Energetický a průmyslový holding, a.s.

2022 FINANCIAL RESULTS

11th May 2023

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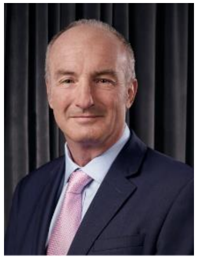
- The Information should be read in conjunction with the “Consolidated Annual Report for the Year 2022” as published on www.epholding.cz

Presenting team today

Pavel Horský
Member of the Board of Directors of Energetický a průmyslový holding, CFO

Gary Mazzotti
Vice-chairman of the Board Of Directors of EP Infrastructure, CEO



Filip Bělák
Member of the Board of Directors of EP Power Europe, CFO

Tomáš Miřacký
Executive Finance Director of Energetický a průmyslový holding

Václav Paleček
CFO of EP Infrastructure

Agenda

Fostering
Energy Security

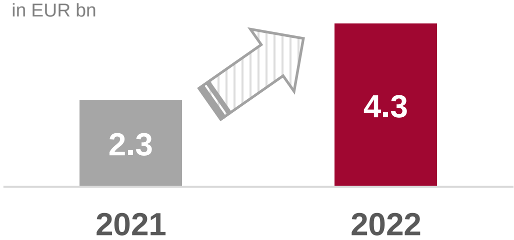
Executive Summary (I/II)

- **Energetický a průmyslový holding ("EPH" or together with its subsidiaries "the Group") is a leading European utility with/being:**
  - **Strong market position** (favourably placed in the merit order and operating critical energy infrastructure)
  - **Diversified and vertically integrated** (both regionally as assets are located in low-risk economies: the Czech Republic, Slovakia, Germany, Italy, the UK, Ireland, France and newly in the Netherlands, and from a business's perspective covering the complete value chain ranging from natural gas transmission, gas storage, gas, heat and electricity distribution and supply, highly efficient cogeneration as well as power and heat generation)
  - **Resilient against different risk factors** (negative correlation within the Group)
  - **Focused on regulated, contracted and or quasi-regulated activities**[1] predominantly energy infrastructure and generation assets providing cash flow stability and predictability

- **Despite very challenging and volatile market conditions EPH proved its stable and resilient business model and reported strong results in 2022:**[(2)(3)]
  - **EBITDA** of **EUR 4.3 billion** (EUR 2.3 billion in 2021)
  - **Free Cash Flow** of **EUR 3.2 billion** (EUR 1.4 billion in 2021)
  - **Net Leverage Ratio** of **1.1x** (2.0x in 2021)
  - **Cash Conversion Ratio** at **73%** (63% in 2021)
  - **High level of available liquidity reserve**[4] **amounted to EUR 4.6 billion as of 31 December 2022** (EUR 3.6 billion as of 31 December 2021)
- **Results for 2022 are not determined only by the current unique situation on the energy market, but also by the growth of the Group thus results are not considered to be one-off**

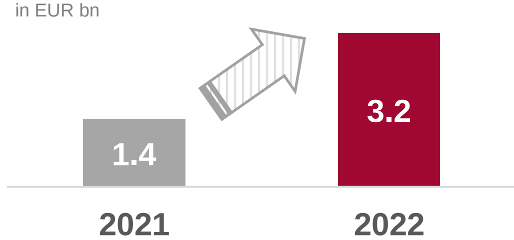
EBITDA

in EUR bn

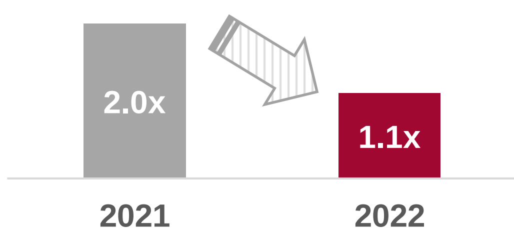


Free Cash Flow

in EUR bn



Net Leverage Ratio



1. Quasi regulated are operations supported by different kind of schemes like Contract for Difference („CfD“), green bonuses, capacity markets
2. All figures in the presentation calculated on fully consolidated basis, unless explicitly stated otherwise
3. For definitions of selected indicators and ratios see Appendix
4. Cash and cash equivalents and Undrawn committed credit facilities

Executive Summary (II/II)

- **EPH provides vital and irreplaceable services to Europe and is one of the cornerstones in security of supply for European power market**
  - EPH holds either a leading position or very strong market shares in all major segments that the company operates in
- **EPH's strategy is to be a European leader in energy infrastructure, grid stability and security of supply**
  - Focused on balancing renewable energy generation in times of renewable energy shortages
  - Anchored on infrastructure assets and gas-fired power generation, with new-build assets being hydrogen-ready power plants

- **EPH is a leader in energy transition in Europe**
  - Emission intensity of Group **declined by 34%**(1) between 2015 and 2022 **saving approx. 25 mt of CO_2 p.a.** compared to 2015
  - **72%** of net power production(2) in 2022 was from **zero or low carbon-intensive sources,** the share of such energy generation in the portfolio will increase in following years. At the same time revenues from hard coal and lignite power and heat produced and sold and revenues from lignite mined and sold were less than 10% on total EPH consolidated revenues
  - EPH heavily invests into a **low carbon hydrogen-ready flexible power generation for balancing and security of supply for the network** in moments **when renewables are not available**, estimated **investment costs amounted to EUR 2.3bn**
  - As a result, EPH Group will be **free of almost all coal assets by the end of 2025**(3) and **none by the end of 2030**
  - To accelerate energy transition, EP Corporate Group, the parent company of EPH, will create a **new division, EP Energy Transition** ("EPETr"), a sister group of EPH
  - EPETr shall hold the predominantly **lignite operations in Germany**, namely **50% of LEAG** held by EPH **and JTSD** (owning Mibrag mining company and Schkopau lignite power plant). LEAG shall be transferred in **2023** and JTSD by the end of **2025**
  - EPETr has a **clearly defined transition strategy**, which covers not only decarbonization, but also employment prospects and support for the regions affected by the energy transition
  - EPETr plans to invest around EUR 10bn into the **development of renewable energy** projects, **batteries, energy from waste** projects and **highly-efficient hydrogen-ready power plants**
  - Thanks to the structure of the assets, **EPH is committed to become one of the leaders in the transition to a hydrogen future**

1. The calculation of the emission intensity in 2022 was adjusted as follows: (i) pro forma figures of entities acquired in the Netherlands in the first half of 2023 were included and (ii) the impact of coal power plants Emile Huchet 6 in France and Mehrum in Germany which were expected to be shut down by EPH but resumed operations following emergency interventions by the French and German government were excluded
2. Pro-forma adjusted for the Dutch acquisitions already closed or to be closed in Q2/2023
3. Except for Fiume Santo hard coal-fired power plant in Sardinia and Czech combined heat and power plants (CHPs) which shall be refurbished to gas/biomass units

Key Company's Highlights

EPH

1. **Key assets** providing critical services **with leading positions** and **strategic importance** for Europe
2. Predominantly **regulated and / or long-term contracted** energy infrastructure and generation assets
3. Well **diversified portfolio** both geographically and across the entire utilities value chain
4. Predictable and stable performance with an **excellent Cash Conversion Ratio**[1]
5. Conservative financial profile and policy corresponding to an investment grade profile if benchmarked with peers and well **diversified debt maturity profile** with high liquidity cushion
6. **Strong risk management**
7. European leader in **transitioning** from coal to non-coal assets, further enhanced in the new future by establishment of **EP Energy Transition**, a sister company of EPH
8. Vast majority of EPH's financial results stems from operations with **marginal CO_2 footprint**
9. Large and growing EPPE business investing in controllable **renewables** and **low-emission gas-fired highly-efficient hydrogen-ready power plants**
10. Achieved an **ESG Risk Rating** from Sustainalytics, placing EPH in the medium risk category, **ranking 17th of all companies in the Multi-utilities Sector** at the time of assessment
11. Resilient business managed and operated by a **highly competent and experienced management team** with a proven track record

1. For definitions see Appendix

EPH

Agenda

Fostering
Energy Security

EPH is the largest privately owned European energy group and frontrunner in the European energy transition to low-emission power generation sources

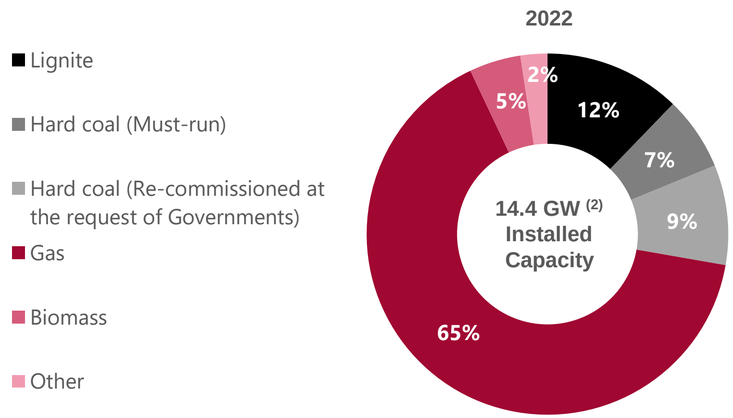
EPH Overview

- **EPH** is the largest[1] privately owned **vertically-integrated energy group** in Europe with **diversified portfolio** of energy assets in 9 European countries operating in 6 key segments:
  - **Flexible power generation** in the UK, Germany, Italy, France and the Netherlands
  - **Renewables** in the UK, France, Germany, Italy and Slovakia
  - **Gas Transmission** in Slovakia
  - **Gas and Power Distribution** in Slovakia
  - **Gas Storage** in the Czech Republic, Slovakia, Germany and the UK
  - **Heat Infrastructure** in the Czech Republic
- **EBITDA reached EUR 4.3 bn** in 2022 (2021: EUR 2.3 bn) with **EUR 30.4 bn assets under management** and a **very conservative net leverage of 1.1x**
- Majority of EPH generated **cash flows are being reinvested** into modern **low-emission climate friendly power generation sources** which drive the European energy transition to reach carbon neutrality while maintaining **high security of supply**
- EPH group relies on c. 10,400 employees and generates ~ **43 TWh of electricity**[2]

Key Highlights & Transitional Goals

- **#1 gas transmission route in Europe**
- **#1 gas storage player in region of Slovakia, the Czech Republic and Austria**
- **Zero coal by 2030**[3]
- **Reduce CO_2 Emissions by 60% from existing generating plants by 2030**[4]
- **Become a European leader in the transition to a Hydrogen Future**

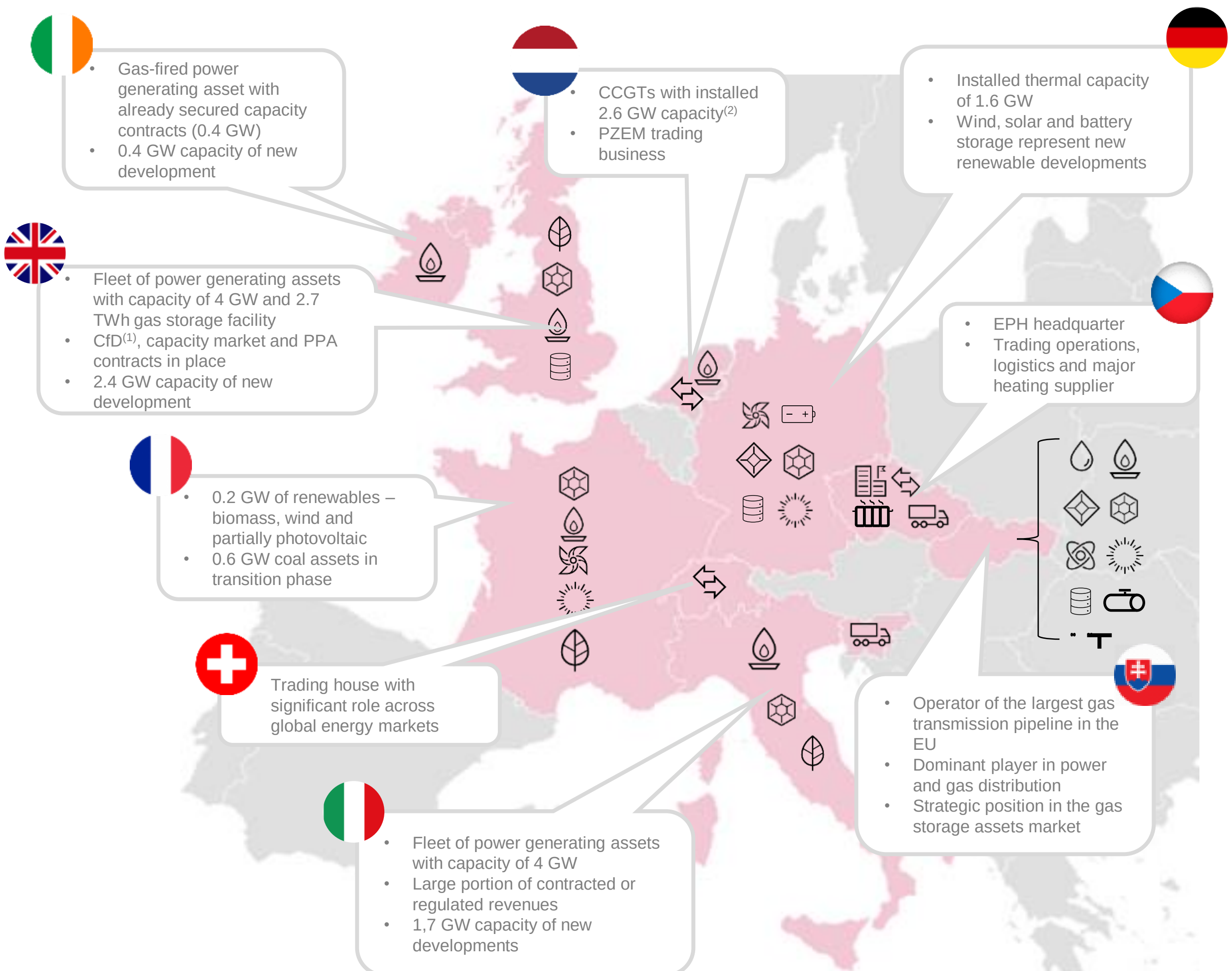
Total Net Installed Capacity by Fuel

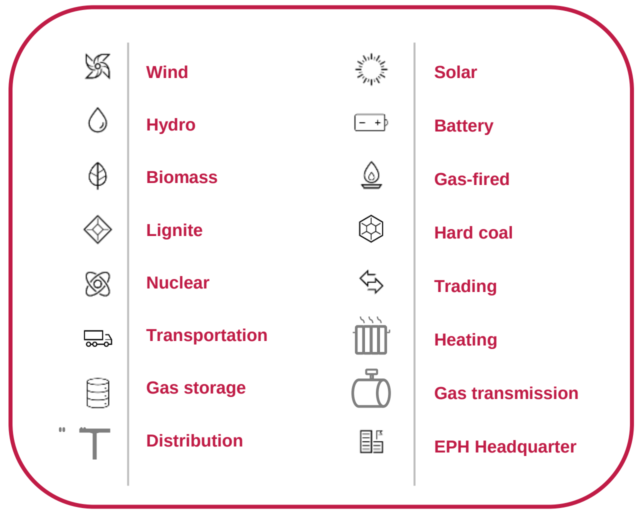


Major Presence of EPH Activities

1. Based on volume of electricity produced
2. Pro-forma adjusted for the Dutch acquisitions already closed in January 2023 or to be closed in Q2/2023
3. Following the decision of shareholders of EPH to reorganize EPH's operations to reflect its energy-transition strategy
4. For the purposes of target setting, CO_2 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 entities acquired or developed after August 2021

Overview of EPH assets and activities in Europe





KPIs of the Group[3]

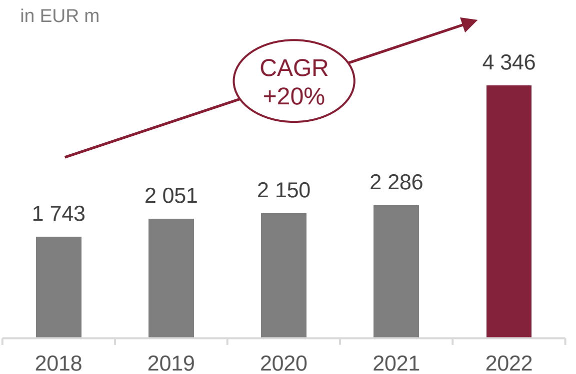
Heat and Power		2022	2021
Installed capacity (net)[4]	GW_e	14.4	11.1
Power production (net)[4]	TWh_e	43.2	39.8
Power distribution	TWh_e	6.3	6.4
Heat supplied	PJ	7.9	8.8
Natural Gas		**2022**	**2021**
Gas transmission capacity bookings	bcm	62.5	73.7
Gas transmission / distribution	bcm	26.3 / 4.9	41.6 / 5.5
Gas storage capacity	TWh	64.3	64.2
ESG indicators		**2022**	**2021**
Share of zero or low carbon intensive sources on power production[4]	%	72	78
Emission intensity[5]	tCO_2/GWh	523	493

1. CfD = Contract for Difference; 2. Dutch acquisitions closed in January 2023 (1.7 GW) or to be closed in Q2/2023 (0.9 GW); 3. Operating data for year 2022 and 2021 as presented in EPH Annual report 2022 and 2021 unless stated otherwise; 4. 2021 numbers exclude installed capacity of Deuben and Mehrum as both coal power plants were taken off the merchant market in December 2021. For 2022 Mehrum is included despite the plant was put back into operation at the request of the German government. In addition, the installed capacity was pro-forma adjusted for the Dutch acquisitions already closed in January 2023 or to be closed in Q2/2023 (2.6 GW and 6.2 TWh); 5. The calculation of the emission intensity in 2022 was adjusted as follows: (i) pro forma figures of entities acquired in the Netherlands in the first half of 2023 were included and (ii) the impact of coal power plants Emile Huchet 6 in France and Mehrum in Germany which were expected to be shut down by EPH but resumed operations following emergency interventions by the French and German government were excluded. Without these adjustments the emission intensity in 2022 is 570 tCO_2/GWh

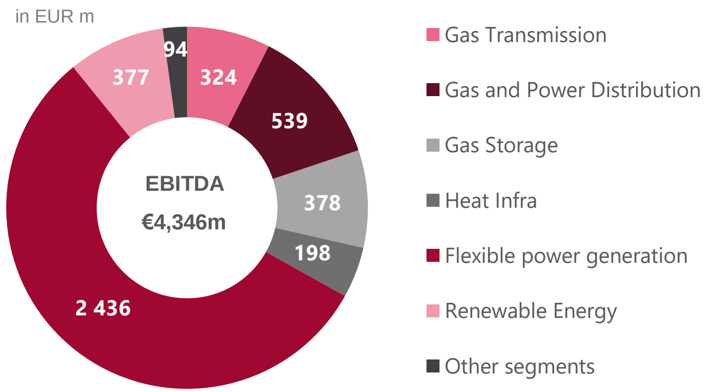
Key operating and financial parameters[1][2]

		2022	2021	2020	2019	2018
INCOME STATEMENT						
Revenues	EUR m	**37,122**	18,956	8,531	8,572	7,072
EBITDA	EUR m	**4,346**	2,286	2,150	2,051	1,743
Profit for the year	EUR m	**3,791**	1,227	1,656	803	630
BALANCE SHEET						
Total assets	EUR m	**30,452**	25,189	18,052	16,689	13,329
CAPEX	EUR m	**752**	441	404	364	379
Net Financial Debt	EUR m	**4,858**	4,558	4,302	5,196	4,963
RATIOS						
Net Leverage Ratio[3]	x	**1.1x**	2.0x	2.0x	2.5x	2.8x
Cash Conversion Ratio	%	**73**	63	61	70	58
Net installed capacity[4]	GW	**14.4**	11.1	11.6	13.3	11.6
Emission intensity[5]	tCO_2/GWh	**523**	493	461	465	531
Share of zero- to low-emission intensive sources on Net installed capacity[4]	%	**72**	70	67	68	60

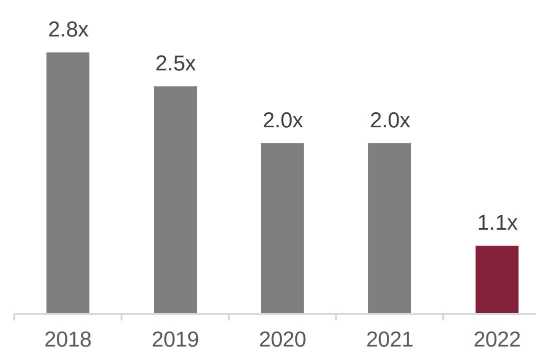
EBITDA evolution



2022 EBITDA by segment[6]



Net Leverage Ratio evolution[3]



1. As per 2022, 2021, 2020, 2019 and 2018 EPH audited financial statements
2. For definitions see Appendix
3. Multiple of EBITDA, for definitions see Appendix
4. 2021 numbers exclude installed capacity of Deuben and Mehrum as both coal power plants were taken off the merchant market in December 2021. For 2022 Mehrum is included despite the plant was put back into operation at the request of the German government. In addition, the installed capacity was pro-forma adjusted for the Dutch acquisitions already closed in January 2023 or to be closed in Q2/2023 (2.6 GW)
5. The calculation of the emission intensity in 2022 was adjusted as follows: (i) pro forma figures of entities acquired in the Netherlands in the first half of 2023 were included and (ii) the impact of coal power plants Emile Huchet 6 in France and Mehrum in Germany which were expected to be shut down by EPH but resumed operations following emergency interventions by the French and German government were excluded. Emission intensity without pro-forma adjustment is 570 tCO_2/GWh in 2022
6. As disclosed in the EPH Consolidated Annual Report for the Year 2022; Other segments include „EPIF Other", „EPPE Other", „EPH Other", „Holding entities" and „Inter-segment eliminations"

EPH together with its shareholders carried out a strategic review of EPH's activities

EP Energy Transition

- To accelerate energy transition and to facilitate the transformation of coal regions in the most dedicated and efficient way, EPH's shareholders intend to **separate energy transition assets from the EPH Group into EP Energy Transition**, the holding company of a newly established group and a sister company of EPH
- EP Energy Transition group will gradually **consist of** participations mainly in our German assets concentrated within **LEAG** (as soon as practicable, but no later than by the end of **2023**) and **JTSD group** (by the end of **2025**)
- With a **clearly defined transition strategy**, EP Energy Transition will constructively negotiate with the German government a **coal exit by 2030** while assuming positive outcome of the state aid process as agreed and signed in 2021. Integral part of these negotiations will be not only impact of the energy transition on LEAG and JTSD, but also **sustainable solution for an employment, support and development** of regions and other financial and social aspects associated with the energy transition and in particular impact on security of supply situation in Germany
- This group will **focus on development of renewable energy projects** with estimated total installed capacity of 7+ GW, **replacement of existing network-critical power generation capacities** by highly-efficient hydrogen-ready power plants and active cooperation with unions, regions, and governments to carry out the energy transition with minimum or no socially adverse impact
- The expected total investment into these projects is currently estimated to be around **EUR 10 billion**

- As a result of this plan, EPH will be **free of almost all coal assets by the end of 2025**, except for 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 CCGT or biomass project, subject to pending decision of the Italian authorities. Although Italy has an official coal exit year set for 2025, the specific situation on the island, which currently does not have an adequate gas connection, does not allow closure of the plant before an alternative source of power is identified
  - Following changes in the regulatory environment, conversion of the Czech combined heat and power plants (CHPs) is expected to proceed gradually and be completed by 2028. CHPs represent a critical heating infrastructure for households and other customers in cities and neighbouring areas
- EPH will continue to operate and develop low or zero emissions flexible power generation and energy infrastructure assets whose both importance becomes even more critical in the context of the European energy transition based on massive increase of renewable power generation. **Hydrogen ready highly efficient gas power generation with over time increasing role of hydrogen as gas substitute, gas and hydrogen storage assets and solutions, highly efficient low emissions cogeneration and traditional energy networks will be the main focus of EPH in the years to come**

Benefiting from strong group liquidity underpinned by exceptional cash conversion ratio

Summary capital structure

Fully consolidated basis (in EUR m)	31 December 2022
Gross Debt	7,868
Cash and Cash Equivalents	3,010
Net Financial Debt	**4,858**
EBITDA	4,346
Net Financial Debt / EBITDA	**1.1x**

EPH financial policy

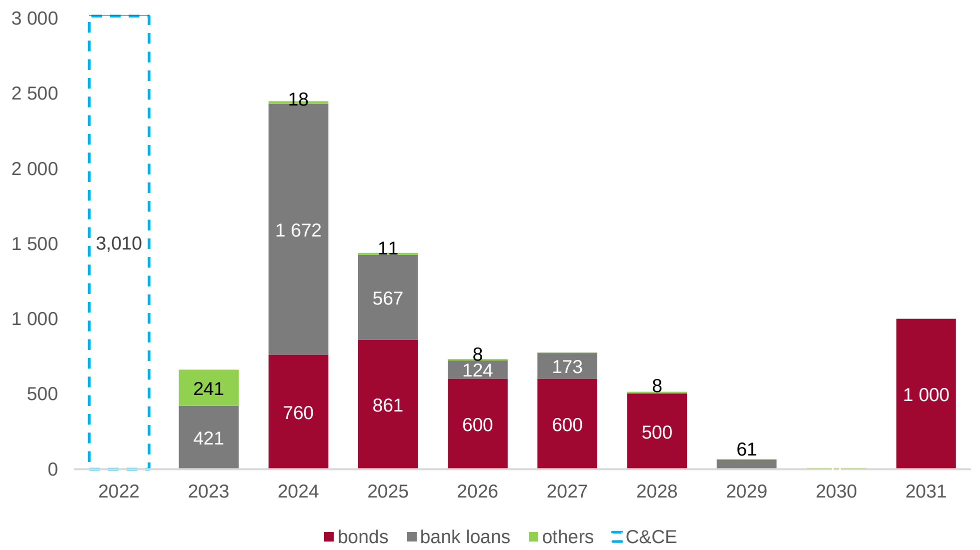
- **Conservative financial profile** and policy
  - Long-term maintained conservative financial policy, confirmed by net financial leverage at or below 3x for last 10 years even in years when large acquisitions were done
  - High **Cash Conversion Ratio** from all business activities, benefiting from strong cost discipline
  - **Conservative acquisition and CAPEX** policies, focused on accretive acquisitions and expansion CAPEX backed by **strong regulatory revenue stream** (state backed schemes like capacity market payments, green bonuses, Must Run regimes etc.)
  - **Flexible dividend policy** that in combination with strong cash conversion provide for deleveraging capacity every year in case of need

EPH financial policy

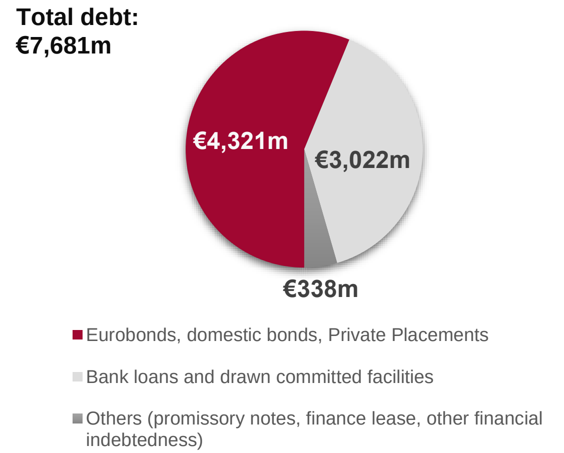
- **Liquidity risk management** is an integral part of the Group management and commodity hedging
  - Various stress tests are defined using reversed stress scenario approach to identify potential EPH group vulnerabilities to liquidity risk arising from margining on the exchanges or with OTC Trading counterparties and Collateral at Risk model. Stress tests are subject to regular review
  - **The robustness** was **tested** during 2021 and 2022 with **a large market volatility** where neither EPH nor any of its fully consolidated subsidiaries utilized a state support
- **Careful allocation of indebtedness within the Group** respecting its strong financial policies corresponding to the investment grade profile
  - EPIF represented more than 80% of the EPH Group Net Financial Debt during EPPE growth phase
  - With EPPE being a matured, diversified, and vertically integrated corporate, EPH secures the liquidity for the Group and concentrates most of its debt outside of EPIF
  - EPPE Group does not hold material indebtedness
- **Resilient business** managed and operated by a **highly competent and experienced management team** with a proven track-record and fully aligned interest in long term stable performance

Short- and medium-term liquidity safeguarded by the extension of debt maturity profile and increased diversification of funding sources

Debt maturity profile as of 31st December 2022 (in EUR m)(1)



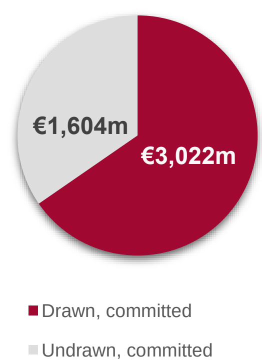
Debt breakdown by instrument as of 31st December 2022 (in EUR m)(1)



Commentary

- As of 31st December 2022, EPH Group had EUR 1,604 million of undrawn revolving credit lines and cash balance of EUR 3,010 million

Utilization of bank financing as of 31st December 2022 (in EUR m)



1. Nominal amounts do not include operating leases which mature gradually over time, factoring which matures in 2023

Significant scale positions across a diversified asset portfolio featuring regulated, quasi-regulated and contracted activities

EPH

EPH EBITDA
2022: EUR 4.3bn
2021: EUR 2.3bn

EPPE EBITDA
2022: EUR 2.9bn
2021: EUR 1.0bn

EPIF EBITDA
2022: EUR 1.4bn
2021: EUR 1.3bn

100% — **EP Power Europe** (www.eppowereurope.cz)

Other assets[5]

69%[1] — **EP Infrastructure** (www.epinfrastructure.cz)

EP Power Europe

FLEXIBLE POWER GENERATION

Contracted or semi-contracted

- EP Langage
- EP SHB
- EP Ballylumford
- EP Kilroot
- EP Produzione
- Tynagh Energy Limited[7]

Merchant

- EP Commodities
- Saale Energie
- EP NL
- Kraftwerk Mehrum
- GazelEnergie
- LEAG[9]

RENEWABLES

- Fusine energia
- Lynemouth Power
- Biomasse Crotone
- Biomasse Italia[5]
- GazelEnergie
- EP New Energies
- Slovenské elektrárne[2]

OTHER

- MIBRAG
- EP Resources
- EP Power Minerals
- Humbly Grove Energy
- GazelEnergie

EP Infrastructure

GAS TRANSMISSION

- 49%[3] eustream (Slovak Gas TSO)

GAS AND POWER DISTRIBUTION

- 49%[3] SSE Holding / Stredoslovenská distribučná
- 49%[3] SPP Distribúcia
- 100% epet

GAS STORAGE

- 69%[8] nafta
- 49%[3] SPP Storage
- 62%[4] Pozagas
- 69%[8] nafta Speicher

HEAT INFRA

- 35%[3] Plzeňská teplárenská
- 100% EOP
- 100% United Energy

1. 31% owned by a consortium of global infrastructure investors led by Macquarie Infrastructure and Real Assets ("MIRA"); 2. Not formally part of EPPE but presented under EPPE due to same business scope. EPH holds a 33% stake in SE with a put-call option structure for additional 33% after certain conditions are met. SE belongs to Renewable segment as it is emission-free generation (mainly nuclear and water); 3. Including management control; 4. 65% is controlled by Nafta and 35% is owned by SPP infrastructure; 5. Other assets primarily comprise sourcing and logistics; 6. EPPE holds 75.5% stake in total (following the sale of 49% stake in EPNEI to LEAG); 7. Tynagh owned 80% by EPPE; 8. 40.45% controlled directly and 56.15% is controlled by SPP Infrastructure. EPIF stake in SPP infrastructure is 49% including management control; considers own shares held in Nafta; 9. 50% shareholding in LEAG acquired in 2016 as a 50-50 consortium with PPF Investments

Successful development into a leading European utility while maintaining a conservative capital structure and low leverage

Accelerated growth via selective acquisitions while maintaining low leverage

Smaller add-on infra & growth in generation segment across Europe + Own development of low-emission power generation assets

Majority of recently acquired coal asset were converted into biomass (Lynemouth), decommissioned (Eggborough, Provence 5, Deuben) or will be decommissioned in the near future (Emile Huchet, Mehrum, Kilroot, Fiume Santo)

Value accretive growth through acquisitions

- 2009: EOP; MIBRAG (50%)
- 2011: Saale Energie; MIBRAG (50%)
- 2013: nafta; SSE Stredoslovenská energetika; eustream; SPP Distribúcia; SPP Storage
- 2014: Eggborough Power Ltd; EP Produzione
- 2015–2016: Slovenské elektrárne (33%); Lynemouth Power; LEAG (50%)
- 2017: EP SHB; EP Langage; Kraftwerk Mehrum; Biomasseitalia; Biomasse Crotone
- 2018: nafta Speicher; Plzeňská teplárenská
- 2019: EP Kilroot; EP Ballylumford; GazelEnergie; Tynagh Energy Limited
- 2020: Humbly Grove Energy
- 2021: Saale Energie (Purchase of remaining stake of 58% in Schkopau power plant); EP Power Minerals
- 2023: EP NL

Key milestones

- **2001**: *Creation of investment team within J&T led by D. Křetínský*
- **2009**: *EPH established as partnership of J&T, PPF and D. Křetínský in the energy sector. Selected assets formerly acquired by J&T contributed to EPH*
- **2011**: *EP Energy created within EPH and established as a fully vertically integrated undertaking*
- **2013**: *Exit of PPF as financial investor and increase of ownership by existing key shareholders*
- **2016**: *EP Power Europe group established by grouping several European assets into one subsidiary*

  Expansion to Western European markets
- **2017**: *Completed the sale of a 31% stake in EPIF to MIRA, followed by the shareholder changes (D.Křetínský becomes majority shareholder)*
- **2018**: Lynemouth Power – *Full conversion from coal fired to biomass fired power plant*
- **2020**: EP Kilroot, EP Produzione – *New development of gas powerplants and conversion of coal to gas powerplants*
- **2021**: EP Produzione – *A 15-year capacity market contract awarded for construction of a new CCGT power plant in Ostiglia, Italy*
- **2023**: *Entering the Dutch energy market by acquiring 2 gas fired power plants together with supply business*

Legend: EPIF (blue frame) · EPPE (red frame)

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net financial leverage[1]	1.7x	2.9x	3.0x	2.8x	2.9x	2.9x	2.8x	2.5x	2.0x	2.0x	1.1x

Note: only the assets currently held by the Group are shown. Exited investments not included

1. For definitions see Appendix

EP Power Europe highlights

EP Power Europe

1 **Cornerstone of European security of supply with irreplaceable positions**

- EPPE operates across **developed markets** (the UK, Italy, Ireland, France, the Netherlands, Switzerland and Germany) with a focus on programmable and dispatchable power generation and renewable energy
- **Strong market positions** in each of its core markets
- The aim is to **become a provider of flexible power generation capacity** for balancing and security of supply for the network in moments when renewables are not available

2 **A diversified and balanced fleet of safe and controllable power generation and renewable assets**

- EPH's power generation portfolio features a **balanced and diversified mix** of thermal and biomass/other renewable power plants
- Thermal focuses on gas fired with low fixed costs and **favorable positions within the merit order** further improved by coal phase-out
- Renewables and mainly new build CCGT/OCGTs backed by regulatory schemes
- Negative correlation for the sale of power from power plants and purchase of power for supply business limiting margining risks
- **Downside protection** in case of low spot prices improved through the **active management of cross-border power capacities and own gas storage activities**
- No long-term gas sourcing agreements, all gas bought on the European market

3 **Responsible and ESG-sustainable operations**

- Priority given to the safeguard of the **security of supply** in a reliable, affordable, controllable and **socially responsible manner**
- **Long-term strategy** towards **emission intensity** reduction
- **Leading EU** player in **decarbonization** of conventional power plants
- EPH Group will be **free of almost all coal assets by the end of 2025**[1] and **none by the end of 2030**

4 **Strong cash flow generation, net cash positive and conservative funding**

- Resilient performance and attractive profitability – even during challenging market conditions, underpinned by the company's focus on **regulatory-linked** and **contracted revenue streams** as well as its favorable positions in the merit order
- **Strict** cost and **CAPEX** discipline
- **Cash Conversion Ratio**[2] **of approx. 75% in 2022** while investing heavily into new developments
- **Net cash positive position** with very low external debt

1. Except for Fiume Santo hard coal-fired power plant in Sardinia and Czech combined heat and power plants (CHPs)
2. For definitions see Appendix

Key gas hydrogen-ready projects under construction or consideration

- EPH is one of the Europe's most active developers of a low carbon and security of supply power generation, with **4.4 GW of OCGTs/CCGTs projects** (all of them hydrogen-ready) currently under construction or considered for development
- All new projects render minimum required returns, regulatory and or quasi-regulatory based revenue stream and long-term visibility, in line with EPH's strategy

Estimated investment costs: EUR 2.3bn

Kilroot OCGT project

Kilroot OCGT project – 700 MW OCGT
- ✓ Location: Carrickfergus, Northern Ireland, United Kingdom
- ✓ Installed capacity: 700 MW
- ✓ Capacity contracts for 10 years for 598 MW (derated) starting from 10/2023 and 10/2024
- ✓ Project status: under construction, target COD in Q4/2023

Tavazzano CCGT project

Tavazzano New – 800 MW H-class CCGT
- ✓ Location: Tavazzano, Milan area, Lombardia Region, Italy
- ✓ Installed capacity: 803 MW (Pmax), efficiency: >60%, equipped with a H-class Ansaldo turbine
- ✓ Capacity contract for 15 years, delivery obligation from the end of H2/2023, awarded to secure stability and reliability of the Italian electricity market[1]
- ✓ Project status: under construction, started in 6/2021, target COD: Q1/2024

Ostiglia CCGT project

Ostiglia New – 880 MW H-class CCGT
- ✓ Location: Ostiglia, Mantua area, Lombardia Region, Italy
- ✓ Installed capacity: 881 MW (Pmax), efficiency: >60%, equipped with a H-class air-cooled Siemens turbine
- ✓ Capacity contract for 15 years, delivery obligation from 1/2024 (ev. postponement to 12/2024), awarded to secure stability and reliability of Italian electricity market[1]
- ✓ Project status: under construction, target COD Q1/2025

Tynagh OCGT project

Tynagh OCGT project – 350 MW OCGT
- ✓ Location: County Galway, Republic of Ireland
- ✓ Installed capacity: 350 MW
- ✓ Capacity contract for 10 years for 299 MW (derated) with delivery starting from 10/2024 and 10/2025
- ✓ Project status: FID expected in H2/2023

Eggborough CCGT project

Eggborough – 1,700 MW H-class CCGT + 299 MW 2-hour battery storage
- ✓ Location: Eggborough, East Yorkshire, United Kingdom
- ✓ Installed capacity: 1,700 MW + 299 MW storage capacity
- ✓ Capacity contract for 15 years, starting in 2026
- ✓ Project status: FID expected in 2023

1. Delivery obligation of capacity market contract might be fulfilled by current EP Produzione fleet when and if needed

EP Infrastructure highlights

EP Infrastructure

1 EPIF operates critical energy infrastructure in jurisdictions with supportive and long-standing regulatory framework

- EPIF consists of **four principal segments**: Gas Transmission, Gas and Power Distribution, Gas Storage and Heat Infra
- **Stable and resilient cash flows** underpinned by the company's regulated, quasi-regulated and/or long-term contracted assets
- **Solid track record of growth** through organic growth projects and value-accretive acquisitions
- Operational excellence

2 Dominant or leading market positions

- EPIF owns and operates **essential infrastructure assets** in stable and developed markets in Slovakia, the Czech Republic and Germany
  - Dominant gas distribution company and second largest power distribution company in Slovakia
  - Leading heat supplier for part of the Czech Republic
  - Leading CEE gas storage operator

3 Large and diversified asset base with low carbon intensity

- **Business diversification across multiple types of infrastructure assets**, which contributes to EPIF's stability
- Well-invested, modern asset base with **long remaining asset lives**
- Low maintenance CAPEX needs due to the use of modern durable materials
- In Dec 2022, EPIF Group obtained an **ESG risk rating** of 18.2 from Morningstar Sustainalytics, placing it in the **low-risk category**
- EPIF is the first company in the CEE region to obtain an **ESG Rating from S&P**

4 Partnership with public entities further contributes to a high degree of stability

- Assets are **strategic and vital for the region** and transmit natural gas to EU countries
- **Aligned goals and targets with local public partners**, while keeping management control
- The **Slovak Republic holds a 51% share in SPPI** but EPIF has management control pursuant to a shareholder agreement; EPIF is a major contributor in terms of dividends and taxes to the Slovak State's tax revenues

5 Negative correlation of the segments and additional buffers

- High/volatile commodity **prices positively impact the Heat Infra & Gas Storage segment**, while posing a risk mainly to the Gas Transmission segment

EPH

Agenda

1. Executive Summary
2. Group Overview
3. **ESG and Sustainability**
4. Key Takeaways
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EPH will tighten its ESG-related targets

EPH aims to achieve carbon neutrality by 2050, in line with the official 2050 EU objective. This long-term objective is further supported by the following medium-term goals

1 Reduce CO_2 emissions by 60% from existing generating plants[(1)] by 2030

We have created a clear and resilient transition roadmap for our assets, thereby guiding generation plants existing within our fleet as of August 2021, when the target was set, to a 60% reduction in CO_2 emissions by 2030 compared to 2020 levels

2 Zero coal in power mix of EPH by 2030

Some of the closed coal power plants will be converted to zero or low-emission fuels, like gas (hydrogen ready) or biomass, depending on the specific conditions of each site

Transition of German assets will be done by the company EP Energy Transition outside of the EPH Group in line with deadlines dictated by the Coal Phase-out Act. Some of these power plants will be converted to zero or low-emission fuels, like gas or biomass, depending on the specific conditions of each site

3 Become a European frontrunner in the transition to a hydrogen future

EPH 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 are ready for large-scale transit, distribution and storage of hydrogen. In addition, we are evaluating and participating in several projects relating to hydrogen production and subsequently using hydrogen as a fuel in power generation

4 Create a Green Finance Framework for use, where applicable, within EPH Capital Structure Strategy

Once developed, the EPH Green Finance Framework shall serve as a basis for the financing of any future eligible project, in line with the ICMA Green Bond and LMA Green Loan Guidelines

1. For the purposes of target setting, CO_2 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 entities acquired or developed after August 2021

EPH takes an active role in transforming the energy system while safeguarding security of supply

Commitment to low carbon business model…

…and socially just energy transition ...

…without sacrificing security of supply

1. **A socially just transformation of the energy system together with security of supply** lies at the heart of EPH's strategy

2. Segments with **marginal emissions contributed 77%** of **EPH's EBITDA** in **2022**

3. The share of **coal generation** in our portfolio **in 2022 was 28%**(1), of which **6pp are CHPs**(2) operated in highly efficient cogeneration mode, **5pp** are power plants **re-commissioned at the request of Governments**(3) and **9pp** are power plants operated in a **must-run regime**(4)**,** both to provide security of supply

4. In our decarbonization efforts, we strive to seek **real solutions** - not merely shutting down, but actual **decommissioning** the most **carbon-intensive sources** and at the same time investing in and actively **converting** our power plants **to** low-carbon or fully **renewable sources**

5. The conversion and decommissioning initiatives implemented since 2015 or announced for near future have resulted in **annual saving of 25 Mt of CO_2 emissions** with **a decrease in the emission intensity** of our assets **between 2015-2022 by 34%**(5) and we plan a further substantial decrease

6. **Coal assets operated under must-run** (Fiume Santo, Kilroot) **or similar structure** (Mehrum, Emile Huchet 6 – both based on government request, Schkopau – partially based on contract with a state-owned company, and CZ CHPs (as only viable, socially acceptable source of heat)

7. Large investments in carbon footprint reduction (**development** of **5 modern and efficient hydrogen-ready OCGT/CCGT units** in Northern Ireland, in the United Kingdom and in Italy with expected **investment costs of EUR 2.3bn**)

1. Pro-forma adjusted for the Dutch acquisitions already closed or to be closed in Q2/2023
2. Combined heat and power plants
3. Includes Mehrum and Emile Huchet 6 power plants
4. Includes Fiume Santo and Kilroot power plants
5. The calculation of the emission intensity in 2022 was adjusted as follows: (i) pro forma figures of entities acquired in the Netherlands in the first half of 2023 were included and (ii) the impact of coal power plants Emile Huchet 6 in France and Mehrum in Germany which were expected to be shut down by EPH but resumed operations following emergency interventions by the French and German government were excluded

Agenda

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Energy Security

Key Takeaways

EPH

1. EPH is a **strong and stable energy utility** with a **high profitability (2022 EBITDA of EUR 4.3bn)**
2. EPH has an **exceptional Cash Conversion Ratio[1] (73% in 2022)** and generates **significant free cash flow** each year
3. **Strong market position with diversification and vertical integration** (both regionally and from a business's perspective) and **resilience against different risk factors**
4. **High level of available liquidity reserve[2] amounted to EUR 4.6bn as of 31 December 2022** (EUR 3.6bn as of 31 December 2021)
5. **Prudent and risk-averse approach**, with strong risk management in place and conservative hedging policy focused on non-margined hedging in place
6. **Low risk strategy framework**, limiting volatility and maintaining upsides
7. EPH heavily invests into a **low carbon hydrogen-ready flexible power generation for balancing and security of supply for the network** in moments **when renewables are not available,** estimated **investment costs amounted to EUR 2.3bn**
8. To accelerate energy transition, EP Corporate Group, will create a **new division, EP Energy Transition with clearly defined transition strategy** covering not only decarbonisation, but also social aspects of the transition**.** As a result, EPH Group will be **free of almost all coal assets by the end of 2025**[3] and with **none by the end of 2030**
9. Achieved an **ESG Risk Rating** from Sustainalytics, placing EPH in the medium risk category, **ranking 17th of all companies in the Multi-utilities Sector** at the time of assessment
10. Resilient business managed and operated by a **highly competent and experienced management team** with a proven track record, supported by shareholders maintaining **dividend flexibility**

1. For definitions see Appendix
2. Cash and cash equivalents and Undrawn committed credit facilities
3. Except for Fiume Santo hard coal-fired power plant in Sardinia and Czech CHPs

Appendix

Business highlights by segment

Fostering
Energy Security

EPPE Group overview

Diversified and balanced fleet of safe and controllable power generation and renewable assets

Segment	Group Companies	EBITDA 2021	EBITDA 2022	Operating KPIs	Business profile
Flexible Power Generation	EP SHB, EP Langage, EP Kilroot, EP Ballylumford, Tynagh Energy Limited, EP Commodities, EP Produzione, GazelEnergie, Saale Energie, Kraftwerk Mehrum, EP NL	77% €763m	84% €2,436m	Power generation[1] (TWh) 38.5 / 33.6	❑ Contracted or semi-contracted (Capacity market payments, Must run) ❑ Merchant
Renewable Energy	Lynemouth Power, BiomasseItalia (L'Energia di oggi, l'Azzurro di domani), BiomasseCrotone, fusine energia	21% €213m	13% €377m	Power generation (TWh) 2.1 / 3.7	❑ Contracted – CfD / green bonus
EPPE Other	MIBRAG, EP Resources, EP Power Minerals, Humbly Grove Energy, GazelEnergie	2% €20m	3% €91m		❑ Lignite production largely contracted ❑ Underground gas storage contracted
EPPE (Total for the Group) [2]		€964m	€2,907m		

1. Pro-forma adjusted for the Dutch acquisitions already closed or to be closed in Q2/2023
2. Total figure includes also holding expenses of the EPPE Group (segment Holding entities and Inter-segment eliminations)

EPIF Group overview

Large and diversified portfolio of strategically-important infrastructure assets, under stable regulatory environment and/or long-term contracts

Segment	Group Companies	EBITDA 2021	EBITDA 2022	Operating KPIs	Business profile
Gas Transmission	eustream SLOVAK GAS TSO	37% €479m	23% €324m	Gas transmission (bcm): 26.3 / 41.6	Regulated / long-term contracted
Gas and Power Distribution	Distribúcia SPP; SSE HOLDING; Stredoslovenská distribučná; epet; Dobrá Energie	41% €521m	38% €539m	Gas and power distribution (TWh): Power 6.3 / 6.4; Gas 48.3 / 59.2	Almost fully regulated; natural monopoly position in distribution business in the region of operation
Gas Storage	SPP Storage; nafta; nafta Speicher; POZAGAS	14% €180m	26% €378m	Storage capacity (TWh): 61.5 / 61.5	Predominantly long-term contracted
Heat Infra	EOP ELEKTRÁRNY OPATOVICE; UNITED ENERGY; EOP DISTRIBUCE; SEVEROČESKÁ TEPLÁRENSKÁ; PLZEŇSKÁ TEPLÁRENSKÁ	8% €106m	14% €198m	Heat sold (PJ): 7.4 / 8.4	Predominantly regulated

EPIF (Total for the Group) (1) €1,280m » €1,436m

1. Total figure includes also other operations and holding expenses of the EPIF Group (segments Other EPIF, Holding entities and Inter-segment eliminations)

EPH

Appendix

Other

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Appendix: Calculation of net leverage of Energetický a průmyslový holding, a.s. as of 31 December 2022[(1)]

Fully consolidated basis (in EUR m)	31 December 2022
Gross debt	7,681
Cash and Cash Equivalents	3,010
Net debt	**4,671**
Adjusted EBITDA	4,385
Net debt / Adjusted EBITDA	**1.1x**

1. Calculated based on a definition included in Prospectus of EPH Financing,CZ, a.s.

Appendix: Glossary

- **EBITDA** represents profit (loss) for the year before income tax expenses, finance expense, finance income, gain (loss) from derivative financial instruments, share of profit of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, joint ventures and associates, depreciation of property, plant and equipment, amortization of intangible assets and negative goodwill. EBITDA corresponds to Underlying EBITDA presented in EPH's consolidated annual report for the year 2022
- **Adjusted EBITDA** represents operating profit before depreciation & amortization and negative goodwill (if any) further adjusted for selected effects of impairment items, special items (e.g. profit/loss realized on disposal of fixed assets, changes in provisions and similar items) pro-forma of the impact of acquisitions and disposals, non-cash items, dividend income and IFRS 16 effect
- **CAPEX** represents Acquisition of property, plant and equipment and intangible assets as presented in the consolidated statement of cash flows further adjusted for selected items
- **Cash and Cash Equivalents** represents cash and cash equivalents
- **Cash Conversion Ratio** is calculated as (EBITDA minus CAPEX minus tax paid) divided by EBITDA
- **Free Cash flow** is calculated as EBITDA less CAPEX less tax paid
- **Gross Debt** represents bonds, notes, debentures, moneys borrowed and debit balances at banks or any other similar instrument disregarding accrued interest and unamortized fees but including lease liabilities and factoring
- **Net Financial Debt** represents Gross Debt less Cash and Cash Equivalents
- **Net Leverage Ratio** represents Net Debt / EBITDA

Contact

Energetický a průmyslový holding, a.s.

Pařížská 26
110 00 Prague 1
Czech Republic
Tel.: +420 232 005 100
Fax: +420 232 005 400