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The Information contains certain measures that are not measures defined by International Financial Reporting Standards, namely, EBITDA, Adjusted EBITDA, Capital Expenditures, Cash Generation, Free cash flow, Cash Conversion Ratio and Net Leverage Ratio (either on fully consolidated or proportionate basis). These measures do not represent the measures of the same or similar names as may be defined by any documentation for any financial liabilities of the Group.

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 2018" as published on www.epinfrastructure.cz.

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear shareholders, business partners, colleagues and friends,

In the first half of 2018, EP Infrastructure, a.s. ("**EPIF**") and its subsidiaries (collectively the "**Group**") continued to successfully operate their traditional energy infrastructure assets in Central Europe. The Group's core activities remain the transmission, distribution and storage of natural gas, the distribution of electricity and district heating.

The Group owns and operates:

- the gas transmission pipeline through Slovakia, the largest corridor for supplies of Russian gas to Western, Central and Southern Europe;
- the distribution network of natural gas in Slovakia;
- the electricity distribution network in Slovakia as one of the country's three main distributors of electricity;
- the largest gas storage capacities in Central Europe; and
- significant heat distribution networks and heat production plants in the Czech Republic and Hungary.

I am pleased to confirm that the Group managed its operations seamlessly over the first six months of 2017. All customers´ expectations were met, no major breakdowns or failures were encountered and reliability of our networks and operated systems was again at anticipated high levels.

Also, from the financial perspective, the Group's core operations remained stable and predictable in the first half of 2018. EBITDA[i] and Adjusted EBITDA[ii] reached EUR 742 million and EUR 779 million, respectively, for the six months ended 30 June 2018, which represents a slight decrease in Adjusted EBITDA of EUR 14 million (-1.8%) compared to the six months ended 30 June 2017. For the twelve months ended 30 June 2018, EBITDA and Adjusted EBITDA, reached EUR 1 450 million and EUR 1 454 million, respectively, (the "LTM Adjusted EBITDA")[iii]. The minor decline in performance measured by Adjusted EBITDA primarily relates to the fact that 2018 was warmer than 2017.

The Group also generated Free cash flow[iv] of EUR 606 million for the six months ended 30 June 2018, a decrease of 1% on the six months ended 30 June 2017. The half-year results reconfirm that the Group, with its diversified character of regulated and long-term contracted activities, has operated in a stable and predictable business environment and has continued to excel at converting operating profit into cash.

The Gas Transmission business remained the most significant contributor to the Group's performance with Adjusted EBITDA of EUR 334 million, representing a stable performance in-line with the Group's 2017 first half results. In the first half of 2018, the volume of natural gas transported by Eustream was more than 28 billion cubic metres, 9.6% lower than in the corresponding period in 2017 but fully in line with the Group's expectations. This drop in volume does not affect the stability of the results from this business which can be attributed to the ship or pay structure of the transmission contracts, and continuing favourable conditions in the gas market. Development projects continue to focus on the enhancement of energy security and the creation of new business opportunities. We have achieved significant progress by launching processes to increase the transit capacities from the Czech Republic to Slovakia and by obtaining financial support for the EU projects of Slovak – Polish interconnection and for the Eastring project.

In the Gas and Power Distribution business, 2017 results were primarily driven by a colder January than expected, which resulted in the distribution of an above average volumes of gas by this business. We are therefore extremely pleased that the results of this business for the first half of 2018 exceeded the Group's expectations. Adjusted EBITDA reached EUR 273 million and the business distributed natural gas volume of 2.7 billion cubic metres in the first six months of 2018, a level almost consistent with the same period in 2017. In addition, the Groups' Power distribution division distributed more than 3.2 TWh of electricity during the first six months of 2018; a stable volume that is in line with the volume distributed during the same period in 2017. We continued to renovate and reconstruct our backbone network to ensure a reliable provision of our traditional distribution services that reflect modern trends in terms of electricity distribution. Our total capital expenditures in this business were EUR 27 million in the first half of 2018.

In the Heat Infra business we supplied 12 PJ of heat, which represents a decrease in volume of 7.4%, as a result of warmer weather, particularly in April and May 2018. Nevertheless, due to our two component pricing system and other minor positive factors, the Heat Infra business was able to improve Adjusted EBITDA to EUR 93 million, which represents a slight increase in performance compared to the first half of 2017 (if disregarding the impact of the sale of various unused pieces of real estate of EUR 7 million in H1 2017). We continue being a key supplier of ancillary services both in the Czech Republic and in Hungary.

The Gas Storage business continues to be a major player in the Central European region. We provide our customers with an overall storage capacity of almost 41 TWh. Our storage facilities once again fulfilled our customers' requests to draw more intensively from the storage facilities and we supplied our customers with gas without any interruptions. The financial performance of this business remained stable when compared to the corresponding period in 2017, taking into account that Pozagas is now (for the first time) a fully consolidated entity.

Alongside delivering on business results, the Group has continued to optimize its capital structure. After being awarded investment grade rating from all three major rating agencies, EPIF successfully entered the capital markets in April 2018 by issuing notes with the nominal amount of EUR 750 million and a 6-year maturity. The proceeds were used to repay part of EPIF's bank financing. Subsequent to the repayment of EUR 598 million of EP Energy notes in May 2018, and despite challenging market conditions, EPIF refinanced its entire bank financing in July 2018, which resulted in a decrease in its overall financing costs as well as a longer duration of the debt. We expect to continue with this strategy in the future.

In conclusion, the Group again proved its role as a leading infrastructure player in the Central European region. I would like to express my personal thanks to our employees, investors and partners who have been central in the realisation of our business strategy.

Daniel Křetínský
Chairman of the Board of directors of EP Infrastructure

Appendix:

Key Financials

in EUR million	Six months ended 30 June 2018	30 June 2017
EBITDA	742	801
Adjusted EBITDA	779	793
Free cash flow	606	613

	12 months ended 30 June 2018	31 December 2017
LTM EBITDA	*1 450*	*1 509*
LTM Adjusted EBITDA	*1 454*	*1 468*
LTM Free cash flow[v]	*1 033*	*1 040*
Net debt[vi]	*4 293*	*4 581*

Key non-financial performance indicators

KPI	Unit	Six months ended 30 June 2018	30 June 2017
Gas transmitted	bcm	28.19	31.19
Gas distributed	bcm	2.67	2.71
Power distributed	TWh	3.22	3.16
Heat supplied	PJ	11.98	12.94

[i] EBITDA represents operating profit plus depreciation of property, plant and equipment and amortisation of intangible assets less negative goodwill (if applicable).

[ii] Adjusted EBITDA represents operating profit plus depreciation of property, plant and equipment and amortisation of intangible assets less negative goodwill (if applicable), adjusted by (a) excluding non-cash non-recurring impairment charge relating to property, plant and equipment and intangible assets at Plzeňská energetika a.s. ("PE") as a result of commercial negotiations between the Group and the City of Pilsen in relation to a potential future merger of PE and Plzeňská teplárenská, a.s. ("PLTEP"), resulting in PLTEP as a successor company in which the Group would have a 35 per cent. interest and management control (effect of EUR -10 million in H1 2018) and (b) 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 the Decree recognised 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 (effect of EUR -27 million in H1 2018; EUR 8 million in H1 2017; EUR 41 million in 2017; EUR 6 million in LTM).

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).

Reconciliation is as follows:

Key Metrics	Gas Transmission	Gas and Power Distribution	Heat Infra	Gas Storage	Other	Total segments	Holding entities	Intersegment-eliminations	Consolidated financial information
					(in EUR millions)				
Six months ended 30 June 2018									
EBITDA	334	246	83	81	1	745	(3)	-	**742**
Impairment to the line items property, plant and equipment and intangible assets at PE	-	-	10	-	-	10	-	-	**10**
System Operation Tariff surplus / deficit	-	27	-	-	-	27	-	-	**27**
Adjusted EBITDA	**334**	**273**	**93**	**81**	**1**	**782**	**(3)**	**-**	**779**
Six months ended 30 June 2017									
EBITDA	336	292	99	76	2	805	(2)	(2)	**801**
Impairment to the line items property, plant and equipment and intangible assets at PE	-	-	-	-	-	-	-	-	**-**
System Operation Tariff surplus / deficit	-	(8)	-	-	-	(8)	-	-	**(8)**
Adjusted EBITDA	**336**	**284**	**99**	**76**	**2**	**797**	**(2)**	**(2)**	**793**
12 months ended 30 June 2018									
LTM EBITDA	662	505	141	149	4	1,461	(13)	2	**1,450**
Impairment to the line items property, plant and equipment and intangible assets at PE	-	-	10	-	-	10	-	-	**10**
System Operation Tariff surplus / deficit	-	(6)	-	-	-	(6)	-	-	**(6)**

LTM Adjusted EBITDA.................	**662**	**499**	**151**	**149**	**4**	**1,465**	**(13)**	**2**	**1,454**
2017									
EBITDA	664	551	157	144	5	1,521	(12)	-	**1,509**
Impairment to the line items property, plant and equipment and intangible assets at PE	-	-	-	-	-	-	-	-	**-**
System Operation Tariff surplus / deficit	-	(41)	-	-	-	(41)	-	-	**(41)**
Adjusted EBITDA..	**664**	**510**	**157**	**144**	**5**	**1,480**	**(12)**	**-**	**1,468**

[iii] LTM Adjusted EBITDA is calculated as Adjusted EBITDA for the six-month period ending 30 June 2018 plus Adjusted EBITDA for 2017 less Adjusted EBITDA for the six-month period ending 30 June 2017.

[iv] Free cash flow represents Cash generated from operations, disregarding Change in restricted cash, less Income tax paid and Acquisition of property, plant and equipment and intangible assets as presented in the consolidated statement of cash flows of the Group

[v] LTM Free cash flow is calculated as free cash flow for the six-month period ending 30 June 2018 plus free cash flow for 2017 less free cash flow for the six-month period ending 30 June 2017.

[vi] Net debt represents gross debt less cash and cash equivalents (as included in the consolidated financial statements of the Group). Gross debt for the Group represents the sum of indebtedness (representing principal amount and disregarding, among other things, unamortised fees, discounts and accrued interest) including finance leases 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 unamortised fees and accrued interest.