

Copy No. 1

EXPERT OPINION

No. 1322/34/2020

April 6, 2020

Expert's task:

Valuation of a part of the enterprise of ČEZ, a. s., ID No. 452 74 649, having its registered office at Praha 4, Duhová 2/1444, postcode 140 53—the “Mělník Power Plant” organizational unit—which is an independent organizational entity and is to be transferred as a non-cash contribution to Energotrans, a.s., having its registered office at Duhová 1444/2, postcode 140 00 Praha 4, ID No. 471 15 726, within the meaning of Section 251 in conjunction with Section 478 of Act No. 90/2012 Sb., act on commercial companies and cooperatives (Business Corporations Act), as amended

Client:

Energotrans, a.s.
Duhová 1444/2, postcode 140 00 Praha 4
ID No. 471 15 726

Prepared by:

BDO ZNALEX, s.r.o.¹
Nádražní 344/23
150 00 Praha 5 - Smíchov
ID No.: 260 99,306

Prague, April 6, 2020

¹ Doing business as Moore Stephens ZNALEX, s.r.o., before December 31, 2019

*This expert opinion consists of 36 pages of text, including annexes
Number of copies: 6 copies in Czech (5 copies for the client, 1 for the expert) + 1 electronic copy as PDF for the client*

D. CONCLUSION

The presented valuation has been prepared in relation to the intended increase in registered capital of Energotrans, a.s., through a non-cash contribution in the form of a part of enterprise by ČEZ, a. s., specifically of the Mělník Power Plant organizational unit, which is a separate organizational unit within ČEZ, a. s. New shares will be issued with a value corresponding to the non-cash contribution. This expert's opinion valuating a non-cash contribution, complies with the requirements of Act No. 90/2012 Coll., on business corporations.

a) Description of the Non-Cash Contribution

The Mělník Power Plant organizational unit consists of Mělník Power Plant 2 (Mělník PP 2) and Mělník Power Plant 3 (Mělník PP 3). A detailed description of the non-cash contribution is included in section 10 of the Findings within this expert's opinion.

b) Valuation Methods Used

In compliance with the Business Corporations Act, two valuation methods (two ways of assessment) should be used.

- The expert has decided that the **discounted cash flow** method will be the first of them.
- The expert has decided that **net asset value method** based on historical costs, which is based on the values of assets and liabilities carried on the books of ČEZ, a. s., will be used as the other valuation method.

The expert has decided that the method of discounted cash flow will be the **decisive method** for the valuation of the non-cash contribution as it better reflects the market value of the non-cash contribution. This method is thus suitable and legitimate and, consequently, adequate for the purposes of the valuation of the non-cash contribution.

The net asset value based on historical costs will be a **complementary method** showing the value at which the assets are carried on the books of the part of the enterprise.

c) Amount at Which the Non-Cash Contribution is Valued

The amount of valuation of the part of the enterprise of ČEZ, a. s., ID No. 452 74 649, having its registered seat at Praha 4, Duhová 2/1444, postcode 140 53, the Mělník Power Plant organizational unit as at December 31, 2019, when this organizational unit, as a non-cash contribution, is to be placed in Energotrans, a.s., ID No. 471 15 726, having its registered seat at Praha 4, Duhová 1444/2, Michle, postcode 140 00, in accordance with the provisions of Section 251 and Section 478 of Act No. 90/2012 Coll., on business corporations, on the basis of information received, investigations carried out and analyses performed, is, as the date of valuation, i.e. **December 31, 2019**:

CZK 345,000,000

(In words: three hundred and forty-five million Czech crowns)

The amount includes no taxes.

d) Information on whether the price of the non-cash contribution matches at least the cumulative issue price of the shares that are to be issued by the company in consideration of the non-cash contribution under valuation

The expert has provided ČEZ, a. s., with preliminary information that the calculated value of the non-cash contribution in the form of a part of enterprise will total CZK 345,000,000. ČEZ, a. s., has informed the expert that shares with a cumulative issue price of no more than CZK 345,000,000 would be issued in consideration of the non-cash contribution.

The expert therefore can declare that the "Price of the Non-Cash Contribution" matches at least the "Cumulative Issue Price of the Shares" that are to be issued in consideration of the non-cash contribution.

Circumstances related to the Coronavirus pandemic have not been taken into account by the expert when valuating the non-cash contribution in the form of a part of the enterprise of the Mělník Power Plant. Valuation has been carried out as at December 31, 2019 when there were no known connections to the Coronavirus pandemic that should be taken into account by the expert. Facts that have become known after the date of valuation will be taken into account in an update of the expert's opinion, if needed.

F. EXPERT CLAUSE

This expert's opinion has been submitted by the expert nominated by a decision of the Minister of Justice of the Czech Republic dated October 20, 2006, ref. 245/2006-ODS-ZN/2, by a decision of the Minister of Justice of the Czech Republic dated December 19, 2010, ref. 252/2009-OD-ZN and by a decision of the Minister of Justice of the Czech Republic dated April 25, 2017, ref. MSP-26/2017-OOJ-SZN/5 in the field of economics, with the following specific specializations:

- Valuation of enterprises and parts thereof
- Valuation of securities, ownership interests, and business shares
- Valuation of financial and intangible assets
- Valuation of receivables
- Accounting and stocktaking
- Financial expertise
- Assessment of transformations of commercial companies and cooperatives (mergers, splits, transfer of assets to a member, and changes of legal form)
- Real estate valuation
- Investment project feasibility studies
- Highest and best use analysis
- Damage appraisal
- Preparation of expert opinions pursuant to insolvency law
- Method of determination and determination of transfer prices between related parties (transfer prices)

Registered in the first section of the list of experts maintained by the Ministry of Justice of the Czech Republic.

The expert act has been recorded in the expert journal under serial number 1322/34/2020.

Expert's seal:

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JUDr. Ing. Lukáš Křístek, MBA, managing director
managing director

.....
Mgr. Ing. Luděk Carbol,

Prague, April 6, 2020