EP Infrastructure

2022 Results Call

4 April 2023

Gary Mazzotti, Chief Executive Officer
Václav Paleček, Finance Director

www.epinfrastructure.cz

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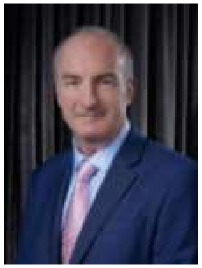
Presenting team



Gary Mazzotti

Chief Executive Officer, Vice-chairman of Board Of Directors

- *>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*

Agenda

1) **Executive summary**
2) Group performance
3) Financial profile update
4) Business segment highlights
5) Wrap-up
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 Slovakia and the Czech Republic (low risk and developed countries), 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 the strong cash conversion ability is the 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 made by previous owners (electricity distribution segment)
- In FY 2022 EPIF Group reached the following financial results:
  - **Consolidated Revenues** of **EUR 4,004 million** (EUR 2,810 million in FY 2021)
  - **Adjusted EBITDA**[2] of **EUR 1,455 million** (EUR 1,278 million in FY 2021)
  - **Proportionate Adjusted EBITDA**[3] of **EUR 875 million** (EUR 686 million in FY 2021)
  - **Proportionate Net Leverage Ratio**[4] of **2.90x** (4.26x in FY 2021)
  - **Adjusted Free Cash Flow**[5] of **EUR 750 million** (EUR 785 million in FY 2021)
  - **Group Cash Conversion Ratio**[6] at approx. **52%** (61% in FY 2021)
- Despite **escalated geopolitical frictions** and related **energy market disruptions** during 2022, which adversely affected the results of the Gas Transmission segment, the Group demonstrated its resilience and **achieved strong financial results**. The business resiliency stems from the diversification across gas and power value chains and a high portion of revenues being regulated and contracted on a long-term basis
- **Gas storage** segment played the most **essential role** from the diversification perspective, as gas delivery insecurity and highly volatile commodity prices contributed to outstanding Gas storage performance that almost fully offset the Gas Transmission underperformance. The strong resilience of the reported results is **underpinned by the strategic diversification** of EPIF Group's activities into four segments with strong natural hedges among them

1. All figures in the presentation calculated on fully consolidated basis, unless explicitly stated otherwise
2. Adjusted EBITDA represents profit (loss) for the period before income tax expenses, finance expense, finance income, impairment losses on financial instruments and other financial assets, share of profit (loss) of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, depreciation of property, plant and equipment and amortisation of intangible assets, negative goodwill and impairment charges relating to property, plant and equipment and intangible assets, adjusted for certain items. For more details see slides 33-35
3. Proportionate Adjusted EBITDA represents Adjusted EBITDA, taking into consideration the proportionate ownership of EPIF in its subsidiaries
4. 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. For Net Debt definition see slide 37
5. Adjusted Free Cash Flow represents Cash generated from (used in) operations, disregarding Change in restricted cash, less Income taxes paid, Acquisition of property, plant and equipment, investment property and intangible assets and Purchase of emission rights as presented in the Consolidated statement of cash flow, 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 and SSE. However, EPIF has management control pursuant to a shareholder agreement
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. **Relatively 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 maintain and re-establish **investment grade credit ratings**
10. EPIF has **best-in-class ESG achievements and robust ESG commitments**

EP **Infrastructure**

BBB- / Ba1 / BBB-[1]

(all Negative outlook)

S&P Global Moody's FitchRatings

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1. Based on the latest credit rating reports as of 26 October 2022, 24 June 2022 and 19 October 2022, respectively

Agenda

EPIF Group overview

EPH

100%

EPIF Investments

MACQUARIE

Other institutional co-investors

CEI Investments (MacCo)

69%

31%[2]

EP Infrastructure

Gas Transmission

2022 Adj. EBITDA
€324m
22% of total
(18% on prop. basis)

SLOVAKIA

49%[1] ★ eustream SLOVAK GAS TSO

Gas and Power Distribution

2022 Adj. EBITDA
€556m
38% of total
(35% on prop. basis)

SLOVAKIA

49%[1] ★ SSE HOLDING

49%[1] Distribúcia SPP

CZECH REP.

100% epet.

100% Dobrá Energie

Gas Storage

2022 Adj. EBITDA
€379m
26% of total
(29% on prop. basis)

SLOVAKIA

69%[1] ★ nafta

62%[1] ★ POZAGAS

GERMANY

69%[1] ★ nafta Speicher

CZECH REP.

49%[1] ★ SPP Storage

Heat Infra

2022 Adj. EBITDA
€198m
14% of total
(18% on prop. basis)

CZECH REP.

100% EOP ELEKTRÁRNY OPATOVICE

100% EOP DISTRIBUCE

100% UE UNITED ENERGY

100% ST SEVEROČESKÁ TEPLÁRENSKÁ

35%[1] ☆ PLZEŇSKÁ TEPLÁRENSKÁ

★ 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], the Czech Republic (AA- / Aa3 / AA-)[3] and Germany (AAA/Aaa/AAA)[3]
- All major EPIF assets have **stable and resilient operating performance**, 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 Republic**, whereby EPIF keeps management control over all its subsidiaries
- The strategic composition of the Group with a strong diversification effects among segments. In 2022, a meaningful negative correlation between gas transit and gas storage activities or an upside potential for power generating activities when gas price is under pressure were apparent
- In 2022 the role of **Gas transmission** segment became **less significant**, while **Gas storage** proved its **increased importance** to the Group

in EUR mil.	2022	2021	2020	2019	2018	2017
Adjusted EBITDA[4]	1,455	1,278	1,526	1,606	1,466	1,461
Prop. Adjusted EBITDA[4]	875	686	833	884	818	800
Prop. PF Adjusted EBITDA[4]	-	-	766	-	-	-
Adjusted Free Cash Flow[4]	750	785	1,046	1,107	1,030	1,045
Group Cash Conversion ratio[5]	52%	61%	69%	69%	70%	72%
Prop. Net debt[4]	2,534	2,924	3,104	3,481	3,447	3,597
Prop. Net Leverage Ratio[4]	2.90x	4.26x	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. MAM Co. and several other institutional co-investors co-own CEI Investments (an SPV established to hold the stake in EPIF); MAM has the controlling rights and the MacCo is the only party to the SHA with EPH
3. All ratings as per S&P / Moody's / Fitch
4. Refer to Appendices for definitions of Adjusted EBITDA, Proportionate Adjusted EBITDA, Proportionate Pro-forma ("PF") Adjusted EBITDA, Adjusted Free Cash Flow, Proportionate Net debt and Proportionate Net Leverage Ratio (slides 33-37)
5. Group Cash Conversion Ratio represents Adjusted Free Cash Flow divided by Adjusted EBITDA
6. Prior to implementation of dividend lock up covenant
7. 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 33

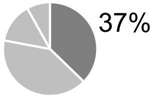
Large and diversified portfolio of strategically-important infrastructure assets, under stable regulatory environment and/or long-term contracts

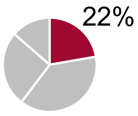
▮ FY 2021
🟥 FY 2022

FY 2021 and 2022 comparison

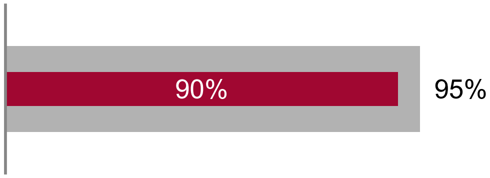
Segment | **Adj. EBITDA** | **Cash Conversion (excl. WoCa & Tax)²** | **Operating KPIs** | **Business profile**

Gas Transmission

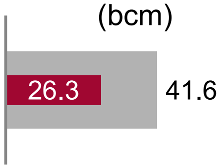




€479m **€324m**

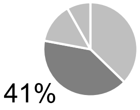


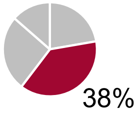
Gas transmission (bcm)



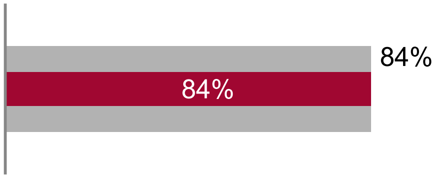
- ❑ Regulated / long-term contracted

Gas and Power Distribution

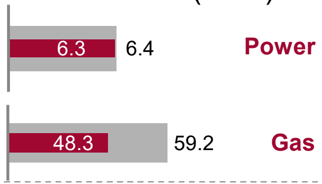




€522m **€556m**

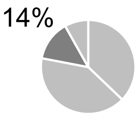


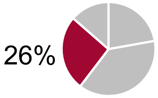
Gas and power distribution (TWh)



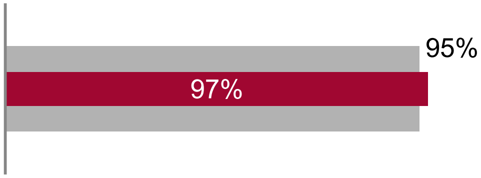
- ❑ Almost fully regulated; natural monopoly position in distribution business in the region of operation

Gas Storage





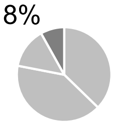
€179m **€379m**

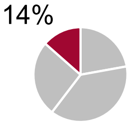


Storage capacity (TWh)

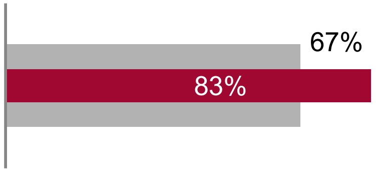
- ❑ Predominantly long-term contracted

Heat Infra





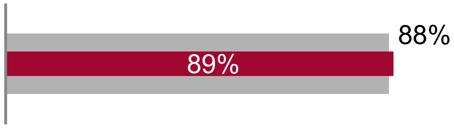
€104m **€198m**



Heat sold (PJ)

- ❑ Predominantly regulated

EPIF (Total for the Group)[1] **€1,278m** **€1,455m**



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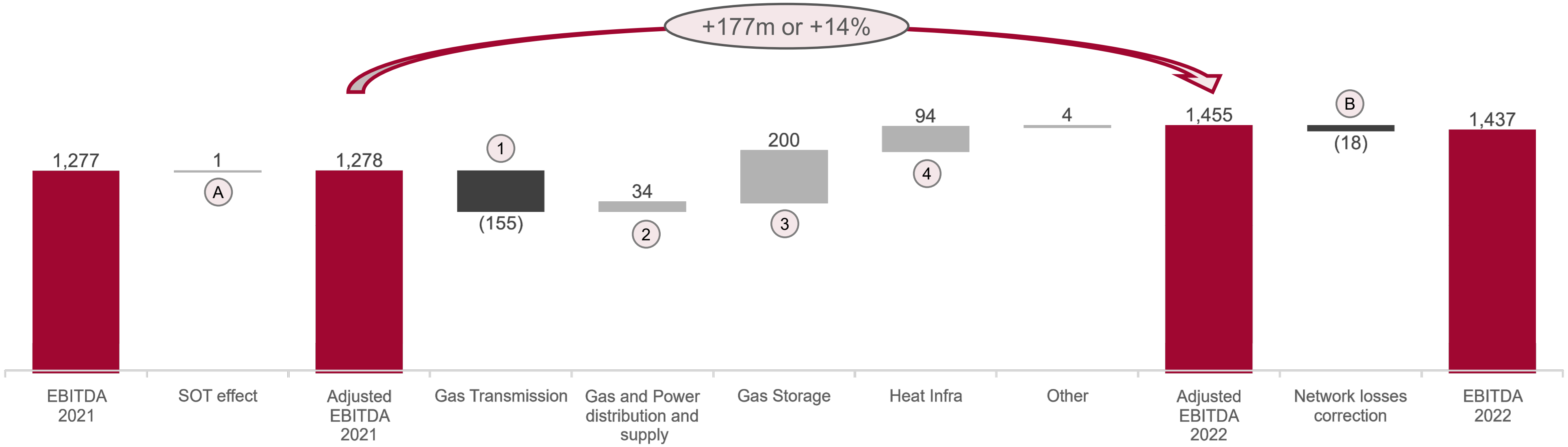
1. Total figure includes also other operations and holding expenses of the Group (segments Other and Holding entities)
2. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment, investment property and intangible assets (without emission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

Strength of 2022 results
Adjusted EBITDA bridge FY 2022 vs. FY 2021

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



Core business

① The adverse EBITDA variance in the **Gas transmission** segment (-32% to EUR 324m) was mainly driven by the fact that almost all direct flows of Russian piped gas to Europe have been reduced or terminated following the military invasion of Ukraine by the Russian Federation and the subsequently imposed sanctions against the Russian Federation. It resulted in a 55% decline in the overall volume of gas supplied from the Russian Federation to the EU and the UK in 2022 compared to 2021. In particular, eustream recorded a 37% decline in volume of transported natural gas via its network, which in turn negatively affected the volume of gas in-kind sold and its associated hedges

② Despite all market challenges and lower distributed volumes, the **Gas and Power Distribution** segment remained relatively stable and resilient as the major portion of distribution tariffs is fixed. In fact, the segment reached better EBITDA (+7% to EUR 556m) thanks to the contribution of the supply business that benefited from conservative sourcing policy

③ The strong performance of the **Gas storage** segment resulting in significantly higher EBITDA (+112% to EUR 379m) was primarily impacted by unusually high gas spreads observed on the market namely in the second half of 2022 enabling storage businesses to sell the available short-term capacity at extraordinary prices. This positive financial impact highlighted the option value of the available short-term storage capacity which materialized in the period with substantial volatility of gas prices, overall market instability and gas supply insecurity

④ The **Heat Infra** segment reported an improvement in EBITDA (+90% to EUR 198m), which was chiefly affected by the favourable development in power simple spread and strong performance in the grid-balancing services provided to the Czech transmission system operator. This was partly offset by the negative effect of warmer weather[2] resulting in lower heat offtake (-11% compared to the previous year)

Others

Ⓐ Adjustment for the effect of SOT surplus/deficit that is merely a timing difference

Ⓑ Adjustment for correction of excessive cost of network losses incurred[3] that were fully acknowledged by the Regulator

1. Figures might not add up due to rounding
2. 2021: 3,719 day-degrees, 2022: 3,276 day-degrees. 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 2022
3. For further details please see the definition of Adjusted EBITDA on slide 33

Market, Regulation and Legislation update

Russian natural gas supply to Europe

- ☐ Following the **military invasion of Ukraine by the Russian Federation** and the subsequently imposed sanctions against the Russian Federation, **almost all direct flows of Russian piped gas to Europe have been terminated**. As a result, the overall **volume of gas** supplied from the Russian Federation to the EU and the UK in 2022 **decreased by 55%** to approx. **67 bcm** compared to approx. 150 bcm in 2021
- ☐ **Volumes transmitted through the pipeline operated by eustream**, which is one of two major transit routes for Russian piped gas that have not been terminated (along with TurkStream), **have also been affected**. After the declaration of the force majeure event at the Sokhranivka Russian-Ukrainian connecting point in **May 2022**, volumes transmitted through eustream's pipeline have been **substantially reduced**. Since that moment, east-to-west gas flows via the Velke Kapusany connection point have oscillated around **37 million cubic meters per day** and continue to flow at approximately this level also as of the date of this presentation. In 2022, eustream transported 26 billion cubic metres of natural gas, which was 37% less year-on-year
- ☐ With regard to these developments and the continuing military invasion of Ukraine, it is **uncertain whether any further reductions or interruptions** in the supply of natural gas from the Russian Federation to Europe will occur

Regulation, legislation and taxation

- ☐ **Gas and power distribution regulation**
  - Released details of regulatory parameters for the new regulatory period 2023-2027[1] confirmed continuation of transparent and stable regulatory framework, which provides a reasonable predictability of cash flows over that period. Also, the regulator specified certain mechanisms protecting DSOs from volume risk. For further details about the regulation see slide 28
- ☐ **Energy crisis emergency interventions**
  - To address the energy crisis in 2022, various **emergency interventions** in response to high energy prices have been proposed and adopted both at the EU and individual state levels across Europe, such as, among other things, **price caps on power producers, windfall taxes** or **solidarity contributions**. There has been **no material adverse impact** on the Group as a result of these interventions
- ☐ **Taxation in Slovakia**
  - During 2022 and 2023 there have been certain **taxation proposals** relevant to the Group discussed and voted in the Slovak National Council, however there has been **no material adverse impact** on the Group. The most significant tax proposal was represented by the **"Pipeline tax"** that should have been applied to **eustream**, but **the law was ultimately voted down by the National Council** which is the final and definite stage of the legislative process

1. The regulation relevant to power distribution has not yet been officially issued as of the date of this presentation

ESG Pillars and Strategy

ESG matters are monitored and managed at the Group level

S&P Global Ratings

63/100 ESG Rating

EPIF was the first company in the CEE to obtain an ESG Rating by S&P (in 2020). Last rating update was performed in November 2022

SUSTAINALYTICS

18.2 ESG Risk Rating

In December 2022, EPIF Group obtained an **ESG risk rating of 18.2 from Sustainalytics,** confirming its position in the low-risk category, 5th in Multi-utilities Sector

SUSTAINABLE DEVELOPMENT GOALS

Commitment to low carbon business model

- **Major portion of EPIF's EBITDA** is generated from operation of infrastructure assets which carry a **relatively limited GHG footprint** (87% of adjusted EBITDA in 2022; 11% of total GHG emissions). These include gas transmission, gas and power distribution or gas storage. At these assets, efforts are concentrated on reduction of methane leakages
- EPIF remains committed to **carbon neutrality by 2040** and reduction of CO2 emissions from its existing heating plants by 60% and abandoning coal as a primary energy source by 2030
- EPIF is continuously assessing its medium- and long-term decarbonization targets and contemplates **announcement of further goals** once it completes an internal review and lays down emission reduction pathways for individual segments
- EPIF is currently in the process of establishing a **Green Finance Framework** to position itself for a potential refinancing through a labelled instrument (such as green or sustainable-linked bond)

Social responsibility

- **Healthy and safe** working conditions
- **Responsible marketing** approach, providing all relevant information regarding offered services
- In 2022, EP Corporate Group Foundation, of which EPIF is a key benefactor, **released EUR 1.5m as aid for refugees from Ukraine** to help them secure stable housing and attain necessary requalification to enter the Czech labor market. Individual EPIF subsidiaries (mainly those based in Slovakia) also organized help such as collections for people in refugee camps in Slovakia or direct material supplies to Ukraine
- As the primary benefactor of the EPH Foundation, EPIF continued to provide support to institutions for the most vulnerable people, such as those at retirement homes, **to fight the COVID-19 pandemic**

Transparent corporate governance

- EPH/MAM 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
- In August 2021, **Gary Mazzotti was appointed as CEO of EPIF**, replacing Daniel Křetínský who remains Chairman of the Management Board

Value-driven management team with proven track record

Senior Management

● = today's speakers

Gary Mazzotti

Deputy Chairman of EPIF Management Board, CEO

- *Management Board member*
- *35 years of experience*
- *Serves on boards of other EPIF‘s entities*

Daniel Křetínský

Chairman of EPIF Management Board

- *Chairman of EPH*
- *21 years of experience*

Václav Paleček

Finance Director

- *>10 years of experience*
- *Serves on boards of other EPIF‘s entities*

Tomáš Miřacký

Director of Financing & Treasury

- *18 years of experience*
- *Serves on boards of other EPIF‘s entities*

Tomáš Mareček

Director of Gas Transmission

- *18 years of experience*
- *Chairman of the BoD of eustream*

David Onderek

Director of Heat Infra

- *26 years of experience*
- *Serves on boards of other EPIF‘s entities*

Martin Bartošovič

Director of Gas Storage

- *26 years of experience*
- *General Director of NAFTA*

František Čupr

Director of Gas and Power Distribution

- *25 years of experience*
- *Chairman of the BoD of SPP-D and SSD*

Strong and transparent corporate governance

☐ Strong and well-established **Senior Management** team with track record of operating companies‘ management within the 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 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

Agenda

1) Executive summary
2) Group performance
3) **Financial profile update**
4) Business segment highlights
5) Wrap-up
6) Appendix

The robust and stable balance sheet

In EUR mil.	31 Dec 2021	31 Dec 2022
Total assets	11,620	12,967
PPE, Intangibles and GW	10,102	9,892
Fin. instruments (assets)	281	227
Cash and cash equiv.	501	1,548
Other assets	736	1,300
Total equity	3,826	4,575
Total liabilities	7,794	8,392
Fin. instruments (liabilities)	856	621
Gross debt[1]	4,119	4,601
Provisions	425	462
Deferred tax	1,685	1,688
Other liabilities	709	1,020

Cash and cash equivalents

Increased balance due to strong results, drawdown of debt to secure liquidity and no dividends paid out of EPIF in 2022

Other assets

Includes paid margining balance of EUR 311m

Total equity

Largely stable, affected by the change in fair value of financial instruments and no dividends declared in 2022

Fin. Instruments

Decreased balances primarily thanks to volume and price effect on commodity derivatives and price effect on IRS derivatives held for risk management purposes

Gross debt[1]

Increased mainly due to drawn RCF of EUR 400m at EPIF and EUR 100m bank loan at SSE

Deferred tax

Broadly stable, mainly stems from different tax and accounting value of the Group's gas transmission and distribution pipelines[2]

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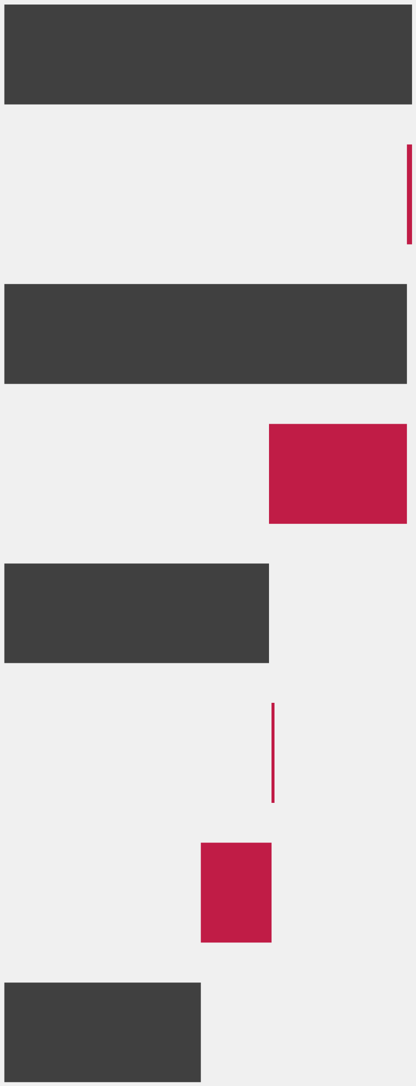
1. Represents principal owed and lease liabilities disregarding accrued interest and unamortized fees. For further details related to gross debt please see slide 21
2. The gas transmission pipelines of eustream and the gas distribution pipelines of SPPD are carried at a revalued amount (fair value as of the date of revaluation less subsequent depreciation and impairment) following the IAS 16 revaluation model, which is applied for the Group's consolidated financial statements since 2019 for eustream's pipelines and 2020 for SPPD's pipelines

Strong performance despite the volatile markets and tense geopolitics



31 Dec 2021	In EUR mil.	31 Dec 2022
1,278	**Adj. EBITDA[1]**	1,455
(1)	Adjustments[2]	(18)
1,277	**EBITDA**	1,437
(428)	D&A and Imp.	(492)
849	**EBIT**	945
(42)	Net finance result	9
(205)	Tax expense	(253)
602	**Profit after tax**	701

Adjusted EBITDA[1]

The Gas Storage and the Heat Infra segments‘ strong overperformance more than offsets a decline at the Gas Transmission segment

Adjustments[2]

Adjusted for exceptional items of an unusual or non-recurring nature

D&A and Impairment

Increase primarily driven by the goodwill impairment of EUR 34m

Net finance result

Better result mainly due to an accounting gain on revaluation of IRS derivatives

Tax expense

Higher mainly due to improved profits. Effective tax rate increased to 26.6% from 25.6% in 2021

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1. For definition of Adjusted EBITDA please see slide 33. For further details about Adjusted EBITDA development please see slide 10
2. Adjustments are further described in detail on slide 10

Financing strategy of the EPIF Group

Key policies

- ❑ In October 2022, in response to the ongoing uncertainties on the energy market, EPIF announced its aspiration to achieve, by the time the majority of the margining deposits are returned to the EPIF Group by the end of 2023, **a new reduced target for Proportionate Net Leverage Ratio of the EPIF Group of 3.5x** which is to apply until the current uncertainties subside
- ❑ To retain diversified sources of financing available to the Group and **keep the majority of debt exposure in bonds** (or similar instruments, subject to market conditions). The share of bonds on the Group gross debt was 84% as of 31 December 2022
- ❑ To **increase average duration** of the debt in EPIF Group while optimizing the interest cost, also in the context of the EUR 750m bond maturing in April 2024
- ❑ **EPIF's share** on the overall proportionate Group´s financing shall represent **app. 70% of the overall Group's proportionate gross debt** (75% share as of 31 December 2022)

Targeted financing structure

- ❑ Financing of the Group relies on two pillars: SPPI Group and EPIF (parent company of the Group)
- ❑ **Overall Proportionate Net Leverage Ratio** of the Group to be below **3.5x** which is to apply until the current uncertainties subside (target reduced from 4.3x, dividend lock-up covenant at 4.5x) while EPIF **reported a Proportionate Net Leverage Ratio of 2.90x** as of 31 December 2022
- ❑ **Maximum Net Leverage of 2.5x at SPPI Group level** as agreed in the Shareholders' Agreement with **historical net leverage below 2.0x** EBITDA (0.9x as of 31 December 2022)
- ❑ **Maximum Net Leverage of 2.5x at SSE Group level** as agreed in the Shareholders' Agreement with **historical net leverage negative or limited** (0.3x as of 31 December 2022)
- ❑ The Group intends to establish **a green finance framework** for use within its capital structure strategy which may serve as a basis for the financing of any future eligible projects, in line with the ICMA Green Bond and LMA Green Loan Guidelines

Conservative capital structure
Major deleveraging in order to mitigate temporarily elevated business risks

Summary capital structure

Fully consolidated basis (EURm)	31 December 2022
Gross debt[1]	4,601
Cash	1,548
Net debt	**3,053**
Adjusted EBITDA FY 2022[3]	1,455
Net debt / Adjusted EBITDA[3]	**2.10x**

Proportionately[2] consolidated basis (EURm)	31 December 2022
Gross debt[1]	3,677
Cash	1,143
Net debt	**2,534**
Adjusted EBITDA FY 2022[3]	875
Net debt / Adjusted EBITDA[3]	**2.90x**

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) while the **management target** updated in October 2022 is to maintain the ratio **below 3.5x** which is to apply until the current uncertainties subside
- ❑ EPIF is committed to maintaining a financial profile consistent with **investment-grade credit ratings**
  - Currently rated BBB- by S&P's / Ba1 by Moody's / BBB- by Fitch, all with negative outlook
  - 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 31 December 2022, external debt at EP Energy group included loans at SSE Group comprising a revolving credit facility of EUR 50m, a term loan of EUR 50m and amortizing loan of EUR 3m
  - **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 or re-establish investment grade profile, subject to factors which may be beyond EPIF Group's control
- ❑ EPIF's financial policy is supported by **robust corporate governance**, reinforced by MIRA's strong minority shareholder rights in the Shareholders' Agreement

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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. Adjusted EBITDA represents profit (loss) for the period before income tax expenses, finance expense, finance income, impairment losses on financial instruments and other financial assets, share of profit (loss) of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, depreciation of property, plant and equipment and amortisation of intangible assets, negative goodwill and impairment charges relating to property, plant and equipment and intangible assets, adjusted for certain items. For further details please see slide 33

Key developments in 2022 and subsequent events

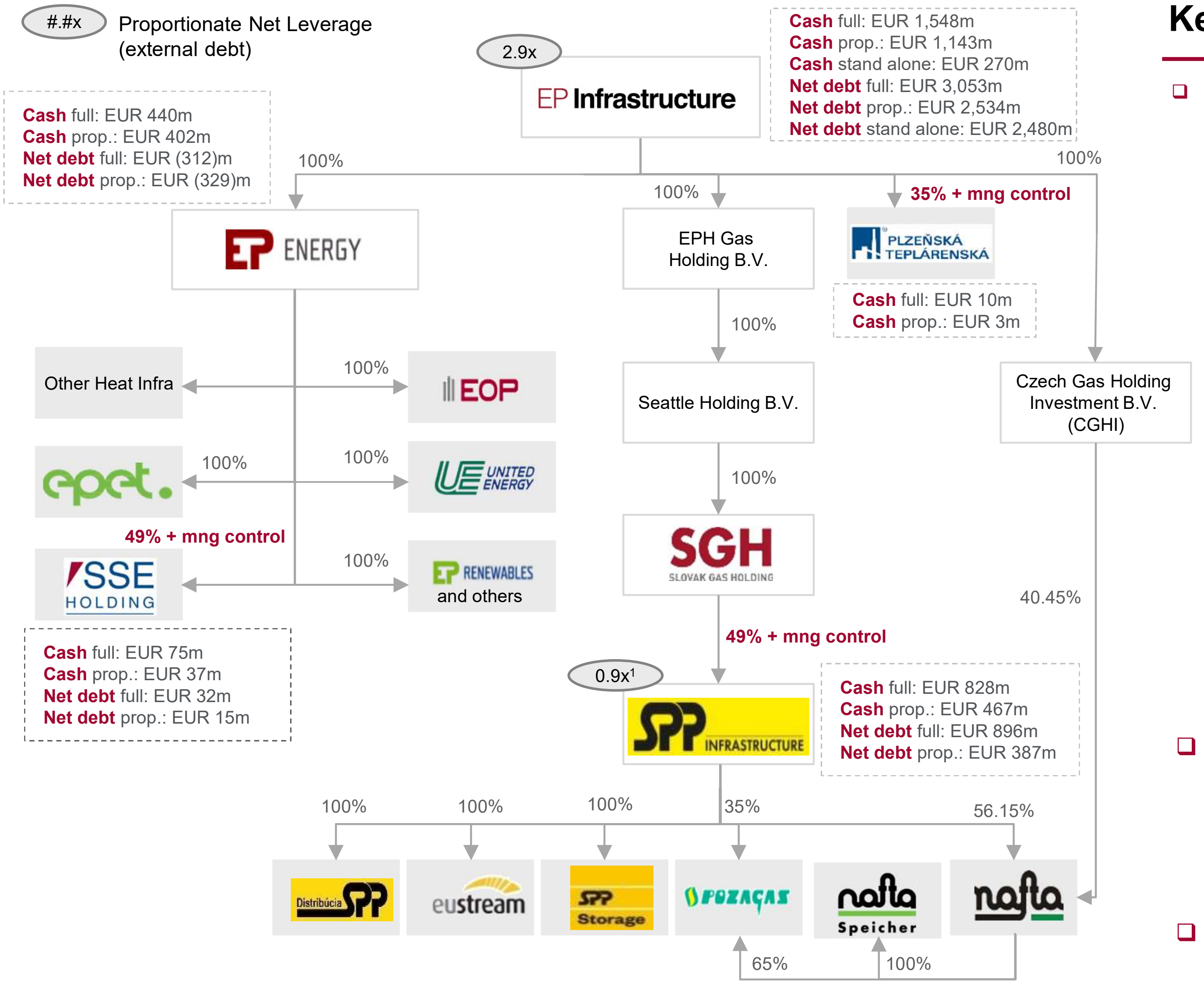
External financing

- During March 2022, **EPIF drew EUR 400m under** a revolving loan facility B. The funds were drawn in order to protect the Group against a possible technical disruption in the financial sector or the commodity exchange. The total amount of **EUR 200m** was **repaid** during February and March 2023, while EUR 200m remains drawn. The RCF has maturity in January 2025
- On 12 July 2022, **SSE Holding drew EUR 140m** out of EUR 150m available under a new bank financing agreement. The drawn funds comprise a term loan of **EUR 50m** and a **revolving credit facility of EUR 90m**. Both instruments are unsecured and have a five-year maturity. The outstanding balance as of 31 December 2022 was EUR 100m
- On 3 January 2023, new credit facilities were granted to **SSE** and **SSD**, each with a limit of up to **EUR 50m**, maturing in one year and **guaranteed by SSE Holding**

Dividends

- The Company has not declared or distributed any dividend to EPIF shareholders **since EUR 100m in May 2021**
- In July 2022, SSE distributed **dividends of EUR 147m**, of which 49% was received by EP Energy
- In July 2022, EPIF received **dividends of EUR 33m** through its direct share in Nafta via Czech Gas Holding Investment
- In August 2022, PLTEP distributed **dividends of EUR 8m**, of which 35% was received by EPIF
- On 31 March 2023, the **General meeting of SPPI declared a dividend of EUR 300m**, which represents distribution of **profits made by the Storage segment**. The dividend is payable within 90 days. For avoidance of doubt, the dividend is not going to be funded from SPPD and eustream

Capital structure overview as of 31 December 2022 – external debt



#.#x Proportionate Net Leverage (external debt)

2.9x **EP Infrastructure**

Cash full: EUR 1,548m
Cash prop.: EUR 1,143m
Cash stand alone: EUR 270m
Net debt full: EUR 3,053m
Net debt prop.: EUR 2,534m
Net debt stand alone: EUR 2,480m

100% EP ENERGY

Cash full: EUR 440m
Cash prop.: EUR 402m
Net debt full: EUR (312)m
Net debt prop.: EUR (329)m

100% Other Heat Infra

100% EOP

100% epet

100% United Energy

49% + mng control SSE HOLDING

Cash full: EUR 75m
Cash prop.: EUR 37m
Net debt full: EUR 32m
Net debt prop.: EUR 15m

100% EP Renewables and others

100% EPH Gas Holding B.V.

100% Seattle Holding B.V.

100% SGH Slovak Gas Holding

49% + mng control 0.9x[1] SPP Infrastructure

Cash full: EUR 828m
Cash prop.: EUR 467m
Net debt full: EUR 896m
Net debt prop.: EUR 387m

35% + mng control Plzeňská teplárenská

Cash full: EUR 10m
Cash prop.: EUR 3m

100% Czech Gas Holding Investment B.V. (CGHI)

40.45%

100% Distribúcia SPP

100% eustream

100% SPP Storage

35% POZAGAS

56.15% nafta

65%

100% nafta Speicher

Key highlights

- ❑ Under standard circumstances, 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**, with limited indebtedness (gross debt EUR 107m at SSE Group as of 31 December 2022)
  - Track record of modest level of debt below 2.0x (0.9x as of 31 December 2022) 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. Current dividend policy is however centered around EPIF's announced **aspiration to maintain its proportionate net leverage below 3.5x** which is to apply until the current uncertainties subside
- ❑ As EPIF remains fully committed to maintaining and re-establishing (as applicable) the investment grade credit ratings of itself, SPPD and eustream, EPIF as a shareholder expressed that **cash balances** at EPIF level are **not available for distribution** until the situation stabilizes
- ❑ EPIF may **consider repurchasing a portion of its publicly traded debt** through, among other options, open market purchases. An execution of bond buy back, which **has not been commenced**, may be conducted depending on market situation and other conditions

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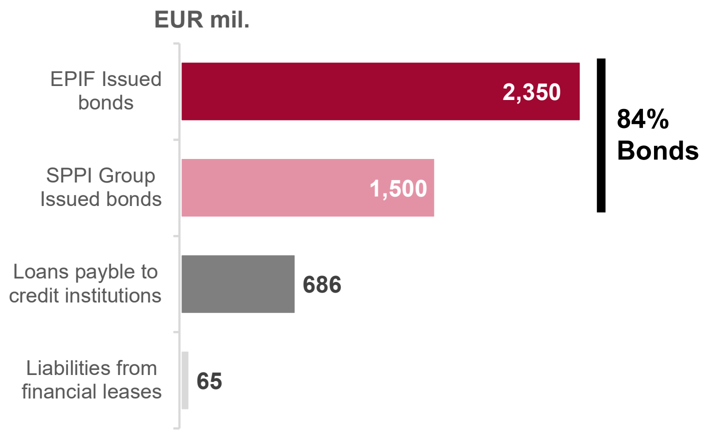
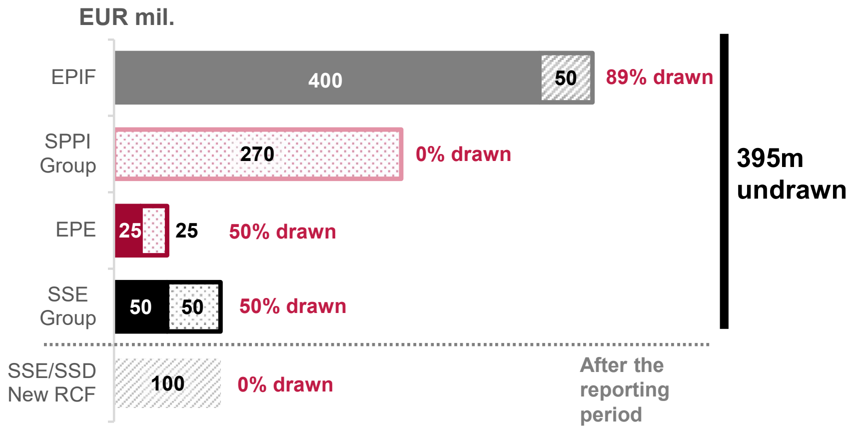
1. Proportionate Net Leverage of SPPI reflects fully consolidated view from SPPI perspective

Gross debt and liquidity overview as of 31 December 2022

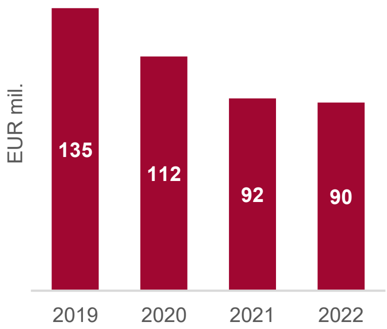
Breakdown by instrument



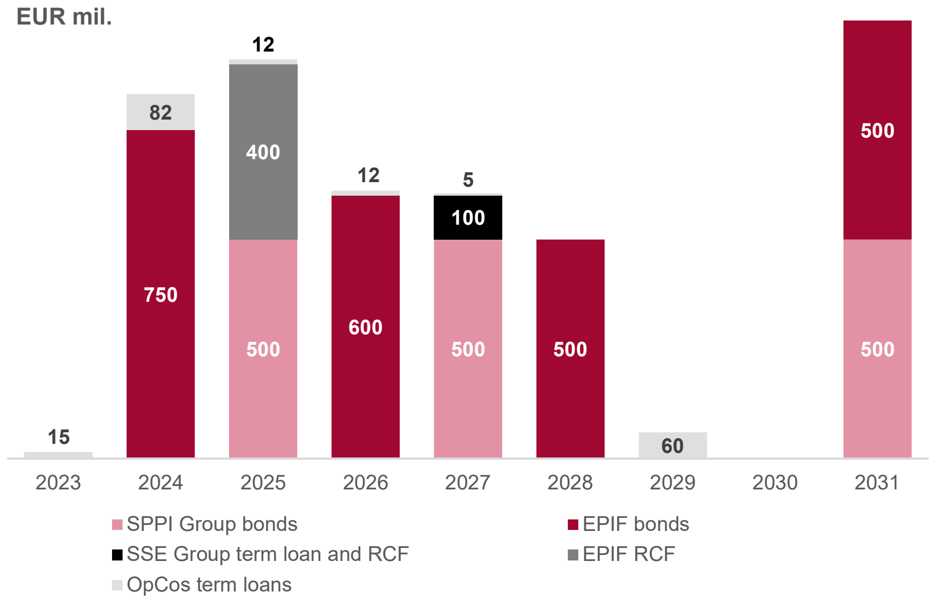
Overview of available liquidity



Interest expense



Debt maturity structure[1]



Commentary

- ❑ Almost all debt is **EUR denominated** (>99%)
- ❑ As of 31 December 2022:
  - EPIF Group had **EUR 395m of undrawn revolving credit lines** and **cash balance of EUR 1,548m**
  - EPIF Group had **EUR 311m** of paid **margining** deposits that shall return to EPIF group to major extent by end of 2023
  - Group's bonds and loans have a **weighted average tenor of 4.3 years**, while the **earliest major maturity repayment will be in April 2024** (excluding minor repayments in 2023)
- ❑ EPIF aims to **increase average duration** of the debt in the Group and keep the **majority** of the debt exposure in **bonds** (or similar instruments), while **maintaining the target** for Proportionate Net Leverage Ratio of the Group

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1. Excluding lease liabilities

Agenda

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Gas Transmission: key highlights

FY 2022 Adj. EBITDA[2]: EUR 324 million
FY 2021 Adj. EBITDA: EUR 479 million

eustream

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

- Sole gas transmission system operator (TSO) in Slovakia and owner of all transmission infrastructure
- Unique positioning to supply gas to Central European and Southern European gas markets, **irrespective of the gas source and flows pattern** (connected to all neighbouring countries)
- One of the two routes (along with TurkStream), through which Russian gas flows to Europe have not been interrupted as a result of the Russian invasion of Ukraine. **The largest and most used natural gas import route to Ukraine from Western Europe**
- Key **strategic assets for the Slovak government** (51% ownership, A+ / A2 / A[1]) and one of the largest contributors to the state budget
- **SK-PL interconnector** was completed and commenced commercial operations in **November 2022**. This strategic project shall provide a potential route to transit part of increased LNG shipments from Poland or Baltics to Slovakia and other countries in the region

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

- Since 2022, **tarrifs have been set** by the regulator **for a 5-year period** in line with a fully cost based approach with secondary adjustment based on benchmarking being applied
- Transmission fees are fixed at the start for each contract and unaffected by future regulatory changes (except for adjustments to reflect the EU inflation rate)

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) until 2028
- 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. Actual volumes may depend on, among other things, the development of the current geopolitical conditions

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

- Optimally maintained, well developed pipelines and facilities
- EUR 324m Adj. EBITDA[2] in FY 2022 (FY 2021: EUR 479m), with **high Cash Conversion (excl. WoCa & Tax)**[3] of 90% (FY 2021: 95%)
- The decrease in FY 2022 Adj. EBITDA was primarily driven by overall lower flows of Russian gas to Europe after the military invasion of Ukraine by the Russian Federation resulting in lower volume of transported natural gas via eustream‘s network (-37%), which in turn also negatively affected the volume of gas in-kind sold and its associated hedges
- Conservative leverage cap of 2.5x net debt / EBITDA set by the shareholder agreement (SHA) with the Slovak government and accordingly actively managed level of indebtedness
- Standalone credit rating: Ba1 by Moody's / BBB by Fitch, both with negative outlook

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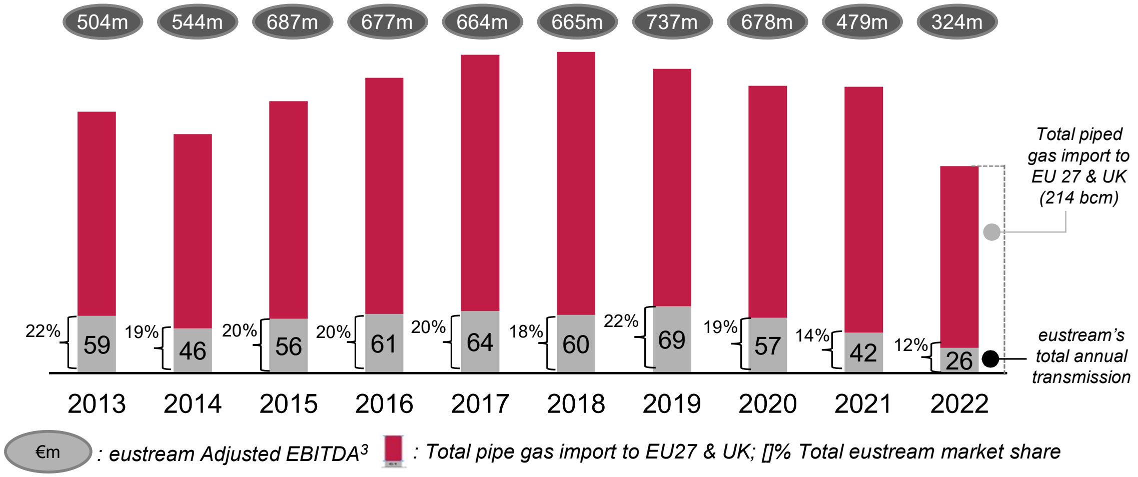
1. S&P / Moody's / Fitch
2. For definition of Adjusted EBITDA please see slide 33
3. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment, investment property and intangible assets (without emission allowances and goodwill) as presented in the Operating segments information in the consolidated financial statements of the Group) divided by Adjusted EBITDA

Eustream‘s network is well positioned for gas supply of Central and Southern Europe

Important role in European gas sourcing

- **Gas transmission infrastructure** in the European Union, important particularly for Italy, Austria, Central Europe as natural gas is a significantly used fuel in these regions and eustream‘s network is well positioned to supply gas to these markets, **irrespective of the gas source and flows pattern**
- Large majority of 26 bcm of gas in FY 2022 (42 bcm in FY 2021) was transmitted under **long-term ship-or-pay contracts** to traditional markets of eustream
- **C. 70% of imported gas from the EU to Ukraine[4]** is transmitted via eustream network (point Budince / Velke Kapusany)
- Eustream receives **gas in-kind** from shippers as a pre-agreed fixed percentage of actual commercial gas flows for its operational and technical needs. Historically, in order to hedge **gas sale price**, eustream has been using financial derivatives. As of 31 March 2023, the **hedged position** of eustream in relation to gas in-kind was **relatively small** and **considered proportionately-manageable** for both rest of 2023 and 2024

Stable market share and EBITDA development of eustream[2]



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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 33
4. Based on average imports in the period from 2014 to 2022

Gas Storage: key investment highlights

FY 2022 Adj. EBITDA[1]: EUR 379 million
FY 2021 Adj. EBITDA: EUR 179 million

Gas Transmission
Gas storage
Distribution
Heat Infra

1 Market leader in the CE region with significant position in Bavaria

- **Market leader** (24% share) in terms of capacity in the gas storage market **in the CE region** (the Slovak Republic, the Czech Republic and Austria; 42 TWh)
- Monopoly gas storage operator in Slovakia, with 100% market share
- 8% market share in Germany through ownership of NAFTA Speicher with three gas storage facilities (20.0 TWh)

2 Strategically located asset

- **Strategic location** (CE with interconnection to VTP Austria/CEGH and THE gas hubs)
- **Strategic role in ensuring energy security** (crucial in mitigating gas supply disruptions and balancing seasonality of demand with peaks in winter)

3 Medium and long-term contracts, Stable and predictable cash flow generation and modern asset base

- Stable and predictable EBITDA secured via **long-term contracts**; as of 31 March 2023, ca. 72% capacity contracted until season 2025/26 and 51% until season 2026/27
- Blended storage price in 2022 amounted to ca. EUR 6/MWh (calculated including both short-term and long-term contracts)
- **Moderate investment needs** due to modern facilities and strong cost control on opex side
- Track record of **superb Cash Conversion (excl. WoCa & Tax)[2]** - 97% in FY 2022 (FY 2021: 95%)

4 No price regulation

- No price regulation[3]
- The European Commission adopted a new **gas storage regulation** requiring underground gas storage facilities across the EU to be filled up to at least 90% of its capacity by 1 November each year from 2023, including intermediary targets for specific months. The regulation does not impose any direct obligations on the storage operators
- Long-term contracts usually include price adjustment formulas reflecting inflation and they are based on 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
- Provides upside in case of gas supply disruptions and increased gas price volatility, able to benefit from various spread types
- Direct connection of SPP Storage to Czech transmission system planned
- **Use of innovative products** with a potential upside in energy storage
- The Group's gas storage facilities contain c. 25 TWh of cushion gas[4] which may be produced at the end of the lifetime of the gas storage, subject to approval of the relevant regulatory agencies

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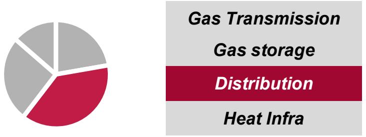
1. For definition of Adjusted EBITDA please see slide 33
2. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment, investment property and intangible assets (without emission allowances and goodwill) as presented in the Operating segments information in the consolidated financial statements of the Group) divided by Adjusted EBITDA
3. Price regulation can be introduced in case of Emergency situation
4. In principle cushion gas is the gas that is permanently stored in a gas storage and whose main function is to maintain sufficient pressure in the storage to allow for adequate injection and withdrawal rates. The Group estimates that the vast majority of the producible cushion gas may be produced within the first 5 years and the rest within additional 3-4 years. The production would require the Group to incur certain capex for the adjustments of the Group's technology, as well as yearly operating expenses that are estimated to be initially within standard levels of expenses during operations and to gradually decrease in subsequent years as the production volumes decrease. After the end of the production, the Group would also be required to incur certain decommissioning costs for which it has created provisions

FY 2022 Adj. EBITDA[1]: EUR 556 million
FY 2021 Adj. EBITDA: EUR 522 million



Gas and Power Distribution (I/III): 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 with a distribution system connected to more than 94% of the country's population. SPPD's gas penetration ranks among the highest in Europe
- ☐ 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
- ☐ Supportive regulatory environment with **track record of distribution tariff stability**
- ☐ The same EU compliant regulation principles have been in place since 2009
- ☐ **New regulatory period** started in January 2023 and will last until the end of 2027, for further details about the regulation see slide 28
- ☐ Increased cost of network losses due to higher purchase prices of gas to be compensated through a **separate tariff for network losses**

3 Strong gas market fundamentals and performance track record

- ☐ **Stable distribution volumes** between 4.5 and 5.0 bcm per year between 2015 and 2022 with the exception of 5.5 bcm distributed in 2021 (favorable weather pattern coupled with higher consumption of employees working from home)
- ☐ 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 84% in FY 2022 (FY 2021: 84%)
- ☐ Low CAPEX requirements due to modern network, most of the network was built between 1990 and 2000 with approx. half of the pipelines made of durable plastics
- ☐ SPPD purchases natural gas to cover network losses and own consumption, which represents eligible costs under the regulation. Working capital is temporarily negatively impacted as the market price of gas is elevated
- ☐ Standalone rating: Baa2 by Moody's / BBB+ by Fitch, both with negative outlook

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

- ☐ Part of leading gas infrastructure group with a 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

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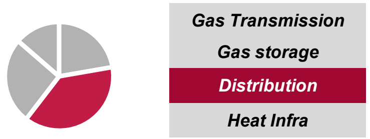
1. Represents Adj. EBITDA for the whole segment. For definition of Adjusted EBITDA please see slide 33
2. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment, investment property and intangible assets (without emission allowances and goodwill) as presented in the Operating segments information in the consolidated financial statements of the Group) divided by Adjusted EBITDA

FY 2022 Adj. EBITDA[1]: EUR 556 million
FY 2021 Adj. EBITDA: EUR 522 million



Gas and Power Distribution (II/III): 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 ca. 780,000 electricity off-take points

2 *Stable and established regulatory regime*

- Supportive regulatory environment which provides for **tariff stability over time**
- **New regulatory period** started in January 2023 and will last until the end of 2027; however the regulation has not yet been officially issued as of the date of this presentation. For further details about the regulation see the following slide
- 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
- Year 2022 was affected by **increased costs of network losses** as the electricity to cover network losses in 2022 had to be bought at **spot prices**. Certain part of the excessive costs **has already been compensated** by the regulator in January 2023

3 *Strong operational performance*

- **Stable distribution volumes** around 6 TWh per year with 6.3 TWh in FY 2022 (FY 2021: 6.4 TWh). Impacts of the COVID-19 and the Russian invasion of Ukraine were fairly limited
- 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 84% in FY 2022 (FY 2021: 84%)
- **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 the Slovak government by 2.5x EBITDA (leverage of 0.3x as of 31 December 2022)

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1. Represents Adj. EBITDA for the whole segment. For definition of Adjusted EBITDA please see slide 33
2. Refers to SSD which contributed the vast majority of SSE's Adj. EBITDA in FY 2022 and FY 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, investment property 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 (III/III): Regulation update

- Slovak legislation and regulation fully in compliance with **EU standards**, including adoption of the Clean energy package
- Currently in its **6th regulatory period**, valid from 2023 until 2027, the same principles and regulation method applied since 2009
- Supportive regulatory environment which provided for historical **tariff stability** (disregarding the impact of increased cost of network losses which were reflected in higher unit gas distribution tariffs set for 2023)
- The tariffs are based on a **price cap** principle, where the price cap is calculated as allowed revenues divided by forecast volume

Gas distribution

- The regulation for the regulatory period 2023-2027 and a price decree for 2023 issued at the end of 2022. **Allowed revenues** are based on the regulatory formula presented below. The key parameters are set as follows:
  - **RAB** is subject to infrequent revaluation. For the purpose of the revenue building block, base RAB of 2021 is applied to calculate return and depreciation allowance
  - For the 6th regulatory period, RONI (the Slovak regulator) established **WACC** before tax of 4.76% for gas networks, with the possibility to adjust based on the evolution of market parameters(1)
  - **Eligible Opex** is based on historical average costs 2019-2021. Personnel costs are subject to escalation by the index of nominal wages in Slovakia, while other operating costs are escalated by a core inflation index(2)
  - **Regulatory depreciation** is based on depreciation period of 40-50 years for the gas pipeline
- In the current regulatory period, SPPD is **protected from a volume risk** by a correction mechanism which will compensate the difference between regulatory and actual distribution revenues in period N+2
- The increased cost of network losses to be compensated by a special **tariff for network losses**

Power distribution

- The regulation with the tariff calculation formula for the regulatory period 2023-2027 has not yet been finally approved. Under the latest proposal, **allowed revenues** are based on the regulatory formula presented below. The key parameters are set as follows:
  - **RAB** should be set in accordance with the accounting value as of 2021
  - For the 6th regulatory period, RONI (the Slovak regulator) established **WACC** before tax of 4.99% for power networks, with the possibility to adjust based on the evolution of market parameters(2)
  - **Eligible Opex** is based on historical 2021 financials. Personnel costs are subject to escalation by the index of nominal wages in Slovakia, while other operating costs are escalated by a core inflation index(3)
  - **Regulatory depreciation** corresponds to accounting depreciation in 2021. Depreciation is adjusted for actual investment in period N-2
- While SSD is exposed to a volume risk, SSD is protected by a relatively **high fixed portion of the tariff** (ca 62.5%)
- Increased **cost of network losses** resulting from high power prices **to be compensated** via a mechanism introduced by the regulator (please refer to the following slide for details)

Regulatory formula – gas distribution

Revenues of year N = **RAB 2021** x **WACC(1)** + **Eligible Opex x inflation** + **Depreciation of the 2021 RAB**

Regulatory formula – power distribution

Revenues of year N = **RAB 2021** x **WACC(2)** + **Eligible opex x inflation** + **Accounting depreciation 2021** + **Depreciation of CAPEX year N-1** + **CAPEX correction N-2** - **Additional revenues** + **Unexpected eligible opex**

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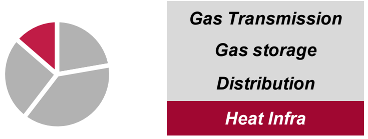
1. If any of the parameters in the WACC calculation varies yearly more than 20%, new WACC is set by RONI until 30th June for the following year and for the rest of the regulatory period
2. WACC is updated annually within regulatory period but the annual change in WACC can be no more than +/- 10%
3. Set such that if inflation is below 2%, there is no adjustment of other operating costs for inflation; if inflation is higher than 2%, the escalation rate is the difference between the inflation rate and 2%

Heat Infra: key investment highlights

FY 2022 Adj. EBITDA[1]: EUR 198 million
FY 2021 Adj. EBITDA: EUR 104 million



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

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

- ☐ Ownership of approximately 737 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
- ☐ All new or reconstructed buildings are **obliged** by the law on air protection **to connect to district heating** (if possible from technical and economical perspective)

4 ***Stable returns and high entry barriers***

- ☐ District heating is a regulated business with **very high barriers to entry** due to limited possibility of replicating the existing heating systems
- ☐ Business largely **resilient to economic cycles, providing stability and predictability.** Besides, a major upside is represented by **elevated power prices** which provide a natural hedge from the group perspective against a potential underperformance of the gas business
- ☐ The segment reports reasonably solid **Cash Conversion (excl. WoCa & Tax)**[2] of 83% for FY 2022 (FY 2021: 67%) where the increase was driven by increase in EBITDA, while CAPEX spending remained broadly stable
- ☐ As of 31 March 2023, the Heat Infra entities had 1.8 TWh of net power production hedged by forward contracts subject to margining, while 2.7 mt of CO_2 emissions was covered by hedged emission allowances for the period 2023-2024[3]

5 ***Renewable heat as a cornerstone of long-term strategy***

- ☐ EPIF believes that district heating represents a cost-effective way to distribute **heat from renewable sources**, especially in large cities
- ☐ Biomass and renewable waste seen as key non-fossil fuels in the medium term for centralized heat generation, while **green gases** (biogas, hydrogen) being expected to play an important role in the long term

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1. For definition of Adjusted EBITDA please see slide 33
2. Cash Conversion (excl. WoCa & Tax) represents Adjusted EBITDA less CAPEX (Acquisition of property, plant and equipment, investment property 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. mt = 1 million tons; For comparison, the existing heating plants produced 2.5 TWh of net power and consumed 3.2 mt of emission allowances in 2022

Agenda

1) Executive summary
2) Group performance
3) Financial profile update
4) Business segment highlights
5) **Wrap-up**
6) Appendix

Stable financials, strategic asset base and outlook

Strong financials

- **Strong performance** in 2022 despite **escalated geopolitical frictions** and related **energy market disruptions**
- Substantial **liquidity position** with **EUR 1,548m** of Cash and cash equivalents and **EUR 395m** of undrawn credit facilities across the Group
- **Proportionate Net Leverage Ratio** of the Group met the updated management‘s **target of 3.5x** (2.90x as of 31 December 2022) despite increased margining requirements
- **Financing structure optimized** following refinancing in 2021 leading to the extension of weighted average tenor to 4.3 years
- **Commitment** to maintaining a financial profile consistent with **investment-grade ratings**

Strategic asset base

- Critical infrastructure assets in stable and developed markets with **leading positions** in the respective areas of operation or region
- Highly **diversified portfolio** across four segments with strong natural hedges among them
- In 2022 the role of **Gas transmission** segment became **less significant**, while **Gas storage** proved its **increased importance** to the Group as gas delivery insecurity and highly volatile commodity prices contributed to its outstanding performance
- Major subsidiaries are **co-owned by the Slovak state**

Outlook

- During 2022, the EPIF group showed that it can **generate an EBITDA premium** from periods of elevated commodity prices, however the underlying EPIF group **continues to perform as a well-diversified infrastructure** group, and at its core remains four business segments that are underpinned by regulated and long-term contracted assets
- EPIF aims to **increase average duration** of the debt in the Group and keep the **majority** of the debt exposure in **bonds** (or similar instruments), while **maintaining the target** for Proportionate Net Leverage Ratio of the Group
- Until the situation stabilizes, EPIF’s shareholders have announced their intent to exercise their voting rights in a way that will not lead to **any dividend distributions from EPIF**
- EPIF and its subsidiaries keep **monitoring the current situation** on the market on an ongoing basis, including the current geopolitical risks that are beyond its control

Agenda

1) Executive summary
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Appendix – Adjusted EBITDA (I/III)

- **EBITDA** represents the profit (loss) for the period before income tax expense, finance expense, finance income, impairment losses on financial instruments and other financial assets, share of profit (loss) of equity accounted investees, net of tax, gain (loss) on disposal of subsidiaries, depreciation of property, plant and equipment and amortisation of intangible assets, negative goodwill and impairment charges relating to property, plant and equipment and intangible assets. EBITDA corresponds to Underlying EBITDA presented in EPIF's Consolidated Annual Financial Report for the Year 2022
- **Adjusted EBITDA** represents EBITDA adjusted by (a) 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, (b) adding back the deficit from the purchase of electricity to cover network losses of the current year stemming from the difference between (i) regulated price of electricity to cover network losses valid for the current year, which is a fixed price calculated in line with the Slovak Decree of the Regulator No. 18/2017 Coll., Article 28, and (ii) spot market price at which electricity is being bought to cover network losses of the current year; and deducting the correction amount (also set by the Slovak Decree of the Regulator No. 18/2017 Coll., Article 28) which is supposed to compensate for the difference between the regulated price and spot market purchase price

  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)
- **Proportionate Adjusted EBITDA** represents Adjusted EBITDA, taking into consideration the proportionate ownership of the Company in its subsidiaries
- **Pro-forma Adjusted EBITDA** equals Adjusted EBITDA in 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 calculation (II/III)

- EBITDA and Adjusted EBITDA calculation (FY 2022):

FY 2022 in €m	Gas transmission	Gas and Power Distribution	Gas Storage	Heat Infra	Total Segments	Other	Holding entities	Intersegment-eliminations	Consolidated financial information
Profit (loss) for the year	**168**	**228**	**263**	**115**	**774**	**1**	**504**	**(578)**	**701**
Income tax expenses	55	74	85	27	243	1	11	-	**253**
Finance income	(69)	(15)	(2)	(6)	(92)	-	(634)	625	**(101)**
Finance expense	31	22	4	2	59	1	83	(47)	**96**
Impairment losses on financial instruments and other financial assets	-	-	1	-	1	-	(5)	-	**(4)**
Depreciation, amortisation and impairment	139	229	28	60	456	2	34	-	**492**
EBITDA	**324**	**538**	**379**	**198**	**1,439**	**5**	**(7)**	**-**	**1,437**
Network losses correction	-	18	-	-	18	-	-	-	**18**
Adjusted EBITDA	**324**	**556**	**379**	**198**	**1,457**	**5**	**(7)**	**-**	**1,455**

Appendix – Adjusted EBITDA calculation (III/III)

- EBITDA and Adjusted EBITDA calculation (FY 2021):

FY 2021 in €m	Gas transmission	Gas and Power Distribution	Gas Storage	Heat Infra	Total Segments	Other	Holding entities	Intersegment-eliminations	Consolidated financial information
Profit (loss) for the year	**262**	**214**	**111**	**44**	**631**	**(1)**	**579**	**(607)**	**602**
Income tax expenses	86	70	34	8	198	-	7	-	**205**
Gain (loss) on disposal of subsidiaries	-	-	-	-	-	-	1	-	**1**
Share of profit (loss) of equity accounted investees, net of tax	-	-	-	-	-	(1)	-	-	**(1)**
Finance income	(16)	(2)	(2)	(5)	(25)	-	(669)	627	**(67)**
Finance expense	31	12	5	3	51	1	68	(21)	**99**
Impairment losses on financial instruments and other financial assets	-	1	2	-	3	2	4	1	**10**
Depreciation, amortisation and impairment	116	226	29	54	425	3	-	-	**428**
EBITDA	**479**	**521**	**179**	**104**	**1,283**	**4**	**(10)**	**-**	**1,277**
System Operation Tariff (surplus)/deficit	-	1	-	-	1	-	-	-	**1**
Adjusted EBITDA	**479**	**522**	**179**	**104**	**1,284**	**4**	**(10)**	**-**	**1,278**

Appendix – Adjusted Free Cash Flow calculation

- ❑ **Adjusted Free Cash Flow** represents Cash flows generated from (used in) operations, less Income taxes paid and less Acquisition of property, plant and equipment, investment property and intangible assets, less Purchase of emission rights and disregarding Changes in restricted cash as presented in the Consolidated statement of cash flow of the Group, adjusted for: (i) EBITDA effect of the SOT, (ii) working capital impact of the SOT, (iii) EBITDA effect of the network losses correction, (iv) working capital impact of the network losses correction

€m	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
	12-month period	12-month period	12-month period	12-month period	12-month period	12-month period
Cash flows generated from (used in) operations	1,322	1,338	1,816	1,620	1,535	1,492
Income taxes paid	(229)	(266)	(382)	(228)	(292)	(307)
Acquisition of property, plant and equipment, investment property and intangible assets	(165)	(151)	(209)	(220)	(192)	(145)
Purchase of emission rights	(193)	(112)	(53)	(54)	(26)	(19)
excluding Change in restricted cash	-	(1)	3	(1)	4	-
Reported FCFF	**735**	**808**	**1,175**	**1,117**	**1,029**	**1,021**
excluding SOT (EBITDA effect)	-	1	(90)	(50)	41	(41)
excluding SOT (working capital effect)	(50)	(24)	(39)	40	(40)	65
excluding Network losses correction (EBITDA effect)	18	-	-	-	-	-
excluding Network losses correction (working capital effect)	47	-	-	-	-	-
Adjusted FCFF	**750**	**785**	**1,046**	**1,107**	**1,030**	**1,045**

Appendix - Capital structure related definitions

- ☐ **Gross debt** of the Group represents the sum of indebtedness calculated as the total of current and non-current Loans and borrowings, adjusted to exclude unamortized transactions cost, premiums, discounts and adjusted to exclude accrued interest and mark-to-market of hedging instruments, but including lease liabilities

- ☐ **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

Contact

EP Infrastructure, a.s.

Pařížská 26
110 00 Praha 1
Czech Republic
Tel.: +420 232 005 100
Fax: +420 232 005 400
Mail: investorrelations@epinfrastructure.cz
Web: www.epinfrastructure.cz