTION SEGMENT EBITDA\*



EBITDA (CZK bn)	Q1 2021	Q1 2022	Difference	%
Czechia	5.2	5.2	-0.1	-1%

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

- Lower revenue from activities to ensure input power and connection (CZK -0.1 bn)
- The decrease in gross margin on electricity distribution due to lower volume distributed was offset by lower network usage costs due to the increase in decentralized generation

Electricity distributed to end-use customers (TWh)	Q1 2021	Q1 2022	Difference	%
Czechia	10.3	9.9	-0.4	-4%

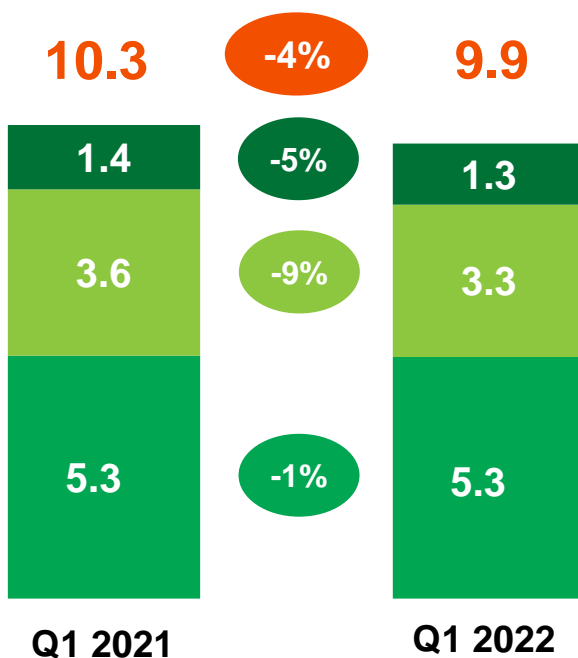


\* excluding the divested assets in Romania and Bulgaria

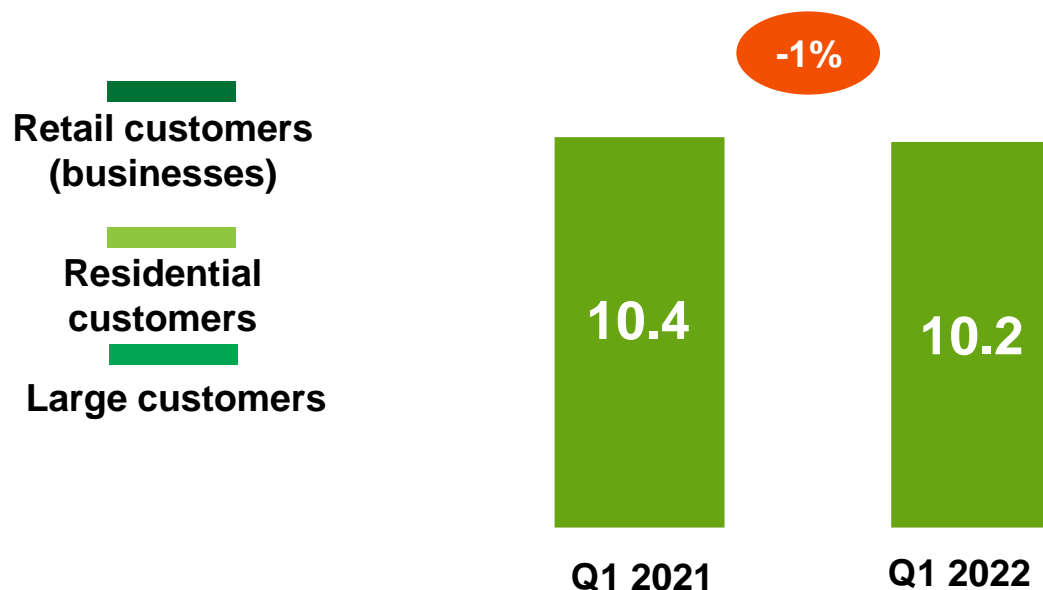
# ELECTRICITY CONSUMPTION IN THE DISTRIBUTION AREA OF ČEZ DISTRIBUCE DECREASED



## Electricity distribution (TWh)



## Temperature- and calendar-adjusted electricity consumption (TWh)



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

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

# SALES SEGMENT EBITDA



EBITDA (CZK bn)	Q1 2021*	Q1 2022	Difference	%
Retail segment—ČEZ Prodej	1.4	-0.2	-1.6	-
B2B segment—of which ESCO companies:	0.6	-0.3	-0.9	-
Energy Services—Czechia and Slovakia	0.3	0.2	-0.1	-41%
Energy Services—Germany and other countries**	0.2	0.2	+0.1	+33%
Commodity Sales—Czechia	0.1	-0.7	-0.8	-
B2B segment—Other activities***	0.3	0.3	0.0	+8%
<b>Total SALES Segment</b>	<b>2.3</b>	<b>-0.2</b>	<b>-2.4</b>	<b>-</b>

## Year-on-year effects:

### Retail segment—ČEZ Prodej (CZK -1.6 bn)

- Decrease in gross margin on electricity and gas sales (CZK -1.9 bn) due to a significant increase in commodity purchase prices and market volatility, which amplified the seasonality of the result.\*\*\*\*
- Refund of interest from the lawsuit with SŽDC (CZK +0.2 bn)

### B2B segment—of which ESCO companies:

#### Energy services—Czechia and Slovakia (CZK -0.1 bn)

- Primarily the negative impact of higher gas purchase costs

#### Energy Services—Germany and other countries\*\* (CZK +0.1 bn)

- Recovery of the increase after the negative impact of COVID-19, especially in Germany and Poland; contribution from the acquisition of Belectric group.

#### Czech commodity sales (CZK -0.8 bn)

- Decrease in gross margin on electricity and gas sales (CZK -0.5 bn) especially due to a significant increase in commodity purchase prices and market volatility, which amplified the seasonality of the result.\*\*\*\* The effect of appreciation of the koruna against the EUR (CZK -0.3 bn); this impact is offset below EBITDA thanks to hedging.

\* Excluding the divested assets in Romania and Bulgaria

\*\* Poland, Italy, Austria, and other countries where ESCO activities are managed by Elevion group

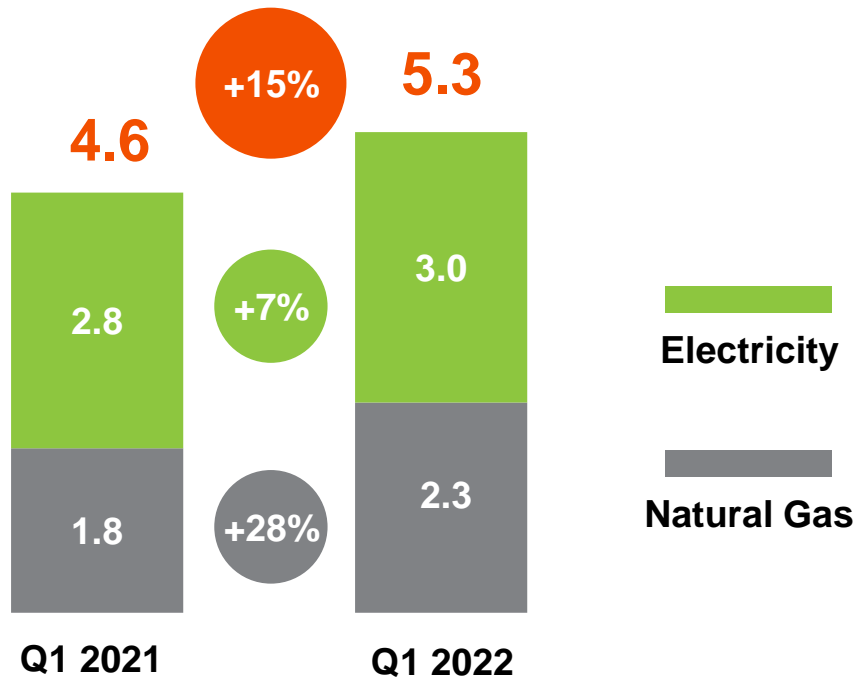
\*\*\* Mainly telecommunications companies, ČEZ Teplárenská, and other companies in the Sales segment

\*\*\*\* Prices for end-use customers are generally set the same for winter and summer, while the purchase price of electricity and gas is generally significantly higher in winter than at other times of the year. This considerable seasonal effect was significantly higher in Q1 2022, given the extreme increase in gas and thus electricity prices. Another negative consequence of price increases is the lagged pass-through of market price increases to end-use customers.

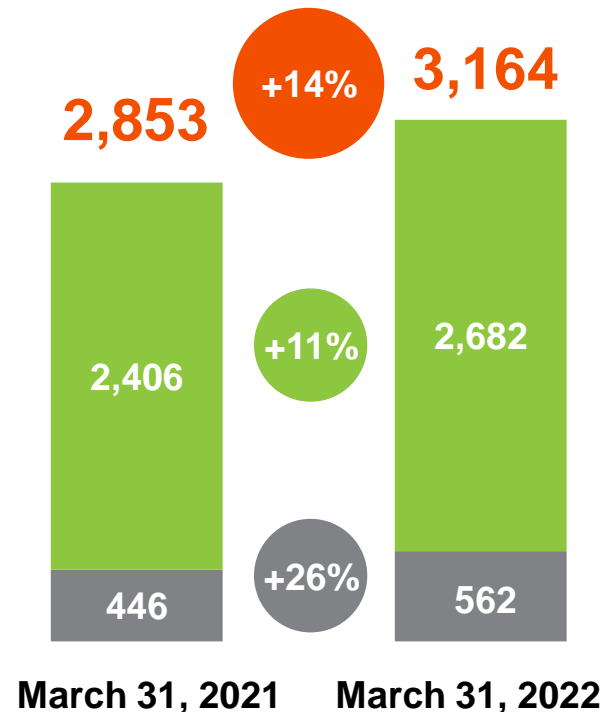
# VOLUME OF ELECTRICITY AND GAS SOLD; THE NUMBER OF CUSTOMERS CZECHIA—RETAIL



**Total electricity and natural gas supply increased by 15% year-on-year (TWh)**



**The number of customers increased by 14% year-on-year (service points in thousands)**



- A significant impact on the end-customer market in Czechia was the collapse of several suppliers in 2021 due to the sharp rise in commodity prices and the subsequent transition of almost 1 million customers to the suppliers of last resort (“SLR”).
- Largely because of this, the number of ČEZ Prodej’s service points increased by more than 300 thousand. Another reason for the increase is the current suspension of new customer acquisitions by most suppliers.
- In addition, the increase in the volume of electricity sold was also caused by ongoing structural changes in the portfolio related to the transition of customers to heating with electricity instead of using combustion boilers.
- Conversely, above-average temperatures in Q1 2022 had a dampening effect on electricity supply volumes.

# SELECTED EVENTS IN Q1 OF THE RETAIL SECTOR IN CZECHIA—ČEZ PRODEJ



ČEZ Prodej remains—despite the uncertainty related to future commodity supplies to Czechia—one of the few retail companies in Czechia that has not yet limited the breadth of its offer to new customers and offers them a full spectrum of fixed and non-fixed products. This confirms its high reliability and trustworthiness.

## We have taken care of almost 400 thousand customers who found themselves in the SLR mode

- In total, 385,476 service points in the territory of ČEZ Prodej have entered the SLR mode. And 99% of customer points have already left the SLR mode as of March 31, 2022.
- On April 14, termination of the SLR mode for customers from BOHEMIA ENERGY which was the largest entity that discontinued its activities.
- Repeated communication has been made towards customers whose SLR mode is ending. Customers in the SLR mode were helped by ČEZ Prodej to find their way around the situation and each was given advice on how to proceed. Almost 3 million letters, emails, and text messages were sent. The SLR customers were contacted on average 7 times, including physical visits to selected customers.

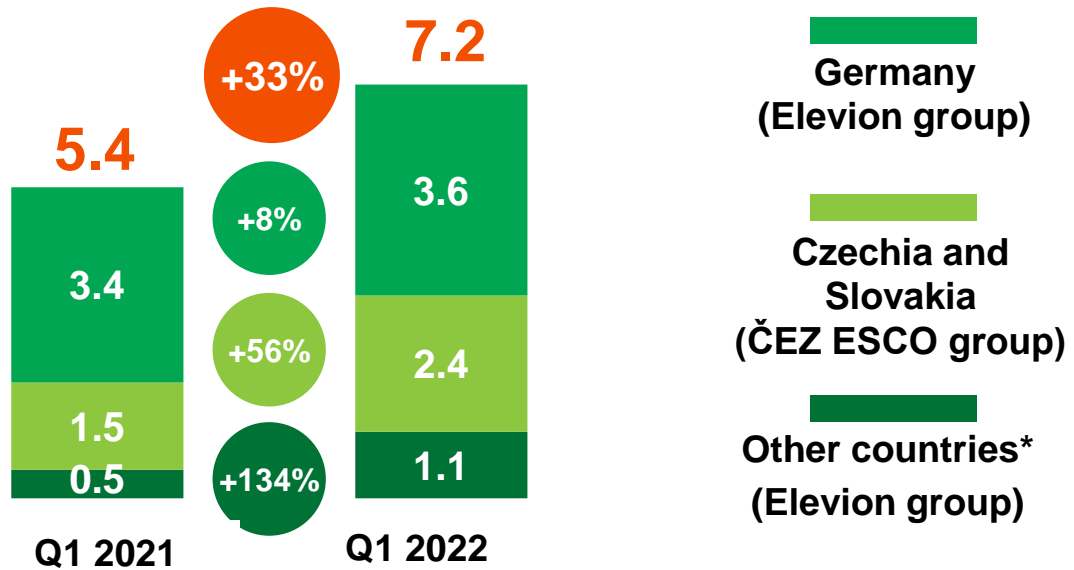
## On Feb 18, ČEZ Prodej introduced “MŮJ ČEZ” (My ČEZ) to customers—the successor to the ČEZ ON-LINE Internet self-service

- The aim was to develop MŮJ ČEZ (My ČEZ) in such a way that it would be simple, clear, and everyone would see the important things at a glance. That is why new functions were introduced, such as estimating bills and recommending the correct amount of advance payments or scanning meter readings with a mobile phone.
- The new user interface is fully adapted to different types of devices, be it a mobile phone, tablet, or computer.
- It is easy to log in to MŮJ ČEZ (My ČEZ) via Google account, Facebook, e-mail link, and in the future also via BankID or AppleID.

# SALES OF ENERGY SERVICES



## Revenues year-on-year (CZK bn)



### Germany—Elevion Group (+8%)

- + Mainly the positive impact of the acquisition of Belectric (December 16, 2021)
- Negative impact of the CZK/EUR exchange rate (-5.4%)

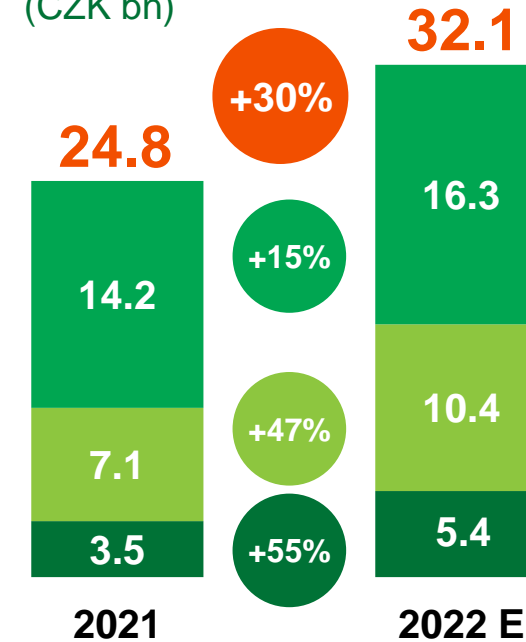
### Czechia and Slovakia—ČEZ ESCO group (+56%)

- + Organic increase +36%
- + Acquisitions of EP Rožnov (July 15, 2021), CAPEXUS (December 13, 2021), and ELIMER (February 24, 2022)

### Other countries\*—Elevion Group (+134%)

- + Organic increase +38% (mainly Poland, Romania)
- + Acquisition of SOCIETA' AGRICOLA DEF (July 26, 2021), ZOHD group (August 27, 2021)

## Revenues outlook (CZK bn)



### Germany—Elevion Group (+15%)

- + Organic increase +2%
- + Acquisition of the Belectric group (December 16, 2021)

### Czechia and Slovakia—ČEZ ESCO group (+47%)

- + Organic increase +20%
- + Acquisition of CAPEXUS (December 13, 2021), ELIMER (February 24, 2022)

### Other countries\*—Elevion group (+55%)

- + Organic increase +14%
- + Acquisition of the Belectric group (December 16, 2021)

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





## **Financial Results**

- Total financial results
- Total operating results
- Operating revenues by segment and country
- EBITDA by segment and country
- Operating results by country
- Expected year-on-year change in EBITDA by segment

## **Investments, development of cash flow, debt, and financial exposure**

- Investments in fixed assets (CAPEX)
- Credit facilities and debt structure as of March 31
- Cash flow (change in net debt)
- Hedging against currency and commodity risks in generation in Czechia

## **Market Developments, Balance Sheet, and Other Information**

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

# TOTAL FINANCIAL RESULTS



(CZK bn)	Q1 2021	Q1 2022	Difference	%
Operating revenues	59.1	76.0	+16.9	+29%
EBITDA	19.9	43.7	+23.8	+119%
of which: Existing assets*	17.9	43.7	+25.8	+144%
EBIT	11.2	36.2	+25.0	>200%
Net income	8.4	26.7	+18.3	>200%
Adjusted net income**	8.4	26.7	+18.3	>200%
Operating cash flow	5.6	33.5	+27.9	>200%
CAPEX	4.8	4.7	-0.2	-4%

\* Excluding the divested assets. Romanian companies sold on March 31, 2021 and Bulgarian companies on July 27, 2021.

\*\* 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-off)

# TOTAL OPERATING RESULTS



		Q1 2021	Q1 2021*	Q1 2022	Diff*	%*
Electricity generation	TWh	15.9	15.5	14.9	-0.6	-4%
Electricity distributed to end-use customers	TWh	14.9	10.3	9.9	-0.4	-4%
Sales of electricity to end customers	TWh	9.8	5.8	6.4	+0.6	+11%
Sales of gas to end customers	TWh	3.1	2.7	3.4	+0.7	+26%
Sales of heat	thousands TJ	10.8	10.8	9.6	-1.2	-11%

\* Excluding the divested assets. Romanian companies sold on March 31, 2021 and Bulgarian companies on July 27, 2021.

		As of Mar 31 2021	As of Mar 31 2021**	As of Mar 31 2022	Diff**	%**
Installed capacity	GW	12.3	12.3	11.8	-0.5	-4%
Workforce headcount	thousands persons	30.7	27.4	27.7	+0.3	+1%

\*\* Excluding installed capacity and employees of Bulgarian assets divested as of 27 July 2021. Romanian assets were not longer part of the Group as of March 31, 2021.

# OPERATING REVENUES BY SEGMENT AND COUNTRY

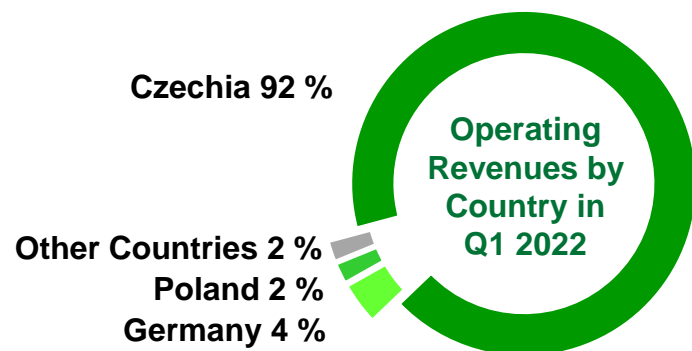


<b>GENERATION (CZK bn)</b>	<b>Q1 2021</b>	<b>Q1 2022</b>	<b>Difference</b>	<b>%</b>
Czechia	29.0	57.1	+28.0	+97%
Germany	0.2	0.3	+0.1	+68%
Poland	1.7	1.8	+0.1	+4%
Romania	1.2	0.0	-1.2	-
Other Countries	0.6	1.8	+1.2	>200%
Elimination of Internal Relations	-0.6	-1.3		
<b>Total</b>	<b>32.0</b>	<b>59.6</b>	<b>+27.6</b>	<b>+86%</b>

<b>MINING (CZK bn)</b>	<b>Q1 2021</b>	<b>Q1 2022</b>	<b>Difference</b>	<b>%</b>
Czechia	2.8	3.4	+0.7	+24%

<b>SALES (CZK bn)</b>	<b>Q1 2021</b>	<b>Q1 2022</b>	<b>Difference</b>	<b>%</b>
Czechia	15.7	30.7	+15.0	+96%
Germany	3.4	3.7	+0.3	+8%
Romania	2.3	0.1	-2.2	-98%
Bulgaria	4.6	0.0	-4.6	-100%
Other Countries	1.1	1.5	+0.4	+39%
Elimination of Internal Relations	0.0	0.0		
<b>Total</b>	<b>27.0</b>	<b>35.9</b>	<b>+8.9</b>	<b>+33%</b>

<b>DISTRIBUTION (CZK bn)</b>	<b>Q1 2021</b>	<b>Q1 2022</b>	<b>Difference</b>	<b>%</b>
Czechia	9.2	9.5	+0.3	+3%
Romania	1.5	0.0	-1.5	-
Bulgaria	1.5	0.0	-1.5	-
Elimination of Internal Relations	0.0	0.0		
<b>Total</b>	<b>12.2</b>	<b>9.5</b>	<b>-2.7</b>	<b>-22%</b>



<b>Operating revenues (CZK bn)</b>	<b>Q1 2022</b>	<b>Share</b>
GENERATION	59.6	55%
MINING	3.4	3%
DISTRIBUTION	9.5	9%
SALES	35.9	33%
Elimination of Internal Relations	-32.4	
<b>Total</b>	<b>76.0</b>	<b>100%</b>

# EBITDA BY SEGMENT AND COUNTRY



GENERATION (CZK bn)	Q1 2021	Q1 2022	Difference	%
Czechia	8.5	36.4	+28.0	>200%
Germany	0.1	0.2	+0.1	+95%
Poland	0.3	0.1	-0.2	-65%
Romania	0.6	0.0	-0.6	-
Other Countries	0.0	0.0	0.0	-
<b>Total</b>	<b>9.4</b>	<b>36.7</b>	<b>+27.3</b>	<b>&gt;200%</b>
Existing assets	8.8	36.7	+28.0	>200%
Divested Assets	0.6	0.0	-0.6	-

MINING (CZK bn)	Q1 2021	Q1 2022	Difference	%
Czechia	1.5	1.9	+0.4	+25%

DISTRIBUTION (CZK bn)	Q1 2021	Q1 2022	Difference	%
Czechia	5.2	5.2	-0.1	-1%
Romania	0.5	0.0	-0.5	-
Bulgaria	0.6	0.0	-0.6	-
<b>Total</b>	<b>6.4</b>	<b>5.2</b>	<b>-1.2</b>	<b>-19%</b>
Existing assets	5.2	5.2	-0.1	-1%
Divested Assets	1.1	0.0	-1.1	-

SALES (CZK bn)	Q1 2021	Q1 2022	Difference	%
Czechia	2.1	-0.4	-2.5	-
Germany	0.2	0.2	0.0	-10%
Romania	0.1	0.0	-0.1	-
Bulgaria	0.2	0.0	-0.2	-
Other Countries	0.1	0.1	0.0	+42%
<b>Total</b>	<b>2.6</b>	<b>-0.2</b>	<b>-2.7</b>	<b>-</b>
Existing assets	2.3	-0.2	-2.4	-
Divested Assets	0.3	0.0	-0.3	-

# OPERATING RESULTS BY COUNTRY



Electricity generation (TWh)	Q1 2021	Q1 2022	Difference	%
<b>Existing assets**</b>	<b>15.5</b>	<b>14.9</b>	<b>-0.6</b>	<b>-4%</b>
of which: Czechia**	14.7	14.2	-0.6	-4%
Germany	0.1	0.1	0.0	+33%
Poland	0.7	0.6	0.0	-5%
Divested assets*	0.4	0.0	-0.4	-
CEZ Group, total	15.9	14.9	-1.0	-6%

Electricity distributed to end-use customers (TWh)	Q1 2021	Q1 2022	Difference	%
<b>Existing assets (Czechia)</b>	<b>10.3</b>	<b>9.9</b>	<b>-0.4</b>	<b>-4%</b>
Divested assets*	4.6	0.0	-4.6	-
CEZ Group, total	14.9	9.9	-5.0	-34%

Electricity sales to end-use customers (TWh)	Q1 2021	Q1 2022	Difference	%
<b>Existing assets</b>	<b>5.8</b>	<b>6.4</b>	<b>+0.6</b>	<b>+11%</b>
Divested assets*	4.1	0.0	-4.1	-
CEZ Group, total	9.8	6.4	-3.5	-35%

Gas sales to end-use customers (TWh)	Q1 2021	Q1 2022	Difference	%
<b>Existing assets</b>	<b>2.7</b>	<b>3.4</b>	<b>+0.7</b>	<b>+26%</b>
of which: Czechia	2.5	3.4	+0.9	+36%
Poland	0.0	0.0	0.0	-
Slovakia	0.2	0.0	-0.2	-
Divested assets*	0.4	0.0	-0.4	-
CEZ Group, total	3.1	3.4	+0.2	+8%

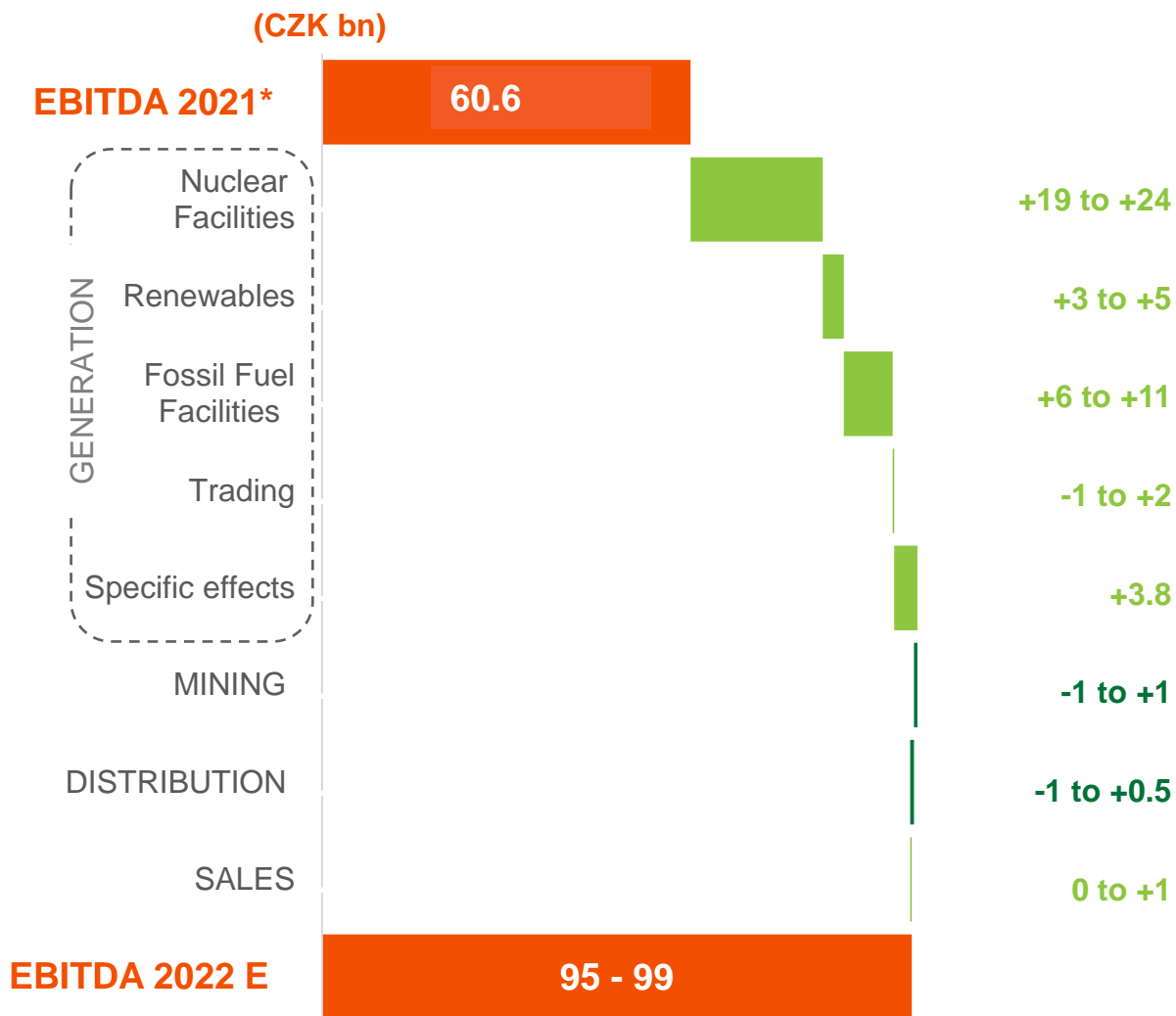
Sale of heat (thousand TJ)	Q1 2021	Q1 2022	Difference	%
<b>Existing assets***</b>	<b>10.8</b>	<b>9.6</b>	<b>-1.2</b>	<b>-11%</b>
of which: Czechia***	8.0	6.9	-1.1	-14%
Poland	2.6	2.4	-0.1	-5%
Slovakia	0.3	0.3	0.0	-4%
Divested assets*	-	-	-	-
CEZ Group, total	10.8	9.6	-1.2	-11%

\* Companies sold in Romania (as of Mar 31, 2021) and Bulgaria (as of Jul 27, 2021)

\*\* of which in Q1 2022 0.1 TWh was generated by ČEZ Energo, which is part of the SALES segment

\*\*\* includes heat sales from companies classified in the GENERATION segment and in the SALES segment

# EXPECTED YEAR-ON-YEAR CHANGE IN EBITDA BY BUSINESS SEGMENT



## GENERATION

### Nuclear Facilities

- + Higher realization prices of electricity incl. hedging

### Renewables

- + Higher realization prices of electricity incl. hedging

### Fossil Fuel Sources

- + Effect of realized prices of electricity emission allowances and natural gas on gross margin incl. hedging
- Higher maintenance costs

### Trading

- + Uncertain amount of profit from commodity trading

### Specific effects in 2021

- + Revaluation of allowance trades related to hedging 2022+ generation positions and time arbitrages with allowances
- + Revaluation of hedging electricity sales of the portion of 2022 fossil fuel generation that did not meet the IFRS conditions for own-use classification

## MINING

- Higher fixed operating expenses, especially expenses on energy
- + Higher coal sales, particularly to CEZ Group

## DISTRIBUTION

- Negative effect of correction factors
- + Higher regulatory asset base (RAB), and depreciation and amortization

## SALES

- + Acquisition and organic growth in ESCO branch

\* excluding the divested assets in Romania and Bulgaria

# INVESTMENTS IN FIXED ASSETS (CAPEX)



<b>CAPEX (CZK bn)</b>	<b>Q1 2021</b>	<b>Q1 2022</b>
GENERATION Segment	1.4	1.3
Of which: Nuclear fuel procurement	0.5	0.3
MINING Segment	0.3	0.3
DISTRIBUTION Segment	2.2	2.7
SALES Segment	0.2	0.3
Total existing assets	<b>4.1</b>	<b>4.7</b>
Divested Assets	<b>0.7</b>	<b>0.0</b>
TOTAL CEZ GROUP	<b>4.8</b>	<b>4.7</b>

## The main reasons for the year-on-year change in capital expenditures in Existing assets of individual segments:

- GENERATION: different nuclear fuel delivery schedule, with invoicing shifted to Q2 in 2022
- DISTRIBUTION: increase mainly due to higher investments in the renewal of distribution grids and customer buildings



# CREDIT FACILITIES AND DEBT STRUCTURE



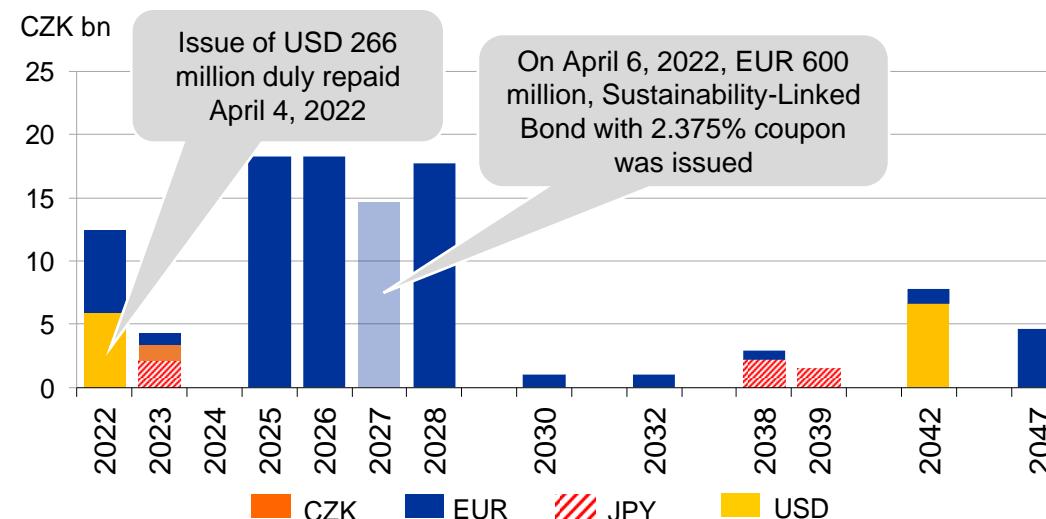
## Utilization of Short-Term Lines and Available Committed Credit Facilities (as of Mar 31, 2022)



- Committed facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- On March 14, 2022, long-term loans from the EIB for a total amount of EUR 400 million fully drawn down for 10 years.
- CEZ Group has access to a total of CZK 46 bn of committed credit facilities\*.
- CZK 13.5 bn of committed lines drawn as of March 31, 2022. Use of credit facilities was primarily related to higher margin deposits on commodity exchanges following a high increase of electricity market prices.
- On April 6, 2022, a EUR 600 million sustainability linked bond with a coupon of 2.375% and maturing in 2027 was issued under the EMTN program.

\* including the commitment increase signed on April 4, 2022

## Bond Maturity Profile (as of Mar 31, 2022)

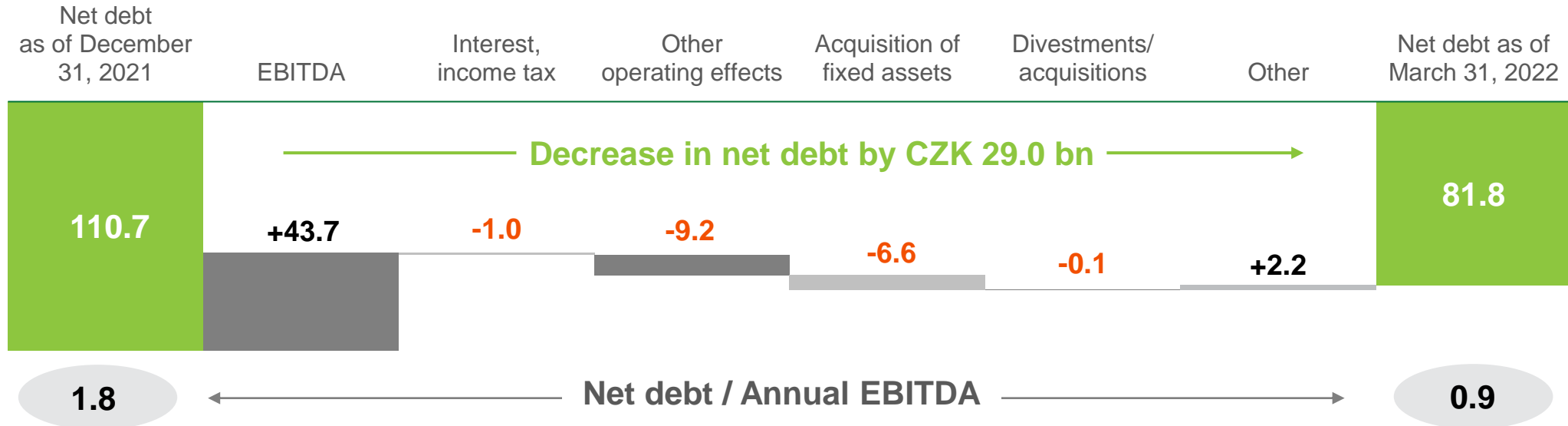


### Debt Level

		As of Mar 31, 2021	As of Mar 31, 2022
Debt and loans	CZK bn	151.9	133.7
Cash and fin. assets**	CZK bn	35.9	52.0
Net debt	CZK bn	116.0	81.8
Net debt / EBITDA		2.0	0.9

\*\* Cash and Cash Equivalents & Highly Liquid Financial Assets

# NET DEBT DECREASED BY CZK 29 BN IN Q1



- **Interest, income taxes (CZK -1.0 bn):** income taxes paid
- **Other operating effects (CZK -9.2 bn):** change in trade receivables and payables (CZK -14.3 bn), inventories of materials and fossil fuels (CZK -1.0 bn), change in emission allowances (CZK +2.7 bn), other (CZK +3.4 bn)
- **Acquisition of fixed assets (CZK -6.6 bn):** acquisition of fixed assets (CAPEX) (CZK -4.7 bn), change in liabilities from fixed asset acquisition (CZK -1.9 bn)
- **Divestments/acquisitions (CZK -0.1 bn):** acquisition of ELIMER, a.s.
- **Other (CZK +2.2 bn):** mainly change in the fair value of loans and bonds due to the appreciation of the EUR/CZK exchange rate

## CEZ Group takes all measures to manage liquidity risks associated with extreme increases in commodity market prices and related margining on commodity exchanges and to trading counterparties

- ČEZ is required to replenish cash on margin deposits on exchanges and with counterparties due to futures contracts related to generation and significant increases in commodity prices.
- As of March 31, ČEZ had cash on margin deposits, and therefore a receivable, in the amount of CZK 57 bn.
- ČEZ is negotiating at European and national level on measures and instruments to address the risks of a surge in additional cash needs.
- Cash, highly liquid assets and available credit lines of ČEZ amounted to CZK 82 bn as of March 31, 2022.

# CURRENCY AND COMMODITY HEDGING OF ELECTRICITY GENERATION IN CZECHIA IN 2023–2025



## Currency Hedges for Estimated EUR cash flow\* from Electricity Generation in Czechia (as of March 31, 2022)

	2023	2024	2025
<b>Total currency hedges of EUR denominated CF from generation</b>	<b>56%</b>	<b>40%</b>	<b>27%</b>
Natural currency hedging (debt and interest, capital and other expenses in EUR)	53%	18%	26%
Transactional currency hedging	3%	22%	1%

\* Subject of the hedge (100%) is represented by EUR revenues from generation lowered by EUR expenses for emission allowances and for natural gas, which are exposed to risk of CZK/EUR exchange rate fluctuations.

The currency position for 2023–2025 is hedged at an exchange rate of 25.6–26.0 CZK/EUR.

## Commodity hedges of expected electricity deliveries from generation in Czechia (as of March 31, 2022)

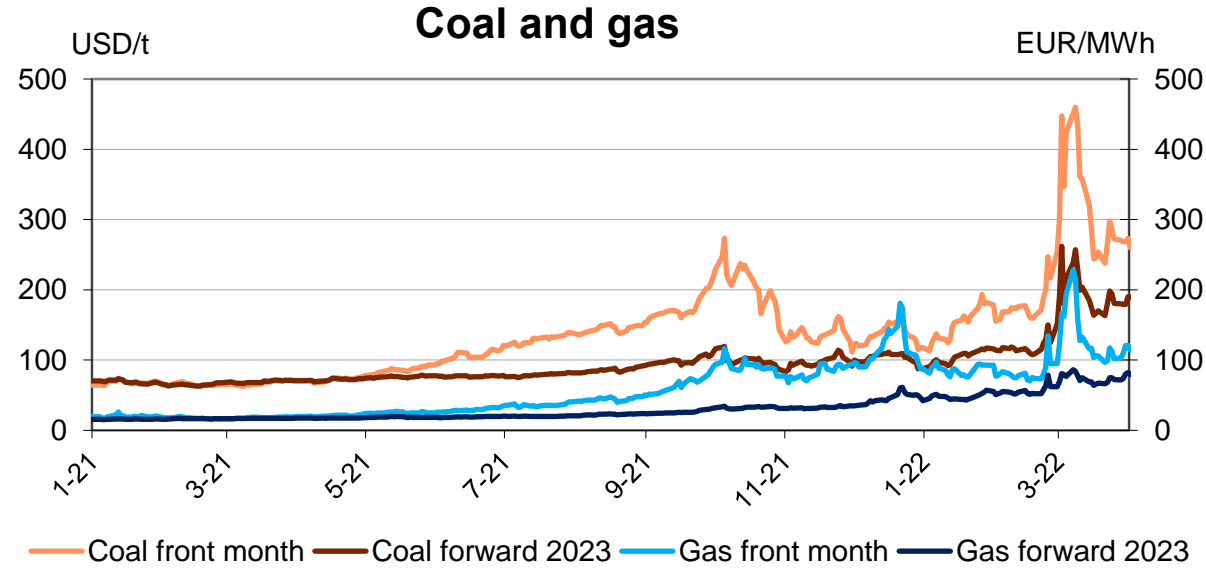
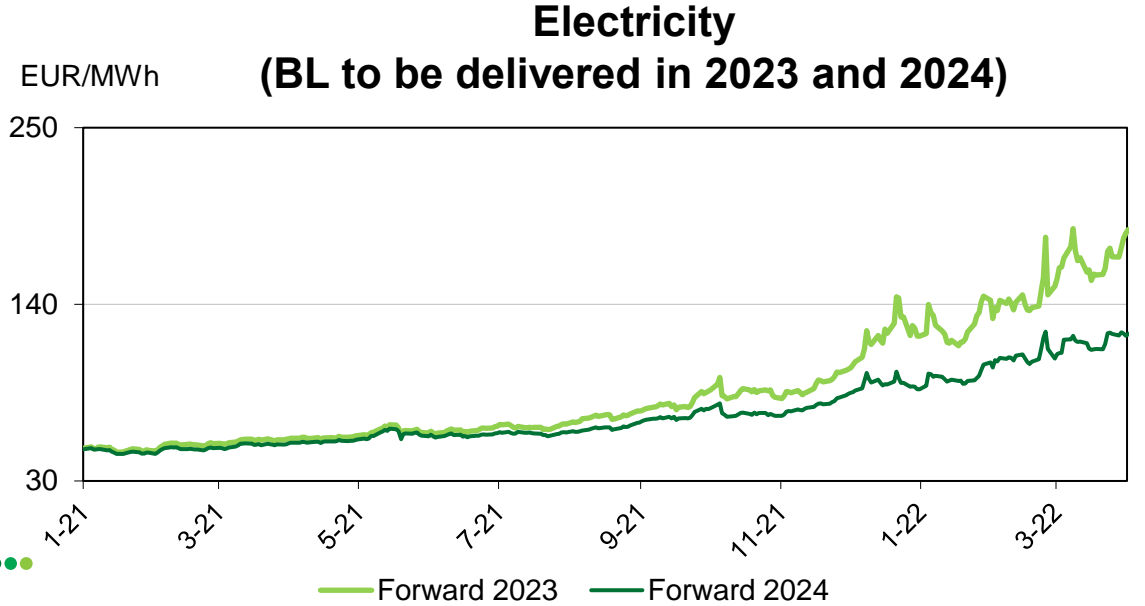
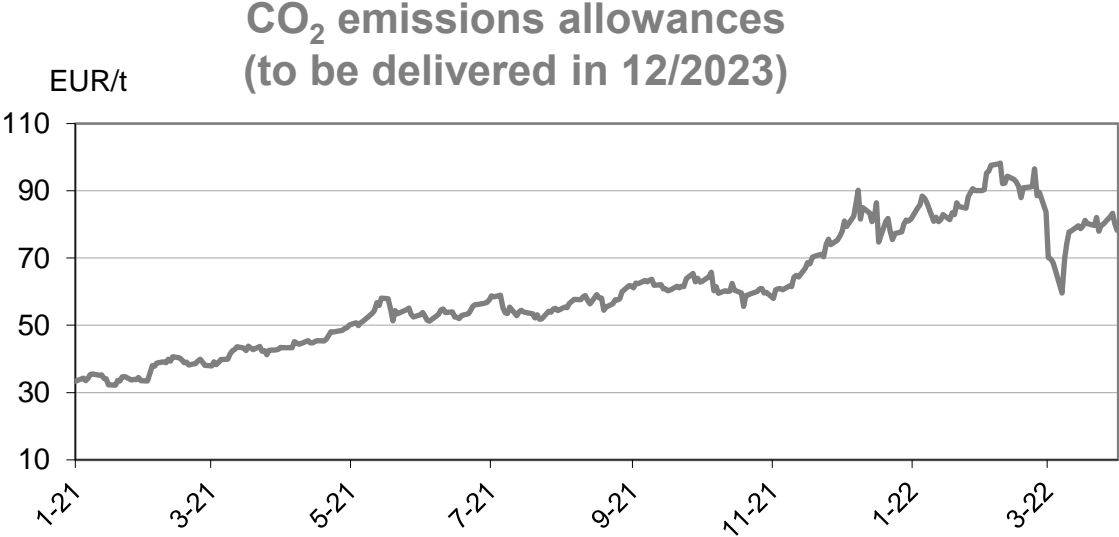
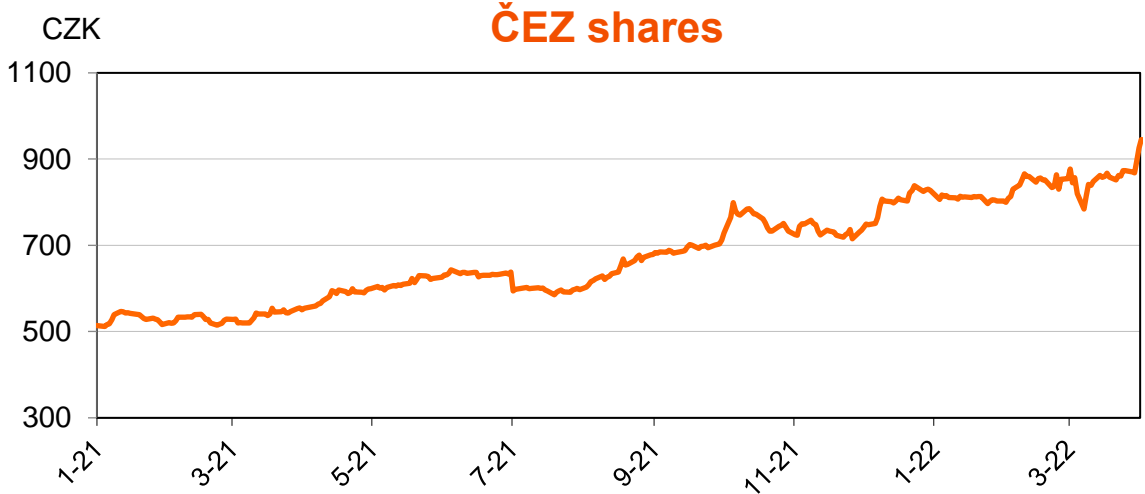
	100% of expected deliveries	2023	2024	2025
<b>Total share of hedged deliveries</b>	<b>42 to 48 TWh per year</b>	<b>61%</b>	<b>32%</b>	<b>10%</b>
Emission-free sources (nuclear and ČEZ RES)**	29 to 31 TWh per year	71%	37%	12%
Fossil fuel facilities—medium-term hedged**	8 to 14 TWh per year	60%	35%	4%
Fossil fuel facilities—other***	4 to 5 TWh per year	9%	-	-

\*\* hedged over a 3-year horizon

\*\*\* Gas and selected coal-fired resources which, due to the nature of generation and market conditions, are hedged only on an annual / intra-annual basis



# MARKET DEVELOPMENTS FROM JAN 1, 2021, TO MAR 31, 2022



## Electricity balance (GWh)

	Q1 2021	Q1 2022	Index 2022/2021
<b>Electricity procured</b>	<b>14,320</b>	<b>13,419</b>	<b>-6%</b>
Generated in-house (gross)	15,857	14,893	-6%
In-house and other consumption, including pumping in pumped-storage plants	-1,538	-1,474	-4%
<b>Sold to end customers</b>	<b>-9,842</b>	<b>-6,368</b>	<b>-35%</b>
<b>Sold in the wholesale market (net)</b>	<b>-3,480</b>	<b>-6,597</b>	<b>+90%</b>
Sold in the wholesale market	-63,462	-41,720	-34%
Purchased in the wholesale market	59,983	35,123	-41%
<b>Grid losses</b>	<b>-999</b>	<b>-454</b>	<b>-55%</b>

## Electricity generation by source (GWh)

Nuclear	7,803	8,055	+3%
Coal and lignite	5,403	5,245	-3%
Water	742	551	-26%
Biomass	258	205	-21%
Photovoltaic	19	27	+39%
Wind	433	93	-79%
Natural gas	1,199	718	-40%
Bio gas	1	0	-
<b>Total</b>	<b>15,857</b>	<b>14,893</b>	<b>-6%</b>

## Sales of electricity to end customers (GWh)

Households	-4,477	-2,591	-42%
Commercial (low voltage)	-1,231	-717	-42%
Commercial and industrial (medium and high voltage)	-4,133	-3,060	-26%
<b>Sold to end customers</b>	<b>-9,842</b>	<b>-6,368</b>	<b>-35%</b>

## Distribution of electricity (GWh)

	Q1 2021	Q1 2022	Index 2022/2021
Distribution of electricity to end customers	14,943	9,895	-34%

### Electricity balance (GWh) by segment

Q1 2022	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
<b>Electricity procured</b>	<b>13,294</b>	<b>-6%</b>	<b>0</b>	<b>-</b>	<b>125</b>	<b>+8%</b>	<b>0</b>	<b>-</b>	<b>13,419</b>	<b>-6%</b>
Generated in-house (gross)	14,747	-6%	0	-	146	+10%	0	-	14,893	-6%
In-house and other consumption, including pumping in pumped-storage plants	-1,453	-4%	0	-	-21	+27%	0	-	-1,474	-4%
<b>Sold to end customers</b>	<b>-561</b>	<b>-4%</b>	<b>0</b>	<b>-</b>	<b>-6,220</b>	<b>-36%</b>	<b>413</b>	<b>-9%</b>	<b>-6,368</b>	<b>-35%</b>
<b>Sold in the wholesale market (net)</b>	<b>-12,733</b>	<b>-6%</b>	<b>454</b>	<b>-55%</b>	<b>6,095</b>	<b>-36%</b>	<b>-413</b>	<b>-9%</b>	<b>-6,597</b>	<b>+90%</b>
Sold in the wholesale market	-47,908	-31%	0	-	-923	-17%	7,111	+4%	-41,720	-34%
Purchased in the wholesale market	35,175	-37%	454	-55%	7,018	-34%	-7,524	+3%	35,123	-41%
<b>Grid losses</b>	<b>0</b>	<b>-</b>	<b>-454</b>	<b>-55%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-454</b>	<b>-55%</b>

### Electricity generation by source (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	8,055	+3%	0	-	0	-	0	-	8,055	+3%
Coal and lignite	5,245	-3%	0	-	0	-	0	-	5,245	-3%
Water	551	-26%	0	-	0	-	0	-	551	-26%
Biomass	205	-21%	0	-	0	-	0	-	205	-21%
Photovoltaic	27	+39%	0	-	0	-	0	-	27	+39%
Wind	93	-79%	0	-	0	-	0	-	93	-79%
Natural gas	573	-46%	0	-	146	+10%	0	-	718	-40%
Bio gas	0	-	0	-	0	-	0	-	0	-
<b>Total</b>	<b>14,747</b>	<b>-6%</b>	<b>0</b>	<b>-</b>	<b>146</b>	<b>+10%</b>	<b>0</b>	<b>-</b>	<b>14,893</b>	<b>-6%</b>

### Sales of electricity to end customers (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	0	-	-2,591	-42%	0	-	-2,591	-42%
Commercial (low voltage)	0	-88%	0	-	-717	-42%	0	-	-717	-42%
Commercial and industrial (medium and high voltage)	-561	-4%	0	-	-2,912	-27%	413	-9%	-3,060	-26%
<b>Sold to end customers</b>	<b>-561</b>	<b>-4%</b>	<b>0</b>	<b>-</b>	<b>-6,220</b>	<b>-36%</b>	<b>413</b>	<b>-9%</b>	<b>-6,368</b>	<b>-35%</b>

**Electricity balance (GWh) by country**

Q1 2022	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
<b>Electricity procured</b>	<b>12,787</b>	<b>-4%</b>	<b>543</b>	<b>-5%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>89</b>	<b>+33%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>13,419</b>	<b>-6%</b>
Generated in-house (gross)	14,169	-4%	634	-5%	0	-	0	-	89	+33%	2	-	0	-	14,893	-6%
In-house and other consumption, including pumping in pumped-storage plants	-1,381	-4%	-91	-6%	0	-	0	-	0	-	-2	-	0	-	-1,474	-4%
<b>Sold to end customers</b>	<b>-5,970</b>	<b>+13%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-398</b>	<b>-3%</b>	<b>0</b>	<b>-</b>	<b>-6,368</b>	<b>-35%</b>
<b>Sold in the wholesale market (net)</b>	<b>-6,364</b>	<b>-15%</b>	<b>-543</b>	<b>+3%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-89</b>	<b>+33%</b>	<b>398</b>	<b>-3%</b>	<b>0</b>	<b>-</b>	<b>-6,597</b>	<b>+90%</b>
Sold in the wholesale market	-41,669	-35%	-578	-6%	0	-	0	-	-89	+33%	-23	+24%	638	-54%	-41,720	-34%
Purchased in the wholesale market	35,306	-37%	35	-61%	0	-	0	-	0	-	421	-2%	-638	-54%	35,123	-41%
<b>Grid losses</b>	<b>-454</b>	<b>-5%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-454</b>	<b>-55%</b>

**Electricity generation by source (GWh) by country**

	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	8,055	+3%	0	-	0	-	0	-	0	-	0	-	0	-	8,055	+3%
Coal and lignite	4,687	-3%	558	-1%	0	-	0	-	0	-	0	-	0	-	5,245	-3%
Water	548	-23%	3	-2%	0	-	0	-	0	-	0	-	0	-	551	-26%
Biomass	132	-17%	73	-27%	0	-	0	-	0	-	0	-	0	-	205	-21%
Photovoltaic	27	+48%	0	-	0	-	0	-	0	-	0	-	0	-	27	+39%
Wind	4	+82%	0	-	0	-	0	-	89	+33%	0	-	0	-	93	-79%
Natural gas	717	-40%	0	-	0	-	0	-	0	-	2	-	0	-	718	-40%
Bio gas	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
<b>Total</b>	<b>14,169</b>	<b>-4%</b>	<b>634</b>	<b>-5%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>89</b>	<b>+33%</b>	<b>2</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>14,893</b>	<b>-6%</b>

**Sales of electricity to end customers (GWh) by country**

	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-2,591	+5%	0	-	0	-	0	-	0	-	0	-	0	-	-2,591	-42%
Commercial (low voltage)	-717	+20%	0	-	0	-	0	-	0	-	0	-	0	-	-717	-42%
Commercial and industrial (medium and high voltage)	-2,661	+19%	0	-	0	-	0	-	0	-	-398	+4%	0	-	-3,060	-26%
<b>Sold to end customers</b>	<b>-5,970</b>	<b>+13%</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-398</b>	<b>-3%</b>	<b>0</b>	<b>-</b>	<b>-6,368</b>	<b>-35%</b>

**Distribution of electricity (GWh) by country**

Q1 2022	Czechia		Poland		Romania		Bulgaria		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	9,895	-4%	0	-	0	-	0	-	0	-	0	-	0	-	9,895	-34%

## Definitions and Calculations of Indicators Unspecified in IFRS

In accordance with ESMA guidelines, ČEZ provides detailed information on indicators that are not reported as standard in IFRS financial reporting framework or the components of which are not directly available from financial statements and accompanying notes to the financial statements. Such indicators represent supplementary information in respect of financial data, providing reports' users with additional information for their assessment of the financial position and performance of CEZ Group or ČEZ. In general, these indicators are also commonly used in other commercial companies, not only in the energy sector.

Indicator	
Adjusted Net Income (After-Tax Income, Adjusted)	<p><u>Purpose:</u> This is a supporting indicator, intended primarily for investors, creditors, and shareholders, which allows interpreting achieved financial results with the exclusion of extraordinary, usually nonrecurring effects that are generally unrelated to ordinary financial performance and value creation in a given period.</p> <p><u>Definition:</u> Net income (after-tax income) +/- additions to and reversals of impairments of property, plant, and equipment and intangible assets (including goodwill write-off) +/- additions to and reversals of impairments of developed projects +/- other extraordinary effects that are generally unrelated to ordinary financial performance and value creation in a given period +/- effects of the above on income tax.</p>
Net Debt	<p><u>Purpose:</u> The indicator shows the real level of a company's financial debt, i.e., the carrying amount of debt net of cash, cash equivalents, and highly liquid financial assets held. The indicator is primarily used to assess the overall appropriateness of the indebtedness, e.g., in comparison with selected profit or balance sheet indicators.</p> <p><u>Definition:</u> Long-Term Debt, Net of Current Portion + Current Portion of Long-Term Debt + Short-Term Loans – (Cash and Cash Equivalents + Highly Liquid Financial Assets).</p> <p>The components of the indicator, except for Highly Liquid Financial Assets, are reported individually on the balance sheet, with items related to assets held for sale are presented separately on the balance sheet.</p>
Net Debt / EBITDA	<p><u>Purpose:</u> This indicates a company's capability to pay back its debt as well as its ability to take on additional debt to grow its business. CEZ Group uses this indicator primarily to assess the adequacy of its capital structure to the structure and stability of its expected cash flows.</p> <p><u>Definition:</u> Net Debt / EBITDA. Net Debt is the amount at the end of the reported period. EBITDA is the running total for the past 12 months, i.e. as at March 31 and EBITDA for the period from April 1 of previous year until March 31 of current year.</p>



Most of the components used in the calculation of individual indicators are directly shown in financial statements. The components of calculations that are not included in the financial statements are usually shown directly in a company's books and are calculated as follows:

**Highly Liquid Financial Assets—component of Net Debt indicator (CZK billions):**

	As at Dec 31, 2021	As at Mar 31, 2022
Current debt financial assets	0.5	-
Non-current debt financial assets	-	-
Current term deposits	0.0	0.0
Non-current term deposits	-	-
Short-term equity securities	0.0	0.0
<b>Highly liquid financial assets, total</b>	<b>0.5</b>	<b>0.0</b>

**Adjusted Net Income indicator—calculation for periods in question:**

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1 2021	Q1 2022
Net income	CZK billions	8.4	26.7
Impairments of property, plant, and equipment and intangible assets (including goodwill write-off) <sup>1)</sup>	CZK billions	2.1	(0.0)
Impairments of developed projects <sup>2)</sup>	CZK billions	-	-
Effects of additions to or reversals of impairments on income tax <sup>3)</sup>	CZK billions	(0.3)	(0.0)
Other extraordinary effects <sup>4)</sup>	CZK billions	(1.8)	-
<b>Adjusted net income</b>	<b>CZK billions</b>	<b>8.4</b>	<b>26.7</b>

1) Corresponds to the total value reported in the row Impairment of Property, Plant and Equipment and Intangible Assets in the Consolidated Statement of Income

2) Included in the row Other operating expenses in the Consolidated Statement of Income

3) Included in the row Income taxes in the Consolidated Statement of Income

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

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