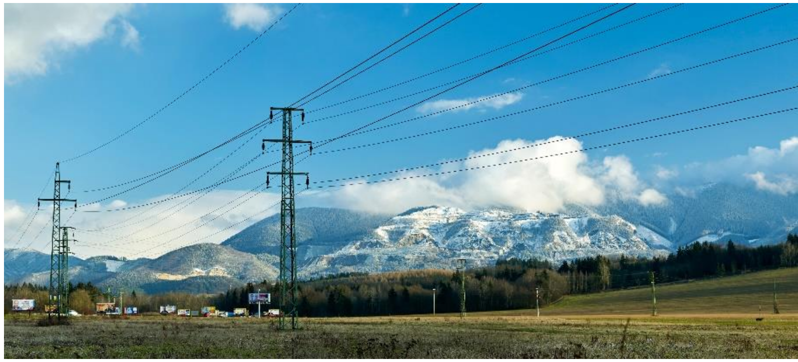
EP Infrastructure

H1 2021 Results Call

10 September 2021

Gary Mazzotti, Chief Executive Officer
Václav Paleček, Finance Director

www.epinfrastructure.cz



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- The Information should be read in conjunction with the "Condensed Consolidated Interim Financial Statements as of and for the six-month period ended 30 June 2021" as published on www.epinfrastructure.cz.

Presenting team

Gary Mazzotti

Chief Executive Officer, Vice-chairman of Board Of Directors

- *Independent*
- *>30 years of experience*
- *Serves on boards of other EPIF entities*

Václav Paleček

Finance Director

- *>10 years of experience*
- *Serves on boards of other EPIF entities*
- *Also serves as CFO of EP Energy*

Agenda

1) **Executive summary**
2) Group performance
3) Financial profile update
4) Business segment highlights
5) Recent developments
6) Appendix

Executive summary

- **EP Infrastructure** ("**EPIF**" or together with its subsidiaries "the **Group**") is a leading Central European group which operates traditional energy infrastructure assets

- EPIF's core activities are transmission, distribution and storage of gas, distribution of electricity and provision of district heating

- EPIF assets are predominantly located in the low risk and fast-growing economies of Slovakia and the Czech Republic, while being also present in Germany

- EPIF's strategy is to operate **regulated and/or long-term contracted assets which have a critical feature of converting a substantially higher part of their operating result into free cash flow** than its peers. The primary reason for superb cash conversion ability is due to low Capex intensity. This is driven by (a) excellent conditions of the assets underpinned by effective maintenance, (b) high cost to build and low cost to operate (gas transmission, gas storage and heat infra segments), (c) use of modern durable materials (gas distribution segment), and (d) large investments performed by previous owners (electricity distribution segment)

- In the Last Twelve Month ("LTM") period ending 30 June 2021[1] EPIF reached:
  - **Consolidated Total revenues** of **EUR 2,886 million** (EUR 3,195 million in FY 2020)
  - **Adjusted EBITDA**[2] of **EUR 1,418 million** (EUR 1,526 million in FY 2020)
  - **Proportionate pro forma** [3] **Adjusted EBITDA** of **748 million** (EUR 766 million in FY 2020)
  - **Proportionate Net Leverage Ratio**[4] of **4.02x** (4.05x in FY 2020)
  - **Adjusted Free Cash Flow**[5] of **EUR 961 million** (EUR 1,046 million in FY 2020)
  - **Group Cash Conversion Ratio**[6] at approx. **68%** (69% in FY 2020)

1. All figures in the presentation calculated on fully consolidated basis, unless explicitly stated otherwise
2. Adjusted EBITDA („Adj. EBITDA") represents operating profit plus depreciation of property, plant and equipment and amortisation of intangible assets less negative goodwill (if applicable), adjusted for selected items. For more details see slides 31-35
3. Pro-forma adjustment excludes financials of PT Group and BERT disposed in Q4 2020. For details see slide 31
4. Net Leverage Ratio represents Net Debt divided by Pro-forma Adjusted EBITDA. For Pro-forma Adjusted EBITDA definition see slide 31. Proportionate Net Leverage Ratio represents Net Leverage Ratio, taking into consideration the proportionate ownership of EPIF in its subsidiaries. For Net Debt definition see slide 38
5. Adjusted Free Cash Flow represents Cash generated from operations, disregarding Change in restricted cash, less Income tax paid, Acquisition of property, plant and equipment and intangible assets and emission rights as presented in the consolidated statement of cash flows of the Group, adjusted for selected items. For more details see slide 36
6. Group Cash Conversion Ratio represents Adjusted Free Cash Flow divided by Adjusted EBITDA

Key Company's Highlights

1. Critical infrastructure assets in stable and developed markets (Slovakia, the Czech Republic and Germany) with **leading positions** in respective areas of operation or region
2. EPIF's assets are strategic and vital for the region, including transmission of natural gas to the EU
3. Major subsidiaries are **co-owned by Slovak state** that holds 51% share in SPPI. However, EPIF has management control pursuant to a shareholder agreement with these subsidiaries
4. Majority of **EBITDA related to fully regulated and/or long term contracted businesses**
5. Highly diversified portfolio across Gas Transmission, Gas-Power Distribution, Gas Storage & Heat Infra
6. High cash conversion ability mainly due to low CAPEX intensity. Commitment to conservative level of net leverage at both EPIF and various subsidiaries levels
7. **Strong profitability** with stable earnings forecast based on long-term visibility of the infrastructure businesses
8. Well-invested, **modern asset base** with long remaining asset lives. Low maintenance capex needs due to the use of modern durable materials
9. **Commitment to Investment Grade ratings**
10. **EPIF has best-in-class ESG achievements and robust ESG commitments**

EP Infrastructure

Baa3 / BBB / BBB-

(all Stable outlook)

Moody's S&P Global FitchRatings

Agenda

EPIF Group overview

BBB
Outlook: stable
S&P Global

Baa3
Outlook: stable
Moody's

BBB-
Outlook: stable
FitchRatings

EPH — 69%
MACQUARIE — 31%[2]

EP Infrastructure

Gas Transmission
H1 LTM 2021 Adj. EBITDA €577m
41% of total
(37% on prop. basis)

SLOVAKIA
49%[1] ★ eustream SLOVAK GAS TSO

Gas and Power Distribution
H1 LTM 2021 Adj. EBITDA €518m
36% of total
(33% on prop. basis)

SLOVAKIA
49%[1] ★ SSE HOLDING
49%[1] Distribúcia SPP

CZECH REP.
100% epet

Gas Storage
H1 LTM 2021 Adj. EBITDA €216m
15% of total
(19% on prop. basis)

SLOVAKIA
69%[1] ★ nafta
62%[1] ★ POZAGAS

GERMANY
69%[1] ★ nafta Speicher

CZECH REP.
49%[1] ★ SPP Storage

Heat Infra
H1 LTM 2021 Adj. EBITDA €109m
8% of total
(11% on prop. basis)

CZECH REP.
100% EOP ELEKTRÁRNY OPATOVICE
100% UNITED ENERGY
35%[1] ★ PLZEŇSKÁ TEPLÁRENSKÁ Více než energie

★ Co-owned by Slovak state, includes management control by EPIF and represents fully consolidated entity

★ Co-owned by City of Pilsen, includes management control by EPIF and represents fully consolidated entity

EPIF group overview

- EPIF is an essential and diversified infrastructure group in the EU. EPIF owns and operates its critical infrastructure assets in stable and developed markets of Slovakia (A+ / A2 / A)[3] and the Czech Republic (AA- / A1 / AA-)[3] and Germany (AAA/Aaa/AAA)[3]
- All major EPIF assets have stable and resilient cash flows, leading market positions and a track record of operational excellence
- EPIF's assets are strategic and vital for the region and transmit natural gas to the EU countries; major subsidiaries are co-owned by the Slovak government, whereby EPIF keeps management control over all its subsidiaries
- The Group consists of four principal segments: Gas Transmission, Gas and Power Distribution, Gas Storage and Heat Infra

€m	H1-2021 LTM	2020	2019	2018	2017
Adjusted EBITDA[4]	1,418	1,526	1,606	1,466	1,461
Prop. Adjusted EBITDA[4]	766	833	884	818	800
Prop. PF Adjusted EBITDA[4]	748	766	-	-	-
Adjusted Free Cash Flow[4]	961	1,046	1,107	1,030	1,045
Group Cash Conversion ratio[5]	68%	69%	69%	70%	72%
Prop. Net debt[4]	3,004	3,088	3,481	3,447	3,597
Prop. Net Leverage Ratio[4]	4.02x[7]	4.05x[7]	3.94x	4.21x	4.50x[6]

1. Minority shareholders are: Slovak government (eustream, SPPD, SSE, SPPS), Slovak government and other minor shareholders (Nafta, Nafta Speicher and Pozagas) and City of Pilsen (Plzeňská teplárenská)
2. MIRA Co. and several other institutional co-investors co-own the Holding Company ("MacCo"); MIRA has the controlling rights and the MacCo is the only party to the SHA with EPH
3. S&P / Moody's / Fitch
4. Refer to Appendices for definitions of Adjusted EBITDA, Proportionate Adjusted EBITDA, Proportionate PF Adjusted EBITDA, Adjusted Free Cash Flow (slide 31), Proportionate Net debt and Proportionate Net Leverage Ratios (slide 38)
5. Group Cash Conversion Ratio represents Adjusted Free Cash Flow divided by Adjusted EBITDA
6. Prior to implementation of dividend lock up covenant
7. H1 LTM 2021 and FY 2020 Proportionate Net Leverage Ratio calculated using Pro-forma Adjusted EBITDA reflecting disposals of PT Group and BERT in Q4 2020. For Pro-forma Adjusted EBITDA definition see slide 31

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

FY 2020 and H1 LTM 2021 comparison (all figures for a 12-month period)

Segment	Adj. EBITDA (FY 2020)	Adj. EBITDA (H1 LTM 2021)	Adj. Cash conversion (excl. WoCa & Tax)[2] (FY 2020)	Adj. Cash conversion (excl. WoCa & Tax)[2] (H1 LTM 2021)	Operating KPIs	Business profile
Gas Transmission	44% €678m	41% €577m	94%	94%	Gas transmission (bcm): 57 / 50	Regulated / long-term contracted
Gas and Power Distribution	33% €501m	36% €518m	83%	83%	Gas and power distribution (TWh): 54 Gas, 6 Power / 58 Gas, 6 Power	Almost fully regulated; natural monopoly position in distribution business in the region of operation
Gas Storage	14% €214m	15% €216m	96%	96%	Storage capacity (TWh): 62 / 62	Predominantly long-term contracted
Heat Infra	9% €136m	8% €109m	46%	40%	Heat sold (PJ): 8 + 11 = 19 / 8 + 3 = 11	Predominantly regulated
EPIF (Total for the Group)[1]	€1,526m	€1,418m	86%	86%		

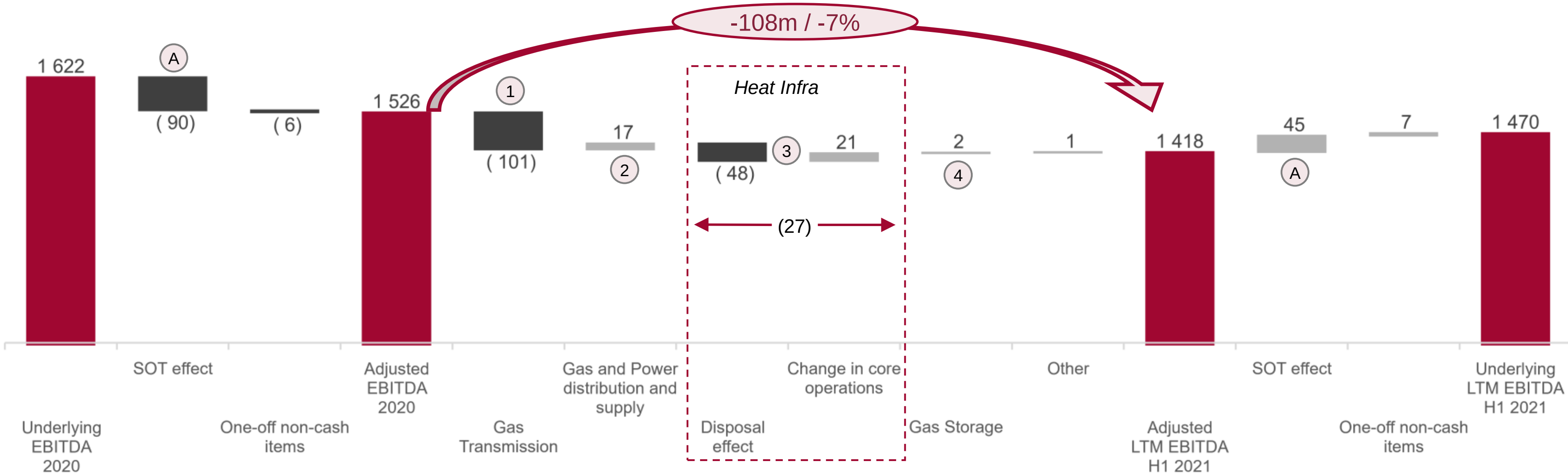
FY 2020
H1 LTM 2021
PT and BERT

1. Total figure includes also other operations and Holding expenses of the Group (Other and Holding Results)
2. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment and intangible assets (without emission allowances and goodwill) as presented in the Operating segments information in the consolidated financial statements of the Group) divided by Adjusted EBITDA

Overview of H1 LTM 2021 results

Adjusted EBITDA bridge H1 LTM 2021 vs. FY 2020 (both 12 month periods)

Indicative Adjusted EBITDA bridge[1] (mil. EUR)



Core business

1. A decrease in Adjusted EBITDA of the **Gas transmission** segment was primarily due to decreased reverse gas flows, being the consequence of combination of higher balance of gas storages in Ukraine during first months of 2021 (affected by significant injections conducted in the second half of 2020 associated with attractive storage prices) and increasing gas market prices in the first half of 2021. As such, Ukraine has a lower motivation to ship gas than usually
2. The increase in EBITDA of **Gas and Power distribution** segment stems from higher gas distribution volume (+16%) driven chiefly by households consumption caused by colder weather in H1 2021
3. Negative effect of 48m represents EBITDA of PT Group and BERT (disposed in Q4 2020) generated in FY 2020.[4] The remaining core facilities experienced an increase in their operational results driven by increase in simple spread and colder weather in H1 2021 (H1 2020: 1,878 day-degrees[5], H1 2021: 2,307 day-degrees[4]) resulting in higher heat offtake (H1 2021 +14 %)
4. **Gas storage** operations remained stable due to long-term contracts with fixed price from previous years

Non-core business

A. Adjustments for effect of SOT deficit/surplus that is merely a timing difference [2,3]

1. Figures might not add up due to rounding
2. System Operations Tariff („SOT") mechanism explained on slide 37
3. For detailed reconciliation see slides 32 - 35
4. Represents EBITDA of PT Group and BERT generated in H1 2020 (see slide 32 - 35)
5. Day-degrees measure integrates the difference between reference indoor temperature and outdoor temperature over the given period of time. A higher value indicates that the temperature in the given period was below the reference temperature for a longer period of time. Day-degrees relate to all areas in the Czech Republic where EPIF delivered heat in H1 2021

Value-driven management team with proven track record

Management

Daniel Křetínský
Chairman of EPIF Board of Directors
- *Chairman of EPH; also serves on boards of other entities*
- *>15 years of experience*
- *Serves on the boards of other EPIF entities*

Independent board member

Gary Mazzotti
Vice Chairman of EPIF Board of Directors and CEO
- *Independent*
- *>30 years of experience*
- *Serves on boards of other EPIF entities*

Václav Paleček
Finance Director
- *>10 years of experience*
- *Serves on boards of other EPIF entities*
- *Also serves as CFO of EP Energy*

Strong and transparent corporate governance

- Strong and well-established **Senior Management** team with a long-lasting track record of operating companies management within EPIF Group
- The Senior Management is fully supported by the **Board of Directors,** especially by Daniel Křetínský for strategic initiatives and decisions and by Gary Mazzotti (who is independent) with his significant long term experience in the CEE Region and the sector
- The **Supervisory Board**, responsible for monitoring the work of the Board of Directors, is a well balanced body comprised of members with extensive expertise from different areas of the energy value chain

= today's speakers

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Strongly performing business with excellent cash conversion

❑ Selected European peers

	EP Infrastructure[1]	e.on	snam	Terna	Red Eléctrica de España	Italgas[5]	enagas
Key countries	Slovakia Czech Republic Germany	Germany, Sweden, CEE	Italy	Italy	Spain	Italy	Spain
H1 LT 2021[2] Adjusted EBITDA and H1 LTM 2021[2] Adjusted Cash generation (ex Taxes and WoCa)[3] (€m)	1,418 / 1,223	7,994 / 3,732	2,253 / 990	1,865 / 340	1,574 / 1,043	999 / 195	859 / 779
H1 LTM 2021[2] Adjusted Cash conversion (ex Taxes and WoCa)[4]	86%	47%	44%	18%	66%	20%	91%
H1 LTM 2021[2] Net financial debt / Adjusted EBITDA[6] and H1 LTM 2021[2] Net financial debt / Adjusted cash generation (ex Taxes and WoCa)[3] (6)	2.6x / 2.7x	3.2x / 6.9x	6.3x / 14.3x	5.2x / 28.6x	3.7x / 5.5x	9.4x / 48.2x	9.7x / 10,7x
Company rating and outlook *(S&P / Moody's / Fitch)*	BBBs/Baa3s/BBB-s	BBBs/ Baa2s/BBB+s	BBB+s/ Baa2s/ BBB+s	BBB+s/Baa2s/ Withdrawn	A-s/Baa1s/ A-s	--/Baa2s/BBB+s	BBB+n/Baa2s/ BBB+n
Country rating *(S&P / Moody's / Fitch)*	A+/A2/A AA-/Aa3/AA- AAA/Aaa/AAA	AAA/Aaa/AAA AAA/ Aaa/AAA	BBB/Baa3/BBB-	BBB/Baa3/BBB-	A/Baa1/A-	BBB/Baa3/BBB-	A/Baa1/A-

Adjusted EBITDA — Cash generation — Avg. EBITDA — Avg. cash generation

Average: 2,423
Average: 1,186

Average: 53%

Net debt/EBITDA — Net debt/ cash generation — Avg. net debt/EBITDA — Avg. net debt/ cash generation

Average: 16.8x
Average: 5.7x

Sources: Company information, Rating reports.

(1)EPIF information is shown on a fully consolidated basis
(2)EPIF's competitors' and EPIF's figures are calculated for the H1 LTM 2021
(3)Adjusted Cash generation calculated as Adj. EBITDA – Capex. Excludes effect of taxes and working capital adjustments
(4)Adjusted Cash conversion calculated as (Adj. EBITDA – Capex) / Adj. EBITDA. Excludes effect of taxes and working capital adjustments
(5)Capex includes concession agreements
(6)For EPIF, Pro-forma Adjusted EBITDA and Pro-forma Adjusted cash generation were used. Pro-forma adjustment excludes financials of PT Group and BERT disposed in Q4 2020. For details see slide 31

Financing strategy of EPIF Group

EP Infrastructure

Key policies

- To retain diversified sources of financing available to the Group and **keep 80% - 90% of debt exposure in bonds** (or similar products, subject to market conditions). Getting closer to 90% as we perceived conditions on the market as highly favourable which resulted in refinancing of our existing selected facilities through **issued 10-year bond of EUR 500m** (i.e. increasing the bonds share to ca 90%)
- **EPIF's share** on the overall proportionate Group´s financing shall represent **app. 70% of the overall Group's proportionate gross debt** (70% share as of 30 June 2021)
- To maintain **Investment grade rating**
- The Group intends to create a **Green finance framework** for use within its capital structure strategy which will serve as a basis for the financing of any future eligible projects, in line with the **ICMA Green Bond and LMA Green Loan Guidelines**

Targeted financing structure

- Financing of the Group relies on two pillars: SPP-I Group and EPIF (parent company of the Group)
- **Overall Proportionate Net Leverage Ratio** below the dividend lock-up covenant at 4.5x while EPIF **reported a proportionate Net Leverage Ratio of 4.02x** as of 30 June 2021
- **Maximum Net Leverage of 2.5x at SPPI Group level** as agreed in the Shareholders' Agreement with **historical net leverage below 2.0x** EBITDA (1.3x as of 30 June 2021)
- **Maximum Net Leverage of 2.5x at SSE Group level** as agreed in the Shareholders' Agreement while currently with a negative net leverage

Key developments

- On 2 March 2021, EPIF **successfully placed** at par **its offering of EUR 500m** 1.816% fixed rate unsecured notes due in February **2031** ("2031 Notes") and subsequently used the proceeds combined with own cash to repay then existing indebtedness. In particular, over March and April 2021, EPIF fully **repaid EUR 400m term loan** due in 2025, and EUR **70m Private placement** due in 2027, EUR **134.5m Schuldschein** due 2024 and **EUR 48m Schuldschein** due 2026
- On 9 June 2021, SPPD issued **10-year bonds** in the amount of **EUR 500m** with a fixed interest rate of **1.0% p.a.** The proceeds were used for a **repayment of the SPPD's notes** due in June 2021 and general corporate purposes
- Up until the date of this report, the Company declared and distributed a **dividend of EUR 100m** to its shareholders
- On 25 August 2021, NAFTA **voluntarily repaid EUR 120m** on a term loan facility maturing 2024 using own cash

Conservative capital structure and financial policy strongly supported by the shareholders

Summary capital structure

Fully consolidated basis (€m)	30 June 2021
Gross debt[1]	4,299
Cash	640
Net debt	**3,659**
Pro-forma Adjusted EBITDA H1 LTM 2021[3]	1,399
Net debt / Pro-forma Adjusted EBITDA[3]	**2.62x**

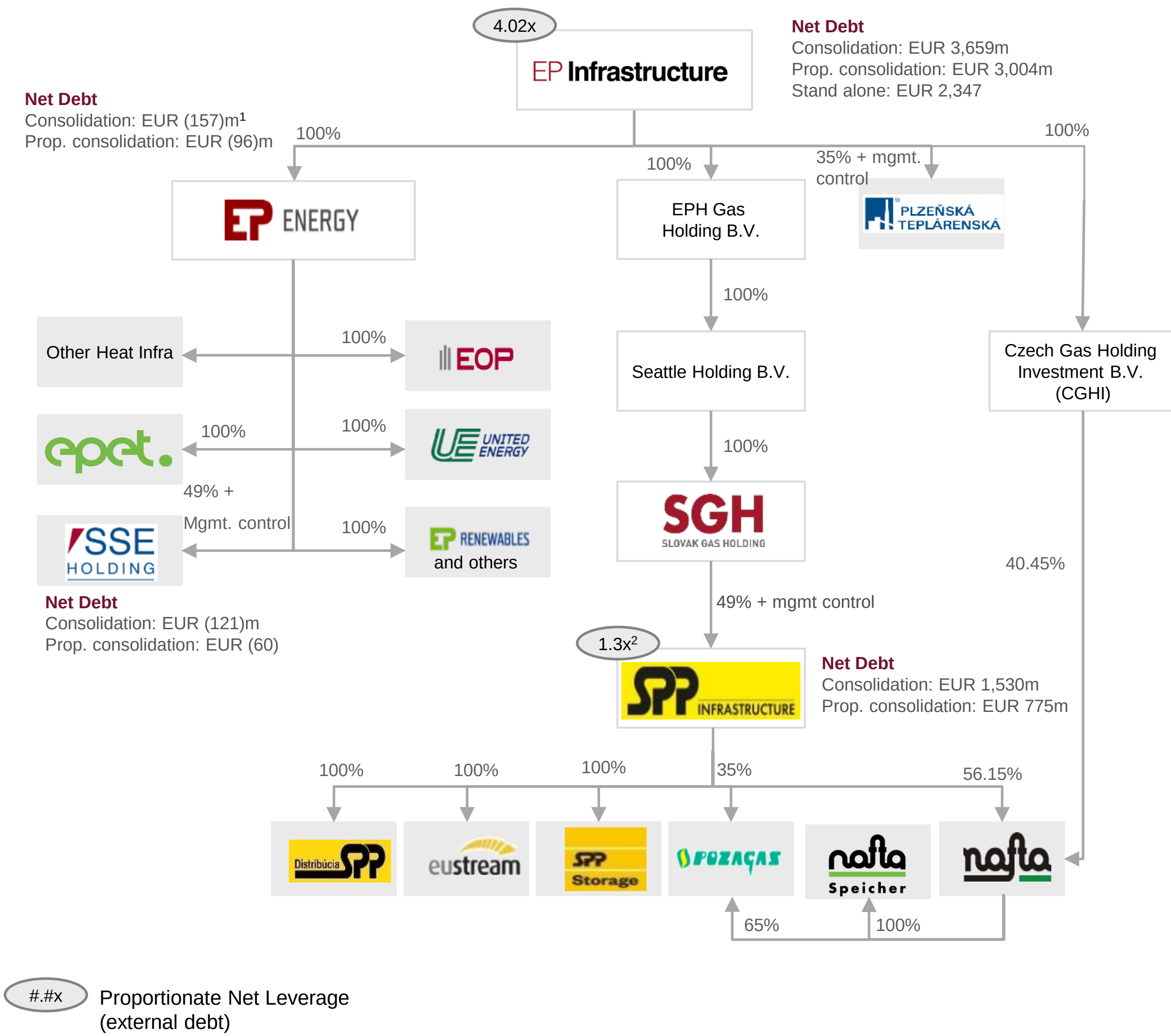
Proportionately[2] consolidated basis (€m)	30 June 2021
Gross debt[1]	3,353
Cash	349
Net debt	**3,004**
Pro-forma Adjusted EBITDA H1 LTM 2021[3]	748
Net debt / Pro-forma Adjusted EBITDA[3]	**4.02x**

EPIF financial policy

- EPIF has a stable financial policy established in the Shareholders' Agreement between EPH and MIRA further emphasized by the **dividend lock-up covenant of 4.5x Net Debt/EBITDA** (on proportionate basis)
- EPIF is committed to maintaining a financial profile consistent with **investment-grade ratings**
  - Currently rated BBB by S&P's / Baa3 by Moody's / BBB- by Fitch, all with stable outlook. All ratings were **re-affirmed during H1 2021**
  - In addition to EPIF's overall leverage distribution limit, there are **limitations on leverage at operating subsidiaries**
    - At SPP-I and SSE, Net Debt/EBITDA limited to 2.5x under shareholders' agreement with the Slovak Republic
    - As of 30 June 2021, the EP Energy group was largely free of external debt
  - **Potential acquisitions** only if consistent with EPIF's conservative financial policy. Investment policy fully in line with financial profile of the group and having in mind the target to maintain investment grade profile
- EPIF's financial policy is supported by **robust corporate governance**, reinforced by MIRA's strong minority shareholder rights in the Shareholders' Agreement

1. Represents principal owed and lease liabilities disregarding accrued interest and unamortized fees
2. Calculated by taking into consideration the proportionate ownership of EPIF in its subsidiaries
3. Pro-forma Adjusted EBITDA represents operating profit plus depreciation of property, plant and equipment and amortisation of intangible assets less negative goodwill (if applicable), adjusted for selected items, excluding EBITDA of PT Group and BERT which were disposed in Q4 2020. For more details see slide 31

Capital structure overview as at 30 June 2021 – external debt



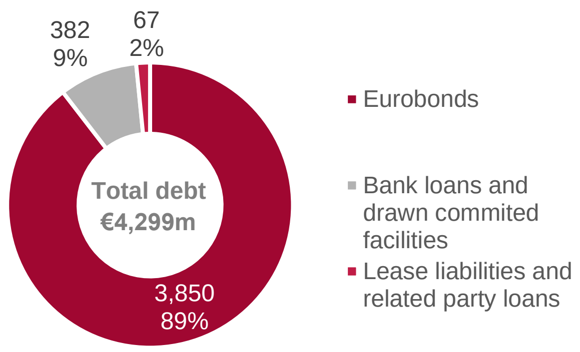
Key highlights

- Being a parent company, EPIF has very **strong access to all cash flow** generated across the group:
  - Fully unencumbered access to the cash flows generated by **EP Energy OpCos**, which are currently largely free of external debt
  - Track record of modest level of debt below 2.0x (1.3x as of 30 Jun 2021) at **SPPI group** entities allows for comfortable dividend upstreaming versus the shareholders' agreement (SHA) with a threshold at 2.5x
  - EPIF proportionately consolidated group is subject to **4.5x dividend lock-up**, limiting distribution from EPIF to its shareholders

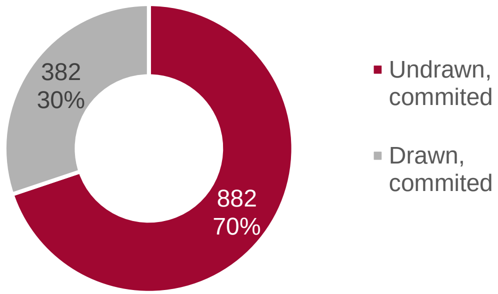
1. Excluding EPIF loan of EUR 71 million
2. Proportionate Net Leverage of SPPI reflects shareholding from EPIF perspective

Gross debt overview as of 30 June 2021

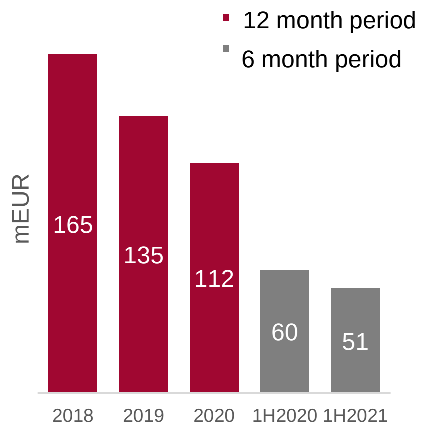
Breakdown by instrument



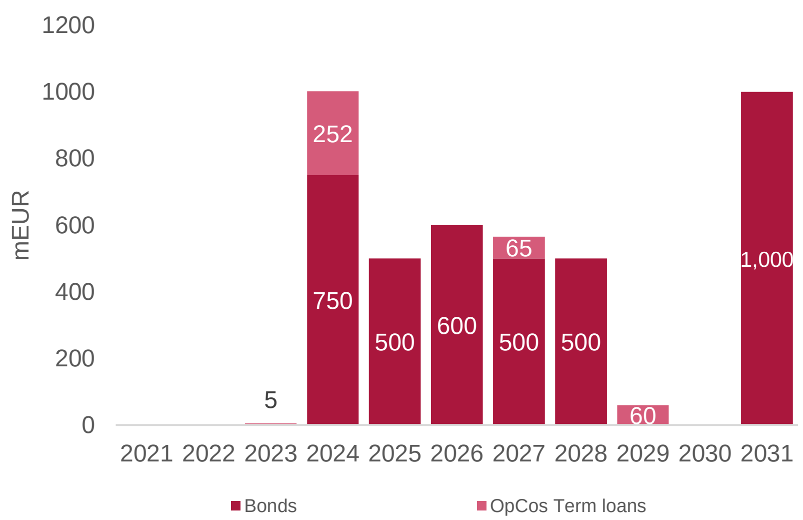
Utilization of bank financing



Interest expense



Debt maturity structure



Commentary

- Almost all debt is EUR denominated (99.5%)
- As of 30 June 2021:
  - the EPIF EPIF Group had **€882m of undrawn revolving credit lines** and **cash balance of €640m**
  - Group's bonds and term loans have an **average tenor of 5.9 years**, while the **earliest major maturity repayment will be in 2024** (excluding repayment of 5m in 2023)
- On 2 March 2021, EPIF successfully **placed at par its offering of 10-year bond of EUR 500m**. In 2021 the proceeds and own cash were used to repay selected term loans
- In June 2021, SPPD refinanced its existing EUR 500m bond maturing through **issuance of a 10-year bond** with the same nominal amount

ESG Pillars and Strategy

ESG matters are monitored and managed at the Group level

S&P Global Ratings

66/100 ESG Rating

In 2020, we were the first company in the CEE to obtain an ESG Rating by S&P. The inaugural ESG rating of 65/100 from 2020 was improved to 66/100 in 2021

SUSTAINALYTICS

20.0 ESG Risk Rating

In June 2021, EPIF Group obtained an **ESG risk rating of 20.0 from Sustainalytics, placing it in the low-risk category,** 6th out of 62 companies in the Multi-utilities sector

SUSTAINABLE DEVELOPMENT GOALS

Commitment to low carbon business model

- In May 2021, EPIF reinforced its ongoing decarbonization efforts with formal targets and set a **net-zero carbon goal for 2040**, going beyond the official 2050 EU carbon-neutrality objective. This long-term goal is further supported by a clear decarbonization roadmap, **transitioning the Group generation assets away from lignite to a balanced mix of CCGT units, biomass units and waste-to-energy plants by 2030.** The Group plans to reduce emissions from existing heating plants by 60% by 2030
- The Group is **uniquely positioned to be a front-runner in the accommodation of hydrogen** across its entire gas value chain with several projects already launched to assess readiness of its infrastructure for large-scale transmission, storage and distribution of hydrogen
- **Major portion of our EBITDA** is generated from operation of infrastructure assets which carry a **marginal CO_2 footprint.** These include gas transmission, gas and power distribution or gas storage, which accounted for 91% of Adjusted EBITDA and only 6% of total CO_2 emissions in 2020
- Despite growth in energy production, **we have reduced SO_2 emissions by 61%** and **dust emissions by 47%** between 2015 and 2020 through substantial refurbishment programmes
- The existing **biomass boilers** and a **waste incineration plant** operated by Plzeňská teplárenská were complemented by a **new biomass boiler** launched in July 2021 by United Energy

Social

- **Health and safe working conditions** are a top priority for the EPIF Group, overseen by the **Health, Safety and Environmental Committee**
- **Equality, Diversity and Inclusion Policy** in place
- Constructive relationship with labour unions with no history of strikes or boycotting actions from collective bodies. Almost **96% of EPIF Group employees are covered by collective bargaining agreements**

Transparent corporate governance

- EPH/MIRA Shareholders' Agreement protects **minority shareholder rights**, and outlines clear **corporate governance** and approval of capital structure, including financial policy
- The governance of EPIF and its sub-holdings is based on a **two-tier management structure** comprising the Board of Directors and the Supervisory Board

Agenda

1) Executive summary
2) Group performance
3) Financial profile update
4) **Business segment highlights**
5) Recent developments
6) Appendix

Gas Transmission: key highlights

H1 LTM 2021 Adj. EBITDA[2]: EUR 577 million
FY 2020 Adj. EBITDA: EUR 678 million

Gas Transmission
Distribution
Heat Infra
Gas storage

eustream

1 ***Critical asset for Slovakia and the EU energy supply and security***

- Sole gas transmission system operator (TSO) in Slovakia and owner of all transmission infrastructure
- Almost **a third of the European import capacity from Russia**. The largest and most used natural gas import route to Ukraine from Western Europe
- Key **strategic assets for Slovak government** (51% ownership, A+ / A2 / A[1]) and one of the largest contributors to the state budget
- Historical trend of increasing need for Russian gas in Europe because of decrease of domestic production and anticipated growing gas consumption
- SK-PL interconnector currently under construction is scheduled to commence operations in early 2022. This strategic project is on the EU top priority list (heavily subsidized)

2 ***Stable and fully EU compliant regulatory environment***

- **Tariffs are set** by the regulator **for 5-year period** (2017-2021) in accordance with methodology of comparison of the international transmission tariffs (so called benchmarking system)
- From 2022, a fully cost based approach with secondary adjustment based on benchmarking will be applied (already approved)
- Transmission fees are fixed at the start for each contract and unaffected by future regulatory changes

3 ***100% ship-or-pay contracts and majority of capacity contracted for upcoming years***

- **100% ship-or-pay contracts** assure stable revenue streams over time due to fixed prices
- **Long-term capacity bookings** (approximately 50% of total annual capacity) at least until 2028
- Results of a non-binding market survey held in December 2016 showed **strong interest for Eustream's transit capacities until December 2039 (supported by already placed conditional bookings)**
- At the end of 2019, **a five-year gas transit deal was reached between Russia and Ukraine** with agreed minimum annual volumes of 65 bcm in FY 2020 (with 40 bcm reserved for eustream) and 40 bcm annually thereafter. Also, Russia has an option to extend for other 10 years, i.e. by 2034. This new agreement proves the vital role that Ukrainian corridor (and eustream) plays for Russian gas

4 ***Highly cash generative business with limited maintenance capex needs and sound financial performance and outlook***

- Optimally maintained, well developed pipelines and facilities
- EUR 577m Adj. EBITDA[2] in H1 LTM 2021 (FY 2020: EUR 678m), with **high Cash Conversion (excl. WoCa & Tax)**[3] of 94% (FY 2020: 94%)
- The decrease in H1 LTM 2021 Adj. EBITDA was primarily due to decreased reverse gas flows, being the consequence of combination of higher balance of gas storages in Ukraine during first months of 2021 and increasing gas market prices in the first half of 2021. Given such circumstances the Group considered gas transmission to Ukraine less incentive than usually
- Conservative leverage cap of 2.5x net debt / EBITDA set by the shareholder agreement (SHA) with Slovak government
- Standalone credit rating: Baa2 by Moody's / A- by Fitch, outlook stable

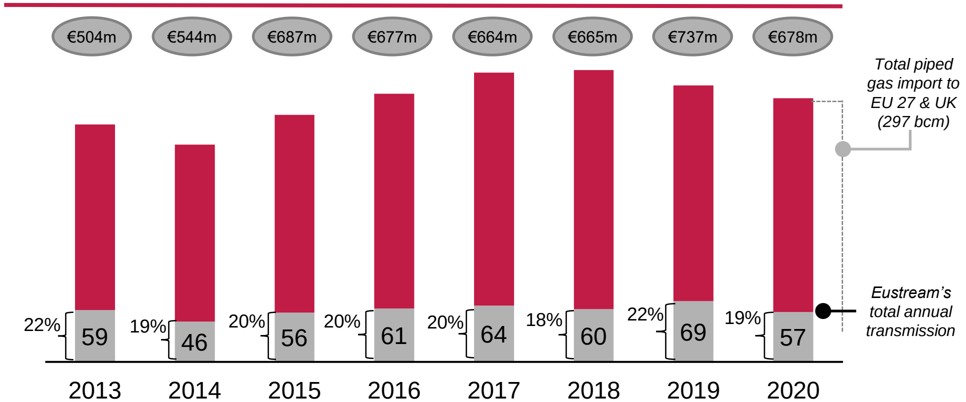
1. S&P / Moody's / Fitch
2. For definition of Adjusted EBITDA please see slide 31
3. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment and intangible assets (without emission allowances and goodwill) as presented in the Operating segments information in the consolidated financial statements of the Group) divided by Adjusted EBITDA

eustream is the key player in transit of gas to Western and Southern Europe

Prominent role in European gas sourcing

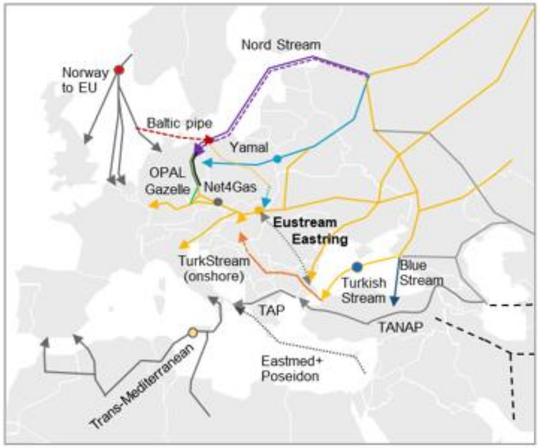
- **Critical infrastructure** for the European Union (particularly for Italy, Austria, Central Europe) and for Ukraine
- Eustream presently plays a **pivotal role in North to South natural gas flows** (mostly from Nord Stream I)
- **Nord Stream II**, if implemented, **will further increment the importance of Eustream infrastructure in the North-South gas movements**: in particular, Eustream infrastructures between **Czech Republic and Austria** (IP Lanžhot and IP Baumgarten) will strongly benefit
- **No other existing transmission route** with sufficient capacity to supply major part of the aforementioned region in the context of expected **increase in imports of Russian gas to meet EU consumption**
- Large majority of 50 bcm of gas in H1 LTM 2021 (57 bcm in FY 2020) was transmitted under **long term ship or pay contracts** to traditional markets of Eustream
- **C. 72% of imported gas from EU to Ukraine[4]** is transmitted using eustream network (point Budince)

Stable market share and EBITDA development of Eustream[2]



€m : Eustream Adjusted EBITDA[3] : Total pipe gas import to EU27 & UK; []% Total Eustream market share

Status 06/2021



Source: Eustream

[1] Represents technical capacity at the Eastern border SK-UA. Total capacity in all directions depends on actual combination of entry/exit points

Pipeline Name	Yearly Capacity
Existing pipelines	
Eustream	**77.4 bcm[1]**
Nord Stream	55 bcm
Yamal	36.5 bcm
Blue Stream	16 bcm
Net4Gas	66 bcm
OPAL	36.5 bcm
Gazelle	33 bcm
Trans-Mediterranean	30 bcm
Other Africa to EU	31.7 bcm
Norway to EU	152.7 bcm
Turkish Stream (1+2)	31.5 bcm
TANAP	16 bcm
Eugal	55 bcm
TAP	10 bcm
Turk Stream (onshore BG-RS)	12 bcm
Potential pipelines	
Baltic pipe	10 bcm
Eastmed+Poseidon	10 bcm
Nord Stream II	55 bcm
Eastring	**20-40 bcm**
Turk Stream (onshore RS-HU)	6 bcm

1. Source: Data of the operators of the individual entry points to Ukraine, ie FGSZ Zrt . (Hungary), GazSystem S.A. (Poland) and Eustream a.s.
2. Total piped gas import to EU27 and the United Kingdom includes pipeline deliveries from Russia, Norway, Algeria and Libya. Total Eustream share is calculated as Eustream total annual transmission / Total piped gas import to EU27 and the United Kingdom
3. Source: EPIF consolidated financial statements. For definition of Adjusted EBITDA please see slide 31
4. Based on average imports in the period from 2014 to 2020

H1 LTM 2021 Adj. EBITDA[1]: EUR 518 million
FY 2020 Adj. EBITDA: EUR 501 million

Gas and Power Distribution (I/II): SPPD key highlights

Distribúcia SPP

1 — *Regulated monopoly in the gas distribution market in Slovakia*

- Regulated **natural monopoly** of gas distribution in Slovakia
- Key strategic asset located in a country with the second highest gas penetration in Europe (94%)
- Customers primarily top gas suppliers with lower credit risk than households
- Obligation for all new customers to connect to SPPD's existing distribution network

2 — *Stable and established regulatory regime*

- Relatively long regulatory period enabling SPPD to retain achieved benefits
- **Stable distribution tariff** set by the regulator for the whole regulatory period 2017 – 2021 (extended until 2022 to provide stability for DSOs and customers during the COVID-19 outbreak) with only minor changes possible (includes higher fixed portion of revenue)
- The same EU compliant regulation principles have been in place since 2009

3 — *Strong gas market fundamentals and performance track record*

- **Stable distribution volumes** between 4.7 and 5.0 bcm per year during the last 6 years
- While having revenues relatively stable, Adj. EBITDA[1] and performance has been improving due to **continuous focus on cost control and efficiencies**
- Consistently low levels of gas losses and excellent safety results in operations

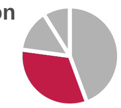
4 — *Stable and predictable cash flow generation and modern asset base*

- **Track record of strong Cash Conversion (excl. WoCa & Tax)[2]** in the Gas and power distribution segment, reached 83% in H1 LTM 2021 (FY 2020: 83%)
- Low investment requirements due to modern network facilities and recent implementation of CAPEX optimisation initiatives. Majority of the network was built between 1990 and 2000 with almost half of the pipelines made of durable plastics
- Limited expansion CAPEX as network connection costs born by residential customers
- Standalone rating: Baa2 by Moody's / A- by Fitch, outlook stable

5 — *Part of well invested infrastructure group (SPP-I) with supportive shareholders*

- Part of leading gas infrastructure group with critical position within Slovakia
- While EPH has a successful track record in management of energy assets, the Government supports SPPD's interests locally due to its strategic scale
- Conservative leverage cap of 2.5x net debt / EBITDA set by the SHA

1. Represents Adj. EBITDA for the whole segment. For definition of Adjusted EBITDA please see slide 31
2. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment and intangible assets (without emission allowances and goodwill) as presented in the Operating segments information in the consolidated financial statements of the Group) divided by Adjusted EBITDA



Gas and Power Distribution (II/II): SSE key highlights

Stredoslovenská distribučná

SSE HOLDING

1 — *#1 electricity distribution company in its region of operation (natural monopoly)*

- **Monopoly distribution company** in its region of operation[2]
- Critical distribution asset in Slovakia with network length of c. 35,000 km
- Diversified customer base of c. 768,000 electricity off-take points

2 — *Stable and established regulatory regime*

- **Stable distribution tariffs** approved by the regulator for the whole regulatory period 2017 – 2021 (recently extended to 2022) with only minor changes possible
- SSD receives **stable and predictable returns from its regulated business**
- **As of 1 January 2020, the SOT clearing obligation** causing fluctuation in results was transferred to the state-owned company (see Appendix for details)

3 — *Strong operational performance*

- **Stable distribution volumes** around 6 TWh per year with 6.2 TWh in H1 LTM 2021 (FY 2020: 5.9 TWh)
- Strong process, cost and work efficiency improvements, regulated opex outperformance
- Consistently achieving low levels of distribution losses and meeting reliability indicators set by the regulator

4 — *Proven track record of cash-flow generation*

- **Track record of strong and stable Cash Conversion (excl. WoCa & Tax)**[3] in the gas and power distribution segment, reached 83% in H1 LTM 2021 (FY 2020: 83%)
- **Stable core business Adjusted EBITDA**[2] with moderate increase potential due to cost optimization and efficiency driven initiatives
- Stable investment requirements primarily to the backbone and high voltage infrastructure. Substantial part of reconstructions and development investments realised by own sources that allows for higher productivity and efficiency in general
- Leverage capped in SHA with Slovak government by 2.5x EBITDA with current Net Leverage remaining negative

1. Represents Adj. EBITDA for the whole segment. For definition of Adjusted EBITDA please see slide 31
2. Refers to SSD which contributed the vast majority of SSE's Adj. EBITDA in FY 2020 and H1 LTM 2021 periods. Other SSE activities consist primarily of electricity supply
3. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment and intangible assets (without emission allowances and goodwill) as presented in the Operating segments information in the consolidated financial statements of the Group) divided by Adjusted EBITDA

Heat Infra: key investment highlights

H1 LTM 2021 Adj. EBITDA[1]: EUR 109 million
FY 2020 Adj. EBITDA: EUR 136 million

- Gas Transmission
- Distribution
- **Heat Infra**
- Gas storage

UNITED ENERGY
EOP
PLZEŇSKÁ TEPLÁRENSKÁ

1 *Established operator of district heating with a key role for power grid stability*

- **Major Czech district heating operator,** supplying heat to ca 150k customers in major regional cities in the Czech Republic
- Important provider of grid balancing services to the Czech TSO
- Additional potential for small bolt-on acquisitions
- Disposal of PT Group and BERT in Q4 2020

2 *Robust district heating systems producing low cost heat mainly for households*

- Ownership of approximately 729 km of district heating pipelines supplying heat to large number of municipal and residential customers
- The direct contracts with final consumers in cities and full ownership of distribution network makes from our CHPs **standard utility business**

3 *Favorable regulatory environment supporting cogeneration and district heating*

- Significant support for cogeneration assets from both national and EU legislation
- **Highly efficient cogeneration** with strict emission limits helping to meet country's energy efficiency and environmental protection goals

4 *Stable returns and high entry barriers*

- District heating is a regulated business with **very high barriers to entry** due to limited possibility to replicate the existing heating systems
- Business largely **resilient to economic cycles**
- The segment reports reasonably solid **Cash Conversion (excl. WoCa & Tax)[2]** of 39% for H1 LTM 2021 (FY 2020: 46%) which temporarily declined due to sizeable development CAPEX. Primarily a major cogeneration turbine upgrade and a refurbishments of two boilers to enable or increase biomass combustion with an investment EUR 3-4 million for each of the boilers
- Lower H1 LTM 2021 Adj. EBITDA as compared to FY 2020 was affected by disposals of PT and BERT in Q4 2020 (see Appendix for details)

5 *Electricity produced in cogeneration mode with strong contribution from ancillary services*

- All plants are cogeneration plants, i.e. operate in a mode of combined heat and power production with **high overall efficiency**
- Significant share of power revenues from grid balancing services

1. For definition of Adjusted EBITDA please see slide 31
2. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment and intangible assets (without emission allowances and goodwill) as presented in the Operating segments information in the consolidated financial statements of the Group) divided by Adjusted EBITDA

Gas Storage: key investment highlights

H1 LTM 2021 Adj. EBITDA[1]: EUR 216 million
FY 2020 Adj. EBITDA: EUR 214 million

Gas Transmission
Distribution
Heat Infra
Gas storage

1 ***Market leader in the CE region with significant position in Bavaria***	❑ **Market leader** (24.0% share) in terms of capacity in the gas storage market **in the CE region** (the Slovak Republic, the Czech Republic and Austria) ❑ Monopoly gas storage operator in Slovakia, with 100% market share ❑ 7.6% market share in Germany through acquisition of storage assets (NAFTA Speicher) at the end of 2018 (20.0 TWh)
2 ***Strategically located asset***	❑ **Connection to the Central European gas routes** ❑ Interconnection with and ability to deliver to the VTP Austria / CEGH gas hub and NCG VTP gas hubs
3 ***Medium and long-term contracts, Stable and predictable cash flow generation and modern asset base***	❑ 100% of **capacity contracted** for season 2020/21 and ca 54-58% on a **long-term basis** until season 2025/26 and 35% until season 2026/27 (shares as of 30 June 2021, incl. NAFTA Speicher) supporting stable EBITDA ❑ **Moderate investment needs** due to modern facilities and strong cost control on opex side ❑ Track record of **superb Cash Conversion (excl. WoCa & Tax)[2]** - 96% in H1 LTM 2021 (FY 2020: 96%)
4 ***No price regulation***	❑ No price regulation[3] ❑ Long-term contracts usually include price adjustment formulas reflecting inflation and have a store-or-pay principle ❑ Short-term contracts mainly based on winter-summer spreads
5 ***Further opportunities generating value***	❑ Strategic storage for security of supply needs ❑ Additional operational synergies and initiatives within the EPIF Storages ❑ Direct connection of SPP Storage to Czech transmission system planned ❑ **Use of innovative products** with a potential upside in energy storage

nafta
SPP Storage
POZAGAS
nafta Speicher

1. For definition of Adjusted EBITDA please see slide 31
2. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment and intangible assets (without emission allowances and goodwill) as presented in the Operating segments information in the consolidated financial statements of the Group) divided by Adjusted EBITDA
3. Price regulation can be introduced in case of Emergency situation

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2) Group performance
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Recent developments

Environmental, Social and Governance matters

- In June 2021 EPIF has received an ESG Risk Rating of 20.0 from Sustainalytics. This score places EPIF to the low risk category and 6th position out of 62 companies from the multi-utilities sector. The results reflect EPIF’s strong management of ESG risks through its implementation of suitable policies, programs and initiatives
- In September 2021, EPIF obtained an updated ESG rating from S&P (66/100), representing an uplift compared to the inaugural rating of 65/100 in 2020. The results reflect EPIF’s strong management of ESG risks through implementation of suitable policies, programs and initiatives

Strategic

- On 9 July, EPIF announced that it commenced a strategic review, which may include an initial public offering, among other options
- On 23 August 2021, EPIF announced an appointment of Mr. Gary Mazzotti to the position of Chief Executive Officer with an immediate effect

Financing and other

- On 1 July 2021, the Group through EP ENERGY TRADING, a.s. completed an acquisition of 100% share in Dobrá energie s.r.o. (“DE”) in exchange for a preliminary cash consideration of EUR 22.6 million. The purchase price was paid upfront and is presented under Other asset (long term) in the condensed consolidated interim financial statements as at 30 June 2021. The final purchase price is subject to a standard mechanism of a closing accounts settlement. DE is a Czech based entity that primarily owns a portfolio of natural gas and power retail customers
- In July 2021 EPIF terminated some of its Interest Rate Swaps with the cash settlement in total amount of EUR 12 million
- On 25 August 2021, Nafta a.s. voluntarily repaid EUR 120 million on a term loan facility maturing 2024 using own cash

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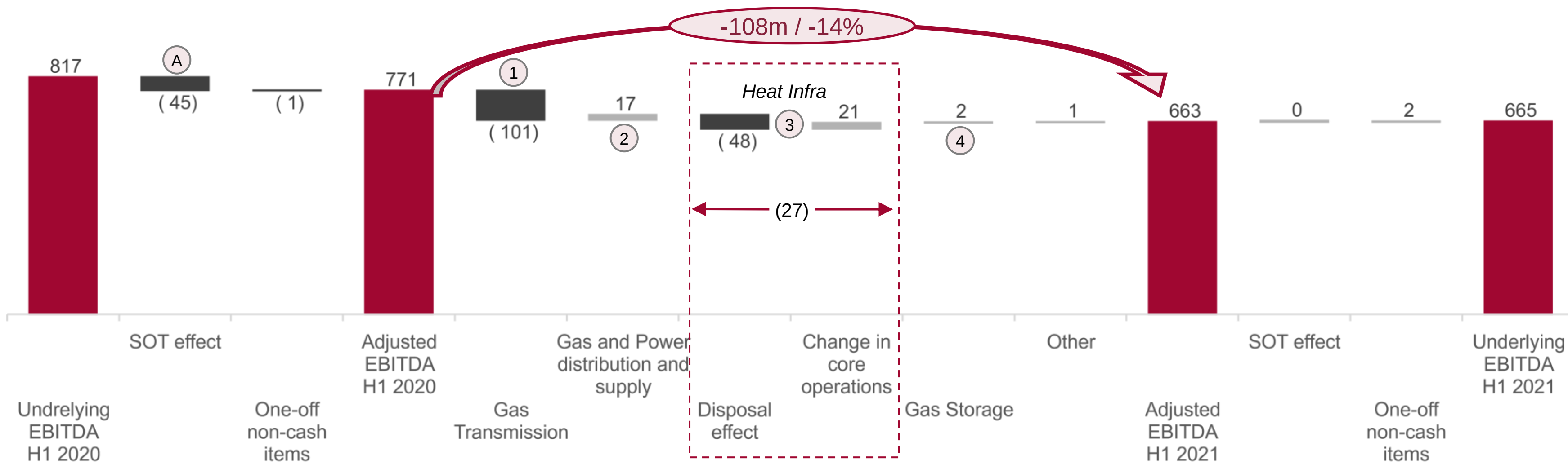
6) **Appendix**

Overview of H1 2021 results
Adjusted EBITDA bridge H1 2021 vs. H1 2020

Indicative Adjusted EBITDA bridge[1] (mil. EUR)



Core business

1. A decrease in Adjusted EBITDA of the **Gas transmission** segment was primarily due to decreased reverse gas flows, being the consequence of combination of higher balance of gas storages in Ukraine during first months of 2021 (affected by significant injections conducted in the second half of 2020 associated with attractive storage prices) and increasing gas market prices in the first half of 2021. As such, Ukraine has a lower motivation to ship gas than usually
2. The increase in EBITDA of **Gas and Power distribution** segment stems from higher gas distribution volume (+16%) driven chiefly by households consumption caused by colder weather in H1 2021
3. Negative effect of 48m represents EBITDA of PT Group and BERT (disposed in Q4 2020) generated in FY 2020.[4] The remaining core facilities experienced an increase in their operational results driven by increase in simple spread and colder weather in H1 2021 (H1 2020: 1,878 day-degrees[5], H1 2021: 2,307 day-degrees[4]) resulting in higher heat offtake (H1 2021 +14 %)
4. **Gas storage** operations remained stable due to long-term contracts with fixed price from previous years

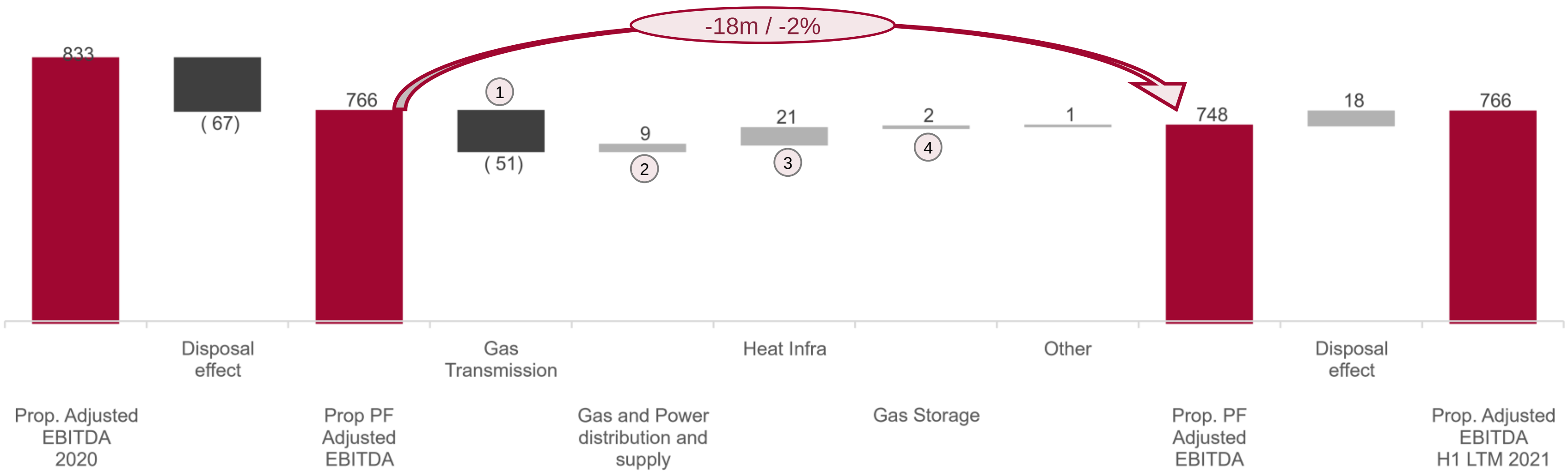
Non-core business

A. Adjustments for effect of SOT deficit/surplus that is merely a timing difference [2,3]

1. Figures might not add up due to rounding
2. System Operations Tariff („SOT“) mechanism explained on slide 37
3. For detailed reconciliation see slides 32 - 35
4. Represents EBITDA of PT Group and BERT generated in H1 2020 (see slide 32 - 35)
5. Day-degrees measure integrates the difference between reference indoor temperature and outdoor temperature over the given period of time. A higher value indicates that the temperature in the given period was below the reference temperature for a longer period of time. Day-degrees relate to all areas in the Czech Republic where EPIF delivered heat in H1 2021

Overview of H1 LTM 2021 results
Prop. Adjusted EBITDA bridge H1 LTM 2021 vs. FY 2020

Indicative Adjusted EBITDA bridge[1] (mil. EUR)



Please refer to the previous slide for details about the variances

1. Figures might not add up due to rounding

Appendix – Adjusted EBITDA and Pro-forma Adjusted EBITDA (I/V)

- **Adjusted EBITDA** represents profit (loss) for the year before income tax expenses, finance expense, finance income, profit (loss) from derivative financial instruments, share of profit of equity accounted investees, net of tax , gain (loss) on disposal of subsidiaries, special purpose entities, joint ventures and associates, depreciation of property, plant and equipment and amortization of intangible assets, and negative goodwill, adjusted by (a) excluding impairment losses (gains) - Property, plant and equipment and intangible assets, including primarily land, buildings, mines, machinery, equipment, fixtures and fittings of the Group's subsidiaries, (b) excluding gain from sale of unused non-operational land and other assets and other non-cash gains related to assets, and (c) adding back (if negative) or deducting (if positive) the difference between (i) compensation for the expenses for mandatory purchase and off take of energy from renewable sources pursuant to the Slovak RES Promotion Act and Slovak Decree of the Regulator No. 18/2017 Coll. (or any other applicable decree or law replacing it) (the "Decree") recognized in revenues in the Relevant Period and (ii) net expenses accounted for the mandatory purchase of energy from renewable resources in accordance with the Slovak RES Promotion Act, in each case inclusive of accruals.
- **Proportionate Adjusted EBITDA** represents Adjusted EBITDA, taking into consideration the proportionate ownership of the Company in its subsidiaries
- Slovak RES Promotion Act means Slovak Act No. 309/2009 Coll., on promotion of renewable energy sources and high-efficiency cogeneration and on amendments to certain acts (zákon o podpore obnoviteľných zdrojov energie a vysoko účinnej kombinovanej výroby a o zmene a doplnení niektorých zákonov)
- Decree means the Slovak Decree of the Regulator No. 18/2017 Coll. (or any other applicable decree or law replacing it)
- **Pro-forma Adjusted EBITDA** equals Adjusted EBITDA in H1 LTM 2021 and FY 2020 excluding (a) EBITDA of PT Group for the period up until October 2020 as it was disposed as of 3 November 2020, and (b) EBITDA of BERT for the period up until November 2020 as it was disposed as of 2 December 2020, in order to present results as if the aforementioned entities were not part of the EPIF Group in 2020, whereas the 2020 IFRS consolidated financial statements include results of PT Group and BERT up to the date of disposals
- **Proportionate Pro-forma Adjusted EBITDA** means Pro-forma Adjusted EBITDA, taking into consideration the proportionate ownership of EPIF in its subsidiaries
- The EBITDA, Adjusted EBITDA and Pro-forma Adjusted EBITDA included in this presentation do not represent the terms EBITDA, Adjusted EBITDA or Pro-forma Adjusted EBITDA as may be defined by any documentation for any financial liabilities of the EP Infrastructure Group

Appendix – Adjusted EBITDA and Pro-forma Adjusted EBITDA (II/V)

- EBITDA, Adjusted EBITDA and Pro-forma Adjusted EBITDA calculation (H1 LTM 2021):

H1 LTM 2021 in €m	Gas transmission	Gas and Power Distribution	Heat Infra	Gas Storage	Total Segments	Other	Holding entities	Intersegment-eliminations	Consolidated financial information
Profit (loss) for the year	**313**	**239**	**151**	**143**	**846**	**-**	**1 578**	**(915)**	**1,509**
Income tax expenses	108	85	12	42	247	-	-	-	247
Gain (loss) on disposal of subsidiaries, special purpose entities, joint ventures and associates	-	-	(79)	-	(79)	-	(705)	-	(784)
Share of profit of equity accounted investees, net of tax	-	-	-	-	-	-	-	-	-
Finance income	(1)	(1)	(2)	(2)	(6)	-	(953)	937	(22)
Finance expense	32	17	(25)	6	30	-	83	(22)	91
Profit (loss) from derivative financial instruments	2	2	(6)	-	(2)	-	(10)	-	(12)
Depreciation and amortization	123	221	62	32	438	3	-	-	441
Negative goodwill	-	-	-	-	-	-	-	-	-
Underlying EBITDA	**577**	**563**	**113**	**221**	**1,474**	**3**	**(7)**	**-**	**1,470**
Other non-cash non-recurring items	-	-	(4)	-	(4)	-	-	-	(4)
Impairment losses	-	-	-	(5)	(5)	2	-	-	(3)
System Operation Tariff (surplus)/deficit	-	(45)	-	-	(45)	-	-	-	(45)
Adjusted EBITDA	**577**	**518**	**109**	**216**	**1,420**	**5**	**(7)**	**-**	**1,418**
PT Group PF adjustment	-	-	(6)	-	**(6)**	-	-	-	(6)
BERT PF adjustment	-	-	(13)	-	**(13)**	-	-	-	(13)
PF Adjusted EBITDA	**577**	**518**	**90**	**216**	**1,401**	**5**	**(7)**	**-**	**1,399**

Appendix – Adjusted EBITDA and Pro-forma Adjusted EBITDA (III/V)

- EBITDA, Adjusted EBITDA and Pro-forma Adjusted EBITDA calculation (FY 2020):

FY 2020 in €m	Gas transmission	Gas and Power Distribution	Heat Infra	Gas Storage	Total Segments	Other	Holding entities	Intersegment-eliminations	Consolidated financial information
Profit (loss) for the year	**374**	**268**	**153**	**140**	**935**	**2**	**1 440**	**(883)**	**1,494**
Income tax expenses	128	91	14	43	276	-	(11)	-	265
Gain (loss) on disposal of subsidiaries, special purpose entities, joint ventures and associates	-	-	(79)	-	(79)	-	(705)	-	(784)
Share of profit of equity accounted investees, net of tax	-	-	-	-	-	(1)	-	-	(1)
Finance income	(1)	(3)	(1)	(2)	(7)	-	(924)	926	(5)
Finance expense	40	17	(21)	6	42	-	151	(39)	154
Profit (loss) from derivative financial instruments	7	(2)	(2)	-	3	-	40	(4)	39
Depreciation and amortization	130	220	76	31	457	3	-	-	460
Negative goodwill	-	-	-	-	-	-	-	-	-
Underlying EBITDA	**678**	**591**	**140**	**218**	**1,627**	**4**	**(9)**	**-**	**1,622**
Other non-cash non-recurring items	-	-	(4)	-	**(4)**	-	-	-	**(4)**
Impairment losses	-	-	-	(4)	**(4)**	2	-	-	**(2)**
System Operation Tariff (surplus)/deficit	-	(90)	-	-	**(90)**	-	-	-	**(90)**
Adjusted EBITDA	**678**	**501**	**136**	**214**	**1,529**	**6**	**(9)**	**-**	**1,526**
PT Group PF adjustment	-	-	(36)	-	**(36)**	-	-	-	(36)
BERT PF adjustment	-	-	(33)	-	**(33)**	-	-	-	(33)
PF Adjusted EBITDA	**678**	**501**	**68**	**214**	**1,461**	**6**	**(9)**	**-**	**1,458**

Appendix – Adjusted EBITDA calculation (IV/V)

- EBITDA and Adjusted EBITDA calculation H1 2021:

H1 2021 in €m	Gas transmission	Gas and Power Distribution	Heat Infra	Gas Storage	Total Segments	Other	Holding entities	Intersegment-eliminations	Consolidated financial information
Profit (loss) for the year	**111**	**121**	**27**	**70**	**329**	**1**	**213**	**(214)**	**329**
Income tax expenses	38	43	6	21	108	-	2	-	110
Gain (loss) on disposal of subsidiaries, special purpose entities, joint ventures and associates	-	-	-	-	-	-	-	-	-
Share of profit of equity accounted investees, net of tax	-	-	-	-	-	-	-	-	-
Finance income	(1)	-	(2)	(1)	(4)	-	(241)	224	(21)
Finance expense	15	8	1	3	27	-	36	(10)	53
Profit (loss) from derivative financial instruments	(5)	1	(1)	-	(5)	-	(12)	-	(17)
Depreciation and amortization	58	111	26	15	210	1	-	-	211
Negative goodwill	-	-	-	-	-	-	-	-	-
Underlying EBITDA	**216**	**284**	**57**	**108**	**665**	**2**	**(2)**	**-**	**665**
Other non-cash non-recurring items	-	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	(2)	(2)	-	-	-	(2)
System Operation Tariff (surplus)/deficit	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	**216**	**284**	**57**	**106**	**663**	**2**	**(2)**	**-**	**663**
PT Group PF adjustment	-	-	-	-	-	-	-	-	-
BERT PF adjustment	-	-	-	-	-	-	-	-	-
PF Adjusted EBITDA	**216**	**284**	**57**	**106**	**663**	**2**	**(2)**	**-**	**663**

Appendix – Adjusted EBITDA calculation (IV/V)

- EBITDA and Adjusted EBITDA calculation H1 2020:

H1 2020 in €m	Gas transmission	Gas and Power Distribution	Heat Infra	Gas Storage	Total Segments	Other	Holding entities	Intersegment-eliminations	Consolidated financial information
Profit (loss) for the year	**172**	**150**	**29**	**67**	**418**	**3**	**75**	**(182)**	**314**
Income tax expenses	58	49	8	22	137	-	(9)	-	128
Gain (loss) on disposal of subsidiaries, special purpose entities, joint ventures and associates	-	-	-	-	-	-	-	-	-
Share of profit of equity accounted investees, net of tax	-	-	-	-	-	(1)	-	-	(1)
Finance income	(1)	(2)	(1)	(1)	(5)	-	(212)	213	(4)
Finance expense	23	8	5	3	39	-	104	(27)	116
Profit (loss) from derivative financial instruments	-	(3)	3	-	-	-	38	(4)	34
Depreciation and amortization	65	110	40	14	229	1	-	-	230
Negative goodwill	-	-	-	-	-	-	-	-	-
Underlying EBITDA	**317**	**312**	**84**	**105**	**818**	**3**	**(4)**	**-**	**817**
Other non-cash non-recurring items	**-**	-	-	-	**-**	**-**	**-**	**-**	**-**
Impairment losses	**-**	-	-	(1)	**(1)**	**-**	**-**	**-**	**(1)**
System Operation Tariff (surplus)/deficit	**-**	(45)	-	-	**(45)**	**-**	**-**	**-**	**(45)**
Adjusted EBITDA	**317**	**267**	**84**	**104**	**772**	**3**	**(4)**	**-**	**771**
PT Group PF adjustment	-	-	(29)	-	**(29)**	-	-	-	**(29)**
BERT PF adjustment	-	-	(19)	-	**(19)**	-	-	-	**(19)**
PF Adjusted EBITDA	**317**	**267**	**36**	**104**	**724**	**3**	**(4)**	**-**	**723**

Appendix – Adjusted Free Cash Flow calculation

- **Adjusted Free Cash Flow** represents cash generated from operations (as presented in the cash flow statement line Cash flows generated from (used in) operating activities), before Interest paid and less acquisition of property, plant and equipment and intangible assets, less purchase of emission allowances and disregarding changes in restricted cash as presented in the consolidated statement of cash flows of the Group, adjusted for: (i) Underlying EBITDA effect of the SOT and (ii) working capital impact of the SO Cash generated from operations, disregarding Change in restricted cash, less Income tax paid, Acquisition of property, plant and equipment and intangible assets and emission rights as presented in the Consolidated statement of cash flow of the Group, adjusted for the EBITDA and working capital effect of the System Operation Tariff

€m	H1 2021	H1 LTM 2021	FY 2020	FY 2019
Cash flows generated from (used in) operating activities	482	1,192	1,303	1,264
Interest paid	68	146	131	128
Acquisition of property, plant and equipment, investment property and intangible assets	(56)	(196)	(209)	(220)
Purchase of emission rights	(1)	(53)	(53)	(54)
excluding Change in restricted cash	-	4	3	(1)
Reported FCFF	**493**	**1,093**	**1,175**	**1,117**
excluding SOT (EBITDA effect)	0	(45)	(90)	(50)
excluding SOT (working capital effect)	1	(87)	(39)	40
Adjusted FCFF	**494**	**961**	**1,046**	**1,107**

SOT regulatory mechanism overview

RES support scheme after 2019 and improved visibility on System Operations Tariff ('SOT')

- On 1 January 2020 the **SOT clearing duty** was transferred from the distribution companies to a state owned entity, OKTE a.s. On 18 December 2019, the **Slovak government approved a one-off payment of part of the SOT deficit** to the distribution operators, which amounted to approximately EUR 139 million for SSD. The new Slovak government made this payment in FY 2020 by means of a one-off payment and compensation through the tariff. However, SSD still records a receivable for the remaining **EUR 86.5 million.** According to a decision of RONI, the deficit is to be compensated by the end of 2026.

Appendix - Capital structure related definitions

- **Gross debt** for the Group represents the sum of indebtedness (representing principal amount and disregarding, among other things, unamortized fees, discounts and accrued interest including lease liabilities but excluding mark-to-market of hedging instruments) as included in the consolidated financial statements of the Group in the line items Non-current loans and borrowings and Current loans and borrowings, disregarding unamortized fees and accrued interest

- **Net debt** represents Gross debt less Cash and cash equivalents (as included in the consolidated financial statements of the Group). **Proportionate Net Debt** represents Net Debt, taking into consideration the proportionate ownership of EPIF in its subsidiaries

- **Net Leverage Ratio** represents Net Debt divided by Adjusted EBITDA. **Proportionate Net Leverage Ratio** represents Net Leverage Ratio, taking into consideration the proportionate ownership of EPIF in its subsidiaries

- The terms Gross debt, Net debt, Proportionate Net Debt, Net leverage Ratio and Proportionate Net leverage Ratio do not represent similarly named measures as may be defined and included in any documentation for any financial liabilities of EP Infrastructure Group

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