

BASE PROSPECTUS

EPH

EPH Financing International, a.s.
(incorporated under the laws of the Czech Republic)

Guaranteed by

Energetický a průmyslový holding, a.s.
(incorporated under the laws of the Czech Republic)

EUR 3,000,000,000 Euro Medium Term Note Programme

Under this Euro Medium Term Note Programme (the “**Programme**”), EPH Financing International, a.s. (the “**Issuer**”) may from time to time issue notes (“**Notes**”). This base prospectus (the “**Base Prospectus**”) has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer or the Guarantor nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes issued under the Programme within twelve months after the date hereof. Application will be made to the Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) for Notes issued under the Programme within twelve months after the date hereof to be admitted to the official list (the “**Official List**”) and to trading on the regulated market of Euronext Dublin (the “**Regulated Market**”). The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”). This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Tranches of Notes issued under the Programme will be rated or unrated. The Guarantor has been assigned a rating of BBB- (stable outlook) by S&P Global Ratings Europe Limited (“**S&P**”) and BBB- (stable outlook) by Fitch Ratings Ireland Limited (“**Fitch**”). S&P and Fitch are established in the European Economic Area (the “**EEA**”) and registered under Regulation (EU) No 1060/2009 on credit rating agencies (as amended, the “**EU CRA Regulation**”). As such, each of S&P and Fitch appears on the latest update of the list of registered on credit rating agencies (as of the date of this Base Prospectus) on the ESMA website (www.esma.europa.eu). Each of the ratings S&P and Fitch has given to the Guarantor is endorsed by S&P Global Ratings UK Limited and Fitch Ratings Limited, respectively, which are established in the United Kingdom of Great Britain and Northern Ireland (the “**United Kingdom**”) and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”) (the “**UK CRA Regulation**”).

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under “Risk Factors” below.

The Notes and the guarantee thereof have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States.

The Notes and the guarantee thereof may not be offered, sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)), except in certain transactions exempt from the registration requirements of the Securities Act.

Arrangers and Dealers

Citigroup

Commerzbank

ING

SMBC

UniCredit

Dealer

Erste Group Bank AG

12 October 2023

IMPORTANT NOTICES

Responsibility for this Base Prospectus

Each of the Issuer and Energetický a průmyslový holding, a.s. (the “**Guarantor**” or “**EPH**”) accepts responsibility for the information contained in this Base Prospectus and any Final Terms and declares that, to the best of its knowledge, the information contained in this Base Prospectus is, in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

Final Terms

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” (the “**Conditions**”) as completed by a document specific to such Tranche called final terms (the “**Final Terms**”) or in a separate prospectus specific to such Tranche (the “**Drawdown Prospectus**”) as described under “*Final Terms and Drawdown Prospectuses*” below. Copies of Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin (<https://live.euronext.com>).

All references herein to “**Final Terms**” shall, unless the context requires otherwise, be deemed to be references to relevant Drawdown Prospectus (as applicable).

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer and the Guarantor have confirmed to the Dealers named under “*Subscription and Sale*” below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Each of the Issuer and the Guarantor confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.

Neither the Dealers nor any of their respective affiliates have independently verified the information contained herein or authorised the whole or any part of this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the issue and offering of the Notes or any responsibility for any acts or omissions of the Issuer, the Guarantor or any other person in connection with the issue and offering of the Notes. None of the Dealers accepts any liability in

relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the offering of the Notes or their distribution. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”.

In particular, the Notes and the guarantee thereof have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantor, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by any Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Base Prospectus has been prepared on the basis that any offer of Notes in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law in the UK by virtue of the EUWA (the “**UK Prospectus Regulation**”) from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by any Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to the UK Prospectus Regulation or supplement a prospectus pursuant to the UK Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they

authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Product Governance under MiFID II

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled “*MiFID II Product Governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Product Governance under Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”)

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled “*UK MiFIR Product Governance*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Prohibition of sales to EEA retail investors

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of sales to United Kingdom retail investors

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail

investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

EU Benchmarks Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation. The registration status of any administrator under the EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator).

Product classification pursuant to Section 309B of the Securities and Futures Act 2001

The Final Terms in respect of any Notes may include a legend entitled “*Singapore Securities and Futures Act Product Classification*” which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (as modified or amended from time to time, the “**SFA**”). The Issuer will make a determination and provide the appropriate written notification to “relevant persons” in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

Programme limit

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed EUR 3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “*Subscription and Sale*”.

Rounding

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

ESG Ratings

The Group's exposure to Environmental, Social and Governance risks and the related management arrangements established to mitigate those risks has been and may further be assessed in the form of environmental, social and governance ratings ("**ESG ratings**"). The exposure of the Group and the EPIF Group to ESG-related risks was assessed by the independent ESG rating agency Morningstar Sustainalytics. ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ. ESG ratings assigned to the Group and the EPIF Group are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Base Prospectus or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer, the Guarantor, the Dealers or any other person to buy, sell or hold the Notes. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the assessment methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Base Prospectus).

Defined terms

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**UK**" are references to the United Kingdom, references to "**EU**" are references to the European Union, references to "**EUR**" or "**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended and references to "**U.S.\$**", "**USD**" and "**U.S. dollars**" are to the lawful currency of the United States. References to "**billions**" are to thousands of millions.

References to the "**Group**" are references to the Guarantor together with its subsidiaries, associates and joint ventures.

Presentation of financial and other information

The Group's financial information set forth in this Base Prospectus has, unless otherwise indicated, been derived from the Guarantor's unaudited semi-annual condensed consolidated financial statements as of and for the six months ended 30 June 2023 (with comparatives as of and for the six months ended 30 June 2022) incorporated by reference into this Base Prospectus (the "**Interim Financial Statements**"), audited consolidated financial statements as of and for the year ended 31 December 2022 (the "**2022 Financial Statements**") and audited consolidated financial statements as of and for the year ended 31 December 2021 (the "**2021 Financial Statements**"), and together with the 2022 Financial Statements, the "**Annual Financial Statements**", and the Annual Financial Statements together with the Interim Financial Statements, the "**Financial Statements**") incorporated by reference into this Base Prospectus. See "*Documents Incorporated by Reference*".

The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted in the EU and have been audited. The Interim Financial Statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 'Interim Financial Reporting' and have been reviewed by the auditors. The Euro is the presentation currency for the Financial Statements. The Financial Statements and financial information included elsewhere in this Base Prospectus have, unless otherwise noted, been presented in Euros.

Non-IFRS information

Included in this Base Prospectus are certain measures that are not measures defined by IFRS, namely, Underlying EBITDA, Proportionate Underlying EBITDA, CAPEX, Cash Generation, Cash Conversion Ratio (before income tax), Free Cash Flow, Cash Conversion Ratio, Gross Financial Debt, Proportionate Gross Financial Debt, Net Financial Debt, Proportionate Net Financial Debt, Net Underlying Leverage Ratio and Proportionate Net Underlying Leverage Ratio (together as the "**Non-IFRS Measures**"). Information regarding the Non-IFRS Measures is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital

requirements. The Non-IFRS Measures alone do not provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation or as a substitute for operating income or any other measure as an indicator of operating performance or as an alternative to cash generated from operating activities as a measure of liquidity.

In addition, the Non-IFRS Measures should not be used instead of, or considered as an alternative to, the Group's financial results as reported in the Financial Statements. The Group presented the Non-IFRS Measures because it believes they are helpful to investors and financial analysts in highlighting trends in its overall business. A reconciliation of the Non-IFRS Measures is presented below.

Underlying EBITDA and Proportionate Underlying EBITDA

Underlying EBITDA represents the profit (loss) for the period before income tax expenses, finance expense, finance income, change in impairment on financial instruments and other financial assets, share of profit (loss) of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, joint ventures and associates, depreciation, amortization and impairment of tangible and intangible assets and negative goodwill (the "Underlying EBITDA").

The following table provides a reconciliation of the Group's Underlying EBITDA for the six months ended 30 June 2023 and 2022, the 12 months ended 30 June 2023 and the years ended 31 December 2022 and 2021:

	Six months ended 30 June		12 months ended 30 June	Year ended 31 December	
	2023	2022	2023	2022	2021
			<i>(in EUR millions)</i>		
Profit (loss) for the period	1,929	1,252	4,468	3,791	1,227
Income tax expenses	(321)	(292)	(904)	(875)	(264)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	227	227	33
Share of profit (loss) of equity accounted investees, net of tax	847	284	1,338	775	(8)
Finance income	114	68	324	278	130
Finance expense	(188)	(108)	(302)	(222)	(173)
Change in impairment on financial instruments and other financial assets.....	(5)	5	126	136	(13)
Depreciation, amortisation and impairment.....	(389)	(377)	(886)	(874)	(764)
Underlying EBITDA	1,871	1,672	4,545	4,346	2,286

The Group presents Underlying EBITDA because it provides investors with relevant information on how management evaluates the operating performance of the Group on a consistent basis over time.

Due to the Group's shareholding in a number of subsidiaries being less than 100 per cent., it is useful to present the Proportionate Underlying EBITDA.

Proportionate Underlying EBITDA represents Underlying EBITDA, adjusted to deduct the portion attributable to non-controlling interests. The portion attributable to non-controlling interests for each reconciling item is calculated as the sum for each Group entity multiplied by the respective percentage of ownership not owned by the Group (the "Proportionate Underlying EBITDA").

The following table provides a reconciliation of the Group's Proportionate Underlying EBITDA for the six months ended 30 June 2023 and 2022, the 12 months ended 30 June 2023 and the years ended 31 December 2022 and 2021:

Key Metrics	Consolidated financial information	Less: Attributable to non-controlling interest	Proportionate share attributable to the owners of the Guarantor ⁽¹⁾
		<i>(in EUR millions)</i>	
Six months ended 30 June 2023			
Profit (loss) for the period.....	1,929	149	1,780
Income tax expenses	(321)	(54)	(267)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	-
Share of profit of equity accounted investees, net of tax ...	847	-	847
Finance income.....	114	37	77
Finance expense.....	(188)	(50)	(138)

Key Metrics	Consolidated financial information	Less: Attributable to non-controlling interest	Proportionate share attributable to the owners of the Guarantor ⁽¹⁾
Change in impairment on financial instruments and other financial assets	(5)	-	(5)
Depreciation, amortisation and impairment	(389)	(142)	(247)
Underlying EBITDA/Proportionate Underlying EBITDA.....	1,871	358	1,513
Six months ended 30 June 2022			
Profit (loss) for the period.....	1,252	218	1,034
Income tax expenses	(292)	(74)	(218)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	-
Share of profit of equity accounted investees, net of tax ...	284	-	284
Finance income.....	68	60	8
Finance expense.....	(108)	(43)	(65)
Change in impairment on financial instruments and other financial assets	5	1	4
Depreciation, amortisation and impairment	(377)	(138)	(239)
Underlying EBITDA/Proportionate Underlying EBITDA	1,672	411	1,260
12 months ended 30 June 2023			
Profit (loss) for the period.....	4,468	372	4,096
Income tax expenses	(904)	(140)	(764)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	227	-	227
Share of profit of equity accounted investees, net of tax ...	1,338	-	1,338
Finance income.....	324	78	246
Finance expense.....	(302)	(88)	(214)
Change in impairment on financial instruments and other financial assets	126	-	126
Depreciation, amortisation and impairment	(886)	(312)	(574)
Underlying EBITDA/Proportionate Underlying EBITDA	4,545	834	3,711
2022			
Profit (loss) for the period.....	3,791	441	3,350
Income tax expenses	(875)	(160)	(715)
Gain/(loss) on disposal of subsidiaries, joint ventures and associates	227	-	227
Share of profit of equity accounted investees, net of tax ...	775	-	775
Finance income.....	278	101	177
Finance expense.....	(222)	(81)	(141)
Change in impairment on financial instruments and other financial assets	136	1	135
Depreciation, amortisation and impairment	(874)	(308)	(566)
Underlying EBITDA/Proportionate Underlying EBITDA	4,346	888	3,458
2021			
Profit (loss) for the period.....	1,227	414	813
Income tax expenses	(264)	(135)	(129)
Gain/(loss) on disposal of subsidiaries, joint ventures and associates	33	2	31
Share of profit of equity accounted investees, net of tax ...	(8)	-	(8)
Finance income.....	130	56	74
Finance expense.....	(173)	(74)	(99)
Change in impairment on financial instruments and other financial assets	(13)	(2)	(11)
Depreciation, amortisation and impairment	(764)	(276)	(488)
Underlying EBITDA/Proportionate Underlying EBITDA	2,286	842	1,443

Notes:

- (1) The Group's shareholding in EP New Energy Italia S.r.l ("EPNEI"), the holding company of Biomasse Italia S.p.A., Biomasse Crotona S.p.A. and Fusine Energia S.r.l., includes indirect shareholding through LEAG. The Group's shareholding in EPNEI is therefore calculated as the sum of the 51 per cent. held directly by the Group and the 50 per cent. (corresponding to the Group's shareholding in LEAG as of the dates stated in the table) of the 49 per cent. held by LEAG. Recently, EPN's shareholders have announced their intention to separate the Group's energy transition assets, including its 50 per cent. shareholding in LEAG, from the Group and transfer them to EP Energy Transition. See "Description of the Guarantor—Energy Transition Plan".

The Group presents Proportionate Underlying EBITDA because the Group's percentage of ownership in a number of its subsidiaries is less than 100 per cent. and management believes that it is useful to present Proportionate Underlying EBITDA as it is indicative of dividend potential of the Group entities.

CAPEX

CAPEX represents cash outflow for acquisition of property, plant and equipment, investment property and intangible assets as presented in the consolidated statement of cash flows of the Group (the “CAPEX”).

The Group presents CAPEX because it provides investors with relevant information on the Group’s capital expenditures.

Cash Generation

Cash Generation represents Underlying EBITDA less CAPEX (the “Cash Generation”).

The Group presents Cash Generation because it provides provide investors with relevant information on how management assesses and measures its cash flow generating potential from ongoing operating activities and, as such, it is one of the key cash flow metrics.

Cash Conversion Ratio (before income tax)

Cash conversion ratio before income tax represents Cash Generation as a percentage of Underlying EBITDA (the “Cash Conversion Ratio (before income tax)”).

The Group presents Cash Conversion Ratio (before income tax) because it provides investors with relevant information on how management assesses and measures its cash flow generating potential from ongoing operating activities and, as such, it is one of the key cash flow metrics.

The following table provides a reconciliation of the Group’s Underlying EBITDA, CAPEX, Cash Generation and Cash Conversion Ratio (before income tax) on a segmental basis for the six months ended 30 June 2023 and 2022, the 12 months ended 30 June 2023 and the years ended 31 December 2022 and 2021:

Key Metrics	EPIF Group					EPPE Group			EPH Carbon-neutral	EPH Other	Consolidated Financial Information
	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other	Flexible Power Generation	EPPE Renewables	EPPE Other			
<i>(in EUR millions, unless stated otherwise)</i>											
Six months ended 30 June 2023											
Profit (loss) for the period	(22)	150	104	43	-	1,390	178	54	83	3	1,929
Income tax expenses	7	(50)	(34)	(14)	-	(197)	(8)	(18)	-	(1)	(321)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	-	-	-	-	-	(15)	-	-	-
Share of profit (loss) of equity accounted investees, net of tax	-	-	-	-	-	760	1	-	83	3	847
Finance income	-	12	7	5	-	38	-	104	-	2	114
Finance expense	(17)	(10)	(4)	(1)	-	(179)	(2)	(6)	-	(1)	(188)
Change in impairment on financial instruments and other financial assets	-	-	(1)	-	-	-	-	-	-	-	(5)
Depreciation, amortisation and impairment	(55)	(124)	(13)	(29)	(1)	(93)	(36)	(25)	-	(13)	(389)
Underlying EBITDA	43	322	149	82	1	1,061	223	14	-	13	1,871
CAPEX	(2)	(51)	(7)	(20)	-	(226)	(5)	(16)	-	(3)	(330)
Cash Generation	41	271	142	62	1	835	218	(2)	-	10	1,541
Cash Conversion Ratio (before income tax) (in per cent.)	95.35	84.16	95.30	75.61	100.00	78.70	97.76	(14.29)	-	76.92	82.36
Six months ended 30 June 2022											
Profit (loss) for the period	131	92	42	78	-	774	52	70	-	23	1,252
Income tax expenses	(43)	(34)	(13)	(18)	-	(153)	(29)	(20)	-	(1)	(292)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	-	-	-	-	-	-	-	-	-
Share of profit (loss) of equity accounted investees, net of tax	-	-	-	-	-	180	-	79	-	26	284
Finance income	42	2	1	4	-	(7)	(5)	3	-	11	68
Finance expense	(16)	(6)	(2)	(1)	(1)	(32)	(3)	(4)	-	(12)	(108)
Change in impairment on financial instruments and other financial assets	-	-	(1)	-	-	-	-	-	-	-	5
Depreciation, amortisation and impairment	(58)	(111)	(20)	(28)	(1)	(83)	(37)	(26)	-	(13)	(377)

Underlying EBITDA	206	241	77	121	2	869	126	38	-	12	1,672
CAPEX	(17)	(43)	(2)	(7)	(5)	(176)	(24)	(9)	-	(1)	(284)
Cash Generation	189	198	75	114	(3)	693	102	29	-	11	1,388
Cash Conversion Ratio (before income tax) (in per cent.)	91.75	82.16	97.40	94.21	(150.00)	79.75	80.95	76.32	-	91.67	83.01
12 months ended 30 June 2023											
Profit (loss) for the period	15	287	324	81	1	3,032	254	55	166	10	4,468
Income tax expenses	(5)	(89)	(106)	(23)	(1)	(524)	(78)	(40)	-	(2)	(904)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	-	-	-	-	-	(15)	-	-	227
Share of profit (loss) of equity accounted investees, net of tax	-	-	-	-	-	1,377	2	(75)	30	5	1,338
Finance income	27	25	8	7	-	29	(26)	186	-	(5)	324
Finance expense	(32)	(26)	(6)	(2)	-	(283)	(11)	(8)	-	9	(302)
Change in impairment on financial instruments and other financial assets	-	-	(1)	-	-	-	-	-	136	-	126
Depreciation, amortisation and impairment	(136)	(243)	(21)	(60)	(2)	(195)	(107)	(60)	-	(28)	(886)
Underlying EBITDA	161	620	450	159	4	2,628	474	67	-	31	4,545
CAPEX	(17)	(97)	(15)	(53)	4	(525)	(44)	(37)	-	(14)	(798)
Cash Generation	144	523	435	106	8	2,103	430	30	-	17	3,747
Cash Conversion Ratio (before income tax) (in per cent.)	89.44	84.35	96.67	66.67	200.00	80.02	90.72	44.78	-	54.84	82.44
2022											
Profit (loss) for the period	168	229	262	116	1	2,416	128	71	83	30	3,791
Income tax expenses	(55)	(73)	(85)	(27)	(1)	(480)	(99)	(42)	-	(2)	(875)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	-	-	-	-	-	-	-	-	227
Share of profit (loss) of equity accounted investees, net of tax	-	-	-	-	-	797	1	4	(53)	28	775
Finance income	69	15	2	6	-	(16)	(31)	85	-	4	278
Finance expense	(31)	(22)	(4)	(2)	(1)	(136)	(12)	(6)	-	(2)	(222)
Change in impairment on financial instruments and other financial assets	-	-	1	-	-	-	-	-	(136)	-	(136)
Depreciation, amortisation and impairment	(139)	(230)	(28)	(59)	(2)	(185)	(108)	(61)	-	(28)	(874)
Underlying EBITDA	324	539	378	198	5	2,436	377	91	-	30	4,346
CAPEX	(32)	(89)	(10)	(40)	(1)	(475)	(63)	(30)	-	(12)	(752)
Cash Generation	292	450	368	158	4	1,961	314	61	-	18	3,594
Cash Conversion Ratio (before income tax) (in per cent.)	90.12	83.49	97.35	79.80	80.00	80.50	83.29	67.03	-	60.00	82.70
2021											
Profit (loss) for the period	262	214	112	47	1	660	75	(191)	52	8	1,227
Income tax expenses	(86)	(70)	(34)	(9)	-	(24)	(23)	(6)	-	(4)	(264)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	-	-	-	1	-	-	-	-	33
Share of profit (loss) of equity accounted investees, net of tax	-	-	-	-	-	77	4	(132)	52	-	(8)
Finance income	16	2	2	5	-	16	(4)	2	-	23	130
Finance expense	(31)	(12)	(5)	(3)	(1)	(35)	(10)	(4)	-	(19)	(173)
Change in impairment on financial instruments and other financial assets	-	(1)	(2)	-	-	(3)	(2)	-	-	-	(13)
Depreciation, amortisation and impairment	(116)	(226)	(29)	(52)	(3)	(135)	(103)	(71)	-	(29)	(764)
Underlying EBITDA	479	521	180	106	5	763	213	20	-	37	2,286
CAPEX	(25)	(83)	(9)	(34)	-	(271)	(7)	(8)	-	(4)	(441)
Cash Generation	454	438	171	72	5	492	206	12	-	33	1,845
Cash Conversion Ratio (before income tax) (in per cent.)	94.78	84.07	95.00	67.92	100.00	64.48	96.71	60.00	-	89.19	80.71

Notes:

(1) The table excludes Holding Entities and Intersegment eliminations. See Note 5 to the Interim Financial Statements for a complete overview.

Free Cash Flow

Free cash flow represents Underlying EBITDA less CAPEX less income tax paid (the “Free Cash Flow”).

The Group presents Free Cash Flow because it provides provide investors with relevant information on how management assesses and measures its cash flow generating potential from ongoing operating activities and, as such, it is one of the key cash flow metrics.

Cash Conversion Ratio

Cash conversion ratio represents Free Cash Flow as a percentage of Underlying EBITDA (the “**Cash Conversion Ratio**”).

The Group presents Cash Conversion Ratio because it provides investors with relevant information on how management assesses and measures its cash flow generating potential from ongoing operating activities and, as such, it is one of the key cash flow metrics.

The following table provides a reconciliation of the Group’s Free Cash Flow and Cash Conversion Ratio for the six months ended 30 June 2023 and 2022, the 12 months ended 30 June 2023 and the years ended 31 December 2022 and 2021:

	Six months ended 30 June		12 months ended 30 June	Year ended 31 December	
	2023	2022	2023	2022	2021
	<i>(in EUR millions, unless stated otherwise)</i>				
Underlying EBITDA	1,871	1,672	4,545	4,346	2,286
CAPEX	(330)	(284)	(798)	(752)	(441)
Income tax paid	(407)	(219)	(595)	(407)	(416)
Free Cash Flow	1,134	1,169	3,152	3,187	1,429
Cash Conversion Ratio (in per cent.)	60.61	69.62	69.35	73.33	62.51

The following table provides a reconciliation of Underlying EBITDA, CAPEX, Free Cash Flow and Cash Conversion Ratio of the Group and of the sum of its select segments, namely the Gas Transmission Business, Gas and Power Distribution Business, Gas Storage Business, Heat Infra Business and EPIF Other Business (together, the “**EPIF Group Segments**”) and Flexible Power Generation Business, EPPE Renewables Business, EPPE Other Business, EPH Carbon-neutral Business and EPH Other Business (together, the “**EPPE Group and EPH Segments**”), for the six months ended 30 June 2023 and 2022, the 12 months ended 30 June 2023 and the years ended 31 December 2022 and 2021:

Key Metrics	EPIF Group Segments ⁽¹⁾	EPPE Group and EPH Segments ⁽²⁾	Group
	<i>(in EUR millions, unless stated otherwise)</i>		
Six months ended 30 June 2023			
Profit (loss) for the period	275	1,708	1,929
Income tax expenses	(91)	(224)	(321)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	(15)	-
Share of profit (loss) of equity accounted investees, net of tax	-	847	847
Finance income	24	144	114
Finance expense	(32)	(188)	(188)
Change in impairment on financial instruments and other financial assets	(1)	-	(5)
Depreciation, amortisation and impairment	(222)	(167)	(389)
Underlying EBITDA	597	1,311	1,871
CAPEX	(80)	(250)	(330)
Income tax paid	(135)	(226)	(407)
Free Cash Flow	382	835	1,134
Cash Conversion Ratio (in per cent.)	63.99	63.69	60.61
Six months ended 30 June 2022			
Profit (loss) for the period	343	919	1,252
Income tax expenses	(108)	(203)	(292)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	-
Share of profit (loss) of equity accounted investees, net of tax	-	285	284
Finance income	49	2	68
Finance expense	(26)	(51)	(108)
Change in impairment on financial instruments and other financial assets	(1)	-	5
Depreciation, amortisation and impairment	(218)	(159)	(377)
Underlying EBITDA	647	1,045	1,672
CAPEX	(74)	(210)	(284)
Income tax paid	(132)	(67)	(219)

Free Cash Flow	441	768	1,169
Cash Conversion Ratio (in per cent.)	68.16	73.49	69.62
12 months ended 30 June 2023			
Profit (loss) for the period	708	3,517	4,468
Income tax expenses	(224)	(644)	(904)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	(15)	227
Share of profit (loss) of equity accounted investees, net of tax	-	1,339	1,338
Finance income	67	184	324
Finance expense	(66)	(293)	(302)
Change in impairment on financial instruments and other financial assets	(1)	136	126
Depreciation, amortisation and impairment.....	(462)	(390)	(886)
Underlying EBITDA	1,394	3,200	4,545
CAPEX	(178)	(620)	(798)
Income tax paid.....	(231)	(304)	(595)
Free Cash Flow	985	2,276	3,152
Cash Conversion Ratio (in per cent.)	70.66	71.13	69.35
2022			
Profit (loss) for the period	776	2,728	3,791
Income tax expenses	(241)	(623)	(875)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	-	227
Share of profit (loss) of equity accounted investees, net of tax	-	777	775
Finance income	92	42	278
Finance expense	(60)	(156)	(222)
Change in impairment on financial instruments and other financial assets	(1)	136	136
Depreciation, amortisation and impairment.....	(458)	(382)	(874)
Underlying EBITDA	1,444	2,934	4,346
CAPEX	(172)	(580)	(752)
Income tax paid.....	(228)	(145)	(407)
Free Cash Flow	1,044	2,209	3,187
Cash Conversion Ratio (in per cent.)	72.30	75.29	73.33
2021			
Profit (loss) for the period	636	604	1,227
Income tax expenses	(199)	(57)	(264)
Gain (loss) on disposal of subsidiaries, joint ventures and associates	-	1	33
Share of profit (loss) of equity accounted investees, net of tax	-	1	(8)
Finance income	25	37	130
Finance expense	(52)	(68)	(173)
Change in impairment on financial instruments and other financial assets	(3)	(5)	(13)
Depreciation, amortisation and impairment.....	(426)	(338)	(764)
Underlying EBITDA	1,291	1,033	2,286
CAPEX	(151)	(290)	(441)
Income tax paid.....	(266)	(156)	(416)
Free Cash Flow	874	587	1,429
Cash Conversion Ratio (in per cent.)	67.70	56.82	62.51

Notes:

- (1) Calculated as the sum of the EPIF Group Segments. Excludes Intersegment elimination and Holding Entities.
- (2) Calculated as the sum of the EPPE Group and EPH Segments. Excludes Intersegment elimination and Holding Entities.

Gross Financial Debt and Proportionate Gross Financial Debt

Gross financial debt of the Group represents loans and borrowings and issued bills of exchange (the “**Gross Financial Debt**”).

The Group presents Gross Financial Debt because it provides investors with relevant information on the development of the Group’s debt between periods and, as such, is a key debt metric.

Proportionate gross financial debt of the Group represents Gross Financial Debt adjusted to deduct the portion attributable to non-controlling interests (the “**Proportionate Gross Financial Debt**”). The portion attributable

to non-controlling interests for each reconciling item is calculated as the sum for each Group entity multiplied by the respective percentage of ownership not owned by the Group.

The Group presents Proportionate Gross Financial Debt as the Group's shareholding in a number of subsidiaries is less than 100 per cent. and management believes that Proportionate Gross Financial Debt is representative of where the debt is drawn.

Net Financial Debt and Proportionate Net Financial Debt

Net financial debt represents Gross Financial Debt (as defined and reconciled above) less cash and cash equivalents (as included in the consolidated financial statements of the Group) (the “**Net Financial Debt**”).

The Group presents Net Financial Debt because it provides investors with relevant information on the development of the Group's debt between periods and, as such, is a key debt metric.

Proportionate net financial debt of the Group represents Net Financial Debt adjusted to deduct the portion attributable to non-controlling interests (the “**Proportionate Net Financial Debt**”). The portion attributable to non-controlling interests for each reconciling item is calculated as the sum for each Group entity multiplied by the respective percentage of ownership not owned by the Group.

The Group presents Proportionate Net Financial Debt as the Issuer's shareholding in a number of subsidiaries is less than 100 per cent. and management believes that Proportionate Net Financial Debt is representative of where the debt is drawn.

The following table provides a reconciliation of Gross Financial Debt and Net Financial Debt of the Group and the sum of its select segments, namely the EPIF Group Segments together with holding entities and the EPPE Group and EPH Segments together with holding entities, as of 30 June 2023 and as of 31 December 2022 and 2021:

Key Metrics	EPIF Group Segments and holding entities ⁽¹⁾	EPPE Group and EPH Segments and holding entities ⁽²⁾ <i>(in EUR millions)</i>	Group
As of 30 June 2023			
Loans and borrowings	4,164	4,182	8,346
Issued bills of exchange	-	3	3
Gross Financial Debt	4,164	4,185	8,349
Cash and cash equivalents.....	1,619	1,638	3,257
Net Financial Debt.....	2,545	2,547	5,092
As of 31 December 2022			
Loans and borrowings	4,629	3,078	7,707
Issued bills of exchange	-	213	213
Gross Financial Debt	4,629	3,291	7,920
Cash and cash equivalents.....	1,548	1,462	3,010
Net Financial Debt.....	3,081	1,829	4,910
As of 31 December 2021			
Loans and borrowings	4,141	2,925	7,066
Issued bills of exchange	-	42	42
Gross Financial Debt	4,141	2,967	7,108
Cash and cash equivalents.....	501	1,996	2,497
Net Financial Debt.....	3,640	971	4,611

Notes:

- (1) Calculated as the sum of the EPIF Group Segments and Holding Entities. Includes only external loans and borrowings and issued bills of exchange.
- (2) Calculated as the sum of the EPPE Group and EPH Segments and Holding Entities. Includes only external loans and borrowings and issued bills of exchange.

The following table provides a reconciliation of the Group's Proportionate Gross Financial Debt and Proportionate Net Financial Debt as of 30 June 2023 and 31 December 2022 and 2021:

Key Metrics	Consolidated financial information	Less: Attributable to non-controlling interest <i>(in EUR millions)</i>	Proportionate share attributable to the owners of the Guarantor ⁽¹⁾
As of 30 June 2023			
Loans and borrowings	8,346	1,922	6,424
Issued bills of exchange	3	-	3
Gross Financial Debt/Proportionate Gross Financial Debt	8,349	1,922	6,427
Cash and cash equivalents	3,257	872	2,385
Net Financial Debt/Proportionate Net Financial Debt ...	5,092	1,050	4,042
As of 31 December 2022			
Loans and borrowings	7,707	2,089	5,618
Issued bills of exchange	213	-	213
Gross Financial Debt/Proportionate Gross Financial Debt	7,920	2,089	5,831
Cash and cash equivalents	3,010	794	2,216
Net Financial Debt/Proportionate Net Financial Debt ...	4,910	1,295	3,615
As of 31 December 2021			
Loans and borrowings	7,066	1,910	5,156
Issued bills of exchange	42	0	42
Gross Financial Debt/Proportionate Gross Financial Debt	7,108	1,910	5,198
Cash and cash equivalents	2,497	293	2,204
Net Financial Debt/Proportionate Net Financial Debt	4,611	1,617	2,994

Notes:

- (1) The Group's shareholding in EPNEI, the holding company of Biomasse Italia S.p.A., Biomasse Crotone S.p.A. and Fusine Energia S.r.l., includes indirect shareholding through LEAG. The Group's shareholding in EPNEI is therefore calculated as the sum of the 51 per cent. held directly by the Group and the 50 per cent. (corresponding to the Group's shareholding in LEAG as of the dates stated in the table) of the 49 per cent. held by LEAG. Recently, EPH's shareholders have announced their intention to separate the Group's energy transition assets, including its 50 per cent. shareholding in LEAG, from the Group and transfer them to EP Energy Transition. See "Description of the Guarantor—Energy Transition Plan".

Net Underlying Leverage Ratio and Proportionate Net Underlying Leverage Ratio

Net underlying leverage ratio represents Net Financial Debt (as defined and reconciled above) divided by Underlying EBITDA (as defined and reconciled above) (the "Net Underlying Leverage Ratio").

Proportionate net underlying leverage ratio represents Proportionate Net Financial Debt divided by Proportionate Underlying EBITDA (the "Proportionate Net Underlying Leverage Ratio").

The Group presents Net Underlying Leverage Ratio and Proportionate Net Underlying Leverage Ratio because they provide investors with relevant information on development of ratio between operating performance of the Group and indebtedness between periods and, as such, are key debt and performance metrics.

The following table provides a reconciliation of Net Underlying Leverage Ratio of the Group and the sum of its select segments, namely the EPIF Group Segments and the EPPE Group and EPH Segments, as of and for the 12 months ended 30 June 2023 and as of and for the years ended 31 December 2022 and 2021:

Key Metrics	EPIF Group Segments ⁽¹⁾	EPPE Group and EPH Segments ⁽²⁾	Group
<i>(in EUR millions, unless stated otherwise)</i>			
As of and for the 12 months ended 30 June 2023			
Net Financial Debt	2,545	2,547	5,092
Underlying EBITDA	1,394	3,200	4,545
Net Underlying Leverage Ratio	1.8x	0.8x	1.1x
As of and for the year ended 31 December 2022			
Net Financial Debt	3,081	1,829	4,910
Underlying EBITDA	1,444	2,934	4,346
Net Underlying Leverage Ratio	2.1x	0.6x	1.1x
As of and for the year ended 31 December 2021			
Net Financial Debt	3,640	971	4,611
Underlying EBITDA	1,291	1,033	2,286

Net Underlying Leverage Ratio	2.8x	0.9x	2.0x
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Notes:

- (1) Net Financial Debt calculated as the sum of the EPIF Group Segments and Holding Entities and includes only external loans and borrowings and issued bills of exchange. Underlying EBITDA calculated as the sum of the EPIF Group Segments and excluding Intersegment elimination and Holding Entities.
- (2) Net Financial Debt calculated as the sum of the EPPE Group and EPH Segments and Holding Entities and includes only external loans and borrowings and issued bills of exchange. Underlying EBITDA calculated as the sum of the EPPE Group and EPH Segments and excluding Intersegment elimination and Holding Entities.

The following table provides an overview of the Proportionate Net Underlying Leverage Ratio for the Group as of and for the 12 months ended 30 June 2023 and as of and for the years ended 31 December 2022 and 2021:

	As of and for the 12 months ended		As of and for the year ended	
	30 June		31 December	
	2023 ⁽²⁾		2022	2021
Proportionate Net Underlying Leverage Ratio ⁽¹⁾	1.1x		1.0x	2.1x

Notes:

- (1) The Group's shareholding in EPNEI, the holding company of Biomasse Italia S.p.A., Biomasse Crotona S.p.A. and Fusine Energia S.r.l., includes indirect shareholding through LEAG. The Group's shareholding in EPNEI is therefore calculated as the sum of the 51 per cent. held directly by the Group and the 50 per cent. (corresponding to the Group's shareholding in LEAG as of the dates stated in the table) of the 49 per cent. held by LEAG. Recently, EPH's shareholders have announced their intention to separate the Group's energy transition assets, including its 50 per cent. shareholding in LEAG, from the Group and transfer them to EP Energy Transition. See "*Description of the Guarantor—Energy Transition Plan*".
- (2) Calculated using Proportionate Underlying EBITDA for the 12 months ended 30 June 2023.

Changes in accounting policies

Until 31 December 2021, the Guarantor's functional currency was CZK and the 2021 Financial Statements were prepared in CZK and presented in EUR. From 1 January 2022, the Guarantor's functional currency is EUR. The 2022 Financial Statements were prepared in EUR, which is also the Group's presentation currency. For details see Note 2(d) to the 2022 Financial Statements.

Financial information for the 12 months ended 30 June 2023

The Group's financial information presented in this Base Prospectus for the 12 months ended 30 June 2023 has been derived from the 2022 Financial Statements and the Interim Financial Statements by subtracting the comparatives for the six months ended 30 June 2022 from the financial information for the year ended 31 December 2022 and adding the financial information for the six months ended 30 June 2023.

Use of certain terms

The terms underlying EBITDA, CAPEX, cash generation, free cash flow, cash conversion ratio, gross financial debt, net financial debt and net underlying leverage ratio do not represent the terms of the same or similar names as may be defined by any documentation for any financial liabilities of the Group. Further, the terms Underlying EBITDA, Net Underlying Leverage Ratio, Proportionate Net Underlying Leverage Ratio, Gross Financial Debt, Proportionate Gross Financial Debt, Net Financial Debt, Proportionate Net Financial Debt as defined above do not represent the terms of similar names, namely Consolidated EBITDA, Consolidated Leverage Ratio, Financial Indebtedness and Indebtedness, respectively, as defined and used in section "*Terms and Conditions of the Notes*" of this Base Prospectus.

Exchange rate information

Translations of amounts from CZK to EUR are solely for the convenience of the reader and, unless otherwise stated, are made at exchange rates on 31 December 2022 or 30 June 2023, as applicable. No representation is made that EUR or CZK amounts referred to herein could have been or could be converted into EUR or CZK, as the case may be, at these rates, at any particular rate or at all. The rate on 31 December 2022 was EUR 0.04147 = CZK 1.00 and CZK 24.114 = EUR 1.00 and the average rate for the year ended 31 December 2022 was EUR 0.04071 = CZK 1.00 and CZK 24.566 = EUR 1.00. The rate on 30 June 2023 was EUR 0.04212 =

CZK 1.00 and CZK 23.742 = EUR 1.00 and the average rate during the six months ended 30 June 2023 was EUR 0.04222 = CZK 1.00 and CZK 23.687 = EUR 1.00.

Websites

Information contained on any website referred to herein, unless explicitly incorporated into this Base Prospectus by reference (see “*Documents Incorporated by Reference*”), does not form part of this Base Prospectus.

Foreign language terms

This Base Prospectus is drawn up in the English language. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Forward-looking statements

This Base Prospectus contains certain forward-looking statements. The words “anticipate”, “believe”, “expect”, “plan”, “intend”, “targets”, “aims”, “estimate”, “project”, “will”, “would”, “may”, “could”, “continue” and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Base Prospectus, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuer and the Guarantor are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Group’s actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group expects to operate in the future. Important factors that could cause the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed under “*Risk Factors*”.

Any forward-looking statements made by or on behalf of the Issuer or the Guarantor speak only as at the date they are made. Neither the Issuer nor the Guarantor undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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OVERVIEW

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Base Prospectus will be published.

Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this overview.

The Issuer:	EPH Financing International, a.s., incorporated under the laws of the Czech Republic
The Guarantor:	Energetický a průmyslový holding, a.s., incorporated under the laws of the Czech Republic.
Arrangers and Dealers:	Citigroup Global Markets Europe AG Commerzbank Aktiengesellschaft ING Bank N.V. SMBC Bank EU AG UniCredit Bank AG
Dealers:	Erste Group Bank AG and any other Dealers appointed in accordance with the Dealer Agreement
Fiscal Agent:	Citibank, N.A., London Branch
Transfer Agent and Registrar:	Citibank Europe plc
Description:	Euro Medium Term Note Programme
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Base Prospectus.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Programme Size:	Up to EUR 3,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will also be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in any currency or currencies agreed between the Issuer and the relevant Dealer, subject to any applicable legal or regulatory restrictions.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a combination thereof and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc. or the latest version of ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant final terms, each as published by ISDA (or any successor) on its website (http://www.isda.org), on the date of issue of the first Tranche of the Notes of such Series; or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service. <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated</p>

on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their principal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see “Certain Restrictions – Selling Restrictions Addressing Additional United Kingdom Securities Laws”.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Subscription and Sale – Other UK regulatory restrictions*”, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public either in a Member State of the European Economic Area or in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under either the Prospectus Regulation or the UK Prospectus Regulation will be EUR 100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 11 (*Taxation*). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 11 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

The Issuer will require the Beneficial Ownership Information to be duly collected and delivered to the Issuer in accordance with the Certification Procedures. The obligation to pay additional amounts in respect of any Withholding Tax under Condition 11 (*Taxation*) will be subject to additional carve-outs specified therein.

Negative Pledge:

The terms of the Notes will contain a negative pledge provision as further described in Condition 5 (*Covenants*).

Cross Acceleration:

The terms of the Notes will contain a cross acceleration provision as further described in Condition 12 (*Events of Default*).

Listing and admission to trading:

Application has been made to Euronext Dublin for Notes to be admitted during the period of twelve months after the date hereof

to listing on the official list and to trading on the regulated market of Euronext Dublin.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

United States Selling Restrictions:

Regulation S, Category 2.

Status and Guarantee:

The Notes are senior, unsubordinated, unconditional and unsecured obligations of the Issuer.

The guarantee is a senior, unsubordinated, unconditional and unsecured obligation of the Guarantor.

Form:

The Notes will be issued in registered form.

Rating:

Tranches of Notes issued under the Programme will be rated or unrated.

As of the date of this Base Prospectus, the ratings of the Guarantor from S&P and Fitch are BBB- (stable outlook) and BBB- (stable outlook), respectively.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation.

Governing Law:

The Notes, the Agency Agreement, the Deed of Guarantee, the Deed of Covenant and any Subscription Agreement, and any non-contractual obligations arising out of or in connection therewith, will be governed by English law.

Clearing Systems:

Euroclear and Clearstream, Luxembourg.

Selling Restrictions:

See “*Subscription and Sale*”.

Risk Factors:

Investing in the Notes involves risks. Investors should carefully consider all of the information in this Base Prospectus, which includes information incorporated by reference. In particular,

investors should evaluate the specific factors under “*Risk Factors*” in this Base Prospectus.

Financial Information:

See “*Important Notices—Presentation of financial and other information*”, “*Documents Incorporated by Reference*” and “*Selected Financial Information*”.

Use of proceeds:

The Issuer will, unless otherwise specified in the applicable Final Terms, use the net proceeds from the issue of the Notes for general corporate purposes, including the provision of loans to other members of the Group.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the Group's business and the industry in which it operates, together with all other information contained in this Base Prospectus including, in particular, the risk factors described below.

Investors should note that the risks described below are not the only risks the Group may face. These are the risks that the Group currently considers to be material. There may be additional risks that the Group currently considers to be immaterial or of which it is currently unaware and any of these risks could have similar effects to those set forth below.

In this Base Prospectus, the most material risk factors have been presented at the beginning in each category. The order of presentation of the remaining risk factors in each category in this Base Prospectus is not intended to be an indication of the probability of their occurrence or of their potential effect on the Issuer's ability to fulfil its obligations under the Notes.

RISKS RELATING TO THE ISSUER AND THE GUARANTOR

Risks related to the Issuer's ability to fulfil its obligations under the Notes and the Guarantor's ability to fulfil its obligations under the Guarantee

The Issuer is a financing company with limited operational history and is dependent on other Group companies, as the only source of its income will be the repayment by the other Group companies of the loans provided to them by the Issuer.

The Issuer has a limited operational history and its objective is to operate as a financing company for the Group. The Issuer intends to lend the proceeds from the issuance of the Notes to other Group companies and, in doing so, may enter into certain ancillary arrangements. The Issuer is therefore highly dependent on the other Group companies' financial strength as its only source of income will be the repayment of all principal amounts and interest under inter-company loan agreements to be entered into between the Issuer as the lender and other Group companies as the borrowers. If any of the risks mentioned in the sections "*—Political risks*", "*—Risks related to the Group's businesses and industries generally*" and "*—Risks relating to the Group's financial profile*" have a material adverse effect on the Group's ability to conduct its business and generate revenues, or any other events materially adversely affect the Group's business, results of operations or financial condition and the relevant Group companies become unable to make the scheduled repayments pursuant to inter-company loan agreements between such Group companies and the Issuer, this will have a material adverse effect on the Issuer's ability to satisfy in full and on a timely basis its obligations in respect of the Notes. As such, the Issuer is subject to all the risks to which the Group is subject, to the extent that such risks could limit the Issuer's ability to satisfy its obligations under the Notes in full and on a timely basis.

The Guarantor is a holding company with no material revenue generating operations of its own and is dependent on cash flow from its operating subsidiaries to service its indebtedness, including the Guarantee.

The Guarantor is a holding company and its primary assets consist of its shares in its subsidiaries, cash in its bank accounts and loans to subsidiaries. The Guarantor has no material revenue generating operations of its own and the majority of its activities are focused on the management of its own shareholdings within the Group and providing loans and guarantees mainly to the companies of the Group. Therefore, the Guarantor's cash flow and ability to service its indebtedness, including the Guarantee, will depend primarily on the operating performance and financial condition of its operating subsidiaries and the receipt by the Guarantor of funds from such subsidiaries in the form of interest payments, dividends or otherwise, or receipt of funds from external entities. Because the Guarantor's ability to perform its obligations under the Guarantee is dependent upon the cash flows of the Guarantor's operating subsidiaries, the Guarantor may be unable to perform its obligations under the Guarantee.

The operating performance and financial condition of the Guarantor's operating subsidiaries or the external entities and the ability of such subsidiaries or external entities to provide funds to the Guarantor by way of interest payments, dividends or otherwise will in turn depend, to some extent, on general economics, financial, competitive, market and other factors, many of which are beyond the Guarantor's control. The Guarantor's operating subsidiaries may not generate income and cash flow sufficient to enable the Guarantor to meet its obligations under the Guarantee.

A material part of the Group's financial indebtedness is structurally senior to the financial indebtedness of the Guarantor under the Guarantee.

A material part of the Group's indebtedness is owed by the subsidiaries of the Guarantor and, consequently, is structurally senior to the indebtedness of the Guarantor under the Guarantee. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceedings in respect of the subsidiaries of the Guarantor, investors in the Notes will not have access to the assets of such subsidiaries until after all of the subsidiary's creditors have been paid and the remaining assets have been distributed to the Guarantor as their direct or indirect shareholder.

Political risks

The Group's business is exposed to political, economic and social developments in the countries where it operates, including the ongoing war in Ukraine and the political and economic uncertainty it creates.

A majority of the Group's operations are located in Germany, the Slovak Republic, Italy, the United Kingdom, the Netherlands, France, Ireland, the Czech Republic and Switzerland. The Group also depends, to a smaller extent, on demand or supply from a number of other countries. Therefore, the Group's results of operations are affected by political, economic and social conditions in these countries, as the level of economic activity may have an effect on the consumption of power, gas and heat which is generated, transported or distributed by the Group's business. The political, economic and social conditions in these countries can be affected by, among other things, external economic shocks and global monetary policies, high inflation and rising interest rates, future outbreaks of COVID-19, its variants or other contagious disease, geopolitical tensions between the United States, China and other countries or armed conflicts, such as the ongoing war in Ukraine, or other regional conflicts, such as the military coup in Niger which took place in July 2023, imposition of international sanctions against Russia or other countries or trading partners, volatility in commodity prices and energy costs, slowdown of economic activity in Europe, the United States or China or significant supply chain disruptions affecting the availability of commodities or technologies. As the Group owns essential infrastructure across the countries where it operates, it may become the target of nationalisation or punitive tax measures or similar obligations towards the state authorities.

In particular, the ongoing war in Ukraine and the related sanctions have led and continue to lead to global market disruptions, including supply chain interruptions, significant volatility in commodity and energy prices as well as in credit and capital markets, and may further negatively affect the economy of the countries where the Group operates. As Ukraine is a significant entry/exit point for the Group for gas transit, apart from other directions, also from Russia, the current tensions could also adversely affect Ukraine's ability to transport gas to or from the system of eustream, a.s. ("**Eustream**"). During 2022, the Russian state-owned company Gazprom reduced and subsequently interrupted the gas flow transported through Nord Stream I and the Yamal pipeline and reduced gas flow transported through the Brotherhood pipeline. The overall volumes of gas supplied from the Russian Federation to the EU and the United Kingdom decreased to approximately 67 billion cubic metres ("**bcm**") in the year ended 31 December 2022 as compared to approximately 150 bcm in the year ended 31 December 2021. Further, Net4Gas, the Czech transmission system operator (the "**TSO**"), announced in January 2023 that it had not received the latest monthly payment from its key Russian customer. In April 2023, Net4Gas announced that it decided to commence arbitration proceedings against this key Russian customer.

The interruption of gas flows from Ukraine could negatively impact the performance of Eustream as a portion of its revenues is dependent on the commercial gas flows in the Eustream network. This in particular concerns revenues from gas-in-kind, i.e., a pre-agreed fixed percentage of commercial gas transmission volume received from the shippers by Eustream for its operational needs, which the shippers do not supply in case the booked capacity is not utilised. The majority of the gas transmitted by Eustream is attributable to one material contract with a Russian shipper (the "**Russian Shipper**") concluded in 2008 and due to expire in 2028. In the context of

the ongoing military invasion of Ukraine and associated sanctions targeting the Russian Federation and taking into account the payment default experienced by the Czech TSO Net4Gas, the Group cannot guarantee that the Russian Shipper will not default on its payment obligation towards Eustream. The Group also cannot guarantee that the Russian Shipper will prolong its long-term transit contract for the transit of gas from Russia through Ukraine after its expiry in 2024 or that it will replace it by short-term contracts. Failure to do so would further increase the risk of a payment default by the Russian Shipper under its material contract with Eustream. Eustream (i.e. the Gas Transmission Business) represented 3.5 per cent. of the Group's Underlying EBITDA for the 12 months ended 30 June 2023 and EPH economically owns only approximately 33.8 per cent. of Eustream.

In the ordinary course of their business, certain Group companies, including Eustream, have entered or may from time to time enter into transactions with counterparties that are the target of sectoral sanctions imposed in connection with the ongoing war in Ukraine. While sectoral sanctions, which prohibit only certain economic activities, permit the types of transactions that the relevant Group companies have entered, or may from time to time enter, into with such sanctioned counterparty, there is a risk that the sanctions regime may change and, as a result, such transactions may become prohibited, which may result in, among other things, the inability of the sanctioned counterparty to duly fulfil its contractual obligations vis-à-vis the relevant Group company or for the relevant Group company to be potentially prohibited from fulfilling its contractual obligations with the sanctioned counterparty. From time-to-time, the Group may store material volumes of natural gas in gas storage facilities on the Ukrainian territory. A damage to or loss of these facilities or failure to perform the storage contracts by the relevant counterparties could have material adverse effect on the Group as a whole.

In addition, a snap parliamentary elections were held in the Slovak Republic in September 2023, following a loss of the government in a confidence vote in December 2022. Similarly, parliamentary elections are to be held in the Netherlands at the end of November 2023. There can be no assurance that the new government in the Slovak Republic and the Netherlands will not introduce changes in the current economic, fiscal, and regulatory policies, including introduction of any new sector-specific taxes or changes in existing tax rates, which would have a material adverse effect on the Group.

Any significant downturn in the economies of the countries where the Group operates as well as any changes in economic, tax, regulatory, administrative or other conditions or policies over which the Group has no control or the ongoing geopolitical tensions related to the war in Ukraine, as well as any further escalation or expansion of the conflict or imposition of further sanctions, could have a direct or indirect material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group is subject to risks related to taxation.

The Group is exposed to the risk that the countries in which it operates may increase tax rates, limit tax deductions and benefits or introduce new specific taxes or price regulation on certain sectors, including the utilities sector. For example, the Slovak Republic has imposed a measure in a form of a special levy on businesses in regulated industries, including the energy sector. The levy is payable by any regulated entity, i.e., a licensed entity with profit exceeding EUR 3 million for the respective accounting period. The basis for calculation of the levy is the financial result (profit) for the relevant year multiplied by a specific coefficient (calculated as a ratio between the revenues from regulated activities and total revenues). The levy is payable on a monthly basis. With effect from 1 January 2021, the levy rate has been set at 0.00363 but there is no assurance that it will not increase in the future. In 2022 and 2021, the Group incurred costs of EUR 3 million and EUR 4 million, respectively, in respect of this special levy.

Moreover, for the calendar years 2023 to 2025, the Czech Republic has imposed a so-called windfall tax on companies in the energy sector in order to tax surplus profits resulting from the energy crisis. The tax is imposed on any entity operating in the energy sector with revenues generated from relevant activities exceeding a certain limit. The windfall tax in the energy sector covers entities engaged in power generation except for combined heat and power generation where the ratio of produced power and heat does not exceed a coefficient of 4.4. As this exception is applicable to all heating plants operated by the Group, the only relevant entities of the Group that are subject to the windfall tax are EP ENERGY TRADING, a.s. ("EPET") and its subsidiary Dobrá Energie s.r.o. ("DE"). The windfall tax rate amounts to 60 per cent. on top of the regular tax rate, in total amounting to 79 per cent. tax rate applicable to extra profits. In Slovakia, the electricity producers are obliged to pay a 90 per cent. levy on excess income above certain price caps; the price cap varies, depending on the power source of

the generated electricity, in the range from EUR 100 to EUR 240 per 1 MWh. In Germany, France and Italy, certain types of windfall taxes apply. In Germany, the Act on the implementation of an electricity price brake (“**SPBG**”) includes rules on the skimming of excess revenue from plant operators generating electricity from renewables, such as wind and solar as well as from lignite. The revenue skimming is realized through a skimming of 90 per cent. of the income a producer receives in exchange for the sale and delivery of electricity above a specific reference price and security surcharges (“**surplus revenue**”). The skimming of surplus revenues relates to electricity quantities generated in Germany after 30 November 2022 and before 1 July 2023. However, the legislator did not make use of this option. Notification and transfer obligations concerning the surplus revenues remain in place until October and November 2023, respectively. In France, the 2023 Budget Act imposes a temporary solidarity contribution on companies subject to tax in France that derive at least 75 per cent. of their turnover from economic activities in the natural gas, oil, coal and refining sectors. The tax is based on the difference between the taxable profits for the first tax year starting from 1 January 2022 and an amount determined on the basis of profits generated during the four previous tax years. The tax rate of the temporary solidarity contribution is set at 33 per cent. In Italy, a windfall tax has been imposed on companies operating in the energy sector (including the operation of power generation plants), as follows: (i) for 2022, the windfall tax is applied at a rate of 25 per cent. on the increase in the balance between active and passive transactions for value added tax purposes, referring to the period from 1 October 2021 to 30 April 2022, compared to the balance of the period from 1 October 2020 to 30 April 2021; (ii) for 2023, the windfall tax is applied at a rate of 50 per cent. on the amount of the portion of total income determined for corporate income tax purposes in relation to the 2022 fiscal year that exceeds by at least by 10 per cent. the average of total income determined for corporate income tax purposes in the previous four fiscal years (subject to a cap of 25 per cent. of the relevant company’s equity as of 31 December 2022).

For the year ended 31 December 2022, the Group’s total tax liability arising from the windfall tax recognised in the Financial Statements was EUR 112 million and there was none recognised for the six months ended 30 June 2023. As of the date of this Base Prospectus, the Group does not expect any material tax liability arising from the windfall tax. However, the Group may be obliged to advance payments to the tax authorities with respect the windfall tax potentially due and payable in the following period. The amount of such advance payments is calculated based on previous period (i.e. based on the financial results of the financial year 2022). While the down-payments can be claimed back from the tax-authorities if the windfall tax does not become due and payable, the obligation to advance the payments represents a liquidity risk to the Group.

In addition, power producers in certain countries where the Group operates including the Czech Republic, the Slovak Republic, Germany, Italy and France are subject to temporary capped prices of power and gas for certain customers. In Germany energy price caps were introduced in December 2022 by the SPBG and the Price Brake for grid-bound Natural Gas and Heat Act (“**EWPG**”). The respective electricity and gas price caps as well as the heat price brakes aimed to provide relief for private households and companies from high energy prices. Different caps apply for household customers and industry customers. The price brakes apply for the entire year of 2023. An extension until April 2024 is possible and is currently under discussion. In France, no general price cap has been implemented, however a tariff shield allows the French Minister of Energy and the Minister of Economics to oppose any increase of regulated electricity tariffs (which EDF must offer to certain domestic consumers) in excess of a percentage defined by law (4 per cent. for 2022 and 15 per cent. for 2023). Whereas said cap does not directly apply to alternative suppliers, it influences some of their offers (which might be indexed on regulated tariffs) and commercial policies. In Italy, the price of electricity fed into the national grid by generation plants, subject to exemptions for certain energy sources, was capped for the period between 31 December 2022 and 30 June 2023 at a general reference price of EUR 180 per MWh.

Due to the decrease of energy prices in 2023 this cap had only limited impact on the Group, but the Group cannot guarantee that the period of such price caps will not be extended beyond 2023 or that such price caps will not be re-introduced in the future, in particular should energy prices increase substantially again. For instance, in Slovakia, price caps on electricity for households, as part of general economic interest measures, are to be implemented in 2024 also through a contractual cooperation between the Slovak government and Slovenské elektrárne, a.s. (“**Slovenské Elektrárne**”). In addition, higher than usual financial results of the Group may result in the subsequent year in tax advance payments in the Czech Republic which may be higher than the actual tax liability. This may have an adverse effect on the Group’s cash flows and liquidity. Further, there may be renewed proposals for a new tax on special construction such as Eustream’s gas pipeline network (which, if adopted, would have represented an additional cost to Eustream in the amount of EUR 171 million per year in the form of property tax, based on the length of Eustream’s network in January 2023), which was

vetoed by the president of the Slovak Republic and subsequently rejected by the Slovak parliament. Although not currently proposed by the government or parliament, it cannot be ruled out that there will be additional changes, including an increase of the levy's or windfall tax rates or adjustment of the base for calculation.

The imposition of any new taxes or special taxes on businesses in regulated industries, including the energy sector, in the countries in which the Group operates, or changing interpretations or application of tax regulations by either tax authorities or courts, harmonisation of the tax laws in the countries in which the Group operates and EU tax law and regulation, significant tax disputes with tax authorities, any change in the tax status of any member of the Group, and the possible imposition of penalties and other sanctions due to incorrectly reported or unpaid tax liabilities may result in additional amounts due by the Group, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects. As the Group has been subject to certain corporate restructurings in the past, it cannot be ruled out that the Group or its subsidiaries may be subject to taxes in relation to such restructurings, which have not been identified yet.

Risks related to the Group's businesses and industries generally

The Group's revenues, margins and liquidity position may be negatively impacted by short-term price volatility, as well as long term changes in the price levels of power, gas, emission allowances and other commodities or items.

The Group is exposed to the risk of volatility and long-term changes in the prices of commodities or items that it generates, transports, distributes or uses for its operations, mainly power, gas, coal, biomass, heat and emission allowances, both on the supply and the demand side. This volatility and changes may result from many factors, including, among other things, weather conditions, seasonality, changes in the prices of primary or alternative fuels, transmission or transportation constraints, global economic conditions and geopolitical developments, price and availability of alternative energy sources, the development of renewable energy sources and state subsidies for them, changes in generation efficiencies or changes in production levels and storage costs of gas, coal and various other factors outside of the Group's control. In particular, such volatility and changes may adversely affect margins and spreads that the Group realizes in its operations.

Price fluctuations are particularly significant when there is either a major shortage or substantial excess in the wholesale energy markets. While the Group can profit from situations of major shortage or substantial excess in the wholesale energy markets, there is a risk that high volatility combined with any shortage of products or lack of liquidity could limit the Group's ability to reduce its exposure to risk in the energy markets quickly and efficiently. The Group seeks to limit the risk of commodity price fluctuations using margined, partially margined and non-margined hedging through forward contracts, swaps and other types of derivatives. Commodity derivatives consist primarily of forward contracts for the purchase or sale of power, gas and emission allowances, which are used to hedge the commodity price primarily for power generating companies, as well as gas-related activities. However, there can be no assurance that the Group will be able to enter into forward contracts and other derivatives on commercially acceptable terms or at all. Also, the variety of instruments and strategies used to hedge exposures may not be effective. In some cases, the Group may not elect or have the ability to implement such hedges or, even if implemented, they may not achieve the desired effect and may result in significant losses. The risk management procedures the Group has in place may not always be followed or may not work as planned. In addition, the Group sells a portion of its commodities on the spot markets and therefore is directly exposed to any price volatility.

In addition, energy markets remain in part partitioned by country, largely as a result of a lack of transmission interconnections, and may experience significant increases or decreases in price movements and liquidity crises that are difficult to predict. Between 2018 and 2021, power prices have increased mainly due to the increasing price of emission allowances, which has led to the corresponding increase in the cost that the Group pays for such allowances. In 2022, the increase in power prices was largely influenced by the general increase in global energy prices mainly as a result of (i) the war in Ukraine and the associated sanctions on Russia and their impact on the global economic and political environment and the disruption to energy supplies and regional and global trade flows (see also “—*The Group's business is exposed to political, economic and social developments in the countries where it operates, including the ongoing war in Ukraine and the political and economic uncertainty it creates.*”) and (ii) the energy crisis in France, a key power exporter in Europe, caused mainly by significantly lower output of nuclear reactors due to overhauls, ongoing draughts, heat waves and decreased supply of gas, which resulted in reduction in overall power supply. The overall increase in energy prices contributed to

exceptional financial results of the Group for the year 2022. As the prices have decreased since then, the Group may not be able to repeat such financial results in the future.

All the above-mentioned risks associated with the changes in the price of commodities or items in the wholesale energy markets could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group is exposed to the risk of disruptions in the supply of commodities or certain raw materials or transportation services.

The Group's operations depend upon obtaining deliveries of adequate supplies of raw materials on a timely basis and in sufficient volumes, especially gas, coal, lignite, biomass or certain other raw materials, used especially as fuel necessary for the operation of power plants and other facilities of the Group. The Group is therefore exposed to the risk of disruptions in the supply of these materials, which may result in the Group failing to obtain the necessary raw materials in time, in sufficient volume or at all. In the context of the ongoing military invasion of Ukraine and associated sanctions targeting the Russian Federation (see "*—The Group's business is exposed to political, economic and social developments in the countries where it operates, including the ongoing war in Ukraine and the political and economic uncertainty it creates.*"), the EU introduced a ban on Russian coal imports effective from August 2022, resulting in supply disruptions which affected also the Group. Also, volumes of gas supplied from the Russian Federation to the EU decreased due to interrupted or reduced gas flows in the Nord Stream I, Yamal and Brotherhood pipelines and it is uncertain whether any further reductions or interruptions in the supply of gas will occur. Any significant shortage of, interruption in the supply of or increased demand for raw materials, in particular gas, coal or biomass, or in transportation services could disrupt the Group's operations and increase its costs.

The Group is also exposed to risks relating to its reliance on certain partners, suppliers and subcontractors. For example, the Group typically sources the vast majority of the raw materials it uses at each of its heat and power plants from a single supplier and depends on single third-party contractors to carry out certain operations (see "*—The Group is exposed to the risk that its customers, trading counterparties or the financial institutions, with which the Group enters into treasury and derivatives transactions, may be unable or may refuse to fulfil or perform their obligations or default.*"). Moreover, some operations of the Group require a specific quality of raw materials, such as certain chemical composition of coal or quality of biomass, or depend on a single mode of transport, such as lignite deliveries by a single special-purpose railway line. The Group may be also forced to meet its fuel requirements by purchasing fuel at market prices, exposing itself to market price volatility. The stability of raw material supplies can also be disrupted by a sharp increase in transportation costs or due to insufficient capacity of transporters and disruptions in supply due to security restrictions (see "*—The Group's business is exposed to political, economic and social developments in the countries where it operates, including the ongoing war in Ukraine and the political and economic uncertainty it creates.*"). Also, the market with biomass has lower liquidity and less available derivatives when compared to coal, which may adversely impact the Group's biomass power plants, such as Lynemouth in the United Kingdom.

SPP – distribúcia, a.s. ("**SPPD**") does not operate any material gas production or transmission facilities, has not entered into any long-term agreements for the supply of gas to SPPD and takes over all gas belonging to shippers from the Eustream transmission pipeline for distribution to end-customers. SPPD is therefore reliant on its ability to purchase its gas requirements to cover losses in the distribution network, for ancillary activities and technical purposes and as a reserve for the supply of gas to households under short-term agreements with gas producers and traders and any disruption to the cross-border transmission of gas would have a material adverse effect on SPPD.

As a result, any disruption in supply, non-performance of the Group's counterparties, financial difficulties or insolvency of the Group's service providers or subcontractors, or a decrease in the quality of its services, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group is exposed to the risk that its customers, trading counterparties or the financial institutions, with which the Group enters into treasury and derivatives transactions, may be unable or may refuse to fulfil or perform their obligations or default.

Some of the Group's businesses are substantially dependent on a limited number of customers accounting for a significant proportion of their revenues, often under long-term contracts. Moreover, the Group typically sources the vast majority of the raw materials it uses at each of its heat and power plants, in its development activities and gas transmission and gas distribution from a single supplier and depends on single third party contractors to carry out certain operations (see also "*—The Group is exposed to the risk of disruptions in the supply of commodities or certain raw materials or transportation services.*"). Therefore, the Group is exposed to the risk that these customers or counterparties may be unable or may refuse to fulfil their financial or other obligations, whether as a result of a deterioration in their financial situation, technical payment processing problems, general economic conditions or otherwise. For instance, the Group has historically experienced temporary technical payment processing problems when receiving certain customer payments. While these problems have been resolved, there is no guarantee that these or similar problems will not occur in the future.

Additionally, in case of high volatility of prices of hedged commodities, the risk that the counterparty will default on its obligation increases. In addition, where the Group has an obligation to provide margin and cash collateral to cover fluctuations in the margins of derivative positions used by the members of the Group to hedge against adverse movements in prices of commodities (see also "*—The Group's revenues, margins and liquidity position may be negatively impacted by short-term price volatility, as well as long term changes in the price levels of power, gas, emission allowances and other commodities or items.*"), the Group is exposed also to a liquidity risk.

Any such default by a customer of the Group or a trading counterparty, or a financial institution with which the Group enters into treasury and derivatives transactions could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group's business is exposed to changes in the capacity market and capacity remuneration mechanisms in certain countries in which it operates or may be unable to fulfil the conditions of capacity contracts which may result in significant penalties or loss of revenues.

Certain European countries where the Group operates have adopted capacity remuneration mechanisms as temporary support measures to address security of supply concerns and ensure that power plants are available to generate power and supply to the grid when it is demanded by customers. These mechanisms address market and regulatory inefficiencies, in particular during periods of power shortage when the energy markets cannot offer a sufficiently high price for power generation or when demand exceeds supply. This inefficiency is increased by the near zero variable costs of renewable energy sources. The capacity providers take part in the mechanism voluntarily and sell qualified capacity to the market, based on generation capacity required in a future capacity year. This takes place in the form of capacity auctions. In return, capacity providers receive remuneration in the form of capacity payments, based on a calculation by the relevant regulator, which is in addition to earnings the power plants gain by selling power. Several Group entities take part in such mechanisms, including EP Produzione in Italy and EP Langage and EP SHB in the United Kingdom. The Group is currently party to several long-term capacity contracts with durations up to 15 years.

The Group is mainly exposed to the risk that the power plant to which the capacity contract was awarded will not be able to fulfil the obligations due to, among other things, unplanned outages or insufficient stock of sources. As some contracts relate to power plants under construction, the Group is therefore exposed to the risk of delays to the construction and, as a result, penalties and loss of contract or loss of payments for the period of delay, which would adversely affect the rentability of the projects. In addition, the Group is exposed to the risk of price fluctuation in future capacity auctions, adverse changes of conditions under which these mechanisms operate or their termination. In some power markets, the regulator has the power to impose a fine or other sanction on the relevant entity if the entity is unable to supply the required amount of capacity during periods of increased prices. In the event of an inability to deliver the required amount of capacity, the relevant regulator could impose sanctions on the Group, which could have a material impact on the Group. Different capacity markets may also include mechanisms to limit the impact of these sanctions. For example, in the United Kingdom, an entity that fails to deliver the required amount of capacity in the relevant period may enter into agreement with another entity that delivered more than the required amount of capacity in the relevant period,

to relocate this excess capacity, and thus limit the amount of sanctions that would be imposed on it. There is, however, no guarantee that the Group will be able to find such other entity on reasonable terms or at all. In case the Group breaches the conditions of the capacity contracts it may also lose its reputation as a reliable partner to local TSOs.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group's business could be negatively affected by changes in the EU's and EU countries' renewable energy policies, an accelerated market shift towards renewable energy sources or a growing trend towards increased energy efficiency, which may impact the Group's revenues, profitability, access to financing or insurance.

Due to increasing emphasis on reducing greenhouse gas emissions, the global and European energy landscape is undergoing a transition to cleaner energy sources. This shift is driven by various factors, including environmental concerns, regulatory policies and advancements in renewable technologies. Renewable and alternative energy sources, such as solar, wind, hydroelectric power, bioenergy and geothermal energy are gaining traction and becoming more economically competitive. Governments and regulatory bodies worldwide are implementing policies and regulations to support the growth of renewable and alternative energy sources, encourage the reduction of greenhouse gas emissions and disincentive the use of fossil fuels. The EU's policy is to increase the share of power generated by renewable and alternative energy sources to reach the EU's climate targets. Specifically, Directive 2023/1791/EU on energy efficiency (the "EED") sets the efficiency target to at least 11.7 per cent. in 2030 compared to the level of efforts under the 2020 EU Reference Scenario and imposes mandatory energy audits on large companies. In 2020, the EU adopted Regulation (EU) 2020/852 (the "Taxonomy Regulation"), which established new criteria for determining whether an economic activity qualifies as environmentally sustainable in the energy sector (e.g., power, gas and heating) (the "EU Taxonomy"). The EU Taxonomy aims to guide market participants in their investment decisions to fund projects that are environmentally sustainable. Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended, covers, among other things, gas-related technologies as a transitional activity, as far as they fall within the limits of the Taxonomy Regulation. Although gas energy is covered by the EU Taxonomy, the classification of any gas project as environmentally sustainable is subject to a set of strict conditions.

Furthermore, individual EU countries have renewable energy policies, some of which are more progressive than the EU's policy. Such policies may include incentives, subsidies, tax benefits and stricter emissions standards, aiming to reduce greenhouse gas emissions and reliance on fossil fuels, all of which can impact the competitiveness of gas and coal as energy sources. These policies translate into extensive regulation in the countries in which the Group operates, including stringent environmental rules and regulations imposing additional obligations on the Group in respect of reducing carbon dioxide ("CO₂"), nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and carbon monoxide ("CO") or dust particle emissions. These policies may result in shorter lifetime of the Group's assets or increased costs for replacement of current assets non-compliant with new regulatory requirements, as well as reduced utilisation of such assets if not replaced within the required timeframe.

The ongoing transition to low-carbon economy is not without risks. Support for renewable energy sources and, specifically, rapid increase in the share of renewable energy sources in the energy mix risks destabilising the transmission and distribution grids and causing grid congestion due to the intermittent character of typical renewable energy sources, such as solar and wind. The expected gradual transition to renewable gases will depend on the availability of such gas. Yet, due to various reasons, including the uncompetitive prices of these gases, lack of adjacent infrastructure or delays in switching to alternative fuels, these may not always be available on commercially acceptable terms or at all. Finally, there is a risk that political preference for a single technology or solution will be imposed on market participants through regulation, even though such technology or solution will not be the most economically suitable one or will become technologically obsolete in a relatively short time despite the costs that the market participants will be required to incur to implement such technology or solution.

As of the date of this Base Prospectus, the Group is predominantly focused on power production and gas-related activities. The advancements related to renewable energy have the potential to disrupt the market for traditional energy sources and potentially divert demand and investment away from the products and services offered by

the Group, including lignite- and gas-fired power plants, gas and the infrastructure associated with its transportation, and decrease the Group's market share in these segments.

Going forward, the Group could face increased costs of burning gas and lignite as a significant fuel source, in selling the power produced from lignite, or as a result of potentially adverse environmental regulations, increased taxes, fees or fines, or private lawsuits against the Group. The Group's operations may be affected by any governmental plans to phase out coal usage in the energy sector. Notwithstanding the intended coal phase-out in 2033 in the Czech Republic, the Group made a commitment in its 2022 annual sustainability report to cease using coal for heat and power production by 2030 (see also "*—The Group may in the future engage in material acquisitions, reorganisations, demergers or divestitures, which may fail to realise the expected benefits or occur within the expected timeframe*" for more information on the planned disposal of the Group's coal operations in Germany). The Group has already commenced conversion projects aimed at replacing coal in the heat segment of EP Infrastructure, a.s. ("**EPIF**" and together with its subsidiaries, the "**EPIF Group**") with gas-fired power plants able to burn hydrogen or co-combustion hydrogen and gas and complemented by biomass and municipal waste. The Group's projects under construction also include replacing hard coal at the Kilroot power plant located in the United Kingdom with a new 700 MW open-cycle gas turbine ("**OCGT**"). The Group is currently engaged in the submission of applications for investment subsidies to the EU's Modernisation Fund's HEAT programme, which is dedicated to facilitating the transformation of district heating to a low-carbon energy mix. However, the ability of the Group to complete these projects depends on a number of factors, including obtaining all applicable approvals and permitting and the ability of the selected suppliers to deliver the requested solutions with the adequate parameters. There is no guarantee that the Group will be successful at implementing its current plans or that it will be successful in obtaining the requested subsidies or necessary permits. Further, the cost estimates in relation to the conversion of the Group's facilities are based on estimates valid as of the date of their preparation, taking into accounts standard procedures and current legislation and the final costs of such projects may be higher than currently anticipated. The Group may also be unable to complete such projects on time and face sanctions as a result. In addition, the Group may be adversely affected not only by measures that directly impede the use of lignite in heat or power generation, but also by measures that promote other fuel sources or alternative technologies for heat and power generation, such as renewable energy. For example, the Group may experience difficulties in accessing external sources of financing or obtaining sufficient insurance coverage for its operations as the counterparty may be unable or unwilling to provide such services on acceptable terms or at all.

As a result, the Group may be required to incur substantial capital expenditure to comply with the applicable regulation (see "*—The Group may be required to make substantial capital expenditures in order to comply with applicable regulation and to stay competitive.*") or dispose of, decommission or convert its coal-fired power plants, lignite-fired combined heat and power plants and other carbon-intensive facilities in order to reduce its carbon footprint (see "*—The Group is exposed to risks relating to the decommissioning or conversion of its coal-fired power plants or lignite-fired combined heat and power plants.*"). Increase in prices of emission allowances and primary fuel may also render the Group's least efficient lignite, coal and gas fired power plants when measured by CO₂ produced or by volume of fuel required to produce 1 MWh of power, uneconomic and force the Group to terminate their operation. The Group is also exposed to the risk of reclassification of certain existing activities under the EU Taxonomy, in particular reclassification of certain gas-related activities of the Group from transitional, or introduction of new criteria or requirements that need to be met in order for certain existing activities to be classified as sustainable, for example requirements to add a certain percentage of renewable gasses into the gas used for combustion in the Group's power plants.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, access to financing and insurance, financial condition, results of operations, cash flows and prospects.

The Group may be required to make substantial capital expenditures in order to comply with applicable regulation and to stay competitive.

The Group's operations are regulated by a wide range of changing environmental, heritage, health and safety and other requirements in the Slovak Republic, the Czech Republic, Italy, the United Kingdom, Germany, Ireland, France, the Netherlands, Switzerland and the EU, including those governing the discharge and emission of pollutants (such as the recently published best available techniques for large combustion plants on the basis of Industrial Emissions Directive), the management and disposal of hazardous materials, the cleaning of contaminated sites and workers health and safety. See also "*—The Group's business could be negatively*

affected by changes in the EU's and EU countries' renewable energy policies, an accelerated market shift towards renewable energy sources or a growing trend towards increased energy efficiency, which may impact the Group's revenues, profitability, access to financing or insurance". The Group is required to incur significant capital expenditure in relation to technology development, the maintenance and renewal of its power plants, gas transmission and distribution networks, storage assets and heating networks, and maintenance of their systems to meet the Group's obligations under such laws and regulations. As of the date of this Base Prospectus, the Group expects to incur material capital expenditures to comply with objectives outlined in a strategy presented by the European Commission, called the European Green Deal (the "**European Green Deal**"), the recently adopted plan including a set of legislative motions and revisions of several legislative acts called the Fit for 55 Package (the "**Fit for 55 Package**"), the REPowerEU plan, to ensure compliance with rules arising out of the updated Best Available Techniques reference documents for Large Combustion Plants.

Such capital expenditures relate mainly to conversion of the emission-intensive assets and adaption of the Group's infrastructure for renewable gases. Moreover, the ongoing gradual decarbonisation of the Group's power plants is expected to require material expenditures to convert the assets to a balanced mix of highly efficient gas-fired plants well positioned for adoption of renewable gases, biomass units or waste incinerator plants. See also "*—The Group is exposed to risks relating to the decommissioning or conversion of its coal-fired power plants or lignite-fired combined heat and power plants.*" below. The Group may also need to retrofit its gas pipelines to enable transit and distribution of blended or sole hydrogen. Further, in relation to the expected increase in share of renewable generation sources and expansion of energy mobility, the Group also anticipates increased investments into its power distribution network in order to enhance its resilience or connection of charging stations for electric vehicles.

Some of the Group's facilities use technologies that may require significant capital expenditures for maintenance or replacement over time. In order to conduct modernisation and repairs of mechanical and other technical defects in the equipment of the power plants, the Group carries both planned and unplanned shutdowns of its power plants. For example, in 2019, the Group shut down the Lynemouth power plant in the United Kingdom for several weeks in order to optimise output. The generation, supply and distribution of heat and power, gas transmission and distribution networks depends on the operation of power networks, district heating networks, gas networks, which form a complex infrastructure, divided into many sections, requiring continuous maintenance and ongoing replacement of individual parts. These facilities and networks will require regular upgrades and improvements to ensure their safe, efficient and effective operation in accordance with current and future regulatory requirements, which could require significant capital expenditures in the near future, as well as on an ongoing basis. The costs of maintenance capital expenditures including planned and unplanned shutdowns, breakdowns, upgrades and repairs and related works for the above-mentioned reasons (including capital investment costs) for the year 2022 amounted to EUR 386 million.

Further, the Group expects to incur additional capital expenditures in relation to development of new projects. As of the date of this Base Prospectus, the Group had projects under construction with 2.4 GW of overall power generation capacity. Additional projects are still subject to the Group's final investment decision. If the final investment decision is reached, the Group expects to incur material investment costs for these OCGTs or combined-cycle gas turbines ("**CCGTs**") projects which will aim to support stability of the power grid by providing flexible and reliable power capacity. As of the date of this Base Prospectus, the Group's projects under construction include the Kilroot OCGT project located in the United Kingdom with 700 MW of planned installed capacity, the Tavazzano CCGT and Ostiglia CCGT projects located in Italy with planned installed capacity of 803 MW and 881 MW, respectively, and the repowering of Ambon & Muzillac wind parks located in France to prolong their useful life and increase their installed capacity to 13 MW for each wind park. As of the date of this Base Prospectus, in addition to above stated projects, the Group is preparing the Eggborough CCGT project located in the United Kingdom with 1,700 MW of planned installed capacity and additional 299 MW of battery storage in United Kingdom.

In addition, the development of new projects is subject to risks associated with financing and rentability. For example, the Group may incur unplanned additional cost that may exceed the budget allocated for the respective project, which may negatively affect the Group's financial position. Moreover, failure to complete the development project according to its original schedule may result in anticipated returns from the project being lower than originally expected.

The Group's infrastructure investments and the speed at which those investments are implemented are subject to planning and execution risk and may be affected by delays in receiving necessary authorisations and approvals, delays in the required expropriation procedures or in construction and other factors outside its control. Moreover, the investment projects may not develop as planned, the assumptions under which the decision to proceed with the investment project were made may turn out to be incorrect or the Group may invest in technology which becomes obsolete sooner than expected and, as a result, may not yield the expected return, or may put the Group in a position of non-compliance with applicable legislation. In addition, the Group may not be able to raise sufficient capital to finance such investment plans or projects at rates that are economically viable.

Certain investment projects in which the Group participates and may in the future participate benefit from EU funding or receive other form of governmental grants. These are typically provided under strict conditions and any failure to comply with these conditions may result in the investment project ceasing to be eligible to receive the grant in part or in full or, to the extent the grant has already been provided, in the need to return the funds. In such a case, the Group may be required to incur additional capital expenses, the completion of the investment project may turn out to be more costly and, as a result, may not yield the expected return. In addition, a failure to comply with these conditions may further result in contractual liability with respect to other partners participating in the investment projects, where relevant.

The Group could also be required to incur additional material capital expenditure or higher capital expenditures due to increases in prices of material or labour and incur other costs, including civil and criminal fines or sanctions, claims for environmental damages, remediation obligations, revocation of environmental authorisations or temporary or permanent closure of facilities, as a result of violations of environmental requirements. Although the Group has made, and intends to continue to make, expenditures to maintain compliance with environmental laws, there is no guarantee that such expenditures will not increase in the future or that such expenditures will always be sufficient to secure compliance with such laws. In addition, the Group may be liable for damages caused by activities of the Group on properties owned by third parties and the Group may be required by law to create and maintain reserves to cover potential liabilities arising from such damages.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group is exposed to liquidity and margining risk.

The Group faces the risk that it will experience difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset as they fall due. In particular, high volatility of commodity prices, for example the sharp increase in gas and power prices during the second half of 2022, substantially increases the need of the Group to provide cash collateral to cover daily fluctuations in margin requirements for forward positions (so-called 'margin calls') used by the Group members to hedge their production portfolio and other activities of the Group against adverse movements in prices of commodities. The Group may therefore be exposed to high liquidity requirements in order to meet its margin obligations in a relatively short period of time. See also "*—The Group's revenues, margins and liquidity position may be negatively impacted by short-term price volatility, as well as long term changes in the price levels of power, gas, emission allowances and other commodities or items.*"

To mitigate its general liquidity risk, the Group focuses on diversifying sources of funds, which gives the Group flexibility and limits its dependency on a single financing source, and also holds a portion of its assets in highly liquid funds. As of 30 June 2023 and 31 December 2022, the Group had available undrawn committed term, revolving credit and overdraft facilities in the amount of EUR 2,236 million and EUR 1,604 million, respectively, providing additional liquidity to the Group.

Liquidity risk is evaluated by monitoring changes in the financing structure and comparing these changes with the Group's liquidity risk management strategy. The Group typically seeks to have sufficient cash available on demand and assets with short maturity to meet expected operational expenses for a period of 90 days, including servicing financial obligations, although this excludes the impact of extreme events that cannot be reliably predicted, like natural disasters. As of 30 June 2023 and 31 December 2022, the Group had EUR 3,257 million and EUR 3,010 million, respectively, of cash and cash equivalents. However, if these policies and procedures are not effective, are not followed or do not work as planned, this could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group faces risks under forward contracts and it may be required to unwind the relevant commodity in the market at the prevailing price.

The Group has entered into a number of forward supply contracts under which it undertook to supply to its counterparties specified amounts of power, gas, coal or other commodities at an agreed price and time. This relates to, in particular, hedged power production and the Group's power and gas supply deliveries to end customers and other counterparties.

If the Group is not able to produce the forward-contracted commodity by the agreed time due to, for example, unplanned power production disruptions, bankruptcy of supplier or unavailability of the physical commodity on the market, it may be required to unwind the relevant commodity in the market at the then prevailing price, or financially offset the relevant position, which may be significantly higher than the price payable by the counterparty under the forward contract. This could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

Failures, breakdowns, unplanned outages, unavailability of third-party infrastructure, black-outs as well as natural disasters, cyber-attacks, epidemics, sabotage, or terrorism or public opposition may cause delays or interruptions in the Group's operations, increase capital expenditures, harm the Group's business and reputation or cause significant harm to the environment.

The Group's heat and power plants, gas transmission infrastructure, gas, power and heat distribution infrastructure, gas storage infrastructure, energy trading platforms, wind and solar farms, biogas facilities (including systems not operated or controlled by the Group), mining facilities, coal dust processing and briquette production plants, and information systems controlling these facilities, could be subject to failure, breakdowns, unplanned outages, gas leaks, explosions, fire, train and other transport accidents, capacity limitations, system loss, breaches of security or physical damage due to natural disasters (such as adverse weather conditions, storms, floods, fires, explosions, landslides, slope ruptures or earthquakes), human error, fuel interruptions, criminal acts (such as terrorism or sabotage), legally permitted protests (such as demonstrations), unauthorised third-party excavation works, unscheduled technological breakdowns at customers' facilities or facilities operated by other third parties and other catastrophic events. Any physical damage to the Group's facilities, in particular, to the Group's power plants and Eustream's network, may be costly to repair and any outages may cause the Group to lose revenues due to its inability to supply power, gas or heat to its customers or to provide its generation, distribution or transmission services in accordance with the contracts with its customers. For example, in September 2021, whilst on load, Phase 2 of the Group's gas-fired power plant EP SHB, United Kingdom, incurred a fault to a steam turbine generator transformer, which led to an electrical fire, attended to by emergency services, and brought the phase offline. There were no personal injuries, but the transformer was damaged beyond economic repair, requiring a full replacement. Further, in February 2022, one of the transformers was moved to the steam turbine allowing a partial return to service with 50 per cent. availability. During October 2022, the new transformer was installed and subsequently Phase 2 returned to full the service. As of the date of this Base Prospectus, an insurance claim is still being processed, however, it is not expected that the incurred loss shall be fully recovered.

The risks described above can also cause significant personal injury or loss of life, severe damage to, and destruction of, property, plant and equipment, contamination of, or damage to, the environment and suspension of operations or supplies. The occurrence of any one of these events may result in increased insurance costs for the Group as well as in the Group or the Group's operating subsidiaries being named as a defendant in lawsuits asserting claims for breach of contract or substantial damages, environmental clean-up costs, reputational damage, personal injury and fines or penalties.

Some of the Group's activities use infrastructure owned and operated by third parties. In particular, the transmission and distribution of power from the Group's power plants and the Group's supply business are dependent upon the infrastructure of the transmission and power grid systems in the countries in which the Group operates. The Group has no control over the operation of these transmission and power grid systems and it must rely on independent third-party system operators in these countries. Further, the Gas Transmission Business and the Gas Storage Business are exposed to risks related to the availability of interconnected gas grids owned by third parties in order to be in position to offer a part of the transmission capacity and to meet their contractual storage obligations, respectively. Any failure, breakdown, outage or unavailability of key third-party

infrastructure in the countries in which the Group operates, including as a result of natural disasters, insufficient maintenance or inadequate development, could adversely affect the Group's ability to conduct its business.

Furthermore, the Group's business is dependent on information technology systems and information and communication technologies that are vulnerable to breakdowns, disruptions, cyber-attacks and data security breaches. The risk of cyber-attacks and damage to and interruptions of technology and network systems has increased and could increase even more, in particular, as a result of military action of the Russian Federation against Ukraine and in response to the consequent sanctions imposed by the United States, the EU, the United Kingdom and other countries (see also "*—The Group's business is exposed to political, economic and social developments in the countries where it operates, including the ongoing war in Ukraine and the political and economic uncertainty it creates.*"). Moreover, the unexpected technology failures in the equipment of the customers of the Group may adversely affect the demand for the generation activities of the Group. Failure to prevent operation accidents, shutdowns, malicious activities or data security breaches could result in key business and operations disruptions, loss of trade secrets or confidential business information, or reputational damage of the Group.

In addition, the Group also depends heavily on its IT and telecommunication systems and trading platforms to execute trades on a timely basis. Therefore, the Group faces the risk that its trading counterparties may fail to complete contracted trades, thus leaving the Group exposed to an unanticipated open position. If the Group were to experience any IT or telecommunication failures or disruptions, it could also negatively impact the Group's ability to make or complete the Group's trades.

Materialisation of any of the above risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group may in the future engage in material acquisitions, reorganisations, demergers or divestitures, which may fail to realise the expected benefits or occur within the expected timeframe.

The Group may from time to time undertake certain acquisitions in order to strengthen its market position, expand its business or for other reasons, provided the Group is successful in identifying suitable and available targets at an acceptable cost, reach agreements with counterparties on commercially reasonable terms and secure financing to complete larger acquisitions or investments. If the Group undertakes a material acquisition, there can be no guarantee that the acquired businesses will meet the Group's expectations in relation to profit, revenues or productivity, will operate as anticipated or that the Group will have sufficient experience to successfully operate the new business. There can be no guarantee that the Group will successfully integrate the acquired business, for example due to unexpectedly high integration costs. The current counterparties of the acquired business may discontinue their business relationships due to a change of control or may exercise their voluntary termination rights. Equally, the Group may become involved in legal proceedings initiated by bought-out minority shareholders challenging the validity or the terms of such acquisition. The Group may also be unsuccessful in achieving the anticipated synergies or discover certain facts after making an acquisition that were not foreseen prior to the acquisition.

Similarly, the Group may from time to time undertake reorganisations, demergers or divestitures to use opportunities in the market or for other reasons, which may entail certain risks including regulatory restrictions leading to overall failure of the transaction, performance and employee satisfaction decreases amid negotiations or operational challenges of new business models of the participating entities or the Group, or result in changes in the structure of the Group. The Group may also be unsuccessful in achieving the anticipated benefits or discover certain facts after completing a reorganisation, demerger or divestiture that were not foreseen before the decision to proceed with the reorganisation, demerger or divestiture was made.

The Group may also fail to complete any such acquisitions, reorganisations, demergers or divestitures within the expected time frame or at all, which may have an adverse effect on the success of the relevant acquisition, reorganisation, demerger or divestiture and, in turn, on the Group. Furthermore, such transactions may also involve making significant cash investments, issuing guarantees or incurring substantial debt, which may negatively affect the Group's financial condition and its rating.

In particular, the Guarantor, through its subsidiary EP Slovakia BV ("**EP Slovakia**"), may or may not exercise call options in respect of 50 per cent. shareholding in Slovak Power Holding B.V. ("**SPH**"), the controlling shareholder of Slovenské Elektrárne (see "*Description of the Guarantor—Material contracts—Agreement with*

Enel Produzione S.p.A. regarding Slovenské Elektrárne” for more information). The failure to exercise the call option may prevent the Group from gaining control over SPH and thus from implementing strategic decisions and achieving synergies that could otherwise benefit the Group. The Guarantor and its shareholders also intend to undertake a series of steps with the aim to implement the Energy Transition Plan (as defined below), including the intended transfer of its entire 50 per cent. LEAG Holding, a.s. (“**LEAG**”), the largest power plant operator in eastern Germany, by the end of 2023, and its 100 per cent. ownership interests in MIBRAG Energy Group GmbH (formerly JTSD - Braunkohlebergbau GmbH) (“**MIBRAG Energy Group**”), including MIBRAG GmbH (formerly Mitteldeutsche Braunkohlen Gesellschaft mbH) (“**MIBRAG**”) mining company and the Schkopau lignite power plant, by the end of 2025 (see “—*The Group is exposed to risks relating to its energy transition plan and the decommissioning or conversion of its coal-fired power plants or lignite-fired combined heat and power plants*” for more information).

Materialisation of any of the above risks could have a material adverse effect on the Group’s business, financial condition, results of operations, cash flows and prospects.

The Group is exposed to increasing competition in a changing energy landscape with focus on renewable energy.

Some of the markets in which the Group operates are competitive and, as such, the Group is exposed to the risk of failing to compete effectively on an on-going basis. The global energy landscape is undergoing a transformation, with increasing emphasis on reducing greenhouse gas emissions and transitioning to cleaner energy sources. As a result, alternative energy sources, such as solar, wind, and hydroelectric power, as well as renewable energy sources, such as bioenergy and geothermal, are gaining traction and becoming more economically competitive. These factors can potentially divert investment and demand away from coal and gas and the infrastructure associated with its mining, transmission and distribution, as applicable. See also “—*The Group’s business could be negatively affected by changes in the EU’s and EU countries’ renewable energy policies, an accelerated market shift towards renewable energy sources or a growing trend towards increased energy efficiency, which may impact the Group’s revenues, profitability, access to financing or insurance.*” for more information.

The power and gas supply market is very competitive with many businesses operating in the markets in which the Group operates. The Group’s primary competitors in the power and gas supply markets in the Czech Republic, France, the Netherlands, Germany, Ireland, Italy and Slovakia are the major local and regional power and gas supply companies operating in these markets. The Group’s supply prices must remain competitive which makes strong profitability a challenge in this business line. The Group’s customers may leave in order to obtain their power or gas from other suppliers. In order to compete on the power and gas supply market, the Group may have to reduce prices further or incur additional costs to attract new customers or retain existing customers.

In addition, developments in the production of other types of gases (e.g., renewable gases, such as biomethane or green hydrogen) or an increase in the import of shale gas or development of liquefied natural gas (“**LNG**”) transshipment may materially adversely affect demand for the Group’s gas transmission capabilities. The ongoing war in Ukraine may generally have the effect of increasing the demand from shippers for developing alternative routes that may act as competitors to Eustream, such as transshipment and import of LNG (see also “—*The Group’s business is exposed to political, economic and social developments in the countries where it operates, including the ongoing war in Ukraine and the political and economic uncertainty it creates*”). Eustream is currently facing challenges as numerous relevant markets, notably Italy, openly express their desire to reduce their dependency on Russian gas supplies. As Italy and other markets contemplate phasing out Russian gas, Eustream may encounter decreased demand for gas transportation services, which could negatively affect Eustream’s operations and revenue streams. Additionally, Italy and several other European markets are actively planning to invest in the construction of new LNG regasification terminals. As these new terminals become operational, they may offer alternative supply routes for gas, bypassing traditional pipelines, such as Eustream’s transmission network, and potentially diminishing the demand for gas transportation services provided by Eustream.

The Group’s competitiveness could be affected by, among other things, new entrants in the markets where the Group operates, a substantial number of power or gas supply customers of EP France S.A.S. (“**EP France**”), Gazel Energie Solutions S.A.S., Illico S.A.S., Dynamo S.A.S., PZEM Energy Company B.V., Stredoslovenská

energetika, a.s. (“SSE”), EPET or DE choosing to switch their supplier or a significant adverse change in the gas storage services market in the Slovak Republic, the Czech Republic, the Netherlands, Germany or the United Kingdom. Furthermore, an increase in gas imports into Europe through existing and new pipelines, increased LNG imports, an increase in conventional gas production from existing and new fields and further development of shale gas production or hydraulic fracturing, in particular in Europe, might lead to substantially lower power prices as well as render production of power and heat from lignite uneconomic before the expected transition away from coal-fired generation in the EPIF Group’s Heat Infra Business by 2030.

Any occurrence of the above risks could have an adverse effect on the Group’s business, financial condition, results of operations, cash flows and prospects.

The Group is exposed to risks related to unilateral termination, renewal, price setting and renegotiation of contracts.

The Group enters into long-term contracts in the ordinary course of its business. The Group is therefore exposed to the risk that such contracts will be terminated, not renewed or renegotiated on less favourable terms.

General principles of contract law may enable a unilateral termination of a contract in certain circumstances, such as frustration of contract, impossibility of performance, hardship or the existence of other important cause. It is possible that such specific circumstances, which could enable non-Group parties to seek unilateral termination, may arise in particular with respect to long-term contracts concluded by the relevant Group companies in the context of the ongoing war in Ukraine and high volatility of energy prices (see “—*The Group’s business is exposed to political, economic and social developments in the countries where it operates, including the ongoing war in Ukraine and the political and economic uncertainty it creates*”). In addition, the Group’s supply business faces the general regulatory protection of its end-consumers to which it supplies power, gas and heat, providing such end-consumers with the right to choose their new supplier and terminate their previous supply contract.

As some Group entities take part in capacity auctions and have entered into capacity market contracts, the Group is also exposed to the risk of price fluctuation in future capacity auctions, adverse changes of conditions under which these mechanisms operate or their termination. See “—*The Group’s business is exposed to changes in the capacity market and capacity remuneration mechanisms in certain countries in which it operates or may be unable to fulfil the conditions of capacity contracts which may result in significant penalties or loss of revenues.*” In addition, Lynemouth Power Limited (“LPL”), a member of the Group, has a United Kingdom government-backed contract for difference (“CfD”) for 100 per cent. of the power plant’s output until 2027, which provides a secured revenue stream with guaranteed off-take price. LPL is in discussions to negotiate a further CfD beyond 2027. Also, the Group’s Fiume Santo power plant in Sardinia, Italy current must-run contract is set to expire in 2024. However, the recently released draft of the ‘*National Integrated Energy and Climate plan of Italy (PNIEC)*’ anticipates that the operation of the Fiume Santo power plant will be necessary until 2028, subject to the successful completion of the electricity interconnection of the island with continental Italy. However, such extensions of contracts may not be successful.

Further, Eustream is subject to the risk that one or more of its key counterparties will not renew their contracts after they expire, whether as a result of using other alternative gas transmission routes, lack of supply or demand for Russian gas due to the ongoing war in Ukraine or for other reasons. In such cases, Eustream’s free capacities are allocated to counterparties primarily under standard allocation procedures. However, there is no guarantee that such capacity allocations will be successful. Furthermore, even if any of the contracts are renewed, there can be no assurance that Eustream will be able to negotiate commercially acceptable terms with any of the counterparties or that the counterparties will book the same amount of capacity as under the existing contracts. In addition, the prices at which such contracts would be concluded would be subject to applicable regulations in effect at the relevant time.

The majority of the EPIF Group’s Gas Storage Business’ storage capacity is booked under long-term contracts. There can be no assurance that, upon expiry of such contracts, the customers will renew such contracts. Price setting mechanisms under these contracts vary, incorporating either inflation price adjustment with standard price revision clauses or price formula based on actual market spreads. These contracts are subject to store-or-pay obligation. As of 30 June 2023, long-term contracts covered 72 per cent. of the Group’s gas storage capacity until 2025/2026 and 51 per cent. until 2026/2027.

Any such termination, renegotiation on less favourable terms or inability to renew or prolong any material long-term contract of the Group could adversely impact the Group's business, results of operations, financial condition, cash flows and prospects.

The Group is exposed to risks relating to its energy transition plan and the decommissioning or conversion of its coal-fired power plants or lignite-fired combined heat and power plants as well as decommissioning of nuclear installations.

In line with the Group's strategy of reducing its carbon footprint, the Group aims to dispose of or decommission its coal-fired power plants, lignite-fired combined heat and power plants and other carbon-intensive facilities, or convert them to generation sources with lower emission footprint or fully renewable sources such as biomass. The current operation of these conventional assets is often driven by stability needs of power grids, as is the case of the coal-fired power plant Mehrum, Germany, or are a vitally needed, irreplaceable source of power such as the Fiume Santo power plant in Sardinia, Italy.

The EPIF Group's Heat Infra Business is predominantly lignite-fired and is therefore one of the targets of the Group's decarbonisation roadmap, which aims to convert all of the Heat Infra Business' assets away from lignite to a balanced mix of efficient gas-fired plants, biomass units and waste incinerator plants by 2030. The Group expects to upgrade the gas-fired units after 2030 so as to allow for the combustion of emission-neutral synthetic gases or hydrogen once these are available on a commercial scale. As of the date of this Base Prospectus, these conversion projects are already in an advanced preparatory phase with procurement process ongoing. Further, on 30 September 2023, the Group closed dual-fired coal units of the Kilroot power plant in the United Kingdom, whereas the site is already being converted into Kilroot Energy Park which will include a new 700 MW OCGT unit supported by already awarded capacity contracts. See also “—*The Group may be required to make substantial capital expenditures in order to comply with applicable regulation and to stay competitive*”. The Group also expects to decommission its coal-fired power plant Mehrum, Germany, in 2024, Emile Huchet 6, France, in 2025, and, when not needed for security of supply reasons, its coal-fired power plant Fiume Santo in Sardinia, Italy (as the power plant is a key source of power on the island, an alternative source of power needs to be identified prior to the shutdown).

The Guarantor and its shareholders intend to separate the Group's energy transition assets from the Group and transfer them to EP Energy Transition, a.s. (“**EP Energy Transition**”), a holding company of a newly established group and a sister company of EPH (collectively, the “**Energy Transition Plan**”). As of the date of this Base Prospectus, the Energy Transition Plan is expected to proceed in two phases. In the first phase, which is aimed to be completed by the end of 2023, the Group intends to transfer to EP Energy Transition its entire 50 per cent. ownership interests in LEAG, the largest power plant operator in eastern Germany. In the second phase, which is aimed to be completed by the end of 2025, the Group intends to transfer to EP Energy Transition its 100 per cent. ownership interests in MIBRAG Energy Group, including the MIBRAG mining company and the Schkopau lignite power plant). The aim of the Energy Transition Plan is to accelerate energy transition and to facilitate the transformation of coal regions in a dedicated and efficient way. EP Energy Transition has a clearly defined transition strategy, which covers not only decarbonisation, but also employment prospects and support for the regions affected by the energy transition. Following the completion of the Energy Transition Plan, the Group would be free of almost all coal assets. However, there is no guarantee that the Energy Transition Plan will be successful and will proceed as planned or at all.

The Energy Transition Plan is associated with specific risks. The cost estimates in relation to the Energy Transition Plan, the decommissioning or conversion of the Group's facilities is based on estimates valid as of the date of their preparation, taking into accounts standard procedures and current legislation. The final costs of such projects may be higher than currently anticipated. The Group may also be unable to complete such projects on time and face sanctions as a result. As the Group often needs to coordinate such transition projects with the relevant public authorities it cannot guarantee that such authorities will not impose new obligations on the Group in relation to the conversion projects using regulatory tools. In addition, any failure to dispose of, decommission or convert these assets within the indicated timeframe may negatively affect the ability of the Group to maintain, raise or re-finance its external debt.

In addition, where the Group company operates a nuclear installation, it is required to provide for earmarked funding to cover the future costs of decommissioning in accordance with the polluter pays principle. In Slovakia, the operator of a nuclear facility is obliged to make mandatory contributions (stipulated as fixed annual sums

for each nuclear power plant) to a state-run fund to cover future costs of final phase of nuclear energy use which includes mainly decommissioning and deposition and long-term storage of spent nuclear fuel. There is no guarantee that such mandatory contributions will not increase in the future, for example as a result of potential increases in future decommissioning costs.

Materialisation of any of these risks could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group is dependent on key managers, senior executives and other qualified personnel, and good relations with its workforce, and any significant disruption could adversely affect the Group's operations.

The Group's ability to maintain its competitive position and to implement its business strategy is partially dependent on its ability to retain key managers and senior executives as well as skilled personnel and to attract and retain additional qualified personnel who have experience in the Group's industries and in operating a group of the Group's size and complexity. There may be a limited number of persons with the requisite experience and skills to serve in the Group's senior management positions, and the Group may not be able to locate or employ or retain qualified executives on acceptable terms, or at all. Any shortage of adequately skilled candidates may force the Group to increase wages to attract suitably-skilled candidates, which could substantially increase the Group's costs. The loss of these individuals, or of any senior member of management, or any delay in replacing a departed member of management, may result in the loss of industry specific knowledge as well as relationships with key contractors, lenders, and industry personnel and delay key decisions.

In the year ended 31 December 2022, the Group had an average of 10,420 full-time equivalent employees, of which approximately 84 per cent. was unionised or represented by works councils and possess certain bargaining or other rights, in particular in France, Italy, Germany and Slovakia. These employment rights may require the Group to expend substantial time and expense in altering or amending employees' terms of employment or making staff reductions. Also, any sustained labour dispute affecting the Group, could lead to a substantial interruption of its business. In addition, high levels of inflation recorded in the countries where the Group operates in recent years (see "*—The Group's business is exposed to political, economic and social developments in the countries where it operates, including the ongoing war in Ukraine and the political and economic uncertainty it creates*") increase pressure on the Group to raise wages.

If the Group fails to attract and retain its key managers or other skilled personnel or if the Group's relations with its workforce, the works councils or the trade unions deteriorate for any reason, including as a result of changes in compensation, the collective bargaining agreement not being agreed on time or any other changes in the Group's policies or procedures that are perceived negatively by employees, the works councils or the trade unions, or if the Group is unable to successfully conclude any future shop agreements with the works councils and collective bargaining agreements with the trade unions, the Group may incur higher personnel costs or may experience a labour disturbance or work stoppage at the relevant facility or facilities. This could have a material adverse effect on any such facility's operations and the Group's business, financial condition, results of operations, cash flows and prospects.

Certain of the Group's businesses are sensitive to variations in weather.

A substantial part of the Group's businesses is affected by variations in general weather conditions and unusual weather patterns, including physical effects of climate change. The Group's businesses forecast the demand for its products or services, especially power and heat generation, gas, heat and power distribution and supply, based on long-term historical average weather conditions. While the Group also considers possible variations in normal weather patterns and potential impacts on the Group's operating subsidiaries' facilities and businesses, there can be no assurance that such planning can prevent negative impacts on the Group's businesses. Typically, when winters are warmer than expected, as was the case in 2018, 2019, 2020 and 2022, demand for power, gas and heat is lower than forecasted, which may have a material adverse effect on revenues of certain of the Group's businesses. Moreover, ongoing droughts and heat waves reduce the volume of water which is available from rivers to sufficiently cool the operations of the Group's power plants, for example the Tavazzano and Ostiglia gas-fired power plants in Italy. This may hinder operations of the Group's power plants, which may result in reduction in overall power generation of the Group. There is no guarantee that frequent dry conditions will not continue going forward or spread into other areas of the Group's operations. This could have a material adverse

effect on any such facility's operations and the Group's business, financial condition, results of operations, cash flows and prospects.

The Group is exposed to risks associated with its participation in joint ventures and companies controlled by the Group where significant minority shareholders are present.

The Group has entered into arrangements where it has granted protective rights to minority holders or otherwise holds interests in entities in which the Group owns less than a majority of voting rights or which the Group does not manage or otherwise control, and may enter into joint venture or similar arrangements in the future. In these cases, the Group may depend on the approval of partners for certain matters, such as to distribute funds from the projects or entities, to transfer the Group's interest in projects or entities, or to appoint auditors. It cannot be ruled out that the Group's partners would breach their obligations under the relevant arrangements. The Group may also depend on the partners to operate the relevant entities. However, the partners may not have the level of experience, technical expertise, human resources, management or other attributes necessary to operate these entities optimally. In addition, certain of the arrangements that the Group has entered into are with public entities, such as the Slovak Republic acting through its ministry, entities owned and controlled by the Slovak Republic or other entities with interests divergent from those of the Group. Such public entities or other partners may have divergent and at times competing interests that are not always dependent on purely commercial considerations. The Group therefore faces the risk that the operations and management of any entities in which the Group holds interests alongside such entities may be adversely affected by political considerations. For instance, although an agreement with the Slovak Republic grants EPIF management control over SPP Infrastructure, a.s. ("**SPPI**") and Stredoslovenská energetika Holding, a.s. ("**SSE Holding**"), pursuant to the agreement, the Slovak Republic may influence or block certain decisions of SPPI and SSE Holding and the Slovak government's objectives may conflict with the Group's objectives as a commercial enterprise. The policy may also change after the formation of a new Slovak government, for example following general election (see "*—The Group's business is exposed to political, economic and social developments in the countries where it operates, including the ongoing war in Ukraine and the political and economic uncertainty it creates*" for more information). Any breach of the SPPI shareholders' agreement or the SSE shareholders' agreement could also result in the inability of the Group to consolidate the financial results of the relevant companies within the Group, which could have a material negative impact on the values disclosed in the Group's financial statements.

Furthermore, the Group may enter into joint venture or similar arrangements in the future and such investments may also involve making significant cash investments, issuing guarantees or incurring substantial debt.

Any occurrence of the above risks could have an adverse effect on the success of the joint venture arrangement or on the Group's interest therein and, in turn, on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group's activities require various administrative licenses, authorisations and permits that may be difficult to maintain or obtain or that may be subject to increasingly stringent conditions. If obtained, they may be suspended, amended or terminated prior to the end of their terms or may not be renewed.

The Group's operating subsidiaries require administrative licenses, authorisations and permits in the countries where they operate, including in Germany, the Slovak Republic, Italy, the United Kingdom, the Netherlands, France, Ireland, the Czech Republic and Switzerland. The procedures for obtaining and renewing these licenses, authorisations and permits can be time consuming and complex and the relevant regulators may have broad powers to determine the conditions to be fulfilled. For instance, the Nuclear Regulatory Authority of the Slovak Republic (the "**Slovak NRA**") has broad powers in determining the licensing conditions of nuclear facilities; and may even modify such conditions whenever the circumstances relevant for nuclear safety, physical protection or emergency readiness are changed. The operating subsidiaries may be required to incur significant expenses to comply with the requirements for obtaining or renewing these licenses, authorisations and permits, including external and internal costs of preparing the applications and investments associated with installing necessary equipment required for the issuance or renewal of permits. Obtaining the necessary licenses, authorisations or permits can be expensive and can place a significant burden on the Group's operating subsidiaries. Whilst the Group's operating subsidiaries have not had problems obtaining administrative licenses, authorisations or permits in the past, there can be no assurance that such subsidiaries will not have difficulty in

the future if the German, Slovak, Italian, Dutch, French, Irish, Czech, EU regulation or regulation of the United Kingdom changes to introduce new procedures in relation to licenses, authorisations or permits.

Further, the Group's licenses, authorisations and permits required to conduct business operations, including operating power plants, gas transmission and distribution networks, gas storage facilities and heat and power distribution networks, could be revoked, withdrawn or amended by the relevant authorities under certain circumstances. For example, a licence or permit could be revoked, withdrawn or amended if there is a breach of a collateral clause, a subsequent change of facts or a relevant regulation, such permit is found to be contrary to the public interest, the holder of the licence is in breach of its duties, or it is deemed necessary to prevent severe harm to the common good. The authorities would in such a case be required to adhere to the applicable legislation and the respective licence holder would normally have procedural rights allowing it to protect its interest. Any such licence revocation, withdrawal or amendment decision would generally be subject to a judicial review if asked for by the licence holder. If any of the Group's operating subsidiaries' licences or permits is revoked, withdrawn or amended, or if the Group's operating subsidiaries have difficulty renewing a licence or permit, they may incur significant compliance costs or experience delays in operations, any of which could adversely impact the Group's business, financial condition, results of operations, cash flows and prospects.

The Group is exposed to risk under its pension schemes.

Some of the Group companies maintain defined benefit pension schemes, which guarantee pension benefits to a significant proportion of their current and former employees. Funds in such pension schemes are often managed by a trustee through hired advisers, and the employer has only limited influence over the asset allocation. Such pension schemes are maintained at EP Eggborough Limited, EP Ballylumford Limited, EP Kilroot Limited, the Group's entities located in the United Kingdom, entities in MIBRAG Energy Group and EP France. As of 30 June 2023 and 31 December 2022, the total balance of the Group's obligations from employee benefits was EUR 159 million and EUR 167 million, respectively. The timing of the payments as well as the length of the periods during which the payments are to be made differ across the Group, depending on a particular pension scheme.

As the difference between the assets and liabilities of the pension scheme may create a deficit or surplus, such defined benefit pension schemes may impose funding obligations on the relevant employer. Significant adverse changes in credit or market conditions (such as interest rate fluctuations, capital markets volatility or inflation assumptions), or an inadequate response on the part of the asset manager could result in actual rates of return on pension investments being lower than expected and subsequently have a negative impact on the value of the pension scheme's assets. Risks on the liability side are mainly related to the decrease in yield on government bonds, which affect the discount rate. Liabilities are further influenced by demographic factors, for example the changes in life expectancy (so-called 'longevity risk'). As a result, the particular Group company may be required to make significant contributions to its pension scheme, which may subsequently adversely impact the business, financial condition, results of operations and cash flows of the particular Group company, as well as the Group as a whole.

The Group is subject to various legal or regulatory proceedings, which may have a material adverse effect on the Group, and there can be no assurance that any provisions created by the Group in respect of such proceedings would be adequate to cover the potential losses.

The Group is subject to various civil, administrative and arbitration proceedings. In addition to the potential financial exposure that the Group may face in relation to such proceedings, any litigation, whether or not successful, could materially affect the Group's reputation in the market or relationships with its customers or suppliers, and the proceedings or settlements in relation to litigation may involve internal and external costs, which may, even in the case of the successful completion of a relevant proceeding, not be fully reimbursable, divert senior management's time or use other resources which would otherwise be utilised elsewhere in the Group's business.

For example, in October 2021, the UK Office of Gas and Electricity Markets ("**Ofgem**") opened an investigation into EP SHB Limited's ("**EP SHB**") compliance with condition 20A of the Electricity Generation Standard License Conditions. In January 2023, a Russian supplier initiated arbitration proceedings against EP Resources AG ("**EPR AG**") regarding the alleged breach of five coal supply contracts following international sanctions imposed on Russia in March 2022 due to the invasion of Ukraine. The supplier claimed damages amounting to

USD 221 million for non-performance of the contracts. Further, Gazel Energie Generation S.A.S. (“GEG”), a member of the Group, is disputing certain invoices relating to power trading agreements from 2019. In 2021, GEG asked the counterparty to provide justification for invoices which had been received (but not paid), however the counterparty could not evidence of the calculations which formed the basis of the invoices. Additionally, a criminal investigation before the prosecutor’s office in Cantazaro, Italy, was initiated in connection with certain former directors of Biomasse Italia S.p.A. and Biomasse Crotone S.p.A, both members of the Group. In July 2023, another Russian supplier demanded damages from EPR AG in the amount of USD 44 million for the alleged non-performance of coal supply contracts following international sanctions imposed on Russia in March 2022 due to the invasion of Ukraine. See “*Description of the Guarantor—Legal Proceedings*” for more information.

The Group’s Financial Statements show provisions created in relation to certain specific proceedings and the Group also records provisions relating to various other risks and charges, primarily in connection with regulatory disputes and disputes with local authorities. However, the Group has not recorded provisions in respect of all legal, regulatory and administrative proceedings to which the Group or its operating subsidiaries are a party or to which they may become a party. In particular, the Group has not recorded provisions in cases in which the amount cannot be estimated reliably or that the Group currently expects to be ruled in its favour. As a result, the Group cannot give any assurance that its provisions, where created, will be adequate to cover all amounts payable in connection with any such proceedings or any adverse development of any such proceedings. The Group’s failure to quantify sufficient provisions or to assess the likely outcome of any proceedings could have a material adverse effect on the Group’s business, financial condition, results of operations, cash flows, prospects and reputation.

The Group’s insurance coverage with respect to its operations may be inadequate.

While the Group’s operating subsidiaries benefit from certain insurance contracts concluded on the Group level, the Group’s operating subsidiaries also enter into insurance contracts at their individual level and maintain an amount of insurance protection that they consider adequate in the ordinary course of their operations, including, among other things, property damage and machinery breakdown insurance, business interruption insurance, third party liability insurance, terrorism insurance, as well as mandatory insurances such as motor third party liability insurance or professional indemnity insurances. Limits for insurance indemnities vary across the respective subsidiaries and are set based on professional estimates of the maximum losses’ scenarios. Such values are updated and confirmed on an annual basis. However, the Group cannot provide any assurance that the insurance will be sufficient or provide effective coverage under all circumstances and against all hazards or liabilities to which the Group may be exposed.

Further, the Group’s insurance agreements contain certain standard insurance exclusions and self-insured retentions which could have a negative impact on the Group, if any damage is not covered due to the exclusions or a self-insured retentions is incurred. If risks can be treated by other means of the Group’s risk management, decision may be taken not to procure insurance coverage. Also, due to rising insurance costs and changes in insurance markets, limiting insurance of business activities which could be considered as non-environmental in the future, insurance coverage may not continue to be available to the Group on terms similar to those presently available or the Group may be unable to purchase sufficient property insurance on facilities or business interruption insurance at a commercially reasonable cost or at all (see also “—*The Group’s business could be negatively affected by changes in the EU’s and EU countries’ renewable energy policies, an accelerated market shift towards renewable energy sources or a growing trend towards increased energy efficiency, which may impact the Group’s revenues, profitability, access to financing or insurance.*”).

Damages or third-party claims for which the Group is not fully insured as well as increases of insurance costs and other adverse changes in insurance markets could materially and adversely affect the Group’s business, financial condition, results of operations, cash flows and prospects.

Risks relating to the Group’s financial profile

The Group’s ability to access credit and bond markets and its ability to raise additional financing is in part dependent on its credit ratings.

The Group’s ability to access the capital markets and other forms of financing (or refinancing), and the costs connected with such activities, depend in part on the credit rating of the Guarantor. As of the date of this Base

Prospectus, the Guarantor has been assigned a rating of BBB- (stable outlook) by Fitch and rating of BBB- (stable outlook) by S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes. The Guarantor's ability to maintain its current rating is dependent on a number of factors, some of which may be beyond its control. These factors are more fully described in the various press releases and rating reports published by Fitch and S&P from time to time, and available on their respective websites. In the event that the Guarantor's credit rating is lowered, the Group's ability to access credit and bond markets and other forms of financing (or refinancing) could be limited. This may have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

The Group is subject to restrictive covenants that may limit its ability to finance its future operations and capital needs and to pursue business opportunities and activities.

Certain of the Group's financial indebtedness terms contain restrictive provisions which, among other things, limit the Group's ability to incur additional financial indebtedness, perform acquisitions, invest in joint ventures, make distributions and certain other payments (especially to the benefit of the shareholders of the respective other Group members), dispose of assets, provide loans or guarantees, create security, merge with other companies or engage in other transactions. These restrictions are subject to a number of exceptions and qualifications. For example, under the EPIF Facilities Agreement, EPIF can make distributions and certain other payments and the EPIF Group can perform acquisitions if, among other things, the EPIF Group net leverage does not exceed a certain limit, and the EPIF Group can incur additional financial indebtedness if, among other things, certain net leverage limits set for various EPIF Group levels are met. The EPH Syndicated Facilities Agreement (as defined in "*Description of the Guarantor—Material Contracts*") contains similar restrictions with respect to the Group. In addition, the EPIF Facilities Agreement, EPH Syndicated Facilities Agreement and the SSE Facilities Agreement (each as defined in "*Description of the Guarantor —Material Contracts*") contain change of control provisions, the triggering of which may result in mandatory prepayment, and each of the bonds issued or guaranteed by Eustream, bonds issued by SPPD, bonds issued by EPIF contain a change of control provision the triggering of which coupled by a ratings decline may result in mandatory repurchase of the bonds by the relevant issuer. The above restrictive provisions could limit Group's ability to finance its future operations and capital needs and its ability to pursue business opportunities and activities that may be in its interest. Moreover, terms of certain indebtedness of the Group and its subsidiaries, including the EPIF Notes, may restrict the subsidiaries of the Group from making distributions to the Guarantor, which may in turn adversely affect the Issuer's or the Guarantor's ability to service its indebtedness, including under the Notes.

The Group is exposed to interest rate risk.

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets, including investments, and interest-bearing liabilities mature or re-price at different times or in different amounts. The length of time for which the interest rate is fixed on a financial instrument indicates to what extent it exposes the Group to interest rate risk. The Group performs stress testing using a standardised interest rate shock, whereby an immediate increase or decrease in interest rates by one per cent. along the whole yield curve is applied to the interest rate positions of the portfolio. According to the latest results of these tests, as of 31 December 2022, a decrease in interest rates, specifically Euribor and Sonia, by one per cent. for financial assets and financial liabilities would have increased the Group's profit by EUR 16 million, whereas an increase in such interest rates by one per cent. for financial assets and financial liabilities would have decreased profit by EUR 16 million.

The Group uses interest rate swaps and other types of derivatives to reduce the amount of debt exposed to interest rate fluctuations and to reduce borrowing costs. However, the Group may incur losses if any of the variety of instruments and strategies used to hedge exposures are not effective or cannot be implemented. The Group's actual hedging decisions will be determined in light of the facts and circumstances existing at the time of the hedge and may differ from time to time. Also, the risk management procedures the Group has in place may not always be followed or may not work as planned. The occurrence of any of the above risks could adversely affect the Group's business, financial condition, results of operations, cash flows and prospects.

RISKS RELATING TO THE NOTES

Risks associated with the withholding taxation regime in the Czech Republic.

The Czech tax treatment of the Notes has been significantly affected by the 2021 ITA Amendment and the 2022 Banking Act Amendment (all capitalised terms used in this risk factor are defined in section “*Taxation*” where more information on the taxation regime in the Czech Republic can be obtained).

Such Czech tax changes may result in a potential Withholding Tax of up to 35 per cent. in respect of interest payments on the Notes even to the Beneficial Owners who would otherwise be entitled to Tax Relief unless certain administrative and technical steps, including certifications by the holders, are complied with (for more details about these steps please refer to the Certification Procedures under “*Risks associated with the evidencing of Beneficial Owner’s entitlement to Tax Relief*”). Furthermore, where the Notes are issued at a price lower than their principal amount (i.e. below par), a failure to comply with these steps could trigger a withholding of Tax Security of 1 per cent. from any payment of principal on such Notes.

The gross-up obligation of the Issuer under Condition 11 (*Taxation*) is subject to certain carve outs under which, for example, no gross-up applies to payments in respect of the Notes the Beneficial Owner of which is a Czech Tax Resident individual. There may be certain other carve outs from the gross-up obligation, mainly to payments in respect of Notes the Beneficial Owner of which is a Person Related Through Capital with the Issuer or payments in respect of Notes the Beneficial Owner of which is liable for such taxes or duties on account of any Tax Security. These carve outs from the gross up obligation will apply even if the Beneficial Ownership Information has been duly provided.

Holders should consult their own tax advisers regarding the tax implications of their potential purchase, holding, or sale of the Notes. Given that the new taxation regime came into force from 1 January 2022, it is not yet possible to determine the exact implications that the new regime may have for holders of the Notes. Further, this new tax regime is currently associated with many ambiguities and may be subject to further changes.

For additional information on the Czech taxation regime, please see section “*Taxation*”.

Risks associated with the evidencing of Beneficial Owner’s entitlement to Tax Relief.

Under Czech tax law, the Issuer is personally liable for (i) any Withholding Tax (all capitalised terms used in this risk factor are defined in the Conditions) and Tax Security (as the case may be) which are required to be withheld or deducted at source at the appropriate rate under any applicable law by or within the Czech Republic from any payment of interest and principal in respect of the Notes as well as (ii) the granting of any Tax Relief. The Issuer bears the related burden of proof, which necessitates, before any Tax Relief can be granted, collection of the Beneficial Ownership Information. Accordingly, for so long as this requirement is stipulated by Czech tax law, unless the Issuer receives, in accordance with the Certification Procedures, the Beneficial Ownership Information in relation to a payment of principal and interest in respect of a Note (whether this is because the relevant Beneficial Owner fails to provide such information or because the Certification Procedures have not been duly followed or for any other reason, except where this is caused by actions or omissions of the Issuer or its agents), the Issuer will withhold (i) Withholding Tax of up to 35 per cent. from any payment of interest on such Note and (ii) if such Note was issued at a price lower than its principal amount (i.e. below par) 1 per cent. Tax Security from any payment of principal on such Note unless the Issuer has the necessary information (by virtue of other means) enabling the Issuer not to apply the Withholding Tax (or to apply it at a lower rate) or not to apply the Tax Security (as the case may be) and the Issuer will not gross up payments in respect of any such withholding.

As a result, the Beneficial Owner will be required to provide, in order to be entitled to any Tax Relief, the Beneficial Ownership Information. If the Beneficial Owner fails to provide the Beneficial Ownership Information or it is incorrect, incomplete or inaccurate, payments of interest to such Beneficial Owner will be subject to Withholding Tax of up to 35 per cent. and if the Note was issued at a price lower than its principal amount (i.e. below par), the Tax Security of 1 per cent. from any payment of principal on such Note will also apply. However, if the Beneficial Owner is otherwise entitled to any Tax Relief, it may then make use of the Quick Refund Procedure to recover any such tax withheld.

Should the Beneficial Owner, who would otherwise be entitled to any Tax Relief, fail for any reason to make use of the Quick Refund Procedure, the Beneficial Owner may make use – with respect to Withholding Tax only – of the Standard Refund Procedure. There is a risk, however, that such Beneficial Owner may not, in spite of duly providing the Beneficial Ownership Information, obtain a refund of any amounts withheld, as under the Standard Refund Procedure, it is conditional on the ability of the Issuer firstly to be successful in obtaining a corresponding refund of the amounts originally withheld and paid to the Czech tax authorities. The use of the Standard Refund Procedure is also subject to a fee in respect of the Issuer’s administrative costs in following this procedure.

The Certification Procedures have only been subject to limited testing in practice and, as such, there is a risk that the procedures may be burdensome on the Beneficial Owners or result in additional costs being incurred by the Beneficial Owners. Further, the Issuer does not accept any responsibility and will not be liable for any damage or loss suffered by any Beneficial Owner who would otherwise be entitled to Tax Relief, but payments on the Notes to that Beneficial Owner are nonetheless paid net of any Withholding Tax or Tax Security (as the case may be) withheld by the Issuer either because the Certification Procedures have proven ineffective or because the Certification Procedures have not been duly followed or for any other reason, except where this is caused by actions or omissions of the Issuer or its agents.

Where the Beneficial Owner does not hold Notes directly in an account in the books of Euroclear and/or Clearstream, Luxembourg, it may not be able to benefit from the Certification Procedures if the intermediary through which it holds the Notes in Euroclear and/or Clearstream, Luxembourg has not implemented the Certification Procedures.

In addition, in accordance with the terms and conditions between Euroclear and Clearstream, Luxembourg and its participants, Euroclear and Clearstream, Luxembourg are not obliged to provide tax assistance and may unilaterally decide to discontinue the provision of tax services, for which no liability for any consequences of such discontinuation is accepted. Consequently, there is a risk that the Certification Procedures may be discontinued at any time.

See the section “*Taxation*” in this Base Prospectus for a fuller description of certain tax considerations relating to the Notes and the formalities which Beneficial Owners must follow in order to claim exemption from Withholding Tax and Tax Security (as applicable) as well as the procedures and formalities for claiming a refund of amounts that have been withheld, where applicable.

The Notes may be redeemed prior to maturity.

In the event that, as a result of a change in law or regulation, the Issuer or the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Czech Republic or any political subdivision thereof or any authority therein or thereof having power to tax, and such obligation cannot be avoided by reasonable measures, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Final Terms specify that the Notes are redeemable at the Issuer’s option in certain other circumstances and accordingly the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and may only be able to do so at a significantly lower rate. An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

There is no active trading market for the Notes.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). Although application has been made to Euronext Dublin for the Notes to be admitted to listing on the Official List and to trading on the Regulated Market there can be no assurance that such application will be accepted, that any particular Tranche of Notes

will be so admitted, or that an active trading market will develop or, if developed, that it will continue. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Guarantor as the case may be.

Modifications and waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Subject to and in accordance with Condition 7(n) (*Benchmark Replacement (Independent Adviser)*) certain changes may be made to the interest calculation of Floating Rate Notes, without the consent of the Noteholders.

Accordingly, there is a risk that the terms of the Notes, the Conditions or the Agency Agreement may be modified, waived or amended in circumstances where a Noteholder does not agree to such modification, waiver or amendment, which may adversely impact the rights of such Noteholder.

Notes with integral multiples

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. Noteholders who, as a result of trading such amounts, hold a principal amount of Notes other than a multiple of the minimum Specified Denomination will receive individual notes certificates in respect of their holding (*provided that* the aggregate amount of Notes they hold is in excess of the minimum Specified Denomination), however, any such individual notes certificates which are printed in denominations other than the minimum Specified Denomination may be illiquid and difficult to trade. Furthermore, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive an individual notes certificate in respect of such holding (should individual notes certificates be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, holders of the Notes will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantor.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, holders of the Notes will not be entitled to receive individual notes certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, holders of the Notes will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

While the Notes are represented by one or more Global Notes the Issuer and the Guarantor will discharge their payment obligations under the Notes by making payments to the common depository or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer or the

Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

If an investor holds Notes which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer, or as the case may be, the Guarantor, will pay principal and interest on the Notes in the currency specified in the applicable Final Terms (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (1) the Investor's Currency-equivalent yield on the Notes; (2) the Investor's Currency equivalent value of the principal payable on the Notes; and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer, or the Guarantor, as the case may be, to make payments in respect of the Note. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit rating may not reflect all risks.

Tranches of Notes to be issued under the Programme may be rated or unrated. The Guarantor has been assigned a rating of BBB- (stable outlook) by S&P's and BBB- (stable outlook) by Fitch. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agencies. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

The Notes may not satisfy the Eurosystem eligibility criteria.

The NSS (as defined in “*Forms of the Notes*” below) has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognised as eligible collateral for the Eurosystem (as defined in “*Forms of the Notes*” below) and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

Risk Factors relating to a particular structure of Notes

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.

The Euro Interbank Offered Rate (“**EURIBOR**”) and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the “**UK Benchmarks Regulation**”) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals

for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks”, trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the discontinuance or unavailability of quotes of certain “benchmarks”.

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a “risk free overnight rate” which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate (“€STR”) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(n) (*Benchmark Replacement (Independent Adviser)*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR, (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes.

The use of risk-free rates - including those such as the Sterling Overnight Index Average (“SONIA”), the Secured Overnight Financing Rate (“SOFR”) and the €STR, as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR or any related indices.

Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history.

Risk-free rates may differ from The London Interbank Offered Rate (“**LIBOR**”) and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 12 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index.

The Bank of England, the Federal Reserve, Bank of New York or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

INFORMATION INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Base Prospectus, shall be incorporated in, and form part of, this Base Prospectus:

- (a) the auditors' report on review and unaudited condensed consolidated interim financial statements as of and for the six months ended 30 June 2023 (with comparatives as of and for the six months ended 30 June 2022) of the Guarantor, including the information set out at the following pages in particular:

Auditors' report on review	Before page 1
Condensed consolidated interim statement of comprehensive income	Page 3
Condensed consolidated interim statement of financial position	Page 4
Condensed consolidated interim statement of changes in equity	Page 5
Condensed consolidated interim statement of cash flows	Page 7
Notes to the condensed consolidated interim financial statements	Page 9-55

available at: https://www.epholding.cz/wp-content/uploads/eph_review-report_eng_signed.pdf

- (b) the auditors' report and audited consolidated annual financial statements of the Guarantor for the financial year ended 31 December 2022, including the information set out at the following pages in particular:

Auditors' report	Page 93-96
Consolidated statement of comprehensive income	Page 102
Consolidated statement of financial position	Page 104
Consolidated statement of changes in equity	Page 106
Consolidated statement of cash flows	Page 110
Notes to the consolidated financial statements.....	Page 112-317

available at: https://www.epholding.cz/wp-content/uploads/2023_08_04-vz-eph-2022-landscape.pdf

- (c) the auditors' report and audited consolidated annual financial statements of the Guarantor for the financial year ended 31 December 2021, including the information set out at the following pages in particular:

Auditors' report	Page 97
Consolidated statement of comprehensive income	Page 106
Consolidated statement of financial position	Page 108
Consolidated statement of changes in equity	Page 110
Consolidated statement of cash flow	Page 114
Notes to the consolidated financial statements.....	Page 116-313

available at: https://www.epholding.cz/wp-content/uploads/2022_06_20-vz-eph_final_01.pdf

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of the Notes.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression “necessary information” means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor and of the rights attaching to the Notes and the reasons for the issuance and its impact on the issuer. In relation to the different types of Notes which may be issued under the Programme the Issuer and the Guarantor have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as supplemented to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the Guarantor and the relevant Notes or (2) by a registration document (the “**Registration Document**”) containing the necessary information relating to the Issuer and the Guarantor, a securities note (the “**Securities Note**”) containing the necessary information relating to the relevant Notes.

FORMS OF THE NOTES

Each Tranche of Notes will be represented by either individual note certificates (“**Individual Note Certificates**”) or a global note (a “**Global Note**”), in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, “*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*”, the European Central Bank (the “**ECB**”) announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the “**New Safekeeping Structure**” or “**NSS**”) would be in compliance with the “*Standards for the use of EU securities settlement systems in ESCB credit operations*” of the central banking system for the euro (the “**Eurosystem**”), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

The relevant Final Terms will indicate whether such Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Each Global Note will either be: (a) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being “Individual Note Certificates”, then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Note exchangeable for Individual Note Certificates

If the relevant Final Terms specifies the form of Notes as being “Global Note exchangeable for Individual Note Certificates”, then the Notes will initially be in the form of a Global Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the “Global Note”, then if either of the following events occurs:
 - (a) if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (b) an Event of Default (as defined in Condition 12 (*Events of Default*)) occurs and the Notes become due and payable.

Whenever a Global Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of

the Global Note within five business days of the delivery, by or on behalf of the registered holder of the Global Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Issuer and/or the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Note; or
- (b) any of the Notes represented by a Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Note in accordance with the terms of the Global Note on the due date for payment,

then the Global Note (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Note or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Note became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under “Terms and Conditions of the Notes” below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

1. Introduction

- (a) *Programme:* EPH Financing International, a.s. (the “**Issuer**”) has established a euro medium term note programme (the “**Programme**”) for the issuance of up to EUR 3,000,000,000 in aggregate principal amount of notes (the “**Notes**”) guaranteed by Energetický a průmyslový holding, a.s. (the “**Guarantor**”).
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a final terms (the “**Final Terms**”) which supplements these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of a fiscal agency agreement dated 12 October 2023 (the “**Agency Agreement**”) between the Issuer, the Guarantor, Citibank, N.A., London Branch as issuing agent, principal paying agent and fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citibank Europe plc as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (each a “**Paying Agent**” and together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agents named therein (the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the “**Agents**” are to the Paying Agents, the Registrar, the Calculation Agents and the Transfer Agents and any reference to an “**Agent**” is to any one of them.
- (d) *Deed of Guarantee:* The Notes are the subject of a deed of guarantee dated 12 October 2023 (the “**Deed of Guarantee**”) entered into by the Guarantor.
- (e) *Deed of Covenant:* The Notes are constituted by a deed of covenant dated 12 October 2023 (the “**Deed of Covenant**”).
- (f) *The Notes:* All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Final Terms.
- (g) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee and are subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee applicable to them. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection or collection by Noteholders at all reasonable times during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below, or may be provided by email to a Noteholder following their prior written request to any Paying Agent and provision of proof of holding and identity in a form satisfactory to the relevant Paying Agent.

2. Interpretation

(a) *Definitions:* In these Conditions the following expressions have the following meanings:

“**2006 ISDA Definitions**” means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

“**2021 ISDA Definitions**” means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org);

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Business Day**” means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and
- (c) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Final Terms, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

- (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other interest amount(s) as may be specified in the relevant Final Terms;

“Calculation Amount” has the meaning given in the relevant Final Terms;

“DA Selected Bond” means the government security or securities selected by the Determination Agent as having the nearest actual or interpolated maturity comparable with the Remaining Term of the relevant Notes to be redeemed and that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the Specified Currency and with a comparable remaining maturity to the Remaining Term *provided however*, that, if the Remaining Term of the Notes to be redeemed is less than one year, a fixed maturity of one year shall be used;

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **“Actual/Actual (ICMA)”** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
 - (iii) if **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
 - (iv) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;
 - (v) if **“Actual/360”** is so specified, means the actual number of days in the Calculation Period divided by 360;

- (vi) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30”;

- (vii) if “**30E/360**” or “**Eurobond Basis**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

if “**30E/360 (ISDA)**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“**Determination Agent**” means an independent adviser, investment bank or financial institution of recognised standing with appropriate expertise selected by the Issuer;

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Early Termination Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

“**EURIBOR**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**First Interest Payment Date**” means the date specified in the relevant Final Terms;

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms;

“**Guarantee of the Notes**” means the guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

“**Holder**” has the meaning given in Condition 3(b) (*Form, Denomination and Title – Title to Notes*);

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“**Interest Determination Date**” has the meaning given in the relevant Final Terms;

“**Interest Payment Date**” means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“**Interest Period**” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date);

“**ISDA**” means the International Swaps and Derivatives Association, Inc. (or any successor);

“**ISDA Definitions**” has the meaning given in the relevant Final Terms;

“**Issue Date**” has the meaning given in the relevant Final Terms;

“**Margin**” has the meaning given in the relevant Final Terms;

“**Maturity Date**” has the meaning given in the relevant Final Terms;

“**Material Subsidiary**” means each Subsidiary of the Guarantor whose contribution to the Consolidated EBITDA of the Group exceeds 10 % calculated for the preceding twelve month period by reference to the latest publicly available consolidated annual financial statements or semi-annual financial information of the Guarantor;

“**Maximum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Minimum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Noteholder**” has the meaning given in Condition 3(b) (*Form, Denomination and Title - Title to Notes*);

“**Optional Redemption Amount (Call)**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**Optional Redemption Amount (Put)**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Final Terms;

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Final Terms;

“**Par Redemption Date**” has the meaning given in the relevant Final Terms;

“**Payment Business Day**” means:

- (a) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“Permitted Reorganisation” means:

- (a) any solvent winding up or dissolution of a Material Subsidiary where the remaining assets of such Material Subsidiary are distributed to the Issuer or the Guarantor or any wholly-owned direct or indirect Subsidiary of the Issuer or the Guarantor;
- (b) any disposal by any Material Subsidiary (including, but not limited to, on its solvent winding up) of any part of its business, undertaking or assets to the Issuer, the Guarantor, any other Material Subsidiary or any other wholly-owned direct or indirect Subsidiary of the Issuer or the Guarantor;
- (c) any amalgamation, consolidation or merger of a Material Subsidiary with any other Material Subsidiary or any other wholly-owned direct or indirect Subsidiary of the Issuer or the Guarantor; or
- (d) any amalgamation, consolidation, restructuring, merger or reorganisation on terms previously approved by a modification made by Extraordinary Resolution of Noteholders;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Quotation Time” has the meaning given in the relevant Final Terms;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Sterling Make Whole Redemption Amount, the Non-Sterling Make Whole Redemption Amount, the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

“Redemption Margin” means the figure specified in the relevant Final Terms;

“Reference Bond” means the bond specified in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

“Reference Bond Price” means, with respect to any Reference Bond and any Reference Date, (i) if at least four Reference Government Bond Dealer Quotations are received, the arithmetic average of the Reference Government Bond Dealer Quotations for such Reference Date, after excluding the highest (or in the event of equality, one of the highest) and lowest (or in the event of equality, one of the lowest)

such Reference Government Bond Dealer Quotations, or (ii) if fewer than four such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

“**Reference Bond Rate**” means, with respect to any Reference Bond and any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) for the Remaining Term or interpolated yield for the Remaining Term (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

“**Reference Date**” means the date falling three London Business Days prior to the Optional Redemption Date (Call);

“**Reference Government Bond Dealer**” means each of four banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if one is specified in the relevant Final Terms), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

“**Reference Government Bond Dealer Quotations**” means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount): (a) which appear on the Relevant Make Whole Screen Page as at the Quotation Time on the Reference Date; or (b) to the extent that in the case of (a) above either such bid and offered prices do not appear on that page, fewer than two such bid and offered prices appear on that page, or if the Relevant Make Whole Screen Page is unavailable, then as quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

“**Reference Price**” has the meaning given in the relevant Final Terms;

“**Reference Rate**” means EURIBOR, SONIA, SONIA Compounded Index, SOFR, SOFR Compounded Index or €STR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms. Other than in the case of U.S. dollar-denominated floating rate Notes for which the “Reference Rate” is specified in the relevant Final Terms as being SOFR, the term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate;

“**Regular Period**” means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Final Terms;

“**Relevant Make Whole Screen Page**” means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Bloomberg) specified as the Relevant Make Whole Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Determination Agent for the purpose of displaying comparable relevant bid and offered prices for the Reference Bond;

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Final Terms;

“**Remaining Term**” means the term to maturity or, if a Par Redemption Date is specified in the relevant Final Terms, to such Par Redemption Date;

“**Reserved Matter**” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“**Specified Currency**” has the meaning given in the relevant Final Terms;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Final Terms;

“**T2**” means the real time gross settlement system operated by the Eurosystem or any successor system;

“**TARGET Settlement Day**” means any day on which T2 is open for the settlement of payments in euro; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (iv) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes;

- (v) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes; and
- (vi) any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. **Form, Denomination and Title**

- (a) *Notes:* Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms .
- (b) *Title to Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Note Certificate**”) will be issued to each Holder of Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. “**Holder**” means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.
- (c) *Ownership:* The Holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, or any writing on, the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (d) *Transfers of Notes:* Subject to paragraphs (g) (*Closed periods*) and (h) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Specified Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.
- (e) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (d) (*Transfers of Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (f) *No charge:* The transfer of a Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Issuer and/or the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (g) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

- (h) *Regulations concerning transfers and registration:* All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Transfer Agent. A copy of the current regulations will be emailed or mailed (free of charge) by the Registrar or the Transfer Agent to any Noteholder who requests in writing a copy of such regulations and provision of proof of holding and identity in a form satisfactory to the Registrar or Transfer Agent.

4. **Status and Guarantee**

- (a) *Status of the Notes:* The Notes constitute direct, general, unconditional and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Covenants**

- (a) *Negative Pledge*

So long as any Note remains outstanding (as defined in the Agency Agreement), neither the Issuer nor the Guarantor shall create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure (i) any Relevant Indebtedness or (ii) any Guarantee of Relevant Indebtedness, in each case without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

- (b) *Covenants*

So long as any Note remains outstanding, the Guarantor undertakes to comply with each of the following covenants:

- (i) The Guarantor will not:
- (A) pay any dividend or make any other payment or distribution (including any payment in connection with any merger or consolidation involving the Guarantor) on or with respect to its Capital Stock or to the holders thereof (in their capacity as such) other than dividends or distributions by the Guarantor payable solely in shares of its Capital Stock or in options, warrants or other rights to acquire such shares of Capital Stock;
 - (B) purchase, redeem, retire or otherwise acquire for value (including any payment in connection with any merger or consolidation involving the Guarantor) any shares of Capital Stock (including options, warrants or other rights to acquire such shares of Capital Stock or any securities convertible or exchangeable into shares of Capital Stock) of the Guarantor; or
 - (C) make any principal payment, or redemption, purchase, repurchase, defeasance, or other acquisition or retirement for value or pay interest in relation to Subordinated Indebtedness,

(such actions described in paragraphs (A) to (C) above being “**Restricted Payments**”) unless, at the time of, and after giving effect to, the proposed Restricted Payment; (x) all of the

conditions specified in Condition 5(b)(ii)) are satisfied; or (y) the Restricted Payment is permitted under Condition 5(b)(iii).

- (ii) The conditions referred to in Condition 5(b)(i) are that, at the Calculation Date:
 - (A) No Event of Default shall have occurred and be continuing or would result from such Restricted Payment; and
 - (B) the Consolidated Leverage Ratio does not exceed 3.75 to 1.00;
- (iii) Provided that no Event of Default has occurred and is continuing or would occur as a consequence of the making of such Restricted Payment, Condition 5(b) shall not prohibit:
 - (A) the payment of any dividend or any other payment or distribution (including any payment in connection with any merger or consolidation involving, the Guarantor) on or with respect to its Capital Stock or to the holders thereof (in their capacity as such) by the Guarantor within 60 days after the date of declaration or the giving of notice thereof if, at said date of declaration or the giving of notice, such payment would have complied with the provisions of these Conditions;
 - (B) any Restricted Payment made in exchange for, or out of the net available cash of the substantially concurrent sale of, or made by exchange for, Capital Stock of the Guarantor (other than Capital Stock issued or sold to a Subsidiary of the Guarantor) or a substantially concurrent contribution received in respect of the shares of Capital Stock (including options, warrants or other rights to acquire such shares of Capital Stock or any securities convertible or exchangeable into shares of Capital Stock) of the Guarantor;
 - (C) the repurchase, redemption or other acquisition or retirement for value of shares of Capital Stock of the Guarantor (including options, warrants or other rights to acquire such shares of Capital Stock) **provided, however**, that the aggregate amount of such repurchases and other acquisitions shall not exceed EUR 20,000,000 (or its equivalent) in the aggregate in any fiscal year;
 - (D) the payment of dividends or other payment or distribution on redeemable Capital Stock;
 - (E) repurchases or other acquisition of Capital Stock deemed to occur upon exercise of stock options, warrants or other securities if such Capital Stock represents all or a portion of the exercise price of such options, warrants or other securities;
 - (F) cash payments in lieu of the issuance of fractional shares or purchase by the Guarantor of fractional shares in connection with stock dividends, splits or combinations, the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Guarantor;
 - (G) dividends paid by the Guarantor by way of cancellation of, or netting against amounts due under, Indebtedness owed by any holder of the Capital Stock of the Guarantor; and
 - (H) other Restricted Payments in an aggregate amount not to exceed EUR 60,000,000 (or its equivalent) in any fiscal year of the Guarantor,

(c) *Financial Reporting*

- (i) For so long as any Note remains outstanding, the Guarantor shall publish on its website, as soon as the same become available, but in any event within 180 days after the end of each of its financial years, its audited consolidated financial statements for that financial year.
- (ii) The Guarantor may (in its sole discretion) publish annually with its respective audited financial statements for that financial year a certificate confirming that any Restricted Payments made in that financial year were made in compliance with Condition 5(b) (*Financial Covenant*) (a “**Compliance Certificate**”). In the event that a Compliance Certificate is not published by the

Guarantor, with its audited financial statements for that financial year, the Guarantor will provide a Compliance Certificate upon the request of any Noteholder.

Upon the request of a Noteholder, the Guarantor will provide a calculation of the Consolidated Leverage Ratio as of the end of the period for which its latest audited consolidated financial statements are available.

In these Conditions:

“**Accounting Principles**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 or such other generally accepted accounting principles applied to the consolidated financial statements of the Guarantor from time to time.

“**Associate/Joint Venture Dividend Loan**” means any loan made by an Associate or a Joint Venture to any member of the Group as an advance payment for a dividend *provided that* any Indebtedness arising from each such loan is or will be set off against declared dividends within 15 months of the date on which the relevant loan has been made.

“**Associate**” means an entity in relation to which a member of the Group is a shareholder but does not exercise control.

“**Calculation Date**” means the date on which a Restricted Payment is to be made.

“**Capital Stock**” of any person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such person, including any preferred stock of such person, whether now outstanding or issued after the Issue Date, including without limitation, all series and classes of such Capital Stock but excluding any debt securities convertible into such equity or Equity Hybrid Securities.

“**Cash**” has the meaning given to that term in the Accounting Principles including, for avoidance of any doubts, any restricted cash intended for or covering the repayment of any Consolidated Borrowings.

“**Cash Equivalent Investments**” has the meaning given to that term in the Accounting Principles including, for avoidance of any doubts, any restricted cash equivalent investments intended for or covering the repayment of any Consolidated Borrowings.

“**Consolidated Borrowings**” means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any Indebtedness of the Guarantor (calculated on a consolidated basis and without double-counting) for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument;
- (d) any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); and
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles,

but excluding:

- (i) any Indebtedness owed by any member of the Group to any other member of the Group;
- (ii) any Subordinated Indebtedness;
- (iii) Indebtedness under any Associate/Joint Venture Dividend Loan; and
- (iv) any obligations under any Equity Hybrid Securities.

“**Consolidated EBITDA**” means in respect of any Relevant Period, consolidated operating profit (loss) of the Guarantor (before tax):

- (a) after adding back depreciation of property, plant and equipment, and amortisation of intangible assets;
- (b) excluding the effect of creation and reversal of impairment to assets and creation and reversal of provisions;
- (c) excluding negative goodwill;
- (d) before taking into account any Exceptional Items; and
- (e) after including cash dividends received from non-consolidated Subsidiaries, Associates, Joint Ventures and other investments.

In addition, for purposes of calculating the Consolidated EBITDA for the Relevant Period:

- (a) acquisitions that have been made by any member of the Group, and including all related financing transactions and including increases in ownership of Subsidiaries of the Guarantor, during the Relevant Period or subsequent to such Relevant Period and on or prior to the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Guarantor) as if they had occurred on the first day of the Relevant Period; and
- (b) any amount of EBITDA attributable to discontinued operations, as determined in accordance with the Accounting Principles, will be re-included for the purpose of calculation of the Consolidated EBITDA if the disposal or transaction to which such discontinued operations relate has not been completed before the Calculation Date.

“**Consolidated Leverage Ratio**” means, as of the Calculation Date:

- (a) the Consolidated Borrowings of the Guarantor, net of the amount of Cash and Cash Equivalent Investments (in each case on consolidated basis), based on the most recent internally available financial information in possession of the Guarantor; to
- (b) the Consolidated EBITDA for the Relevant Period most recently ended for which consolidated financial statements of the Guarantor are publicly available.

In calculating the Consolidated Leverage Ratio or any element thereof, (x) any disposal proceeds received on or prior to the Calculation Date shall be reflected in the calculation of the Consolidated Leverage Ratio and (y) *pro forma* calculations will be made in good faith by a responsible accounting or financial officer of the Guarantor (including any *pro forma* expenses and cost savings and cost reduction synergies that (i) have occurred or, only with respect to any cost savings or cost reduction synergies that are attributable to an acquisition of another Person, are reasonably expected to occur within the next 12 months following the Calculation Date and (ii) are reasonably identifiable and factually supportable, including, without limitation, as a result of, or that would result from any actions taken by the Guarantor or any of its Subsidiaries including, without limitation, in connection with any cost reduction or cost savings plan or program or in connection with any transaction, investment, acquisition, disposition, restructuring, corporate reorganisation or otherwise, in the good faith judgment of the chief executive officer, chief financial officer or any person performing a similarly senior accounting role of the Guarantor);

“Equity Hybrid Securities” means hybrid securities to the extent that such securities are treated as equity for accounting purposes in accordance with the Accounting Principles.

“Exceptional Items” means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

- (a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;
- (b) disposals, revaluations, write-downs or impairment of non-current assets or any reversal of any write-down or impairment; and
- (c) disposals of assets associated with discontinued operations.

“Finance Lease” means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability.

“Group” means the Guarantor and its Subsidiaries.

“Guarantee” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness.

“Indebtedness” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 180 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

“Joint Venture” means an entity jointly controlled by a member of the Group and a third party.

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

“Relevant Indebtedness” means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market.

“**Relevant Period**” means each period of twelve months ending on the last day of the Guarantor’s financial year and each period of twelve months ending on the last day of the first half of the Guarantor’s financial year.

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

“**Subordinated Indebtedness**” means any Indebtedness of the Guarantor that is expressly subordinate or junior in right of repayment to the Notes, as applicable pursuant to a written agreement or other similar arrangement, and excludes, for the avoidance of doubt, any Indebtedness or obligations under any Equity Hybrid Securities.

“**Subsidiary**” means, with respect to a person, any person:

- (a) which is controlled, directly or indirectly, by the first-mentioned person; or
- (b) in which the first-mentioned person owns directly or indirectly more than half of the issued share capital or the ownership or any other equity interests or similar right of ownership; or
- (c) which is a subsidiary of another subsidiary of the first-mentioned person,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body; and

“**Trade Instruments**” means any performance bonds, advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Group arising in the ordinary course of trading of that member of the Group.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Notes accruing interest otherwise than a Fixed Coupon Amount:* This Condition 6(d) shall apply to Notes which are Fixed Rate Notes only where the Final Terms for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest for such Interest Period and the Calculation Amount by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agents, the

Registrar and the Noteholders in accordance with Condition 18 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange (or listing agent, as the case may be) as soon as possible after their determination or calculation but in no event later than the fourth Business Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.

- (e) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SONIA, SOFR and/or €STR or any related index is specified as the Reference Rate in the relevant Final Terms) determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iv) and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however**, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.
- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate, provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. **“ISDA Rate”** in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) if the Final Terms specify either “2006 ISDA Definitions” or “2021 ISDA Definitions” as the applicable ISDA Definitions:
 - (A) the Floating Rate Option is as specified in the relevant Final Terms;
 - (B) the Designated Maturity, if applicable, is a period specified in the relevant Final Terms; and
 - (C) the relevant Reset Date, unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions;
 - (D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;
 - (E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Final Terms and:

- (1) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;
 - (2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or
 - (3) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;
- (F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Final Terms and:
- (1) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;
 - (2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or
 - (3) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and
- (G) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms;
- (ii) references in the ISDA Definitions to:
- (A) “**Confirmation**” shall be references to the relevant Final Terms;
 - (B) “**Calculation Period**” shall be references to the relevant Interest Period;
 - (C) “**Termination Date**” shall be references to the Maturity Date;
 - (D) “**Effective Date**” shall be references to the Interest Commencement Date; and
- (iii) if the Final Terms specify “2021 ISDA Definitions” as being applicable:
- (A) “**Administrator/Benchmark Event**” shall be disappplied; and

- (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be “Temporary Non-Publication Fallback – Alternative Rate” in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to “Calculation Agent Alternative Rate Determination” in the definition of “Temporary Non-Publication Fallback – Alternative Rate” shall be replaced by “Temporary Non-Publication Fallback – Previous Day’s Rate”.
- (iv) Unless otherwise defined capitalised terms used in this Condition 7(d) shall have the meaning ascribed to them in the ISDA Definitions.
- (e) *Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)*
- (i) This Condition 7(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the “Reference Rate” is specified in the relevant Final Terms as being “SONIA”.
- (ii) Where “SONIA” is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.
- (iii) For the purposes of this Condition 7(e):

“**Compounded Daily SONIA**”, with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

“**d**” means the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**D**” is the number specified in the relevant Final Terms (or, if no such number is specified, 365);

“**d_o**” means the number of London Banking Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**i**” means a series of whole numbers from one to **d_o**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “p” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

“**London Banking Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n_i**” for any London Banking Day “i”, in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day “i” up to, but excluding, the following London Banking Day;

“**Observation Period**” means, in respect of an Interest Period, the period from, and including, the date falling “p” London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is “p” London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

“**p**” for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms or if no such period is specified, five London Banking Days;

“**SONIA Reference Rate**” means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

“**SONIA_i**” means the SONIA Reference Rate for:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling “p” London Banking Days prior to the relevant London Banking Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant London Banking Day “i”;

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

- (iv) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), be:
 - (A) the sum of (a) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; and (b) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest

spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

- (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (b) if this is more recent, the latest determined rate under (A).
- (v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(e), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(f) *Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*

- (i) This Condition 7(f) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the “Reference Rate” is specified in the relevant Final Terms as being “SOFR”.
- (ii) Where “SOFR” is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 7(f):

“**Benchmark**” means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7(f).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7(f)(iv) below will apply.

“**Compounded SOFR**” with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

“**d**” is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

“**D**” is the number specified in the relevant Final Terms (or, if no such number is specified, 360);

“**d_o**” is the number of U.S. Government Securities Business Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

“**i**” is a series of whole numbers from one to **d_o**, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to and including the last U.S. Government Securities Business Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “**p**” U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “**p**” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

“**n_i**” for any U.S. Government Securities Business Day “**i**” in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day “**i**” to, but excluding, the following U.S. Government Securities Business Day (“**i+1**”);

“**Observation Period**” in respect of an Interest Period means the period from, and including, the date falling “**p**” U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling “**p**” U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling “**p**” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**p**” for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms or if no such period is specified, five U.S. Government Securities Business Days;

“**SOFR**” with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator’s Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the “**SOFR Determination Time**”); or
- (ii) Subject to Condition 7(f)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator’s Website;

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, or any successor source;

“**SOFR_i**” means the SOFR for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling “p” U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant U.S. Government Securities Business Day “i”; and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

“**Benchmark**” means, initially, Compounded SOFR, as such term is defined above; *provided that* if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then “**Benchmark**” shall mean the applicable Benchmark Replacement.

“**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of “Benchmark Transition Event”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**” with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

“**Relevant Governmental Body**” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(f)(iv) above will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent and the Agents of the same, the Issuer shall deliver to the Fiscal Agent and the Agents a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement

Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(f); and

- (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

The Fiscal Agent and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof.

- (vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(f), the Issuer shall promptly notify the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Noteholders and the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(g) *Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)*

- (i) This Condition 7(g) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the “Reference Rate” is specified in the relevant Final Terms as being “€STR”.
- (ii) Where “€STR” is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 7(g):

“**Compounded Daily €STR**” means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“**d**” means the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

“**D**” means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

“**d_o**” means the number of TARGET Settlement Days in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the “**€STR reference rate**”, in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate (“**€STR**”) for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

“**€STR_i**” means the €STR reference rate for:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the TARGET Settlement Day falling “p” TARGET Settlement Days prior to the relevant TARGET Settlement Day “i”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Settlement Day “i”.

“**i**” is a series of whole numbers from one to “d_o”, each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

- (i) where “Lag” is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling “p” TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” TARGET Settlement Days prior to such earlier date, if any, on which the Notes are due and payable);

“**n_i**” for any TARGET Settlement Day “i” in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day “i” up to (but excluding) the following TARGET Settlement Day;

“**Observation Period**” means, in respect of any Interest Period, the period from (and including) the date falling “p” TARGET Settlement Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling “p” TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and

“p” for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the “Lag Period” or the “Observation Shift Period” (as applicable) in the relevant Final Terms or, if no such period is specified, five TARGET Settlement Days.

- (iv) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if, where any Rate of Interest is to be calculated pursuant to Condition 7(g)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(g)(ii)(g), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(h) *Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*

This Condition 7(h) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and “Index Determination” is specified in the relevant Final Terms as being applicable.

Where “Index Determination” is specified in the relevant Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left(\frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{\text{Numerator}}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

“**Compounded Index**” means either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Final Terms;

“**Compounded Index End**” means the relevant Compounded Index value on the End date;

“**Compounded Index Start**” means the relevant Compounded Index value on the Start date;

“**d**” is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

“**End**” means the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

“**Index Days**” means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

“**Numerator**” means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

“**Relevant Decimal Place**” shall, unless otherwise specified in the Final Terms, be the fifth decimal place, rounded up or down, if necessary (with 0.000005 being rounded upwards); and

“**Relevant Number**” is as specified in the applicable Final Terms, but, unless otherwise specified shall be five.

“**SONIA Compounded Index**” means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England’s Interactive Statistical Database, or any successor source;

“**SOFR Compounded Index**” means the Compounded SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

“**Start**” means the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

If, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Final Terms and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 7(e) or Condition 7(f), as applicable) had been specified instead in the Final Terms, and in each case “**Observation Shift**” had been specified as the Observation Method in the relevant Final Terms, and where the Observation Shift Period for the purposes of the references to that term in Condition 7(e) or Condition 7(f) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Final Terms and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer For the avoidance of doubt, if (i) (in the case of SONIA Compounded Index) a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 7(n) (*Benchmark Replacement (Independent Adviser)*) shall apply, and (ii) (in the case of SOFR Compounded Index) a Benchmark Transition Event and its related Benchmark Replacement Date has occurred in respect of SOFR, the provisions of Condition 7(f)(iv) shall apply.

- (i) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (j) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (k) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority and stock exchange (or listing agent as the case may be) (if any) by which the Notes have then been admitted to listing and/or trading as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate

any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

- (l) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (m) *Determination of Rate of Interest following acceleration:* If (i) the Notes become due and payable in accordance with Condition 12 (*Events of Default*) and (ii) the Rate of Interest for the Interest Period during which the Notes become due and payable is to be determined by reference to any of Conditions 7(e) (*Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)*), 7(f) (*Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*), 7(g) (*Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)*) and 7(h) (*Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*), then the final Interest Determination Date shall be the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in the Conditions.
- (n) *Benchmark Replacement (Independent Adviser)*

Other than in the case of a U.S. dollar-denominated floating rate Note for which the Reference Rate is specified in the relevant Final Terms as being “SOFR” or “SOFR Compounded Index”, if a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(n)(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(n)(ii)) and any Benchmark Amendments (in accordance with Condition 7(n)(iii)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agents or the Noteholders for any determination made by it pursuant to this Condition 7(n) and the Agents will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof

- (i) If the Independent Adviser determines in its discretion that:
 - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(n) in the event of a further Benchmark Event affecting the Successor Rate; or
 - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(n) in the event of a further Benchmark Event affecting the Alternative Rate.
- (ii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

- (iii) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(n) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7(n)(iv), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, each Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as the Fiscal Agent may be required in order to give effect to this Condition 7(n)) provided, however, that no Agent shall be obliged to agree or consent to any such consequential amendments if the same would, in the sole opinion of the relevant Agent (as applicable), expose it to any additional liabilities or increase the obligations or duties or reduce or amend its rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement (as applicable).
- (iv) If (A) the Issuer is unable to appoint an Independent Adviser or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(n) prior to the relevant Interest Determination Date, the Issuer shall promptly notify the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Noteholders and the Reference Rate applicable to the relevant Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate that would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. For the avoidance of doubt, any adjustment pursuant to this Condition 7(n)(iv) shall apply to the relevant Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(n) (*Benchmark Replacement (Independent Adviser)*).
- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(n) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (vi) No later than notifying the Agents of the same, the Issuer shall deliver to the Agents a certificate signed by two authorised signatories of the Issuer:
- (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(n); and
 - (B) certifying that (1) the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread and (2) the intent of the drafting of such changes is solely to implement the relevant Benchmark Amendments.
- The Fiscal Agent and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof.
- (vii) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment

Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(viii) As used in this Condition 7(n):

“**Adjustment Spread**” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such determination has been made) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 7(n) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for a commensurate period and in the Specified Currency;

“**Benchmark Amendments**” has the meaning given to it in Condition 7(n)(iii);

“**Benchmark Event**” means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the “**Specified Future Date**”); or
- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the “**Specified Future Date**”), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the “**Specified Future Date**”), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is or will, by a specified future date (the “**Specified Future Date**”), be no longer representative of an

underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or

- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D), or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

“Independent Adviser” means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

Notwithstanding anything else contained in this Condition 7, in no event shall any Agent be responsible for determining any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, any Benchmark Replacement, Benchmark Replacement Adjustment or any Benchmark Replacement Conforming Changes. Each Agent will be entitled to conclusively rely on any determinations made by the Issuer or the Independent Advisor and will have no liability for such actions taken at the direction of the Issuer or the Independent Advisor. If in the relevant Agents opinion there is any uncertainty in making any determination or calculation under this Condition 7, the relevant Agent shall promptly notify the Issuer thereof and the Issuer shall direct the relevant Agent in writing as to which course of action to adopt. If the relevant Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the relevant Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
- (i) the Reference Price; and

- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable) or on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable), on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant final terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:
 - (i) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Czech Republic or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
 - (ii) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Czech Republic or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (i) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant final terms) prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (ii) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant final terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. The Fiscal Agent shall not be required nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 9(b) are provided, nor shall it be required to review, check or

analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications is inaccurate or incorrect.

Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable, but may (at the option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived by the Issuer, and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call)) at one of:
- (i) the Optional Redemption Amount (Call); or
 - (ii) the Make Whole Redemption Price.

The "**Make Whole Redemption Price**" will, in respect of Notes to be redeemed, be an amount equal to the greater of (i) 100 per cent. of the principal amount of the Notes to be redeemed and (ii) the sum of the then present values (as determined by the Determination Agent) of the remaining scheduled payments of principal and interest on the Notes to be redeemed (but not including any portion of such payments of interest accrued to the Optional Redemption Date (Call), if any) discounted to the Maturity Date or, if applicable, any earlier Par Redemption Date, at the sum of: (x) the Reference Bond Rate plus (y) the Redemption Margin, as determined by the Determination Agent provided however that, in the case of either (i) or (ii) above, if a Par Redemption Date is specified in the relevant Final Terms and the Optional Redemption Date (Call) occurs on or after the Par Redemption Date, the Make-Whole Redemption Price will be equal to 100 per cent of the principal amount of the Notes. The Issuer shall notify the Agents of the Optional Redemption Amount (Call) or the Make Whole Redemption Price, as applicable, no later than two (2) Business Days prior to the relevant Optional Redemption Date (Call).

- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Clean-up Call:* If Clean-up Call Option is specified in the relevant Final Terms as being applicable, and if, at any time (other than as a direct result of a redemption of some, but not all, of the Notes at the Make Whole Redemption Price at the Issuer's option pursuant to Condition 9(c) (*Redemption at the option of the Issuer*), the outstanding aggregate principal amount of the Notes is 20 per cent. (or such other amount as is specified in the relevant Final Terms) or less of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 17 (*Further Issues*) and consolidated with the Notes as part of the same Series shall be deemed to have been originally issued) (the "**Clean-up Call Threshold**"), the Issuer may redeem all (but not some only) of the remaining outstanding Notes on any date (or, if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, on any Interest Payment Date) upon giving not less than 15 nor more than 30 days' notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms) (which notice shall specify the date for redemption and shall be irrevocable), at the Optional Redemption Amount (Clean-up Call) together with any accrued and unpaid interest up to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 9(e), the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a

statement of facts showing that the outstanding aggregate principal amount of the Notes is equal to or less than the Clean-up Call Threshold. The Fiscal Agent shall not be required nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 9(e) are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications is inaccurate or incorrect. Such certificate shall be sufficient evidence of the satisfaction of the condition precedent set out above and shall be conclusive and binding on the Noteholders.

(f) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(f), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant final terms), deposit with any Paying Agent such Note and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(g) *Change of Control Put Option:*

If this Condition 9(g) is specified as applicable in the relevant Final Terms, if at any time while any Note remains outstanding, (A) there occurs a Change of Control (as defined below), and (B) within the Change of Control Period, a Rating Event in respect of that Change of Control occurs (such Change of Control and Rating Event not having been cured prior to the expiry of the Change of Control Period, together, a “**Change of Control Put Event**”), each Noteholder will have the option (the “**Change of Control Put Option**”) (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice to redeem the Notes under Condition 9(b) or 9(e)) upon giving notice to the Issuer as provided in this Condition 9(g), to require the Issuer to redeem or, at the Issuer’s option, to procure the purchase of, all or part of its Notes, on the Optional Redemption Date (as defined below) at the principal amount outstanding of such Notes together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

Where:

A “**Change of Control**” shall be deemed to have occurred if any person, directly or indirectly, alone or with any persons acting in concert (the “**Relevant Person**”) (a) acquires beneficial ownership or control of more than 50 per cent. of the issued share capital of the Guarantor or (b) acquires the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a general meeting of the Guarantor; appoint or remove the majority of the directors or other equivalent officers of the Guarantor; and direct the management and policies of the Guarantor, provided that a Change of Control shall not occur if a Permitted Holder, in each case acting alone or in concert, directly or indirectly, including through any trust, fund or a similar structure, owns or acquires beneficial ownership or control of more than 50 per cent. of the issued share capital of the Guarantor carrying more than 50 per cent. of the total voting rights represented by the shares of the Guarantor.

For the purpose of this definition of “**Change of Control**”, “acting in concert” means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively cooperate, through the acquisition directly or indirectly of shares in the Guarantor by any of them, either directly or indirectly, to obtain or consolidate control of the Guarantor and in the case of acting in concert, a Permitted Holder must be in control also of the persons acting in concert.

A “**Rating Event**” shall be deemed to have occurred in respect of a Change of Control if (within the Change of Control Period):

- (i) the rating previously assigned to the Guarantor by any Rating Agency solicited by (or with the consent of) the Issuer or the Guarantor and assigned to the Guarantor on the Relevant Announcement Date is:
 - (A) withdrawn; or
 - (B) changed from an investment grade rating (BBB-/Baa3 or its equivalent for the time being, or better) to a non-investment grade rating (BB+/Ba1 or its equivalent for the time being, or worse); or
 - (C) (if the rating previously assigned to the Guarantor by any Rating Agency solicited by (or with the consent of) the Issuer or the Guarantor and assigned to the Guarantor on the Relevant Announcement Date was below an investment grade rating (as described above)), lowered by at least one full rating notch (for example, from BB+ to BB, or their respective equivalents); and
- (ii) such rating is not within the Change of Control Period subsequently upgraded (in the case of a downgrade) or reinstated (in the case of a withdrawal) either to an investment grade credit rating (in the case of (A) and (B)) or to its earlier credit rating or better (in the case of (C)) by such Rating Agency, provided that a Rating Event otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control unless the Rating Agency making the reduction in rating publicly announces or confirms in writing to the Issuer that the lowering or withdrawal of the rating or the failure to assign an investment grade rating was the result, in whole or in part, of the applicable Change of Control,

provided that no such event described in paragraphs (i) and (ii) above shall be deemed to have occurred if, on the Relevant Announcement Date, the Guarantor has ratings from two or more Rating Agencies solicited by (or with the consent of) the Issuer or the Guarantor and only one such Rating Agency so lowers or withdraws the applicable rating, as the case may be;

“**Change of Control Period**” means the period beginning on the date (the “Relevant Announcement Date”) that is the earlier of (A) the first public announcement by or on behalf the Guarantor or any bidder or any designated advisor, of the relevant Change of Control; and (B) the date of the earliest Potential Change of Control Announcement, and ending 90 days after the Relevant Announcement Date (such 90th day, the “Initial Longstop Date”); provided that, unless a Rating Event occurs on or prior to the Initial Longstop Date, if a Rating Agency publicly announces, at any time during the period commencing on the date which is 60 days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Guarantor under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 60 days after the date of such public announcement by such Rating Agency.

“**DK Entity**” means Mr. Daniel Křetínský and any of his Subsidiaries.

“**Fitch**” means Fitch Ratings Ireland Limited and any successor to its rating agency business;

“**Moody’s**” means Moody’s Deutschland GmbH and any successor to its rating agency business;

“**Permitted Holder**” means:

- (a) a DK Entity; or
- (b) any heir, legal successor or executor of Mr. Daniel Křetínský and any of his / their Subsidiaries; or
- (c) a (current or former) family member of Mr. Daniel Křetínský and any of his / her Subsidiaries.

“**Potential Change of Control Announcement**” means any public announcement or statement by the Guarantor, any actual or potential bidder or any designated adviser thereto relating to any specific and near-term potential Change of Control (where “**near-term**” shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Guarantor, any such actual or potential bidder or any such designated adviser to be intended to occur, within 120 days of the date of such announcement of statement).

“**Rating Agency**” means Moody’s, S&P or Fitch or any of their respective successors or any other rating agency (each a “**Substitute Rating Agency**”) of equivalent international standing specified by the Issuer or the Guarantor from time to time.

“**S&P**” means S&P Global Ratings Europe Limited and any successor to its rating agency business.

Promptly upon the Issuer becoming aware that a Change of Control Put-Event has occurred, the Issuer shall notify the Fiscal Agent and give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition 9(g).

To exercise the Change of Control Put Option, a Noteholder must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Fiscal Agent specified in the Change of Control Put Exercise Notice (as defined below) for the account of the Issuer within the period (the “**Change of Control Put Period**”) of 45 days after a Change of Control Put Event Notice is given together with a duly signed and completed notice of exercise in the then current form obtainable from the Fiscal Agent (a “**Change of Control Put Exercise Notice**”) and in which the Noteholder may specify a bank account to which payment is to be made under this Condition 9(g).

A Change of Control Put Exercise Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Fiscal Agent for the account of the Issuer as described above by the date which is the fifth Business Day following the end of the Change of Control Put Period (the “**Optional Redemption Date**”). Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Change of Control Put Exercise Notice.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder’s exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

The Fiscal Agent is under no obligation to ascertain whether a Change of Control Put-Event or Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control Put-Event or Change of Control has occurred or to notify the Noteholders of the same and, until it shall have received notice pursuant to the Agency Agreement to the contrary, the Fiscal Agent may assume that no Change of Control Put-Event or Change of Control or other such event has occurred.

- (h) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

- (i) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date Fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(i) or, if none is so specified, a Day Count Fraction of 30E/360.

- (j) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase or procure others to purchase for their account Notes in the open market or otherwise and at any price and such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.
- (k) *Cancellation:* All Notes redeemed by the Issuer, the Guarantor or any of their respective Subsidiaries shall be cancelled and all Notes so cancelled and any Notes surrendered for cancellation pursuant to Condition 9(j) (*Purchase*) above may not be reissued or resold.

10. **Payments**

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (d) *Commissions or Expenses:* No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (e) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on

the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 10 arriving after the due date for payment or being lost in the mail.

- (f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (g) *Record date:* Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the close of business on the date being fifteen business days (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the due date for such payment (the “**Record Date**”). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

11. **Taxation**

- (a) *Gross up:*

The Issuer will be liable as withholding agent for and bear a burden of proof vis-à-vis the tax authorities with respect to (i) the proper withholding of any Withholding Tax and Tax Security (as the case may be) which are required to be withheld or deducted at source under the laws of the Czech Republic from any payment of principal, interest, premium (if any) or any amounts payable in respect of the Notes as well as (ii) the granting of any Tax Relief. Accordingly, before any Tax Relief can be granted, the Issuer will require, unless waived in accordance with this Condition 11 (*Taxation*), the Beneficial Ownership Information to be duly collected and delivered to the Issuer in accordance with the Certification Procedures.

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Czech Republic or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note;
- (ii) presented for payment in the Czech Republic;
- (iii) the Beneficial Owner of which is liable for such Taxes in respect of such Note by reason of the Beneficial Owner having some connection with the Czech Republic other than the mere holding of such Note, including, without limitation, where the Beneficial Owner is a Czech Tax Resident individual;
- (iv) where (in the case of a payment of principal or interest on redemption) the relevant Note is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note on the last day of such period of 30 days;

- (v) where any such withholding or deduction for or on account of Taxes in respect of such Note is required by reason of the Issuer or any person on behalf of the Issuer not having duly received true, accurate and complete Beneficial Ownership Information or any other similar claim for exemption, where such Beneficial Ownership Information or other claim for exemption is required or imposed under the Certification Procedures, except where this is caused by actions or omissions of the Issuer or its agents;
- (vi) the Beneficial Owner of which is liable for such taxes or duties on account of any Tax Security and such Tax Security being payable notwithstanding any Beneficial Owner Information that may have been received by the Issuer under the Certification Procedures; or
- (vii) the Beneficial Owner of which is a Person Related Through Capital with such Issuer.

In case the Beneficial Ownership Information or other similar claim for exemption is not delivered to the Issuer on the terms and subject to the conditions set out in paragraph (iv) above, the Issuer will withhold (i) 35 per cent. Withholding Tax from any payment of interest on such Note and (ii) if the Notes are issued at a price lower than its principal amount (i.e. below par), 1 per cent. Tax Security from any payment of principal on such Note unless the Issuer is satisfied, in its absolute discretion, that it has in its possession all the necessary information enabling the Issuer not to apply the Withholding Tax (or to apply it at a lower rate) or not to apply the Tax Security.

The Issuer may, at any time, waive any condition set out in this Condition 11 (*Taxation*) to the benefit of the Beneficial Owners by giving notice to Noteholders in accordance with Condition 18 (*Notices*).

See section “*Taxation*” for a fuller description of certain tax considerations relating to the Notes and the formalities which Noteholders or Beneficial Owners must follow in order to claim exemption from Withholding Tax and Tax Security (as applicable) as well as the procedures and formalities for claiming a refund of amounts that have been withheld under this Condition 11 (*Taxation*), where applicable.

In connection with any refund provided as part of the Standard Refund Procedure (as defined in the Certification Procedures), the Issuer may deduct from the relevant payment a fee calculated as the sum of (a) a fixed amount of EUR 1,000 and (b) any administrative fees, penalties, interest or similar costs such Issuer may incur in connection with the refund (in each case plus value added tax, if any).

Notwithstanding anything to the contrary in this Condition 11 (*Taxation*), no additional amounts will be paid where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code, as amended, any regulations or agreements thereunder, official interpretation thereof or law implementing an intergovernmental approach thereto or an agreement between the United States of America and the Czech Republic to implement FATCA or any law implementing or complying with, or introduced in order to conform to, such agreement (as provided in Condition 10(c) (*Payments - Payments subject to fiscal laws*)).

- (b) *Taxing jurisdiction*: If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the Czech Republic, references in these Conditions to the Czech Republic shall be construed as references to the Czech Republic and/or such other jurisdiction.
- (c) *Definitions*: For the purposes of this Condition:

“**Beneficial Owner**” means a holder of a Note if such holder is also a beneficial owner (within the OECD Model Tax Convention on Income and on Capital meaning of this term) in respect of income paid on such Note or a recipient of such income who qualifies as a beneficial owner within the above meaning;

“**Beneficial Ownership Information**” means certain information and documentation as set forth under the Certification Procedures concerning, in particular, the identity and country of tax residence of a recipient of a payment of interest or principal in respect of a Note (together with relevant evidence thereof) which enable the Issuer to reliably establish that such recipient is a Beneficial Owner with respect to any such payment and that all conditions for the granting of a Tax Relief, if any, are met;

“**Certification Procedures**” mean the tax relief at source and refund procedures for the Czech Republic implemented by Euroclear and Clearstream, Luxembourg to facilitate collection of the Beneficial Ownership Information which are available at the website of the International Capital Market Services Association at www.icmsa.org, as amended or replaced from time to time;

“**Czech Tax Non-Resident**” means a taxpayer who is not a tax resident of the Czech Republic, either under the Income Taxes Act or under a relevant Tax Treaty (if any);

“**Czech Tax Resident**” means a taxpayer who is a tax resident of the Czech Republic under the Czech Income Taxes Act as well as under a relevant Tax Treaty (if any);

“**Income Taxes Act**” means the Czech Act No. 586/1992 Coll., on Income Taxes, as amended;

“**Legal Entity**” means a taxpayer other than an individual (i.e. a taxpayer which is subject to corporate income tax but who may not necessarily have a legal personality);

“**OECD**” means Organisation for Economic Co-operation and Development;

“**Person Related Through Capital**” means every person (whether an individual or a Legal Entity) in circumstances where (i) one person directly or indirectly participates in the capital of, or voting rights in, another person, or (ii) one person directly or indirectly participates in the capital of, or voting rights in, several persons and, in each case, such participation (whether direct or indirect) constitutes at least 25 per cent. of the registered capital of, or 25 per cent. of the voting rights in, such other person/persons;

“**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to T2 by the relevant Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

“**Tax Relief**” means a relief from the Withholding Tax or the Tax Security (as the case may be), whether in the form of an exemption or application of a reduced rate;

“**Tax Security**” means a special amount collected by means of a deduction at source made by a withholding agent (for example, by an issuer of a note or by a buyer of a note) upon payment of taxable income which serves essentially as an advance with respect to tax that is to be self-assessed by the recipient of the relevant income (i.e. unlike the Withholding Tax, the amount so withheld does not generally represent a final tax liability);

“**Tax Treaty**” means a valid and effective tax treaty concluded between the Czech Republic and another country under which the Czech Tax Non-Resident is treated as a tax resident of the latter country. In the case of Taiwan, the Tax Treaty is Act No. 45/2020 Coll., on the Elimination of Double Taxation in Relation to Taiwan, as amended; and

“**Withholding Tax**” means a tax collected by means of a deduction at source made by a withholding agent (for example, by an issuer of a note) upon payment of taxable income. Save in certain limited circumstances, such tax is generally considered as final.

12. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment of principal*: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof and the default continues for a period of seven days;
- (b) *Non-payment of interest*: the Issuer fails to pay any amount of interest payable in respect of the Notes on the due date for payment thereof and the default continues for a period of 14 days; or
- (c) *Breach of other obligations*: the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Guarantee of the Notes and such default remains unremedied for 45 days after given written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent; or

- (d) *Cross-Acceleration of Issuer, Guarantor or Material Subsidiary:*
- (i) any Indebtedness of the Issuer, the Guarantor or any Material Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Material Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
 - (iii) the Issuer, the Guarantor or any Material Subsidiary fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that (x) the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds EUR 100,000,000 (or its equivalent in any other currency or currencies) and (y) the term “**Indebtedness**” as used in this paragraph (d) shall not include any Indebtedness owed by a member of the Group to another member of the Group); or

- (e) *Unsatisfied judgment:* one or more judgment(s) or order(s) for the payment of any amount in excess of EUR 100,000,000 (or its equivalent in any other currency or currencies), whether individually or in the aggregate, is rendered against the Issuer, the Guarantor or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (f) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary which exceeds an amount of EUR 100,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate; or
- (g) *Insolvency etc:*
 - (i) the Issuer, the Guarantor or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due;
 - (ii) an insolvency petition or bankruptcy petition is filed in respect of the Issuer, the Guarantor or any Material Subsidiary, save for any proceedings or actions which are contested in good faith and discharged, stayed or dismissed within thirty (30) days of its commencement; or
 - (iii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer, the Guarantor or any Material Subsidiary or the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary save for any proceedings or actions which are contested in good faith and discharged, stayed or dismissed within thirty (30) days of its commencement; or
 - (iv) the Issuer, the Guarantor or any Material Subsidiary takes any action for a general readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or a moratorium is declared in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it; or
 - (v) the Issuer, the Guarantor or any Material Subsidiary ceases or threatens to cease to carry on any part of its business that represents all or substantially all of the business of the Group taken as a whole (otherwise than, in the case of a Material Subsidiary, for the purposes of or pursuant to a Permitted Reorganisation); or
- (h) *Winding up etc:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any Material Subsidiary (otherwise than, in the case of a Material Subsidiary, for the purposes of or pursuant to a Permitted Reorganisation); or

- (i) *Analogous event*: any event occurs which under the laws of the Czech Republic has an analogous effect to any of the events referred to in paragraphs (e) to (h) above; or
- (j) *Failure to take action etc*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, the Deed of Covenant and the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes the Deed of Covenant and the Deed of Guarantee admissible in evidence in the courts of the Czech Republic is not taken, fulfilled or done; or
- (k) *Unlawfulness*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Deed of Covenant or the Deed of Guarantee; or
- (l) *Guarantee not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect,

then any Note may, by written notice addressed by the Holder thereof to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

13. **Prescription**

Claims for principal and interest on redemption in respect of Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

14. **Replacement of Notes**

If any Note, Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Note Certificates must be surrendered before replacements will be issued.

15. **Agents**

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and the Guarantor and do not have any fiduciary duties or assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer and the Guarantor shall at all times maintain a fiscal agent and a registrar; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantor shall

maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

16. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

Any such meeting of the Noteholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Issuer may determine in accordance with the provisions of the Agency Agreement.

In addition, a resolution in writing and electronic consent signed by or on behalf of Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders, holding not less than 75 per cent. in nominal amount of the Notes outstanding, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification:*

- (i) The Notes, the Deed of Covenant, these Conditions and the Deed of Guarantee may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error, it is made in accordance with sub-clause (ii) below, or it is, in the opinion of the Issuer and the Guarantor, not materially prejudicial to the interests of the Noteholders. In addition, pursuant to Condition 7(f) (*Interest – Floating Rate Notes reference SOFR*) and 7(n) (*Benchmark Replacement (Independent Adviser)*), certain changes may be made to the interest calculation provisions of the Floating Rate Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders.
- (ii) Subject to the Issuer acting in good faith and in a commercially reasonable manner and not less than 60 days' notice being given to the Noteholders in accordance with Condition 18 (*Notices*) of any such modification or amendment, the Issuer and the Agents are entitled to, without the consent of the Noteholders, to make any modification or amendment to any of the provisions of the Notes and the Agency Agreement in order to provide for the procedures by which Noteholders may provide the Beneficial Ownership Information in accordance with the Certification Procedures, including any related refund procedures in respect of any Taxes withheld or deducted, and further modify, amend or supplement Condition 11 (*Taxation*) or any provisions of the Agency Agreement to, among other things, reflect:
- (A) a change in applicable Czech law or regulation, or any ruling or official interpretation thereof;

- (B) a requirement imposed by the Czech tax authorities or another competent authority;
- (C) a change in the standard market approach in respect of the Certification Procedures; or
- (D) a change in any applicable rules or procedures of any party involved in the implementation of the Certification Procedures.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders by the Issuer in accordance with Condition 18 (*Notices*) as soon as reasonably practicable thereafter.

- (c) *Substitution*: The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders, substitute for itself as principal debtor under the Notes such company (the “**Substitute**”) as is specified in the Agency Agreement, *provided that* no payment in respect of the Notes is at the relevant time overdue. The substitution shall be made by a deed poll (the “**Deed Poll**”), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:
- (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder against any Taxes which are imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note and which would not have been so imposed had the substitution not been made, as well as against any Taxes and any cost or expense, relating to the substitution;
 - (ii) the obligations of the Substitute under the Deed Poll and the Notes shall be unconditionally guaranteed by the Issuer by means of the Deed Poll;
 - (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll and the Notes represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Deed Poll, of the Issuer have been taken, fulfilled and done and are in full force and effect;
 - (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
 - (v) legal opinions addressed to the Noteholders shall have been delivered to them from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this Condition and the other matters specified in the Deed Poll; and
 - (vi) the Issuer shall have given at least 14 days’ prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of the Issuer.

References in Condition 12 (*Events of Default*) to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 12 (*Events of Default*) shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect and the provisions of Conditions 12(d) to 12(h) inclusive shall be deemed to apply in addition to the guarantor.

17. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

18. **Notices**

Notices to the Holders of Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Notes are

admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin (<https://live.euronext.com>) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

19. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.
- (b) *English courts:* The courts of England have exclusive jurisdiction to decide any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer and the Guarantor agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Service of process:* The Issuer and the Guarantor agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to EP UK Investments Ltd., Byron House, 7-9 St James’s Street, London SW1A 1EE, United Kingdom (for the attention of the Company Secretary), or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer and/or the Guarantor may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**EU Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the “**FSMA**”) to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)]/[MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any [person subsequently offering, selling or recommending the Notes (a “**distributor**”)] should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”)/[distributor] should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the “**SFA**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are [“prescribed capital markets products”]/[capital markets products other than “prescribed capital markets products”] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

Final Terms dated [●]

EPH Financing International, a.s.

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

Legal entity Identifier (LEI): 3157003E5A4ZV0JCSM65

Guaranteed by Energetický a průmyslový holding, a.s.

under the EUR 3,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the base prospectus dated 12 October 2023 [and the supplemental base prospectus dated [●] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.

The Base Prospectus has been published on <https://live.euronext.com/en>.

The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

[In accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.]

- | | | | |
|----|--------|--|---|
| 1. | (i) | Issuer: | EPH Financing International, a.s. |
| | (ii) | Guarantor: | Energetický a průmyslový holding, a.s. |
| 2. | [(i) | Series Number:] | [●] |
| | [(ii) | Tranche Number: | [●] |
| | [(iii) | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below [which is expected to occur on or about [●]].] |
| 3. | | Specified Currency or Currencies: | [●] |
| 4. | | Aggregate Principal Amount: | [●] |
| | [(i)] | [Series]: | [●] |
| | [(ii) | Tranche: | [●] |
| 5. | | Issue Price: | [●] per cent. of the Aggregate Principal Amount [plus accrued interest from [●] |
| 6. | (i) | Specified Denominations: | [●] |
| | (ii) | Calculation Amount: | [●] |
| 7. | (i) | Issue Date: | [●] |
| | (ii) | Trade Date: | [●] |
| | (iii) | Interest Commencement Date: | [[●]/Issue Date/Not Applicable]] |

8. Maturity Date: [●]
9. Interest Basis: [[●] per cent. Fixed Rate]
 [EURIBOR/ SONIA/ SONIA Compounded Index/ SOFR/
 SOFR Compounded Index/ €STR]
 [+/- [●] per cent. Floating Rate]
 [Zero Coupon]
 (see paragraph [14/15/16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●]/[100] per cent. of their principal amount.
11. Change of Interest or Redemption/Payment Basis: [[●]/Not Applicable]
12. Put/Call Options: [Investor Put]
 [Change of Control Put]
 [Issuer Call]
 [Clean-up Call Option]
 [See paragraph [17/18/19/20] below)]
13. Status of the Notes: Senior
 Status of the Guarantee: Senior
 [Date Board approval for issuance of Notes and Guarantee [respectively]] obtained: [●] [and [●], respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
 OR
 [Initial Rate of Interest: [●] per cent. per annum]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Fixed Coupon Amount for a short or long Interest Period (“**Broken Amount(s)**”): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMAISDA) / other]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Specified Period: [●]

- (ii) Specified Interest Payment Dates: [●]
- (iii) [First Interest Payment Date]: [●]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/[●]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [Fiscal Agent]/ [*an institution other than the Fiscal Agent*] shall be the Calculation Agent
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
 - Reference Rate: [●][●] [EURIBOR/SONIA/SOFR/€STR/SONIA Compounded Index/SOFR Compounded Index]

[Options:]

- Observation Method: [Lag / Observation Shift]
 - Lag Period: [5 / [●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
 - Observation Shift Period: [5 / [●] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]
- (NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- D: [360/365/[●]] / [Not Applicable]
 - Index Determination [Applicable/Not Applicable]
 - SONIA Compounded Index [Applicable/Not Applicable]
 - SOFR Compounded Index [Applicable/Not Applicable]
 - Relevant Decimal Place [[●]/[5] (*unless otherwise specified in the Final Terms, it should be the fifth decimal place*)
 - Relevant Number of Index Days [[●]/[5] (*unless otherwise specified in the Final Terms, the Relevant Number shall be 5*)

[End of options]

- Interest Determination Date(s): [The first Business Day in the relevant Interest Period]/ (*select where Interest Determination Date has the meaning specified in Condition 7(e), 7(f) or 7(g)*) [●] [London Banking Days/U.S. Government Securities Business

Days/TARGET Settlement Days] prior to each Interest Payment Date]

- Relevant Screen Page: [●]
 - Relevant Time: [●]
 - Relevant Financial Centre: [●]
- (ix) ISDA Determination: [Applicable/Not Applicable]
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
- (Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- Reset Date: [●]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(v)] above and as specified in the ISDA Definitions]
 - Compounding: [Applicable/Not Applicable]
 - Compounding Method: [Compounding with Lookback
 - Lookback: [●] Applicable Business Days][Compounding with Observation Period Shift
 - Observation Period Shift: [●] Observation Period Shift Business Days
 - Observation Period Shift Additional Business Days: [[●] / Not Applicable]][Compounding with Lockout
 - Lockout: [●] Lockout Period Business Days
 - Lockout Period Business Days: [[●]/Applicable Business Days]]
 - Averaging [Applicable/Not Applicable]
 - Averaging Method: [Averaging with Lookback
 - Lookback: [●] Applicable Business Days][Averaging with Observation Period Shift
 - Observation Period Shift: [●] Observation Period Shift Business Days
 - Observation Period Shift Additional Business Days: [[●]/Not Applicable]][Averaging with Lockout

- Lockout: [●] Lockout Period Business Days
- Lockout Period Business Days: [[●]/Applicable Business Days]
- Index Provisions: [Applicable/Not Applicable]
 - Index Method: Compounded Index Method with Observation Period Shift
 - Observation Period Shift: [●] Observation Period Shift Business Days
 - Observation Period Shift Additional Business Days: [[●] / Not Applicable]
- (x) [Linear interpolation Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- (xi) Margin(s): [+/-][●] per cent. per annum
- (xii) Minimum Rate of Interest: [The Minimum Rate of Interest shall not be less than zero] / The Minimum Rate of Interest shall not be less than [●] per cent. per annum]
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [●]
- [(xv) Party responsible for calculating the amount of interest payable for any Rate Adjustment under Condition 6(e):] [The [Fiscal Agent] /other] shall be the Calculation Agent.

- 16 **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Accrual Yield: [●] per cent. per annum
 - (ii) Reference Price: [●]
 - (iii) Day Count Fraction in relation to Early Redemption Amount: [30/360 / Actual/Actual (ICMA/ISDA)/ other]

PROVISIONS RELATING TO REDEMPTION

17. Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount[/Make-whole Redemption Price]

[(in the case of the Optional Redemption Dates falling on []/[in the period from and including [date]]
 - [(iii) Make Whole Redemption Price: [Non-Sterling Make Whole Redemption Amount / Sterling Make Whole Redemption Amount/Not Applicable]
 - [(a) Reference Bond: [Insert applicable Reference Bond]
 - [(b) Quotation Time: [●]

	[(c) Redemption Margin:	[●] per cent.
	[(d) Reference Dealers:	[●]
	[(e) Par Redemption Date:	[●]/Not Applicable
	[(f) Determination Agent	[●]/Not Applicable
(iii)	Redemption in part:	[Applicable/Not Applicable]
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount	[●] per Calculation Amount
(iv)	Notice period:	[●]
18	Put Option	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period:	[●]
19	Change of Control Put Option:	[Applicable/Not Applicable]
	[(i) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount]
	[(ii) Put Period	[●]
20	Clean-up Call Option	[Applicable/Not Applicable]
	(i) Clean-up Call Threshold:	[●] per cent.
	(ii) Optional Redemption Amount (Clean-up Call):	[●]
	(iii) Notice period (if different from the Conditions)	[Not less than [●] nor more than [●] days] / [Not Applicable – in line with Condition 9(e) (<i>Clean-up Call</i>)]
21.	Final Redemption Amount of each Note	[●] per Calculation Amount
22.	Early Redemption Amount	
	(i) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[Not Applicable] / [●]
	(ii) Notice period on redemption for tax reasons (if different from Condition 9(b) (<i>Redemption for Tax Reasons</i>)):	[Not less than [●] nor more than [●] days] / [Not Applicable – in line with Conditions]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 23. Form of Notes: [Global Note exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances described in the Global Note]
[Global Note [(U.S.\$/Euro [●] principal amount)] registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure).]
- 24. New Safekeeping Structure Note: [Yes]/[No]/[Not Applicable]
- 25. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]

Signed on behalf of EPH Financing International, a.s.:

By:

Duly authorised

Signed on behalf of EPH Financing International, a.s.:

By:

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING** [Application is has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [●].] / [Not Applicable.]
- (i) Admission to Trading:
- (ii) Estimate of total expenses related to admission to trading: [●]
2. **RATINGS** The Notes to be issued [have been/are expected to be] rated]:
- Ratings: [Standard & Poor’s: [●]]
- [Fitch: [●]]
- [[*Other*]: [●]]
- Option - CRA established in the EEA and registered under the EU CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation***
- [*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the “**EU CRA Regulation**”). [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu>]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] / [[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] / [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).]
- Option - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is***

endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”). [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on [FCA]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes to be issued under the Programme is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the “**EU CRA Regulation**”).] [[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009, as amended (the “**EU CRA Regulation**”).] [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as amended (the “**UK CRA Regulation**”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

[•]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.]

4. **[Fixed Rate Notes only – YIELD**

Indication of yield: [•] per cent. [per annum]

5. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any):

Relevant Benchmark[s]: [[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*]][*appears*]/[*does not appear*]][*repeat as necessary*] in the register of administrators and benchmarks established and

maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the EU Benchmarks Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/ [Not Applicable]

[Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[Not Applicable]

6. DISTRIBUTION

- | | | |
|-------|------------------------------------|---|
| (i) | Method of Distribution: | [Syndicated/Non-syndicated]
[Not Applicable/ <i>give names</i>] |
| (ii) | If syndicated: | [Not Applicable/ <i>give names</i>] |
| (A) | Names of Dealers | |
| (B) | Stabilisation Manager(s), if any: | [Not Applicable/ <i>give names</i>] |
| (iii) | If non-syndicated, name of Dealer: | |
| (iv) | U.S. Selling Restrictions: | [Reg S Compliance Category 2] |

7. REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS

Reasons for the offer:

[•] [See [“*Use of Proceeds*”] in Base Prospectus”/Give details]

Estimated net proceeds:

[•]

USE OF PROCEEDS

The Issuer will, unless otherwise specified in the applicable Final Terms, use the net proceeds from the issue of the Notes for general corporate purposes, including the provision of loans to other members of the Group.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the person in whose name such Global Note is for the time being registered in the Register which, for so long as the Global Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer or the Guarantor to the holder of such Global Note and in relation to all other rights arising under such Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the holder of such Global Note.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments:

All payments in respect of the Global Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note or Note Certificate will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

Payment Business Day:

In the case of a Global Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date:

Each payment in respect of any Global Note will be made to the person shown as the Holder of such Global Note in the Register at the close of business (in the relevant clearing system) on the fifteenth Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Note is being held is open for business.

Exercise of put option:

In order to exercise the option contained in Condition 9(f) (*Redemption at the option of Noteholders*) the holder of a Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option:

In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the Option of the Issuer*) in relation to some only of the Notes or a Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Exercise of put option or Change of Control Put Option:

In order to exercise the option contained in Condition 9(f) (*Redemption at the Option of Noteholders*) or Condition 9(g) (*Change of Control Put Option*) the holder of a Global Note must, within the period specified in the Conditions for the deposit of the relevant Note give notice of such exercise to the Fiscal Agent, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Notices:

Notwithstanding Condition 18 (*Notices*), while all the Notes are represented by a Global Note and the Global Note is deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall also be published on the website of Euronext Dublin (<https://live.euronext.com>).

Calculation of interest: the calculation of any interest amount in respect of any Note which is represented by a Global Note will be calculated on the aggregate outstanding nominal amount of the Notes represented by such Global Note, as the case may be, and not by reference to the Calculation Amount.

Similarly, the provisions for meetings of Noteholders in the Agency Agreement contain provisions that apply while the Notes are represented by a Global Note. The following is a summary of certain of those provisions:

Electronic Consent and Written Resolution: While any Global Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer or the Guarantor given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer and the Guarantor shall be entitled to rely on consent or instructions given in writing directly to the Issuer and the Guarantor by (a) accountholders in the clearing system with entitlements to such Global Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Guarantor shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant

consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Easyway or Clearstream, Luxembourg's CreationOnline or Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or principal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer or the Guarantor shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

SELECTED FINANCIAL INFORMATION

The following tables present selected historical consolidated financial information of the Group as of and for the six months ended 30 June 2023 and 2022 and as of and for the years ended 31 December 2022 and 2021 which has been derived from the Financial Statements incorporated by reference into this Base Prospectus. The information below should be read in conjunction with the information contained in “Important Notices—Presentation of financial and other information” and the Financial Statements incorporated by reference into this Base Prospectus.

Consolidated statement of comprehensive income

	Six months ended 30 June		Year ended 31 December	
	2023	2022	2022	2021 (restated) ⁽¹⁾
	<i>(in EUR millions)</i>			
Revenues	14,906	15,108	37,122	18,956
Purchases and consumables	(11,328)	(12,147)	(29,638)	(14,596)
Subtotal	3,578	2,691	7,484	4,360
Services.....	(427)	(233)	(701)	(560)
Personnel expenses.....	(345)	(304)	(659)	(575)
Depreciation, amortisation and impairment.....	(389)	(377)	(874)	(764)
Emission rights, net.....	(759)	(691)	(1,555)	(838)
Own work, capitalized.....	15	17	33	29
Other operating income (expenses), net.....	(191)	(78)	(256)	(130)
Profit (loss) from operations	1,482	1,295	3,472	1,522
Finance income.....	114	68	278	130
Change in impairment on financial instruments and other financial assets.....	(5)	5	136	(13)
Finance expense.....	(188)	(108)	(222)	(173)
Net finance income (expense)	(79)	(35)	192	(56)
Share of profit of equity accounted investees, net of tax.....	847	284	775	(8)
Gain (loss) on disposal of subsidiaries.....	-	-	227	33
Profit before income tax	2,250	1,544	4,666	1,491
Income tax expenses.....	(321)	(292)	(875)	(264)
Profit for the period	1,929	1,252	3,791	1,227
Items that are not reclassified subsequently to profit or loss				
Revaluation of property, plant and equipment, net of tax.....	442	-	-	3
Fair value reserve included in other comprehensive income, net of tax.....	4	29	111	77
Foreign currency translation differences from presentation currency.....	-	-	-	245
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations.....	38	4	(18)	(291)
Effective portion of changes in fair value of cash-flow hedges, net of tax.....	177	(449)	141	(638)
Other comprehensive income (loss) for the period, net of tax	661	(416)	234	(604)
Total comprehensive income for the period	2,590	836	4,025	623
Profit attributable to:				
Owners of the Guarantor.....	1,780	1,034	3,350	813
Non-controlling interest.....	149	218	441	414
Profit for the period	1,929	1,252	3,791	1,227
Total comprehensive income attributable to:				
Owners of the Guarantor.....	2,008	770	3,477	457
Non-controlling interest.....	582	66	548	166
Total comprehensive income for the period	2,590	836	4,025	623
Total basic and diluted earnings per share in EUR	0.45	0.26	0.84	0.20

Notes:

(1) Restated comparative figures include modifications described in Note 3(a) to the 2022 Financial Statements.

Consolidated statement of financial position

	As of	As of	
	30 June	31 December	
	2023	2022	2021
<i>(in EUR millions)</i>			
Assets			
Property, plant and equipment	12,762	11,649	11,931
Intangible assets and goodwill	397	627	520
Investment property	21	21	22
Equity accounted investees	519	1,221	951
Restricted cash	18	18	-
Financial instruments and other financial assets	952	740	395
Trade receivables and other assets	296	391	117
Prepayment and other deferrals	3	4	-
Deferred tax assets	242	295	159
Total non-current assets	15,210	14,966	14,095
Inventories, extracted minerals and mineral products	1,171	1,318	822
Trade receivables and other assets	3,839	5,313	3,858
Contract assets	102	100	37
Financial instruments and other financial assets	2,946	5,508	3,768
Prepayments and other deferrals	121	127	62
Current income tax receivable	147	88	27
Restricted cash	34	22	23
Cash and cash equivalents	3,257	3,010	2,497
Assets/disposal groups held for sale	1,783	-	-
Total current assets	13,400	15,486	11,094
Total assets	28,610	30,452	25,189
Equity			
Share capital	161	161	170
Share premium	-	-	64
Reserves	936	723	600
Retained earnings	3,884	2,595	874
Total equity attributable to equity holders	4,981	3,479	1,708
Non-controlling interest	4,033	3,651	3,195
Total equity	9,014	7,130	4,903
Liabilities			
Loans and borrowings	7,255	7,039	6,087
Financial instruments and financial liabilities	823	441	672
Provisions	1,330	1,246	1,542
Deferred income	86	83	98
Contract liabilities	115	108	77
Deferred tax liabilities	2,153	1,929	1,752
Trade payables and other liabilities	124	92	89
Total non-current liabilities	11,886	10,938	10,317
Trade payables and other liabilities	2,779	4,316	2,240
Contract liabilities	128	71	79
Loans and borrowings	1,091	668	979
Financial instruments and financial liabilities	2,003	4,752	5,089
Provisions	1,048	1,867	1,482
Deferred income	79	64	28
Current income tax liability	582	646	72
Total current liabilities	7,710	12,384	9,969
Total liabilities	19,596	23,322	20,286
Total equity and liabilities	28,610	30,452	25,189

Selected financial information from the consolidated statement of cash flows

	Six months ended		Year ended	
	30 June		31 December	
	2023	2022	2022	2021
<i>(in EUR millions)</i>				
Cash flows generated from (used in) operating activities	1,497	1,415	3,715	1,944
Cash flows from (used in) investing activities	(598)	(1,197)	(2,619)	(1,106)
Cash flows from (used in) financing activities	(652)	(267)	(588)	(99)
Cash and cash equivalents at beginning of the period	3,010	2,497	2,497	1,753
Cash and cash equivalents at end of the period	3,257	2,449	3,010	2,497

Non-IFRS Measures

Key Metrics	EPIF Group Segments ⁽¹⁾	EPPE Group and EPH Segments ⁽²⁾	Group
<i>(in EUR millions, unless stated otherwise)</i>			
Six months ended 30 June 2023			
Underlying EBITDA	597	1,311	1,871
Proportionate Underlying EBITDA	n/a	n/a	1,513
CAPEX.....	(80)	(250)	(330)
Free Cash Flow.....	382	835	1,134
Cash Conversion Ratio (<i>in per cent.</i>).....	63.99	63.69	60.61
Gross Financial Debt	4,164 ⁽³⁾	4,185 ⁽⁴⁾	8,349
Net Financial Debt.....	2,545 ⁽³⁾	2,547 ⁽⁴⁾	5,092
Proportionate Net Financial Debt	n/a	n/a	4,042
Six months ended 30 June 2022			
Underlying EBITDA	647	1,045	1,672
Proportionate Underlying EBITDA	n/a	n/a	1,260
CAPEX.....	(74)	(210)	(284)
Free Cash Flow.....	441	768	1,169
Cash Conversion Ratio (<i>in per cent.</i>).....	68.16	73.49	69.92
12 months ended 30 June 2023			
Underlying EBITDA	1,394	3,200	4,545
Proportionate Underlying EBITDA	n/a	n/a	3,711
CAPEX.....	(178)	(620)	(798)
Free Cash Flow.....	985	2,276	3,152
Cash Conversion Ratio (<i>in per cent.</i>).....	70.66	71.13	69.35
Net Underlying Leverage Ratio	1.8x	0.8x	1.1x
Proportionate Net Underlying Leverage Ratio.....	n/a	n/a	1.1x
2022			
Underlying EBITDA	1,444	2,934	4,346
Proportionate Underlying EBITDA	n/a	n/a	3,458
CAPEX.....	(172)	(580)	(752)
Free Cash Flow.....	1,044	2,209	3,187
Cash Conversion Ratio (<i>in per cent.</i>).....	72.30	75.29	73.33
Gross Financial Debt	4,629 ⁽³⁾	3,291 ⁽⁴⁾	7,920
Net Financial Debt.....	3,081 ⁽³⁾	1,829 ⁽⁴⁾	4,910
Proportionate Net Financial Debt	n/a	n/a	3,615
Net Underlying Leverage Ratio	2.1x	0.6x	1.1x
Proportionate Net Underlying Leverage Ratio.....	n/a	n/a	1.0x
2021			
Underlying EBITDA	1,291	1,033	2,286
Proportionate Underlying EBITDA	n/a	n/a	1,443
CAPEX.....	(151)	(290)	(441)
Free Cash Flow.....	874	587	1,429
Cash Conversion Ratio (<i>in per cent.</i>).....	67.70	56.82	62.51
Gross Financial Debt	4,141 ⁽³⁾	2,967 ⁽⁴⁾	7,108
Net Financial Debt.....	3,640 ⁽³⁾	971 ⁽⁴⁾	4,611
Proportionate Net Financial Debt	n/a	n/a	2,994
Net Underlying Leverage Ratio	2.8x	0.9x	2.0x
Proportionate Net Underlying Leverage Ratio.....	n/a	n/a	2.1x

Notes:

- (1) Calculated as the sum of the EPIF Group Segments. Excludes Intersegment elimination and Holding Entities. For the calculation of Gross Financial Debt and Net Financial Debt see note (3) below.
- (2) Calculated as the sum of the EPPE Group and EPH Segments. Excludes Intersegment elimination and Holding Entities. For the calculation of Gross Financial Debt and Net Financial Debt see note (4) below.
- (3) Calculated as the sum of the EPIF Group Segments and Holding Entities. Includes only external loans and borrowings and issued bills of exchange.
- (4) Calculated as the sum of the EPPE Group and EPH Segments and Holding Entities. Includes only external loans and borrowings and issued bills of exchange.

DESCRIPTION OF THE ISSUER

The Issuer was formed as a joint stock company (*akciová společnost*) under the laws of the Czech Republic on 29 August 2023. The Issuer was incorporated and registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 28346, under Identification No. 196 78 185, on 6 September 2023. The registered office of the Issuer is Partyzánská 1/7, Holešovice, 170 00 Praha 7, Czech Republic. The telephone number of the Issuer is +420 232 005 100.

As of 6 September 2023, the Issuer's issued capital was CZK 2,000,000 and the issued capital has been fully paid up. The share capital of the Issuer is divided into 10 shares, each with a nominal value of CZK 200,000. The Guarantor owns all of the Issuer's shares and exercises all of the voting rights connected to the Issuer's shares. The Issuer uses standard statutory mechanisms to prevent the Guarantor's potential misuse of its position and control over the Issuer, including the statutory instrument of the report on relations between the related entities. The Issuer has no equity interest in any entity. The Issuer's activities are governed mainly by its articles of association, the Czech Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (as amended, the "**Czech Corporations Act**") and the Czech Act No. 89/2012 Coll, Civil Code, as amended. As set out in Article 4 of the Issuer's articles of association dated 29 August 2023, the Issuer was incorporated for the purpose of management of its own assets. The main purpose of the Issuer is, among other things, borrowing, lending and raising funds, including the issue of notes, promissory notes or other securities or evidence of indebtedness, as well as entering into agreements in connection with the aforementioned and financing of businesses and companies. The Issuer has been established with the aim to operate as a financing company for the Group, raising funds through issuing Notes and lending them to the companies belonging to the Group, mainly the Guarantor. The Issuer is therefore part of the process of centralising financial flows within the Group.

As of the date of this Base Prospectus, the Issuer has no outstanding indebtedness in the nature of borrowings, guarantees or contingent liabilities.

There are no and have been no governmental, legal or arbitration proceedings against the Issuer (including any such proceedings which are pending or threatened of which the Issuer is aware) during the last 12 months preceding the date of this Base Prospectus, which may have, or have had in the recent past a significant effect on the Issuer's financial position or profitability, nor is the Issuer aware of any pending or threatened proceedings of such kind.

DESCRIPTION OF THE GUARANTOR

Overview

The Group is one of the largest privately owned vertically-integrated energy groups in Europe based on volume of power produced¹ and a frontrunner in the European energy transition to low-emission power generation sources fully respecting the social aspects related to the transition. The Group's diversified portfolio of energy assets located predominantly in nine European countries is vertically integrated and covers the complete value chain in the energy sector ranging from power and heat production from renewable and conventional sources, including highly efficient cogeneration sources, power, gas and heat distribution, gas storage, gas transportation, power and gas trading, power and gas supply to final consumers and lignite extraction. In addition, the Group also operates in logistics and commodity trading. The Guarantor is a holding and service company of the Group, providing management and administration services for its subsidiaries.

The Group has been built both organically and through acquisitions and comprises over 70 companies structured in two major pillars: the EPIF Group, which operates a diversified portfolio of strategically-important energy infrastructure assets across Slovakia, the Czech Republic and Germany, and EP Power Europe, a.s. ("**EPPE**") and together with its subsidiaries, the "**EPPE Group**"), which operates a diversified and balanced fleet of flexible power generation assets and related activities, such as supply, trading and gas storage, in Italy, the United Kingdom, Germany, Ireland, the Netherlands and France. A material portion of the Group's business comes from regulated or quasi-regulated² activities (including gas transmission, power generation, gas and power distribution and heat distribution) or long-term contracted activities (including gas storage).

For the six months ended 30 June 2023, the Group had total revenues and profit for the period of EUR 14,906 million and EUR 1,929 million, respectively (as compared to EUR 15,108 million and EUR 1,252 million, respectively, for the six months ended 30 June 2022) and the Group's Underlying EBITDA for the six months ended 30 June 2023 was EUR 1,871 million (as compared to EUR 1,672 million for the six months ended 30 June 2022). For the year ended 31 December 2022, the Group had total revenues and profit for the period of EUR 37,122 million and EUR 3,791 million, respectively (as compared to EUR 18,956 million and EUR 1,227 million, respectively, for the year ended 31 December 2021) and the Group's Underlying EBITDA for the year ended 31 December 2022 was EUR 4,346 million (as compared to EUR 2,286 million for the year ended 31 December 2021).

Strengths

Management believes that the Group benefits from the following key strengths:

Strategic framework adaptable to the market environment

The ongoing decarbonisation process has amplified the need for flexible power generation sources, such as those of the Group, as renewable energy sources are unable to ensure stable power generation and security of supply given insufficient storage capacities, lower power generation in winter months and worsening reliability of hydro generation due to volatile weather conditions, which complicates integration of renewable energy sources into the power grid. As nuclear power plants run in baseload and coal power plants are gradually being phased out in most of Europe, gas-fired power plants remain the key flexible power generation sources and, therefore, their marginal costs have historically been the key factor in setting the price of power. Since gas-fired plants make profit from the spread between the price of gas and emission allowances and the price of power, this may positively affect volatility in their profitability. The price of gas is therefore the key commodity driving the price of power in most parts of Europe. Due to insufficient domestic sources, Europe has to import gas to cover its gas needs, increasingly in the form of LNG. At the same time, Europe competes for LNG with the rest of the world, especially China, which has had an impact on the global gas prices.

The management of the Group believes that increasing volatility of power prices caused by the increasing share of renewable sources presents an opportunity for the Group, especially in respect of its flexible power production. The Group has been actively creating a specific portfolio of companies focusing on flexible power

¹ Source: Statista – Largest European electric utilities based on power sales.

² Quasi-regulated operations are supported by schemes, such as CfD, green bonuses or capacity markets.

generation supported by regulatory schemes with the aim to position itself to benefit from this trend. At the same time, by developing new, efficient and hydrogen-ready CCGTs, the Group aims to contribute to a low-carbon and socially-acceptable security of supply for Europe.

A leading pan-European vertically integrated utility with significant size and large range of operations

The Group is a leading pan-European vertically integrated utility company covering the complete value chain in the energy sector ranging from power and heat production from renewable and conventional sources, including highly efficient cogeneration sources, power, gas and heat distribution, gas storage, gas transportation, power and gas trading, power and gas supply to final consumers and lignite extraction. The Group is diversified in terms of geography and activity, operates on a large scale regulated or quasi-regulated activities and long-term contracted assets and has a favourable position in the merit order (which refers to the order in which dispatchable plants are used to fill up the demand for electricity). The Group had total assets of EUR 30,452 million as of 31 December 2022, Underlying EBITDA of EUR 4,346 million for the year ended 31 December 2022, which is in line with the increasing trend since 2019, and Net Underlying Leverage Ratio of 1.1x as of 31 December 2022, which is in line with the decreasing trend since 2019.

The Group has a strong position in power generation. As of 30 June 2023, the Group's installed capacity across Europe amounted to 14.4 GW with top three positions in Northern Ireland and the Netherlands as measured by power produced. In addition, the Group owns a 50 per cent. shareholding in SPH, the controlling shareholder of Slovenské Elektrárne, and holds call options for an additional 50 per cent. shareholding in SPH (see “— *Material contracts—Agreement with Enel Produzione S.p.A. regarding Slovenské Elektrárne*” below for details). Slovenské Elektrárne is the largest power producer in the Slovak Republic with 4.3 GW³ of installed capacity operating two nuclear, two coal-fired, 31 hydroelectric and two photovoltaic power plants. The Group also has a leading position in Central Europe's gas storage. As of 31 December 2022, the Group operated 64.4 TWh of gas storage facilities and owned 26 TWh of cushion gas within its storages. Further, the Group is a monopoly gas distributor and a leading power distributor in the Slovak Republic, where SPPD and Stredoslovenská distribučná, a.s. (“SSD”) reported total assets of EUR 4,253 million and EUR 915 million, respectively, as of 31 December 2022.⁴ The Group also operates a critical gas interconnection network directly connecting the Slovak Republic, Poland, Austria, the Czech Republic, Hungary and Ukraine and indirectly connecting Germany and Italy, with capacity of approximately 100 bcm.

The Group is active in almost the entire value chain represented by gas transit, gas distribution, gas storage, gas supply and gas consumption within the CCGT powerplants, supported by active management within gas trading activities, and power generation, power distribution and power supply, also supported by active management within power trading activities and robust marketing of commodities. In addition, the Group undertakes inhouse logistic activities covering rail, road and transportation capacities, depending on the needs of the Group units.

Business diversification in terms of geography, activity and assets with focus on West and Central Europe and low or no emission power generation sources

The Group operates its business across Europe without dependence on one single country. In the year ended 31 December 2022, no country where the Group operates contributed more than 20.6 per cent. to the Group's revenues. The Group believes its concentration risk is therefore low.

The Group's business operations are diversified in terms of geography, as the EPIF Group operates mainly in the Slovak Republic and the Czech Republic and the EPPE Group operates mainly in the United Kingdom, Ireland, Italy, the Netherlands and Germany. The Group's business is also diversified across the core segments of the value chain, while the key focus of the Group remains on assets with no or limited CO₂ intensity such as power and gas distribution, gas storage, renewables and CCGTs. None of the Group's segments is operationally dependent on a single asset and some of them benefit from regional diversification. The Group can also extract additional value from its existing operating assets, for instance, by converting them to another fuel or type of operations or by extracting cushion gas from its gas storage facilities, or even from its closed or obsolete assets,

³ Including 438 MW of the Mochovce 3 unit, which is currently being commissioned with a trial run close to completion.

⁴ The amounts represent total assets of the companies prior to any elimination and consolidation adjustments.

for instance, by exploiting the real estate potential associated with their unique locations for grid stability or for renewables development.

Business resilience underpinned by regulated, quasi regulated and contracted revenue streams and negatively correlated business activities

The Group maintains resilience of its business mainly by a material share of regulated, contracted and hedged Underlying EBITDA, favourable position in the merit order (which refers to the order in which dispatchable plants are used to fill up the demand for electricity), medium term hedging of the outright power generation, regional and fuel diversification and negative correlation of its business activities. The Group focuses on increasing share of revenues from regulated, quasi-regulated and contracted activities both in the EPIF Group and the EPPE Group.

The EPIF Group generates the majority of Underlying EBITDA from regulated asset base (“**RAB**”) based on distribution, regulated and contracted gas transit, contracted gas storage and regulated heat business. The EPPE Group has been continuously working on increasing the share of the revenues that are based on regulatory schemes like CfD, green bonuses, capacity market payments and long-term contracts, which provide for more stable performance. These are now primarily provided in the United Kingdom, Ireland and Italy. At the same time, the EPPE Group actively invests into new projects predominantly on the sites of existing or historically closed powerplants, so it is ready for the capacity market auctions related to new-build projects to secure long-term (10 years or longer) capacity market fees. The Group also applies active and prudent hedging policies especially for the outright power production mainly for period of next 12 to 24 months in order to further strengthen the predictability of its Underlying EBITDA.

In addition, given the structural problems with security of power supply especially in the United Kingdom, Ireland and Italy resulting from strong increase in renewable energy capacity, insufficient investments in controllable power production sources as well as forced closures of coal-fired power plants and other power generation assets, the EPPE Group sees new business opportunities in these countries in the development of newbuild CCGT and other controllable power generators, which benefit from capacity contracts awarded by the relevant regulators. CCGTs benefit from a number of strategic aspects including regulated and quasi-regulated revenue streams and low fixed operating costs, lower margin volatility and, most importantly, flexible power production. CCGTs’ flexibility and in most cases immediate dispatchability (i.e., the ability to adjust their power output supplied to the electrical grid on demand usually at least on an hourly basis) enables them to produce power only when their margin per MWh produced is positive, thus taking full advantage of intraday volatility of prices both for spot sales and hedged production. In addition, due to their efficiency, flexibility and in most cases immediate dispatchability, most of the Group’s CCGTs have a solid position in the merit orders (i.e., a way of ranking available sources of energy, especially electrical generation, based on ascending order of price) of the individual countries where the Group operates. See “—Businesses—EPPE Group—Flexible Power Generation Business” for further details.

For example, in the United Kingdom and Italy, changes in gas prices have had no material adverse effect on the Group’s fleet in those countries given the homogenous nature of the merit order. Once completed, the Group expects both the Tavazzano and Ostiglia CCGTs new-builds to be well-positioned within Italy’s merit order given their high efficiency compared to other gas-fired power plants. In the Netherlands, the Group expects to benefit from projected strong increase in renewable energy capacity over the coming years, which is expected to translate into increasingly volatile residual demand for power. This, in turn, is expected to increase the demand for gas-fired assets portfolio and system balancing. The Group’s flexible and reliable gas assets in the Netherlands, especially Enecogen, Sloe and MaasStroom power plants, have favourable position in the Dutch merit order due to their high efficiency, low start/stop costs and fast ramp-up time to full load, which ensures both relatively high utilization and solid margins.

Business resilience due to negatively correlated business activities – well-positioned in the merit order, proven track record of robust business model tested by COVID-19 and the energy crisis

Negatively correlated business activities can compensate weaker performance in one segment of the Group by improved performances in other segments. This was clearly visible in 2022 when the overperformance of gas storage and power generation more than offset the lower performance of gas transmission which resulted from decreased gas flows, increased gas prices (resulting in increased power prices) and gas price volatility. Further,

lower performance of coal-based generation resulting from high prices of emission allowances and low prices of gas (resulting in lower power price) may be negatively correlated to higher gas volumes in gas transmission and good performance of the CCGTs fleet and nuclear power plants. Moreover, the Group may benefit from negative correlation of its gas storage capacities (mainly in the United Kingdom and Slovakia) in case of low spot prices, where lost opportunity revenues from spot sales of unhedged portion of mainly non-gas fired power plants would likely be offset by extra revenues from gas bought at spot prices, stored and subsequently sold in the forward market.

The Group benefits from well maintained and relatively new asset base requiring reasonable maintenance CAPEX, which supports large cash conversion from the Underlying EBITDA. The Group's total CAPEX is temporarily increased by new-build projects, which especially in EPPE benefit from long-term secured capacity market contracts and as such further support the stability of the Group operations. This translates into both high utilization of the Group's assets and higher margins. For the six months ended 30 June 2023, the Group's maintenance CAPEX amounted to EUR 122 million. In the year ended 31 December 2022, the Group's maintenance CAPEX amounted to EUR 386 million (as compared to EUR 242 million for the year ended 31 December 2021).

In the year ended 31 December 2022, the Group's Free Cash Flow amounted to EUR 3,187 million, of which EUR 1,044 million and EUR 2,209 million was attributable to the EPIF Group Segments and the EPPE Group and EPH Segments, respectively. This resulted in Cash Conversion Ratio of 73.33 per cent. and of 72.30 per cent. and 75.29 per cent. for the Group, the EPIF Group Segments and the EPPE Group and EPH Segments, respectively.

As of the date of this Base Prospectus, the Group believes that a potential suspension of Russian gas flows to Europe does not represent a material risk to the Group's business, as contribution of the Gas Transmission Business to the Group's fully consolidated Underlying EBITDA in the year ended 31 December 2022 amounted to 7.5 per cent. and in the first half of 2023 to only 2 per cent. The Guarantor economically owns only approximately 33.8 per cent. of Eustream, therefore the real economical exposure to Russian gas flows is even lower for the Group. Moreover, in the event of a complete suspension of Russian gas flows to Europe, the Group expects that alternative gas flows could at least partially offset the absence of Russian gas flows for the Gas Transmission Business.

A clear path to energy transition with low complexity and visible CAPEX projects

The Group has announced its intention to separate its energy transition assets in Germany from the Group and transfer them to a separate entity EP Energy Transition which is a sister of EPH. This will allow clear focus on a controlled, socially responsible transitioning without sacrificing security of supply generated by these assets. The Group's aim is to accelerate energy transition and to facilitate the transformation of coal regions in a dedicated and efficient way through a clearly defined transition strategy, which covers not only decarbonisation, but also employment prospects and support for the regions affected by the energy transition. See "*—Energy Transition Plan*" below.

In relation to other coal assets, the group expects gradual closure of these, specifically the hard coal-fired power plants Mehrum, Germany, and Emile Huchet 6, France, are expected to be closed at the end of the first quarter of 2024 and at the end of the first quarter of 2025, respectively. The conversion of the Czech combined heat and power plants ("**CHPs**") from coal is expected to proceed gradually and be completed by 2028/2029. The only remaining coal asset of the Group, the Fiume Santo power plant in Sardinia, Italy, does not yet have a specific project for conversion, due to its critical importance for Sardinia's security of supply and the absence of clarity from regulator to which type of fuel the Fiume Santo can be converted.

In the year ended 31 December 2022, the Group's CAPEX amounted to EUR 752 million, of which EUR 172 million and EUR 580 million was attributable to the EPIF Group Segments and the EPPE Group and EPH Segments, respectively. Within EPPE, EUR 325 million of was attributable to new-build projects. The Group focuses its expansion capital expenditures, which are mainly aimed at replacing closed coal capacities or lower efficiency gas power plants, mainly on CCGT/OCGT projects with secured long-term capacity market contracts. However, the Group has also other projects, including hydrogen projects, in the pipeline in order to maintain a strong position going forward. In line with the Group's conservative investment strategy, the new projects are constructed, if such project offers at least by group defined return and where possible try to secure regulatory

or quasi-regulatory-based revenue streams. The Group's new projects under construction in the United Kingdom, Italy and France are Kilroot OCGT project, Tavazzano CCGT project, Ostiglia CCGT project and repowering Ambon & Muzillac wind parks project with planned aggregate planned CAPEX of almost EUR 1.2 billion. As of the date of this Base Prospectus, the Group has already secured long-term capacity contracts of ten to 15 years at attractive levels for these new-build CCGT/OCGT projects.

Strong shareholder structure, management and strategy with a commitment to a prudent financial policy supported by historical track record, financially strong controlling shareholder and flexible dividend policy

The Group relies on its stable, committed and experienced management team with clearly defined responsibilities and open and transparent communication. Core members of the Group's management have been holding positions within the Group for more than ten years and subsequently have detailed knowledge of the Group and the markets where the Group operates.

The Group follows prudent acquisition, risk management and hedging policy, requiring minimum returns and refraining from material acquisitions in high-price environments (as evidenced in the years 2008, 2017 and 2018), strict cost discipline in the whole value chain and prudent risk management with fully implemented independent risk function. In order to maintain full risk control over the whole Group, the Group monitors a wide portfolio of risks, including bank-style risk approval process both for credit and market risks. Liquidity risk management is an integral part of any decision making of the Group in all areas and the Group has also adopted alternative measures to sanity check standard statistical models. For instance, fix market move was used in the year 2022 to assess liquidity risk on top of the Monte-Carlo statistical model. The majority of the Group's senior risk management team has been with the Group for over ten years and the chief risk officer has over 15 years of experience.

The Group's strict risk-averse approach and conservative financial policy is evidenced by the maintenance of conservative net financial leverage even in years when the Group experienced significant both organic and inorganic growth. At the same time, the Group was well navigated through a number of the major crises including the COVID-19 pandemic and the ongoing war in Ukraine and was one of few energy companies that managed the year 2022 without any direct or indirect state support for its fully-owned subsidiaries. In August 2023, the Group's management adopted a financial policy⁵ that aims at maintaining, until further notice, the consolidated adjusted proportionate economic net leverage of the Group at or below 2.5x.

The Group maintains a conservative and flexible dividend policy, reflecting the Group financial standing and the Group's acquisitions prospects. This combined with high Cash Conversion Ratio allows material deleveraging in case such would be needed.

Further, full strategic alignment further supported by key management team being also indirect minority shareholder in the Group.

Strategy

The Group intends to continue to leverage its core competencies in energy infrastructure and power production with a focus on generation assets with low carbon footprint or well-positioned for adoption of renewable gases, which benefit, to the extent possible, from available regulatory schemes such as capacity market mechanisms, and on power sources critical for security of supply, which will increase the Group's importance as the volatility in power markets caused by the large growth of non-dispatchable renewable energy sources increases. At the same time, the Group plans to continue to properly maintain the critical infrastructure assets it owns. The Group's aim is to generate predictable cash flows from the current businesses while also identifying and realising attractive growth opportunities, based on the following key strategies:

Maintain the resilience of the Group's business

The Group's primary strategic focus is on maintaining the resilience of its business thanks to high proportion of regulated, quasi-regulated, contracted and hedged activities in both the EPIF Group and the EPPE Group, with the primary goal to generate predictable cash flows.

⁵ The financial policy is set until further notice and may be reassessed mainly based on the Group's business perimeter development.

Continued optimisation, vertical integration and realisation of synergies within the Group

The Group intends to continue to focus on extracting operating efficiencies in its businesses with the aim of improving its profitability and delivering better value to its shareholders, while providing highly competitive services to its customers. The Group continuously monitors the efficiency of its gas, power and heat infrastructure as well as its flexible and renewable power generation and takes steps to make operational improvements and implement additional efficiency measures. Going forward, the Group plans to emphasise efficiency improvements at all levels of the Group's operations, primarily through continued focus on the following measures undertaken by the Group (1) advanced procurement methodologies implemented for both materials and services, (2) process optimisation and unification, (3) implementation of best practices across the Group, and (4) introduction of sustainable Group-wide cost savings initiatives.

The Group's business portfolio has been developed through disciplined strategic acquisitions as well as organic growth over time. The Group plans to continue selectively to pursue attractive risk-return profile projects, such as expansion opportunities in its existing businesses and strategic bolt-on acquisitions to leverage its existing infrastructure and assets even better, drive stability and also provide growth in the future where possible.

Become a European frontrunner in the transition to a hydrogen future

The Group believes that storage of energy in the form of green gases represents an important link to accelerate deployment of intermittent renewable power sources. Therefore, the Group has embarked on several projects to ensure that its midstream and downstream infrastructure is ready for large-scale transit, distribution and storage of hydrogen. As of the date of this Base Prospectus, the Group has four modern and efficient hydrogen-ready OCGT/CCGT projects with a total targeted installed capacity of 4.1 GW under construction or considered for development. In addition, the Group is evaluating and participating in several projects relating to hydrogen production and subsequently using hydrogen as a fuel in power generation.

Accelerate energy transition to achieve ESG-related targets

A socially just transformation of the energy system together with safeguarding security of supply lie at the heart of the Group's strategy. The Group aims to achieve carbon neutrality by 2050. By 2030, the Group aims to reduce CO₂ emissions from its generation fleet as of August 2021, when the target was set, by 60 per cent. compared to the 2020 level.⁶ The Group also aims to eliminate the use of coal use as a primary source of generation and cease its coal mining activities by 2030. As described in more details in “—*Become a European frontrunner in the transition to a hydrogen future*” above, the Group's strategy is to become a European frontrunner in the transition to a hydrogen future.

As of 30 June 2023, the Group had approximately 65 per cent. of net installed capacity in natural gas, 12 per cent. in lignite, 9 per cent. in hard coal power plants which were recommissioned due to the European power market situation (namely Emile Huchet 6 and Mehrum), 7 per cent. hard coal running in must-run regime (namely Fiume Santo and Kilroot), 5 per cent. in biomass and 2 per cent. in other fuel. In the year ended 31 December 2022, 72 per cent. of the Group's net power production was generated from non-coal sources and the Group aims to increase the share of such energy generation in the portfolio in the following years. In line with its decarbonization efforts, the Group focuses on the decommissioning of the most carbon-intensive sources and on actively converting its power plants to low-carbon or fully renewable sources. The Group's plan, as of the date of this Base Prospectus, is to decrease the Group's net installed capacity in coal from 4.0 GWe as of 30 June 2023 to 0.8 GWe (and possibly 0.6 GWe in Fiume Santo, depending on the availability of alternative power sources in Sardinia) as of 2025 and to zero as of 2030, within which decrease of 0.4 GWe, 0.7 GWe and 0.6 GWe should be attributable to Kilroot, Mehrum and Emile Huchet 6 power plants, respectively, decrease of 0.6 GWe and 0.9 GWe should be attributable to Fiume Santo and lignite plants in Germany, respectively, and decrease of 0.8 GWe should be attributable to Czech heating plants.⁷

⁶ For the purpose of target setting, CO₂ emissions from entities disposed of in 2020 were excluded from the 2020 emissions, thereby creating a comparable basis. The target also does not include emissions of the entities acquired or developed after August 2021 and takes into account the planned disposal of certain assets in Germany outside of the Group (see “—*Energy Transition Plan*” below for more information).

⁷ Projections of future development of installed coal capacity are only indicative and are based solely on the Group's management estimates in respect of closures and refurbishments of individual plants. This forward-looking information is subject to future decisions of the Group's management, market development, relevant legislation and regulation as well as numerous risks and uncertainties. The presented capacities include fully consolidated companies, while equity participations (mainly LEAG) are not included.

Historically, the Group has been successful in reducing its emission intensity. Initiatives implemented since 2015 have resulted in annual saving of 25 metric tons of CO₂ emissions. Between 2015 and 2022, the Group decreased the emission intensity of its assets by 32 per cent. In the year ended 31 December 2022 and 2021, the Group's emission intensity amounted to 543 tons of CO₂ per GWh and 493 tons of CO₂ per GWh, respectively, and the Group plans to continue reducing its CO₂ emissions also going forward.⁸

Recent developments and trends

Events following the Russian military invasion of Ukraine were the primary drivers of volatility in commodity prices in 2022. Extreme weather events also contributed to increases in power prices as they affected the operations of hydro and nuclear power plants and the power system as a whole. Significant increases in power prices occurred in France, a key power exporter in Europe, where operations of nuclear reactors decreased to less than 50 per cent. due to lengthy and delayed maintenance work, ongoing droughts, heat waves and decreased supply of gas, resulting in reduced overall power supply, compounding the energy crisis in France as well as the rest of Europe. In general, energy prices peaked in August 2022 before gradually decreasing throughout the rest of the year, reaching a level significantly below the peak in August yet still substantially above historical averages. Higher volatility in energy prices also resulted in higher inter-seasonal price spreads and spot price volatility causing significant differences between gas spot prices and forward prices, especially in October 2022. Weather conditions and industry factors also impacted gas demand throughout the EU. In 2022, it is estimated that the EU gas demand, excluding storage filling, decreased by 12 per cent. in comparison to the average demand calculated in the period over the years 2019 to 2021.⁹

Power generation: With annual consolidated net power production of over 43 TWh for 2022, net installed capacity of 14.4 GW and high power plant availability, the Group substantially contributed to the security of supply across Europe.¹⁰

Gas Transmission Business: The military invasion of Ukraine by the Russian Federation in February 2022 resulted in general uncertainty with respect to the supply of gas from the Russian Federation to Europe. In September 2022, Nord Stream and Nord Stream II were impacted by underwater explosions in the Baltic Sea near the island of Bornholm and rendered inoperable. Similarly, gas flows through Yamal and Brotherhood pipelines were also adversely affected. As of the date of this Base Prospectus, gas flows to Europe via Yamal have not yet resumed. Volumes in the pipeline operated by Eustream, which is one of two major transit routes for Russian piped gas that, as of the date of this Base Prospectus have not been terminated, have also been affected. In the year ended 31 December 2022, Eustream transported 26 bcm of gas, which was 37 per cent. less compared to the year ended 31 December 2021. Reduced gas flows and gas in-kind hedging negatively affected Eustream's performance in 2022. Despite the reshape of natural gas flows in Europe, Eustream has continued to hold an irreplicable position, further cemented by interconnection of Eustream's network with all neighbouring countries.

Gas and Power Distribution Business: Due to weather conditions coupled with industrial as well as households demand reduction, SPPD distributed more than 48 TWh of gas in the year ended 31 December 2022, which was less than the long-term average for the Slovak Republic. SSD distributed 6.3 TWh of power in the year ended 31 December 2022, which was 2 per cent. less than in the year ended 31 December 2021.

Heat Infra Business: High power spreads drove both power production and grid-balancing services, thus positively contributing to the performance of the Heat Infra Business in 2022, which managed to maintain the volume of power production at 2.5 TWh, broadly comparable with prior year. This was partially offset by the negative effect of warmer weather resulting in lower heat offtake.

Gas Storage Business: Market instability and gas supply insecurity following the Russian military invasion of Ukraine emphasized the importance of the Gas Storage Business as a provider of energy security. The Gas Storage Business played a crucial role in mitigating gas supply disruptions, balancing seasonality of demand with peaks in winter, promoting competition by allowing access to multiple suppliers, increasing supplier

⁸ The calculation of the emission intensity in 2022 in this paragraph was adjusted by including pro forma figures of entities acquired in the Netherlands in the first half of 2023. See “—Recent developments and trends”.

⁹ Source: Bruegel

¹⁰ Both figures include recently acquired operations in the Netherlands. See “—Recent developments and trends”.

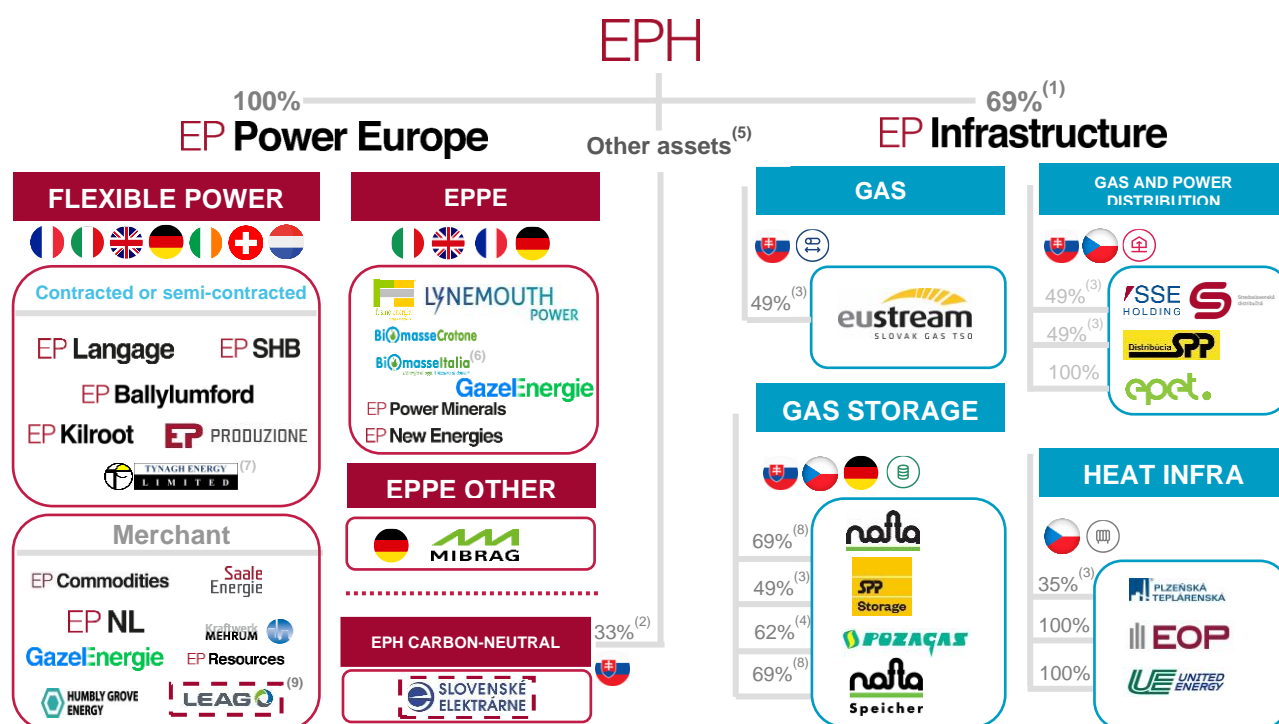
independency and lastly in integrating intermittent renewable energy sources into the system. All these factors contributed to high demand for services of the Gas Storage Business and drove up the storage prices, thereby driving the Gas Storage Business's performance in the year ended 31 December 2022.

A combination of a range of factors, most of which are summarised above, positively contributed to the Group's financial results in the year ended 31 December 2022. There is no guarantee that comparable results will be achieved in the future.

In the first half of 2023, EP Netherlands B.V ("EP NL") acquired four highly efficient CCGT power plants in the Netherlands. Specifically, in January 2023, EP NL acquired a 100 per cent. shareholding in the Rijnmond and Sloe Centrale power plants and in May 2023, EP NL acquired a 100 per cent. shareholding in the MaasStroom power plant and a 50 per cent. shareholding in the Enecogen power plant. Besides the power plant portfolio, EP NL also acquired a 100 per cent. shareholding in PZEM Energy Company B.V., which owns the ZBL pipeline (a 55 km gas pipeline supplying the Sloe Centrale power plant) and is active in the trading business and business-to-business power and gas supply (see "*Businesses—EPPE Group—Flexible Power Generation Business—Merchant—Netherlands*" for details).

Group structure

The following chart shows a simplified version of the Group's structure as of the date of this Base Prospectus:



Notes:

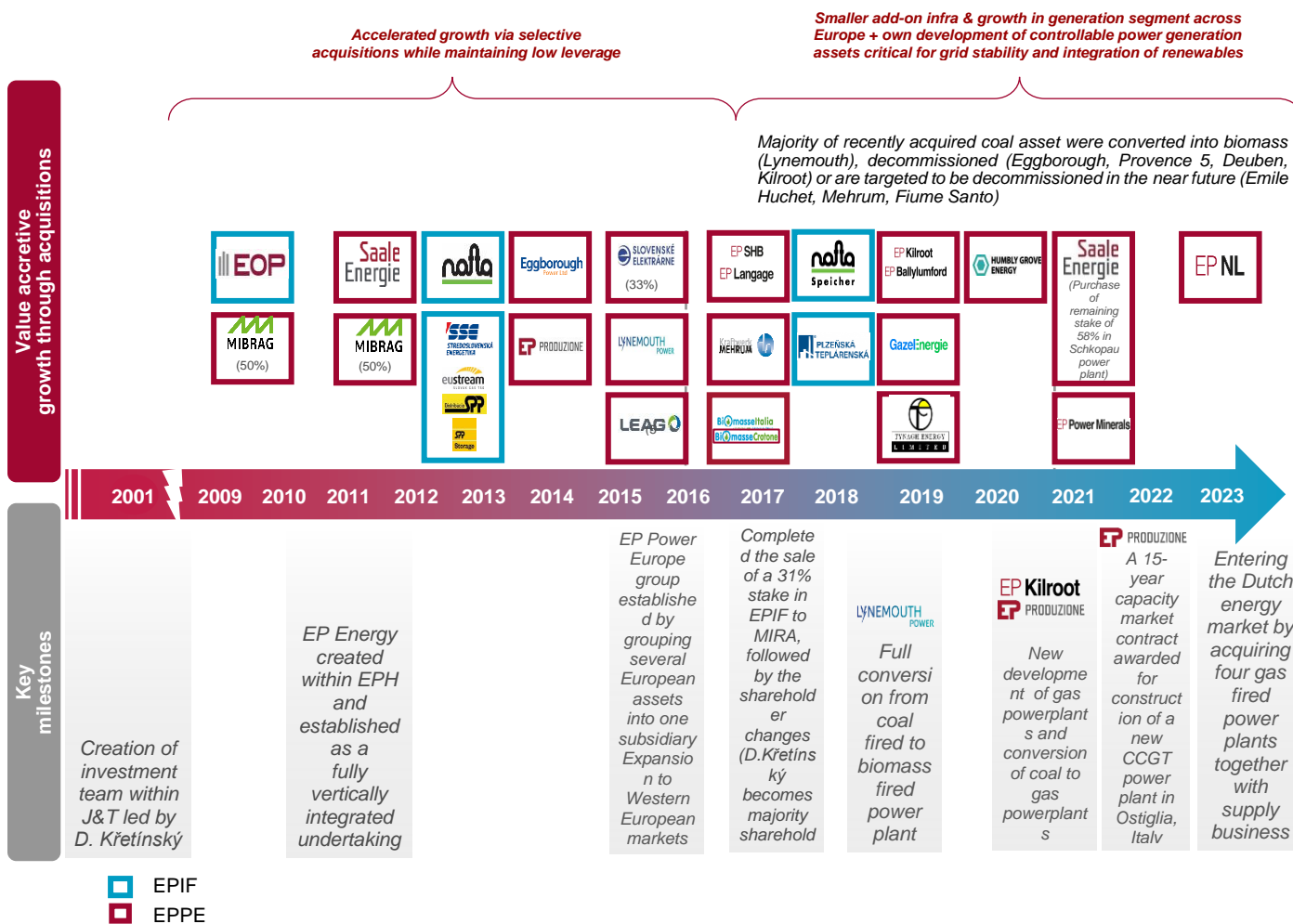
- (1) 31 per cent. owned by a consortium of global infrastructure investors led by Macquarie Infrastructure and Real Assets ("MIRA").
- (2) EPH holds a 33 per cent. stake in Slovenské Elektrárne with a put-call option structure for additional 33 per cent. after certain conditions are met. see "*Material contracts—Agreement with Enel Produzione S.p.A. regarding Slovenské Elektrárne*".
- (3) Including management control.
- (4) 65 per cent. is owned by Nafta and 35 per cent. is owned by SPPI.
- (5) Other assets primarily comprise of the EPH Carbon-neutral Business which consists of Slovenské Elektrárne and sourcing and logistics included in the EPH Other Business.
- (6) EPPE holds a 75.5 per cent. stake in total (following the sale of the 49 per cent. stake in EPNEI to LEAG).
- (7) EPPE owns 80 per cent. of Tynagh.
- (8) 40.45 per cent. is controlled directly and 56.15 per cent. is controlled by SPPI. EPIF's shareholding in SPPI is 49 per cent. and EPIF has management control. Considers own shares held by Nafta.
- (9) 50 per cent. shareholding in LEAG acquired in 2016 as a 50-50 joint venture with PPF Investments. Recently, EPH's shareholders have announced their intention to separate the Group's energy transition assets, including its 50 per cent. shareholding in LEAG, from the Group and transfer them to EP Energy Transition. See "*Energy Transition Plan*".

For a full list of the Guarantor's subsidiaries and other Group entities as of 31 December 2022, please see Note 36 to the 2022 Financial Statements.

History

The management team of the current Group began to take shape in 2001 within the corporate investment branch of the J&T Group headed by Daniel Křetínský. Shortly after the formation of the team, it began to focus on corporate investments in the energy business and changed its approach from being a financial investor to being a strategic investor. As a result, the J&T Group and the PPF Group founded EPH in 2009 as a platform for strategic investments in the energy and ancillary industries.

The following timeline provides an overview of significant steps in the evolution of the Group, through either direct acquisitions, or acquisitions by affiliates which were subsequently contributed to the Group:



- In 2004, the J&T Group acquired a 34 per cent. ownership interest in Pražská energetika a.s. (“**PRE**”);
- In 2005, the J&T Group acquired 85.2 per cent. ownership interest in United Energy, a.s. (“**UE**”). The ownership interest was later increased to 100 per cent., and also 100 per cent. ownership interest in První energetická a.s. (“**PEAS**”) was acquired;
- Between 2006 and 2008, the J&T Group acquired a 100 per cent. ownership interest in Plzeňská energetika a.s. (“**PE**”) (50 per cent. in 2006 and 50 per cent. in 2008) and in 2008 increased the interest in PRE to 41.1 per cent.;
- In 2009, J&T Group acquired 50 per cent. ownership interest in MIBRAG;
- In 2009, EPH was formed, and the J&T Group contributed or sold the ownership interests in PRE, PE, UE, Elektrárny Opatovice, a.s. (“**EOP**”) (incl. 48.67 per cent. ownership interest in Pražská Teplárenská (“**PT**”)), EPET (formerly, United Energy Trading, a.s.) and PEAS (now merged with EPET) to EPH;

- In 2010, EP Energy, a.s. (“**EPE**”) was formed and EPH contributed the ownership interests in PE, UE, PEAS (now merged with EPET) and EPET, as well as a portion of the interest in PT (see below), to EPE. Also in 2010, the complete ownership interest in PRE was swapped for a 49 per cent. ownership interest in Pražská teplárenská holding a.s. which held 47.42 per cent. ownership interest in PT;
- In 2011, EPH acquired a 50 per cent. ownership interest in MIBRAG;
- In 2011, EPE increased its ownership interest in PT to 73.3 per cent.;
- In 2012, EPE acquired the remaining 50 per cent. ownership interest in MIBRAG and sold (through Pražská teplárenská holding a.s.) its ownership interest in Energotrans a.s., a producer of heat in the Czech Republic, while retaining a long-term contract with Energotrans a.s. for the purchase of heat distributed through PT;
- In 2012, EPE acquired a 41.9 per cent. ownership interest in Schkopau (including the right to royalties on 400 MWe of total plant capacity), one of MIBRAG’s lignite customers, through the acquisition of a 100 per cent. ownership interest in Saale Energie GmbH;
- In 2013, EPH acquired from E.ON Ruhrgas and Engie (previously known as GDF Suez) an interest of approximately 49 per cent. (including management control) in SPP, together with its operating wholly-owned subsidiaries (Eustream, SPPD and SPP Storage, s.r.o. (“**SPP Storage**”)) and 56 per cent. in NAFTA;
- In 2013, EPIF was incorporated with EPH as the EPIF Group’s founder and sole shareholder, and in 2014, it acquired from EPH all of its shares in EPE. EPIF also acquired from E.ON Ruhrgas an additional 40.45 per cent. ownership interest in NAFTA;
- In 2013, EPE completed the acquisition of Helmstedter Revier GmbH, which owns the 352 MWe net power plant Buschhaus and the Schoningen coal mine in the Helmstedt area, from E.ON;
- In 2013, EPH acquired a 49 per cent. interest (including management control) in SSE (a Slovak power distribution and supply company) from E.D.F. International through EPH Financing II, a.s. (“**EPHF II**”). EPH contributed the shares in EPHF II to EPE on 16 December 2013;
- In 2014, SPP and its subsidiaries undertook a regrouping as part of which Slovak Gas Holding B.V.’s (“**SGH**”) shares in SPP were transferred to the Slovak Republic and SPP contributed its shares in its operating subsidiaries (including Eustream, SPPD, NAFTA and SPP Storage) into a new holding company, SPPI. As a result, the gas supply operations of SPP ceased to be part of the Group;
- In 2014, PPF sold its shares in EPH to EPH. As a result, Daniel Křetínský and Patrik Tkáč jointly controlled the EPH Group. The rest of the voting rights were exercised by the private equity structures of J&T Group;
- In 2015, EPH acquired six gas-fired and one coal-fired power plants in Italy grouped under EP Produzione S.p.A.;
- In 2016 through 2017, EPPE was established by grouping several European assets into one subsidiary, including Lynemouth Power and 50 per cent. shareholding in LEAG;
- In 2016, Daniel Křetínský acquired 94 per cent. of all shares in EPH from Patrik Tkáč and other J&T Group investors;
- In 2016, EPH entered into a share purchase agreement, pursuant to which it sold a 31 per cent. interest in EPIF to a consortium of global institutional investors led by MIRA. The transaction was closed in February 2017 and EPH retained management control of the EPIF Group;
- In 2017 EP SHB and EP Langage were acquired with EPPE being the sole shareholder. EPPE also acquired Kraftwerk Mehrum, Biomasse Italia and Biomasse Crotone;

- In October 2018, the Group completed the merger of PE, then wholly-owned by the Group, and PLTEP, then wholly-owned by the City of Pilsen, resulting in PLTEP being the successor company in which the Group holds a 35 per cent. ownership interest and has management control, while the City of Pilsen owns the remaining 65 per cent (the “**PLTEP Merger**”);
- In December 2018, the Group acting through Nafta Bavaria GmbH, a subsidiary of NAFTA Germany GmbH (“**Nafta Speicher**”) and an indirect subsidiary of NAFTA became the sole-owner of Inzenham – West, Wolfersberg and Breitbrunn/Eggstätt underground storage facilities, with a combined storage capacity of 1.8 billion cubic meters;
- In June 2019, EPPE acquired from the Uniper group all its activities in France, in particular an energy sales company, two gas-fired power plants in Saint-Avold, two coal-fired power plants in Saint-Avold and Gardanne, the biomass combustion plant “Provence 4 Biomasse” in Gardanne and wind and solar power plants;
- In July 2019, EPPE, through its wholly-owned subsidiary EP UK Investments, acquired the Ballylumford gas-fired power station, battery power storage and Kilroot coal-fired power station in Northern Ireland from AES Corporation;
- In July 2019, EPPE sold a 49 per cent. ownership interest in the BIOMIT, BIOMCRO and Fusine power plants to LEAG; EPPE retained a 51 per cent. ownership interest along with management control;
- In October 2019, EPPE, through its wholly-owned subsidiary EP UK Investments, acquired an 80 per cent. stake in Tynagh Energy Limited, an independent power producer that owns and operates a gas-fired power plant in the Republic of Ireland;
- In 2020, EP UK Investments Limited purchased a 100 per cent. ownership interest in Humbly Grove Energy Limited and its subsidiary Humbly Grove Energy Service Limited from Petronas. Humbly Grove owns and operates underground gas storage tanks;
- In 2020, Patrik Tkáč returned to EPH as a minority shareholder;
- In 2020, EP New Energy Italia S.r.l. acquired the remaining 50 per cent. ownership interest in the company Fores Italia S.r.l., a supplier of biomass. Fores Italia S.r.l. was merged into BIOMIT in December 2020;
- In 2021, EPPE acquired a 100 per cent. ownership interest of STEAG Power Minerals GmbH (later renamed to EP Power Minerals GmbH). EP Power Minerals GmbH is a European leader in the processing of power plant by-products;
- In 2021, EPPE, through its wholly-owned subsidiary Saale Energie GmbH, acquired the remaining 58.1 per cent. ownership interest in the German Schkopau power plant from the Uniper Group; and
- In 2023, EPPE, through its wholly-owned subsidiary EP NL, acquired four gas-fired power plants, a gas pipeline and a trading and supply business in the Netherlands.

Energy Transition Plan

Following a strategic review of the Group’s activities, EPH’s shareholders have announced their intention to separate the Group’s energy transition assets in Germany from the Group and transfer them to EP Energy Transition, a holding company of a newly established group and a sister company of EPH. As of the date of this Base Prospectus, the Energy Transition Plan is expected to proceed in the following two phases:

In the first phase, which is aimed to be completed by the end of 2023, the Group intends to transfer to EP Energy Transition its 50 per cent. shareholding in LEAG, the largest power plant operator in eastern Germany. The Group’s shareholding in LEAG is recognised in the Group’s consolidated financial statements among

investments in associates and joint ventures.¹¹ In the twelve months ended 30 June 2023, LEAG contributed EUR 1,298 million to the Group's consolidated net profit. Since LEAG's acquisition by the Group, no dividends have been distributed by LEAG to its shareholders. As such, the recognised income presented in 'Share of profit (loss) of equity accounted investees, net of tax' is non-cash only without any impact on the Group's cash flows. On 29 September 2023, EPPE Germany, a.s. signed two share purchase agreements with EP Energy Transition, under which EPPE Germany, a.s. sells its 10 per cent. share in Lausitz Energie Kraftwerke AG, 10 per cent. share in Lausitz Energie Bergbau AG and 12.5 per cent. share in LEAG Holding, a.s. to EP Energy Transition. The purchase price was based on an independent valuation. The purchase price is expected to be non-cash settled by the end of 2023. The remaining 37.5 per cent. share held by EPPE Germany, a.s. in LEAG Holding, a.s. is expected to be sold to EP Energy Transition by the end of 2023.

In the second phase, which is aimed to be completed by the end of 2025, the Group intends to transfer to EP Energy Transition its 100 per cent. shareholding in MIBRAG Energy Group, including the MIBRAG mining company and the Schkopau lignite power plant) (see "*—Businesses—EPPE Group—Flexible Power Generation Business—Merchant—Germany*" and "*—Businesses—EPPE Group—EPPE Other Business*" for details).

The aim of the Energy Transition Plan is to accelerate energy transition and to facilitate the transformation of coal regions in a dedicated and efficient way. EP Energy Transition has a clearly defined transition strategy, which covers not only decarbonisation, but also employment prospects and support for the regions affected by the energy transition.

Following the completion of the Energy Transition Plan, the Group would be free of almost all coal assets, except for the following specific cases:

- Fiume Santo hard coal-fired power plant in Sardinia, currently under must-run regime from Terna, is planned to be converted to a combined cycle power plant or a biomass project, subject to a decision of the Italian authorities, which is pending. Although Italy has an official coal exit year set for 2025, the specific situation in Sardinia, which currently does not have an adequate gas connection, does not allow closure of the plant before an alternative source of power is identified. The recently released draft of the 'National Integrated Energy and Climate plan of Italy (PNIEC)' anticipates that the Fiume Santo power plant will be closed by 2028.
- Following changes in the regulatory environment, conversion of the Czech CHPs is expected to proceed gradually and be completed by 2028/2029. CHPs represent a critical heating infrastructure for households and other customers in cities and neighbouring areas.

The Energy Transition Plan may entail certain risks. See "*Risk factors—Risks relating the Issuer and the Guarantor—Risks related to the Group's business and industries generally—The Group is exposed to risks relating to its energy transition plan and the decommissioning or conversion of its coal-fired power plants or lignite-fired combined heat and power plants*" for details.

Businesses

The Group structures its business into two main pillars — the EPIF Group and the EPPE Group — that are ringfenced and managed separately from each other. The Group identifies its operating segments at the level of each pillar. Operating segments are aggregated to four reportable segments in the EPIF Group (Gas Transmission Business, Gas and Power Distribution Business, Gas Storage Business and Heat Infra Business) and certain ancillary activities reported under EPIF Other Business, three reportable segments in the EPPE Group (Flexible Power Generation Business (with Contracted/Semi-contracted division and Merchant division), EPPE Renewables Business and EPPE Other Business) and two reportable segments in the rest of the Group (EPH Carbon-neutral Business and EPH Other Business) that are mainly based on the nature of services provided.

¹¹ In the year ended 31 December 2022, the Group's shareholding in LEAG was recognised in the consolidated statement of financial position among 'Equity accounted investees' (EUR 1,044 million) and in the consolidated statement of comprehensive income as 'Share of profit (loss) of equity accounted investees, net of tax' (EUR 793 million). In the six months ended 30 June 2023, it was included in the consolidated statement of financial position as 'Assets/disposal groups held for sale' due to its anticipated sale in the fourth quarter of 2023.

The table below sets forth Underlying EBITDA, CAPEX, Cash Generation and Cash Conversion Ratio (before income tax) in respect of each of the Group's reportable segments for the six months ended 30 June 2023 and 2022, the 12 months ended 30 June 2023 and the years ended 31 December 2022 and 2021:

Key Metrics	EPIF Group					EPPE Group					Consolidated Financial Information
	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	EPIF Other	Flexible Power Generation	EPPE Renewables	EPPE Other	EPH Carbon-neutral	EPH Other	
<i>(in EUR millions, unless indicated otherwise)</i>											
Six months ended 30 June 2023											
Underlying EBITDA	43	322	149	82	1	1,061	223	14	-	13	1,871
CAPEX	(2)	(51)	(7)	(20)	-	(226)	(5)	(16)	-	(3)	(330)
Cash Generation	41	271	142	62	1	835	218	(2)	-	10	1,541
Cash Conversion (before income tax) <i>(in per cent.)</i>	95.35	84.16	95.30	75.61	100.00	78.70	97.76	(14.29)	-	76.92	82.36
Six months ended 30 June 2022											
Underlying EBITDA	206	241	77	121	2	869	126	38	-	12	1,672
CAPEX	(17)	(43)	(2)	(7)	(5)	(176)	(24)	(9)	-	(1)	(284)
Cash Generation	189	198	75	114	(3)	693	102	29	-	11	1,388
Cash Conversion (before income tax) <i>(in per cent.)</i>	91.75	82.16	97.40	94.21	(150)	79.75	80.95	76.32	-	91.67	83.01
12 months ended 30 June 2023											
Underlying EBITDA	161	620	450	159	4	2,628	474	67	-	31	4,545
CAPEX	(17)	(97)	(15)	(53)	4	(525)	(44)	(37)	-	(14)	(798)
Cash Generation	144	523	435	106	8	2,103	430	30	-	17	3,747
Cash Conversion (before income tax) <i>(in per cent.)</i>	89.44	84.35	96.67	66.67	200	80.02	90.72	44.78	-	54.84	82.44
2022											
Underlying EBITDA	324	539	378	198	5	2,436	377	91	-	30	4,346
CAPEX	(32)	(89)	(10)	(40)	(1)	(475)	(63)	(30)	-	(12)	(752)
Cash Generation	292	450	368	158	4	1,961	314	61	-	18	3,594
Cash Conversion (before income tax) <i>(in per cent.)</i>	90.12	83.49	97.35	79.80	80.00	80.50	83.29	67.03	-	60.00	82.70
2021											
Underlying EBITDA	479	521	180	106	5	763	213	20	-	37	2,286
CAPEX	(25)	(83)	(9)	(34)	-	(271)	(7)	(8)	-	(4)	441
Cash Generation	454	438	171	72	5	492	206	12	-	33	1,845
Cash Conversion (before income tax) <i>(in per cent.)</i>	94.78	84.07	95.00	67.92	100.00	64.48	96.71	60.00	-	89.19	80.71

Notes:

(1) The table excludes Holding Entities and Intersegment eliminations. See Note 5 to the Interim Financial Statements for a complete overview.

The table below sets forth the Group’s consolidated revenues by geographical area for the six months ended 30 June 2023 and 2022 and the years ended 31 December 2022 and 2021:

	For the six months ended 30 June		For the year ended 31 December	
	2023	2022	2022	2021
	<i>(in EUR millions)</i>			
Czech Republic	288	1,121	2,109	1,266
Slovak Republic	1,668	1,160	2,754	1,866
Germany	2,256	3,738	2,790	3,623
Italy	1,340	2,595	5,915	2,463
United Kingdom	2,878	2,176	7,645	3,051
Ireland	262	452	1,376	843
France	1,015	902	5,405	939
Other	5,199	2,964	9,128	4,905
Total	14,906	15,108	37,122	18,956

Notes:

- (1) Other represents mainly Luxemburg and Switzerland with no country contributing more than 14 per cent. in 2022 and 2021. In addition, the Netherlands is also one of the main contributors to Other, with a share of 17 per cent. for the six months ended 30 June 2023.

EPIF GROUP

The EPIF Group owns and operates essential infrastructure assets in stable and developed markets of Slovakia, the Czech Republic and Germany. Its business consists of four principal businesses: Gas Transmission Business, Gas and Power Distribution Business, Gas Storage Business and Heat Infra Business. Certain ancillary activities are reported under EPIF Other Business.

Gas Transmission Business

The EPIF Group conducts its Gas Transmission Business through Eustream, which is the owner and operator of one of the major European gas pipelines and is the only gas TSO in the Slovak Republic. The Group holds an approximately 33.8 per cent. stake in, and, through EPIF, has management control over, Eustream. The transmission network of Eustream is part of the Central Corridor which is one of the main routes for the import of Russian piped gas to Europe based on volume of gas transmitted. The Central Corridor consists of the existing onshore pipelines in Central and Eastern Europe that import Russian gas to Central, Western and Southern Europe.

Gas transmission network

Eustream is the owner of the entire gas transmission infrastructure in the Slovak Republic. Following the completion of the interconnector to Poland in 2022, Eustream’s network is currently connected to the transmission networks of all neighbouring countries: Austria, the Czech Republic, Hungary, Poland and Ukraine. The completion of the strategic Slovakia-Poland interconnector opened new business opportunities for Eustream by providing it with a potential route to transit part of increased LNG shipments from Poland or the Baltics to the Slovak Republic and other countries in the region. In January 2020, Eustream completed a capacity expansion from the Czech Republic.

As of 30 June 2023, Eustream’s main assets consist of four to five (depending on the location) parallel gas transmission pipelines between 48” (122 cm) / 58” (147 cm) in diameter (depending on the section of the network) running across the Slovak Republic with a total length of approximately 2,376 kilometres. As of 30 June 2023, Eustream’s gas transmission network has an annual physical capacity of approximately 73.4 bcm in the East-West direction, 54.8 bcm in the North-South direction and 15.3 bcm with respect to the reverse flow (West-East) and a maximum daily East-West capacity of 201 mcm. The total aggregated transmission capacity may vary based on the particular combination of entry and exit points. The network offers additional capacities in other directions in addition to the traditional direction. The gas transmission network is supported by five large compressor stations with an aggregated power of roughly 450 megawatts (“MW”). The most important compressor station is located at Veľké Kapušany at the Ukrainian-Slovak border and is the biggest compressor station in the EU. As of 30 June 2023, it had a total output of about 290 MW, allowing entry flow of almost 201 mcm per day.

Reverse flow facilities

In September 2014, with the assistance of the European Commission, Eustream finalised and commissioned new reverse flow capacities to Ukraine with the aim to reinforce the security and resilience of its revenue flows. The reverse flow capacities to Ukraine were further expanded in November 2014 and January 2015 in order to address the recently increased demand for capacities in this direction. Eustream also possesses reverse-flow capacity between the Slovak Republic and Hungary. The reverse flow from the Czech Republic has been used regularly since 2013. The physical reverse flow from Austria is not currently used regularly but is ready for physical reverse flow operation, if required.

Customers and long-term contracts

Eustream's portfolio of customers consists mainly of a Russian supplier, Western European utilities, gas suppliers and gas traders. The profitability of Eustream's business is primarily driven by bookings for the transmission of gas. All contracts, regardless of duration, are based on a 100 per cent. ship-or-pay principle. Transmission fees and gas-in-kind percentages are fixed and regulated and depend on pre-defined entry and exit points, pre-defined duration and contracted capacity.

Gas transmission is a highly regulated industry and, as such, terms and pricing of contracts are heavily influenced by regulation at the national, European and international level. The vast majority of the capacity bookings are composed of a large contract with the Russian Shipper (concluded in 2008) due to expire in 2028 securing gas transit from Russia to countries in Southern Europe. The remaining contracts are either yearly or short-term contracts with shippers. The large contract securing gas transit from Russia to countries in Southern Europe (in the direction of the exit and entry point at Baumgarten) is regulated in accordance with applicable regulations (see "*—Tariffs for using the gas transmission network*").

Tariffs for using the gas transmission network

Eustream generates revenues by charging tariffs for the transmission of gas through its pipelines and by the sale of gas in-kind which it receives from shippers and which remains in the network of Eustream after serving the network's technological needs. While transmission tariffs in the Slovak Republic for the previous regulatory period were based purely on direct comparison of tariffs (also known as benchmarking) with other TSOs, primarily competitors across Europe and were directly set by RONI in accordance with the national legislation as of 1 January 2022 (despite the prolongation of the previous regulatory period 2017-2021 by one year until 31 December 2022), benchmarking of tariffs continues to be used as the secondary adjustment of the reference prices calculated on the cost-base principles. NC on Harmonised Tariffs envisages that the setting of the tariff system will be recalculated following a consultation at least every five years.

According to the current regulations, a client can enter into a regulated long-term contract with prices that are independent of price regulatory changes during the contractual term, subject only to pre-defined escalation that amounts to 100 per cent. of EU inflation.

In 2022, the majority of Eustream's revenues were from transmission fees. The transmission fees are fixed from the start for each contract and are therefore not subject to unilateral renegotiation, termination or other adjustments (other than for inflation as discussed above). In addition to the transmission fees, network users are required to provide gas in-kind for operational needs, predominantly as a fixed percentage of commercial gas transmission volume at each entry and exit point. The network users may agree with Eustream to provide gas in-kind in a financial form. Gas for operational needs covers, among other things, the energy needs for the operation of compressors and the gas balance differences related to the measurement of gas flows. As Eustream is legally responsible for network balance, it will sell any gas in-kind it has received that is not consumed. Since the volume of gas in-kind is variable, any revenues from this mandatory sale of residual gas in-kind is also variable. In order to hedge gas sale price, Eustream has been using financial derivatives to effectively hedge the expected long position related to disposal of such residual gas-in-kind. However, in the second half of 2021 and throughout 2022, as a result of substantial curtailment of Russian gas deliveries to Europe (including the flows across Eustream's network), the obtained gas-in-kind was insufficient to cover the derivative position. The resulting short position together with high gas prices negatively impacted Eustream's financial performance during these periods. As of 30 June 2023, the hedged position of Eustream in relation to gas in-kind was relatively small and considered proportionately manageable for the rest of 2023 and the year 2024.

Additionally, Eustream generates revenues from supporting business, such as title transfer services (defined as services enabling the gas title transfer between users within Eustream transmission network) or balancing (defined as grid balancing services, i.e. decreases or increases in power supply on a short notice basis).

Competition

Eustream faces competition from other current pipelines that transmit gas across Europe from east to west: namely the Yamal and Nord Stream pipelines. Following the military invasion of Ukraine in 2022, the supply of gas from the Russian Federation to Europe has been negatively affected and this included gas flows through both Yamal and Nord Stream. In September 2022, Nord Stream and Nord Stream II were impacted by underwater explosions in the Baltic Sea near the island of Bornholm and rendered inoperable. As of the date of this Base Prospectus, gas flows to Europe via Yamal have not yet resumed and the situation concerning the future of the supply of gas from the Russian Federation to Europe remains uncertain.

In light of these challenging market conditions, Eustream continues with diversification, modernisation and enhancement of its network to maintain its key role in gas transmission in Europe. Sufficient transit capacities at the Lanžhot entry/exit point and the new interconnection to Poland ensure readiness of Eustream's pipeline to supply gas to markets in the CEE and Southern Europe irrespective of its source and flow direction and make Eustream best positioned to serve Ukraine's gas import needs.

In addition, Eustream faces competition from alternative gas transmission sources, such as the use of LNG technology and transition to alternative and renewable energy sources. In 2022, the import of LNG to Europe increased by 70 per cent. compared to 2021,¹² mainly in response to the Russian invasion of Ukraine and the EU's attempt to diversify gas sources. See "*Risk factors— Risks relating the Issuer and the Guarantor—Risks related to the Group's business and industries generally—The Group is exposed to increasing competition in a changing energy landscape with focus on renewable energy.*".

Energy transition plans

Eustream continues to prepare its network for transporting renewable and low-carbon gases. According to EU Regulation on Gas and Hydrogen Networks, all TSOs will be required to accept gas flows with a hydrogen content of up to 2-3 per cent. by volume at interconnection points between EU Member States.

Eustream is a member of the following initiatives associated with the transmission of hydrogen:

- the Central European Hydrogen Corridor (CEHC) initiative, aiming to connect areas with potentially abundant hydrogen supply sources in Ukraine with large demand areas in Germany.
- the international industry partnership for the production and supply of green hydrogen 'H2EU+Store', which is focused on the entire supply chain from hydrogen production to its transit and storage.
- the SunHyne Corridor strategic infrastructure initiative, initiated by five leading European TSOs. The initiative's ambition is to enable green hydrogen flows from North Africa to Germany crossing Italy, Austria, Slovakia and the Czech Republic.

Gas and Power Distribution Business

The EPIF Group conducts its Gas and Power Distribution Business through SPPD, the SSE Group, EPET and DE. The EPIF Group's Gas and Power Business consists of the gas distribution division, the power distribution division and the supply division. The Group holds an approximately 33.8 per cent. stake in SPPD and the SSE Group and 69 per cent in EPET, and, through EPIF, has management control over SPPD and the SSE Group.

¹² Data for EU + United Kingdom. Source: alsi.gie.eu; data.nationalgas.com. Used GCV: 10.48 kWh/m³.

The following table sets forth key operating data for the Gas and Power Distribution Business:

	Six months ended 30 June		12 months ended 30 June	Year ended 31 December	
	2023	2022	2023	2022	2021
SPPD					
Gas distributed (mcm).....	2,353	2,656	4,161	4,464	5,505
Gas distributed (TWh).....	25.6	28.2	45.7	48.3	59.2
SSE Group					
Power distributed (GWh)	3,106	3,275	6,161	6,330	6,408

Gas Distribution

SPPD is the owner and operator of the distribution network of gas starting from the exit point of the transmission networks through gas distribution systems and delivering gas to approximately 2,233 villages, towns and cities in the Slovak Republic, which are home to more than 94 per cent. of the Slovak population as of 31 December 2022. In the year ended 31 December 2022, SPPD distributed approximately 98.8 per cent. of the total amount of gas distributed in the Slovak Republic and is therefore the largest gas distributor in the Slovak Republic. Between the years 2015 and 2022, SPPD had stable distribution volumes between 4.5 bcm and 5.0 bcm per year, with the exception of 5.5 bcm distributed in 2021 due to a favourable weather pattern coupled with higher consumption by employees working from home.

SPPD holds a natural monopoly over gas distribution in the Slovak Republic. As of 30 June 2023, SPPD's main assets consisted of (i) high-pressure pipelines and (ii) medium-pressure and low-pressure pipelines, running across the Slovak Republic with a total length of approximately 6,294 kilometres and 28,578 kilometres, respectively. In addition, SPPD operates, but does not own, additional 21 kilometres and 1,498 kilometres of high-pressure pipelines and medium-pressure and low-pressure pipelines, respectively. SPPD has a relatively modern asset base with weighted average age of the pipelines that it operates of approximately 29 years with approximately 59 per cent. of the low- and medium- pressure pipelines being made of polyethylene which have significantly longer expected useful life than steel pipelines (polyethylene pipes have expected useful lives of over 60 years), as of 31 December 2022. As a result, SPPD has benefited from lower investment requirements, low levels of gas losses and optimal safety results during its operations. SPPD also benefits from relatively low capital expenditures for expansion as the costs associated with additional network connections are borne mostly by the end-customers.

SPPD provides gas distribution to end-consumers under standard framework distribution agreements entered into with gas suppliers. As of 30 June 2023, SPPD had standard framework distribution agreements in place with 24 gas suppliers including six major suppliers, holding over 72 per cent. of the market share and contributing 85 per cent. of SPPD's annual total revenues in 2022.

In addition to gas distribution, SPPD sells distribution capacities, operates and performs maintenance of the gas distribution network and is involved in gas balancing, dispatching and ensuring the security of supply for households.

Customers and contracts

SPPD distributes gas to the following tariff groups of end-consumers: households, small entrepreneurs, small enterprises, medium enterprises and large consumers. SPPD does not have direct contractual relationships with end-consumers. Instead, SPPD's gas distribution and related services are provided under standard framework distribution agreements entered into with gas suppliers. The gas suppliers have direct contractual relationships with the end-consumers.

Tariffs for using the gas distribution network

SPPD generates revenues by charging regulated prices for the distribution of gas through its pipelines to gas suppliers who then pass on the prices to their end-customers. The gas suppliers are required to secure their payments by bank guarantees or other security instruments (typically cash collaterals). The distribution tariff is calculated in accordance with a formula approved by RONI. The current regulatory period in respect of gas distribution started on 1 January 2023 and will end on 31 December 2027. An updated WACC of 5.24 per cent. (currently 4.76 per cent.) applicable from the start of 2024 has been published by RONI. Increased cost of

network losses due to higher purchase prices of gas is to be compensated through a separate tariff for network losses.

Power Distribution

The power distribution division of the Gas and Power Distribution Business consists of SSD, a subsidiary of SSE Holding. SSD acts as distributor in the distribution of power, which is a regulated activity in the Slovak Republic and can be broken down into several categories: high voltage, medium voltage and low voltage distribution.

SSD is one of three power distribution companies in the Slovak Republic and the sole power distribution company in its region of operation, distributing power to both businesses and households. As of 30 June 2023, SSD served approximately 782,000 delivery points. SSD is based in the city of Žilina and operates in the central part of the Slovak Republic, which accounts for approximately a third of the area of the Slovak Republic and 30 per cent. of the population. As of 30 June 2023, SSD owned 35,552 km of high-, medium- and low-voltage power lines. As of the same date, SSD also operated six high-voltage substations, 55 high-voltage/medium-voltage substations, 85 switching stations and 9,253 distribution substations. SSD has consistently achieved low levels of distribution losses and met reliability indicators set by the regulator. Its strong operational performance has been based on cost and work efficiency improvements, including using own resources to carry out a substantial part of reconstruction and development investments, and regulated operating expenses outperformance.

Tariffs for using the power distribution network

SSD has received stable and predictable returns from regulated business activities. The maximum price for access to the distribution network and power distribution is determined separately for each voltage level (low, medium and high) and calculated for the respective voltage level as a weighted average of specified tariffs. The maximum price for access to the distribution network and power distribution for a given voltage level reflects power distribution and power transmission, including losses incurred during power transmission, and is denominated in Euro per unit of power distributed to end consumers in the relevant year. It is calculated using a formula set by RONI. The current regulatory period in respect of power distribution started on 1 January 2023 and will end on 31 December 2027. An updated WACC of 5.18 per cent. (currently 4.99 per cent.) applicable from the start of 2024 has been published by RONI. As of 1 January 2020, the SOT clearing obligation causing fluctuation in results was transferred to the state-owned company.

Supply

The supply division of the Gas and Power Distribution Business focuses on the supply of power and gas to end-customers through the SSE Group (other than SSD) in the Slovak Republic and EPET and DE in the Czech Republic. The SSE Group (other than SSD), EPET and DE have portfolios of large customers in the commercial sector and the public and municipal sector and are also successfully operating in the retail sector, in which the SSE Group is a traditional supplier.

SSE, a wholly-owned subsidiary of SSE Holding, is a leading supplier of power, gas and related services to end-customers in the central part of the Slovak Republic. SSE supplies over 60 per cent. of the power distributed by SSD in the Žilina region of the central part of the Slovak Republic. As of the date of this Base Prospectus, the SSE Group also owns and operates a small number of generation assets with a total installed capacity of 63 megawatts electric (“MW_e”).

EPET, a wholly-owned subsidiary of EPE, is a leading supplier of power, gas and related services to end-customers in the Czech Republic and the Slovak Republic. EPET’s core function is to exploit synergies with the Group’s other businesses to cover the entire energy value chain. Among other things, EPET buys power generated by the EPIF Group’s Heat Infra Business and sells it to the wholesale market while also buying from the wholesale market and selling to the supply division the volume of power that the supply division will sell to end-customers. EPET also performs power procurement for supplies to end customers through purchases from significant market players, independent traders, and the Power Exchange Central Europe, a.s.

DE, wholly-owned subsidiary of EPET, is a supplier of power, gas and related services to end-customers in the Czech Republic.

Heat Infra Business

The EPIF Group conducts its Heat Infra Business mainly through the following subsidiaries: EOP and EOP Distribuce, a.s. (together, the “**EOP Group**”), UE and Severočeská teplárenská, a.s. (together, the “**UE Group**”) and PLTEP. The Group holds a 69 per cent. stake in the EOP Group and the UE Group and a 24 per cent. stake in PLTEP, and, through EPIF, has management control over them.

Each of EOP, UE and PLTEP owns and operates a large-scale CHP plant, which provides heat to its nearby district heating systems in the Czech Republic. The heat generated in the SHP plants is supplied by, among others, EOP Distribuce, a.s., Severočeská teplárenská, a.s., and PLTEP mainly to retail customers through well-maintained and robust district heating systems. The EPIF Group is also a significant heat supplier in terms of PJ of heat supplied to end-customers in the Czech Republic and a significant power supplier in terms of power generated in the Czech Republic (including ancillary services).

The Heat Infra Business supplied 1.2 TWh (4.2 PJ) and 1.2 TWh (4.3 PJ) of heat for the six months ended 30 June 2023 and 2022, respectively, 2.0 TWh (7.3 PJ) for the 12 months ended 30 June 2023, and 2.1 TWh (7.4 PJ) and 2.3 TWh (8.3 PJ) of heat in the years ended 31 December 2022 and 2021, respectively.

As of 30 June 2023, the length of the EPIF Group’s heat distribution network in the Czech Republic was 732 km and the Heat Infra Business had approximately 152,000 customers. As of the same date, the EPIF Group’s installed heat generation capacity¹³ was 1,939 MW_{th}, installed power generation capacity – cogeneration was 533 MW_e and installed power generation capacity – condensation was 359 MW_e.

Through its subsidiary EP Sourcing, a.s. (“**EPS**”), the EPIF Group’s Heat Infra Business also deals in lignite, biomass and other solid fuels and supplies these primarily to the Czech heat and power companies of the EPIF Group. In addition, through its subsidiary EP Cargo, a.s. (“**EPC**”), the EPIF Group’s Heat Infra Business provides rail transport of lignite and other bulk substrates for the Group companies including the EOP Group, the UE Group and PLTEP and companies outside the Group.

The EPIF Group’s key Heat Infra Business subsidiaries

The EPIF Group owns and operates a group of plants in the Czech Republic, all of which are CHP plants with the ability to operate in condensation mode and only to produce power when demand and prices warrant. The table below lists the network length for each of the EPIF Group’s plants as of the date of this Base Prospectus:

Company	Location	Type	Network length
EOP	Opatovice, Czech Republic	Cogeneration (CHP) Lignite-fired	319 km
UE	Komořany, Czech Republic	Cogeneration (CHP) Lignite-fired, biomass Cogeneration (CHP)	150 km
PLTEP	Plzeň, Czech Republic	Lignite-fired, biomass, waste	263 km

The table below lists the operating data for the EPIF Group’s plants for the six months ended 30 June 2023 and 2022 and for the years ended 31 December 2022 and 2021:

	For the six months ended 30 June		For the year ended 31 December	
	2023	2022	2022	2021
Installed cogeneration capacity (MWe) ⁽¹⁾	533	533	533	533
Installed condensation capacity (MWe) ⁽²⁾	359	359	359	359
Installed heat capacity at the exchangers (MW _{th}).....	1,939	2,008	1,939	2,008
Power produced (cogeneration) (GWh).....	493	514	892	976
Power produced (condensation) (GWh).....	471	1,064	2,097	1,979
Heat supplied (PJ).....	4.2	4.3	7.4	8.3

¹³ Installed heat capacity measured at heat exchangers.

Notes:

- (1) Installed cogeneration capacity represents the electrical capacity of generators that can deliver heat in cogeneration mode.
- (2) Installed condensation capacity represents the electrical capacity of generators that can produce power in condensation mode only. Part of cogeneration may be used for condensation under certain conditions. Total installed electrical capacity is determined by adding installed cogeneration capacity and installed condensation capacity together.

Overview

In the Czech Republic, heat generation and distribution are regulated activities. The ERO issues pricing decisions that set forth guidelines applicable to the calculation of heat prices. As such, the ERO allows the Issuer's subsidiaries to set the heat price on the condition that they follow the calculation principles set forth by the ERO in accordance with input-price based model regulation (*věcné usměrňování cen*), which entails setting out certain conditions for the calculation and negotiation of prices for heat energy. If, however, the Issuer's subsidiaries decide to charge prices lower than the so-called "limit heat price" announced by the ERO in its price decision (*limitní cena*), the regulated entities are not required to follow the price-setting methodology.

The EPIF Group has been one of the lowest cost providers of heat in the Czech Republic, consistently charging lower heat tariffs than the national average.¹⁴

Heat Infra Business decarbonisation

The heating plants of the Heat Infra Business represent a major contributor to the carbon footprint of the Group as they are still predominantly lignite-fired. The Heat Infra Business is therefore the primary target of the Group's decarbonisation roadmap, which aims to convert all of the Heat Infra Business' assets away from lignite to a balanced mix of highly efficient gas-fired plants, biomass units and waste incinerator plants by 2030. The gas-fired units are expected to be upgraded later so as to allow for the combustion of emission-neutral synthetic gases or hydrogen once these are available on a commercial scale. As of the date of this Base Prospectus, the conversion projects are already in an advanced preparatory phase with the procurement process ongoing. The projects are expected to be eligible for investment subsidies from the EU Modernisation Fund which has a dedicated programme HEAT aimed at transformation of district heating systems, including change in the fuel base. For several projects, subsidy applications have been already submitted. Based on the latest estimates, the total gross capital expenditure related to the conversion project are expected to reach EUR 1.5 billion, of which approximately 50-60 per cent. is expected to be covered by investment subsidies. A preliminary assessment of the gas-fired units, which are to replace the lignite-fired units and from thereon constitute the key technology in the Group's generation portfolio, suggests that the units should in material respects comply with substantial contribution criteria of the EU Taxonomy.

The EOP Group aims to replace existing lignite units with less emission-intensive sources, such as gas and potentially municipal waste, depending on discussions with local authorities. The modernisation of the generation source is currently expected to take place by the end of 2030, which is in line with the Group's coal exit commitment.

In 2022, the UE Group continued to focus on development plans in the area of diversification of the types of fuels used for the production of the main commodities (heat and power) and the preparation of a gradual decline in the use of coal. After the refurbishment of the formerly lignite boiler K6 for 100 per cent. biomass combustion in 2021, the UE Group gradually increased the share of biomass in the fuel mix, partly replacing lignite. The UE Group has also commenced preparatory works for the commissioning of gas-fired turbines to replace existing lignite units around 2026. The gas units are planned to be complemented by a waste incinerator plant, for which a building permit has been already secured and tender process launched.

At PLTEP, the share of biomass in the fuel mix increased after a boiler co-combusting lignite with biomass was refurbished in 2021, raising the share of biomass in the boiler to 80 per cent. with potential to increase the share of biomass up to 100 per cent. in the future. This complemented a dedicated biomass unit and waste incinerator plant. The remaining lignite units operated by PLTEP are expected to be replaced with gas-fired units ready to partially accommodate renewable gases.

¹⁴ Source: ERO; Issuer's data.

Extensive heating distribution networks

All of the EPIF Group's cogeneration plants are connected to large-scale district heating networks, which were built to connect to large numbers of households and to supply densely populated areas and therefore have a large customer base. District heating is a regulated business with high barriers to entry due to limited possibility of replicating the existing heating systems. The Czech Act No. 201/2012 Coll., on air protection, as amended (the "**Czech Air Protection Act**"), sets for all new or reconstructed buildings a duty to connect to district heating if it is technically and economically possible. The EPIF Group has a stable customer base, with a significant portion of heat off-take delivered to residential apartment blocks through its extensive, well-developed and maintained district heating systems, which the Issuer believes means its Heat Infra Business is less vulnerable to economic downturns and economic cycles.

The EPIF Group operates extensive heat distribution networks in the Czech Republic, which supply both residential and industrial clients with heat. The EPIF Group supplies heat to some of the largest Czech cities, including Plzeň, Hradec Králové, Pardubice, Most, Litvínov and Chrudim. District heating supplies buildings and homes within the heat transmission network from a central heat source through a network of insulated pipelines carrying hot water and steam. Currently, most of the steam pipelines have been replaced with hot water pipelines. This reduces leakages and lost heat. In the year ended 31 December 2022, the EPIF Group delivered 7.4 PJ of heat through the distribution networks operated by its companies, representing 9 per cent. of the total heat supplies in the Czech Republic in 2022.¹⁵ Based on these volumes, the EPIF Group represents the third largest heat supplier in the Czech Republic, behind Veolia and ČEZ. The market is relatively fragmented and no other heat provider supplied more than 5 per cent. of the total volumes in the Czech Republic in 2022.

Grid balancing services

In its power generation business, the EPIF Group is one of the largest certified providers of grid balancing services in the Czech Republic in terms of revenues and megawatt hours of provided capacity. The grid balancing services portion of the Power Generation business is poised to grow as an increasing share of the power generation market moves to renewables, which may likely in turn increase the demand for grid balancing services as power produced through renewable sources can be more unpredictable and erratic than power produced through other sources of supply.

The latest tender for grid balancing services in the Czech Republic was completed in 2022 for the calendar year 2023. The tendered volume covered approximately two thirds of the total capacity for the tendered year. The EPIF Group was successful in the tender and secured a considerable portion of the tendered volume. In 2021 and 2022, the EPIF Group was also successful in selling additional capacities on the spot market on top of those secured in the tender.

Gas Storage Business

The EPIF Group conducts its Gas Storage Business through NAFTA, SPP Storage, POZAGAS and Nafta Speicher, which store gas mostly under long-term contracts in underground storage facilities located in the Czech Republic, the Slovak Republic and Germany. The total capacity of the storage facilities of NAFTA, SPP Storage, POZAGAS and Nafta Speicher as of 30 June 2023 was approximately 61.6 TWh (5.7 bcm), total maximum withdrawal rate was 859 GWh per day and total maximum injection rate was 634 GWh per day. The Group holds an approximately 47.61 per cent. stake in NAFTA and Nafta Speicher, approximately 42.78 per cent. stake in POZAGAS and approximately 33.81 per cent. stake SPP Storage and, through EPIF, has management control over them.

The EPIF Group is a key player in terms of capacity in the European gas storage market, and it is ranked as the sixth largest European gas storage technical operator, the largest gas storage operator in Slovakia, the Czech Republic and Austria and the fourth largest gas storage technical operator in Germany. The market share of the EPIF Group in the European gas storage market (excluding the United Kingdom) is 5.5 per cent., its market share in the Slovak Republic, the Czech Republic and Austria is 23.6 per cent., and its market share in Germany is 8 per cent., with 20.0 TWh (approximately 2 bcm) storage capacity.¹⁶ In addition, the EPIF Group is sole gas

¹⁵ Source: ERU Report on the Operation of Heat Supply Systems in the Czech Republic in 2022.

¹⁶ Source: Gas Infrastructure Europe AGSI+ Platform and NAFTA, POZAGAS and SPPS company data as of 30 June 2023; Gas Infrastructure Europe Storage Map as of 14 July 2021

storage operator in Slovakia. Its capacities provide regional security of supply to support EU's intermittent renewable energy sources.

The gas storage facilities

The Slovak Republic and the Czech Republic offer favourable geological conditions and advantageous locations close to the transmission system for the supply of gas to both the east and west, making it an attractive location for a hub in the European gas network.

NAFTA

NAFTA is the largest gas storage system operator (“SSO”) in the Slovak Republic. It operates unique underground gas storage facilities composed of several storage reservoirs interconnected with technical infrastructure at the crossroads of gas flows at the borders of the Slovak Republic, Austria and the Czech Republic. The underground gas storage facilities are interconnected with several gas grids enabling high flexibility and providing regional security of supply. As of 30 June 2023, the storage capacity of facilities operated by NAFTA was approximately 27,700 GWh with a maximum withdrawal rate of 419 GWh per day. Approximately 90 per cent. of NAFTA's activity is the underground storage of gas, offering both seasonal and flexible storage capacity to customers. Seasonal storage allows customers to inject gas in the summer and withdraw gas in the winter, while flexible storage allows the customer to inject gas and withdraw gas on any day regardless of the season. As of 30 June 2023, NAFTA's two largest customers represented approximately 73 per cent. of its total storage capacity. Other domestic and international customers' contracts represented the remaining 27 per cent.

Besides seasonal and flexible storage, NAFTA also offers to its customers other services such as additional working gas volume, extra injection or withdrawal rates, day-ahead or within-day rates, inverse storage and options on storage capacity. NAFTA also undertakes E&P activities. Historically, NAFTA – and its predecessors – discovered and produced oil and gas in 59 fields or field complexes. Currently, oil and gas are produced on a relatively small scale in 27 fields.

SPP Storage

SPP Storage owns and operates the Dolní Bojanovice underground gas storage facility located in the Czech Republic, with a storage capacity of 6,944 GWh and with a maximum withdrawal rate of 96 GWh per day, as of 30 June 2023. Gas injection and withdrawal take place from and into a high pressure gas pipeline, which connects the Dolní Bojanovice underground gas storage facility to the Brodské metering station (approximately 30 kilometres away). The gas pipeline is connected at the Brodské metering station to the Slovak gas transit network of Eustream and is currently used for the balancing and assistance of the Slovak distribution grid. As of the date of this Base Prospectus, SPP Storage has initiated the construction of direct connection to the Czech transmission system and its completion is anticipated in 2024.

POZAGAS

POZAGAS is the second largest SSO in the Slovak Republic, with its technical operation being partially outsourced to NAFTA. It also provides complementary services to NAFTA, allowing NAFTA's customers to access the Virtual Trading Point Austria / Central European Gas hub at Baumgarten via the interconnection point with the Austrian transmission system. POZAGAS has a portfolio of long-term and short-term storage contracts. POZAGAS owns and operates the underground gas storage facility “Láb 4” situated in the eastern part of the Vienna basin, close to the town of Malacky, in the Slovak Republic. As of the date of this Base Prospectus, the capacity of POZAGAS' storage facility is 6,948 GWh.

Nafta Speicher

Nafta Speicher owns and operates storage facilities in Breitbrunn/Eggstätt, Inzenham-West and Wolfersberg and is the owner of all the subsurface and surface technology except compressor stations at Wolfersberg and Breitbrunn/Eggstätt. The storage facilities of Nafta Speicher are directly connected to the Trading Hub Europe in Germany which is one of the most attractive gas trading hubs in Europe. The capacity of these assets is almost 20 TWh (representing 8 per cent. of the combined storage capacity in Germany). NAFTA Speicher owns 100 per cent. of the cushion gas at Inzenham-West, and small part of the cushion gas at Breitbrunn/Eggstätt. The reservoirs are depleted gas fields in south Bavaria situated between Munich and Chiemsee with a total

working gas capacity of 1,780 mcm or approximately 20 TWh. High-calorific gas, also termed “H-Gas”, is stored in all three reservoirs and fall commercially within the scope of Trading Hub Europe in Germany.

Operation of gas storage facilities

The operations of the Gas Storage Business consist of handing over the gas from an interconnected transmission grid operator at any entry point of the storage facility and the fiscal metering, compression and injection of the gas into an underground reservoir. In the process of withdrawal, the gas is treated in order to meet gas quality parameters, and if necessary compressed, and fiscally metred before it passes an exit point of the storage and flows to an interconnected distribution or transmission grid. All flows to and from an underground storage facility are based on customers’ nominations which are processed by commercial dispatching, while physical flows are managed by technical dispatching of the Gas Storage Business’ interconnected grids. The Group’s gas storage facilities benefit from moderate investment needs due to modern facilities and strong cost control on the operating expenses side.

The EPIF Group’s gas storage facilities contain approximately 25 TWh of cushion gas. Cushion gas is the gas that is permanently stored in a gas storage and its main function is to maintain sufficient pressure in the storage to allow for adequate injection and withdrawal rates. The overall volume of gas held in the storage structures consists of working gas volume (available to clients’ use) and the cushion gas. This cushion gas may be produced at the end of the lifetime of the gas storage, subject to approval of the relevant regulatory agencies. Based on various benchmarks, the producible volume of cushion gas normally amounts to approximately 45 to 50 per cent. of the total capacity of the gas storage, depending on geological, technical and market conditions at the time of production. In case the EPIF Group decided to produce the cushion gas, this would require additional capital and operating expenditure. The production profile is gradually declining, achieving the highest production volumes in the first years of production. After the production of cushion gas, the sites need to be restored to their original condition. A restoration and decommissioning provision of NAFTA, SPP Storage, POZAGAS and Nafta Speicher amounted to EUR 190 million as of 30 June 2023.

Prices for using the gas storage facilities

NAFTA, SPP Storage, POZAGAS and Nafta Speicher generate revenues by charging prices for the seasonal and flexible storage of gas at their underground storage facilities. Pricing is not linked to actual use of gas storage, but rather is based on booked capacity, the “store-or-pay” principle. The gas storage tariffs in the Slovak Republic and in the Czech Republic have not been regulated since 2013 and 2007, respectively, due to effective competition from various storage providers in the countries. Gas storage tariffs in Germany are also not regulated. The price of storage is market-based and subject to a number of factors, such as the security of the gas supply (to gas suppliers and ultimately to households and other protected clients), intrinsic and extrinsic value of storage (summer winter spread, intra-season variations, etc.), portfolio value and location of the storage facility and its interconnections.

The majority of the EPIF Group’s storage capacity is booked under long-term contracts. Long-term contracts are agreed on the basis of reserving a certain amount of storage capacity and respective withdrawal and injection rates, for which the “store-or-pay” principle applies. Price setting mechanisms under these contracts vary, incorporating either inflation price adjustment with standard price revision clauses or price formula based on actual market spreads. In the case of a default by customers, NAFTA and POZAGAS would have the right to retain the gas stored by such customers for covering their receivables.

Customers and contracts

As of 30 June 2023, the Gas Storage Business has ten long-term strategic customers and 20 to 25 short-term storage customers ranging from utilities to well-known traders and investment banks.

EPIF Other Business

The EPIF Other Business is divided into two sub-areas: renewables business and other. The renewables business owns and operates three solar power plants and one wind farm. The EPIF Group also operates two solar power plants and a biogas facility in the Slovak Republic. The EPIF Other Business operations account for only a small fraction of the Group’s revenues and income.

EPPE GROUP

The EPPE Group operates a diversified and balanced fleet of safe and controllable power generation and renewable assets in Italy, the United Kingdom, Germany, Ireland, Switzerland, the Netherlands and France. Its business consists of three principal businesses: Flexible Power Generation Business, which is further divided into the Contracted/Semi-contracted division and Merchant division, EPPE Renewables Business and EPPE Other Business.

Flexible Power Generation Business

The EPPE Group's Flexible Power Generation Business is divided into two divisions: Contracted/Semi-contracted and Merchant.

Contracted/Semi-contracted

The Contracted/Semi-contracted division of the Flexible Power Generation Business is primarily represented by investments in assets that generate power in condensation mode and which are contracted or partially contracted under a regulatory scheme, typically capacity market contracts (in Italy, the United Kingdom and Ireland) or must-run regime (in Italy).

As of 30 June 2023, the total net installed capacity of the EPPE Group's gas- and coal-fired power plants in the Contracted/Semi-contracted division of the Flexible Power Generation Business was 7.9 GW. In addition, the EPPE Group has been investing into new modern, controllable sources in Italy and the United Kingdom with the aim to secure stability and reliability of local power markets. The new power plants under construction and in development or being considered for construction subject to final investment decision have a projected target installed capacity of 4.1 GW. The most important projects under construction are Tavazzano and Ostiglia CCGT power plants in Italy, with an installed capacity of 803 MW and 881 MW, respectively, and Kilroot OCGT power plant in Northern Ireland with an installed capacity of almost 700 MW, scheduled to stand-by as a capacity reserve to support the development of zero-emission power generation. All of these gas plants are hydrogen-ready, render minimum required returns, regulatory- or quasi-regulatory-based revenue stream and long-term visibility. As of the date of this Base Prospectus, the EPPE Group is also considering launching an additional market-critical hydrogen-ready gas plant with a targeted installed capacity of 1,700 MW and a battery storage with 299 MW of targeted capacity. The project is subject to a final investment decision.

In addition, the EPPE Group, through its joint venture with other partners operates a power plant in Italy with 0.8 GW of net installed capacity.

CCGTs benefit from a number of strategic aspects:

- *Regulated and quasi-regulated revenue streams and low fixed operating costs:* The majority of the Group's CCGTs benefit both from medium/long-term capacity market payments and from shorter-term ancillary services fees and similar items. At the same time, CCGTs benefit from low fixed costs as their operation is efficient and requires limited personnel. The Group hedges a part of its power production, but usually lower percentages of planned generation and for a short-time horizon, reflecting the market dynamics and market liquidity.
- *Lower volatility of margin:* CCGTs' profitability from produced power is based on the realised margin from the power production. Margin per MWh of produced power is represented by the difference between the power price per MWh and the cost of the gas and emission allowances needed to produce such MWh in a given power plant. More efficient CCGTs are therefore able to achieve higher margins at given market conditions. The volatility of CCGTs' margin tends to be much lower compared to the margin of merchant renewable power plants, including nuclear power plants (the margin of which is based on the development of power price only) and lignite-fired power plants (the margin of which is based on the difference between the power price per MWh and the cost of the emission allowances needed to produce such MWh).
- *Flexible power production:* CCGTs are an important part of the power grid stability thanks to their flexibility and in most cases immediate dispatchability (usually at least on an hourly basis). This allows CCGTs to produce power only when their margin per MWh produced is positive and avoid producing

power when margin is negative. This flexibility makes CCGTs suitable for exploiting intraday volatility of prices both for spot sales and hedged production.

Italy

In Italy, the EPPE Group conducts its Flexible Power Generation Business through EP Produzione S.p.A. (“**EP Produzione**”), which operates four gas-fired power plants and one coal-fired power plant, the latter of which provides required adequacy and reserve system services to Sardinia and operates under the must-run regulatory regime. The total net installed capacity of the EPPE Group’s fleet amounts to 3.9 GW, making it one of the most relevant power generation players in Italy. The EPPE Group also owns a 50 per cent. share in a joint venture that operates additional 0.8 GW of net installed capacity.

The table below shows an overview of the Flexible Power Generation Business’ power plants in Italy as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group’s ownership (in per cent.)
Tavazzano Montanaso	1,140	CCGT	100
Ostiglia	1,137	CCGT	100
Livorno Ferraris.....	805	CCGT	75
Trapani	213	CCGT	100
Fiume Santo.....	599	Hard coal	100
Total capacity operated by the EPPE Group	3,894	-	-
Scandale (operated by Ergosud S.p.A.).....	814	CCGT	50 ⁽¹⁾
Total capacity	4,708	-	-

Notes:

(1) Accounted for using the equity method.

EP Produzione’s four gas power plants are in Livorno Ferraris, Ostiglia, Tavazzano Montanaso (all in Northern Italy) and in Trapani (Sicily). The Trapani power plant is operated under the must-run regulatory regime, which is awarded on a yearly basis. The other power plants have been awarded with yearly capacity market contracts in auctions (current auctions for existing units have been awarded for 2024, while an auction for the following years is expected to be held by the end of 2023). Under the Italian capacity market mechanism, power plants that have been awarded with capacity receive additional remuneration (on top of their market performance) in exchange for their availability. This system aims to provide security and appropriate generation capacity to the local Italian grid and to promote the construction of new, efficient and programable capacity to secure future balancing needs.

The hard coal power plant, located in Fiume Santo (Sardinia), plays a key role in ensuring local grid stability. The Fiume Santo power plant is operated under the must-run regulatory regime as it has been recognised as a crucial and critical power generation assets for Sardinia. Fiume Santo’s current must-run contract, which is to expire in 2024, is the first and the only multi-year contract awarded. Appropriate remuneration is based on a defined mechanism recognising capital employed, as well as production and fixed costs of the plant. The recently released draft of the ‘National Integrated Energy and Climate plan of Italy (PNIEC)’ anticipates that the operation of the Fiume Santo power plant will be necessary until 2028, subject to the successful completion of the electricity interconnection of the island with continental Italy. As of the date of this Base Prospectus, multiple alternative projects are being evaluated for Fiume Santo’s post-coal period, including development of two 279 MW CCGT power plants or a Battery Energy Storage System (BESS) of up to 100 MW of targeted installed capacity. A photovoltaic power plant with 10 MW of installed capacity has already received all relevant permits and is expected to be commissioned in upcoming months. See “—Energy Transition Plan” for further details.

EP Produzione has recently started the construction of two new gas power plants in Ostiglia and Tavazzano, which, once commissioned, are expected to play an essential part in the system that ensures stability of the grid in Italy. Both power plants have already been awarded with 15-year capacity market contracts that are available for new units under the capacity market mechanism.

In addition, the gas-fired power plant Scandale (Calabria), which has a net installed capacity of 814 MW, is operated by Ergosud S.p.A., a joint venture between the EPPE Group and A2A. A2A is the second largest Italian power operator and one of the key operators in the Italian heating and gas sectors. Dispatching of Ergosud S.p.A. is subject to a yearly auction between the shareholders.

United Kingdom

In the United Kingdom, the EPPE Group conducts its Flexible Power Generation Business through EP SHB, EP Langage Limited (“**EP Langage**”), EP Ballylumford Limited (“**EP Ballylumford**”) and EP Kilroot Limited (“**EP Kilroot**”). Across the gas-fired power plants, even though EP SHB and EP Langage run on a merchant basis, they secured around 35-40 per cent. of their gross margin in the year ended 31 December 2022 from contracted/regulated revenue streams.¹⁷ EP Ballylumford, owing to the nature of its power purchase agreement, generated around 95 per cent. of its gross margin in the year ended 31 December 2022 from contracted/regulated revenue. The power purchase agreement ended on 23 September 2023 and since then, EP Ballylumford runs on a merchant basis but a material part of revenue is secured from awarded capacity market contracts. As such, it is expected that the percentage of contracted/regulated revenue remains comparable or higher to other EPPE Group’s power plants in the United Kingdom and thus in line with other semi-contracted operators.

The table below shows an overview of the Flexible Power Generation Business’ power plants in the United Kingdom as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group’s Ownership (in per cent.)
SHB.....	1,365	CCGT	100
Langage.....	905	CCGT	100
Ballylumford	683	CCGT / OCGT	100
Kilroot.....	666	Coal / Oil / OCGT	100
Total Capacity	3,619	-	-

EP SHB operates a gas-fired power plant located near Stallingborough, Lincolnshire. The total net installed capacity of the power plant is 1,365 MW with 50 per cent. efficiency. The site consists of phase one and phase two, which are separate power plants with one combined cooling system and flexible design capable of two-shift operation and minimum load, enhancing plant option value. As of the date of this Base Prospectus, EP SHB’s capacity market revenues are secured until 2026/2027 delivery year and EP SHB is bidding into day ahead markets and balancing mechanism in order to secure additional value.

EP Langage operates a gas-fired power plant located near Plymouth, Devon. The total net installed capacity of the power plant is 905 MW. The power plant benefits from multiple design features: Its high-pressure steam system drives its high efficiency of 51 per cent., its flexible design is capable of two-shift operation and low minimum load, enhancing plant option value, and its two-to-one configuration provides increased flexibility to the national grid, the United Kingdom’s high voltage power transmission network, for alternative services, thus helping grid stability. As of the date of this Base Prospectus, EP Langage’s capacity market revenues are secured until 2026/2027 delivery year and EP Langage is actively bidding into day ahead markets and balancing mechanism in order to secure additional value.

EP Ballylumford operates the largest power plant in Northern Ireland with the total net installed capacity of 683 MW, consisting of three CCGT and two OCGT units. Highly flexible CCGTs are able to operate in several different modes (open cycle, CCGT) and have the lowest minimum generation for CCGT on the Northern Irish market, making them suitable for a system with high levels of wind where flexibility and fast response is required. The OCGTs provide required fast response units, as well as much needed capacity and EP Ballylumford has the potential to install storage at scale (30-100 MW). The EPPE Group has made significant investment into EP Ballylumford in recent years, further enhancing its competitive position on the Northern Irish market. The power plant operated under a long-standing power supply agreement with the Power Procurement Board, which expired on 23 September 2023. Since then, EP Ballylumford has been backed by capacity contracts and has also been able to trade the power it generates on the Northern Irish market. As of the date of

¹⁷ The contracted/regulated revenue streams consist of capacity contracts tendered for a fixed price for a particular period and also of short-term-tendered balancing and ancillary services.

this Base Prospectus, EP Ballylumford’s capacity market revenues are secured until 2026/2027 delivery year. The EPPE Group’s aim is to utilise its experience from dispatching similar assets to improve EP Ballylumford’s performance.

EP Kilroot operates a coal and oil power plant on the east coast of Northern Ireland. The total net installed capacity of the power plant is 666 MW, which consists mainly of 514 MW in dual-fired boilers (coal and heavy fuel oil) and 142 MW in four OCGT units. The dual-fired coal plant closed on 30 September 2023. It is to be replaced with two new OCGT units currently undergoing construction, which is expected to be completed in 2023/2024. These units will have a combined output of 700 MW, of which a substantial portion will be backed by already secured ten-year capacity contracts (598 MW) and will provide further flexible generation with a fast response on the Northern Irish market.

Ireland

In Ireland, the EPPE Group conducts its Flexible Power Generation Business through Tynagh Energy Limited, in which the EPPE Group owns an 80 per cent. shareholding, while the remaining 20 per cent. is owned by a single minority shareholder. Tynagh Energy Limited operates one power plant located in east County Galway which has a CCGT unit with the total net installed capacity of 384 MW and 48 per cent. efficiency. The power plant is a major player in securing power supply to Galway and the west of Ireland and provides flexible daily power production to the wholesale power market. It is the only independent CCGT plant on the Irish market. As of the date of this Base Prospectus, capacity market revenues of Tynagh Energy Limited are secured until 2026/2027 delivery year.

The table below shows an overview of the Flexible Power Generation Business’ power plants in Ireland as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group’s Ownership (in per cent.)
Tynagh	384	CCGT	80
Total Capacity	384	-	-

Merchant

The Merchant division of the Flexible Power Generation Business is primarily represented by investments in assets that generate power and sell it on the merchant market in France, the Netherlands and Germany as well as by investments into gas and power supply business activities in France and the Netherlands. As of 30 June 2023, the total net installed capacity of the EPPE Group’s power plants in the Merchant division of the Flexible Power Generation Business was 4.9 GW.

In addition, the Merchant division of the Flexible Power Generation Business also includes the EPPE Group’s trading activities related to its power plant portfolio. The EPPE Group conducts these activities through EP Commodities, a.s., and EP Commodities AG (together, “**EP Commodities**”). EP Commodities is active in 14 countries across Europe and specialises in trading of energy commodities, transit and storage capacities, including gas, power, emissions allowances and structured products, focusing in particular on countries where the Group has its assets or where liquidity enables efficient trading. It uses its physical and financial expertise to support primarily customers of the Group. Besides physical trading, EP Commodities focuses on financial hedging of assets as well as sourcing portfolio of end-users in Group companies. Its portfolio includes around 160 trading contracts with more than 100 counterparties.

The Merchant division of the Flexible Power Generation Business also includes Humbly Grove Energy Limited, which owns and operates an underground gas storage facility in Hampshire, United Kingdom, with the total capacity of 2.8 TWh of gas.

Finally, the Merchant division of the Flexible Power Generation Business also includes EP Resources AG, a Swiss company with offices in Switzerland, Singapore and Germany. EP Resources AG handles the procurement of commodities and freight requirements of the EPPE Group’s power facilities located in Germany, Italy, France and the United Kingdom.

France

In France, the EPPE Group conducts its Flexible Power Generation Business through Gazel Energie Generation S.A.S, which operates two power plants: one coal and one biomass. The coal power plant is located near Saint-Avoid and has a net installed capacity of 595 MW. The power plant was decommissioned in March 2022 but subsequently recommissioned due to the fragile European and French power market situation. As of the date of this Base Prospectus, it is expected that the power plant will be decommissioned in March 2025. The biomass power plant is located in Provence and has a net installed capacity of 150 MW.

The table below shows an overview of the Flexible Power Generation Business' power plants in France as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group's Ownership (in per cent.)
Emile Huchet 6	595	Hard coal	100
Provence 4.....	150	Biomass	100
Total Capacity	745	-	-

Through its subsidiaries Gazel Energie Solutions S.A.S., Dynamo S.A.S. and Illico S.A.S., the EPPE Group is also active in power and gas retail supply for industrial and commercial and small-to-medium enterprises customers. In the year ended 31 December 2022, the EPPE Group supplied 13.6 TWh and 3.9 TWh of power and gas, respectively, to its French customers. The French supply business is an important part of the EPPE Group's Flexible Power Generation assets portfolio thanks to its role as a natural hedge of the EPPE Group's long position stemming from power generation activity. Natural hedging through the power supply business enables the EPPE Group to maintain lower liquidity levels than would otherwise be needed for fulfilling external margining requirements.

Netherlands

In the Netherlands, the EPPE Group conducts its Flexible Power Generation Business through EP NL, which is the third largest operator of power plants in the Netherlands with cumulative capacity of 2.6 GW, accounting for approximately 12 per cent. of the total conventional generation capacity in the Netherlands as of 31 December 2022. In the first half of 2023, EP NL acquired four highly efficient CCGT power plants: Rijnmond and Sloe Centrale power plants were acquired in January 2023, while MaasStroom and 50 per cent. shareholding in Enecogen (joint operation) were acquired in May 2023.

The table below shows an overview of the Flexible Power Generation Business' power plants in the Netherlands as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group's Ownership (in per cent.)
Sloe Centrale	870	CCGT	100
Rijnmond.....	800	CCGT	100
Enecogen	455 ⁽¹⁾	CCGT	50
MaasStroom	426	CCGT	100
Total Capacity	2,551	-	-

Notes:

(1) Economical net installed capacity as per EPH's share.

Sloe Centrale is a modern gas-fired power plant with capacity of 870 MW. Its flexibility allows EP NL to quickly adapt to changing market conditions, such as changes in the gas price, renewables output and grid conditions.

Rijnmond is a gas-fired high-efficiency power station located at Vondelingenplaat near Rotterdam-Pernis. It has two gas turbines with net generation capacity of 800 MW. The power station is connected to the national grid at the TenneT switching station via a 150 kV underground connection.

Enecogen is a power plant located in Rotterdam-Europoort, the largest port in Europe. Enecogen is the most efficient gas power plant in the Netherlands and has low NOx emissions. Enecogen is operated as a joint venture with Eneco, a Dutch utility.

MaasStroom is a gas-fired high-efficiency power plant located at Vondelingenplaat near Rotterdam-Pernis with capacity of 426 MW. Through a 13 km-long underground connection, the power plant is connected to the 380 kV grid at the TenneT switching station Simonshaven. MaasStroom and Rijnmond are located on the same site and the same staff operates both power plants.

EP NL is dedicated to sustainable development, leveraging state-of-the-art technologies by adopting Siemens Advanced Turbine Efficiency Upgrade (“**A**TEP”) for its Enecogen and Sloe Centrale power plants. The ATEP investment offers numerous benefits, including efficiency improvement, prolongation of the operational lifespan of the power plants and substantial reduction in carbon emissions, supporting the decarbonization of the energy sector.

Given its flexible power plants, EP NL, through its subsidiaries, provides wide range of ancillary services to TenneT, which is the TSO for the Netherlands, including balancing services, reactive power, redispatch and black start facilities. Balancing services help the TSO maintain the system balance. Additionally, EP NL is also active in the market for guarantees of origin. One of TenneT’s tasks is to coordinate the restoration of electricity supply in the event of a black-out. This requires power plants which can energize the grid and deliver power in a situation in which the actual grid voltage is equal to zero. Thanks to its superior load capabilities, short start times and strategic location (i.e., connection to the 380 kV grid), Enecogen is the only black start facility in the Rotterdam region. Enecogen has contracted with TenneT the provision of black start services until 2026 with an option for further extension.

In addition to power generation assets and the provision ancillary services, EP NL is also active in other business lines, including:

- Trading business, which is responsible for the optimisation of the overall value of EP NL’s assets and for extracting higher value through trading around volatility and market making on long-term and short-term power and gas products.
- Business-to-business and origination business units, supplying gas, power and service products to large industrial off-takers and medium-sized businesses consisting of approximately 2,100 firms with heavy energy usage. For example, PZEM Energy Company B.V. has an annual power supply of 3.6 TWh and a gas supply business-to-business portfolio of 1.3 TWh.
- Flexible gas storage and transportation contracts enabling EP NL to make the most efficient use of its gas-fired power plants.
- Optimisation of Power Purchase Agreements (PPAs) for external operators of generation assets, such as wind parks, solar parks, nuclear power plant Borssele and biomass power plants.

EP NL also owns the 55 km-long ‘Zuid-Beveland’ (ZBL) gas pipeline connecting Sloe Centrale to the Gasunie Transport Services network.

Germany

In Germany, the EPPE Group conducts its Flexible Power Generation Business through Saale Energie GmbH (“**Saale Energie**”) and Kraftwerk Mehrum GmbH (“**Kraftwerk Mehrum**”).

The table below shows an overview of the Flexible Power Generation Business' power plants in Germany as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group's Ownership (in per cent.)
Schkopau	900	Lignite	100
Mehrum	690	Hard coal	100
Total Capacity	1,590	-	-

Saale Energie operates a lignite power plant with net installed capacity of 900 MW. The power plant is located near the Korbetha district of the municipality of Schkopau in Saxony-Anhalt. A part of the steam generated in the boilers can be used in an additional turbo set with an output of 110 MW to generate traction current (single-phase alternating current with a frequency of 16.7 Hertz), which is provided to an industrial customer on the basis of a long-term power supply contract valid until March 2026. When operated in the combined heat and power generation mode, the power plant extracts steam that is sold to the industrial customer on the basis of a steam supply contract valid until March 2026. The steam is then used by industrial customers located in the chemical park operated by the industrial customer.

Recently, EPH's shareholders have announced their intention to separate the EPPE Group's energy transition assets, including the Schkopau lignite power plant, from the EPPE Group and transfer them to EP Energy Transition. See "*—Energy Transition Plan*".

Kraftwerk Mehrum operates a coal-fired power plant with a net installed capacity of 690 MW. The power plant is located between the cities of Hannover and Braunschweig directly on the Mittelland Canal. The electrical output is enough to supply 700,000 households or about one million people with electrical energy, which corresponds to a supply area of the Hannover region. The operating range of the power plant is between 150 MW and 690 MW. Due to its flexible design, the system can adapt the power production to the individual needs of the power grid and meet the increasingly fluctuating load requirements caused by renewable energy power-generating assets. The system is characterised by relatively high availability rates and high reliability. The power plant had been taken off the merchant regime in December 2021 and it was expected to be operated only for balancing mechanism purposes for some time based on the regulator's requirements. However, in 2022, the power plant was called back into operations by the German government to support the power grid and security of supply and its operating license has been extended until March 2024.

EPPE Renewables Business

The EPPE Renewables Business consists mostly of biomass fired power plants located in the United Kingdom and Italy as well as of wind farms and solar parks located in Germany and France. As of 30 June 2023, the total net installed capacity of renewable sources in the EPPE Renewables Business was 0.6 GW.

In addition, the EPPE Renewables Business also includes EP Power Minerals GmbH ("**EP Power Minerals**"), which is a European competence leader in the management of power plant by-products and blasting abrasives, along with industrial wastes.

United Kingdom

In the United Kingdom, the EPPE Group conducts its EPPE Renewables Business through Lynemouth Power Limited ("**LPL**").

The table below shows an overview of the EPPE Renewables Business' power plants in the United Kingdom as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group's Ownership (in per cent.)
Lynemouth	395	Biomass	100
Total Capacity	395	-	-

LPL operates a biomass power plant in Northumberland that is at the forefront of the United Kingdom's energy market as one of the most ambitious renewable energy investment projects in the United Kingdom that has been undertaken over recent years. The plant has undergone a major conversion programme that has seen the former coal-fired power station convert to full biomass power generation. Following its commissioning in 2019, the plant has 395 MW of net installed capacity powering approximately 450,000 homes.

LPL uses sustainably-sourced, renewable wood pellets, primarily from the USA and Canada, which are transported to the United Kingdom by sea. Carbon emissions arising from transportation are included in the calculation made by LPL to report against current sustainability criteria under its CfD. It is one of the largest sites of its kind in Europe and has, since converting to biomass, reduced nitrous oxide emissions by two-thirds and more than halved dust emissions. Sulphurous oxide emissions have also been reduced by more than 95 per cent. to minimal compared to previous coal generation. The power plant has a United Kingdom government-backed CfD for 100 per cent. of the power plant's output until March 2027, which provides a secured revenue stream with guaranteed off-take price. Under the CfD, LPL receives revenues from the wholesale market for its output and either receives or makes payments based on the difference between a defined market reference price and the initial strike price that is indexed to inflation. LPL is in discussions to negotiate a further CfD beyond 2027, with the ultimate aim of becoming an early adopter of carbon capture and storage of its gas emissions.

Italy

In Italy, the EPPE Group conducts its EPPE Renewables Business through Biomasse Italia S.p.A., Biomasse Crotone S.p.A. and Fusine Energia S.r.l.

The table below shows an overview of the EPPE Renewables Business' power plants in Italy as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group's ownership ⁽¹⁾ (in per cent.)
Strongoli.....	46	Biomass	76
Crotone.....	27	Biomass	76
Fusine.....	7	Biomass	76
Total Capacity	80	-	-

Notes:

- (1) The Group's shareholding in EPNEI, the holding company of Biomasse Italia S.p.A., Biomasse Crotone S.p.A. and Fusine Energia S.r.l., includes indirect shareholding through LEAG. The Group's shareholding in EPNEI is therefore calculated as the sum of the 51 per cent. held directly by the Group and the 50 per cent. (corresponding to the Group's shareholding in LEAG as of the dates stated in the table) of the 49 per cent. held by LEAG. Recently, EPH's shareholders have announced their intention to separate the Group's energy transition assets, including its 50 per cent. shareholding in LEAG, from the Group and transfer them to EP Energy Transition. See "*Energy Transition Plan*".

Biomasse Italia S.p.A. operates a biomass-fired power plant Strongoli located in in the central-eastern part of Calabria. The total net installed capacity of the power plant 46 MW. It is one of the most modern biomass-fired power plants in Europe. The plant is mainly fuelled with biomass made of wood chips, derived from forest maintenance and agro-food residuals coming predominantly from local biomass suppliers, which has a positive impact on the local economy and sustainable agricultural activities in the region. The yearly biomass consumption is about 400,000 tons, and the total annual production at full capacity is about 360 GWh.

Biomasse Crotone S.p.A. operates a biomass-fired power plant Crotone located in the central-eastern part of Calabria. The total net installed capacity of the power plant is 27 MW. The plant is mainly fuelled with biomass made of wood chips, derived from forest maintenance and agro-food residuals coming predominantly from local

biomass suppliers, which has a positive impact on the local economy and sustainable agricultural activities in the region. The yearly biomass consumption is about 300,000 tons, and the total annual production at full capacity is about 220 GWh.

Fusine Energia S.r.l. operates a biomass-fired power plant in Fusine, province of Sondrio. The total net installed capacity of the power plant is 6 MW. The plant is fuelled with biomass made of wood chips coming predominantly from local biomass suppliers, which has a positive impact on the local economy and sustainable agricultural activities in the region. The yearly biomass consumption is about 82,000 tons, and the total annual production of power reaches 41 GWh powering more than 11,000 households.

All three power plants have been granted a dedicated subsidy structure to ensure balanced profitability of their operations in the mid-term. The subsidy schemes for Fusine, Strongoli and Crotone are valid until March 2025, May 2027 and October 2027, respectively. The EPPE Group is currently in discussion with the government on the future support of those power plants once the current subsidy schemes expire.

Germany

In Germany, the EPPE Group conducts its EPPE Renewables Business through MIBRAG Neue Energie GmbH, which operates the “Am Geysersberg” wind farm on the site of the Schleenhain mine near Groitzsch, Saxony, with a total net installed capacity of 7 MW. The wind farm consists of three Siemens wind turbines.

The table below shows an overview of the EPPE Renewables Business’ power plants in Germany as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group’s Ownership (in per cent.)
Am Geysersberg	7	Wind	100
Total Capacity	7	-	-

The EPPE Group strives for further development of wind and solar power in the area of surface mines owned by MIBRAG and its subsidiary Helmstedter Revier GmbH and currently has several projects in the pipeline. It conducts its activities through EP New Energies, which is a full-scope project developer for renewable energy projects, focusing on onshore wind, ground-mounted and floating photovoltaic power plants.

For the area of surface mines owned by MIBRAG, a building permit has recently been granted for a wind farm project in the area of the United Schleenhain opencast mine. The wind farm will consist of 15 wind turbines with a total targeted capacity of 90 MW. As of the date of this Base Prospectus, commercial operation of the wind farm is expected to start in the second half of 2026. Another wind farm is expected to be developed in the area of the Profen opencast mine. The wind farm is expected to consist of 10 wind turbines with a total targeted capacity of 60 MW. As of the date of this Base Prospectus, building permit for this project is expected to be granted in the first half of 2024.

The EPPE Group is also developing three larger photovoltaic projects in the area of the United Schleenhain opencast mine. The first project with a targeted capacity of 37 Megawatt peak (“**MWp**”) is expected to start its commercial operation in the fourth quarter of 2023. The second project with a targeted capacity of 42 MWp is expected to enter the construction phase shortly and is scheduled to start commercial operation in the last quarter of 2024. The third project with a targeted capacity of more than 245 MWp is currently under development and planned to be finalised in late 2026.

For the area of surface mines owned by Helmstedter Revier GmbH, a sizeable portfolio of renewable energy projects comprising targeted capacity of up to 140 MW of wind power and 350 MWp of photovoltaic power is under development as well. As of the date of this Base Prospectus, the first two wind turbines with a total capacity of 15 MW are scheduled to start commercial operation in 2026, while the first tranche of photovoltaic parks with a total capacity of 140 MWp is scheduled to follow in late 2027. The development activities described above not only transform former open-cast mines into renewable energy hubs but also creates green investment opportunities for the whole Group.

Recently, EPH’s shareholders have announced their intention to separate the Group’s energy transition assets, including MIBRAG, from the Group and transfer them to EP Energy Transition. See “—*Energy Transition Plan*”.

France

In France, the EPPE Renewables Business comprises six wind farms with a total capacity of 83 MW operated by Aerodis, S.A. and Gazel Energie Renouvelables S.A.S., and two photovoltaic parks with a total capacity of 11 MWp operated by Gazel Energie Solaire S.A.S.

The table below shows an overview of the Flexible Power Generation Business’ power plants in France as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Fuel	EPPE Group’s Ownership (in per cent.)
Kergrist	26	Wind	100
Caulières	18	Wind	100
Lehaucourt	10	Wind	100
Vents de Cernon.....	10	Wind	100
Muzillac	10	Wind	100
Ambon	9	Wind	100
Brigadel.....	8	Solar	100
Le Lauzet	3	Solar	100
Total Capacity	94	-	-

Starting in the fourth quarter of 2023, the Ambon and Muzillac wind farms will undergo a repowering process, with expected completion a year later. The repowering is expected to increase the capacity of each wind farm to 13.2 MW and thus secure the power price level of 72 EUR/MWh for the next twenty years based on a contract with EDF.

Recently, EP France also invested in an energy storage project. The 35 MW batteries project developed on the Emile Huchet 6 site is expected to become operational in the fourth quarter of 2024, further expanding the EPPE Group’s current French energy mix and lowering the share of its conventional energy sources. Moreover, the Group also explores new renewable focused projects for the former coal sites with expected support from the French government and French regions, including a renewable heat boiler units at Saint Avold, a renewable hydrogen generation unit at Saint Avold and a recuperation unit installation at Provence 4.

EPPE Other Business

The EPPE Other Business consists of the EPPE Group’s mining activities in Germany. The EPPE Group conducts its mining activities through MIBRAG.

MIBRAG operates the Profen opencast mine in the south of Saxony-Anhalt region, and the United Schleenhain opencast mine in Saxony. Approximately 17 million tonnes of raw lignite in total were produced at both mines in the year ended 31 December 2022. The principal customer of the lignite produced at the Profen opencast mine is the Schkopau power plant, owned by Saale Energie, under a long-term supply agreement. The lignite produced at the United Schleenhain opencast mine is supplied to the Lippendorf power plant under a long-term supply agreement.

The technological development of both opencast mines is continuously harmonised to the coal phase-out in Germany. The EPPE Group’s CAPEX in relation to these mines have focused on efficiency improvements and environmental aspects.

MIBRAG also conducts recultivation activities, within which it restored 1,905 hectares of land between the years 1994 and 2021. MIBRAG has also implemented various initiatives to reduce dust emissions, including

interim greening or use of sprinklers and agreed scheme for gradual funding of future recultivations with German government.

MIBRAG is the ultimate sole shareholder of companies GALA-MIBRAG-Service GmbH, Bohr- und Brunnenbau GmbH, MIBRAG Consulting International GmbH and MIBRAG Neue Energie GmbH. In addition, MIBRAG holds shares in three other entities offering a wide range of services from energy generation, landscaping to civil engineering, disposal and mine engineering services.

Recently, EPH's shareholders have announced their intention to separate the Group's energy transition assets, including MIBRAG, from the Group and transfer them to EP Energy Transition. See "*—Energy Transition Plan*".

THE REST OF THE GROUP

EPH Carbon-neutral Business

The Group conducts its EPH Carbon-neutral Business mainly through Slovenské Elektrárne and its subsidiaries. Slovenské Elektrárne is the largest power producer in the Slovak Republic, operating two nuclear, two coal-fired, 31 hydroelectric and two photovoltaic power plants. In the year ended 31 December 2022, Slovenské Elektrárne's power plants generated 70 per cent. of Slovakia's total power production. With a net installed capacity of 4.3 GW,¹⁸ Slovenské Elektrárne is one of the largest power producers in the CEE region. Its unique portfolio enables it to produce almost 95 per cent. of power without greenhouse gases, avoiding 16 million tons of carbon dioxide emissions every year. Slovenské Elektrárne also generates and sells heat and provides ancillary services to the power grid. Slovenské Elektrárne is currently completing the third and fourth units of the Mochovce Nuclear Power Plant, which is one of only three nuclear power plant constructions currently underway in Europe. As of the date of this Base Prospectus, the third unit is in the final stages of the commissioning process and is already generating power at 100 per cent. of its thermal capacity but the trial run has not yet been completed.

Through its subsidiaries, Slovenské Elektrárne sells power, gas, heat and energy services to final customers in Slovakia, Czech Republic and Poland, its client portfolio includes some of the largest industrial enterprises in the region.

The table below shows an overview of the EPH Carbon-neutral Business' power plants as of the date of this Base Prospectus:

Plant name	Net installed capacity (in MW)	Group's Ownership ⁽¹⁾ (in per cent.)
Mochovce 1, 2.....	925	33
Mochovce 3 ⁽²⁾	438	33
Bohunice V2 A, B.....	942	33
Total nuclear	2,305	
Pumped storage.....	907	33
Run-off river and small hydro.....	683	33
Total hydro	1,590	
Vojany Power Plant 1.....	199	33
Nováky Power Plant A.....	20	33
Nováky Power Plant B.....	195	33
Total thermal	414	
PV Mochovce.....	1	33
PV Vojany.....	1	33
Total PV	2	

¹⁸ Including 438 MW of the Mochovce 3 unit, which is currently being commissioned with a trial run close to completion.

Notes:

- (1) Accounted for using the equity method.
 (2) Mochovce's third unit is currently running at 100 per cent. of its thermal capacity but the trial run has not yet been completed.

Mochovce Nuclear Power Plant's fourth unit with net installed capacity of 438 MW is currently under construction and is expected to be commissioned in 2024/2025.

LEAG

LEAG, the Group's joint venture with other partners in which the Group owns a 50 per cent. shareholding, operates four power plants in Germany with the total net installed capacity of 7.6 GW and several opencast mines as of 30 June 2023.

LEAG, which stands jointly for two key operating companies and their subsidiaries—Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG—is the largest power plant operator in eastern Germany and also among the biggest private employers in this area. Its portfolio comprises mining, refining and generating electricity and heat from lignite. LEAG operates four mines, four power plants and one refining plant. Lately, LEAG has been expanding its business areas to include future-oriented energy technologies in the fields of renewable energy, electricity storage and cross-sectoral cooperation as well as energy and industrial services for the market.

Recently, EPH's shareholders have announced their intention to separate the Group's energy transition assets, including its 50 per cent. shareholding in LEAG, from the Group and transfer them to EP Energy Transition. See "*Energy Transition Plan*".

EPH Other Business

The EPH Other Business consists of companies which are not managed by either the EPIF Group or the EPPE Group.

The companies in the EPH Other Business primarily include the Group's logistics companies and other companies providing support to the Group's main businesses managed by the EPIF Group or the EPPE Group, such as EP Cargo Deutschland GmbH, EP CARGO POLSKA, S.A., Lokotrain s.r.o., LOCON Logistik & Consulting AG, EP Cargo Trucking Group and SPEDICA Group. These companies arrange complex logistical solutions for other Group businesses as well as for third parties outside of the Group.

Holding Entities

The Holding Entities mainly consist of EPH, EPIF, EPE, Slovak Gas Holding B.V., EPH Gas Holding B.V., Seattle Holding B.V., SPPI, Czech Gas Holding Investment B.V., EPPE, EPPE Germany a.s., EP New Energy Italia S.r.l., EP France, EP Slovakia B.V., and Slovak Power Holding B.V. These companies are holding companies and do not sell any products or provide services to any third parties outside of the Group.

Financial indebtedness of the Group

This section provides an overview of the financial indebtedness of the Group excluding mark-to-market of hedging instruments.

The following table sets out Gross Financial Debt and Net Financial Debt of the Group and of the sum of its select segments, namely the EPIF Group Segments and the EPPE Group and EPH Segments, and Proportionate

Gross Financial Debt and Proportionate Net Financial Debt of the Group, as of 30 June 2023 and as of 31 December 2022 and 2021:

Key Metrics	EPIF Group Segments and holding entities ⁽¹⁾	EPPE Group and EPH Segments and holding entities ⁽²⁾	Group
As of 30 June 2023			
Gross Financial Debt	4,164	4,185	8,349
Proportionate Gross Financial Debt	n/a	n/a	6,427
Net Financial Debt.....	2,545	2,547	5,092
Proportionate Net Financial Debt	n/a	n/a	4,042
As of 31 December 2022			
Gross Financial Debt	4,629	3,291	7,920
Proportionate Gross Financial Debt	n/a	n/a	5,831
Net Financial Debt.....	3,081	1,829	4,910
Proportionate Net Financial Debt	n/a	n/a	3,615
As of 31 December 2021			
Gross Financial Debt	4,141	2,967	7,108
Proportionate Gross Financial Debt	n/a	n/a	5,198
Net Financial Debt.....	3,640	971	4,611
Proportionate Net Financial Debt	n/a	n/a	2,994

Notes:

- (1) Calculated as the sum of the EPIF Group Segments and Holding Entities. Includes only external loans and borrowings and issued bills of exchange.
- (2) Calculated as the sum of the EPPE Group and EPH Segments and Holding Entities. Includes only external loans and borrowings and issued bills of exchange.

The following table provides an overview of outstanding bonds issued by the Group as of 30 June 2023:

Group Member	Ranking	Bonds Outstanding ⁽¹⁾ <i>(in EUR millions)</i>	Maturity	Coupon <i>(per cent.)</i>
EPIF	Unsecured	750	April 2024	1.659
EPIF	Unsecured	600	July 2026	1.698
EPIF	Unsecured	500	October 2028	2.045
EPIF	Unsecured	500	March 2031	1.816
	Guaranteed			
Eustream ⁽²⁾	unsubordinated	500	February 2025	2.625
Eustream.....	Unsecured	500	June 2027	1.625
SPPD	Unsecured	500	June 2031	1.000
EPH Financing CZ	Guaranteed unsubordinated	316	March 2025	4.500
EPH Financing CZ	Guaranteed unsubordinated	101	August 2027	8.000
EPH ⁽³⁾	-	10	2024	N/A
EPH ⁽³⁾	-	50	2025	N/A
EPH ⁽³⁾	-	19.5	2026	N/A
Total		4,346.5		

Notes:

- (1) Represents principal owed, disregarding accrued interest, unamortised discounts/premiums and fees
- (2) Issued by SPP Infrastructure Financing B.V. but unconditionally and irrevocably guaranteed by Eustream
- (3) Privately placed

The following table provides a non-exhaustive overview of the Group's key bank loan and committed facilities as of 30 June 2023:

Group Member	Type of Facility	Security and Guarantees	Aggregate Outstanding Balance	Committed limit	Base Rate ⁽¹⁾	Final Maturity
<i>(in EUR millions, unless indicated otherwise)</i>						
EPIF	revolving	-	-	400	EURIBOR	January 2025
SSE Holding,	term,	-	50	50		
SSE, SSD	revolving	-	0	100	EURIBOR	June 2027
	term,	-	1,795	1,895		
EPH	revolving	-	689	1,850	EURIBOR	2026-2028
	series of bilateral					
	term and				PRIBOR,	
EPH	revolving	-	568	578	EURIBOR	2023-2026
Total			3,092	4,863		

Notes:

(1) May vary for different facilities.

As of 30 June 2023, the Group had available undrawn committed term, revolving credit and overdraft facilities in the amount of EUR 2,236 million.

The Group plans to be financed mainly at the level of the EPIF Group and at the Group's level including special purpose vehicles used for financing. The Group targets to secure a long-term funding in the form of bonds to gradually replace part of its bank debt and to maintain bank debt mainly in the form of revolving credit facility lines. The Group targets a ratio of 70 per cent. in bonds and 30 per cent. in bank debt, i.e., a similar structure that is in place at the level of the EPIF Group.

The terms of certain of the Group's financial indebtedness contain restrictive provisions which, among other things, require the Group to comply with certain financial ratios and limit the Group's ability to incur additional financial indebtedness, make distributions or certain payments, dispose of assets, create security, merge with other companies or engage in certain other transactions. These restrictions are subject to exceptions and qualifications. In addition, the EPH Syndicated Facilities Agreement, the EPH Bilateral Facility Agreements and the EPIF Facilities Agreement (each as defined below) contain change of control provisions the triggering of which may result in an event of default or mandatory prepayment and each of the Eustream, EPIF, SPPD and EPH Financing CZ bonds contain a change of control provision the triggering of which coupled by a ratings decline may result in mandatory repurchase of the bonds by the relevant issuer. See "*Risk Factors—Risks relating the Issuer and the Guarantor—Risks relating to the Group's financial profile—The Group is subject to restrictive covenants that may limit its ability to finance its future operations and capital needs and to pursue business opportunities and activities.*"

Insurance

The Group operates group insurance programmes, whose main objective is to increase the negotiating power of the Group and to optimise the mix between premium amounts and insurance coverage, as well as the Group's companies enter into insurance contracts at their individual level. The Group companies maintain an amount of insurance protection that they consider adequate in the ordinary course of their operations, including, among other things, property damage and machinery breakdown insurance, business interruption insurance, third party liability insurance, terrorism insurance, as well as mandatory insurances, such as motor third party liability insurance or professional indemnity insurances. While the Group's senior management makes all commercial, procedural and supervisory decisions regarding insurance policies, the insurance contracts at the individual company level remain responsibility of the local management. This approach provides a valuable and collaborative framework through which the Group can jointly align its internal risk and insurance philosophies and costs of capital with external insurance market dynamics and pricing.

Limits for insurance indemnities vary across the respective subsidiaries and are set based on professional estimates of the maximum losses' scenarios. Such values are reviewed on an annual basis.

The Group's management believes that the insurance policies are in accordance with customary industry practices, including deductibles and coverage amounts. The Group co-operates with leading brokers and advisers.

Although the Group is covered by the industry standard insurances, the Issuer cannot provide any assurance that the insurance will be sufficient or provide effective coverage under all circumstances and against all hazards or liabilities to which the Group may be exposed. See "*Risk factors—Risks relating the Issuer and the Guarantor—Risks relating the Group's businesses and industries generally—The Group's insurance coverage with respect to its operations may be inadequate.*" and "*Risk factors—Risks relating the Issuer and the Guarantor—Risks relating the Group's businesses and industries generally—The Group's business could be negatively affected by changes in the EU's and EU countries' renewable energy policies, an accelerated market shift towards renewable energy sources or a growing trend towards increased energy efficiency, which may impact the Group's revenues, profitability, access to financing or insurance.*".

Employees

In the six months ended 30 June 2023 and 2022, the average number of full-time equivalent employees of the Group was 10,728 and 10,303, respectively. In the years ended 31 December 2022 and 2021, the average number of full-time equivalent employees of the Group was 10,420 and 10,564, respectively.

Material contracts

Below is a summary of the key contracts of the Group (other than those entered into in the ordinary course of business).

Shareholders agreements and share purchase agreements

EPIF Shareholders' Agreement

The shareholders' agreement regarding EPIF was entered into on 30 September 2016 by, among others, EPIF Investments a.s., and CEI INVESTMENTS S.A R.L (entity under the control of Macquarie Infrastructure and Real Assets) (collectively, the "**Parties**") in relation to the direct and indirect shareholdings in EPIF and the management and the affairs of the EPIF Group (the "**EPIF Shareholders' Agreement**"). The EPIF Shareholders' Agreement was subsequently amended. The EPIF Shareholders' Agreement, including the arbitration agreement contained therein, is governed by English law.

The EPIF Shareholders' Agreement covers in particular (i) corporate governance, whereas each shareholder may nominate one director for each 15 per cent. of the shareholding interest in EPIF; in this case EPIF Investments a.s., shall be entitled to nominate five candidates, including the chairman, for election to EPIF's seven member board of directors and (ii) standard minority shareholder's rights, for example by setting forth matters which are subject to approval by members of the relevant corporate body or which require higher majority approval under the applicable law. In addition, EPIF undertook to, among other things, endeavour to target a profile of external debt financing to achieve a ratio of proportionate net debt of the EPIF Group to proportionate EBITDA of the EPIF Group of not less than 4:1 and not more than 5:1.

SPPI Shareholders' Agreement

The SPPI shareholders' agreement (the "**SPPI Shareholders' Agreement**") was entered into on 29 May 2014 by, among others, EPH, SGH, the Ministry of Economy of the Slovak Republic and SPP (collectively, the "**Parties**") in relation to the direct and indirect shareholdings in SPPI and the management and the affairs of the SPPI Group. The SPPI Shareholders' Agreement, including the arbitration agreement contained therein, is governed by English law.

The SPPI Shareholders' Agreement covers in particular (i) dividend policy, whereas the Parties are obliged to procure that SPPI and its subsidiaries each year declare and pay a dividend in the maximum amount permitted by law, subject to certain conditions, (ii) leverage ratio of SPPI on a consolidated basis and the leverage ratios of Eustream, SPPD and NAFTA calculated on individual basis which, unless otherwise agreed by the Parties, may not exceed 2.5 (calculated as the ratio of (a) its financial interest bearing debt (excluding intra-group items) less its cash and cash equivalents and any repurchased own debt securities by the relevant entity (in each case consolidated in case of SPPI) to (b) the average of its EBITDA (consolidated in case of SPPI) for the past two financial years and its EBITDA projection (consolidated in the case of SPPI) for the current financial year), (iii) corporate governance whereas as long as SGH holds at least 48.9 per cent. of the shareholding interest in SPPI, SGH shall be entitled to nominate three candidates, including the chairman, for election to SPPI's five member board of directors, and (iv) matters which are subject to approval by qualified majorities of shareholders or members of the relevant corporate body, such as declaration of dividends and or certain transactions.

SSE Shareholders' Agreement

The SSE shareholders' agreement (the "**SSE Shareholder's Agreement**") was entered into on 30 September 2013 by, among others, EPH, EPHF II, which later merged into EPE, and the Ministry of Economy of the Slovak Republic (collectively, the "**Parties**") in relation to the shareholdings in SSE and the management and the affairs

of the SSE Group. The SSE Shareholders' Agreement, including the arbitration agreement contained therein, is governed by English law.

The SSE Shareholders' Agreement covers in particular (i) dividend policy, whereas the Parties are obliged to procure that SSE and its subsidiaries each year declare and pay a dividend in the maximum amount permitted by law, subject to certain conditions, (ii) leverage ratio of SSE and SSD which, unless otherwise agreed by the Parties, may not exceed 2.5 (calculated as the ratio of (a) its financial interest bearing debt (excluding intra-group items) less its cash and cash equivalents and any repurchased own debt securities by the relevant entity (in each case consolidated in case of SSE) to (b) the average of its EBITDA (consolidated in case of SSE) for the past two financial years and its EBITDA projection (consolidated in the case of SSE) for the current financial year), (iii) corporate governance whereas as long as EPE holds at least 49 per cent. of the shareholding interest in SSE, EPE shall be entitled to nominate three candidates, including the chairman, for election to SSE's five member board of directors, and (iv) matters which are subject to approval by qualified majorities of shareholders or members of the relevant corporate body, such as declaration of dividends and or certain transactions.

Agreement with Enel Produzione S.p.A. regarding Slovenské Elektrárne

On 18 December 2015, EP Slovakia BV ("**EP Slovakia**"), a subsidiary of EPH, signed an agreement with Enel Produzione S.p.A. ("**Enel Produzione**"), a subsidiary of Enel S.p.A., for the sale of Enel Produzione's 66 per cent. shareholding in Slovenské Elektrárne. The agreement was subsequently amended in 2018 and replaced by a new agreement in December 2020 (the "**New Agreement**"), which modified certain terms of the previous agreement, including in respect of the financial support provided to Slovenské Elektrárne for the completion of units 3 and 4 of the Mochovce nuclear power plant (the "**Project**").

As part of the sale, Enel Produzione's entire shareholding in Slovenské Elektrárne was contributed to a newly established company Slovak Power Holding B.V. ("**SPH**"). The sale of SPH to EP Slovakia is due to be implemented in two phases. In the first phase, which took place in July 2016, Enel Produzione sold 50 per cent. of SPH's share capital to EP Slovakia for EUR 375 million, of which EUR 150 million was paid by EP Slovakia upon the closing of the first phase and EUR 225 million is to be paid upon the closing of the second phase, subject to agreed adjustments.

In the second phase, base put or call options can be exercised by Enel Produzione or by EP Slovakia, respectively, when the latest of the following events occurs: (i) six months from the date of completion of the trial run of Mochovce's unit 4; (ii) the date of completion of the first scheduled outage of Mochovce's unit 4; and (iii) the maturity of the Loans (as defined below) or their full repayment. The New Agreement also provides EPH with the possibility to exercise a so-called "early call option" after six months from the signing of the New Agreement and until the first of the following events occurs: (i) four years from the completion of the trial run of Mochovce's unit 4 and (ii) December 2028. Upon exercise of either option, Enel Produzione would transfer the remaining 50 per cent. of SPH's share capital to EP Slovakia for a pre-agreed price that is subject to adjustments.

Any adjustment will be calculated by independent experts and applied upon completion of the second phase on the basis of a set of parameters. Furthermore, in the event of the exercise of the so-called "early call option" by EPH, a floor and cap of the consideration have been introduced.

The agreement also stipulates that Enel Produzione and EPH will grant loans to SPH – which will in turn make them available to Slovenské Elektrárne – in respect of EPH, in the maximum amount of EUR 200 million and maturity in 2032. These loans are to be made available in accordance with the needs and timing envisaged for the completion of the Project. These loans are to be provided in addition to the existing loans in the amount of EUR 700 million with a maturity in 2032 provided by Enel Produzione (collectively, the "**Loans**"). The granting of the loans is subject to certain conditions precedent, in particular the amendment of certain loan agreements between Slovenské Elektrárne and its lender banks to reflect the progress of the Project, as well as other conditions precedent customary for a loan of this type. The New Agreement envisages that when the above options are exercised, EPH will take over the Loans. In the event of the exercise of the so-called "early call option", EPH is expected to take over the Loans according to a pre-agreed timeline.

Customer contracts

Eustream: Long-term contract for gas transmission

Eustream is a party to a large contract securing gas transmission countries in Central and Southern Europe until 2028 (the “**Transmission Contract**”) with the Russian Shipper, a wholly-owned subsidiary of Gazprom. The following summary of the Transmission Contract is based on publicly available information and is not necessarily an exhaustive summary of its terms.

The transmission tariffs applicable to the Transmission Contract are subject to regulation by RONI. Pursuant to this regulation, tariffs set by RONI in its price decision as applicable to the first calendar year of the commencement of the transmission services under a transmission contract remain unchanged throughout the entire contractual term, subject only to pre-defined escalation by 50 per cent. of the European inflation.

Pursuant to the price decision of RONI dated 13 November 2008, which is publicly available, transmission tariffs are based on an entry/exit tariff model, i.e. for each entry point into, and exit point from, the transmission system there is a specific tariff set by the price decision. The tariff system has the following two basic elements: (i) transmission fees which are charged for access to the transmission network and gas transmission and are calculated by reference to the booked daily transmission capacity (i.e., on a ship-or-pay basis); and (ii) gas in-kind which the TSO receives for operational needs from shippers and which is calculated as a fixed percentage of the actual gas transmission volume at each entry and exit point. Further elements of the applicable transmission tariff calculation include a duration factor depending on the volume of booked daily transmission capacity and the duration of the relevant transmission contract. The above price decision further obliges the shipper to pay imbalance charges if the daily booked transmission capacity is exceeded.

Gas storage contracts

The majority of the Group’s storage capacity is booked under long-term contracts that generate stable cash flows. As of 30 June 2023, 71-73 per cent. of the Group’s gas storage capacity was contracted on a long-term basis until 2025/2026, 51 per cent. was contracted on a long-term basis until 2026/2027. Price setting mechanisms under long-term contracts vary, incorporating either inflation price adjustment with standard price revision clauses or price formula based on actual market spreads. Short-term contracts are mainly based on market spreads corresponding to injection/withdrawal timing (usually summer-winter spread). In the year ended 31 December 2022, the blended storage price amounted to approximately EUR 6 per MWh (calculated including both short-term and long-term contracts).

Facilities agreements

EPH Syndicated Facilities Agreement

EPH is a party to a term and revolving facilities agreement dated 21 June 2023 with a syndicate of banks (the “**EPH Syndicated Facilities Agreement**”), pursuant to which EPH has available loan facilities in the total amount of EUR 3,745 million as of 30 June 2023, consisting of a term facility A1 in the amount of EUR 568.5 million due 21 June 2026, a term facility A2 in the amount of EUR 1,326.5 million due 21 June 2028, a revolving facility B1 in the amount of EUR 555 million due 21 June 2026 (the due date may under certain conditions be postponed up to 21 June 2028), a revolving facility B2 in the amount of EUR 555 million due 21 June 2028 and a revolving facility C in the amount of EUR 740 million due 21 June 2025 (the due day may under certain conditions be postponed up to 21 June 2028).

The obligations of EPH under the EPH Syndicated Facilities Agreement are general, senior unsecured obligations and rank equally in right of payment with EPH’s existing and future indebtedness that is not subordinated in right of payment.

The EPH Syndicated Facilities Agreement contains restrictive provisions which, among other things, prohibit the use of the funds from the facilities for coal- or lignite-related activities, limit the Group’s ability to incur additional financial indebtedness, make distributions and certain other payments, dispose of certain assets or create security over certain Group’s assets, and limit EPH’s ability to merge with other companies. These restrictions are subject to a number of exceptions and qualifications. For example, EPH may make distributions and certain other payments if, among other things, the Group net leverage does not exceed a certain limit, EPH and certain other Group members may incur additional financial indebtedness if, among other things, certain net leverage limits set for various Group levels are met. In addition, the EPH Syndicated Facilities Agreement imposes an obligation on EPH to dispose of or close certain coal and lignite assets. The EPH Syndicated

Facilities Agreement also contains change of control provisions the triggering of which may result in mandatory prepayment. Under certain conditions EPH is obliged to maintain its consolidated leverage below a certain level.

EPH Bilateral Facility Agreements

EPH entered into a series of bilateral loan facility agreements with a group of local and international banks (together, the “**EPH Bilateral Facility Agreements**”). The lenders under EPH Bilateral Facility Agreements have provided EPH with committed available loans in an aggregate amount of EUR 578 million as of 30 June 2023, with a term of up to five years.

The obligations of EPH under the EPH Bilateral Facility Agreements are general, senior unsecured obligations and rank equally in right of payment with EPH’s existing and future indebtedness that is not subordinated in right of payment.

The EPH Bilateral Facility Agreements contain restrictive provisions which, among other things, limit EPH’s and/or the Group’s ability to incur additional financial indebtedness, make distributions and certain other payments, dispose of assets or create security over certain Group’s assets and EPH’s ability to merge with other companies. These restrictions are subject to a number of exceptions and qualifications. For example, EPH can make distributions and certain other payments if, among other things, the Group net leverage does not exceed a certain limit, EPH and certain other Group members can incur additional financial indebtedness if, among other things, certain net leverage limits set for various Group levels are met. The EPH Bilateral Facility Agreements also contain change of control provisions the triggering of which may result in mandatory prepayment. Under certain conditions EPH is obliged to maintain its consolidated leverage below a certain level.

EPIF Facilities Agreement

EPIF is a party to a term and revolving facilities agreement dated 14 January 2020 with a syndicate of external lenders (the “**EPIF Facilities Agreement**”), pursuant to which EPIF has been provided with revolving facility with a committed limit of EUR 400 million due 14 January 2025.

The obligations of EPIF under the EPIF Facilities Agreement are general, senior unsecured obligations and rank equally in right of payment with EPIF’s existing and future indebtedness that is not subordinated in right of payment.

The EPIF Facilities Agreement contains restrictive provisions which, among other things, limit the EPIF Group’s ability to incur additional financial indebtedness, perform acquisitions, invest in joint ventures, make distributions and certain other payments, dispose of assets, issue shares, provide loans or guarantees, or create security or EPIF’s ability to merge with other companies. These restrictions are subject to a number of exceptions and qualifications. For example, EPIF can make distributions and certain other payments and the EPIF Group can perform acquisitions if, among other things, the EPIF Group net leverage does not exceed a certain limit, and the EPIF Group can incur additional financial indebtedness if, among other things, certain net leverage limits set for various EPIF Group levels are met. The EPIF Facilities Agreement also contains change of control provisions the triggering of which may result in mandatory prepayment.

Environmental, social and governance matters

The Group understands that addressing ESG matters is vital in being able to achieve overall sound operations. The Group’s commitment to continuously improving within the areas of ESG has consisted of some key activities, including the approval and implementation of Group-wide ESG-related policies, publicly disclosing and committing to a decarbonisation strategy. In December 2022, the Group received from Morningstar Sustainalytics an ESG rating of 21.3, placing the Group in the medium risk category. The rating changed to 20.7 in April 2023 and then back to 21.3 in October 2023. In December 2022, the EPIF Group received from Morningstar Sustainalytics an ESG rating of 18.2, placing the EPIF Group in the low risk category. The rating changed to 17.8 in April 2023 and to 18.8 in October 2023. For further information on ESG ratings and related risks, please refer to “*Important Notices—ESG Ratings*” above.

As of the date of this Base Prospectus, the Group plans to create a green finance framework for use, where applicable, within the Group’s capital structure strategy. The Group’s green finance framework would serve as a basis for the financing of any future eligible project, in accordance with the ICMA Green bond and LMA Green Loan Guidelines. In August 2023, EPIF published its inaugural green finance framework to link the future financing to execution of its transition plan. EPIF has received a second party opinion on its framework from

- (i) Shades of Green (now part of S&P Global), which assigned a 'Light Green' shading to the framework and
- (ii) Sustainable Fitch, which assigned a 'Good' score to the framework.

As a key energy player, the Group is aware of its role in the ongoing transformation of the energy system in Europe with the objective to limit the threat posed by climate change. The Group fully supports the resolutions passed by the Paris Climate Conference in 2015, committing all the countries involved to limiting the global temperature increase to significantly less than two degrees Celsius compared with the pre-industrial level. EPH's long-term goals are to achieve carbon neutrality by 2050. These long-term goals are supported by medium-term targets such as 60 per cent. reduction in CO₂ emissions from its generation fleet as of August 2021, when the target was set, by 2030 compared to the 2020 level and zero coal as a primary source of energy generation by the end of 2030. To accelerate the energy transition, the Group has recently announced its intention to transfer its lignite operations in Germany to EP Energy Transition, a new sister company of EPH. EP Energy Transition will have a clearly defined transition strategy and plans to invest into the development of renewable energy sources, batteries and highly-efficient hydrogen-ready power plants. See "*—Energy Transition Plan*" for details.

Operating key infrastructure assets and power generating assets that represent a cornerstone of the Group's business, the Group remains committed to contributing to energy security in the European region by providing reliable supplies of key commodities to customers. Safeguarding stable supplies of gas also plays a vital role in the energy transition in Europe as the Group views gas as a suitable bridging fuel for base load power generation to complement intermittent renewable generation sources. At the same time, the Issuer aims to ensure that the gas related infrastructure is gradually converted to be fully compatible with renewable gases such as hydrogen.

In July 2023, EPH issued its eighth sustainability report covering year 2022. The report covers a wide spectrum of economic, environmental, social and governance related topics and enables report users to obtain a comprehensive understanding of the Group's business and the links between the Group's strategy and commitment to a sustainable global economy. In 2022, the Group's operations resulted in the reduction of greenhouse gas emissions by 4 per cent. for the EPIF Group and a 9 per cent. increase for the EPPE Group. The EPPE Group's higher share of emissions to the Group's overall emissions corresponds with the size of the EPPE Group's carbon intensive assets and can be attributed to the shock to the energy market that occurred within the year caused primarily by lower availability of gas in Europe, resulting in high gas price and improving the position of coal and lignite plants on the merit order. In France and Germany, the hard coal power plants operated by the Group had been near their decommissioning process. However, an emergency regulation introduced in 2022 allowed the plants to be reactivated to support security of supply in period of potential disruptions in energy markets.

As part of the sustainability report, the Group also disclosed the assessment process of the alignment of its activities with the EU Taxonomy Regulation, a classification system establishing a list of environmentally sustainable economic activities which is supposed to direct investments towards sustainable projects. The results of this assessment are part of the sustainability report for the year 2022.

Environmental protection across the Group

The Group continues to be active in respect of the environmental protection and decarbonisation of its operations. The Group's companies are operated in a manner that aims to ensure their failure-free, secure operation and high efficiency in producing power and heat, which has a direct impact on the volume of produced emissions.

The Group has been actively decommissioning its coal-fired power plants or converting them to dispatchable generation sources with lower carbon footprint. Specific examples of these projects include:

- The conversion of Lynemouth power plant from hard coal to biomass helped significantly reduce SO_x and NO_x emissions and saves approximately 2.7 Mt of CO₂-equivalent emissions annually.
- The decommissioning of Eggborough power plant in 2018 saves 11.5 Mt of CO₂-equivalent emissions annually (compared to its baseload in 2013). The Group is considering several options for the future development of the site.
- The decommissioning of Mumsdorf power plant saves approximately 800 kt of CO₂-equivalent emissions annually.
- Buschhaus power plant was transferred into a security stand-by mechanism in October 2016 and finally decommissioned in September 2020.

- Decommissioning of two older oil units in the Fiume Santo power plant.
- Provence 5 coal power plant was decommissioned in April 2021.
- Kilroot power plant was decommissioned in September 2023. Its operations had been driven by a capacity contract to ensure grid stability in Northern Ireland. The units are to be replaced by a new OCGT unit on the Kilroot brownfield site supported by already awarded capacity contracts.

Other similar initiatives include the refurbishments of boilers at PLTEP and EU during 2021, which resulted in a partial replacement of lignite by biomass, thus increasing the share of biomass in the energy mix. In addition, the Group's investments in EOP led to almost 50 per cent. reduction in the aggregate amount of SOx and NOx emissions and dust particles.

Besides generation assets, the Group's gas infrastructure significantly contributed to the security of supply in Europe. Particularly the storage facilities helped to mitigate potential disruptions with more than 64 TWh of storage capacity. The Group acknowledges the temporary role of gas considering the EU decarbonisation goals and is aware of the need to gradually replace it with renewable gases such as biomethane or hydrogen. The Group believes that hydrogen will play an important role in the European energy market to ensure energy system stability in a zero-carbon future. The Group aims to play a leading role in the transition to hydrogen future as its infrastructure is optimally positioned to secure transit, storage, and distribution of hydrogen and other alternative gases. In addition, all of the Group's newly developed gas-fired power plants are built as hydrogen-ready.

The activities of the Group are regulated by a number of environmental regulations in the countries in which the Group operates. These include regulations governing the discharge of pollutants, the handling of hazardous substances and their disposal, cleaning of contaminated sites and health and safety of employees. For example, the Group is subject to regulations imposing strict limits on emissions of sulphur oxides, nitrogen oxides, carbon monoxide and solid dust particles emissions.

A majority of the core companies within the Group have their environmental management systems certified to ISO 14001.

Related party transactions

The Guarantor (and other Group companies) enters into transactions with certain related parties or its affiliates from time to time and in the ordinary course of its business. As a rule, the Guarantor follows arm's length principles, and applies unified standards with regards to dealings with affiliates, especially those that function as investment advisors, and it believes these agreements are on terms no more favourable to the related parties or the Guarantor's affiliates than what they would expect to negotiate with disinterested third parties. Related party transactions include, in particular, administrative, management, consultancy, transactional and other services and purchases of coal, gas and power and certain fixed assets. For additional information on related party transactions, please refer to Note 25 to the Interim Financial Statements.

Legal proceedings

The Group may from time to time be subject to governmental, regulatory and legal or arbitral proceedings and claims, including those described below. The Group's Financial Statements show provisions created in relation to certain specific proceedings and the Group also records provisions relating to various other risks and charges, primarily in connection with regulatory disputes and disputes with local authorities. As of 30 June 2023 and 31 December 2022, the total provisions for legal costs created by the Group were EUR 26 million and EUR 24 million, respectively. The Group cannot guarantee that the provisions created will be adequate to cover all amounts payable in connection with any such proceedings (see "*Risk Factors—Risks relating the Issuer and the Guarantor—Risks related to the Group's businesses and industries generally – The Group is subject to various legal proceedings, which may have a material adverse effect on the Group, and there can be no assurance that any provisions created by the Group in respect of such proceedings would be adequate to cover the potential losses*" for more details).

Claims against SSD regarding renewables

As of the date of this Base Prospectus, SSD is exposed to 20 remaining lawsuits (from the approximately 273 to which SSD was exposed originally) with producers of renewables who demand the return of payments which

they made to SSD for access to the distribution network pursuant to applicable rules set by RONI and the Slovak legislation. As of 30 June 2023, the total value of these remaining claims is in the range of EUR 49 million (EUR 48 million of which represents the claim by Slovenské Elektrárne). Initially, the relevant courts of first instance decided in 32 cases in favour of the plaintiffs as they had found the payment to constitute unjust enrichment on the part of SSD, while ten of the decisions of the courts of first instance were later confirmed by the court of appeal. However, SSD filed an extraordinary appeal to the Slovak Supreme Court against these decisions. In December 2019, the Slovak Supreme Court reached a decision in the first of these extraordinary appeals. It held that the plaintiff had access to the distribution network and therefore was under an obligation to pay SSD for the access. As a result, the Slovak Supreme Court rescinded the decision of the court of appeal and returned the case back to the court of first instance for further consideration. The decision of the Slovak Supreme Court has been confirmed by six other decisions of the Slovak Supreme Court and also by the decision of the Slovak Constitutional Court. The courts of first instance are generally expected to follow the reasoning set out by the Slovak Supreme Court and the Slovak Constitutional Court. Following these decisions of the Slovak Supreme Court and the Slovak Constitutional Court, plaintiffs withdrew approximately 90 per cent. of the total number of claims (269 as of 30 June 2023) against SSD. Furthermore, in the cases in which the claim has not been withdrawn, the courts of the lower instances issued approximately 15 decisions in favour of SSD. Because of that, the Group believes that all of the remaining claims will be either withdrawn or dismissed.

Arbitration between EPR AG and a Russian supplier

An arbitration is pending between EPR AG and a Russian supplier regarding the alleged breach by EPR AG of five coal supply contracts following international sanctions imposed on Russia in March 2022 due to the invasion of Ukraine. The supplier claimed damages amounting to USD 221 million for non-performance of the contracts. The arbitration started in January 2023 (letter before claim was sent on 30 December 2022) and the claimant has not yet disclosed documents necessary for the assessment of the claim. As such, it is not possible to predict the outcome of the arbitration or the actual amount recoverable in the proceedings. However, if it is proven that the international sanctions prevented EPR AG from performing (e.g. the tribunal will accept the defendant's position that the performance of the contracts would result in making resources available to sanctioned individuals and/or in other breach of sanctions regime), it is probable that the claim as a whole will be dismissed. Since EPR AG believes that the sanctions in place prevented the company from off-taking the five coal contracts from the Russian supplier, it views the claim as unsubstantiated and no provision was recorded as of 31 December 2022.

Dispute between EPR AG and a Russian supplier

In July 2023, a different Russian coal supplier asked EPR AG to pay damages in the amount of USD 44 million for non-performance of a framework contract for the supply of coal as a result of EPR AG's failure to off-take agreed deliveries of coal. EPR AG denied this claim in full since it believes that the international sanctions prevented EPR AG from performing the framework contract. As of the date of this Base Prospectus, EPR AG is awaiting the Russian coal supplier's response and no arbitration has yet commenced.

Investigation of EP SHB

In October 2021, Ofgem opened an investigation into EP SHB's compliance with condition 20A of the Electricity Generation Standard License Conditions. EP SHB has fully cooperated with all requests for information and, as of the date of this Base Prospectus, the investigation is ongoing. Even though the procedure has not yet been closed and the potential outcomes at the current time vary, from the prudence principle the Group recognized in the Interim Financial Statements a provision representing its best estimate of the outcome.

Criminal investigation of an employee of Biomasse Italia S.p.A.

A criminal investigation is currently pending before the prosecutor's office in Cantazaro, Italy, in connection with an employee of the company Biomasse Italia S.p.A. Former directors of Biomasse Italia S.p.A. and Biomasse Crotone S.p.A., companies belonging to the Group, are no longer subject to the investigation. The companies are not subject to any investigation. Based on the information received so far, there are no elements which could indicate that criminal proceedings could be brought against the companies in this case or that proceedings potentially affecting the company's assets could be initiated. The status of the criminal investigation is being monitored and only after the conclusion thereof could a better assessment be made. One

of the former directors served a claim against employment termination. The Group's legal team is currently analysis the claim and preparing the defence.

Dispute regarding invoices to be paid by Gazel Energie Generation S.A.S.

GEG, a Group company, is disputing certain invoices relating to power trading agreements from 2019 operations. In 2021, GEG asked the counterparty to provide justification for invoices which had been received (but not paid). However, for the counterparty could not provide evidence of the calculations which formed the basis of the invoices. A corresponding provision has been booked as of 31 December 2022 even though GEG believes that the claim is not justified. Final letter summing up the claims was sent beginning of 2022 and first step of negotiation took place between GEG and the counterparty during the summer 2022. Both parties agreed to extend the negotiations until the end of September 2023.

MANAGEMENT OF THE ISSUER

The Issuer has a two-tier management structure consisting of its board of directors and its supervisory board. The board of directors represents the Issuer in all matters and is charged with its day-to-day business management (together with the senior management), while the supervisory board is responsible for the supervision of the Issuer's activities and of the board of directors in its management of the Issuer and resolves on matters defined in the Czech Corporations Act and the Issuer's articles of association. Under the Czech Corporations Act, the supervisory board may not make management decisions.

Board of directors

Pursuant to the Issuer's articles of association, the board of directors shall have three members. All members of the board of directors are executive. The business address of all members of the board of directors is Partyzánská 1/7, Holešovice, 170 00 Praha 7, Czech Republic.

Members of the board of directors shall be elected by the Issuer's general meeting of shareholders for a term of office of 20 years. Re-election of the members of the board of directors is permitted.

Members of the board of directors are obliged to discharge the office with necessary loyalty as well as necessary knowledge and care and to bear full responsibility for such tasks, as required by the Czech Corporations Act.

The board of directors is the Issuer's statutory body, which directs its operations and acts on its behalf. No-one is authorised to give the board of directors instructions regarding the business management of the Issuer, unless the Czech Corporations Act or other laws or regulations provide otherwise. The powers and responsibilities of the board of directors are set forth in detail in the Issuer's articles of association. The board of directors meets when called by its the chairman or at the request of any member of the board of directors or the chairman of the supervisory board.

The board of directors constitutes a quorum if at least two directors are present at the meeting. Decisions of the board of directors are made by simple majority vote of the members of the board of directors present at the meeting. Each member of the board of directors has one vote. With the consent of all members, *per rollam* voting is also allowed.

The following table sets forth the members of the board of directors appointed as of the date of this Base Prospectus:

Name	Year of Birth	Position	Commencement of Current Term of Office
Daniel Křetínský	1975	Chairman	29 August 2023
Pavel Horský	1973	Member	29 August 2023
Marek Spurný	1974	Member	29 August 2023

Daniel Křetínský

Chairman of the board of directors

Mr. Křetínský has been the chairman of the board of directors since the Issuer's establishment in August 2023. Through his previous role as a partner in the J&T Group he was also involved in the founding of the Guarantor, where he has served as chairman of the board of directors since 2009.

Mr. Křetínský currently also serves on multiple boards of companies within the Group, as well as outside of the Group. These include positions with companies both affiliated and unaffiliated with the Guarantor, including positions of chairman of the board of directors of EP Infrastructure, a.s., EP Corporate Group, a.s., EPH Financing CZ, a.s., EP Real Estate, a.s., CZECH MEDIA INVEST, a.s., AC Sparta Praha fotbal, a.s., EP Power Europe, a.s., EP Global Commerce a.s., EC Investments a.s., Letná Properties, a.s., Letná Properties II, a.s., EPIF Investments a.s., INTERNATIONAL MEDIA INVEST a.s., Czech Radio Center a.s., Old Queen Street, a.s., FoundHold EP Corporate Group, a.s., Resource Industry Investment Group a.s. and Resource Industry Investment a.s.; a chairman of the management board of Nadace EP Corporate Group; a member of the board of directors of CZECH NEWS CENTER a.s., Paris Real Estate I a.s., Paris Real Estate II a.s., EPH Financing SK, a.s. v likvidácii, 1890s holdings a.s. and EP Sport Holdings, a.s; managing director of EP Investment Advisors, s.r.o., United Energy Moldova, s.r.o., Eggborough Power Limited, EP Equity Investment S.à r.l.,

Serafico investment s.r.o., EP Investment S.à r.l., EP Investment II S.à r.l., EP UK Investments Ltd., EP Global Commerce GmbH, EP Global Commerce III GmbH, EP Global Commerce IV GmbH, EP Global Commerce V GmbH, EP Global Commerce VI GmbH, EP Global Commerce VII GmbH, WH HOLDING LIMITED and EP UK Power Development Ltd; chairman of the supervisory board of Active Radio a.s., EVROPA 2 spol. s r.o., RADIO BONTON a.s., EP Commodities, a.s., EP Industries, a.s. and Frekvence 1, a.s.; and a member of the supervisory board of Nadační fond AC Sparta Praha, Kapsova Vila, a.s., ANDELTA, a.s., HoldCo I, a.s., HoldCo II, a.s. and Titancoin International a.s.

Mr. Křetínský is currently a direct shareholder of EP Global Commerce a.s., an indirect shareholder of EP Corporate Group, a.s. and EP Industries, a.s. and through them, Mr. Křetínský is also an indirect shareholder of their respective subsidiaries.

Mr. Křetínský holds a bachelor's degree in political science and a master's and doctoral degree in law from Masaryk University in Brno.

Pavel Horský

Member of the board of directors

Mr. Horský has been a member of the board of directors since the Issuer's establishment in August 2023.

Mr. Horský is a member of the board of directors and chief financial officer of the Guarantor, and holds a number of other positions within the Group as well as outside the Group. Prior to joining the Guarantor, Mr. Horský held a market risk advisory position at The Royal Bank of Scotland.

Mr. Horský is currently the chairman of the board of directors of EP Risk Management Services a.s.; the vice-chairman of the board of directors of EP Power Europe, a.s.; a member of the board of directors of EP Infrastructure, a.s., EP Corporate Group, a.s., EP Global Commerce a.s., EP Industries, a.s., EPH Financing SK, a.s. v likvidácii, EP Commodities, a.s., EPH Financing CZ, a.s., EPE, LEAG Holding, a.s., EPPE Germany, a.s., Patamon a.s., EP BidCo a.s., EP HoldCo a.s., Resource Industry Investment Group a.s., Resource Industry Investment a.s., EP Commodities AG, VESA Equity Investment S.à r.l., RUBY Equity Investment S.à r.l. and EPIF Investments a.s.; managing director of Ogen s.r.o., Czech Gas Storages s.r.o., EP Eggborough Limited, Eggborough Power Limited, WEST HAM UNITED FOOTBALL CLUB LIMITED, EP Equity Investment S.à r.l., EP Equity Investment II S.à r.l., EP Equity Investment III S.à r.l., EP Slovakia B.V., EP UK Investments Limited, EP Global Commerce GmbH, EP Global Commerce III GmbH, EP Global Commerce IV GmbH, EP Global Commerce V GmbH, EP Global Commerce VI GmbH, EP Global Commerce VII GmbH, Slovak Gas Holding B.V., Czech Gas Holding Investment B.V., EPH Gas Holding B.V., EP UK Power Development Ltd., EP Langage Limited, EP UK Finance Limited, EP SHB Limited and EP Waste Management Limited; chairman of the supervisory board of EP Logistics International, a.s., EP Cargo a.s., EP Resources CZ a.s.; a member of the supervisory board of EP Sport Holdings, a.s., 1890s holdings a.s., FoundHold EP Corporate Group, a.s., Nadace EP Corporate Group, Heureka Group a.s., Heureka FinCo SK a.s. and SPP Infrastructure, a. s. and a member of the management board of PERIGO a.s.

Marek Spurný

Member of the board of directors

Mr. Spurný has been a member of the board of directors since the Issuer's establishment in August 2023.

Currently, Mr. Spurný is the chief legal counsel and a member of the board of directors of the Guarantor and serves on multiple boards of companies within the Group, as well as outside the Group.

Mr. Spurný held various positions within the Guarantor and its legal predecessors since 2004, its subsidiaries and the J&T Group (prior to the formation of the Guarantor). Between 1999 and 2004, Mr. Spurný worked for the Czech Securities Commission (the capital markets supervisory body at that time).

Mr. Spurný holds the position of Chief Legal Counsel of the Guarantor, with main responsibilities for transaction execution, negotiations and implementation of merger and acquisition transactions, restructurings, and legal support in general.

Mr. Spurný is currently the chairman of the board of directors of EP HoldCo a.s., EP BidCo a.s., Patamon a.s.; vice-chairman of the board of directors of EP Power Europe, a.s.; a member of the board of directors of EP Infrastructure, a.s., EPH Financing CZ, a.s., Resource Industry Investment a.s., EP Sport Holdings, a.s., 1890s holdings a.s., EP Corporate Group, a.s., EP Commodities, a.s., EPH Financing SK, a.s. v likvidácii, EPE, LEAG Holding, a.s., EPIF Investments a.s., Fiume Santo S.p.A., EP PRODUZIONE SPA, VESA Equity Investment S.à r.l., EP Equity Investment II S.à r.l., EP Equity Investment III S.à r.l., RUBY Equity Investment S.à r.l., Boldore, a.s. and POWERSUN a.s.; a managing director of Czech Gas Storages s.r.o., BELFAST POWER LIMITED, BELFAST POWER HOLDINGS LIMITED, Eggborough Power Limited, EP Investment Advisors, s.r.o., Seattle Holding B.V., Slovak Gas Holding B.V., Czech Gas Holding Investment B.V., EPH Gas Holding B.V., SPP Infrastructure Financing B.V., EP Investment S.à r.l., EP Investment II S.à r.l., EP Slovakia B.V., EP UK Investments Ltd., EP UK Finance Limited, EP UK Power Development Ltd, EP Langage Limited, EP Waste Management Limited and EP SHB Limited; a complementary representative in EP Fleet, k.s.; chairman of the supervisory board of Resource Industry Investment Group a.s., Košík Holding a.s., Nadace EP Corporate Group, FoundHold EP Corporate Group, a.s. and PT měření, a.s.; vice-chairman of the supervisory board of CE Electronics Holding a.s.; a member of the supervisory board of ACS PROPERTIES, a.s., CZECH NEWS CENTER, a.s., EP Logistics International, a.s., EPET, EPPE Germany, a.s., EP Cargo a.s. and Titancoin International a.s.; and a member of the management board of PERIGO a.s.

Mr. Spurný holds a law degree from Palacký University in Olomouc.

Supervisory board

The supervisory board has one members elected by the general meeting of shareholders. Member of the supervisory board is elected for a 20-year term and may be re-elected. The business address of the supervisory board member is Pařížská 130/26, 110 00 Prague 1, Czech Republic.

The supervisory board is responsible for the supervision of activities of the Issuer and of the board of directors in its management of the Issuer and resolves on matters defined in the Czech Corporations Act and the Issuer's articles of association. The supervisory board's powers include the power to inquire into all documents concerned with the activities of the Issuer, including inquiries into the Issuer's financial matters, review of the financial statements and profit allocation proposals.

No-one is authorised to give the supervisory board instructions regarding their review of the board of directors in its management of the Issuer. The supervisory board shall adhere to the principles and instructions as approved by the general meeting of shareholders, provided these are in compliance with legal regulation and the Issuer's articles of association.

The following table sets forth the member of the supervisory board appointed as of the date of this Base Prospectus:

Name	Year of Birth	Position	Commencement of Current Term of Office
Petr Sekanina	1973	Member	29 August 2023

Petr Sekanina

Member of the supervisory board

Mr. Sekanina has been a member of the supervisory board since the Issuer's establishment in August 2023.

Mr. Sekanina is the corporate holding director and chairman of the supervisory board of the Guarantor. He is also chairman of the board of directors of SSE and Stredoslovenská energetika Holding, a.s.; vice-chairman of the board of directors of EPE and PLTEP; vice-chairman of a committee of EP Kids, z.s.; member of the board of directors of Resource Industry Investment Group, a.s., EP Global Commerce a.s., BAULIGA a.s.; a managing director of EP Global Commerce GmbH, EP Global Commerce III GmbH, EP Global Commerce IV GmbH, EP Global Commerce V GmbH, EP Global Commerce VI GmbH, EP Global Commerce VII GmbH, WOOGEL LIMITED, EP Investment Advisors, s.r.o., SSE - MVE, s.r.o. and EP Auto, s.r.o.; chairman of the supervisory board of Resource Industry Investment a.s., EPIF Investments a.s. and EP Corporate Group, a.s.; a member of the supervisory board of EP Infrastructure, a.s., EP BidCo a.s., EP HoldCo a.s., 1890s holdings a.s., AC Sparta Praha fotbal, a.s., EPH Financing CZ, a.s., EPH Financing SK, a.s. v likvidácii, Patamon a.s., Boldore a.s., EPPE

Germany a.s., EP Commodities, a.s. and EP Logistics International, a.s. and a complementary representative in EP Fleet k.s.

In the past, he also served as managing director and chief financial officer of SOR Libchavy spol. s r.o. and as chief financial officer of Plzeňská energetika, a.s. Prior to the founding of the Guarantor, Mr. Sekanina worked for more than 11 years within the J&T Group and before in Živnostenská banka, a.s. and Atlantik finanční trhy, a.s.

Mr. Sekanina holds a master's degree in mathematics and economics from Masaryk University in Brno.

Conflicts of interest

As of the date of this Base Prospectus, other than for Daniel Křetínský, Pavel Horský, Marek Spurný and Petr Sekanina by virtue of their position as directors of or shareholders, as applicable, in the Issuer, the Guarantor and certain of its subsidiaries, there are no existing or potential conflicts of interest between any duties owed to the Issuer by the above members of the board of directors and supervisory board and their private interests or other duties.

MANAGEMENT OF THE GUARANTOR

The Guarantor has a two-tier management structure consisting of its board of directors and its supervisory board. The board of directors represents the Guarantor in all matters and is charged with its day-to-day business management (together with the senior management), while the supervisory board is responsible for the supervision of the Guarantor's activities and of the board of directors in its management of the Guarantor and resolves on matters defined in the Czech Corporations Act and the Guarantor's articles of association. Under the Czech Corporations Act, the supervisory board may not make management decisions. In addition, the Guarantor has established a health, safety and environmental committee under both the EPIF Group and the EPPE Group (the "HSE Committees") and a risk committee (the "Risk Committee").

Board of directors

Pursuant to the Guarantor's articles of association, the board of directors shall have four members. All members of the board of directors are executive. The business address of all members of the board of directors is Pařížská 130/26, 110 00 Prague 1, Czech Republic.

Members of the board of directors shall be elected by the Guarantor's general meeting of shareholders for a term of office of 20 years. Re-election of the members of the board of directors is permitted.

The positions of the chairman of the board of directors and the chief executive officer shall be combined. Members of the board of directors are obliged to discharge the office with necessary loyalty as well as necessary knowledge and care and to bear full responsibility for such tasks, as required by the Czech Corporations Act.

The board of directors of is the Guarantor's statutory body, which directs its operations and acts on its behalf. No-one is authorised to give the board of directors instructions regarding the business management of the Guarantor, unless the Czech Corporations Act or other laws or regulations provide otherwise. The powers and responsibilities of the board of directors are set forth in detail in the Guarantor's articles of association. The board of directors meets when called by its the chairman or at the request of any member of the board of directors or the chairman of the supervisory board.

The board of directors constitutes a quorum if at least three directors are present at the meeting. Decisions of the board of directors are made by simple majority vote of the members of the board of directors present at the meeting. Each member of the board of directors has one vote. With the consent of all members, *per rollam* voting is also allowed.

The following table sets forth the members of the board of directors of the Guarantor appointed as of the date of this Base Prospectus:

<u>Name</u>	<u>Year of Birth</u>	<u>Position</u>	<u>Commencement of Current Term of Office</u>
Daniel Křetínský	1975	Chairman	6 October 2014
Pavel Horský	1973	Member	6 October 2014
Jan Špringl	1978	Member	6 October 2014
Marek Spurný	1974	Member	6 October 2014

Daniel Křetínský

Chairman of the board of directors

Mr. Křetínský has been the chairman of the board of directors since October 2014. For further information, see "Management of the Issuer–Board of directors".

Pavel Horský

Member of the board of directors

Mr. Horský has been a member of the board of directors since October 2014. For further information, see "Management of the Issuer–Board of directors".

Jan Špringl

Member of the board of directors

Mr. Špringl has been a member of the board of directors since October 2014.

Mr. Špringl currently serves as chairman of the board of directors of NAFTA and NAFTA a.s. – organizační složka, the vice-chairman of the board of directors of EP Power Europe, a.s., a member of the board of directors of the Guarantor, EP Corporate Group, a.s., EP Commodities AG, Resource Industry Investment a.s., LEAG Holding, a.s., EPPE Germany, a.s., EP Commodities, a.s., EPIF Investments a.s.; a managing director of Stredoslovenská energetika - Project Development, s.r.o., SSE-Solar, s.r.o., Eggborough Power Limited, EP Energy Developments Limited, EP Dublin Energy Limited, EP EGGBOROUGH NEW ENERGY DEVELOPMENTS LIMITED, EP Ballylumford Limited, EP Kilroot Limited, EP Invest Limited, EP UK Finance Limited, EP UK Investments Ltd., EP UK Power Development Ltd., EP Waste Management Limited, JTSD Braunkohlebergbau GmbH, Lausitz Energie Verwaltungs GmbH, Lynemouth Power Limited, EP Langage Limited, EP SHB Limited, EP France S.A.S., EP NI Energy Limited and Slovak Power Holding B.V.; chairman of the supervisory board of EP Infrastructure, a.s., EPH Financing CZ, a.s. and EPE; a member of the supervisory board of Resource Industry Investment Group a.s., Lausitz Energie Mining AG, Lausitz Energie Kraftwerke AG, Mitteldeutsche Braunkohlen Gesellschaft mbH and EPH Financing SK, a.s. v likvidácii.

Mr. Špringl holds a master's degree in corporate finance from the University of Economics in Prague.

Marek Spurný

Member of the board of directors

Mr. Spurný has been a member of the board of directors since October 2014. For further information, see "Management of the Issuer–Board of directors".

Supervisory board

The supervisory board has three members elected by the general meeting of the Guarantor. Members of the supervisory board are elected for a 20 year term and may be re-elected. The business address of all of the supervisory board members is Pařížská 130/26, 110 00 Prague 1, Czech Republic.

The supervisory board is responsible for the supervision of activities and of the board of directors in its management and resolves on matters defined in the Czech Corporations Act and the Guarantor's articles of association. The supervisory board's powers include the power to inquire into all documents concerned with the activities, including inquiries into the Guarantor's financial matters, review of the financial statements and profit allocation proposals.

No-one is authorised to give the supervisory board instructions regarding their review of the board of directors in its management. The supervisory board shall adhere to the principles and instructions as approved by the general meeting of shareholders, provided these are in compliance with legal regulation and the Guarantor's articles of association.

The supervisory board constitutes a quorum if at least two members are present at the meeting. In accordance with the Guarantor's articles of association, if a supervisory board meeting fails to constitute a quorum, there shall be an adjourned meeting held not earlier than thirty days after the original meeting. Decisions of the supervisory board must be adopted by at least two members of the supervisory board. Each supervisory board member has one vote. With the consent of all members, *per rollam* voting is also allowed.

The following table sets forth the members of the supervisory board of the Guarantor appointed as of the date of this Base Prospectus:

<u>Name</u>	<u>Year of Birth</u>	<u>Position</u>	<u>Commencement of Current Term of Office</u>
Petr Sekanina	1973	Chairman	3 April 2017
Martin Fedor	1972	Member	7 October 2009
Tereza Štefunková	1978	Member	3 April 2017

Petr Sekanina

Chairman of the supervisory board

Mr. Sekanina has been the chairman of the supervisory board since April 2017. For further information, see “*Management of the Issuer–Supervisory board*”.

Martin Fedor

Member of the supervisory board

Mr. Fedor has been a member of the supervisory board since October 2009.

Mr. Fedor also serves as a chairman of the board of directors of DOVAX GROUP, a.s., NOMA Holdings, a.s., Sandberg Capital, správ. spol., a.s.; a managing director of CP Organization s. r. o., MRF & Partners s. r. o.; member of the supervisory board of EP Power Europe, a.s., SATUR TRANSPORT a.s., TERNO real estate s.r.o., and Revolgy Business Solutions a.s. He is also a member of the administrative board of EDUCLEUS a.s.

In the past, Mr. Fedor was a partner of J&T group responsible for corporate finance practice in Slovakia.

He holds a master’s degree in Financial Management from Komenský University in Bratislava.

Tereza Štefunková

Member of the supervisory board

Ms. Štefunková has been a member of the supervisory board since April 2017.

Ms. Štefunková also serves as a member of the board of directors of FoundHold EP Corporate Group, a.s., EPI Holding, a.s., SPRITER, a.s., Kapsova Vila a.s.; a managing director of Bydlení U Grébovky s.r.o.; member of the supervisory board of Nadace EP Corporate Group, EP Corporate Group, a.s., EPIF Investments a.s., Resource Industry Investment a.s., Resource Industry Investment Group a.s., and Poisson Investments a.s.

She holds a master’s degree in law from Masaryk University in Brno.

Health, Safety and Environmental Committees

Each HSE Committee consists of six members. The main purpose of the HSE Committees is to oversee the safety, health, environment and security management systems and their application, review and provide guidance on safety, health, environment and security strategies, policies and initiatives and make recommendations and refer key safety, health, environment and security decisions to the board of directors for approval. In addition, the HSE Committees monitor the safety, health, environment and security performance (including contractors) against regulatory standards and targets set by the board of directors and review all major incidents, focusing particularly on those arising from operational issues. The HSE Committees also safeguard compliance with the adopted ESG policies. The HSE Committees meet on a quarterly basis or as often as they deem appropriate to discharge their responsibilities.

The following table sets forth the members of the HSE Committee of EPIF appointed as of the date of this Base Prospectus:

<u>Name</u>	<u>Year of Birth</u>	<u>Position</u>	<u>Commencement of Current Term of Office</u>
František Čupr	1974	Chairman	1 September 2017
František Kajánek	1965	Member	23 March 2020
Marek Bobák	1975	Member	23 March 2020
Tereza Vlachová	1990	Member	1 September 2017
William Price	1984	Member	1 September 2017
Stéphane Brimont	1968	Member	25 May 2023
Gary Wheatley Mazzotti	1961	Member	28 June 2022

The following table sets forth the members of the HSE Committee of EPPE appointed as of the date of this Base Prospectus:

<u>Name</u>	<u>Year of Birth</u>	<u>Position</u>	<u>Commencement of Current Term of Office</u>
Leif Timmermann	1966	Chairman	10 June 2021
Filip Bělák	1979	Member	10 June 2021
Gary Mazzotti	1961	Member	10 June 2021
Peter Černák	1985	Member	4 April 2023
Alan Beeston	1963	Member	10 June 2021
Matteo Mazzarini	1979	Member	15 July 2022

Risk Committee

The Risk Committee consists of five members. The main purpose of the Risk Committee is to perform risk management functions covering market, counterparty, liquidity, cybersecurity and health and safety measures. The Risk Committee meets typically once every two months or as often as it deems appropriate to discharge its responsibilities.

The following table sets forth the members of the Risk Committee appointed as of the date of this Base Prospectus:

<u>Name</u>	<u>Year of Birth</u>	<u>Position</u>	<u>Commencement of Current Term of Office</u>
Pavel Horský	1973	Chairman	2 November 2017
Michal Buřil	1974	Member	2 November 2017
Filip Bělák	1979	Member	1 June 2020
Tomáš Miřacký	1980	Member	2 November 2017
Miroslav Haško	1986	Member	2 November 2017

Conflicts of interest

As of the date of this Base Prospectus, other than for Daniel Křetínský, Pavel Horský, Marek Spurný, Jan Špringl and Petr Sekanina by virtue of their position as directors of or shareholders, as applicable, in the Issuer, the Guarantor and certain of its subsidiaries, there are no existing or potential conflicts of interest between any duties owed to the Guarantor by the above members of the board of directors of the Guarantor, senior management of the Guarantor and supervisory board of the Guarantor and their private interests or other duties.

REGULATION

Introduction

The following section provides a summary of EU legislation and energy legislation of the countries in which the Group operates that is applicable to the business activities of the Group. A brief description of EU law has been included due to its influence on the activities of the Group.

EU energy legislation

General

The EU Member States are obliged to comply with EU energy legislation, which has been developed in order to establish a competitive, secure and environmentally sustainable energy market.

EU energy and environmental targets

The energy activities of the Group are influenced heavily by the energy and environmental targets of the EU. In late 2019, the European Commission presented the European Green Deal, which is a growth strategy that aims to reach climate neutrality, i.e. to transform the EU into a society with a resource-efficient and competitive economy where there are no net emissions of greenhouse gases (the “GHG”) by 2050 and where economic growth is decoupled from the use of resources. Many legislative proposals based on the European Green Deal, such as the European Climate Law, EU Strategy for Energy System Integration, Corporate Sustainability Reporting Directive, have already been elaborated by the European Commission.

The European Climate Law sets the following climate targets (i) a binding obligation for the EU to reach climate neutrality by 2050 and a commitment to negative emissions after 2050, (ii) 2030 climate target of at least 55 per cent. reduction in net emissions of GHG compared to 1990 levels; and (iii) a process for setting a 2040 climate target, taking into account indicative GHG budget for 2030-2050.

Energy efficiency and cogeneration

The efficiency target of at least at least 11.7 per cent. in 2030 compared to the level of efforts under the 2020 EU Reference Scenario is set by Directive 2023/1791 (the “EED”). With this EU goal in mind, the Member States have to set national energy efficiency contributions. Member States shall achieve new savings each year (at least 0.8 per cent. until 31 December 2023, 1.3 per cent. from 1 January 2024, 1.5 per cent. from 1. January 2026 and 2.9 per cent. from 1 January 2028) of their annual final energy consumption. From 1 January 2024 to 31 December 2030, the average annual savings target is set to 1.49 per cent.

According to the EED, high-efficiency cogeneration, as well as efficient district heating and cooling, has significant potential for saving primary energy and should therefore be promoted. Electricity from high-efficiency cogeneration should be afforded priority or guaranteed access to the transmission or distribution network. The Member States should encourage the implementation of methods of high-efficiency cogeneration and take adequate measures for efficient district heating and cooling infrastructure to be developed.

Energy crisis

In response to the energy crisis following the outbreak of the war in Ukraine, the EU presented the REPowerEU Plan which aims to improve energy efficiency, production of green energy and diversification of energy supplies. The EU implemented several legislative measures to address the negative consequences of the crisis, such as:

- an obligation on the Member States to ensure that underground gas storage facilities on their territory are filled to at least 80 per cent. of their capacity before the winter of 2022/2023 and to 90 per cent. before the following winter periods;
- an obligation of the Member States to use best efforts to reduce its gas consumption by at least 15 per cent. compared to its average gas consumption in the preceding five years (subject to certain conditions, this reduction target may become mandatory); and

- measures to limit the prices of energy for final customers such as (i) permission to fix the energy prices to small and medium enterprises (ii) obligation to implement the cap on market revenues to electricity producers and (iii) obligation to impose windfall tax on companies carrying out business in certain energy sectors.

Increasing regulation on energy trading and energy derivatives trading

The EU has introduced legislation which imposes restrictions and transparency requirements on the trading of commodities and financial products and also affects the European energy and energy derivatives markets. Such EU legislation includes, but is not limited to (i) Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (“**REMIT**”) (ii) Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (“**EMIR**”).

REMIT was designed to prevent insider trading and market abuse, as well as enhance transparency in the energy trading market. The measures implemented for this purpose include, without limitation, a number of disclosure and reporting obligations for participants in the energy markets, particularly introducing a requirement to publish information, such as the capacity and use of facilities for production, storage and consumption or transmission of electricity or natural gas. As of the date of this Base Prospectus, an amendment to REMIT is currently in the legislative procedure.

EMIR applies to, among other things, the trading of financial products such as derivatives. Derivatives relating to commodities such as energy are not exempt as a general rule. EMIR introduces new or extended obligations to implement a central clearing system for over-the-counter transactions, meaning that transactions must be carried out via a central counterparty and be reported to a central trade repository, as well as be backed with capital.

Environmental regulation

Renewable energy sources

Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (the “**RED II**”) sets the overall EU framework for renewable sources. In response to the energy crisis, the EU intends to increase the share of energy from renewable sources target to a minimum of 42.5 per cent. by 2030. As of the date of this Base Prospectus, this target has been already approved by the EU Parliament.

RED II also sets additional rules concerning the stability of the financial support schemes as well as possibilities of Member States to agree on statistical transfers of specified amounts of energy from renewable sources. Furthermore, RED II presumes only support scheme in the form of “market premiums” (sliding or fixed) which should be based on open, transparent, competitive, non-discriminatory, and cost-effective tendering mechanisms.

The European Union aims to facilitate the uptake of renewable gases and hydrogen. In this context, the European Commission presented the Hydrogen and decarbonised gas market package, which aims to decarbonise EU gas consumption by promoting the demand for and production of renewable and low-carbon gases, including hydrogen. The proposed Hydrogen and decarbonised gas market package sets out key rules on which the future hydrogen market should be based. These rules include, but are not limited to, the unbundling of hydrogen network operators (i.e., the separation of hydrogen supply and generation from the operation of networks, primarily transmission networks), tariffs related to the transport of hydrogen and renewable gases, repurposing of existing natural gas pipelines to pure hydrogen pipelines and the blending of hydrogen and natural gas.

Emission limits and emissions

The area of emission limits, in particular SO_x, NO_x, carbon monoxide, methane and particulate matters, including dust and grit, has been harmonised by means of the Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (the “**IED**”), in relation to large combustion plants. The legislation set out mainly rules for permitting and reporting, measuring and an overall framework of the emission regulation. As of the date of this Base Prospectus, the revision of the IED is currently in the legislative procedure.

In August 2017, the new Best Available Techniques (BAT) Reference Document for Large Combustion Plants (the “**BREF**”) was published. The BREF contain the Best Available Techniques (BAT) Conclusions (the “**BAT LCP**”), a binding part of the BREF, that sets new (stricter) emission limits on SO_x, NO_x, carbon monoxide, methane and particulate matters, including dust and grit and introduces emission limits for Hg, NH₃, HCl and HF. Large combustion plants must comply with the BAT LCP unless exempted from the obligations.

To prevent emissions, Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (the “**EU Regulation on the Internal Electricity Market**”) sets stricter rules for generation units under capacity mechanisms in the EU. From 1 July 2025, generation units that started commercial production before 4 July 2019 with emissions above the limits set by the EU Regulation on the Internal Electricity Market shall not be committed or receive payments or commitments for future payments under a capacity mechanism.

EU legislation established a system of trading with emission allowances (the “**EU ETS**”). EU ETS is in Phase IV, which began on 1 January 2021 and is scheduled to end on 31 December 2030. Within the Phase IV, the overall number of emission allowances is to decline at an annual rate of 2.2 per cent. from 2021, 4.3 per cent. from 2024 and 4.4 per cent. from 2028.

Sustainable investments

In 2020, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the “**EU Taxonomy Regulation**”), was adopted. The regulation established new criteria for determining whether an economic activity qualifies as environmentally sustainable in the energy sector (e. g. electricity, gas and heating). The detailed technical screening criteria for defining such environmentally sustainable economic activities are set out in detailed delegated acts of the European Commission, mainly in the Commission Delegated Regulation (EU) 2021/2139.

The EU Taxonomy Regulation aims to guide market participants in their investment decisions to finance projects that are environmentally sustainable and could thus have some implication on the financing of the energy sector. Natural gas and nuclear projects are in general included in the EU Taxonomy. However, inclusion of a project is subject to strict conditions.

Electricity regulation

The fundamental rules of the EU electricity regulation are set out by (i) Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (the “**Directive 2019/944**”) and (ii) the EU Regulation on the Internal Electricity Market.

Directive 2019/944 includes common rules for the generation, transmission, distribution, energy storage and supply of electricity, together with consumer protection provisions, with a view to creating a truly integrated, competitive, consumer-centred, flexible, fair and transparent electricity market in the EU. It contains general rules for the organisation of the electricity sector, such as free choice of supplier, market-based supply prices and third-party access to the electricity grids; consumer rights and protection, including the right to switch a supplier or market participant engaged in aggregation, rules for concluding aggregation contracts, or smart metering systems; rules for operation of distribution and transmission systems.

The EU Regulation on the Internal Electricity Market sets the basis for an efficient achievement of the objectives of the Energy Union and in particular the climate and energy framework for 2030 by enabling market signals to be delivered for increased efficiency, higher share of renewable energy sources, security of supply, flexibility, sustainability, decarbonisation and innovation. The regulation mainly focuses on the obligations of the

transmission system operators, distribution system operators and other market participants. Among others, it specifies rules for balancing markets, redispatching, network charges and congestion income, resource adequacy and rules for special ENTSO and EU DSO entities.

Among specific rules applicable to electricity markets, the EU Regulation on the Internal Electricity Market and Directive 2019/944 notably provide for rules governing the electricity capacity mechanisms which may be temporarily implemented by Member States (i.e. maximum of 10 years), subject to the approval of the EU Commission, to secure the security of electricity supply by incentivizing capacity providers (electricity producers) to maintain sufficient generation capacity to meet the networks' needs, in particular during peak periods. Producers must therefore, in accordance with the criteria and processes that may be set out in each Member State, certify its generation capacities – which must be traded either over the counter or in the capacity market, whereas electricity suppliers must ensure that they hold sufficient capacities to meet their clients' needs (such costs being usually passed on to consumers).

In response to the 2022 energy crisis, the European Union has proposed to reform the EU's electricity market design to accelerate a surge in the deployment of renewables and the phase-out of gas, make consumer bills less dependent on volatile fossil fuel prices and better protect consumers from future price spikes and potential market manipulation. The proposal amends primarily the EU Regulation on the Internal Electricity Market and REMIT and introduces, among others, measures (i) to limit peaks in the power demand, (ii) to support power generation facility by two-way contracts for difference and (iii) to facilitate establishment of the virtual trading hubs to enhance long-term forward hedging products. As of the date of this Base Prospectus, only first draft of the amendment is publicly available.

Gas regulation

The fundamental rules of the EU gas market are set out by (i) the EU Third Gas Directive and (ii) Regulation No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks (the “**EU Third Gas Regulation**”).

The EU Third Gas Directive enhanced the independence and powers of national regulatory authorities. It required designation of a single national regulatory authority at the national level that is legally distinct and functionally independent from any other public or private entity, any market interest and any political body and that exercises its powers impartially and transparently.

In addition, the EU Third Gas Directive seeks to achieve greater transparency and independence of TSOs and DSOs (such as Eustream and SPPD which fall directly within the scope of the provisions of the EU Third Gas Directive in relation to transmission network operators and distribution network operators respectively).

The EU Third Gas Regulation sets out important obligations for the gas storage operators as well as TSOs regarding third party access, the principles of capacity-allocation mechanisms, congestion management and transparency requirements.

Further, the EU Third Gas Regulation has introduced a system for the development and implementation of European-wide network code(s) (the “**NC**”), which enable the harmonisation of the technical, operational and market rules for transmission networks across the EU. These NCs are issued as Commission Regulations, meaning they are directly applicable and therefore binding on the entities affected. With respect to the business activities of the Group, the following NCs are of importance:

- Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) 984/2013 which sets basic rules on allocation of gas transmission capacity at interconnection points as well as types of products offered by the gas TSOs.
- Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas, which sets out the rules on harmonised transmission tariff structures for gas transmission (the “**NC on Harmonised Tariffs**”). It sets out the details of reference price methodology and three secondary adjustments: equalisation, benchmarking and adjustments by constant.

- Commission Regulation (EU) 312/2014 of 26 March 2014 establishing a network code on gas balancing of transmission networks which purpose is to set out gas balancing rules, including network-related rules on nomination procedures, imbalance charges, settlement processes associated with the daily imbalance charge and operational balancing between transmission system operators' networks as set in the Commission Regulation (EU) 312/2014 of 26 March 2014 establishing a network code on gas balancing of transmission networks. Furthermore, Commission Regulation (EU) 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules sets out rules regarding interoperability and data exchange as well as harmonised rules for the operation of gas transmission systems. This NC shall apply at interconnection points between Member States while its implementation at entry points from and exit points to third countries is subject to the decision of the national authorities.

As part of the EU strategy aiming to decarbonising gas markets, the European Commission has drawn up a proposal for a directive aimed at guaranteeing security of supply and operation of the internal gas (and hydrogen) markets within the framework of the Hydrogen and decarbonised gas market package. The proposal, which is still to be discussed by members of the European Council and the European Parliament, should – as regards solely gas regulation – notably confirm the European authorities' determination to make natural gas a transitional energy source and facilitate the penetration of renewable and low-carbon gases into the gas transportation and distribution system (cf. biomethane and hydrogen in particular). Without leading to a major upheaval of the legal framework set out in the EU Third Gas Regulation, initial discussions on the European Commission's proposal suggest that, as far as natural gas is concerned, the text would mainly strengthen consumer rights (e.g. by allowing consumers to change supplier within shorter timeframes) and introduce incentives for producers and consumers to favour renewable gases (e.g. rebates on capacity-based tariffs). Contemplated measures would also aim to support gas DSOs and TSOs in the context of their transition to sustainability. As of the date of this Base Prospectus, discussions are still ongoing in relation to the proposed draft.

Czech energy legislation

General

The main law in the Czech Republic regulating the energy sector is the Czech Energy Act which regulates the conduct of businesses in the energy sector, as well as requirements for obtaining licenses for the production, distribution and sale of electricity, gas and heat.

The main governmental authorities supervising the energy sector are the ERO, which is an independent energy regulatory body established as the main supervisory authority in the energy sector, the Ministry of Industry of the Czech Republic (the “**Czech Ministry of Industry**”), the Ministry of Environment of the Czech Republic (the “**Czech Ministry of Environment**”) and the State Energy Inspectorate.

Licensing regime

In order to conduct business in the energy sector, an entity needs a licence issued by ERO for the particular activity in question. The ERO is under an obligation to grant the licence to the applicant, provided that the criteria set by law are met. Under the Czech Energy Act, licences for electricity generation, heat generation and gas production are valid for up to 25 years, licences for electricity and gas trading are issued for a period of five years and licences for market operators, as well as for the electricity and gas transmission and distribution, gas storage and heat distribution shall be issued for an indefinite period.

Energy crisis

In response to the 2022 energy crisis, the Czech government decided to cap the prices of electricity and gas for certain customers. As of the date of this Base Prospectus, the prices of electricity and gas for the year 2023 are capped by Regulation No. 298/2022 Coll. The Czech government may reissue the regulation if the current extraordinary market situation persists for a longer period. At the same time, if the situation were to be resolved, the Czech government shall immediately revoke the regulation even before the expiry of the period for which it was issued.

In addition, a revenue cap has been introduced in the Czech Republic based on the EU Emergency Intervention Regulation. This revenue cap applies to electricity generators whose revenue from the sale of electricity on the wholesale electricity market exceeds the threshold set by the Czech Energy Act and implementing regulation

No. 407/2022. This equals to 90 per cent. of the revenue above the set threshold. According to the Czech Energy Act, the revenue cap will apply for the period from 1 December 2022 to 31 December 2023 (as opposed to EU Emergency Intervention Regulation, under which the revenue caps should be effective until 30 June 2023 only). The general revenue cap is set at 180 EUR per MWh in the Council Regulation (EU) EU Emergency Intervention Regulation. The Czech legislator has decided to apply a different revenue cap for certain energy sources, including those using lignite (which is used by the Group's heating plants) from which the revenue is capped at 230 EUR per MWh.

Furthermore, a so-called windfall tax was introduced last year as an amendment to Act No. 586/1992 Coll., on Income Tax, targeting companies in the energy and banking sectors to tax surplus profits resulting from the energy crisis. The proceeds of the tax are intended to cover the cost of price caps on electricity and gas customers. The taxpayer of the windfall tax is an entity with revenues above a certain limit from the relevant activities. The tax period is set to be the calendar years 2023 to 2025 and the tax rate is 60 per cent. on top of the regular tax rate, so a tax rate of 79 per cent. in total is to be applied on the extra profits. The windfall tax in the energy sector covers entities engaged in power generation except for combined heat and power generation where the ratio of produced power and heat does not exceed a coefficient of 4.4.

Electric energy sector

Emission allowances and limits

The Czech Air Protection Act imposes certain obligations on the operation of pollution sources. This activity is subject to the payment of emission charges for emissions of specified volumes of various air pollutants. These funds are then used for the protection of the environment. The rate of permissible emission limits depends on the total rated thermal input, the type of fuel, or the date on which the plant was granted permission to operate. The general principle of the emission limits in relation to the date on which the permission was granted sets forth the obligation that new plants adhere to more rigorous limits than plants which were put into operation in the past, particularly prior to 27 November 2003.

Act No. 695/2004 Coll., on conditions for trading with emission allowances, as amended, stipulates rules for the allocation of CO₂ emission allowances among facilities producing greenhouse gases. Facilities that reduce the amount of their emissions benefit from trading excess assigned emission allowances to facilities which emit higher amounts of greenhouse gases.

Grid balancing services

The area of grid balancing services is regulated by the Czech Energy Act and the Regulation No. 408/2015 Coll., on the Electricity Market Rules. Further rules, including technical requirements imposed on the service providers, are set out in the Transmission System Code, which is issued by the TSO (ČEPS, a.s.) and approved by the ERO. Grid balancing service providers are selected through a competitive auction.

Heat sector

Heat prices are calculated combining regulated component determined by the ERO on the basis of incurred costs, profit margin and VAT. The ERO regulates heat prices through a process known as input-based price moderation (*věcné usměrňování cen*), which entails setting out certain conditions for the calculation and negotiation of prices for heat energy. These conditions are specified in the ERO's price decisions and are binding upon all heat suppliers. Therefore, the ERO does not approve specific rates or fees proposed by heat suppliers, nor does it impose binding rates on them, but instead stipulates binding conditions that draw the boundaries within which prices may be calculated and agreed.

Most of the Group's heat plants utilize coal to produce heat. The Czech government announced its intention to phase out coal by 2038, although there is a political pressure to bring the final date forward. The final binding phase-out date for coal has not yet been approved and thus may be set for an earlier date.

Slovak legislation

General

The main law in the Slovak Republic regulating the energy sector is the Act No. 251/2012 Coll. on energy (the “**Slovak Energy Act**”), which regulates the conduct of business in the electricity and gas sector. Heat production and distribution is governed by Act No. 657/2004 Coll., on the Thermal Energy Sector, as amended. The Slovak nuclear energy sector is governed primarily by Act No. 541/2004 Coll. on Peaceful Use of Nuclear Energy, as amended, and various decrees issued by the Slovak NRA.

Úrad pre reguláciu sieťových odvetví (“**RONI**”) is the national regulatory organisation established as the main regulatory authority in the energy sector. The RONI is endowed with a broad range of powers, including the right to grant licences, regulate prices, adopt decrees implementing energy legislation, monitor the implementation of unbundling rules, perform inspections and request the provision of documents and information. The mandate of the RONI together with the obligations of the regulated entities and the determination of the market rules, is regulated in Act No. 250/2012 Coll., on Regulation in Network Industries, as amended (the “**Act on Regulation in Network Industries**”) whereas the market rules are further specified in RONI’s decrees.

Licensing regime

Generally, to conduct business in the energy sector, the RONI must issue a licence for the activity in question. The licences are generally granted for an indefinite period of time. The licensing regime shall, however, not apply with respect to certain activities, such as production and supply of gas from biomass or biogas. Where one of the legal exemptions from the licensing regime applies, only the notification obligation has to be fulfilled. In addition, use of nuclear energy is subject to an authorisation issued by the Slovak NRA (save for certain activities where only a permission is required). An applicant must meet general licensing conditions as well as various special conditions.

Price regulation

One of the RONI’s competencies is price regulation in the regulated industries. The basic principles of the price regulation are governed by the Act on Regulation in Network Industries, which provides that the method of price regulation shall reflect economically eligible costs, economic effectiveness and a fair profit, including the extent of investments which may be included in the price.

Electric power industry price regulation

Electricity industry price regulation is regulated mainly by the RONI’s Decrees No. 107/2023 Coll. and No. 246/2023 Coll. The previous RONI’s Decree is however still applicable to certain price regulation applicable for 2023 and it also governs the price regulation of electricity generation from renewable energy sources, electricity generation by highly-efficient combined production or electricity generation from domestic coal. Maximum price for access to the distribution network and electricity distribution is determined separately for each voltage level and calculated for the respective voltage level as a weighted average of specified tariffs. The maximum price for access to the distribution network and electricity distribution for a given voltage level reflects electricity distribution and electricity transmission, including losses incurred during electricity transmission, and is denominated in euro per unit of electricity distributed to end consumers in the relevant year. It is calculated using a formula set by the electricity price decree, which also lays down a specific formula for the calculation of the allowed profit variable.

Gas industry price regulation

Gas price regulation is regulated by the RONI’s Decrees No. 450/2022 Coll. and No. 451/2022 Coll. The RONI regulates the tariffs for access to the gas distribution network and for gas distribution by determination of the method of calculation of the maximum tariff for access to the gas distribution network and for gas distribution. The regulated prices for access to the distribution system and gas distribution are charged by the gas DSO to gas suppliers who then pass the prices to their end-customers. The gas transmission tariffs applicable to Eustream are primarily regulated by NC on Harmonised Tariffs, in combination with national legislation. On 29 May 2019, RONI issued a decision implementing the rules of the NC on Harmonised Tariffs, setting the

reference price methodology including reference prices, applicable from 1 January 2022 (applicable for entry/exit points with EU Member States).

Crisis regulation

Under the rules on crisis regulation applicable in the event of, for example, disproportional increase in energy prices, the Slovak government is empowered to implement certain regulatory measures, including price regulation, which will prevail over the applicable RONI's pricing decisions. Within this power, the Slovak government adopted Regulation No. 465/2022 Coll. and No. 19/2023 Coll., determining the maximum prices for part of regulated electricity and gas supply for selected consumers. In addition, with effect from 1 May 2023, the Slovak government introduced price caps on fees related to the transmission/distribution of electricity with respect to all types of customers.

Moreover, the rules on crisis regulation under the Slovak Energy Act allow the Ministry of Economy of the Slovak Republic, subject to approval by the Government, to adopt several measures with a potentially significant impact on electricity producers, such as to order the production and supply of electricity to selected groups of customers at a price determined by the Ministry or restrict electricity exports abroad. In addition, the Slovak Government introduced an obligation for electricity producers to pay a 90 per cent. levy on excess income and de facto limits the producers' ability to generate market income above certain levels (caps). The price cap varies, depending on the power source of the generated electricity, in the range from EUR 100 to EUR 240 per 1 MWh.

Nuclear cycle back-end stage

The originator of radioactive waste is generally responsible for procurement of its safe management and the related costs. Ultimate responsibility for the management of spent nuclear fuel and the radioactive waste bears the Slovak Republic. Operator of a nuclear installation is required to provide for earmarked funding to cover the costs relating to final phase of nuclear energy use which includes mainly decommissioning and deposition and long-term storage of spent nuclear fuel. The National Nuclear Fund was created for the purposes of collection and management of funds for the final phase of nuclear energy. The National Nuclear Fund raises funds from public sources but also collects mandatory fees or contributions from operators of nuclear installations. The amounts of mandatory fees and contributions from operators of nuclear installations are currently stipulated as fixed annual sums for the respective nuclear installations, for example the contribution for nuclear power plant Jaslovské Bohunice V2 is EUR 46,307,425 per year. The funds in the National Nuclear Fund may be used to cover the eligible costs of specific activities of the back-end cycle.

Renewable energy sources

The Slovak Republic implemented the RED II by amending the Act No. 309/2009 Coll., on the Promotion of Renewable Energy Sources and High Efficiency Cogeneration, as amended (the "**Slovak RES Promotion Act**"). The Slovak RES Promotion Act encourages the production of energy from renewable energy sources and the promotion of power generation from high efficiency cogeneration in a number of ways, namely through the provision of priority connection and access to the distribution system and the provision of priority transmission, distribution and supply of electricity, through the guaranteed offtake of electricity from renewable energy sources, the provision of additional payments to renewable energy producers, as well as by taking over the responsibility for deviation, subject to conditions set out in the Slovak RES Promotion Act.

Germany

General

The main law regulating the German energy sector is the Energy Industry Act ("**EnWG**"). It regulates the access and connection to the respective networks, network charges and rules for the operation, planning and expansion of the distribution and transmission network. The EnWG contains rules on a power plant reserve, allowing the energy regulator to prohibit power plants from being decommissioned when a transmission system operator considers it to be of systematic relevance for the network operation. These regulations are supervised and enforced by the competent authorities, mainly the Federal Ministry for Economic Affairs and Climate Action ("**BMWK**"), the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection and the Federal Network Agency ("**BNetzA**").

Licensing regime

German energy law does not require a license to engage in business activity in the German energy sector apart from network operations. The supply of household customers would need to be notified to BNetzA. However, tendering or approval processes by either the BNetzA or the BMWK may, in certain instances, be obligatory.

Energy regulation

Renewable energies

In Germany, the promotion of renewable energies is mainly determined by the Renewable Energies Act (“**EEG**”), which governs in particular the remuneration for electricity generated from renewable energy sources. In general, under the EEG, the network operators are obliged to connect the power plants and remunerate the electricity fed into its networks according to the provisions of the EEG. Depending on the type of renewable energy sources used as well as the commissioning date of the plant, the remuneration follows a tender procedure or is based on a mandatory feed-in tariff. The network operator is obliged to pay to the plant operator the difference between the market price and the feed-in tariff.

Combined heat and power

Heat and electricity producing plants are regulated by the Combined Heat and Power Act (“**KWKG**”). The KWKG provides for respective remuneration regimes for new, modernized and retrofitted plants, and regulates the network operator’s connection, purchase and remuneration obligations. It contains, in particular, provisions for new combined heat and power plants regarding hydrogen readiness, which will however only apply to new plants. The total amount of KWKG subsidies to be paid out to all combined heat and power plants is capped at EUR 1.8 billion per year. However, this does not apply to plants which receive their subsidies based on a tender procedures.

Coal

In 2020, Germany decided to phase-out the electricity generation from coal in order to protect the climate. Accordingly, the Act to Reduce and End Coal-Fired Power Generation (“**KVBG**”) sets out specific decommissioning dates for each coal-fired power plant in Germany. The overall phase-out is set to be concluded at the end of the year 2038, with the exception being the Rhineland area that is due to cease operations in 2030. The KVBG further provides for the possibility to subject any remaining coal-fired power plant to a review process that considers, among other things, the relevance of any individual plant for the network stability and the overall supply capacity of electricity in Germany. Irrespective of the present legislation, a political discussion as regards an amendment to the KVBG seeking the expedition of the overall phase-out of coal-fired power plants remains ongoing.

Gas storage

The Group must ensure that 80 per cent., 90 per cent. and 40 per cent. of its maximum gas storage reserve capacity are filled by 1 October, 1 November, and 1 February of each year respectively. The special regulations are due to expire in April 2025. However, the BMWK intends to extend the law until 2027.

Surplus revenue skimming

In Germany, windfall profits from the sale of electricity generated using renewable energies, nuclear power, mineral oil, waste and brown coal were levied in the period between 1 December 2022 and 30 June 2023 (so-called surplus revenue skimming) to finance in particular the relief provided to end consumers. Storage facilities, natural gas, biomethane and other gases were excluded. Revenues above a fixed ceiling were levied at a rate of 90 per cent. (surplus revenue). The remaining 10 per cent. remained with the companies to provide incentives for efficient behaviour on the market. The mechanism went into effect on 1 December 2022, and initially lasted until 30 June 2023 (in line with the EU regulation) with the option for the German government to extend its applicability until 30 April 2024. The German government did not make use of this extension option. Notification and transfer obligations concerning the surplus revenues remain in place until October and November 2023, respectively. The surplus revenues were used to finance the electricity price break.

Electricity, gas and heat price break

In Germany energy price caps were introduced in December 2022 by the SPBG and the EWPG. The respective electricity and gas as well as the heat price breaks aimed to provide relief for private households and companies from high energy prices.

The gas and heat price break under the EWPG provides a subsidized gas price. Different caps apply for household customers and industry customers: for consumers and small and medium-sized companies with gas consumption under 1.5 million kWh per year and some other facilities the allocated amount of 80 per cent. of the respective gas consumption is capped at 12 cents per kWh, while the price for heat is capped at 9.5 cents per kWh. Industrial customers receive 70 per cent. of their gas consumption at a price of 7 cents per kWh and 70 percent of their heat consumption at the price of 7.5 cents per kWh with 2021 as the base year.

The electricity price break caps the electricity price for households and small enterprises with an annual consumption of up to 30,000 kWh to 40 cents per kWh including grid fees, taxes, charges and levies. This cap in general also applies to an amount of 80 per cent. of the amounts used in the past twelve months. For larger companies the price is capped at 13 cents per kWh plus grid fees, taxes, charges, and levies for an allocated amount of 70 per cent.

The price breaks apply for the entire year of 2023. An extension until April 2024 is possible and is currently under discussion.

At the moment there is also a discussion about the introduction of an industrial electricity price, which would cap the electricity price for particularly energy-intensive companies at 5 or 6 cents per kWh. However, there is no respective draft law yet.

Environmental framework

General reduction of emissions

As a framework legislation, the Federal Climate Protection Act (“**KSG**”) obliges the federal government and the governments of the states to comply with annual targets and sector-specific targets that ought to be met to reduce the impact of climate change and to achieve net-zero by 2045. In addition, the Federal Emission Control Act regulates the harmful effects on the environment caused by air pollution, noise, vibration, and similar phenomena which may, subsequently, subject any project to administrative regulations and conditional approval procedures that may require costly mitigatory measures to be taken.

Mining

The Federal Mining Act (“**BBergG**”) regulates the safe exploration, extraction and treatment of mineable and freehold mineral resources. These regulations, however, may be tightened as the BMWK has confirmed that it seeks an amendment of the Act by establishing regulations that, among other things, promote recycling and an efficient use of resources, diversify supply chains, and safeguard a fair and sustainable market. The BBergG grants the authority the possibility to determine that reserves for restoration of land/mines have to be accumulated if certain requirements are met. Furthermore, the Ordinance on the Environmental Impact Assessment of Mining Projects contains an exhaustive list of mining procedures that require an environmental impact assessment, including, for example, projects for the surface and underground extraction of hard coal or lignite.

Italy

Overview

The Ministry of the Environment and Energetic Safety (“**MASE**”) and the Italian Authority for Energy, Networks and Environment (“**ARERA**”) share responsibility for the overall supervision and regulation of the Italian electricity sector. While the MASE establishes the strategic guidelines for the electricity sector, the ARERA, among other things, defines and updates the tariff method for setting electricity network tariffs and prices for energy gas supply to vulnerable customers. In addition to regulation by the ARERA, the Italian Antitrust Authority also plays an active role in the energy market in ensuring competition between suppliers and protecting the rights of customers to choose their suppliers.

Italian electricity regulation

Overview

With the entry into force of Legislative Decree no. 79 of 16 March 1999 (the “**Bersani Decree**”) on 1 April 1999, the electricity sector in Italy shifted from a highly monopolistic industry to one in which energy prices charged by providers are eventually determined by competitive bidding with a gradual liberalisation of the electricity market. In such market, a number of customers (including, among other things, those whose annual consumption of electricity exceeded specified amounts) (the “**Eligible Customers**”) were to be able to enter freely into supply contracts with power generation companies, wholesalers or distributors. The Bersani Decree maintained a regulated monopoly structure for transmission, distribution and sales to parties other than the Eligible Customers (currently mainly limited to household customers, the “**Non-Eligible Customers**”).

The Bersani Decree and the subsequent implementing regulations provided for (i) the incorporation of Acquirente Unico S.p.A. (the “**Single Buyer**”), the company which stipulates and operates supply contracts in order to guarantee to the Non-Eligible Customers the availability of the necessary generating capacity and the supply of electricity in conditions of continuity, security and efficiency of service, as well as equal treatment, including tariffs; (ii) the creation of a power exchange market in which prices are determined through a competitive bidding process (the “**Power Exchange Market**”) and (iii) the incorporation of Gestore dei Mercati Energetici S.p.A. (the “**Energy Market Operator**” or “**GME**”), appointed to manage the Power Exchange Market.

ARERA fixes electricity prices on the basis of supply costs paid by the Single Buyer to be applied to small end users not switching to the free market (the “*protection scheme*”). The Single Buyer also holds bidding procedures to identify providers of the last resort service, which is rendered to all final customers who are not eligible for the protection scheme and may temporarily find themselves without an electricity supplier.

From 1 January 2021, the protection scheme for small enterprises in the electricity sector was ended. ARERA, to guarantee the electricity supply at the customers’ premises not switching to the free market, has established the “*Servizio a tutela graduale*”, whereas its identification for suppliers takes place and is selected through an auction carry out by the Single Buyer.

Generation – Thermoelectric plants

The construction and management of thermoelectric plants is subject to an authorization regime pursuant to Italian laws and regulations. The electricity generated can be sold wholesale on the organized spot market, managed by the Power Exchange Market, and through organized and over-the-counter platforms for trading forward contracts. Generators may also sell electricity to companies engaged in energy trading, to wholesalers that buy electricity for resale at a retail level, and to the Single Buyer, whose duty is to ensure the supply of energy to enhanced protection service customers.

Essential Plants Regime (so-called Must Run)

For the purpose of providing dispatching services, electricity generated may be sold on a dedicated market, the ancillary services market, where Terna S.p.A. (“**Terna**”), the company managing the Italian electricity grid, procures the required resources from generators. More specifically, with regard to dispatching services, the ARERA has adopted a number of measures regulating plants essential to the security of the electrical system. These plants are deemed essential based on their geographical location, their technical features and their importance to the solution of certain critical grid issues by Terna. In exchange for being required to have electricity available and providing binding offers, these plants receive special remuneration determined by the ARERA (the so-called “*must-run regime*”).

Capacity Market

Pursuant to Italian laws and regulations, the availability of electricity capacity must be regulated by a compensation mechanism aimed at assuring the adequacy of the system to cover the demand with the necessary reserve margins. Following the auctions held in late 2019 and early 2020, in 2022 was the entry into operation of the so-called “*Capacity Market*” which provides for, on the one hand, a competitively determined capacity premium for generating plants, providing a minimum return to allow for the investments necessary to phase out

coal-fired plants in a context of overall energy security, and, on the other hand, the obligation for operators to make the allocated capacity available to meet electricity demand.

In particular, the capacity market is a mechanism whereby Terna (as transmission system operator) procures electricity capacity through forward contracts awarded via competitive auctions. With the auctions the participants have the right to receive an annual fixed premium for the capacity made available for a given period against the obligation to offer committed capacity on the energy markets and to return the difference, if positive, between the electricity price on the energy markets and a strike price defined by ARERA. Successful bidders execute with Terna an agreement whereby Terna remunerates the services provided in favour of the electricity system.

Promotion of Renewable Energy Sources

Regulation No. 6/1992 (“**CIP-6**”) established incentives for new generation plants powered by renewable energy sources and for the sale of electricity generated from such sources. Most recently, a new support scheme for renewable energy sources was enacted by the Ministerial Decree of 4 July 2019 (also known as “**DM FER 1**”). DM FER 1 set a cap on the total expenditure (EUR 5.8 billion) and an amount of capacity admitted broken down into groups of technologies with similar deployment costs.

Through the approval of Legislative Decree 199/2021, transposing the RED II, Italy has redefined the framework of the support schemes for renewable energy sources, in order to achieve the decarbonisation targets by 2030. The new Decree introduces the new renewables penetration targets by 2030 (at least 30 per cent. of gross final consumption) and outlines the main features of the new support schemes.

Energy price caps

Italian law 197/2022 (implementing Regulation (EU) 2022/1854) introduced a price cap on electricity prices for the period between 1 December 2022 to 30 June 2023 on the basis of a one-way compensation mechanism. In particular, such mechanism applies if the market price in the relevant period (being equal to the monthly average of the hourly zonal market price, calculated as a weighted average for non-programmable plants, based on the production profile of the individual plant, and as an arithmetic average for programmable plants, or, for supply contracts entered into before 13 January 2023) exceeds the reference price of EUR 180 per MWh. With respect to energy sources characterised by higher generation costs, a specific reference price has been established by ARERA.

France

General

The French energy sector is mainly regulated by the French Energy Code (“**French Energy Code**”), which regulates the conduct of business in the electricity, gas, heating, oil and hydrogen sectors, particularly production, transmission, distribution and supply of electricity and gas. The main governmental authorities supervising the energy sector are the French ministry of Energy (“**MTE**”) and the French Energy Regulatory Commission (“**CRE**”) which is an independent energy regulatory body established as the main supervisory authority in the energy sector.

Licensing regime

In order to conduct business relating to the production and supply of electricity an entity requires a licence issued by the MTE for the relevant activity (including, since 1 July 2023, wherever the electricity is directly sold to the consumer by the operator of the electricity production facility through a corporate power purchase agreement). However, electricity generation facilities may be deemed authorised by the MTE if their installed capacity is below 50 MW for renewable energy generation facilities and 10 MW for coal-fired electricity generation facilities. Where an installation located in mainland France produces electricity from fossil fuels and emits GHG, the operating authorisation restricts the maximum annual number of equivalent operating hours at full power. Electricity generation, and electricity or gas supply authorisations are granted for an indefinite period and may be withdrawn or suspended in case the relevant operator fails to comply with applicable regulations.

French capacity mechanism

The French capacity mechanism was introduced in 2010 and obliges electricity suppliers, TSOs / DSOs for their losses and electricity consumers (which have not entered into electricity supply contracts to cover all their needs) to contribute to the security of electricity supply by justifying each year that they hold sufficient capacity guarantees to meet their clients' needs during peak periods. The French capacity mechanism is governed by the French Energy Code and a set of rules approved by the MTE based on a proposal of the electricity TSO (i.e. RTE), following an opinion of CRE. These rules require electricity suppliers to hold sufficient capacity guarantees, the volume of which is determined by taking into account the consumption of the supplier's customers over certain specific periods. They also require electricity producers connected to public networks to apply to the TSO for certification of their production capacity.

Capacity guarantees, which are certified for a period of one year, are recorded in a register kept by RTE. They are transferred to suppliers, either over the counter or through auctions held several times a year on a market organised by EPEX Spot. The additional costs incurred by suppliers in purchasing capacity guarantees are passed on to their customers. The rules governing the capacity mechanism also provide for a rebalancing mechanism under which suppliers that have not acquired sufficient capacity guarantees are required to pay an amount to compensate for the difference between the volume of guarantees actually acquired and that of guarantees that should have been actually purchased. Whenever a supplier fails to meet its obligations under this mechanism, CRE may impose a financial penalty of up to EUR 120,000 per MW of missing certified capacity.

Electricity generation regulation

Subsidy mechanisms applicable to renewable power generation assets

Electricity producers can sell the electricity generated by their renewable energy facilities (i) directly to a consumer, subject to specific authorisation since 1 July 2023, under corporate power purchase agreements, (ii) on the market, generally through an intermediary known as an aggregator or balance manager, or (iii) through regulated support mechanisms that can take the form of either power purchase agreements, where the producer sells its production against a fixed rate (i.e. feed-in-tariff), or contracts for difference where the producer may receive the fee corresponding to the difference between the market price and a reference price set in the contract. In both cases contracts are entered into with an obliged purchaser (namely EDF OA).

Said contracts may only be entered into by power producers either based on (i) an open-window mechanism, or (ii) calls for tenders, organised by CRE or, as the case may be, the MTE (for offshore wind and some hydropower facilities) and awarded by the MTE. Contracts are entered into for a period of either 15 or 20 years depending on the legal framework applicable at the time the benefit of the support mechanism was obtained and cannot be renewed. However, older wind farms and solar parks may benefit from a new contract for difference in the event the facilities are renewed (so-called repowering) if specific criteria are met.

Cap on inframarginal rents implemented to address high energy prices

As part of the measures taken by the European Union to address the negative consequences of the crisis resulting from the outbreak of the war in Ukraine, the European Union enacted an obligation to implement a cap on market revenues of electricity producers operating inframarginal power plants (e.g. other than hydrocarbon or coal-fired electricity generation). In this context, article 54 of the 2023 Budget Act (*Loi de finances pour 2023*) of 30 December 2022, introduced a contribution on inframarginal rents, triggered by revenues from the sale of electricity between 1 July 2022 and 31 December 2023. Said contribution, which does not normally apply to coal-fired power plants, is equal to the difference between revenues from the sale of electricity (from which are deducted sums received by certain producers benefitting from a support scheme) and a cap corresponding to EUR 130/MWh for biomass power plants and EUR 100/MWh for other power plants (e.g. wind and solar power plants), the resulting amount being reduced by 10 per cent.

Planned closure of coal-fired power plants

France decided to phase out coal-fired power plants by 2022. The French Energy and Climate Act of 8 November 2019 set out the objective of phasing out the use of fossil fuels that emit the most GHG.

Limitation of emissions by coal-fired power plants

Since 1 January 2022, MTE has set an emission cap for facilities emitting more than 0.55 tonnes of carbon dioxide equivalent per megawatt-hour of installed capacity. In addition to regulatory obligations relating to the surrender of allowances for every tonne of CO₂ equivalent emitted every year, a specific compensation obligation has been imposed on coal-fired power plants still in operation to offset additional emissions resulting from this increase. This compensation takes the form of a final payment of EUR 40 per tonne of CO₂ equivalent emitted to a fund set up to finance projects that aim to reduce or sequester GHG in France. A decree dated 23 August 2023 sets the cap to 1.8 KT CO₂-eq/MW from 1 April 2023 to 31 December 2024, and the specific amount of the compensation to EUR 50 per tonne of carbon dioxide equivalent emitted for year 2024 (the amount of the compensation being set to EUR 40 per tonne of carbon dioxide equivalent emitted for 2023).

Transition of sites hosting coal-fired power plants

Several public support measures have been put in place to ensure the economic transition of areas affected by phase-out of coal-fired power plants. In this context, the operators of coal-fired power plants, the French government and local public entities have signed pacts to support the transition of these regions, setting targets for the revitalization of the sites.

Electricity supply regulation

Purchase of electricity generated by historical nuclear power plants

Electricity suppliers are entitled to purchase certain volumes of nuclear electricity produced by EDF at a fixed rate (currently EUR 42/MWh) in accordance with a specific mechanism known as ARENH, within the limit of a maximum envelope (i.e. 100 TWh distributed among all suppliers).

The implementation of this mechanism, in force since 1 July 2011, was justified by the need to develop competition on the retail market. In practice, alternative suppliers sign a framework agreement for the purchase of ARENH volumes (based on a template adopted by decree (*arrêté*) of MTE), suppliers then apply before CRE for ARENH allocations based on their customers' consumption during low consumption hours. Applications are examined by CRE, which determines the amount of ARENH allocations a supplier is entitled to on the basis of the consumption profile of the supplier's customers, as such profile is described in the application file. When the volumes requested by all of the alternative suppliers do not exceed the overall envelope, suppliers are generally entitled to 100 per cent. of allocations requested. If said requests exceed the aforementioned envelope, volumes are capped and proportionally distributed among suppliers. The impact of suppliers benefiting from ARENH is then reflected on consumers' bills based on a looping coefficient set by decree. The looping coefficient is calculated in proportion to the share of historical nuclear electricity production in the overall electricity consumption in France (a decree dated 27 July 2023 sets this coefficient at 0.844). Whenever this looping coefficient decreases (e.g. as is the case when the share of renewables' generation increases), the price of electricity supplied to consumers entitled to ARENH may increase since part of the supplied electricity (as well as associated capacity certificates) must be purchased by suppliers on the market. Any over-subscription of ARENH allocations may lead to the payment of price supplements. Although, the ARENH mechanism is supposed to end in 2025, alternative substitutions mechanisms are currently being studied by public authorities.

Caps on electricity prices

In France, electricity is sold to end users either at a price freely determined by the supplier, or as regards obliged suppliers (mainly EDF) at a regulated tariff. This regulated tariff, set by decision of the MTE and the French Minister of Economics on proposal from CRE, benefits selected consumers (residential consumers as well as very small companies) the maximum connection of which does not exceed 36 kVA. The level of these regulated tariffs generally influences the tariffs offered by alternative electricity suppliers (which are generally set by reference to said tariffs).

To limit the surge in electricity tariffs, the legislator and the government have put in place a number of mechanisms aiming to limit the effects of the electricity crisis on both suppliers and consumers.

Article 181 of the 2022 Budget Act (*Loi de finances pour 2022*) thus introduced a mechanism to limit the increase in the aforementioned regulated electricity tariffs (so-called "tariff shield", *bouclier tarifaire*). This tariff shield allows MTE and the Minister of Economics to oppose any increase of regulated electricity tariffs

in excess of a percentage defined by law (4 per cent. for 2022 and 15 per cent. for 2023). According to declarations of the French Minister of Economics, the tariff shield could remain in place until early 2025. Whereas a similar mechanism was in place for gas supply, regulated tariffs for gas supply were suppressed as from 1 July 2023.

Furthermore, article 181 of the 2023 Budget Act also created a new mechanism aiming to help non-residential consumers (other than those benefitting from the tariff shield) meeting certain criteria set by law to pay their electricity bill (so-called “shock absorber”, *amortisseur électrique*). Under this mechanism, eligible consumers are entitled to a state subsidy covering the difference between the electricity price set in their supply contract and a cap set at EUR 180, for 50 per cent. of their electricity consumption.

United Kingdom

General

The government departments with responsibility for the energy sector are the Department for Energy Security and Net Zero (“**DESNZ**”) and the Department for Business Energy & Industrial Strategy (“**BEIS**”). The independent regulator is the Gas and Electricity Markets Authority, acting through the Office of Gas and Electricity Markets (“**Ofgem**”). Environmental matters are the responsibility of the Department for Environment Food & Rural Affairs (“**DEFRA**”). The main legislation regulating the gas and electricity sectors in the United Kingdom is the Electricity Act 1989 (as amended) (the “**1989 Act**”) and Gas Act 1986 (as amended) (the “**1986 Act**”).

The 1989 Act establishes the licensing regime which applies to activities in the electricity sector. Ofgem manages the process for the application and granting of licences, in accordance with a series of statutory instruments (regulations) which set out the relevant procedures. The 1986 Act sets out the licensing regime which applies to activities in the gas sector. As for electricity, Ofgem manages the application process for and the granting of licences in accordance with regulations.

Licensing regime

The United Kingdom licensing regime is similar across all utilities and is based on the premise that the carrying out of certain specified activities is illegal without an authorisation. Such authorisation takes the form of either a licence or an exemption. Licences are issued in standard form and are subject to standard conditions published by Ofgem. Licences may contain licensee specific special conditions and amendments to the standard conditions.

Generation

Generation Licences authorise the generation of electricity “for the purpose of giving a supply to any premises or enabling a supply to be given”. Generation licences do not have a specified end date. They are terminable by Ofgem on giving 25 years’ notice in writing to the licensee, such notice to be given no earlier than 10 years from the date on which the licence comes into force. As a condition of the licences, generation licensees are required to sign up to various industry codes and documents including the Balancing Settlement Code (BSC). The BSC governs market rules relating to metering and notification of physical production by generators in relation to their contracted positions and the methodology for calculating and settling imbalances when these positions do not match.

Support schemes for generators

Capacity market

Generators can participate in auctions for capacity market agreements whereby they receive a monthly payment for providing MWh during times of system stress. Existing facilities bid for capacity market agreements on an annual basis. New build facilities or qualifying extensions to existing plant can apply for 15 year capacity market agreements if they satisfy certain criteria relating to levels of investment.

Feed in tariff contract for difference

The development of new renewable generation facilities is supported by a contract for difference scheme. Developers bid in an auction to obtain an indexed fixed income stream for a period of up to 15 years

(the payment stream consists of difference payments calculated by the difference between market price and the bid-for strike price).

Price regulation

The general position is that the only energy prices subject to price control in England and Wales are those charged by the operators of the wire and pipe networks (electricity transmission and distribution, gas transmission and distribution and interconnectors). Since 2019 there has been a price cap on the price that can be charged to end users of energy. Generators and gas shippers are not subject to the price cap.

Environmental

Environmental permitting

The environmental permitting regime in the United Kingdom requires operators carrying on certain types of activity to hold an environmental permit. The regime operates as a “one-stop shop” for environmental permits and covers a wide range of activities that release emissions to land, air and water, or that involve waste. The list of regulated emissions to air include SO_x, NO_x, carbon monoxide, metals, dust and various other substances. The regime requires detailed ongoing reporting to the Environment Agency.

Closure of coal plants

Unabated coal generation in the United Kingdom will not be permitted after 1 October 2024.

Emissions performance standard

There is an emissions limit of 450g/kWh applicable to fossil fuel power stations with a capacity over 50 MW which (i) received planning consent on or after 18 February 2014 or (ii) received planning consent before 18 February 2014, and a main boiler has been replaced or added on or after 18 February 2014. The limit applies to power stations that use fossil fuel, or fuel produced by gasification plant. Stations which have carbon capture and storage are exempt from the emissions limit during testing. All new combustion power plants with a capacity over 300 MW must be carbon capture ready in order to obtain planning consent.

United Kingdom Emissions Allowances

As of January 2021, the EU ETS was replaced by the United Kingdom Emissions Trading Scheme (“**UK ETS**”). The UK ETS was established by the Greenhouse Gas Emissions Trading Scheme Order 2020 (as amended) which requires power generation facilities which produce greenhouse gas emissions to obtain a greenhouse gas emissions permit. Allowances must be submitted to the regulator in accordance with the permit. The UK ETS is very similar in the way it operates to the EU ETS. United Kingdom Emissions Allowances are traded freely in the United Kingdom.

Republic of Ireland

General

The Irish electricity market is fully liberalised, save that the electricity transmission and distribution systems remain as state owned monopolies. The Commission for Regulation of Utilities (“**CRU**”) is the national regulatory authority responsible for overseeing the liberalisation of the Republic of Ireland’s (“**ROI**”) and granting licences for the generation, transmission, distribution and supply of electricity. The CRU also has functions in relation to the development of an all-island energy market (covering ROI and Northern Ireland) and the development and regulation of the Single Electricity Market (“**SEM**”), a compulsory wholesale pool implemented on the island of Ireland in 2007. ESB, a vertically integrated state-owned corporation, has a statutory monopoly on the ownership of ROI’s transmission and distribution systems. The wholly state-owned EirGrid plc (“**EirGrid**”) is the licenced Transmission System Operator, while ESB Networks DAC, a wholly owned subsidiary of ESB, is the licenced Distribution System Operator.

The role of market operator is performed pursuant to a contractual joint venture between EirGrid and its Northern Ireland counterpart System Operator Northern Ireland (“**SONI**”), known as the Single Electricity Market Operator (“**SEMO**”). Any generator with a maximum export capacity greater than or equal to 10 MW who wishes to sell electricity must do so via the SEM, either directly or in certain cases through an intermediary.

The SEM also includes a Capacity Remuneration Mechanism (“**CRM**”), which provides an opportunity for generators to receive payments in return for availability. Under the CRM, generators may bid into auctions to receive remuneration for capacity through regulated contracts for difference.

Overview of gas market

The gas transportation (transmission and distribution) system is owned and operated by Gas Networks Ireland, a wholly owned subsidiary of the state-owned Eirvia (formerly known as Bord Gáis Éireann).

ROI’s transportation system is connected to the transportation system in United Kingdom via two subsea interconnectors from Moffat in Scotland, as well as through the North–South pipeline to Northern Ireland, which is in turn linked to Great Britain through a subsea interconnector. ROI is a net importer of gas and is expected to remain so for the foreseeable future. ROI has one operational gas field, the Corrib Gas field off the coast of Co. Mayo.

Ireland operates an entry/exit gas capacity system governed by a CRU approved Code of Operations. Entry paid gas can be traded in the Irish system at a notional balancing point known as the Irish Balancing Point or “IBP”. Large demand customers will sometimes purchase gas from suppliers at their plant gate or may become licensed as Shippers to purchase at IBP, at the Bellanaboy or Moffat Entry Points or even at the National Balancing Point (“**NBP**”) in the UK. NBP is one of the largest liquid traded gas hubs in the world and so there is a high level of competition in gas supply for large users, as well as an ability for large users to ship gas themselves from IBP, NBP or a system Entry Point.

Competition in the retail gas market for industrial and commercial customers has been in place since 2004, with full market opening of the Irish retail gas market taking place in July 2007. The non-daily metered (NDM) or residential gas market was deregulated with effect from 1 July 2014.

Licensing and regulation

The principal legislative instruments governing the regulation of the energy sector in ROI include the Electricity Regulation Act 1999 (the “**1999 Act**”), the European Communities (Internal Market in Electricity) Regulations 2000, 2005, 2006, 2009, 2010 and 2022, the Energy Act 2016, the Gas Act 1976 the Gas (Interim) (Regulation) Act 2002 and the Electricity Regulation (Amendment) (Single Electricity Market) Act 2007.

Electricity generators will typically be required to hold an authorisation to construct or reconstruct a generating station (an “**Authorisation to Construct**”) and a licence to generate electricity (a “**Licence to Generate**”), while an electricity supplier is required to hold a licence to supply electricity. Authorisations are typically issued in standard form and cannot be amended, save pursuant to a statutory process that requires consultation with the licence holder and statutory appeal rights.

A regulatory obligation applicable only to gas-fired plants in ROI is the secondary fuel obligation introduced by CRU decision paper CER/09/001. Further to this decision, gas units and CHP plants of more than 10 MW are required to be capable of running on a secondary fuel and must be capable of doing so at no less than 90 per cent. of the unit’s capacity on its primary fuel. Minimum fuel stocks must also be maintained.

Emissions regulation

An Industrial Emissions (“**IE**”) licence must be applied for and obtained from the Environmental Protection Agency (the “**EPA**”) in respect of certain activities as specified in the Environmental Protection Agency Act 1992, as amended (the “**1992 Act**”). An IE licence is required in respect of a generating station with a total rated thermal input is 50 MW or more.

Under the European Union (Medium Combustion Plant) Regulations 2017 (the “**MCP Regulations**”), all medium combustion plants (“**MCP**”) must register with the EPA unless the MCP is located on an installation operated under an IE Licence from the EPA. Therefore, in circumstances where the total rated thermal input of a generating station is less than 50 MW, it must be registered with the EPA.

A GHG permit must be applied for and obtained from the EPA in respect of any activity listed in Annex 1 of the EU ETS Directive. The most common activity for which a GHG permit is required is the combustion of fuels in installations with a total rated thermal input of 20 MW or more.

Northern Ireland

General

Energy policy and strategy is devolved in Northern Ireland (“**NI**”) and is regulated and operated separately from Great Britain. The electricity industry in NI is governed principally by the Electricity (Northern Ireland) Order 1992 (the “**1992 Order**”), the Energy (Northern Ireland) Order 2003 (the “**2003 Order**”) and by the conditions of the licenses which have been granted under the 1992 Order. Notwithstanding the United Kingdom’s departure from the EU, a range of specified provisions of EU law that relate to the EU internal electricity market continue to apply in NI insofar as they apply to generation, transmission, distribution and supply of electricity, trading in wholesale electricity or cross-border exchanges in electricity. This position provided the basis for the continued operation of the SEM and has been given effect by way of the NI Protocol, which is a protocol to the UK-EU Withdrawal Agreement that entered into force on 1 February 2020. The full suite of EU laws governing wholesale electricity markets which the UK has committed to applying in respect of Northern Ireland can be found in Annex 4 of the NI Protocol.

The gas industry in NI is governed principally by the Gas (NI) Order 1996 (the “**1996 Order**”) and its regulations, the conditions of the licenses which have been granted under the 1996 Order, the 2003 Order and the Energy Act (Northern Ireland) 2011.

Government departments and other regulators

The Department for the Economy (“**DfE**”) is the devolved ministerial government department responsible for Northern Ireland’s policy and strategy on energy. The Northern Ireland Authority for Utility Regulation (“**NIAUR**”) is an independent statutory body corporate, responsible for regulating Northern Ireland’s electricity, gas, water and sewerage industries. The functions of the NIAUR include licensing and the general supervision and enforcement of the NI licensing regime.

Additionally, in relation to the SEM, Article 6(1) of the Electricity (Single Wholesale Market) (Northern Ireland) Order 2007 (the “**SEM Order**”) established a joint committee known as the Single Electricity Market Committee (“**SEM Committee**”), which combines members of both regulators in the SEM, being the NIAUR and the CRU. The overview of the SEM provided in relation to ROI is applicable also to NI.

Licences

There are five types of electricity licence available in NI, pertaining to participation in electricity transmission, distribution, supply, generation, and SEM operation. There are four types of natural gas licenses, pertaining to participation in natural gas, conveyance, supply, storage and operation of a liquefaction of natural gas facility. The NIAUR has statutory powers to enforce compliance with licence conditions. Article 39 of the 1992 Order provides that a generating station shall not be constructed, extended or operated except in accordance with a consent granted by DfE.

Emissions regulation

A Pollution Prevention and Control (“**PPC**”) Permit must be obtained from the Northern Ireland Environment Agency (“**NIEA**”) in respect of certain activities as specified in the Pollution Prevention and Control (Industrial Emissions) Regulations (Northern Ireland) 2013 which transposes the IED and the Medium Combustion Plant Directive (2015/2193/EU) into Northern Irish law (the “**PPC Regulations**”). A PPC Permit is required in respect of a generating station with a total rated thermal input is 50 MW or more.

From 1 January 2021 following the UK’s withdrawal from the European Union, all installations were transferred over to UK ETS. Various provisions of EU Law that relate to the EU internal electricity market continue to apply in Northern Ireland including the IED and the EU ETS Directive.

A GHG Permit must be obtained from the NIEA in respect of any activity listed in Annex 1 of the EU ETS Directive. The most common activity for which a GHG Permit is required is “*the combustion of fuels in installations with a total rated thermal input of 20 MW or more*”. A GHG Permit will therefore be required in respect of a generating station with a total rated thermal input is 20 MW or more.

The Climate Change Act (Northern Ireland) 2022 (Act) sets a net zero emissions target by 2050, along with interim targets including an at least 48 per cent. reduction in net emissions by 2030. The Act also sets other sectoral targets including a 2030 target of at least 80 per cent. of electricity consumption from renewable

sources.

Netherlands

General

The main laws in the Netherlands regulating the energy sector are the Dutch Electricity Act 1998 (“**Dutch Electricity Act**”) and the Dutch Gas Act (“**Dutch Gas Act**”), which regulate the conduct of business in the energy sector by setting out common rules relating to the production, transport, and supply of electricity and gas, as well as grid access. The Dutch Grid Code (the “**Dutch Grid Code**”) governs market rules relating to metering and notification of physical production by generators in relation to their contracted positions and the methodology for calculating and settling imbalances when these positions do not match.

The main governmental authority supervising the energy sector is the Authority for Consumers and Markets (“**ACM**”). Furthermore, another main governmental actor is the Minister for Climate and Energy Policy and the Minister for Economic Affairs and Climate, both bearing responsibility for sectoral regulation. The Netherlands has one operator for the gas grid (Gasunie Transport Services, or “**GTS**”), one transmission system operator for electricity (TenneT), and a number of electricity grid operators, which generally cover one or more provinces.

Licensing and permitting framework

For the operation of a natural gas power plant in the Netherlands, various permits are required. To be able to supply energy to consumers (being off takers with a connection of at most 3*80 A) a license from the ACM is required. No permit requirement applies to wholesale trading of electricity in the Netherlands. For title transfer transactions in respect of gas, and for physical transport of gas, a license from GTS is required.

The physical environment in the Netherlands is regulated under the Spatial Planning Act and local zoning plans. Environmental permits under the Dutch Environmental Management Act are generally required for the operation of an establishment such as a power plant. Establishments requiring a license generally need to comply with BAT LCP stipulated in BREFs. Certain types of establishments with a larger environmental impact and higher risk activities may also be subject to the Decree on the risk of severe accidents.

Nitrogen deposition and GHG emissions

Most GHG emissions are regulated under the Dutch Environmental Management Act. Some emissions are, however, regulated separately. For all operational activities in the Netherlands an assessment needs to be made whether these activities cause nitrogen deposition onto nearby Natura 2000 nature conservation areas. If this is the case, a nature permit under the Nature Conservation Act may be required for such activities. For operational activities, such as operating a natural gas-fired power plant, in the Netherlands, an emission permit (issued by the Netherlands Emission Authority) may be required. The Dutch framework generally follows the EU ETS, which has been implemented, among other things, in the Environmental Management Act.

Developments in the Dutch energy market

A legislative process to update the Dutch Electricity Act and the Dutch Gas Act are being prepared and are in an advanced stage of the draft, which is yet to be discussed by the parliament. The intention is to modernize both acts and merge them into a single Dutch Energy Act. Furthermore, the environmental framework in the Netherlands will get a substantial overhaul as of 1 January 2024, with the Dutch Environmental Management Act and various other environmental law acts being replaced with the new Environment and Planning Act.

Support schemes in the Netherlands

The Dutch central government has implemented several support schemes to speed up and facilitate the transition to renewable and more sustainable energy sources. One of the main schemes is the Stimulation of Sustainable Energy Production (“**SDE**” scheme). The SDE offers a feed-in subsidy scheme for renewable energy, offering a support premium based on the difference between the reference price for the relevant renewable technology and the realized market price. The premium is capped at a certain floor for the market price. Subsidies under the SDE scheme are available to, among other things, solar farms, wind farms, but also biogas generation plants. Furthermore, the Netherlands has several fiscal incentives to support the transition to a more sustainable energy

sector, such as Energy Investment Allowance, which offers an extra deduction of the investment cost for energy-efficient business assets.

TAXATION

THE TAX LEGISLATION OF THE MEMBER STATE OF THE PROSPECTIVE PURCHASERS OF NOTES AND THE ISSUER'S COUNTRY OF INCORPORATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE NOTES. PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF THE CZECH REPUBLIC AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR WHICH THEY MAY OTHERWISE BE LIABLE FOR TAXES. THE RESPECTIVE RELEVANT TAX LEGISLATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE NOTES.

1. Disclosure of information in connection with payments

General information

Pursuant to the Czech withholding tax rules applicable to the Eurobonds under the Czech Income Taxes Act as amended by the Act No. 609/2020 Coll. and Act No. 353/2021 Coll., unless exempt from tax or unless a Tax Treaty states otherwise, income payable by an issuer in respect of the Notes may be subject to the Withholding Tax and the Tax Security (as the case may be).

As a withholding agent, the Issuer is liable, on a strict-liability basis, for (i) a proper withholding of any Withholding Tax and Tax Security (as the case may be) which are required to be withheld or deducted at source at an appropriate rate under any applicable law by or within the Tax Jurisdiction from any payment of interest or principal in respect of the Notes as well as (ii) the granting of any relief therefrom (whether in the form of an exemption or application of a reduced rate) (a "**Tax Relief**"). The Issuer also bears the related burden of proof vis-à-vis the tax authorities which necessitates, before any Tax Relief can be granted, collection of certain information and documentation concerning, in particular, the identity and country of tax residence of the recipient of a payment of principal or interest in respect of the Notes (together with relevant evidence thereof) which would enable the Issuer to reliably establish that such recipient is a Beneficial Owner with respect to any such payment and that it meets all conditions for any applicable Tax Relief to be granted (the "**Beneficial Ownership Information**").

The tax relief at source and refund procedures for the Czech Republic implemented by Euroclear and Clearstream, Luxembourg which are designed to facilitate collection of the Beneficial Ownership Information are available at the website of the International Capital Market Services Association at www.icmsa.org, as amended or replaced from time to time (the "**Certification Procedures**"). Noteholders must seek their own professional advice to satisfy themselves that they comply with all the applicable procedures and any requirements thereunder (whether documentary or otherwise) to ensure a tax treatment of their Notes which duly reflects their particular circumstances for the purposes of applying any Withholding Tax, Tax Security and Tax Relief (as the case may be) and should consult the latest announcements in relation to the Certification Procedures on the websites of Euroclear and Clearstream, Luxembourg (<https://my.euroclear.com/>¹⁹ and www.clearstream.com) and on the website of the International Capital Market Services Association (www.icmsa.org). None of the Issuer, the Joint Lead Managers, the Paying Agents or the ICSDs (or any other clearing system) assumes any responsibility therefor.

Quick Refund Procedure

The Beneficial Owners who are otherwise entitled to a Tax Relief and to whom the payments of interest and/or principal in respect of the Notes have been made net of any Withholding Tax or Tax Security, because the Beneficial Ownership Information under the Relief at Source Procedure could not, for any reason, be duly or timely collected, may be entitled to a refund of the amounts so withheld pursuant to the quick refund procedure as set out in the Certification Procedures (the "**Quick Refund Procedure**").

¹⁹ Only Euroclear participants will have access to the website.

Standard Refund Procedure

The Beneficial Owners who are otherwise entitled to a Tax Relief and to whom the payments of interest in respect of the Notes have been made net of any Withholding Tax, because the Beneficial Ownership Information under the Relief at Source Procedure or the Quick Refund Procedure could not, for any reason, be duly or timely collected, may deliver correct, complete and accurate Beneficial Ownership Information to the Issuer no later than **three years** from the end of a calendar year in which the payments which were subject to any relevant withholdings with respect to Withholding Tax were made (the “**Standard Refund Procedure**”).

The Beneficial Ownership Information shall be delivered to the address set out below, in person or by first class mail or (if posted from an address overseas) by airmail and marked for the attention of:

EPH Financing International, a.s.
Pařížská 130/26
110 00 Praha 1
Czech Republic
Attention of: Andrea Hejdová, Jan Bílek

Or a scan thereof delivered by email to Andrea.hejdova@epholding.cz and bilek@epholding.cz

and shall include the Beneficial Owner’s up-to-date contact details together with evidence of the Beneficial Owner’s holding of or interest in the relevant Notes, which shall be used by the Issuer for the purposes of any refund-related communication.

The Issuer shall proceed in accordance with the then applicable laws of the Czech Republic and shall use its reasonable endeavours to obtain the refund or will inform the Beneficial Owner that it is not in position to process such request. Subject to the due and timely receipt of the Beneficial Ownership Information, if the Issuer in its sole and absolute discretion determines that it is entitled to file a refund claim with the Czech tax authorities for any previously withheld Withholding Tax and obtains a refund of any amounts so withheld, it shall pay any such amounts to the Beneficial Owner within ten Business Days of receipt thereof from the Czech tax authorities, net of a fee payable to the Issuer and calculated as the sum of (a) a fixed amount of **EUR 1,000** and (b) any administrative fees, penalties, interest or similar costs the Issuer may incur in connection with the refund (in each case plus VAT, if any).

Any communication in respect of the Standard Refund Procedure shall be made directly between the Issuer and the relevant Beneficial Owner as Euroclear and Clearstream, Luxembourg and the Paying Agents are not engaged in the Standard Refund Procedure.

The Issuer may publish additional information in relation to the Standard Refund Procedure (including a change in contact details for delivery of the Beneficial Ownership Information) on the website of the Issuer.

In case of any withholding for or on account of the Tax Security, the relevant Beneficial Owner must directly approach the Czech tax authorities.

2. Taxation in the Czech Republic

The following is a general discussion of certain Czech tax consequences of the acquisition, ownership and disposition of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. The following section only provides some very general information on the possible tax treatment. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the laws of the Czech Republic currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect. The information contained within this section are limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

*The description below represents a brief summary of selected material tax aspects of the purchase, holding and disposal of the Notes in the Czech Republic. The summary is mainly based on Act No. 586/1992 Coll., on Income Taxes, as amended (“**Income Taxes Act**”), and on other related laws which are effective as of the date of this Base Prospectus as well as on the administrative practice or the prevailing interpretations of these laws and other regulations as applied by Czech tax, administrative and other authorities and bodies and as these are known to the Issuer at the date of this Base Prospectus. The information contained herein is neither intended to be nor should be construed as legal or tax advice. The description below is solely of a general nature (i.e. it does not take into account, for example, specific tax treatment of certain taxpayers such as investment, mutual or pension funds) and may change in the future depending on changes in the relevant laws that may occur after the date of this Base Prospectus, or in the interpretation of these laws which may be applied after that date. In this respect, please note that the below description of Czech tax treatment of the Notes has been significantly affected by Act No. 609/2020 Coll. (the “**2021 ITA Amendment**”) and Act No. 353/2021 Coll. (the “**2022 Banking Act Amendment**”), which amends some acts in the field of taxes and some other acts. The 2021 ITA Amendment has significantly changed the tax regime of notes issued after 31 December 2020. Subsequently, the 2022 Banking Act Amendment has reintroduced some provisions abolished by the 2021 ITA Amendment. The new rules are rather unclear in some respects and there is no or very limited case law that would provide guidance on their interpretation. Therefore, the tax regime of notes (including the Notes) is currently associated with many ambiguities. In the Issuer’s opinion, the summary below represents a rational interpretation of the relevant provisions of the Income Taxes Act in relation to the Notes.*

The following summary assumes that the person to whom any income is paid in connection with the Notes is a beneficial owner of such income (within the OECD meaning of this term), i.e. it does not act, for example, as a proxy, agent, depositary or in any other similar position in which any such payments would be received on account of another person or entity.

For the purposes of this section “*Taxation*”, the following terms have the following meaning:

“**Beneficial Owner**” means a holder of a Note if such holder is also a beneficial owner (within the OECD meaning of this term) in respect of income paid on or in connection with such Note or a recipient of such income who qualifies as a beneficial owner within the above meaning, in each case under the Income Taxes Act as well as for the purposes of a relevant Tax Treaty (if any).

“**Czech Permanent Establishment**” means a permanent establishment in the Czech Republic under the Income Taxes Act as well as under a relevant Tax Treaty, if any.

“**Coupon**” means any note yield other than a note yield that is determined by reference to the difference between the nominal value of a note and its issue price (i.e. yield determined as the Discount). For the avoidance of doubt, the Coupon also includes the Early Redemption Premium.

“**Coupon Note**” means a note that has the issue price equal to its nominal value. For the avoidance of doubt, the Coupon Note is not a note with a yield that is determined by reference to the combination of the Discount and the Coupon.

“**Czech Tax Non-Resident**” means a taxpayer who is a tax resident of the Czech Republic neither under the Income Taxes Acts nor under any Tax Treaty.

“**Czech Tax Resident**” means a taxpayer who is a tax resident of the Czech Republic under the Income Taxes Acts as well as under a relevant Tax Treaty, if any.

“**Discount**” means a positive difference between the nominal value of a note and its lower issue price.

“**Discounted Note**” means a note that has the issue price lower than the nominal value. For the avoidance of doubt, the Discounted Note is also a note with a yield that is determined by the combination of the Discount and the Coupon.

“**Early Redemption Premium**” means any extraordinary yield paid by an issuer in the event of early redemption of a note.

“**Legal Entity**” means a taxpayer other than an individual (i.e. a taxpayer which is subject to corporate income tax but who may not necessarily have a legal personality).

“**Non-Qualifying Czech Tax Non-Resident**” means the Czech Tax Non-Resident other than the Qualifying Czech Tax Non-Resident.

“**Person Related Through Capital**” means every person (whether an individual or a Legal Entity) in a situation where (i) one person directly or indirectly participates in the capital of, or voting rights in, another person, or (ii) one person directly or indirectly participates in the capital of, or voting rights in, several persons and, in each case, such participation (whether direct or indirect) constitutes at least 25 per cent. of the registered capital of, or 25 per cent. of the voting rights in, such other person/persons.

“**Relief at Source Procedure**” means a procedure whereby income proceeds are paid taking into account exemption and/or applicable reduced rate as foreseen by the applicable tax laws or under any applicable Tax Treaty.

“**Qualifying Czech Tax Non-Resident**” means the Czech Tax Non-Resident (whether an individual or a Legal Entity) who (i) is not the Person Related Through Capital to the Issuer and (ii) has not created a legal relationship with the Issuer mainly for tax reasons (i.e. with the aim to reduce a tax base or to increase a tax loss).

“**Tax Security**” means a special amount collected by means of a deduction at source made by the Withholding Agent (for example by the issuer of a note or by the buyer of a note) upon payment of taxable income which serves essentially as an advance with respect to tax that is to be self-assessed by the recipient of the relevant income (i.e. unlike the Withholding Tax, the amount so withheld does not generally represent a final tax liability).

“**Tax Treaty**” means a valid and effective tax treaty concluded between the Czech Republic and another country under which the Czech Tax Non-Resident is treated as a tax resident of the latter country. In the case of Taiwan, the Tax Treaty is Act No. 45/2020 Coll., on the elimination of double taxation in relation to Taiwan, as amended.

“**Withholding Agent**” means a payer of (taxable) income who is responsible for making the deduction of (i) the Withholding tax or (ii) the Tax Security, as applicable, and their remittance to the tax authorities.

“**Withholding Tax**” means a tax collected by means of a deduction at source made by the Withholding Agent (for example by the issuer of the note) upon payment of taxable income. Save in certain limited circumstances, such tax is generally considered as final.

Interest Income

Czech Tax Residents

(a) Individuals

The yield in the form of the Coupon paid to an individual is subject to the Withholding Tax at a rate of 15 per cent. This tax represents final taxation of the Coupon in the Czech Republic.

The yield in the form of the Discount paid to an individual is not subject to the Withholding tax or Tax Security. Instead, it is included in the general tax base, which is subject to personal income tax at a progressive rate of 15 per cent. and 23 per cent. depending on individual’s applicable bracket (the threshold for higher bracket is 48 times the average wage amounting to CZK 1,935,552 in 2023). However, the general tax base does not include the amount of the Discount, but rather the (positive) difference between the nominal value of the Note paid by the Issuer (or another amount paid by the Issuer upon early redemption of the Note, but excluding the Early Redemption Premium, if any) and the price for which the individual acquired the Note. If an individual holds the Note, which is the Coupon Note, until its maturity (or early redemption) and this individual acquired such Note on a secondary market at an amount below the nominal value of the Note (or below other amount paid by the Issuer upon early redemption of the Note, but excluding the Early Redemption Premium, if any), such (positive) difference is also included in the individual’s general tax base.

(b) Legal Entities

The yield (whether in the form of the Discount or the Coupon) paid to a Legal Entity is not subject to the Withholding Tax, but it is rather included in the general tax base, which is subject to corporate income tax at a flat rate of 19 per cent. The Legal Entity which is an accounting unit is generally required to recognise the yield in its profit and loss statement on an accrual basis.

Qualifying Czech Tax Non-Residents

The yield from the Note (whether in the form of the Discount or the Coupon) paid to a Qualifying Czech Tax Non-Resident (whether an individual or a Legal Entity) is exempt from Czech taxation.

Non-Qualifying Czech Tax Non-Residents

(a) Individuals

The yield in the form of the Coupon paid to an individual is subject to the Withholding Tax at a rate of 15 per cent. or 35 per cent. The 35 per cent. rate applies to recipients, which do not have Czech Permanent Establishment to which the Notes are attributable and, at the same time, are tax residents of neither (i) an EU/EEA member state nor (ii) a country with which the Czech Republic has an effective double Tax Treaty or an effective double (or multilateral) treaty on the exchange of information. The 15 per cent. rate applies to all other recipients. This tax generally represents a final taxation of the Coupon in the Czech Republic. However, an individual who is a tax resident of an EU/EEA member state may decide to include the Coupon in his/her tax return filed in the Czech Republic for the relevant tax year. In such a case, the above Withholding Tax represents an advance payment which is credited against the final Czech tax liability as declared in the tax return.

The yield in the form of the Discount paid to an individual is not subject to the Withholding tax. Instead, it is included in the general tax base, which is subject to personal income tax at a progressive rate of 15 per cent. and 23 per cent. depending on individual's applicable bracket (the threshold for higher bracket is 48 times the average wage amounting to CZK 1,935,552 in 2023). However, the general tax base does not include the amount of the Discount, but rather the (positive) difference between the nominal value of the Note paid by the Issuer (or another amount paid by the Issuer upon early redemption of the Note, but excluding the Early Redemption Premium, if any) and the price for which the individual acquired the Note. However, if the Notes are not attributable to the individual's Czech Permanent Establishment, the taxable amount cannot exceed the Discount (i.e. if such difference is higher, the amount of the Discount will be included in the general tax base). Furthermore, if an individual is not a tax resident of an EU/EEA member state, the Issuer will withhold the Tax Security at the rate of 1 per cent. applicable to a gross amount paid (i.e. the nominal value of the Note upon the maturity or the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium, if any). This Tax Security is creditable against the final tax liability as declared in the Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable). If (i) an individual holds the Note, which is the Coupon Note, until its maturity (or its early redemption), (ii) this individual acquired such Note on a secondary market for an amount below its nominal value (or below the amount paid by the Issuer upon early redemption of the Note, but excluding the Early Redemption Premium, if any) and (iii) such Note is attributable to that individual's Czech Permanent Establishment, such (positive) difference is also included in the individual's general tax base.

(b) Legal Entities

The yield in the form of the Coupon paid to a Legal Entity, where the Note is not attributable to its Czech Permanent Establishment, is subject to the Withholding Tax at a rate of 15 per cent. or 35 per cent. The 35 per cent. rate applies to recipients, which are tax residents of neither (i) an EU/EEA member state nor (ii) a country with which the Czech Republic has an effective double Tax Treaty or an effective double (or multilateral) treaty on the exchange of information. The 15 per cent. rate applies to all other recipients. This tax generally represents final taxation of the Coupon in the Czech Republic. However, the Legal Entity who is a tax resident of an EU/EEA member state may decide to include the Coupon in its tax return filed in the Czech Republic for the relevant tax year. In such a case, the above Withholding Tax represents an advance payment which is credited

against the final self-assessed tax liability as declared in the tax return. The yield in the form of the Coupon paid to a Legal Entity, where the Note is attributable to its Czech Permanent Establishment, is not subject to the Withholding Tax. Instead, it is included in the general tax base, which is subject to corporate income tax at a rate of 19 per cent. Furthermore, if the Legal Entity is not a tax resident of an EU/EEA member state, the Issuer will withhold a Tax Security at the rate of 10 per cent. applicable to the amount of the Coupon (on a gross basis). This Tax Security is creditable against the final tax liability as declared in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable).

The yield in the form of the Discount paid to the Legal Entity is not subject to the Withholding tax. Instead, it is included in the general tax base, which is subject to corporate income tax at a rate of 19 per cent. However, the general tax base does not include the amount of the Discount, but rather the (positive) difference between the nominal value of the Note paid by the Issuer (or the amount paid by the Issuer upon early redemption of the Note, but excluding the Early Redemption Premium) and the price at which the Legal Entity acquired the Note. However, if the Notes are not attributable to Legal Entity's Permanent Establishment, the taxable amount cannot exceed the Discount (i.e. if such difference is higher, the amount of the Discount will be included in the general tax base). Furthermore, if the Legal Entity is not a tax resident of an EU/EEA member state, the Issuer will withhold the Tax Security at the rate of 1 per cent. applicable to gross amount (i.e. the nominal value of the Note at maturity or the amount paid by the Issuer upon an early redemption of the Note, but excluding the Early Redemption Premium). This Tax Security is creditable against the final tax liability as declared in the Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable). If (i) a Legal Entity holds the Note, which is the Coupon Note, until its maturity (or its early redemption), (ii) this Legal Entity acquired such Note on a secondary market for an amount below the nominal value of the Note (or below the amount paid by the Issuer upon early redemption of the Note, but excluding the Early Redemption Premium) and (iii) such Note is attributable to that Legal Entity's Czech Permanent Establishment, such (positive) difference is also included in its general tax base.

A Legal Entity which is an accounting unit and where the Notes are attributable to its Czech Permanent Establishment, is generally required to recognise the yield (whether in the form of the Discount or the Coupon) in its profit and loss statement on an accrual basis.

Capital gains/losses

Czech Tax Residents

(a) Individuals

Capital gains from the sale of the Notes that have not formed part of business assets of an individual are generally exempt from personal income tax if:

- total annual (worldwide) gross income (i.e. not gains) of that individual from the sale of securities (including the Notes) does not exceed the amount of CZK 100,000, or
- such gains are derived from the sales of the Notes which the individual has held for more than three years prior to their sale (however, income from a future sale of the Notes where a purchase agreement is concluded after three years but where income arises within three years from their acquisition is not tax-exempt).

If the Notes formed part of business assets of an individual, the exemption upon their sale may still apply but only if the Notes are sold no earlier than three years after the termination of that individual's business activities.

Taxable gains from the sale of the Notes realised by an individual are included in the general tax base, which is subject to personal income tax at a progressive rate of 15 per cent. and 23 per cent. depending on the individual's applicable bracket (the threshold for higher bracket is 48 times the average wage amounting to CZK 1,935,552 in 2023). If an individual has held the Notes in connection with his/her business activities, such gains are also subject to social security and health insurance contributions. Losses from the sale of the Notes realised by an individual are generally tax non-deductible, except where such losses are compensated by taxable gains on the sales of other securities in the same year and the income from the sale of the Notes is not tax-exempt.

(b) Legal Entities

Capital gains from the sale of the Notes are included in the general tax base, which is subject to corporate income tax at a rate of 19 per cent. Losses from the sale of the Notes realised by Legal Entities are generally tax deductible.

Czech Tax Non-Residents

Capital gains from the sale of the Notes realised by a Czech Tax Non-Resident are subject to taxation in the Czech Republic provided that:

- the Notes are attributable to a Czech Permanent Establishment of the Czech Tax Non-Resident selling these Notes, or
- the Notes are acquired by (i) a Czech Tax Resident or (ii) a Czech Tax Non-Resident acquiring the Notes through his/her/its Czech Permanent Establishment.

Therefore, capital gains realised by a Czech Tax Non-Resident where the Notes are sold to another Czech Tax Non-Resident and where such Notes are attributable to neither (i) a Czech Permanent Establishment of the seller nor (ii) a Czech Permanent Establishment of the buyer, are out of scope of Czech taxation.

(a) Individuals

Capital gains from the sale of the Notes that have not formed part of business assets of an individual are generally exempt from personal income tax if:

- total annual (worldwide) gross income (i.e. not gains) of that individual from the sale of securities (including the Notes) does not exceed the amount of CZK 100,000, or
- such gains are derived from the sales of the Notes which the individual has held for more than three years prior to their sale (however, income from a future sale of the Notes where a purchase agreement is concluded after three years but where income arises within three years from their acquisition is not tax-exempt).

If the Notes formed part of business assets of an individual, the exemption upon their sale may still apply but only if the Notes are sold no earlier than three years after the termination of that individual's business activities.

Taxable gains (as defined above) from the sale of the Notes realised by an individual are included in the general tax base, which is subject to personal income tax at a progressive rate of 15 per cent. and 23 per cent. depending on individual's applicable bracket (the threshold for higher bracket is 48 times the average wage amounting to CZK 1,935,552 in 2023). If an individual has held the Notes in connection with his/her business activities, such gains may also be subject to social security and health insurance contributions. Losses from the sale of the Notes realised by an individual are generally tax non-deductible, except where such losses are compensated by taxable gains on the sales of other securities in the same year and the income from the sale of the Notes is not tax-exempt.

Furthermore, if the Notes are sold by an individual who is not a tax resident of an EU/EEA member state, a buyer acting as a Withholding Agent may be required to withhold a Tax Security amounting to 1 per cent. of the gross purchase price. The buyer will act as a Withholding Agent if he/she/it is:

- a Czech Tax Resident, or
- a Czech Tax Non-Resident and the acquired Notes are attributable to his/her/its Czech Permanent Establishment.

Any Tax Security withheld is creditable against the final tax liability as declared by the Czech Tax Non-Resident selling the Notes in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable).

(b) Legal Entities

Capital gains from the sale of the Notes, which are subject to Czech taxation (as defined above), are included in the general tax base, which is subject to corporate income tax at a rate of 19 per cent. Losses from the sale of the Notes realised by the Legal Entities are generally tax deductible. However, according to certain interpretations, such losses are not tax deductible for a Czech Tax Non-Resident who does not keep its accounting books under the Czech accounting rules.

Furthermore, if the Notes are sold by a Legal Entity which is not a tax resident of an EU/EEA member state, a buyer acting as the Withholding Agent may be required to withhold a Tax Security amounting to 1 per cent. of the gross purchase price. The buyer will act as a Withholding Agent if he/she/it is:

- a Czech Tax Resident, or
- a Czech Tax Non-Resident and the acquired Notes are attributable to his/her/its Czech Permanent Establishment.

Any Tax Security withheld is creditable against the final tax liability as declared by the Czech Tax Non-Resident selling the Notes in a Czech tax return for the relevant tax year (any Tax Security overwithholding is generally refundable).

Benefits under Tax Treaties

A Tax Treaty may reduce or even fully eliminate Czech taxation of interest income from the Notes or capital gains from their sale (including a Tax Security withholding, if applicable). Such Tax Treaty relief is usually applicable on the condition that the income recipient who is a Czech Tax Non-Resident does not hold the Notes through his/her/its Czech Permanent Establishment. Furthermore, the entitlement to particular Tax Treaty benefits is generally conditional on presenting documents proving that the income recipient qualifies for the Tax Treaty benefits including, in particular (i) a tax residency certificate issued by the relevant tax authorities and (ii) a beneficial ownership declaration of the income recipient. Entitlement to particular Tax Treaty benefits may also be conditional on meeting further specific criteria under that Tax Treaty.

Reporting Obligation

An individual holding the Notes (whether a Czech Tax Resident or a Czech Tax Non-Resident) is obliged to report to the Czech tax authorities any income earned in connection with the Notes if such income is exempt from taxation in the Czech Republic and exceeds, in each individual case, CZK 5,000,000. The reporting must be fulfilled within the deadline for filing a personal income tax return. A non-compliance with this reporting obligation is penalized by a sanction of up to 15 per cent. of a gross amount of the unreported income.

A Withholding Agent (including the Issuer) is obliged to file a formal notification to the relevant Czech tax authorities upon making a payment that (i) is subject to the Withholding Tax, (ii) would be subject to the Withholding Tax, but is not because the income is tax-exempt or a Tax Treaty prevents taxation of that income in the Czech Republic, subject to certain exemptions, or (iii) is subject to withholding of the Tax Security.

Value Added Tax

There is no Czech value added tax payable in respect of the payment of interest or principal under the Notes, or in respect of the transfer of the Notes.

Other taxes or duties

No registration tax, capital tax, customs duty, transfer tax, stamp duty or any other similar tax or duty is payable in the Czech Republic by either the Czech Tax Resident or the Czech Tax Non-Resident in respect of or in connection with the mere purchase, holding or disposition of the Notes.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Czech Republic) have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, ING Bank N.V., SMBC Bank EU AG, UniCredit Bank AG and Erste Group Bank AG (the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated 12 October 2023 (the “**Dealer Agreement**”) and made between the Issuer, the Guarantor and the Dealers.

If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantor and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as “Non-Syndicated” and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantor and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as “Syndicated”, the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. Each new Dealer so appointed will be required to represent, warrant and undertake to the following selling restrictions as part of its appointment.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Notes under or pursuant to the Dealer Agreement prior to the closing of the issue of such Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Notes. In this situation, the issuance of such Notes may not be completed. Investors will have no rights against the Issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

United States of America

The Notes and the guarantee thereof have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes or the guarantee thereof, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any Notes include a legend entitled “Prohibition of Sales to EEA Retail Investors”, each Dealer has represented, and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European

Economic Area. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Public Offer Selling Restriction Under the Prospectus Regulation

If the Final Terms in respect of any Notes do not include a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Notes referred to in (b) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

If the Final Terms in respect of any Notes includes the legend “Prohibition of Sales to UK Retail Investors”, each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto any retail investor in the United Kingdom. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Public Offer Selling Restriction Under the UK Prospectus Regulation

If the Final Terms in respect of any Notes does not include the legend “Prohibition of Sales to UK Retail Investors”, each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”);

- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other UK regulatory restrictions

Each Dealer has represented and agreed that:

- (a) ***No deposit-taking***: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,
 where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) ***Financial promotion***: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation. Each Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations;

- (ii) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and 2 November 2020); and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Switzerland

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”), except pursuant to and in accordance with an exemption from the prospectus requirements of the FinSA. No application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and, accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “**resident of Japan**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;

- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

General

Each Dealer has represented and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “*General*” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Corporate information

1. The Issuer is a joint-stock company (*akciová společnost*) under the Czech Corporations Act. The Issuer was incorporated and registered in the Commercial Register maintained by the Municipal Court in Prague, File No.: B 28346, on 6 September 2023. Its identification No. is 196 78 185 and registered seat is at Partyzánská 1/7, Holešovice, 170 00 Praha 7, Czech Republic, its Legal Entity Identifier (LEI) is 3157003E5A4ZV0JCSM65, its telephone number is +420 232 005 232 and its website is www.epholding.cz.
2. The Guarantor is a joint-stock company (*akciová společnost*) under the Czech Corporations Act. The Guarantor was incorporated and registered in the Commercial Register maintained by the Municipal Court in Prague, File No.: B 21747, on 10 August 2009. Its Identification No. is 283 56 250 and registered seat is at Pařížská 130/26, 110 00 Praha 1, Czech Republic, its Legal Entity Identifier (LEI) is 3157001000000090208, its telephone number is +420 232 005 232 and its website is www.epholding.cz.

Authorisation

3. The establishment of the Programme has been authorised by the resolution of the board of directors of the Issuer dated 9 October 2023 and the giving of the Guarantee has been authorised by the resolution of the board of directors of the Guarantor dated 9 October 2023. Each of the Issuer and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

Listing and admission to trading

4. Application has been made for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to listing on the official list and to trading on the Regulated Market. The approval of the Programme in respect of the Notes was granted on or about 12 October 2023. It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Regulated Market and will be admitted separately as and when issued, upon submission to Euronext Dublin of the applicable Final Terms, subject only to the issue of the Notes of that Tranche. The listing of the Programme in respect of such Notes is expected to be granted on or about 12 October 2023.

Legal and arbitration proceedings

5. Save as disclosed in “*Description of the Guarantor—Legal Proceedings*”, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantor are aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer, the Guarantor and the Group.

Significant/material change

6. Since the date of its incorporation, there has been no material adverse change in the prospects of the Issuer and there has been no significant change in its financial position or financial performance.
7. Since 31 December 2022 there has been no material adverse change in the prospects of the Guarantor or the Group and, since 30 June 2023, there has been no significant change in the financial position or financial performance of the Guarantor or the Group.

Auditors

8. The Issuer was incorporated on 6 September 2023 and its first financial year will end on 31 December 2023. The Issuer’s first financial statements will be prepared by the management of the Issuer and audited in accordance with IFRS by Deloitte Audit s.r.o. (“**Deloitte**”), an audit company registered with the Czech Chamber of Auditors.

9. The Interim Financial Statements have been reviewed and the Annual Financial Statements have been audited without qualification by Deloitte. Deloitte was appointed as independent auditor of the Guarantor as from the financial year ended 31 December 2020. The Issuer declares that Deloitte has no material interest in the Issuer or the Guarantor.

Documents available

10. For as long as the Notes are listed on the official list and admitted to trading on the Regulated Market, copies of the following documents (together with English translations thereof) will, when published, be available for inspection in electronic form on the Issuer's website at <https://www.epholding.cz/> under section 'Investors':
- (a) memorandum and articles of association of the Issuer and the Guarantor;
 - (b) the Financial Statements;
 - (c) a copy of this Base Prospectus; and
 - (d) any future base prospectuses, supplements to this Base Prospectus, Final Terms and any other documents incorporated herein or therein by reference.

Clearing of the Notes

11. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number ("ISIN") in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Conditions for determining price

12. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Notes having a maturity of less than one year

13. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

Issuer price and yield

14. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.
15. The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

Conflicts of Interest

16. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantor and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantor and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor and their affiliates. Certain of the Dealers of their affiliates that have a lending relationship with the Issuer and the Guarantor routinely hedge their credit exposure to the Issuer, the Guarantor and their affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Listing agent

17. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Regulated Market for the purposes of the Prospectus Regulation.

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