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Report on CEZ Group Financial Results for H1 2023

Nonaudited consolidated results prepared in accordance with International Financial Reporting Standards (IFRS)

Aug 10, 2023

Agenda

Financial Highlights for H1 and Annual Outlook

(CZK bn)	H1/2022	H1/2023	Difference	%
Operating revenues	130.5	169.7	+39.2	+30%
EBITDA	59.3	62.4	+3.1	+5%
EBIT	44.2	45.3	+1.1	+2%
Net income	33.6	22.3	-11.3	-34%
Adjusted net income*	33.6	22.5	-11.2	-33%
Operating cash flows	41.7	134.6	+92.9	+223%
CAPEX	12.1	16.9	+4.8	+40%

Financial outlook for the full year 2023

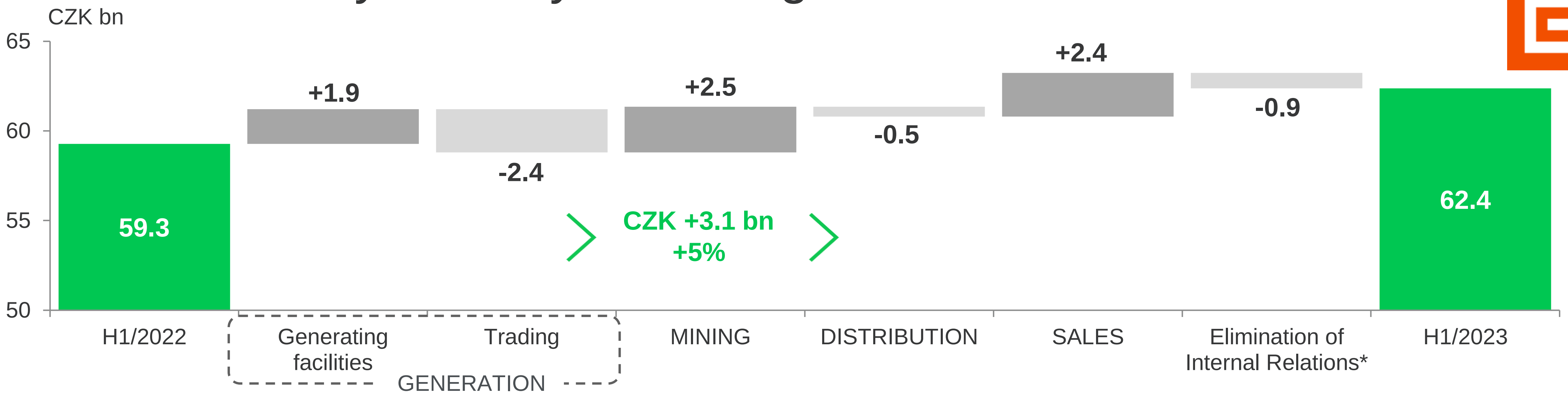
- EBITDA is expected at CZK 105–115 bn.
- Net income adjusted for extraordinary effects is estimated at CZK 33–37 bn.

The Shareholders' Meeting approved a dividend for 2022 at the record amount of CZK 145 per share.

- The annual Shareholders' Meeting, held in June 2023, approved the highest dividend in the company's history, totaling CZK 78 bn.

* 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 decrease).

Main causes of year-on-year change in EBITDA



GENERATION Segment—Generating facilities (CZK +1.9 bn):

- Higher gross margin on generation in the Czech Rep. as a result of higher realized electricity prices and change in purchase prices of emission allowances and gas (CZK +13.0 bn)
- Levy on excess revenues from generation in the Czech Rep. (CZK -11.1 bn)

GENERATION Segment—Trading (CZK -2.4 bn):

- Lower prop trading margin (CZK -6.5 bn): in H1 2023 it reached CZK +5.2 bn, while in H1 2022 it was exceptionally high at CZK +11.7 bn
- Negative impact of Gazprom Export gas supply disruption in H1 2022 (+1.2)
- Other commercial trading and consolidation effects (CZK +2.9 bn): mainly temporary effects due to the revaluation of derivative trades hedging generation and sales positions for the next period

MINING Segment (CZK +2.5 bn):

- Higher revenues (CZK +3.7 bn) mainly due to price effects (coal production volume decreased by 1.2 mil tons year-on-year), higher fixed expenses (CZK -1.0 bn) especially for energy

SALES Segment (CZK +2.4 bn):

- Revenues from litigation between ČEZ Prodej and the state-owned company Správa železnic regarding electricity supplies in 2010 and 2011 (CZK +1.2 bn)
- Purchase of electricity from RES in the Czech Rep. (CZK +0.8 bn): long-term contracts and development of electricity market prices
- Sales of energy services and non-commodity products (CZK +0.4 bn)

* This is mainly due to eliminating the effect of hedge of currency risks of ČEZ ESCO (SALES segment) through ČEZ, a. s. (GENERATION segment), where this effect is booked as foreign exchange income and loss (outside EBITDA).

Main Causes of Year-On-Year Change in Net Income

(CZK bn)	H1/2022	H1/2023	Difference	%
EBITDA	59.3	62.4	+3.1	+5%
Depreciation and amortization	-15.2	-17.0	-1.9	-12%
Impairments of non-current assets*	0.1	-0.0	-0.1	-
Other income (expenses)	-2.5	-1.2	+1.3	+51%
Interest income (expenses)	-0.8	0.3	+1.0	-
Other	-1.8	-1.5	+0.3	+15%
Income tax	-8.1	-21.8	-13.7	-169%
Net income	33.6	22.3	-11.3	-34%
Adjusted net income	33.6	22.5	-11.2	-33%

Net Income Adjustments
Net income in H1 2023 adjusted for impairments of fixed assets of Severočeské doly (CZK +0.2 bn)

Depreciation and Amortization (CZK -1.9 bn)

- Increase in depreciation of CEZ coal-fired power plants (CZK -0.6 bn), nuclear power plants (CZK -0.4 bn), and Energotrans (CZK -0.1 bn) due to update of provisions for post-operational expenses
- Higher depreciation of ČEZ Distribuce (CZK -0.3 bn), Severočeské doly (CZK -0.2 bn) and ČEZ ICT Services (CZK -0.1 bn)

Other income and expenses (CZK +1.3 bn)

- Effect of higher interest rates on the balance of interest expenses and income (CZK + 1.0 bn)
- Exchange rate effects (CZK +1.3 bn) due to revaluation of ČEZ margin deposits and revaluation of bonds and loans
- Hedging of ČEZ ESCO's currency risks (CZK +0.9 bn)
- Exchange rate effect due to ownership of companies in Turkey (Türkiye) (CZK +0.7 bn)
- Higher interest on nuclear and other provisions (CZK -2.4 bn) due to significant increase in interest rates** and increase in provisions in 2022

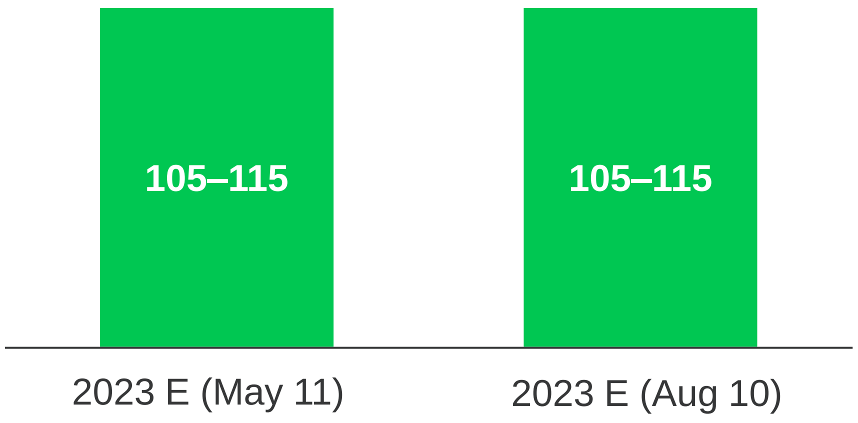
Income tax (CZK -13.7 bn)

- The newly introduced 60% windfall tax in H1 2023 (CZK ~13 bn) highly exceeded the increase in the normal 19% income tax.

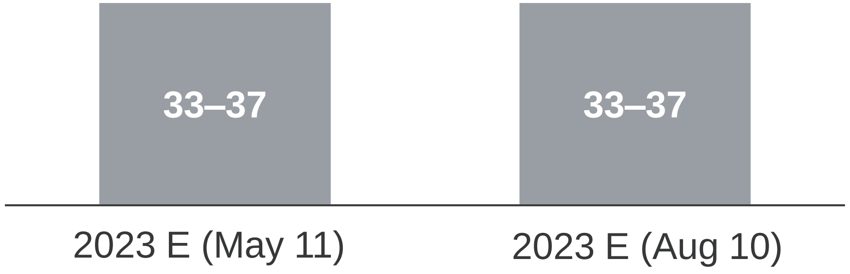
* Including gain/loss from sales of of tangible and intangible fixed assets including goodwill
** Long-term nominal risk-free interest rates increased year-on-year from 2.3% to 4.9% and medium-term rates from 1.6% to 4.8%.

Confirming the financial outlook for 2023: EBITDA of CZK 105-115 bn, adjusted net income of CZK 33-37 bn

EBITDA (CZK bn)



Adjusted Net Income (CZK bn)



Selected Generation Assumptions of the Current Forecast

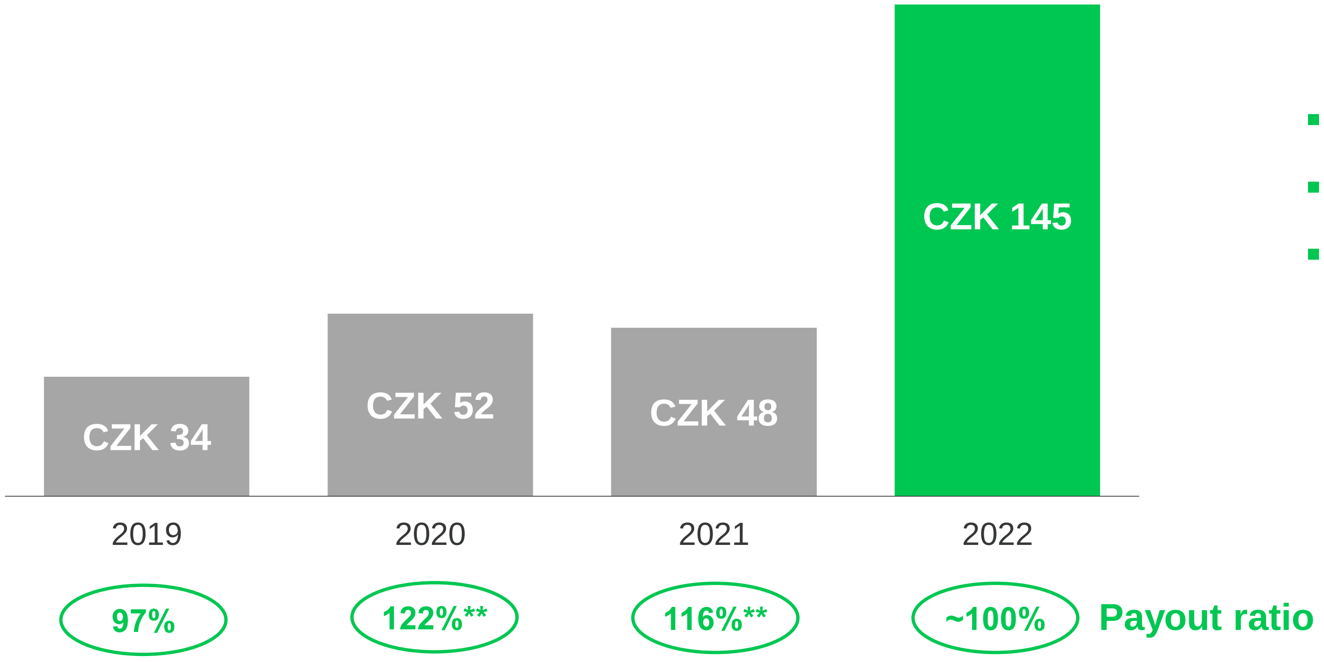
- Total electricity supply in the Czech Rep. 43 to 45 TWh
- Open position of ~7% of electricity supply from generation in the Czech Rep.
- Average generated electricity realized price in the Czech Rep. EUR 120 to 135/MWh
- Higher levy on excess revenues CZK 8 to 13 bn
- Windfall tax CZK 22 to 30 bn

Selected Prediction Risks and Opportunities

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

At the June annual Shareholders' Meeting shareholders approved the highest dividend in the company's history: CZK 145 per share

Dividend per Share (CZK)* and Payout Ratio (%)



- The record date for payment is Jun 30, 2023.
- The payout date is from Aug 1, 2023 to Jul 31, 2027.
- Shareholders will now be able to receive dividend payments via a web application. CEZ is the first company in the Czech Rep. to offer this method of payment. Bank identity will be used for authentication.

* The values on the graph correspond to dividends from the year's income (paid according to the decision of the Shareholders' Meeting on the distribution of income in the following year).

** Dividends for 2020 and 2021 were set in two components: the regular component corresponded to a payout ratio of 100% of CEZ Group's adjusted net income, while the extraordinary component (beyond the 100% payout ratio) reflected the contribution of the sale of Romanian (2020) and Bulgarian (2021) assets to CEZ Group's debt capacity.

Agenda

Financial Highlights and Selected Events

Generation and Mining

Distribution and Sales

GENERATION Segment EBITDA

EBITDA (CZK bn)*	H1/2022**	H1/2023	Difference	%	Q2/2022**	Q2/2023	Difference	%
Emission-free Generating Facilities, of which:	29.0	27.6	-1.4	-5%	12.9	13.8	+0.9	+7%
Nuclear	22.8	21.9	-0.9	-4%	9.9	10.9	+0.9	+9%
Renewable	6.2	5.6	-0.7	-11%	3.0	2.9	-0.0	-1%
Emission Generating Facilities	8.3	11.9	+3.5	+42%	0.6	0.7	+0.1	+10%
Trading	8.5	6.1	-2.4	-28%	-4.3	5.3	+9.6	>200%
Total GENERATION Segment	**46.0**	**45.5**	**-0.5**	**-1%**	**9.2**	**19.7**	**+10.5**	**+114%**

Year-on-year effects in H1 (CZK -0.5 bn):

Nuclear facilities (CZK -0.9 bn):
- Trade effects (-0.3): price effect (+10.6), levy on excess revenues (-10.9)
- Operating effects (-0.6): availability mainly due to planned outages of Temelín NPP (-0.5) and Dukovany NPP (+0.7), other effects (-0.8) mainly higher fixed expenses

Renewables (CZK -0.7 bn):
- Trade effects (-0.8): price effect (+0.2), ancillary services and regulatory energy (-0.8), levy on excess revenues (-0.2)
- Operating effects (+0.2): hydroelectric plants in the Czech Rep. (+0.6), photovoltaic plants in the Czech Rep. (-0.3)

Emission sources (CZK +3.5 bn):
- Czech Rep. trade effects (+2.7): price effect (+2.2), on-site trade (+0.6), heat sales (+0.5), ancillary services (-0.1), other services and deviations (-0.5)
- Czech Rep. operating effects (+0.4): availability of coal-fired facilities (+0.5), fixed expenses (-0.1)
- Poland (+0.5) mainly higher revenues from heat and electricity sales

Trading (CZK -2.4 bn):
- Lower prop trading margin (-6.5): in H1 2023 it reached CZK +5.2 bn, while in H1 2022 it reached an extraordinary level of CZK +11.7 bn
- Negative impact of Gazprom Export gas supply disruption in H1 2022 (+1.2)
- Other commercial trading and consolidation effects (+2.9) mainly temporary effects due to the revaluation of derivative trades hedging generation and sales positions with delivery in the remainder of the year

Year-on-year effects in Q2 (CZK +10.5 bn):

Nuclear facilities (CZK +0.9 bn):
- Trade effects (+2.2): price effect (+3.2), levy on excess revenues (-1.0)
- Operating effects (-1.3): availability mainly due to planned outages of the Temelín NPP (-0.5) and Dukovany NPP (-0.4), higher fixed expenses (-0.4)

Renewables (CZK -0.0 bn):
- Trade effects (-0.1): price effect (+0.1), ancillary services and regulatory energy (-0.2)
- Operating effects (+0.1): hydroelectric plants in the Czech Rep. (+0.3), photovoltaic plants in the Czech Rep. (-0.2)

Emission sources (CZK +0.1 bn):
- Czech Rep. trade effects (-1.1): price effect (-1.3), on-site trade (+0.3), heat sales (+0.3), ancillary services (-0.2), other services and deviations (-0.2)
- Czech Rep. operating effects (+0.8): availability of coal-fired facilities (+0.8)
- Poland (+0.4) mainly higher revenues from heat sales

Trading (CZK +9.6 bn):
- Negative impact of Gazprom Export gas supply disruption in H1 2022 (+1.2)
- Specific temporary effects in Q2 2022 (+8.4), mainly elimination of Q1 2022 temporary income from revaluation of derivative contracts hedging generation deliveries in 2022

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

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

MINING Segment EBITDA

EBITDA (CZK bn)	H1/2022	H1/2023	Difference	%	Q2/2022	Q2/2023	Difference	%
Czech Rep.	3.1	5.6	+2.5	+81%	1.2	1.8	+0.6	+48%

Year-on-year effects in H1 (CZK +2.5 bn):

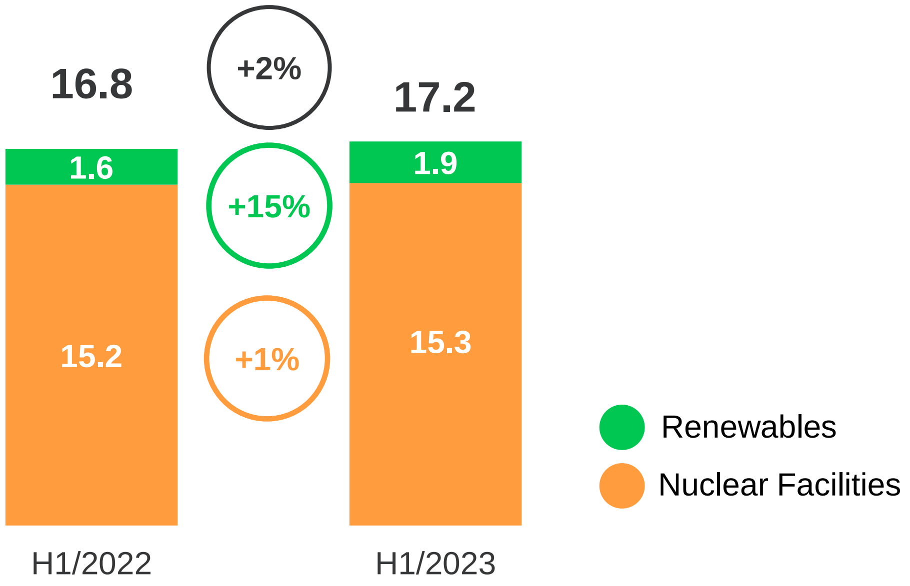
- Higher revenues from coal supplies to CEZ Group due to price increases (CZK +2.2 bn)
- Higher external revenues mainly due to price increase (CZK +1.5 bn)
- Higher fixed expenses (CZK -0.1 bn), mainly energy expenses

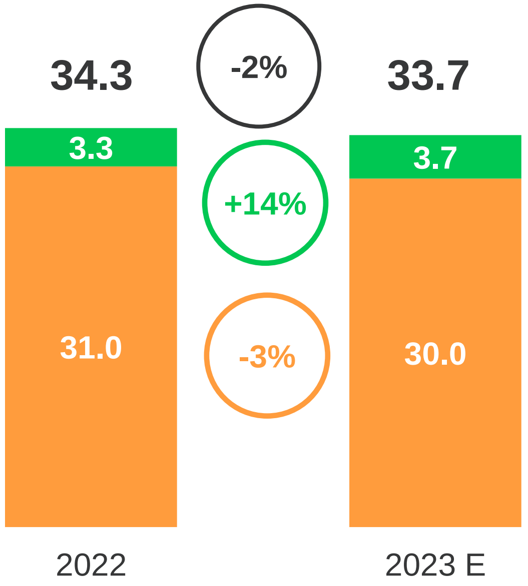
Year-on-year effects in Q2 (CZK +0.6 bn):

- Higher revenues from coal supplies to CEZ Group mainly due to price increases (CZK +0.6 bn)
- Higher external sales mainly due to price increase (CZK +0.5 bn)
- Higher fixed operating expenses (CZK -0.6 bn), mainly energy expenses

Mining volume (t mil)	H1/2022	H1/2023	Difference	%	Q2/2022	Q2/2023	Difference	%
Czech Rep.	8.5	7.4	-1.2	-14%	3.7	2.9	-0.8	-22%

Nuclear and renewable generation (TWh)





Renewables (+15%) hydro, wind, solar, biomass, biogas

Czech Rep. hydro (+31%)

\+ Better-than-average hydrological conditions

Czech Rep. biomass (-27%)

– Effect of unfavorable market conditions

Germany—Wind (+13%)

\+ Worse-than-average weather conditions in 2022

Nuclear plants (+1%)

\+ Shorter outages at the Dukovany NPP

Renewables (+14%)

Czech Rep. hydro (+20%)

\+ Better-than-average hydrological conditions in Q1

\+ Impact of market conditions on the use of water resources

Czech Rep. biomass (-9%)

– Effect of unfavorable market conditions

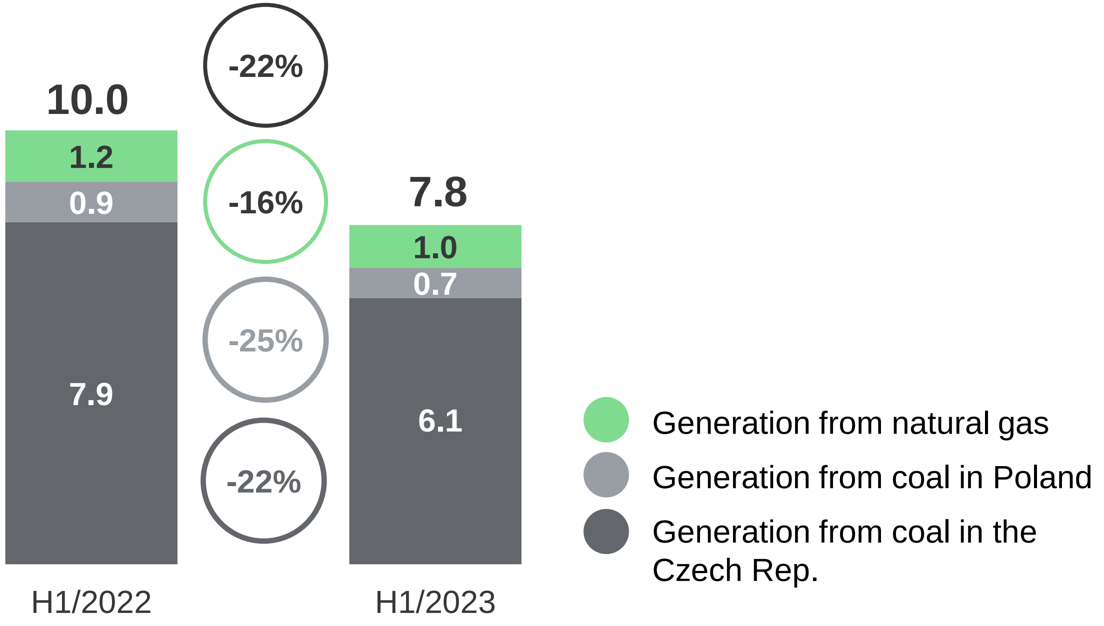
Germany—Wind (+19%)

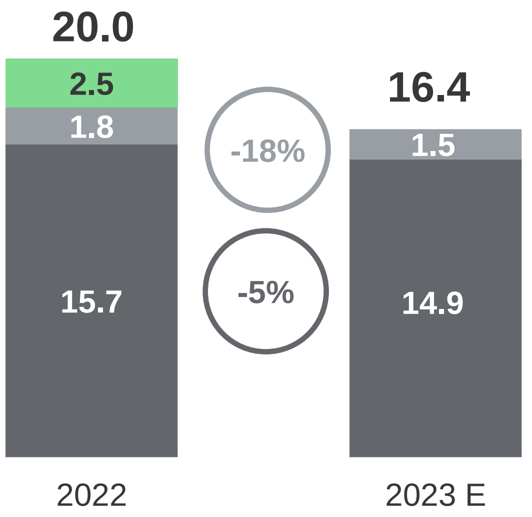
\+ Worse-than-average weather conditions in 2022

Nuclear plants (-3%)

– Longer scheduled outages of both power plants

Electricity generation from coal and natural gas (TWh)





Natural gas–fired generation (-16%)
- Lower generation at Počerady 2 due to commodity and emission market allowance prices

Coal-fired generation in Poland (-25%)
- Impact of unfavorable market conditions

Coal-fired generation in the Czech Rep. (-22%)
- Lower dispatch of resources reflecting market conditions

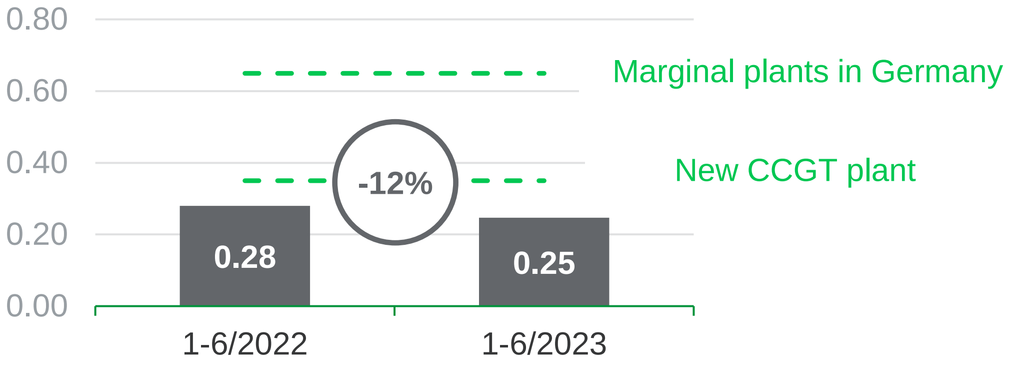
Coal-fired generation in Poland (-18%)
- Impact of unfavorable market conditions

Coal-fired generation in the Czech Rep. (-5%)
- Lower dispatch of resources reflecting market conditions
- Longer outages at the Prunéřov 2 power plant
+ Shorter outages at the Ledvice 4 and Tušimice 2 power plants

The forecast of expected generation from emission sources for 2023 does not include the actual expected generation from the CCGT source given the high volatility of market prices for electricity, gas, and emission allowances, and thus the highly volatile expected power plant dispatch.

Emissions of CO_2, SO_2, and NO_X from electricity and heat generation have decreased year-on-year

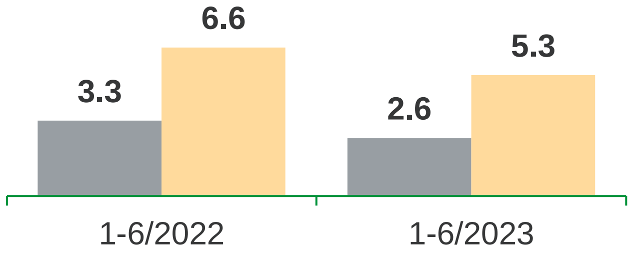
CO_2e emission intensity of electricity and heat generation (t CO_2e/MWh)

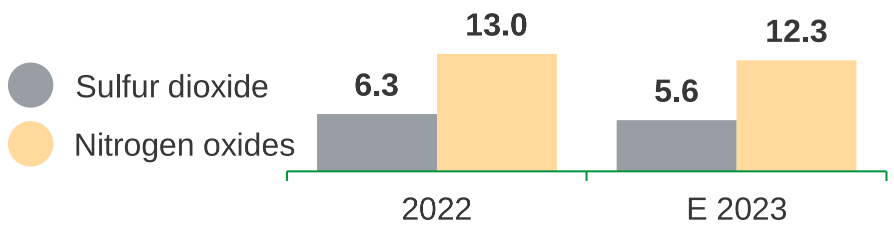


Estimated CEZ Group's emission intensity for electricity and heat generation for 2023 of 0.28 t CO_2e/MWh corresponds to:

- 80% of the emissions of the new CCGT power plant.
- 43% of emissions produced by the marginal generating facility determining the current electricity market prices in Germany.

Sulfur dioxide (SO_2), nitrogen oxides (NO_x) (thousand tons)





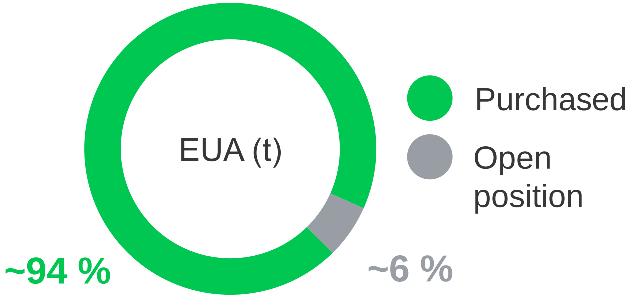
In H1 2023:

- SO_2 emissions were 2.6 thousand tons and decreased by 23% year-on-year.
- NO_X emissions were 5.3 thousand tons and decreased by 19% year-on-year.

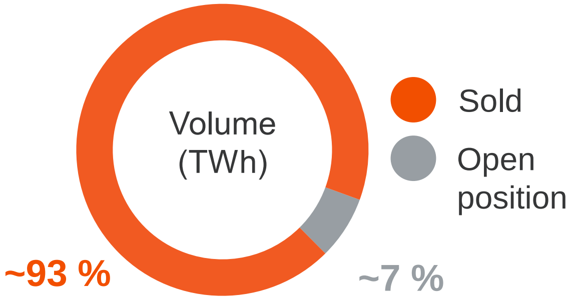
The CO_2e indicator corresponds to emissions as defined in "SCOPE 1 of the GHG Protocol". In CEZ Group's terms, these are emissions related to the combustion of fossil fuels in the generation of electricity and heat (CO_2, CH_4, and N_2O emissions) and CO_2 emissions from transport. The indicator also includes CH_4 and N_2O emissions from biomass combustion, CH_4 emissions from coal mining, and HFC, PFC, and SF_6 emissions from air conditioning and other equipment.

Status of selected price risk hedges of the generation margin in the Czech Rep.* and estimated 2023 generation realized price

Emission allowances—status of generation hedging in the Czech Rep.* for 2023 (as of Jun 30)



Electricity—share of hedged deliveries from generation in the Czech Rep.* for 2023 (as of Jun 30)



Emission allowances—status of generation cost hedging as of Jun 30

- 13.8 mil tons contracted at an average purchase price of ~EUR 57/t
- Open position assumption of ~1 mil tons

Emission allowances—estimated purchase price in 2023 as of Aug 10**

- 100% of the estimated purchases of emission allowances for the Czech Rep.* are 14 to 16 mil tons.
- Average estimated purchase price** is EUR ~ 60/t.

Electricity—generation revenue hedging status as of Jun 30

- 41.5 TWh sold at an average realized price of ~125 EUR/MWh
- Open position assumption of ~3 TWh

Electricity—estimated realized price from generation in 2023 as of Aug 10**

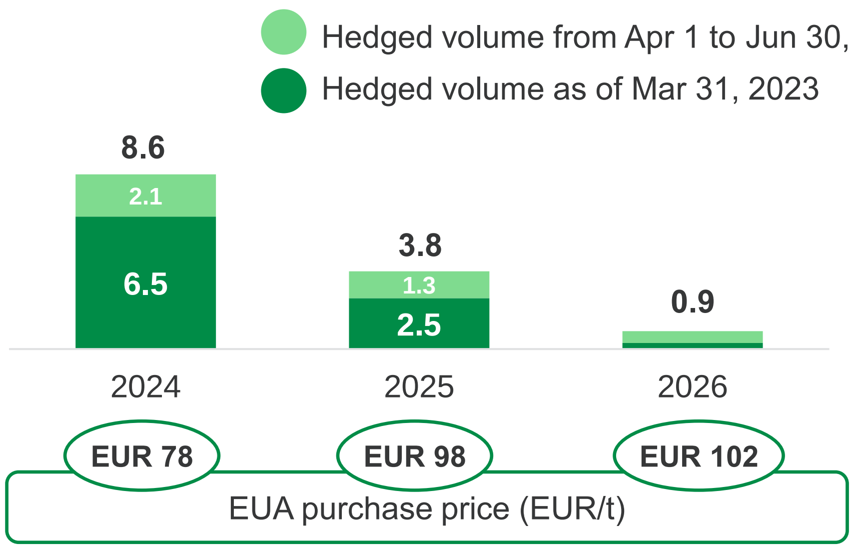
- 100% of the expected electricity supply of the Czech Rep.* corresponds to 43–45 TWh
- Average estimated realized price** is 120–135 EUR/MWh.

* This concerns generation in ČEZ and Energotrans (the Dětmarovice power plant is part of ČEZ, a. s., after the merger as of Jan 1, 2023).

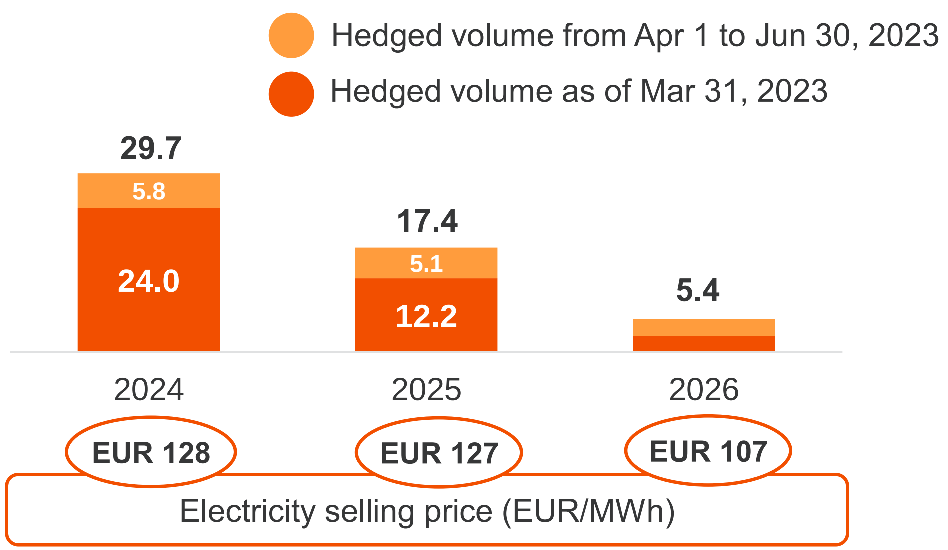
** This is the result of hedging transactions and the current market valuation of electricity not yet sold and of emission allowances not acquired yet, for expected generation in 2023. Some of the hedging contracts for the sale of electricity (mainly from gas and some coal-fired sources) and for the purchase of emission allowances, are continuously revalued in in P/L statement due to uncertain final deliveries.

Hedging the market risks of generation in the Czech Rep. for 2024–2026, status as of Jun 30, 2023

Contracted emission allowances* in mil tons



Electricity sold in TWh



	2024	2025	2026
Proportion of hedged net electricity generation (100% of estimated external deliveries is 38 to 45 TWh)	**66%**	**41%**	**14%**

* As of Jun 30, 2023, 100% of the expected annual volume of emission allowances for generation in the Czech Rep. for 2024–2026 was 8–15 mil tons.

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Generation and Mining

Distribution and Sales

EBITDA of the DISTRIBUTION segment and the volume of electricity distributed in the territory of ČEZ Distribuce

EBITDA (CZK bn)	H1/2022	H1/2023	Difference	%	Q2/2022	Q2/2023	Difference	%
Czech Rep.	9.5	9.0	-0.5	-6%	4.4	3.9	-0.4	-10%

Year-on-year effects in H1 (CZK -0.5 bn):

- Lower gross margin from electricity distribution (CZK -0.2 bn) mainly due to lower volume of distributed electricity reflecting mainly the reduction in customer consumption due to high commodity prices
- Higher revenue from activities to ensure input power and connection (CZK +0.1 bn)
- Higher fixed operating expenses (CZK -0.4 bn)

Year-on-year effects in Q2 (CZK -0.4 bn):

- Lower gross margin on the electricity distribution (CZK -0.1 bn), especially due to lower volumes of distributed electricity
- Higher fixed operating expenses (CZK -0.3 bn)

Electricity distribution (TWh)

Climate- and calendar-adjusted electricity consumption decreased by 4% year-on-year from 18.5 TWh to 17.7 TWh

- The volume of electricity distributed corresponds to the total electricity consumption in the ČEZ Distribuce area. The company's distribution area covers around 66% of the Czech Rep.'s territory, so the data are a good indicator of total nationwide electricity consumption trends.
- The recalculated consumption is based on the internal model and volume of electricity distributed by ČEZ Distribuce.

SALES segment EBITDA

EBITDA (CZK bn)	H1/2022	H1/2023	Diff	%	Q2/2022	Q2/2023	Diff	%
Retail segment–ČEZ Prodej	0.3	0.2	-0.1	-28%	0.5	3.6	+3.1	>200%
B2B segment—ESCO companies:	0.0	2.5	+2.6	>200%	0.3	1.1	+0.8	>200%
Energy Services—Czech Rep. and Slovakia	0.2	0.5	+0.3	+162%	0.0	0.1	+0.1	>200%
Energy Services—Germany and other countries*	0.4	0.5	+0.1	+25%	0.2	0.3	+0.1	+36%
Commodity Sales—Czech Rep.	-0.6	1.5	+2.1	>200%	0.1	0.7	+0.6	>200%
B2B segment—Other activities**	0.4	0.4	-0.0	-9%	0.0	0.1	+0.0	+60%
Total SALES Segment	**0.7**	**3.2**	**+2.4**	**>200%**	**0.8**	**4.8**	**+3.9**	**>200%**

Year-on-year effects in H1 (CZK +2.4 bn):

Retail segment—ČEZ Prodej (CZK -0.1 bn):

- Commodity sales (-1.5): significant impact of temporary seasonal factors*** and higher expenses for electricity and gas purchases to cover fluctuations in customer consumption
- Revenue from litigation with SŽ over electricity supply in 2010 and 2011 (+1.2)
- Other effects (+0.2): mainly increase in the number of PV installations and lower fixed operating expenses

B2B segment—ESCO companies (CZK +2.6 bn):

- Czech Rep. commodity sales (+1.3):
  - Sales of electricity and gas to end-use customers (+0.8): market price developments and seasonal factors
  - Positive impact of applying hedge accounting for foreign exchange risk on ČEZ ESCO's electricity and gas sales revenues from May 2022 onwards (+0.5). Previously, hedging effects were reflected outside EBITDA.
- Purchase of electricity from RES in the Czech Rep. (+0.8): long-term contracts and electricity market prices
- Energy services—Czech Rep. and Slovakia (+0.3): mainly industrial energy
- Energy services—Germany and other countries (+0.1): higher profitability of German and Polish companies

Year-on-year effects in Q2 (CZK +3.9 bn):

Retail segment—ČEZ Prodej (CZK +3.1 bn):

- Revenue from litigation with SŽ regarding electricity supply in 2011 (+1.4)
- Natural gas sales (+1.2) mainly due to the extreme increase in purchase prices and higher market volatility in Q2 2022 and seasonal factors***
- Electricity sales (+0.5) mainly due to stabilization of market prices and seasonal factors***

B2B segment—ESCO companies (CZK +0.8 bn):

- Czech Rep. commodity sales (+0.5): mainly positive impact of the application of hedge accounting for foreign exchange risk on ČEZ ESCO's commodity sales revenues from May 2022 onwards
- Purchase of electricity from RES sources in the Czech Rep. (+0.1)
- Energy Services—Czech Rep. and Slovakia (+0.1): particularly good performance in industrial energy
- Energy services—Germany and other countries (+0.1): higher profitability of German and Polish companies

*** Prices for end-use customers are generally set the same for winter and summer, while the purchase prices of electricity and gas are generally significantly higher in winter than at other times of the year. High commodity prices in 2023 make this factor even more important.

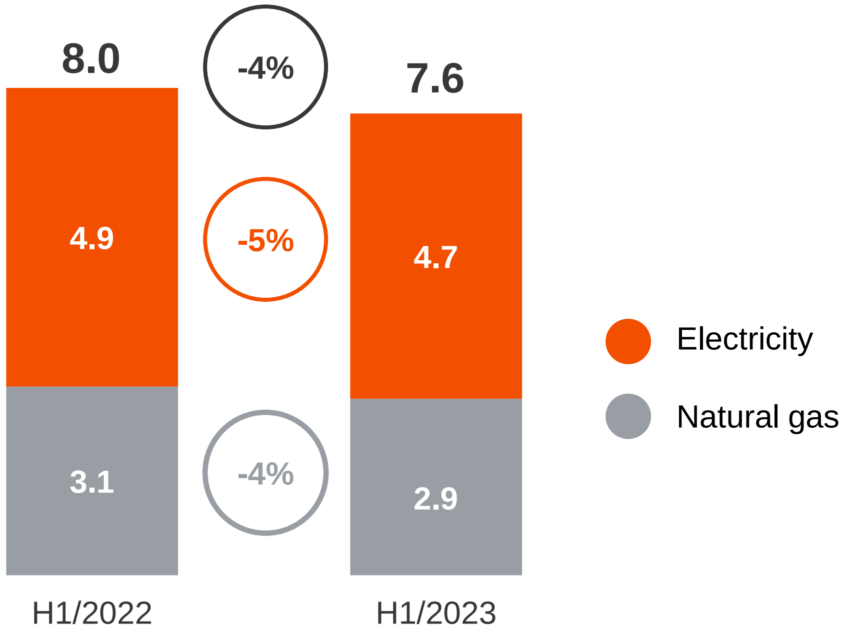
SŽ—state company Správa železnic ČR (formerly SŽDC)

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

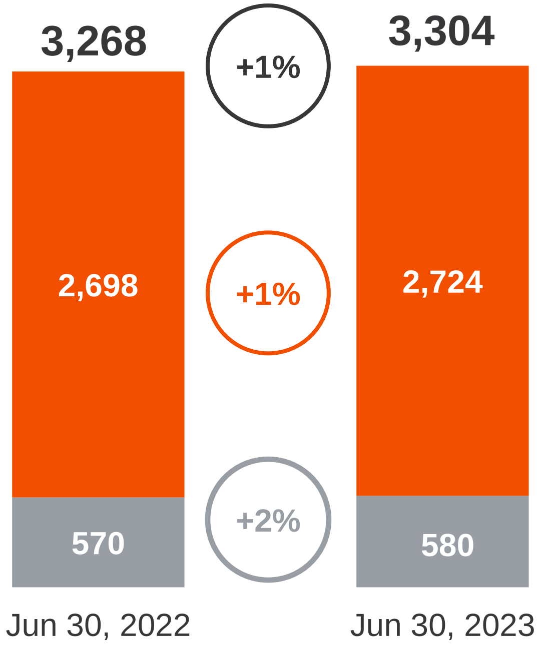
** Mainly telecommunications companies, ČEZ Teplárenská, and other companies in the SALES segment

Volume of electricity and gas sold; the number of customers Czech Rep.—Retail

Total electricity and gas supply decreased by 4% year-on-year (TWh)

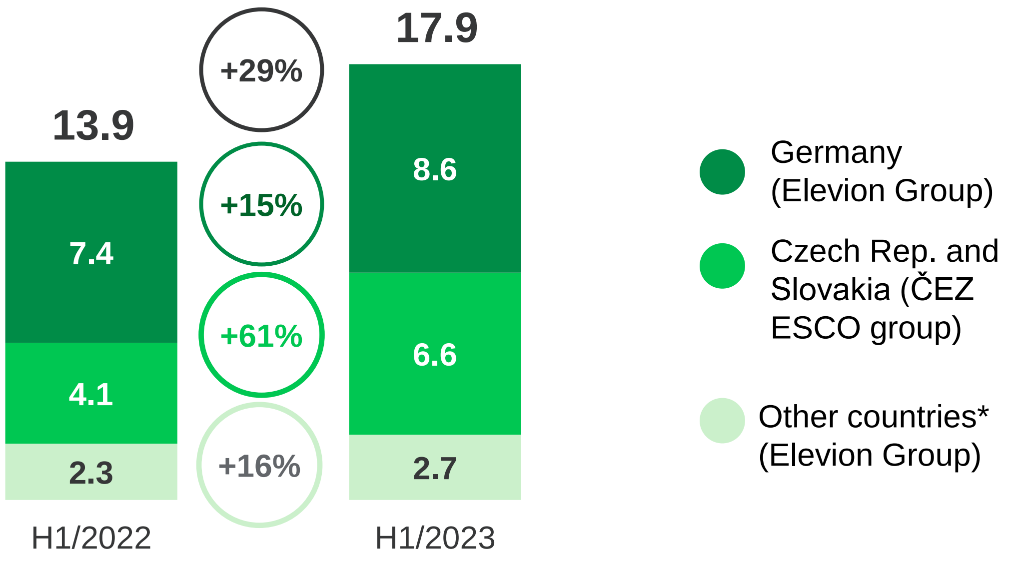


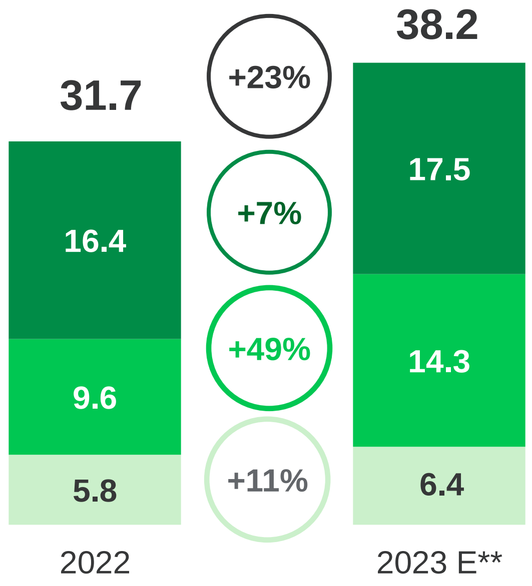
The number of customers increased by 1% year-on-year (service points in thousands)



- The year-on-year lower deliveries of both commodities are mainly due to customer savings as a result of high commodity prices.
- In addition, the lower natural gas supply was impacted by considerably warmer weather in Q1 2023.
- The year-on-year increase of the customer portfolio confirms ČEZ Prodej's position as a reliable supplier.

Revenues from the sale of energy services (CZK bn)





Germany—Elevion Group (+15%)
+ Organic increase +15% (+19% adjusted for exchange rate effects)

Czech Rep. and Slovakia—CEZ ESCO group (+61%)
+ Organic increase +60%

Other countries*—Elevion Group (+16%)
+ Organic increase (mainly Poland, Romania, Austria)

Germany—Elevion Group (+7%)
+ Organic increase +7% (+11% adjusted for exchange rate effects)

Czech Rep. and Slovakia—CEZ ESCO group (+49%)
+ Organic increase (+48%)—mainly increase in commodity prices (+27%) and higher volume of cleanroom services provided by EP Rožnov Group (+10%)

Other countries*—Elevion Group (+7%)
+ Organic increase (mainly Poland, Romania, Austria)

* Poland, Italy, and other countries where ESCO activities are managed by Elevion
** Forecast of revenues from the sales of services of existing companies.

Annexes

Selected events and economic results

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- Selected Events in the Past Quarter
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- Expected year-on-year change in EBITDA by segment
- Estimated levies and taxes to the Czech state in 2023

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

- Investments in fixed assets (CAPEX)
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Market Developments, Balance Sheet, and Other Information

- Market Developments
- Electricity procured and sold
- Calculation of Alternative Indicators according to ESMA

On Jun 26, 2023, the Annual Shareholders' Meeting of ČEZ, a. s., was held, which as part of the approved agenda:

- Heard the reports of the company's bodies
- Approved the financial statements of ČEZ, a. s., the consolidated financial statements of CEZ Group and the final financial statements of Elektrárna Dětmarovice, a.s., for 2022.
- Approved the distribution of the profit of ČEZ, a. s., for 2022 in the amount of CZK 63.8 bn and part of the retained earnings of previous years in the amount of CZK 14.2 bn, i.e., a total of CZK 78.0 bn* for distribution to shareholders (dividend of CZK 145 per share). This dividend is payable on Aug 1, 2023, and the payment period ends on Jul 31, 2027.
- Approved the amount of funds for donations in 2024 in the amount of CZK 250 mil and an increase in the volume of funds for donations in 2023 by CZK 50 mil to a total of CZK 200 mil.
- Approved Remuneration Report of the members of the bodies of ČEZ, a. s., for the financial year of 2022.
- Confirmed the appointment of the members of the Supervisory Board of ČEZ, a. s., JUDr. PhDr. Vratislav Košt'ál, Ph.D., and Mgr. Václav Kučera, who were appointed as alternate members of the Supervisory Board on Nov 24, 2022.

* After considering the impact of treasury shares as of the record date, the total amount is CZK 77.8 bn.

Selected Events in the Past Quarter

Nuclear Industry

- Following a public tender, ŠKODA JS will become the supplier of the nuclear fuel assembly containers for Temelín after 2028.
- The company's management has confirmed its intention to operate both existing nuclear power plants for at least 60 years. Projects to enhance nuclear safety (e.g., renewal of cooling systems of both NPPs, installation of alternative long-term heat removal systems), to ensure long-term operation and increase efficiency (e.g. transition to longer fuel cycles of both NPPs, replacement of EDU switchgear or upgrade of ETE‘s I&C system) are ongoing.

Sustainability and ESG

- Morningstar Sustainalytics rating improved from high risk to medium risk with a rating of 29.4 (scale 0–100, 100 being the highest risk)
- MSCI's AA rating (second best rating on a seven-point scale) was retained
- We currently rank in the 88th percentile within more than 32,000 globally rated companies, according to rating aggregator CSRHub.
- In June, ČEZ obtained its first loan linked to the ESG rating. The new credit line from UniCredit Bank amounts to CZK 7.5 bn and the condition for a better interest rate is a better rating of the company's business sustainability.

ČEZ Prodej has offered all customers the opportunity to switch to a product that will allow prices below the current government cap from Jan 1, 2024

- Customers who have fixed multi-year contracts above the price cap will be able to switch to a regular multi-year contract below the price cap without penalty.

ČEZ Prodej launched a new mobile application MY ČEZ (for Android and iOS systems) on Jun 27

- After the My ČEZ web responsive interface, this is the second major milestone in the digitization of self-care solutions.

ČEZ Prodej increased its photovoltaic installations in H1 to 18 MW, representing a year-on-year increase of more than 55% of installed capacity.

- The most popular option is the combination of photovoltaics with battery storage. ČEZ Prodej together with the manufacturer OIG Power introduced a new hybrid battery system ČEZ Battery Box Queen. Customers will now purchase a PV plant earlier, with a new battery and only a minimal upfront financial deposit.

ČEZ Distribuce has already connected over 27.6 thousand photovoltaic power plants with an installed capacity of 298 MW to the grid this year.

- These are mainly microgenerators up to 10 kW at low voltage level. For the entire year 2022, 21.3 thousand power plants with an installed capacity of 188 MW have been connected.

ETE—Temelín Nuclear Power Plant; EDU — Dukovany Nuclear Power Plant

Overall operating results and selected information

		H1/2022	H1/2023	Difference	%
Electricity generation	TWh	26.8	25.0	-1.8	-7%
of which in the Czech Rep.	TWh	25.6	23.9	-1.6	-6%
Sales of heat	TWh	3.9	3.7	-0.2	-5%
of which in the Czech Rep.	TWh	2.9	2.7	-0.1	-5%
Electricity Sales	TWh	11.7	12.4	+0.7	+6%
of which in the Czech Rep.	TWh	10.8	11.2	+0.4	+4%
Gas sold	TWh	4.8	6.5	+1.7	+35%
Electricity distribution	TWh	18.3	17.5	-0.8	-5%
Gas distribution	TWh	0.5	0.5	+0.0	+2%

		Jun 30, 2022	Jun 30, 2023	Difference	%
Installed capacity	GW	11.8	11.9	+0.0	+0%
of which in the Czech Rep.	GW	11.1	11.1	+0.0	+0%
Workforce headcount	thousands of persons	27.3	29.4	+2.0	+7%
of which in the Czech Rep.	thousands of persons	22.7	24.3	+1.6	+7%

Net income for Q2

(CZK bn)	Q2/2022	Q2/2023	Difference	%
EBITDA	15.6	29.8	+14.2	+91%
Depreciation and amortization	-7.6	-8.7	-1.1	-14%
Impairment of non-current assets*	0.1	-0.2	-0.2	-
Other income (expenses)	0.2	-1.3	-1.6	-
Interest income (expenses)	-0.2	0.6	+0.8	-
Other	0.5	-2.0	-2.4	-
Income tax	-1.4	-8.2	-6.8	>200%
Net income	6.9	11.5	+4.6	+66%
Adjusted net income	6.9	11.6	+4.7	+68%

Net Income Adjustments

Net income in Q2 2023 adjusted for impairment of non-current assets of Severočeské doly (CZK +0.2 bn)

Depreciation and Amortization (CZK -1.1 bn)

- Increase in depreciation and amortization of coal-fired power plants of ČEZ (CZK -0.4 bn), nuclear plants (CZK -0.2 bn), and Energotrans (CZK -0.1 bn) due to updating provisions for post-operational expenses
- Higher depreciation and amortization in Severočeské doly (CZK -0.2 bn) and ČEZ Distribuce (CZK -0.1 bn)

Other income and expenses (CZK -1.6 bn)

- Effect of higher interest rates on the balance of interest expenses and income (CZK +0.8 bn)
- Higher interest on nuclear and other reserves (CZK -1.2 bn) due to significant increase in interest rates** and increase in provisions in 2022
- Exchange rate effects and revaluation of financial derivatives (CZK -1.4 bn), mainly due to revaluation of CEZ margin deposits
- Exchange rate effect due to ownership of companies in Turkey (CZK +0.5 bn)

Income tax (CZK -6.8 bn)

- The newly introduced 60% windfall tax in Q2 2023 (CZK ~5 bn) exceeded the increase in the normal 19% income tax.

* Including gain/loss from sales of property, plant, and equipment and intangible fixed assets and including goodwill
** Long-term nominal risk-free interest rates increased year-on-year from 2.3% to 4.9% and medium-term rates from 1.6% to 4.8%.

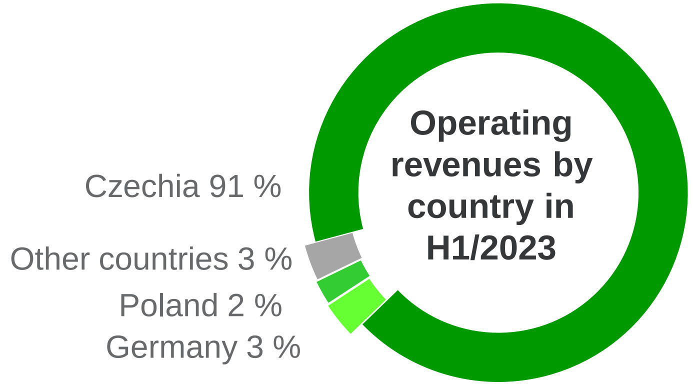
Operating revenues by segment and country

GENERATION (CZK bn)	H1/2022	H1/2023	Difference	%
Czech Rep.	91.1	118.1	+27.0	+30%
Germany	0.4	0.4	-0.0	-9%
Poland	3.0	4.7	+1.8	+59%
Other Countries	4.0	6.3	+2.3	+56%
Intra-group eliminations	-3.0	-3.7		
Total	95.5	125.8	+30.3	+32%

SALES (CZK bn)	H1/2022	H1/2023	Difference	%
Czech Rep.	56.2	101.6	+45.4	+81%
Germany	7.6	8.6	+1.0	+13%
Poland	1.2	1.5	+0.3	+21%
Other Countries	1.9	2.6	+0.7	+35%
Intra-group eliminations	-0.0	-0.1		
Total	66.9	114.3	+47.3	+71%

MINING (CZK bn)	H1/2022	H1/2023	Difference	%
Czech Rep.	6.2	9.9	+3.7	+59%

DISTRIBUTION (CZK bn)	H1/2022	H1/2023	Difference	%
Czech Rep.	18.0	18.0	+0.1	+0%



Operating revenues (CZK bn)	H1/2023	Share
GENERATION	125.8	47%
MINING	9.9	4%
DISTRIBUTION	18.0	7%
SALES	114.3	43%
Intra-group eliminations	-98.3	
Total	169.7	100%

EBITDA by segment and country

GENERATION (CZK bn)	H1/2022	H1/2023	Difference	%
Czech Rep.	45.8	44.5	-1.2	-3%
Germany	0.3	0.3	-0.0	-12%
Poland	-0.1	0.4	+0.5	-
Other Countries	-0.0	0.3	+0.3	-
Intra-group eliminations	0.0	0.0		
Total	46.0	45.5	-0.5	-1%

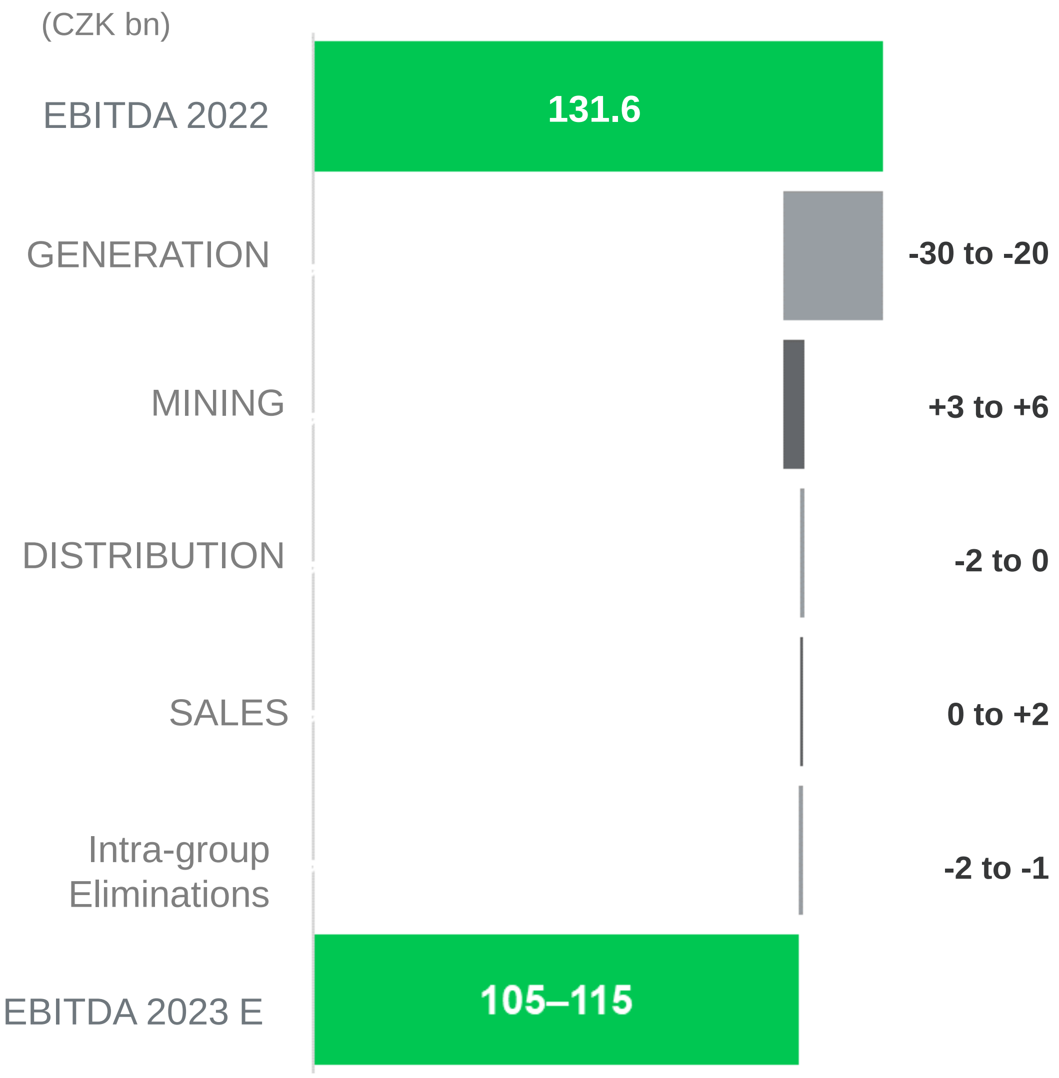
SALES (CZK bn)	H1/2022	H1/2023	Difference	%
Czech Rep.	0.3	2.5	+2.2	>200%
Germany	0.3	0.4	+0.1	+20%
Poland	0.0	0.2	+0.1	>200%
Remaining Countries	0.1	0.2	+0.1	+67%
Intra-group eliminations	-0.0	-0.1		
Total	0.7	3.2	+2.4	>200%

MINING (CZK bn)	H1/2022	H1/2023	Difference	%
Czech Rep.	3.1	5.6	+2.5	+81%

DISTRIBUTION (CZK bn)	H1/2022	H1/2023	Difference	%
Czech Rep.	9.5	9.0	-0.5	-6%

EBITDA (CZK bn)	H1/2023	Share
GENERATION	45.5	72%
MINING	5.6	9%
DISTRIBUTION	9.0	14%
SALES	3.2	5%
Intra-group eliminations	-0.9	
Total	62.4	100%

Expected year-on-year change in individual business areas



GENERATION

of which Generating Facilities (CZK -12 to -2 bn)

+ Higher realization prices of electricity incl. hedging
– Levy on excess generation revenues (introduced from December 2022)
– Lower dispatch of emission sources
– Lower availability of nuclear facilities
– Higher fixed operating expenses

of which Trading (CZK -20 to -15 bn)

– Unprecedented record profit from commodity trading in 2022
+ / – Uncertain level of prop trading profit in 2023 and revaluation of derivatives

MINING

+ Higher revenues from coal sales mainly due to higher realization prices
– Higher fixed operating expenses, especially on energy

DISTRIBUTION

– Higher fixed operating expenses and negative effect of adjustment factors
+ Higher allowed revenue

SALES

+ Acquisition and organic growth in energy services
+ Higher margin from purchase of electricity from renewables
– Higher electricity and gas acquisition expenses for customers

Intra-group Eliminations

– In particular, the result of eliminating the hedging effect of EUR/CZK risk of ČEZ ESCO (the SALES segment) through ČEZ, a. s. (the GENERATION segment) caused by the significant strengthening of the Czech koruna against the EUR. Within ČEZ, a. s., the effect of this hedge is reported in foreign exchange gains and losses (outside EBITDA).

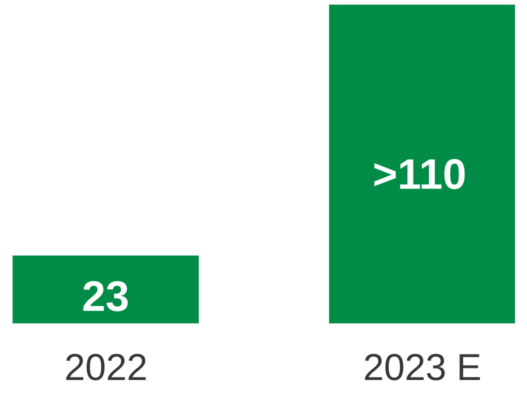
In 2023, CEZ Group will pay CZK 30–40 bn to the Czech state in extraordinary levies and taxes

Indication of State income from CEZ Group in 2023 (CZK bn)

	2023 E
Final settlement of income tax payments on 2022 profits	~16
Dividend (paid on Aug 1)	~54
Advances on current income tax on 2023 profits	~11
Windfall tax and levy on excess generation revenues*	30 to 40

* The values shown correspond to advances on these taxes and levies, i.e. the cash flow of the year (not the total tax liability, which will only be reconciled after the annual settlement in 2024)

Czech Rep.'s income from dividends, taxes on profits and levies on excess revenues of CEZ Group generation (CZK bn)



In 2023, CEZ Group will pay CZK 110–120 bn to the Czech state in dividends, income taxes and levies on generation revenues.

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Investment in fixed assets (CAPEX) by segment

CAPEX (CZK bn)	H1/2022	H1/2023
GENERATION	3.9	8.0
Of which: Nuclear fuel procurement	0.8	3.4
MINING	0.7	0.8
DISTRIBUTION	6.6	7.2
SALES	0.9	1.1
Intragroup eliminations	-0.1	-0.1
TOTAL CEZ GROUP	**12.1**	**16.9**

Main causes of year-on-year change:

GENERATION:

- Nuclear fuel procurement (CZK +2.7 bn), in particular the purchase of more nuclear fuel in 2023 and an increase in the volume of uranium purchases for the Temelín NPP in line with the strategy of increasing nuclear fuel stocks
- Investments in nuclear facilities (CZK +0.7 bn) mainly at the Temelín NPP site, Dukovany NPP II new nuclear unit project (CZK +0.1 bn)
- Investments in emission facilities (CZK +0.3 bn), of which: Energotrans (CZK +0.2 billion), CEZ (CZK +0.1 bn)
- Investments in renewables (CZK +0.2 bn)
- Other (CZK +0.2 bn) mainly increase in ICT investments (SAP generation renewal project)

DISTRIBUTION:

- Investments in customer construction (CZK +1.1 bn) mainly in the PV sector
- Other (CZK -0.5 bn) mainly lower investments in equipment renewal

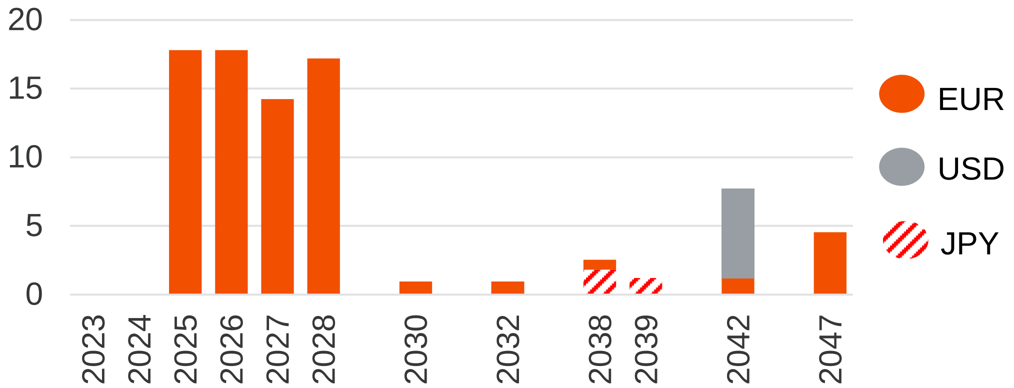
Credit lines and debt structure as of Jun 30, 2023

Committed bank credit facilities

* Available committed bank credit facilities include an undrawn long-term loan from the EIB of EUR 790 mil

- Committed bank facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.
- As of Jun 30, 2023, CEZ Group had access to CZK 71.8 bn of committed bank credit facilities, of which only CZK 12 mil were drawn (under the overdraft facility)
- From the credit agreement with the Czech Rep. (EUR 3 bn), EUR 2 bn had been drawn down as of Jun 30, 2023, of which EUR 1 bn was duly repaid on Jul 11, 2023, and the remaining EUR 1 bn is due on Apr 2, 2024. The possibility of drawing up to EUR 1 bn remains.

Bond maturity profile (CZK bn)

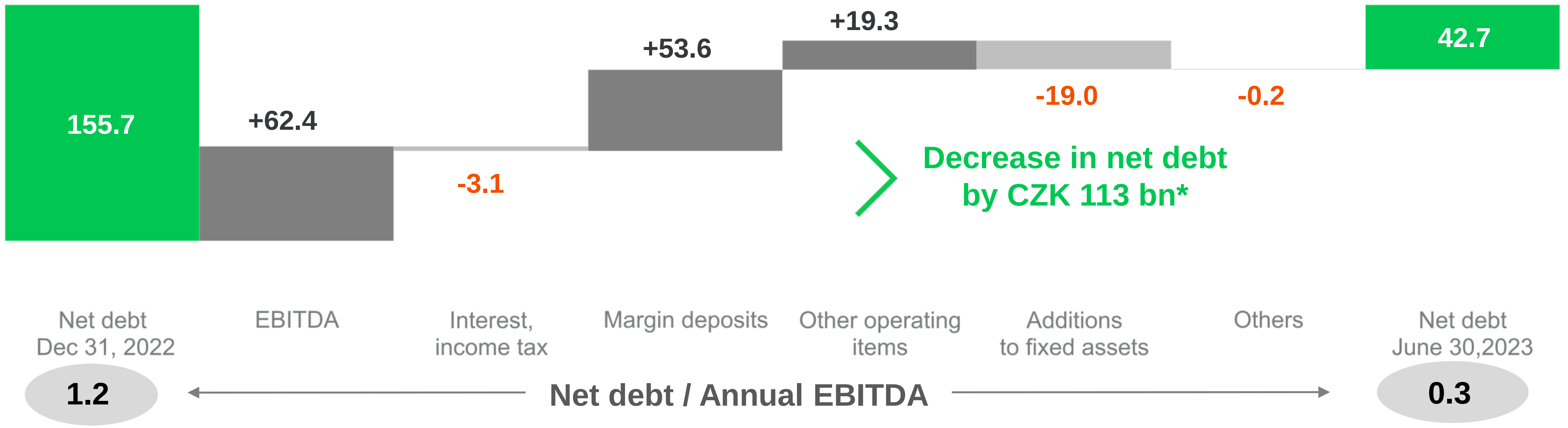


Debt Level		Jun 30, 2022	Jun 30, 2023
Debt and loans	CZK bn	130.9	175.4
of which short-term bank	CZK bn	1.8	3.0
Cash and fin. assets**	CZK bn	46.1	132.7
Net debt	CZK bn	84.8	42.7
Net debt / EBITDA		0.9	0.3

** Cash and Cash Equivalents & Highly Liquid Financial Assets

Total liquid financial assets** and available committed bank credit facilities as of Jun 30, 2023 amounted to CZK 204.5 bn.

Net debt decreased by CZK 113 bn. The main contributor beyond EBITDA was a reduction in margin deposits on commodity exchanges.



- **Interest, income taxes (CZK -3.1 bn):** income taxes paid (CZK -2.5 bn), balance of interest paid and received (CZK -0.6 bn)
- **Margin deposits (CZK +53.6 bn)**: temporary margin deposits on commodity exchanges and with trading counterparties - connected to generation advance sale - decreased due to the decrease in market prices for electricity and the gradual realization of deliveries at historically lower contracted prices compared to current market prices
- **Other operating effects (CZK +19.3 bn**): non-cash expense for emission allowances consumed in generation (CZK +11.6 bn), decrease in balance of emission allowances (CZK +12.4 bn), change in inventories of materials and fossil fuels (CZK -1.9 bn), other operating effects (CZK -2.8 bn)
- **Additions to fixed assets (CZK -19.0 bn):** capital expenditure (CZK -16.9 bn), change in liabilities from fixed asset acquisition (CZK -1.7 bn), acquisition of securities by Inven Capital (CZK -0.3 bn)
- **Other (CZK -0.2 bn)**: acquisition of new subsidiaries (CZK -0.5 bn) and revenues from the sale of debt securities (CZK +0.2 bn)

* In the period from Jul 1 to Aug 1, 2023, three significant payments totalling CZK 117 bn were made, of which dividends (CZK ~78 bn), final payment of the 2022 CEZ income tax (CZK ~15 bn), and the repayment of EUR 1 bn of the loan from the Czech state (CZK ~24 bn).

Currency and Commodity Hedging of Generation in the Czech Rep. in 2024–2026, Status as of Jun 30, 2023

Currency Hedge of Expected EUR Cash Flow* From Electricity Generation in the Czech Republic

	2024	2025	2026
Total currency hedge of EUR CF from generation*	**91%**	**76%**	**49%**
Natural currency hedge (debt and interest, capital and other expenditures in EUR)	49%	57%	49%
Transaction currency hedges	42%	19%	0%

* Expected generation revenues less expected expenditure on emission allowances and natural gas, which are exposed to the risk of changes in the CZK/EUR exchange rate, are the subject of the hedge (100%).

The currency position for 2024–2026 is hedged at an exchange rate range of CZK 24.4 to 25.5/EUR.

Commodity hedging of expected electricity supply from generation in the Czech Republic

	100% of expected supply	2024	2025	2026
Total share of hedged supply	**38 to 45 TWh per year**	**66%**	**41%**	**14%**
Emission-free sources (nuclear and ČEZ RES)**	28 to 31 TWh per year	69%	43%	15%
Emission facilities—medium-term hedged**	5 to 12 TWh per year	70%	48%	17%
Emission facilities—other***	3 to 5 TWh per year	40%	-	-

** hedged over a 3-year horizon

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

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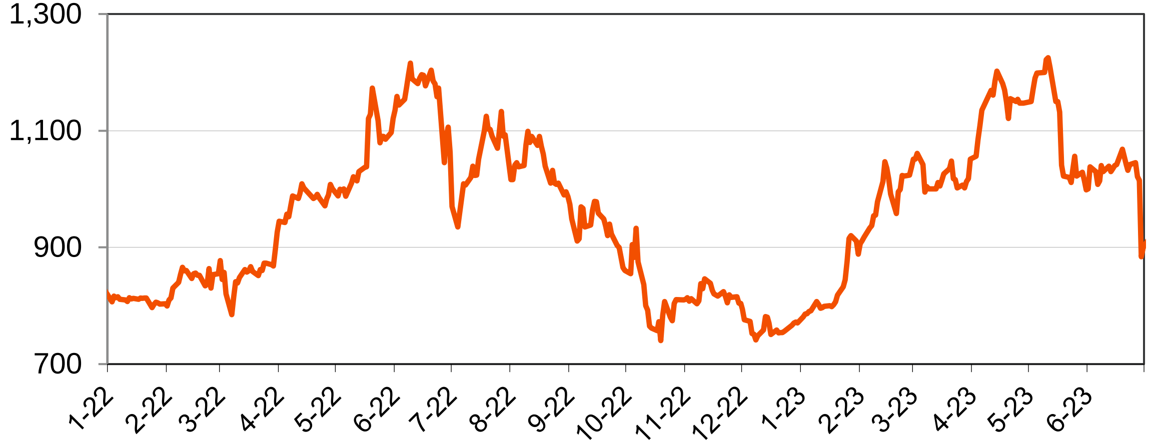
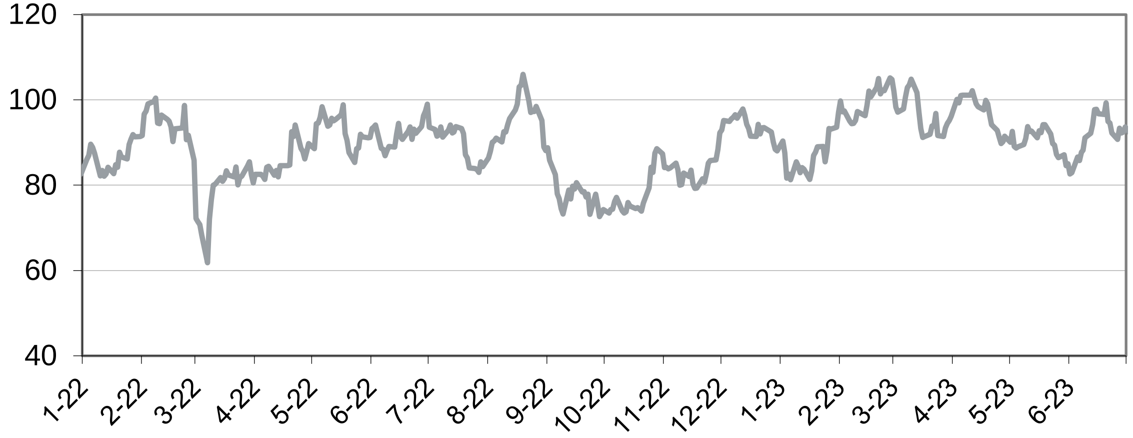
Market developments from Jan 1, 2022 to Jun 30, 2023

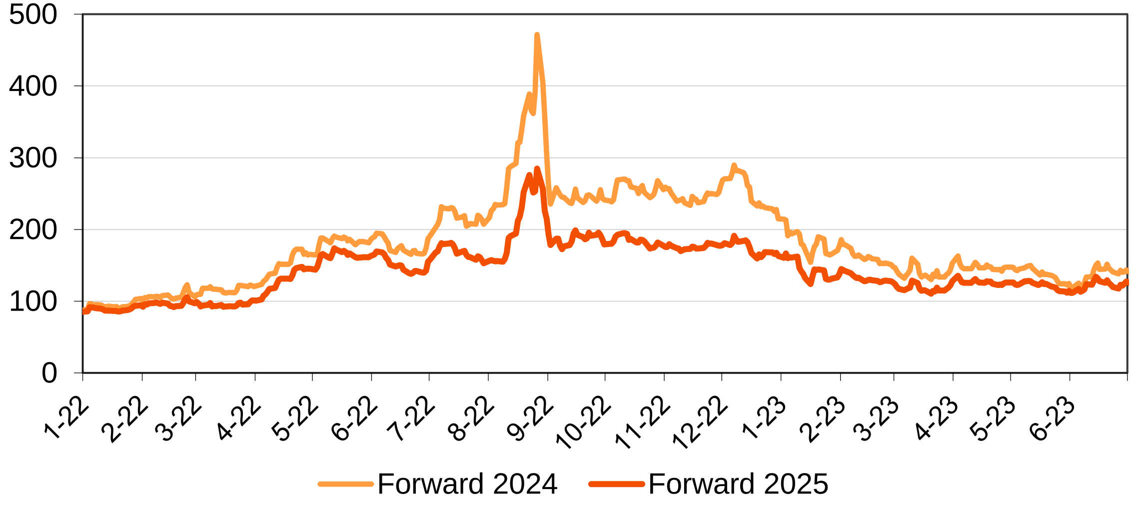
ČEZ shares



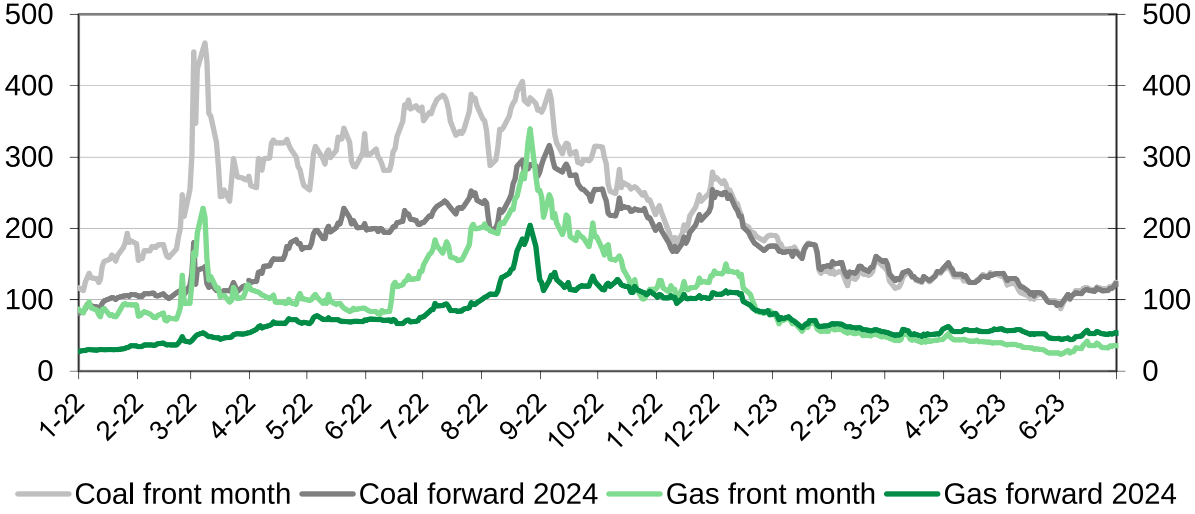
CO_2 emissions allowances (delivery in 12/2024)



Electricity (BL delivery in 2024 and 2025)



Coal and gas



Electricity balance (GWh)

	Q1 - Q2 2022	Q1 - Q2 2023	Index 2023/2022
Electricity procured	**24,170**	**22,515**	**-7%**
Generated in-house (gross)	26,793	24,951	-7%
In-house and other consumption, including pumping in pumped-storage plants	-2,623	-2,436	-7%
Sold to end customers	**-11,682**	**-12,412**	**+6%**
Sold in the wholesale market (net)	**-11,663**	**-9,322**	**-20%**
Sold in the wholesale market	-79,450	-43,709	-45%
Purchased in the wholesale market	67,786	34,387	-49%
Grid losses	**-825**	**-781**	**-5%**

Electricity generation by source (GWh)

Nuclear	15,218	15,303	+1%
Coal and lignite	8,785	6,808	-23%
Water	969	1,268	+31%
Biomass	416	343	-17%
Photovoltaic	76	67	-13%
Wind	146	173	+18%
Natural gas	1,182	989	-16%
Bio gas	0	0	-
Total	**26,793**	**24,951**	**-7%**

Sales of electricity to end customers (GWh)

Households	-4,298	-4,050	-6%
Commercial (low voltage)	-1,282	-1,447	+13%
Commercial and industrial (medium and high voltage)	-6,102	-6,915	+13%
Sold to end customers	**-11,682**	**-12,412**	**+6%**

Distribution of electricity (GWh)

	Q1 - Q2 2022	Q1 - Q2 2023	Index 2023/2022
Distribution of electricity to end customers	18,311	17,486	-5%

Electricity balance (GWh) by segment

Q1 - Q2 2023	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**22,335**	**-**	**0**	**-**	**180**	**-**	**0**	**-**	**22,515**	**-7%**
Generated in-house (gross)	24,732	-	0	-	219	-	0	-	24,951	-7%
In-house and other consumption, including pumping in pumped-storage plants	-2,397	-	0	-	-39	-	0	-	-2,436	-7%
Sold to end customers	**-1,369**	**-**	**0**	**-**	**-11,712**	**-**	**669**	**-11%**	**-12,412**	**+6%**
Sold in the wholesale market (net)	**-20,966**	**-**	**781**	**-**	**11,531**	**-**	**-669**	**-11%**	**-9,322**	**-20%**
Sold in the wholesale market	-55,184	-	0	-	-3,592	-	15,067	+19%	-43,709	-45%
Purchased in the wholesale market	34,218	-	781	-	15,124	-	-15,736	+17%	34,387	-49%
Grid losses	**0**	**-**	**-781**	**-**	**0**	**-**	**0**	**-**	**-781**	**-5%**

Electricity generation by source (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	15,303	-	0	-	0	-	0	-	15,303	+1%
Coal and lignite	6,808	-	0	-	0	-	0	-	6,808	-23%
Water	1,268	-	0	-	0	-	0	-	1,268	+31%
Biomass	315	-	0	-	28	-	0	-	343	-17%
Photovoltaic	66	-	0	-	1	-	0	-	67	-13%
Wind	173	-	0	-	0	-	0	-	173	+18%
Natural gas	799	-	0	-	190	-	0	-	989	-16%
Bio gas	0	-	0	-	0	-	0	-	0	-
Total	**24,732**	**-**	**0**	**-**	**219**	**-**	**0**	**-**	**24,951**	**-7%**

Sales of electricity to end customers (GWh) by segment

	Generation		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	0	-	-4,050	-	0	-	-4,050	-6%
Commercial (low voltage)	-2	-	0	-	-1,446	-	0	-	-1,447	+13%
Commercial and industrial (medium and high voltage)	-1,367	-	0	-	-6,217	-	669	-11%	-6,915	+13%
Sold to end customers	**-1,369**	**-**	**0**	**-**	**-11,712**	**-**	**669**	**-11%**	**-12,412**	**+6%**

Electricity balance (GWh) by country

Q1 - Q2 2023	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**21,626**	**-**	**708**	**-**	**160**	**-**	**20**	**-**	**0**	**-**	**22,515**	**-7%**
Generated in-house (gross)	23,930	-	838	-	160	-	23	-	0	-	24,951	-7%
In-house and other consumption, including pumping in pumped-storage plants	-2,304	-	-129	-	0	-	-2	-	0	-	-2,436	-7%
Sold to end customers	**-11,237**	**-**	**0**	**-**	**0**	**-**	**-1,174**	**-**	**0**	**-**	**-12,412**	**+6%**
Sold in the wholesale market (net)	**-9,607**	**-**	**-708**	**-**	**-160**	**-**	**1,154**	**-**	**0**	**-**	**-9,322**	**-20%**
Sold in the wholesale market	-44,011	-	-733	-	-160	-	-80	-	1,275	+4%	-43,709	-45%
Purchased in the wholesale market	34,404	-	25	-	0	-	1,234	-	-1,275	+4%	34,387	-49%
Grid losses	**-781**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**-781**	**-5%**

Electricity generation by source (GWh) by country

	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	15,303	-	0	-	0	-	0	-	0	-	15,303	+1%
Coal and lignite	6,116	-	692	-	0	-	0	-	0	-	6,808	-23%
Water	1,263	-	5	-	0	-	0	-	0	-	1,268	+31%
Biomass	193	-	141	-	0	-	9	-	0	-	343	-17%
Photovoltaic	66	-	0	-	0	-	1	-	0	-	67	-13%
Wind	5	-	0	-	160	-	9	-	0	-	173	+18%
Natural gas	985	-	0	-	0	-	4	-	0	-	989	-16%
Bio gas	0	-	0	-	0	-	0	-	0	-	0	-
Total	**23,930**	**-**	**838**	**-**	**160**	**-**	**23**	**-**	**0**	**-**	**24,951**	**-7%**

Sales of electricity to end customers (GWh) by country

	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-4,049	-	0	-	0	-	0	-	0	-	-4,050	-6%
Commercial (low voltage)	-1,445	-	0	-	0	-	-2	-	0	-	-1,447	+13%
Commercial and industrial (medium and high voltage)	-5,743	-	0	-	0	-	-1,172	-	0	-	-6,915	+13%
Sold to end customers	**-11,237**	**-**	**0**	**-**	**0**	**-**	**-1,174**	**-**	**0**	**-**	**-12,412**	**+6%**

Distribution of electricity (GWh) by country

Q1 - Q2 2023	Czechia		Poland		Germany		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Distribution of electricity to end customers	17,473	-	0	-	0	-	-13	-	0	-	17,486	-5%

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)	Purpose: 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. Definition: 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.
Net Debt	Purpose: 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. Definition: Long-Term Debt, Net of Current Portion + Current Portion of Long-Term Debt + Short-Term Loans – (Cash and Cash Equivalents + Highly Liquid Financial Assets). 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.
Net Debt / EBITDA	Purpose: 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. Definition: 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. And so June 30 value is calculated from Net Debt as of June 30 and EBITDA for the period from July 1 of previous year to June 30 of current year.

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, 2022	As at Jun 30, 2023
Current debt financial assets	9.8	7.0
Non-current debt financial assets	-	-
Current term deposits	0.1	0.3
Non-current term deposits	-	-
Short-term equity securities	0.0	0.0
Highly liquid financial assets, total	**9.9**	**7.4**

Adjusted Net Income indicator—calculation for periods in question:

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1 - Q2 2022	Q1 - Q2 2023
Net income	CZK billions	33.6	22.3
Impairments of property, plant, and equipment and intangible assets (including goodwill write-off)[1)]	CZK billions	0.0	0.2
Impairments of developed projects[2)]	CZK billions	-	-
Effects of additions to or reversals of impairments on income tax[3)]	CZK billions	-0.0	-0.0
Other extraordinary effects	CZK billions	-	-
Adjusted net income	**CZK billions**	**33.6**	**22.5**

1) Corresponds to the total value reported in the row Impairment of Property, Plant and Equipment and Intangible Assets in the Consolidated Statement of Income
2) Included in the row Other operating expenses in the Consolidated Statement of Income
3) Included in the row Income taxes in the Consolidated Statement of Income

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