

CEZ GROUP

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING
STANDARDS AS ADOPTED BY EUROPEAN UNION
AS OF MARCH 31, 2025

CEZ GROUP

CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 2025

In CZK Millions

	Note	March 31, 2025	December 31, 2024
ASSETS:			
Plant in service		1,086,707	1,083,667
Less accumulated depreciation and impairment		(570,864)	(558,976)
Net plant in service		515,843	524,691
Nuclear fuel		19,819	20,712
Construction work in progress		38,120	35,301
Total property, plant and equipment		573,782	580,704
Investments in associates and joint-ventures		3,784	3,582
Restricted financial assets		27,678	27,619
Other non-current financial assets	5	21,078	16,402
Intangible assets		32,972	33,186
Deferred tax assets		2,858	1,644
Total other non-current assets		88,370	82,433
Total non-current assets		662,152	663,137
Cash and cash equivalents		63,138	40,324
Trade and other receivables		61,322	68,491
Income tax receivable		411	437
Materials and supplies		18,158	19,375
Fossil fuel stocks		419	1,382
Emission rights		29,380	29,478
Derivatives and other current financial assets	5	42,335	52,401
Other current assets		21,191	23,214
Assets classified as held for sale	6	1,356	3,735
Total current assets		237,710	238,837
Total assets		899,862	901,974

CEZ GROUP

CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 2025

continued

	Note	March 31, 2025	December 31, 2024
EQUITY AND LIABILITIES:			
Stated capital		53,799	53,799
Treasury shares		(1,334)	(1,334)
Retained earnings and other reserves		202,434	186,809
Total equity attributable to equity holders of the parent		254,899	239,274
Non-controlling interests		11,736	11,640
Total equity		266,635	250,914
Long-term debt, net of current portion	7	214,358	216,908
Provisions	8	184,442	181,350
Other long-term financial liabilities	9	12,899	14,057
Deferred tax liability		42,129	51,722
Other long-term liabilities		31	31
Total non-current liabilities		453,859	464,068
Short-term loans	10	7,364	2,552
Current portion of long-term debt	7	27,218	26,689
Trade payables		39,712	50,869
Income tax payable		15,098	2,914
Provisions	8	43,280	34,651
Derivatives and other short-term financial liabilities	9	32,583	47,623
Other short-term liabilities		14,113	18,308
Liabilities associated with assets classified as held for sale		-	3,386
Total current liabilities		179,368	186,992
Total equity and liabilities		899,862	901,974

CEZ GROUP

CONSOLIDATED STATEMENT OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2025

In CZK Millions

	Note	1-3/2025	1-3/2024
Sales of electricity, heat, gas and coal		62,772	63,672
Sales of services and other revenues		29,989	23,170
Other operating income		628	553
Total revenues and other operating income	11	93,389	87,395
Gains and losses from commodity derivative trading	12	1,845	1,308
Purchase of electricity, gas and other energies		(13,936)	(15,266)
Fuel and emission rights		(14,263)	(11,103)
Services		(9,672)	(8,653)
Salaries and wages		(10,743)	(9,473)
Material and supplies		(4,639)	(4,058)
Capitalization of expenses to the cost of assets and change in own inventories		2,152	906
Depreciation and amortization		(14,512)	(8,742)
Impairment of property, plant and equipment and intangible assets		(26)	(2)
Impairment of trade and other receivables		42	143
Other operating expenses		(1,144)	(807)
Income before other income (expenses) and income taxes		28,493	31,648
Interest on debt		(2,120)	(1,394)
Interest on provisions		(1,942)	(2,018)
Interest income		847	845
Share of profit (loss) from associates and joint-ventures		(30)	3
Impairment of financial assets		(2)	(5)
Other financial expenses		(1,013)	(1,074)
Other financial income		1,141	989
Total other income (expenses)		(3,119)	(2,654)
Income before income taxes		25,374	28,994
Income taxes		(12,622)	(15,440)
Net income		12,752	13,554
Net income attributable to:			
Equity holders of the parent		12,661	13,534
Non-controlling interests		91	20
Net income per share attributable to equity holders of the parent (CZK per share):			
Basic		23.6	25.2
Diluted		23.6	25.2

CEZ GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2025

In CZK Millions

	Note	1-3/2025	1-3/2024
Net income		12,752	13,554
Change in fair value of cash flow hedges		4,603	13,470
Cash flow hedges reclassified to statement of income		(2,741)	(5,618)
Change in fair value of debt instruments		(93)	(176)
Disposal of debt instruments		-	4
Translation differences – subsidiaries		(282)	535
Translation differences – associates and joint-ventures		(26)	72
Disposal of translation differences		1,715	(9)
Share on other equity movements of associates and joint-ventures		(1)	16
Deferred tax related to other comprehensive income	13	(206)	(4,331)
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods		2,969	3,963
Total comprehensive income, net of tax		<u>15,721</u>	<u>17,517</u>
Total comprehensive income attributable to:			
Equity holders of the parent		15,640	17,468
Non-controlling interests		81	49

CEZ GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2025

In CZK Millions

	Note	Attributable to equity holders of the parent									
		Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Debt instruments	Equity instruments and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at January 1, 2024		53,799	(1,334)	(3,468)	8,382	284	(2,324)	188,713	244,052	1,549	245,601
Net income		-	-	-	-	-	-	13,534	13,534	20	13,554
Other comprehensive income		-	-	568	3,526	(176)	-	16	3,934	29	3,963
Total comprehensive income		-	-	568	3,526	(176)	-	13,550	17,468	49	17,517
Contribution from owners of non-controlling interests		-	-	-	-	-	-	-	-	8	8
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	9	9
Put options held by non-controlling interests		-	-	8	-	-	-	7	15	(15)	-
Balance as at March 31, 2024		53,799	(1,334)	(2,892)	11,908	108	(2,324)	202,270	261,535	1,600	263,135
Balance as at January 1, 2025		53,799	(1,334)	(2,978)	369	(367)	(1,377)	191,162	239,274	11,640	250,914
Net income		-	-	-	-	-	-	12,661	12,661	91	12,752
Other comprehensive income		-	-	1,417	1,636	(73)	-	(1)	2,979	(10)	2,969
Total comprehensive income		-	-	1,417	1,636	(73)	-	12,660	15,640	81	15,721
Change in non-controlling interests without loss of control		-	-	-	-	-	-	(5)	(5)	(5)	(10)
Put options held by non-controlling interests		-	-	(2)	-	-	-	(8)	(10)	20	10
Balance as at March 31, 2025		53,799	(1,334)	(1,563)	2,005	(440)	(1,377)	203,809	254,899	11,736	266,635

CEZ GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

In CZK Millions

	Note	1-3/2025	1-3/2024*
OPERATING ACTIVITIES:			
Income before income taxes		25,374	28,994
Adjustments of income before income taxes to cash generated from operations:			
Depreciation and amortization		14,512	8,742
Amortization of nuclear fuel		1,005	937
(Gains) and losses on non-current asset retirements		(1,037)	(42)
Foreign exchange rate loss (gain)		114	(699)
Interest expense, interest income and dividend income		1,270	547
Provisions		10,433	5,102
Impairment of property, plant and equipment and intangible assets		26	2
Other non-cash expenses and income		(3,578)	(4,432)
Share of (profit) loss from associates and joint-ventures		30	(3)
Changes in assets and liabilities:			
Receivables and contract assets		7,682	25,595
Materials, supplies and fossil fuel stocks		2,132	431
Receivables and payables from derivatives		(2,544)	4,224
Other assets		(391)	4,008
Trade payables		(6,681)	(12,981)
Other liabilities		(4,176)	(3,308)
Cash from operations		44,171	57,117
Income taxes paid		(11,447)	(17,011)
Interest paid, net of capitalized interest		(867)	(653)
Interest received		854	847
Net cash flow from operating activities		32,711	40,300
INVESTING ACTIVITIES:			
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired		(399)	(60)
Disposal of subsidiaries, associates and joint-ventures, net of cash disposed of	4.2	1,458	31
Additions to non-current assets before deducting grants, including capitalized interest		(14,141)	(10,262)
Proceeds from grants to non-current assets		133	411
Proceeds from sale of non-current assets		81	128
Loans made		(17)	(18)
Repayment of loans		9	11
Change in restricted financial assets		(161)	41
Net cash flow from investing activities		(13,037)	(9,718)

* The way of presentation of this statement was changed in 2024 (see Note 2.2.1). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the interim consolidated financial statements as at March 31, 2024.

CEZ GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

continued

	Note	1-3/2025	1-3/2024*
FINANCING ACTIVITIES:			
Proceeds from borrowings		65,462	31,932
Payments of borrowings		(61,532)	(28,483)
Payments of lease liabilities		(385)	(241)
Proceeds from other long-term liabilities		95	11
Payments of other long-term liabilities		(158)	(160)
Dividends paid to Company's shareholders		(57)	(135)
(Dividends paid) contributions received – owners of non-controlling interests, net		-	8
Acquisition of non-controlling interests		(10)	-
Net cash flow from financing activities		3,415	2,932
Net effect of currency translation and allowances in cash		(370)	45
Net increase in cash and cash equivalents		22,719	33,559
Cash and cash equivalents at beginning of period		40,419	10,892
Cash and cash equivalents at end of period		63,138	44,451

Supplementary cash flow information:

Total cash paid for interest	958	738
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* The way of presentation of this statement was changed in 2024 (see Note 2.2.1). The prior year figures were changed accordingly to provide comparative information on the same basis and they do not fully correspond to the interim consolidated financial statements as at March 31, 2024.

CEZ GROUP

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2025

1. The Company

ČEZ, a. s. ("ČEZ" or "the Company") is a Czech joint-stock company, owned 69.8% (69.9% of voting rights) at March 31, 2025, by the Czech Republic represented by the Ministry of Finance. The remaining shares of the Company are held by legal persons and individuals and they are traded on stock exchange markets in Prague and Warsaw. The address of the Company's registered office is Duhová 2/1444, Praha 4, 140 53, Czech Republic.

The Company is a parent company of the CEZ Group ("the Group"). CEZ Group is a vertically integrated energy group that is among the largest economic entities in the Czech Republic and Central Europe. The main business of the Group is the generation, distribution, trade and sale in the field of electricity and heat, coal mining, trading in commodities and providing of complex energy services, distribution, trade and sale in the field of natural gas and providing of electronic communications.

The "VISION 2030 – Clean Energy of Tomorrow" strategy is focused on dynamic transformation of the generation portfolio to low-emission one and achievement of full climate neutrality already by 2040. The strategy includes a commitment to fundamentally limit the production of heat and electricity from coal and fundamentally reduce the emission intensity by 2030. In areas of distribution and sales, the basic goal is to provide the most advantageous energy solutions and the best customer experience on the market. The goal to develop CEZ Group responsibly and sustainably in accordance with ESG principles is also among the main priorities.

2. Summary of Significant Accounting Policies

2.1. Financial Statements

The interim consolidated financial statements for the three months ended March 31, 2025, have been prepared in accordance with IAS 34 and have not been audited by an independent auditor. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with [the Group's annual financial statement as of December 31, 2024](#).

2.2. Changes in Accounting Policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of [the Group's annual financial statement as of December 31, 2024](#).

As of January 1, 2025, the Group did not adopt any new or revised IFRS Accounting Standard that would have a significant impact on Group's interim consolidated financial statements.

2.2.1. Change of Presentation of Consolidated Statement of Cash Flows

As of December 31, 2024, the presentation of the statement of cash flows was changed to increase the relevance of information regarding cash flows associated to grants related to assets. The original line item Additions to non-current assets, including capitalized interest, is no longer affected by grants and the receipt of cash and cash equivalents related to grants is reported on a separate line item Proceeds from grants to non-current assets within investing activities. Operating activities are no longer affected by grants related to non-current assets. As a result, some items of the comparative period have been reclassified to be fully comparable with the current period.

The overview of performed adjustments of previous period is as follows (in CZK millions):

	Adjustment 1-3/2024
Consolidated statement of cash flows:	
Receivables and contract assets	(389)
Cash from operations	<u>(389)</u>
Net cash flow from operating activities	<u>(389)</u>
Additions to non-current assets before deducting grants, including capitalized interest	(22)
Proceeds from grants to non-current assets	<u>411</u>
Net cash flow from investing activities	<u>389</u>
Net increase in cash and cash equivalents	<u><u>-</u></u>

3. Seasonality of Operations

The seasonality within the segments Generation, Distribution and Sales usually takes effect in such a way that the revenues and operating profits of these segments for the 1st and 4th quarters of a calendar year are slightly higher than the revenues and operating profits achieved in the remaining period.

4. Changes in the Group Structure

The following table summarizes the cash flows related to acquisitions in the first three months of 2025 (in CZK millions):

Cash used on acquisition of the subsidiaries	127
Cash used on investments in joint-ventures	257
Payments of payables from acquisitions of previous periods	40
Less:	
Cash and cash equivalents acquired on acquisition of the subsidiary	<u>(25)</u>
Total acquisition of subsidiaries, associates and joint-ventures, net of cash acquired	<u><u>399</u></u>

4.1. Acquisitions of Subsidiaries in the First Three Months of 2025

On January 22, 2024, the Group acquired a 100% interest in German company INC Innovative Netzconzepte GmbH, which focuses on implementation of network infrastructure.

The fair values of acquired identifiable assets and liabilities and the purchase considerations have been stated provisionally and could be adjusted in the subsequent period. The following table presents the current best estimate of fair values of acquired identifiable assets and liabilities, which are part of the business combination transaction, as of the date of acquisition (in CZK millions):

	INC Innovative Netzconzepte
Share being acquired	100%
Property, plant and equipment	18
Intangible assets	38
Cash and cash equivalents	25
Materials and supplies	11
Trade and other receivables	11
Other long-term debt, net of current portion	(13)
Deferred tax liability	(12)
Other current liabilities	<u>(26)</u>
Total net assets	52
Share of net assets acquired	52
Goodwill	<u>152</u>
Total purchase consideration	204
Liabilities from acquisition of the subsidiary	(77)
Cash outflow on acquisition in 2025	127
Less: Cash and cash equivalents in the subsidiary acquired	<u>(25)</u>
Cash outflow in 2025, net	<u><u>102</u></u>

If the acquisition had taken place at the beginning of the year 2025, net income for CEZ Group as of March 31, 2025 would have been CZK 12,750 million and the revenues and other operating income from continuing operations would have been CZK 93,397 million. The amount of goodwill recognized as a result of the business combination comprise the value of expected synergies arising from the acquisition.

From the acquisition date, the newly acquired subsidiary have contributed the following balances to the Group's statement of income (in CZK millions):

	<u>INC Innovative Netzconzepte</u>
Revenues and other operating income	21
Income before other income (expense) and income taxes	5
Net income	2
Net income attributable:	
Equity holders of the parent	2
Non-controlling interests	-

4.2. Sale of Shares in Polish Companies

On November 11, 2024, the Group concluded the contract for sale of interest in Polish companies CEZ Polska sp. z o.o. (including its interest in CEZ Chorzów S.A. and CEZ Skawina S.A.) and CEZ Produkty Energetyczne Polska sp. z o.o. Since September 30, 2024, the Group classified assets and liabilities of these companies as assets and associated liabilities classified as held for sale. The transaction was settled after the approval of the Polish competition authority on February 6, 2025. The buyer is ResInvest Group based on an auction process initiated in March 2024. The total sale price for the shares in the Polish companies was paid in full and the Group transferred control over the sold subsidiaries.

The following table provides an overview of the impacts related to the derecognition of Polish companies from consolidation, with the derecognized net assets broken down by operating segments (in CZK millions):

Sold interest	100%
Tangible and intangible assets	303
Deferred tax asset	36
Another non-current assets	273
Cash and cash equivalents	1,806
Trade and other receivables	1,351
Derivatives and other current financial assets	47
Fossil fuel stocks	346
Emission rights	366
Another current assets	216
Long-term liabilities	(190)
Trade payables	(602)
Income tax payable	(467)
Current provisions	(2,526)
Derivatives and other short-term financial liabilities	(133)
Another short-term liabilities	(122)
Total net assets	704
Disposal of translation differences	1,715
Total cost of sale of the Group	2,419
Revenue from sale	3,389
Gain on sale	970

The following table shows the cash flows related to the sale and derecognition of the Polish companies from consolidation (in CZK millions):

Revenue from sale	3,389
Less: Cash from sale received in 2024	(125)
Cash from sale received in 2025	3,264
Cash disposed of on derecognition from consolidation	(1,806)
Total cash flow from sale of Polish companies in 2025	1,458

5. Derivatives and Other Financial Assets

The overview of derivatives and other financial assets at March 31, 2025, and December 31, 2024, is as follows (in CZK millions):

	March 31, 2025			December 31, 2024		
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total
Other financial receivables	1,681	152	1,833	1,561	115	1,676
Investment in finance lease	196	42	238	206	47	253
Total financial assets at amortized cost	1,877	194	2,071	1,767	162	1,929
Equity financial assets – investments in Inven Capital, SICAV, a.s., ČEZ sub-funds	3,581	-	3,581	3,501	-	3,501
Commodity and other derivatives	1,819	21,259	23,078	2,093	32,071	34,164
Total financial assets at fair value through profit or loss	5,400	21,259	26,659	5,594	32,071	37,665
Investment in Rolls-Royce SMR Limited ¹⁾	3,017	-	3,017	-	-	-
Other equity financial assets	340	-	340	342	6	348
Total equity financial assets	3,357	-	3,357	342	6	348
Cash flow hedge derivatives	10,439	16,817	27,256	8,699	17,085	25,784
Investments in progress	5	-	5	-	-	-
Debt financial assets	-	4,065	4,065	-	3,077	3,077
Total financial assets at fair value through other comprehensive income	13,801	20,882	34,683	9,041	20,168	29,209
Total	21,078	42,335	63,413	16,402	52,401	68,803

¹⁾ The acquisition of interest in the company Rolls-Royce SMR Limited was made during the first three months of the year 2025.

6. Assets Classified as Held for Sale

On February 4, 2025, the Group concluded the contract for sale of its 15% interest in the company Veolia Energie ČR a.s. with the company VEOLIA ENERGIE INTERNATIONAL S.A. Since December 31, 2024, the Group classified this interest as asset held for sale. The settlement of the transaction was made on April 17, 2025 for the sale price of CZK 1,356 million.

7. Long-term Debt

Long-term debt at March 31, 2025, and December 31, 2024, is as follows (in CZK millions):

	March 31, 2025	December 31, 2024
3.005% Eurobonds, due 2038 (JPY 12,000 million)	1,852	1,866
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,236	1,245
4.875% Eurobonds, due 2025 (EUR 750 million)	19,596	19,540
4.375% Eurobonds, due 2042 (EUR 50 million)	1,268	1,265
4.500% Eurobonds, due 2047 (EUR 50 million)	1,265	1,262
4.383% Eurobonds, due 2047 (EUR 80 million)	2,047	2,044
3.000% Eurobonds, due 2028 (EUR 725 million)	18,690	18,731
0.875% Eurobonds, due 2026 (EUR 750 million)	18,724	18,840
2.375% Eurobonds, due 2027 (EUR 600 million)	15,283	15,323
4.250% Eurobonds, due 2032 (EUR 750 million)	19,262	19,230
4.125% Eurobonds, due 2031 (EUR 700 million)	17,785	17,759
5.625% U.S. bonds, due 2042 (USD 300 million)	7,067	7,319
4.500% Registered bonds, due 2030 (EUR 40 million)	1,006	1,003
4.700% Registered bonds, due 2032 (EUR 40 million)	1,043	1,040
4.270% Registered bonds, due 2047 (EUR 61 million)	1,525	1,522
3.550% Registered bonds, due 2038 (EUR 30 million)	747	774
1.000% Registered bonds, due 2027 (EUR 600 million) ¹⁾	14,139	14,142
0.875% Registered bonds, due 2031 (EUR 500 million) ¹⁾	10,567	10,681
0.450% Registered bonds, due 2029 (EUR 500 million) ¹⁾	10,224	10,229
4.750% CZK bonds, due 2026 (CZK 6,750 million) ²⁾	6,775	6,871
Total bonds and debentures	170,101	170,686
Less: Current portion	(22,286)	(21,597)
Bonds and debentures, net of current portion	147,815	149,089
Long-term bank and other loans, lease liabilities:	71,475	72,911
Less: Current portion	(4,932)	(5,092)
Long-term bank and other loans, lease payables, net of current portion	66,543	67,819
Total long-term debt	241,576	243,597
Less: Current portion	(27,218)	(26,689)
Total long-term debt, net of current portion	214,358	216,908

¹⁾ Bonds were recognized at fair value as part of the acquisition of the GasNet Group. The effective interest rate is the market interest rate at the date of acquisition and is in the range of 3.9–4.4%.

²⁾ This is a floating interest rate bond 1% + 6M PRIBOR.

8. Provisions

The following table provides an overview of provisions as at March 31, 2025, and December 31, 2024 (in CZK millions):

	March 31, 2025			December 31, 2024		
	Non-current	Current	Total	Non-current	Current	Total
Nuclear provisions	145,409	2,285	147,694	142,736	2,375	145,111
Provision for demolition and dismantling of fossil-fuel power plants	15,252	418	15,670	15,112	548	15,660
Provision for reclamation of mines and mining damages	15,834	210	16,044	15,654	210	15,864
Provision for waste storage reclamation	780	19	799	778	15	793
Provision for CO ₂ emissions	-	34,848	34,848	-	25,860	25,860
Provision for employee benefits	5,562	412	5,974	5,478	452	5,930
Other provisions	1,605	5,088	6,693	1,592	5,191	6,783
Total	184,442	43,280	227,722	181,350	34,651	216,001

9. Derivatives and Other Financial Liabilities

Derivatives and other financial liabilities at March 31, 2025, and December 31, 2024, are as follows (in CZK millions):

	March 31, 2025		
	Long-term liabilities	Short-term liabilities	Total
Payables from non-current assets purchase	629	-	629
Other	2,021	1,198	3,219
Financial liabilities at amortized cost	2,650	1,198	3,848
Cash flow hedge derivatives	4,967	2,803	7,770
Commodity and other derivatives	4,233	28,287	32,520
Liabilities from put options held by non-controlling interests	746	28	774
Contingent consideration from the acquisition of subsidiaries	303	267	570
Financial liabilities at fair value	10,249	31,385	41,634
Total	12,899	32,583	45,482

	December 31, 2024		
	Long-term liabilities	Short-term liabilities	Total
Payables from non-current assets purchase	634	-	634
Other	1,636	2,144	3,780
Financial liabilities at amortized cost	2,270	2,144	4,414
Cash flow hedge derivatives	7,159	1,794	8,953
Commodity and other derivatives	3,626	43,370	46,996
Liabilities from put options held by non-controlling interests	749	38	787
Contingent consideration from the acquisition of subsidiaries	253	277	530
Financial liabilities at fair value	11,787	45,479	57,266
Total	14,057	47,623	61,680

10. Short-term Loans

Short-term loans at March 31, 2025, and December 31, 2024, are as follows (in CZK millions):

	March 31, 2025	December 31, 2024
Bank loans	6,957	2,071
Bank overdrafts	407	481
Total	7,364	2,552

11. Revenues and Other Operating Income

The composition of revenues and other operating income for the first three months ended March 31, 2025 and 2024, is as follows (in CZK millions):

	1-3/2025	1-3/2024
<u>Sales of electricity:</u>		
Sales of electricity to end customers	20,809	21,442
Sales of electricity through energy exchange and other organized markets	20,412	10,015
Sales of electricity to traders	2,470	8,315
Sales to distribution and transmission companies	113	116
Other sales of electricity	3,249	5,566
Effect of hedging – presales of electricity	2,213	4,465
Effect of hedging – currency risk hedging	870	862
Total sales of electricity	50,136	50,781
<u>Sales of gas, coal and heat:</u>		
Sales of gas	5,905	6,292
Sales of coal	1,497	1,151
Sales of heat	5,234	5,448
Total sales of gas, coal and heat	12,636	12,891
Total sales of electricity, heat, gas and coal	62,772	63,672
<u>Sales of services and other revenues:</u>		
Distribution services - electricity	12,375	12,020
Distribution services - gas	6,588	11
Ancillary services of transmission grid	416	621
Other services	10,045	9,952
Rental income	53	49
Revenues from goods sold	202	191
Other revenues	310	326
Total sales of services and other revenues	29,989	23,170
<u>Other operating income:</u>		
Granted certificates and guarantees of origin	9	16
Contractual fines and interest fees for delays	36	55
Gain on sale of property, plant and equipment	82	77
Gain on sale of material	41	35
Other	460	370
Total other operating income	628	553
Total revenues and other operating income	93,389	87,395

Revenues from contracts with customers for the three months ended March 31, 2025 and 2024, were CZK 89,625 million and CZK 81,466million, respectively, and can be linked to the above figures as follows:

	1-3/2025	1-3/2024
Sales of electricity, heat, gas and coal	62,772	63,672
Sales of services and other revenues	29,989	23,170
Total revenues	92,761	86,842
Adjustments:		
Effect of hedging – presales of electricity	(2,213)	(4,465)
Effect of hedging – currency risk hedging	(870)	(862)
Rental income	(53)	(49)
Revenues from contracts with customers	89,625	81,466

12. Gains and Losses from Commodity Derivative Trading

The composition of gains and losses from commodity derivative trading for the three months ended March 31, 2025 and 2024, is as follows (in CZK millions):

	1-3/2025	1-3/2024
Gain from electricity derivative trading	2,824	3,464
Loss from gas derivative trading	(804)	(1,149)
Gain (loss) from oil derivative trading	6	(13)
Gain from coal derivative trading	1	6
Loss from emission rights derivative trading	(182)	(1,000)
Total gains and losses from commodity derivative trading	1,845	1,308

Reported gains and losses from derivative trading consist of trades with commodities for the purpose of speculative trading, but also trades concluded for the purpose of hedging the gross margin from electricity generation, where changes in their fair value do not enter the hedge accounting scheme mainly due to the uncertainty of the hedged deliveries of electricity from generation sources (where the expected deliveries of electricity may not be produced eventually, but trading positions on electricity and related positions for emission allowances and fuels will be closed, e.g. for deliveries from the Počerady CCGT power plant). Given the high volatility of commodity market prices, these trades have a significant impact on reported gains and losses from derivative trading.

13. Income Taxes

Tax effects relating to each component of other comprehensive income are the following (in CZK millions):

	1-3/2025			1-3/2024		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges	4,603	(2,308)	2,295	13,470	(8,368)	5,102
Cash flow hedges reclassified to statement of income	(2,741)	2,082	(659)	(5,618)	4,041	(1,577)
Change in fair value of debt instruments	(93)	20	(73)	(176)	(4)	(180)
Disposal of debt instruments	-	-	-	4	-	4
Translation differences – subsidiaries	(282)	-	(282)	535	-	535
Translation differences – associates and joint-ventures	(26)	-	(26)	72	-	72
Disposal of translation differences	1,715	-	1,715	(9)	-	(9)
Share on other equity movements of associates and joint-ventures	(1)	-	(1)	16	-	16
Total	<u>3,175</u>	<u>(206)</u>	<u>2,969</u>	<u>8,294</u>	<u>(4,331)</u>	<u>3,963</u>

14. Segment Information

The Group reports its result using four reportable operating segments:

- Generation
- Distribution
- Sales
- Mining

The segments are defined across the countries in which CEZ Group operates. Segment is a functionally autonomous part of CEZ Group that serves a single part of the value chain of the Group.

The Group accounts for intersegment revenues and transfers as if the revenues or transfers were to third parties, that is, at current market prices or where the regulation applies at regulated prices.

In segment reporting, IFRS 16 is applied to external leases from the Group's perspective, but it is not applied to leases between individual operating segments, although in some cases the asset is leased to another segment internally.

The Group evaluates the performance of its segments based on earnings before interest, taxes, depreciation and amortization (EBITDA). The definition and reconciliation of EBITDA to income before other income (expenses) and income taxes summarizes the following table (in CZK millions):

	1-3/2025	1-3/2024
Income before other income (expenses) and income taxes (EBIT)	28,493	31,648
Depreciation and amortization	14,512	8,742
Impairment of property, plant and equipment and intangible assets	26	2
Gains and losses on sale of property, plant and equipment, net ¹⁾	(73)	(75)
EBITDA	<u>42,958</u>	<u>40,317</u>

¹⁾ Gains on sale of property, plant and equipment are presented in the statement of income as part of the line item Other operating income (Note 11). Losses on sale of property, plant and equipment are presented in the statement of income as part of the line item Other operating expenses.

The Group follows and analyses results of individual segments also based on the ratio of Gross margin, which is defined as follows (in CZK millions):

	1-3/2025	1-3/2024
Operating income	93,389	87,395
Gains and losses from commodity derivative trading	1,845	1,308
Purchase of electricity, gas and other energies	(13,936)	(15,266)
Fuel and emission rights	(14,263)	(11,103)
Services	(9,672)	(8,653)
Capitalization of expenses to the cost of assets and change in own inventories	2,152	906
Other ¹⁾	(763)	(760)
Gross margin	<u>58,752</u>	<u>53,827</u>

¹⁾ Other includes relevant part of the material costs (part of the statement of income line-item Material and supplies) and excludes part of the statement of income line-item Services, which refers to repair and maintenance services and other services that have rather overhead nature.

The following tables summarize segment information by operating segments for the three months ended March 31, 2025 and 2024, and at December 31, 2024 (in CZK millions):

March 31, 2025:	Gene- ration	Distribu- tion ¹⁾	Sales	Mining	Combined	Elimina- tion	Consoli- dated
Revenues and other operating income – other than intersegment	33,531	18,964	39,222	1,672	93,389	-	93,389
Revenues and other operating income – intersegment	23,960	127	3,399	3,181	30,667	(30,667)	-
Total revenues and other operating income	57,491	19,091	42,621	4,853	124,056	(30,667)	93,389
Thereof:							
Sales of electricity, heat, gas and coal	53,785	6	33,131	4,393	91,315	(28,543)	62,772
Sales of services and other revenues	3,249	18,978	9,216	437	31,880	(1,891)	29,989
Other operating income	457	107	274	23	861	(233)	628
Revenues and other operating income, including result from commodity derivative trading ²⁾	59,211	19,091	42,746	4,853	125,901	(30,667)	95,234
Total sales of electricity, including the result of electricity trading ¹⁾	47,886	6	24,374	-	72,266	(19,306)	52,960
Gross margin	30,711	15,135	10,034	4,764	60,644	(1,892)	58,752
EBITDA	23,769	11,378	4,763	3,083	42,993	(35)	42,958
Depreciation and amortization	(8,153) ³⁾	(4,798)	(770)	(791) ³⁾	(14,512)	-	(14,512)
Impairment of property, plant and equipment and intangible assets	(2)	(24)	-	-	(26)	-	(26)
Income before other income (expenses) and income taxes	15,648	6,584	3,992	2,304	28,528	(35)	28,493
Interest on debt and provisions	(3,112)	(1,026)	(124)	(167)	(4,429)	367	(4,062)
Interest income	784	69	239	122	1,214	(367)	847
Share of profit (loss) from associates and joint-ventures	(16)	-	7	(21)	(30)	-	(30)
Income taxes	(9,769)	(1,232)	(1,103)	(490)	(12,594)	(28)	(12,622)
Net income	3,988	3,946	2,904	1,812	12,650	102	12,752
Identifiable assets	293,503	254,092	16,553	10,049	574,197	(415)	573,782
Investment in associates and joint-ventures	2,887	36	279	582	3,784	-	3,784
Unallocated assets							322,296
Total assets							899,862
Capital expenditure	2,452	3,554	697	212	6,915	(63)	6,852

¹⁾ Significant changes of Distribution segment resulting from comparison of first three months of 2024 and 2025 are mainly due to acquisition of companies from GasNet Group.

²⁾ The item contains the line Total sales of electricity (Note 11) and the line Gain from electricity derivative trading (Note 12).

³⁾ The significant year-to-year increase of depreciation and amortization of Generation and Mining segments is mainly due to the change of depreciation method of coal assets. Since October 1, 2024, the Group depreciates coal assets using a method in which depreciation decreases evenly over the remaining useful life (see also Note 2.4 of [the Group's annual financial statement as of December 31, 2024](#)).

March 31, 2024:

	Gene- ration	Distribu- tion	Sales	Mining	Combined	Elimina- tion	Consoli- dated
Revenues and other operating income – other than intersegment	31,942	11,943	42,183	1,327	87,395	-	87,395
Revenues and other operating income – intersegment	27,401	109	4,595	3,300	35,405	(35,405)	-
Total revenues and other operating income	59,343	12,052	46,778	4,627	122,800	(35,405)	87,395
Thereof:							
Sales of electricity, heat, gas and coal	55,670	-	36,970	4,192	96,832	(33,160)	63,672
Sales of services and other revenues	3,272	11,994	9,588	391	25,245	(2,075)	23,170
Other operating income	401	58	220	44	723	(170)	553
Revenues and other operating income, including result from commodity derivative trading	60,740	12,052	46,689	4,627	124,108	(35,405)	88,703
Total sales of electricity, including the result of electricity trading ¹⁾	50,122	-	28,655	-	78,777	(24,532)	54,245
Gross margin	35,608	8,268	7,081	4,578	55,535	(1,708)	53,827
EBITDA	29,280	5,575	2,562	2,878	40,295	22	40,317
Depreciation and amortization	(5,807)	(1,936)	(673)	(326)	(8,742)	-	(8,742)
Impairment of property, plant and equipment and intangible assets	-	(2)	-	-	(2)	-	(2)
Income before other income (expenses) and income taxes	23,526	3,647	1,891	2,562	31,626	22	31,648
Interest on debt and provisions	(3,123)	(321)	(77)	(184)	(3,705)	293	(3,412)
Interest income	478	121	347	192	1,138	(293)	845
Share of profit (loss) from associates and joint-ventures	(8)	-	19	(8)	3	-	3
Income taxes	(13,745)	(724)	(480)	(553)	(15,502)	62	(15,440)
Net income	7,177	2,722	1,843	2,070	13,812	(258)	13,554
Capital expenditure	2,813	3,418	787	332	7,350	(49)	7,301
December 31, 2024:	Gene- ration	Distribu- tion	Sales	Mining	Combined	Elimina- tion	Consoli- dated
Identifiable assets	298,623	255,188	16,653	10,632	581,096	(392)	580,704
Investment in associates and joint-ventures	2,669	35	274	604	3,582	-	3,582
Unallocated assets							317,688
Total assets							<u>901,974</u>

¹⁾ The item contains the line Total sales of electricity (Note 11) and the line Gain from electricity derivative trading (Note 12).

15. Events after the Balance Sheet Date

On April 9, 2025, in accordance with the amendment to the Nuclear Energy Act, the Government Decree No. 98/2025 Coll. was published in Official Collection of Laws which regulates the amount of fees for the imposition of radioactive waste. This Government Decree set up the fee to 88 CZK for one MWh of electricity generated in nuclear plant during the period from January 1, 2026 till December 31, 2030. With regard to this Government Decree the Group recalculated the provision for permanent disposal of spent nuclear fuel as of March 31, 2025, and disclosed the change of estimate representing the increase of the amount of the provision and property, plant and equipment in the amount CZK 1,481 million.

On April 17, 2025, the settlement of the sale of interest in Veolia Energie ČR, a.s., was made, based on the sale contract concluded on February 4, 2025 (see Note 6).

On April 30, 2025, the Government of the Czech Republic decided based on The First Implementation Agreement between the state and the companies Elektrárna Dukovany II, a. s., and ČEZ to buy interest of 79.98% in the company Elektrárna Dukovany II, a. s., which is preparing the construction of a new nuclear power plant in the Dukovany site. The settlement of this transaction was made on May 5, 2025. The Group lost control over the company Elektrárna Dukovany II, a. s., and kept the interest of 20.02% representing the significant influence. The following table shows the summary of impacts from the sale, based on balance sheet amounts as at March 31, 2025 representing the best estimate as on the date of the transaction (in CZK millions):

Lands	322
Construction work in progress	3,228
Other non-current assets	37
Trade and other receivables	2
Other current assets	17
Long-term liabilities	(64)
Trade payables	(147)
Other short-term liabilities	(56)
	<hr/>
Total net assets of former subsidiary disposed from the balance sheet (100%)	3,339
Less items newly recognized on the balance sheet of the Group:	
Effect of intercompany balances:	
Trade and other receivables	(40)
Trade payables	4
Payables from cash pooling	947
Other	1
Remaining interest 20.02%, which is kept by the Group	(903)
	<hr/>
Total of derecognized and newly recognized items	3,348
Sale price for 79.98% interest	3,607
	<hr/>
Result of the sale	<u>258</u>

On April 30, 2025, the Group issued 4.125% coupon bonds in total nominal amount EUR 750 million due in 2033. The bond issuance is bound to sustainability. In case that ČEZ would not fulfill the target of emission intensity of 0.16 tCO₂e/MWh by December 31, 2030, the premium of 0.75% will be paid by the due date in 2033.

On May 14, 2025, the Board of Directors of ČEZ, a. s., approved a dividend proposal in the amount of CZK 47 per share to be submitted to the general meeting, which will be held on June 23, 2025.