EP Infrastructure, a.s.

Unaudited Condensed Consolidated Interim Financial Statements as of and for the six-month period ended 30 June 2023

prepared in accordance with IAS 34 – Interim Reporting – of IFRS

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of
EP Infrastructure, a.s.

Having its registered office at: Pařížská 130/26, Josefov, 110 00 Praha 1

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of EP Infrastructure, a.s. (hereinafter also the "Company") and its subsidiaries (the "Group"), which comprise the condensed consolidated interim statement of financial position as at 30 June 2023, and the condensed consolidated interim statement of comprehensive income for period of 6 months ended 30 June 2023, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the period then ended and notes to the condensed consolidated interim financial statements (hereinafter also the "Consolidated Financial Statements"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not give a true and fair view of the financial position of the entity as at 30 June 2023, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

In Prague on 29 August 2023

Audit firm:

Deloitte Audit s.r.o.

Represented by:

David Batal
statutory executive

Content

Condensed consolidated interim statement of comprehensive income

For the six-month period ended 30 June 2023
In millions of EUR ("MEUR")

	Note	2023 (six months)	2022 (six months)
Revenues	6	**2,452**	**1,892**
Purchases and consumables	7	**(1,532)**	**(986)**
Subtotal		**920**	**906**
Services	8	(94)	(75)
Personnel expenses		(125)	(113)
Depreciation, amortisation and impairment		(223)	(218)
Emission rights, net		(89)	(87)
Own work, capitalized		13	13
Other operating income (expenses), net	9	(33)	-
Profit (loss) from operations		**369**	**426**
Finance income	10	34	79
Change in impairment on financial instruments and other financial assets	10	(1)	5
Finance expense	10	(52)	(47)
Net finance income (expense)		**(19)**	**37**
Profit before income tax		**350**	**463**
Income tax expenses		(99)	(115)
Profit for the period		**251**	**348**
Profit (loss) from continuing operations		**251**	**348**
Items that are not reclassified subsequently to profit or loss			
Fair value reserve included in other comprehensive income, net of tax		-	2
Revaluation of property, plant and equipment, net of tax	12	442	-
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		8	1
Effective portion of changes in fair value of cash-flow hedges, net of tax		257	(299)
Other comprehensive income (loss) for the period, net of tax		**707**	**(296)**
Total comprehensive income for the period		**958**	**52**
Profit attributable to:			
Owners of the Company		145	206
Non-controlling interest	17	106	142
Profit for the period		**251**	**348**
Total comprehensive income attributable to:			
Owners of the Company		550	6
Non-controlling interest		408	46
Total comprehensive income for the period		**958**	**52**
Total basic earnings per share in EUR	16	0.45	0.64
Total diluted earnings per share in EUR	16	0.45	0.64

The notes presented on pages 6 to 38 form an integral part of these consolidated financial statements.

Condensed consolidated interim statement of financial position

As at 30 June 2023 *In millions of EUR ("MEUR")*	**Note**	**30 June 2023**	**31 December 2022**
Assets			
Property, plant and equipment	12	10,023	9,562
Intangible assets and goodwill	13	157	330
Equity accounted investees		1	1
Restricted cash		1	1
Financial instruments and other financial assets	20	70	69
Trade receivables and other assets	14	5	48
Deferred tax assets		17	48
Total non-current assets		**10,274**	**10,059**
Inventories		315	323
Trade receivables and other assets	14	541	749
Contract assets	6	102	101
Financial instruments and other financial assets	20	54	158
Prepayments and other deferrals		14	12
Current income tax receivable		21	16
Cash and cash equivalents		1,619	1,548
Restricted cash		1	1
Total current assets		**2,667**	**2,908**
Total assets		**12,941**	**12,967**
Equity			
Share capital	15	3,248	3,248
Share premium		9	9
Reserves	15	(2,739)	(3,122)
Retained earnings		1,536	1,369
Total equity attributable to equity holders		**2,054**	**1,504**
Non-controlling interest	17	3,275	3,071
Total equity		**5,329**	**4,575**
Liabilities			
Loans and borrowings	18	3,318	4,530
Financial instruments and financial liabilities	20	34	44
Provisions	19	239	249
Deferred income		85	83
Contract liabilities	6	115	108
Deferred tax liabilities		1,850	1,688
Trade payables and other liabilities		2	2
Total non-current liabilities		**5,643**	**6,704**
Trade payables and other liabilities		526	591
Contract liabilities	6	120	63
Loans and borrowings	18	846	99
Financial instruments and financial liabilities	20	221	577
Provisions	19	113	213
Deferred income		33	20
Current income tax liability		110	125
Total current liabilities		**1,969**	**1,688**
Total liabilities		**7,612**	**8,392**
Total equity and liabilities		**12,941**	**12,967**

The notes presented on pages 6 to 38 form an integral part of these consolidated financial statements

Condensed consolidated interim statement of changes in equity

For the period ended 30 June 2023

In millions of EUR ("MEUR")	**Note**	**Share capital**	**Share premium**	**Attributable to owners of the Company – Reserves: *Non-distributable reserves***	***Translation reserve***	***Fair value reserve***	***Revaluation reserve***	***Other capital reserves***	***Hedging reserve***	**Retained earnings**	**Total**	**Non-controlling interest**	**Total Equity**
Balance as at 1 January 2023 (A)		**3,248**	**9**	**1**	**61**	**-**	**1,293**	**(4,182)**	**(295)**	**1,369**	**1,504**	**3,071**	**4,575**
Total comprehensive income for the period:													
Profit or loss (B)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**145**	**145**	**106**	**251**
Other comprehensive income:													
Foreign currency translation differences for foreign operations	11	-	-	-	6	-	-	-	-	-	6	2	8
Revaluation reserve included in other comprehensive income, net of tax	11.12	-	-	-	-	-	216	-	-	-	216	226	442
Effective portion of changes in fair value of cash-flow hedges, net of tax	11	-	-	-	-	-	-	-	183	-	183	74	257
Total other comprehensive income (C)		**-**	**-**	**-**	**6**	**-**	**216**	**-**	**183**	**-**	**405**	**302**	**707**
Total comprehensive income for the period (D) = (B + C)		**-**	**-**	**-**	**6**	**-**	**216**	**-**	**183**	**145**	**550**	**408**	**958**
Contributions by and distributions to owners:													
Dividends to equity holders	17	-	-	-	-	-	-	-	-	-	-	(203)	**(203)**
Transfer to retained earnings		-	-	-	-	-	(22)	-	-	22	-	-	-
Total contributions by and distributions to owners (E)		**-**	**-**	**-**	**-**	**-**	**(22)**	**-**	**-**	**22**	**-**	**(203)**	**(203)**
Changes in ownership interests in subsidiaries that do not result in loss of control:													
Effect of changes in ownership of non-controlling interest		-	-	-	-	-	-	-	-	-	-	(1)	**(1)**
Total changes in ownership interests in subsidiaries (F)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Total transactions with owners (G) = (E + F)		**-**	**-**	**-**	**-**	**-**	**(22)**	**-**	**-**	**22**	**-**	**(204)**	**(204)**
Balance at 30 June 2023 (H) = (A + D + G)		**3,248**	**9**	**1**	**67**	**-**	**1,487**	**(4,182)**	**(112)**	**1,536**	**2,054**	**3,275**	**5,329**

The notes presented on pages 6 to 38 form an integral part of these consolidated financial statements.

Condensed consolidated interim statement of changes in equity

For the period ended 30 June 2022

In millions of EUR ("MEUR")	**Note**	**Share capital**	**Share premium**	**Attributable to owners of the Company – Reserves:** ***Non-distributable reserves***	***Translation reserve***	***Fair value reserve***	***Revaluation reserve***	***Other capital reserves***	***Hedging reserve***	**Retained earnings**	**Total**	**Non-controlling interest**	**Total Equity**
Balance as at 1 January 2022 (A)		**3,248**	**9**	**1**	**47**	**(3)**	**1,335**	**(4,182)**	**(284)**	**871**	**1,042**	**2,784**	**3,826**
Total comprehensive income for the period:													
Profit or loss (B)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**206**	**206**	**142**	**348**
Other comprehensive income:													
Foreign currency translation differences for foreign operations	11	-	-	-	1	-	-	-	-	-	1	-	1
Fair value reserve included in other comprehensive income, net of tax	11	-	-	-	-	1	-	-	-	-	1	1	2
Effective portion of changes in fair value of cash-flow hedges, net of tax	11	-	-	-	-	-	-	-	(202)	-	(202)	(97)	(299)
Total other comprehensive income (C)		**-**	**-**	**-**	**1**	**1**	**-**	**-**	**(202)**	**-**	**(200)**	**(96)**	**(296)**
Total comprehensive income for the period (D) = (B + C)		**-**	**-**	**-**	**1**	**1**	**-**	**-**	**(202)**	**206**	**6**	**46**	**52**
Contributions by and distributions to owners:													
Dividends to equity holders	17	-	-	-	-	-	-	-	-	-	-	(82)	**(82)**
Transfer to retained earnings		-	-	-	-	-	(21)	-	-	21	-	-	-
Total contributions by and distributions to owners (E)		**-**	**-**	**-**	**-**	**-**	**(21)**	**-**	**-**	**21**	**-**	**(82)**	**(82)**
Changes in ownership interests in subsidiaries that do not result in loss of control:													
Effect of acquisitions through business combinations		-	-	-	-	-	-	-	-	-	-	3	**3**
Total changes in ownership interests in subsidiaries (F)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**3**
Total transactions with owners (G) = (E + F)		**-**	**-**	**-**	**-**	**-**	**(21)**	**-**	**-**	**21**	**-**	**(79)**	**(79)**
Balance at 30 June 2022 (H) = (A + D + G)		**3,248**	**9**	**1**	**48**	**(2)**	**1,314**	**(4,182)**	**(486)**	**1,098**	**1,048**	**2,751**	**3,799**

The notes presented on pages 6 to 38 form an integral part of these consolidated financial statements.

Condensed consolidated interim statement of cash flow

For the six-month period ended 30 June 2023

In millions of EUR ("MEUR")	**Note**	**2023 (six months)**	**2022 (six months)**
OPERATING ACTIVITIES			
Profit (loss) for the period		251	348
Adjustments for:			
Income taxes		99	115
Depreciation and amortisation	12.13	220	214
Dividend income	10	(1)	-
Impairment losses on property, plant and equipment and intangible assets		3	4
Non-cash (gain) loss from commodity derivatives for trading with electricity and gas, net		1	1
Loss on disposal of property, plant and equipment, investment property and intangible assets	12.13	-	4
Emission rights		89	87
(Profit) loss from financial instruments	10	(16)	(77)
Interest expense, net	10	32	42
Change in allowance for impairment to trade receivables and other assets, write-offs	9	27	(4)
Change in provisions		(1)	(10)
Unrealized foreign exchange (gains) losses, net		7	(5)
Operating profit before changes in working capital		**711**	**719**
Change in trade receivables and other assets		248	(255)
Change in inventories		(22)	(3)
Change in trade payables and other liabilities		(41)	19
Cash generated from (used in) operations		**896**	**480**
Interest paid		(56)	(51)
Income taxes paid		(142)	(131)
Cash flows generated from (used in) operating activities		**698**	**298**
INVESTING ACTIVITIES			
Purchase of financial instruments		(2)	-
Loans provided to the other entities		(101)	(3)
Repayment of loans provided to other entities		102	-
Proceeds (outflows) from sale (settlement) of financial instruments		70	(27)
Acquisition of property, plant and equipment, investment property and intangible assets	12.13	(68)	(64)
Purchase of emission rights	13	(21)	(20)
Proceeds from sale of property, plant and equipment, investment property and other intangible assets		4	2
Acquisition of subsidiaries and special purpose entities, net of cash acquired	5	-	(1)
Other investing activities	5	-	4
Increase in participation in existing subsidiaries and special purpose entities		(1)	-
Interest received		5	1
Cash flows from (used in) investing activities		**(12)**	**(108)**
FINANCING ACTIVITIES			
Proceeds from borrowings received	18	-	400
Repayment of borrowings	18	(459)	(9)
Payment of lease liability		(6)	(5)
Dividends paid	17	(153)	-
Cash flows from (used in) financing activities		**(618)**	**386**
Net increase (decrease) in cash and cash equivalents		68	576
Cash and cash equivalents at beginning of the period		**1,548**	**501**
Effect of exchange rate fluctuations on cash held		3	1
Cash and cash equivalents at end of the period		**1,619**	**1,078**

The notes presented on pages 6 to 38 form an integral part of these consolidated financial statements.

Notes to the condensed consolidated interim financial statements

1. Background

EP Infrastructure, a.s. (the "Parent Company" or the "Company" or "EPIF") is a joint-stock company, with its registered office at Pařížská 130/26, 110 00 Praha 1, Czech Republic. The Company was founded by Energetický a průmyslový holding, a.s. ("EPH") on 6 December 2013 as at that time a subsidiary that will hold/consolidate investments in entities belonging to the energy segment of Energetický a průmyslový holding, a.s. and its subsidiariesrevi (the "EPH Group").

EPIF was established to separate the strategic infrastructure energy assets from other business activities of the EPH Group.

The main activities of EPIF and its subsidiaries (together referred to as the "Group" or the "EPIF Group") are natural gas transmission, gas and power distribution and supply, gas storage and heat production and distribution.

The condensed consolidated interim financial statements of the Company for the six-month period ended 30 June 2023 include the statements of the Parent Company and its subsidiaries and the Group's interests in associates and joint-ventures (together referred to as the "Group" or the "EPIF Group").

The shareholders of the Company as at 30 June 2023 were as follows:

	Interest in share capital		**Voting rights**
	MEUR	**%**	**%**
EPIF Investments a.s.	2,241	69	69
CEI INVESTMENTS Sàrl	1,007	31	31
Total	**3,248**	**100**	**100**

The shareholders of the Company as at 31 December 2022 were as follows:

	Interest in share capital		**Voting rights**
	MEUR	**%**	**%**
EPIF Investments a.s.	2,241	69	69
CEI INVESTMENTS Sàrl	1,007	31	31
Total	**3,248**	**100**	**100**

The members of the Board of Directors as at 30 June 2023 were:

- Daniel Křetínský (Chairman of the Board of Directors)
- Stéphane Brimont (Vice-chairman of the Board of Directors)
- Gary Wheatley Mazzotti (Vice-chairman of the Board of Directors)
- William David George Price (Member of the Board of Directors)
- Marek Spurný (Member of the Board of Directors)
- Pavel Horský (Member of the Board of Directors)
- Milan Jalový (Member of the Board of Directors)

2. Basis of preparation

(a) Statement of compliance

The annual consolidated financial statements for the EPIF Group will be prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union. These unaudited condensed consolidated interim financial statements "Interim Financial Statements" have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). These Interim Financial Statements do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the EPIF Group as of and for the year ended 31 December 2022 dated on 24 March 2023.

These interim financial statements were approved by the Company's Board of Directors on 29 August 2023.

(b) Critical accounting estimates and assumptions

The preparation of interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were affected by the developments in the geopolitical situation related to the military invasion of Ukraine by the Russia Federation. In particular, these accounting estimates and assumptions are subject to increased uncertainty.

(c) Recent developments and key events for EPIF Group

In the context of the ongoing military invasion in the territory of Ukraine and associated sanctions targeting the Russian Federation, the Parent Company has identified risks and adopted appropriate measures to mitigate impacts on Group's business activities. Based on the information available and current developments, the Parent Company's management has been continuously analysing the situation and assessing its direct impact on the Group. The Parent Company's management has assessed the potential impacts of this situation on Group's operations and concluded that they do not currently have a material impact on going concern assessment result. However, further negative developments as regards this situation cannot be ruled out, which could subsequently have a material negative impact on the Company, its businesses, financial condition, results, cash flows and overall outlook.

(d) Seasonality of revenues

The seasonal character of revenues related to certain activities relevant to the Group (primarily heat generation, gas distribution and gas supply) is affected by the climate of the temperate climatic zone. The heating season generally runs from the beginning of September to the end of May of the next year. The length of the heating season may differ year to year depending on the average day temperature and weather conditions. Therefore, period to period comparability of certain revenues and associated expenses is limited.

For the 12 months ended 30 June 2023, the Group reported revenue of EUR 4,564 million (for year ended 31 December 2022: EUR 4,004 million) and Profit from operations of EUR 888 million (for year ended 31 December 2022: EUR 945 million).

(e) Changes in accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as of and for the year ended 31 December 2022.

Amendments to IAS 12 – Deferred tax Related to Assets and Liabilities arising from a Single Transaction (Effective for annual reporting periods beginning on or after 1 January 2023)

The amendment modifies an exemption from the initial recognition of deferred tax asset and liability arising from a single transaction that is not a business combination and does not impact accounting and taxable profit. For transactions in which equal deductible and taxable temporary differences arise (e.g. leases and decommissioning liabilities and assets), the entity is required to recognize deferred tax asset and liability and initial recognition exemption does not apply.

The Group has adopted Amendment to IAS 12 from 1 January 2023. For leases and decommissioning items, the Group is required to recognize associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented (i.e. 1 January 2022), with any cumulative effect recognized in retained earnings. Following the amendment, the Group has recognized a separate deferred tax asset in relation to its lease liabilities and decommissioning provision and deferred tax asset in relation to its right-of-use assets and assets arising from the decommissioning provisions. There was no impact on the statement of financial position because the balances qualify for offset under IAS 12 and therefore no impact on the retained earnings as at 1 January 2022. The impact of the amendment related to detailed disclosure of deferred tax assets and liabilities will be provided in the annual financial statements for the Group for the year ended 31 December 2023.

Global minimum top-up tax

In December 2021, The Organization for Economic Co-operation and Development ("OECD") released the Pillar Two model rules to reform international corporate taxation ("Pillar Two"). Large multinational enterprises withing the rules' scope are required to calculate their effective tax rate for each jurisdiction in which they operate. They will be liable to pay a top-up tax for the difference between their effective tax rate per jurisdiction and the 15% minimum rate. The ultimate parent entity of the multinational enterprise is primarily liable for the top-up tax in the jurisdiction in which it is domiciled.

In May 2023, the International Accounting Standards Board (IASB) issued amendment "International Tax Reform – Pillar Two Model Rules", which amended IAS 12 Income taxes. The amendment introduces a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and disclosure requirements for affected entities. The amendment is applicable immediately upon issue and disclosure requirements are applicable for annual periods beginning on or after 1 January 2023. Pending the adoption of the amendment by EU, the Group was however required to develop its own accounting policy applying the guidance in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, considering the most recent guidance issued by standard-setting bodies. Under this accounting policy, the Group does not recognize deferred tax impacts of the top-up tax or remeasure existing deferred taxes under local regular income tax systems. The Group intends to implement amendment International Tax Reform – Pillar Two Model Rules as soon as it is adopted by the EU.

Neither of the countries in which the Group operates has currently enacted or substantively enacted Pillar Two legislation. The Group is currently analyzing the possible impact of Pillar Two on its financial position and performance.

(f) Recently issued accounting standards

Following paragraphs provide summary of the additional key requirements of IFRSs that are effective for annual period beginning on or after 1 January 2023 and that have thus been applied by the Group for the first time:

- IFRS 17 Insurance Contracts and Amendment to IFRS 17 (Effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IFRS 17 Insurance contracts – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure Initiative – Accounting Policies (Effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 8 – Definition of Accounting Estimates (Effective for annual reporting periods beginning on or after 1 January 2023)
- Amendments to IAS 12 – Deferred tax Related to Assets and Liabilities arising from a Single Transaction (Effective for annual reporting periods beginning on or after 1 January 2023)

The amendments applied by the Group for the first time do not have any material impact on the Group's financial statements.

(g) Basis of preparation

The condensed consolidated interim financial statements have been prepared on a going-concern basis using the historical cost method, except for the following material items in the statement of financial position, which are measured at fair value:

- gas transmission pipelines and gas distribution pipelines at revalued amounts;
- derivative financial instruments;
- financial instruments at fair value through profit or loss;
- financial instruments at fair value through other comprehensive income.

(h) Foreign exchange rates used in the condensed consolidated interim financial statements

i. Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Company's functional currency is Euro. Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate at the transaction date. The consolidated financial statements are prepared and presented in Euro, which is the Group's presentation and functional currency.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the respective functional currencies of Group entities at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to the respective functional currencies of Group entities at the foreign exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the respective functional currencies at the foreign exchange rates at the dates the fair values are determined.

Foreign exchange differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of FVOCI equity instruments or qualifying cash flow hedges to the extent that the hedge is effective, in which case foreign exchange differences arising on retranslation are recognised in other comprehensive income.

ii. Translation of foreign operations

These interim financial statements are prepared in Euro, which is also the Group’s presentation currency. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Euro at foreign exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro using a foreign exchange rate that approximates the foreign exchange rate at the date of the transaction. For significant transactions the exact foreign exchange rate is used.

Foreign exchange differences arising on translation of foreign operations are recognised in other comprehensive income and presented in the translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. At disposal relevant part of translation reserve is recycled to financial income or expense in the statement of comprehensive income.

Date	**Closing exchange rate EUR/CZK**	**Average exchange rate EUR/CZK for the 6-month (12-month) period**
30 June 2023	0.04212	0.04222
31 December 2022	0.04147	0.04071
30 June 2022	0.04042	0.04057

3. Determination of fair values

A number of the Group’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on three different approaches which may be employed to determine the fair value:

Market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business. For example, valuation techniques consistent with the market approach often use market multiples derived from a set of comparables.

Income approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Cost approach is based on the premise that a prudent investor would pay no more for an asset than its replacement or reproduction cost. The depreciated replacement cost approach involves establishing the gross current replacement cost of the asset, and then depreciating this value to reflect the anticipated effective working life of the asset from new, the age of the asset, the estimated residual value at the end of the asset's working life and the loss in service potential.

IFRS 13 requires fair value measurements of assets to assume the highest and best use of the asset by market participants, provided that the use is physically possible, financially feasible and not illegal. Highest and best use might differ from the intended use by an individual acquirer. Although all three valuation approaches should be considered in the valuation analysis, the fact pattern surrounding each business combination, the purpose of valuation, the nature of the assets, and the availability of data dictate which approach or approaches including accounting oriented approaches are ultimately utilized to calculate the value of each tangible asset.

Selected items of property, plant and equipment – gas transmission pipeline owned and operated by eustream, a.s. ("Eustream") and gas distribution pipelines owned and operated by SPP – distribúcia, a.s. ("SPPD") – are recognized in revalued amount in accordance with IAS 16 since 1 January 2019 and 1 January 2020, respectively. The revalued amount represents the fair value as at the date of the most recent revaluation, net of any subsequent accumulated depreciation and subsequent accumulated impairment. The most recent revaluation was prepared as at 1 August 2019 for Eustream and as at 1 January 2023 for SPPD by an independent expert and will be carried out regularly (at least every five years), so that the carrying amount does not differ materially from the amount recognised on the balance sheet date using fair values.

Each revaluation was conducted by an independent expert who used mainly the depreciated replacement cost approach supported by the market approach for some types of assets. In general, the replacement cost method was used and the indexed historical cost method for assets where reproductive rates were not available. By determining the fair value of individual assets with the cost approach, physical deterioration, plus technological and economic obsolescence of assets was acknowledged.

The assumptions used in the revaluation model are based on the reports of the independent appraisers. The resulting reported amounts of these assets and the related revaluation surplus of assets do not necessarily represent the value in which these assets could or will be sold. There are uncertainties about future economic conditions, changes in technology and the competitive environment within the industry, which could potentially result in future adjustments to estimated revaluations and useful lives of assets that can significantly modify the reported financial position and profit. For further information, refer to Note 12 – Property, plant and equipment and Note 2 (c) – Recent developments and key events for EPIF Group.

(b) Intangible assets

The fair value of intangible assets recognised as a result of a business combination is based on the discounted cash flows expected to be derived from the use or eventual sale of the assets.

(c) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(d) Non-derivative financial assets

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is based on their quoted market price at the reporting date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated by management using pricing models or discounted cash flows techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures at the reporting date.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date

The fair value of trade and other receivables and of held-to-maturity investments is determined for disclosure purposes only.

(e) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

(f) Derivatives

The fair value of forward electricity and gas contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on zero coupon rates).

The fair value of interest rate swaps is based on broker quotes or internal valuations based on market prices. Those quotes or valuations are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of other derivatives (exchange rate, commodity, foreign CPI indices) embedded in a contract is estimated by discounting the difference between the forward values and the current values for the residual maturity of the contract using a risk-free interest rate (based on zero coupon rates).

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

4. Operating segments

The Group operates in four reportable segments under IFRS 8: Gas transmission, Gas and power distribution, Gas storage and Heat Infra.

The Group identifies its operating segments at the level of each legal entity, the Group management monitors the performance of each entity through monthly management reporting. Operating segments are aggregated to four reportable segments mainly based on nature of the services provided. A description of each segment is provided in the following paragraphs. Each reportable segment aggregates entities with similar economic characteristics (type of services provided, commodities involved and regulatory environment). Internal reports used by the EPIF's "chief operating decision maker" (Board of Directors) to allocate resources to the segments and assess their performance follow these reportable segments. Major indicators used by the Board of Directors to measure these segments' performance is operating profit before depreciation, amortization and negative goodwill ("Underlying EBITDA") and capital expenditures.

i. Gas transmission

The Group's Gas Transmission Business is operated through Eustream, which is the owner and operator of one of the main European gas pipelines and is the only gas transmission system operator in the Slovak Republic. The transmission network of Eustream is part of the Central Corridor which is one of the largest and the most important piped gas import routes into Europe. Eustream's pipelines have unique positioning to supply gas to Central European and Southern European gas markets, irrespective of the gas source and flows pattern. Eustream generates revenue primarily by charging tariffs for the transmission of gas through its pipelines. Majority of the gas transmitted through the network of Eustream stems from a long-term contract with a prominent Russian shipper of gas, while the residual volumes are mostly based on short-term contracts concluded with European utilities, gas suppliers and gas traders. These contracts entitle shippers to transmit the natural gas through the Eustream's network to/from the Czech Republic, Austria, Ukraine, Hungary and since late 2022 also Poland. Shippers are obliged to pay the capacity fees for the booked capacity irrespective of whether such capacity is utilised by the shipper as all contracts, regardless of duration, are based on a 100 per cent. ship-or-pay principle. In addition, a portion of revenue is generated via sale of gas in-kind, which Eustream receives from shippers and which remains in the network of Eustream after serving the network's technological needs.

ii. Gas and power distribution

The Gas and power distribution segment consists of Power distribution division, Gas distribution division and Supply division. The Power distribution division distributes electricity in the central Slovakia region while the Gas distribution division is responsible for distribution of natural gas covering almost the complete gas distribution network in Slovakia. The Supply division primarily supplies power and natural gas to end-consumers in the Czech Republic and Slovakia. This segment is mainly represented by Stredoslovenská energetika Holding, a.s. (further "SSE"), Stredoslovenská distribučná, a.s. (further "SSD"), SPP – distribúcia, a.s. (further "SPPD"), EP ENERGY TRADING, a.s. (further "EPET") and Dobrá Energie s.r.o. EPET and SSE also purchase and sell power, including sales in the wholesale market of electricity generated by the Group in its Heat Infra Business and purchases of electricity and natural gas to supply customers as part of the division's supply activities. The majority of the Group's trades are conducted on back-to-back basis.

iii. Gas storage

The Gas storage segment is represented by NAFTA a.s., SPP Storage, s.r.o., POZAGAS a.s. and NAFTA Germany GmbH and its subsidiaries which store natural gas primarily under long-term contracts in underground storage facilities located in the Czech Republic, Slovakia and Germany.

The Group stores natural gas in two locations in the Czech Republic and Slovakia and three locations in Germany. The storage capacities are utilised for injection, withdrawal and storage of natural gas according to seasonal needs to ensure the standards of security of supply based on the valid legislation and to utilise short-term market volatility of gas prices.

iv. Heat Infra

The Heat Infra segment owns and operates three large-scale combined heat and power plants (CHPs) in the Czech Republic mainly operated in highly efficient co-generation mode and represented primarily by: Elektrárny Opatovice, a.s., United Energy, a.s. and Plzeňská teplárenská, a.s. The heat generated in its co-generation power plants is supplied mainly to retail customers through well maintained and robust district heating systems that the Group owns in most of the cases. The district heating network adjacent to the CHP Elektrárny Opatovice is operated by a fully owned EPIF entity EOP Distribuce, a.s., while the network adjacent to the CHP United Energy is operated by a fully owned EPIF entity Severočeská teplárenská, a.s. Czech based heat supply is regulated in a way of cost plus a reasonable profit margin. EP Sourcing, a.s. and EP Cargo a.s. as main suppliers of the above-mentioned entities, are also included in this segment.

v. Other

The Other operations represents mainly three solar power plants and one wind farm in the Czech Republic and two solar power plants and a biogas facility in Slovakia.

vi. Holding entities

The Holding entities mainly represent EP Infrastructure, a.s., EP Energy, a.s., Slovak Gas Holding B.V., EPH Gas Holding B.V., Seattle Holding B.V., SPP Infrastructure, a.s. and Czech Gas Holding Investment B.V. The segment profit therefore primarily represents dividends received from its subsidiaries, finance expense and results from acquisition accounting or disposals of subsidiaries and associates.

Profit or loss

For the six-month period ended 30 June 2023

In millions of EUR	Gas trans-mission	Gas and power distribution	Gas storage	Heat Infra	Total segments	Other	Holding	Inter-segment eliminations	Consolidated financial information
Revenues: Energy and related services	121	2,019	190	369	2,699	2	-	(342)	2,359
external revenues	*121*	*1,918*	*173*	*146*	*2,358*	*1*	-	-	*2,359*
of which: Gas	*121*	*470*	*173*	-	*764*	-	-	-	*764*
Electricity	-	*1,448*	-	*55*	*1,503*	*1*	-	-	*1,504*
Heat	-	-	-	*91*	*91*	-	-	-	*91*
inter-segment revenues	-	*101*	*17*	*223*	*341*	*1*	-	*(342)*	-
Revenues: Logistics and freight services	-	-	-	*20*	*20*	-	-	-	*20*
external revenues	-	-	-	*20*	*20*	-	-	-	*20*
inter-segment revenues	-	-	-	-	-	-	-	-	-
Revenues: Other	-	*59*	*3*	*9*	*71*	*3*	-	-	*74*
external revenues	-	*59*	*3*	*9*	*71*	*3*	-	-	*74*
inter-segment revenues	-	-	-	-	-	-	-	-	-
Gain (loss) from commodity derivatives for trading with electricity and gas, net	-	*(1)*	-	-	*(1)*	-	-	-	*(1)*
Total revenues	**121**	**2,077**	**193**	**398**	**2,789**	**5**	**-**	**(342)**	**2,452**
Purchases and consumables: Energy and related services	(30)	(1,649)	(8)	(167)	(1,854)	(1)	-	323	(1,532)
external Purchases and consumables	(22)	(1,426)	(6)	(77)	(1,531)	(1)	-	-	(1,532)
inter-segment Purchases and consumables	(8)	(223)	(2)	(90)	(323)	-	-	323	-
Total Purchases and consumables	**(30)**	**(1,649)**	**(8)**	**(167)**	**(1,854)**	**(1)**	**-**	**323**	**(1,532)**
Services	(4)	(54)	(17)	(35)	(110)	(1)	(2)	19	(94)
Personnel expenses	(15)	(60)	(18)	(27)	(120)	(1)	(4)	-	(125)
Depreciation, amortisation and impairment	(55)	(124)	(13)	(30)	(222)	(1)	-	-	(223)
Emission rights, net	-	-	(1)	(88)	(89)	-	-	-	(89)
Operating work capitalized to fixed assets	1	11	-	1	13	-	-	-	13
Other operating income (expense), net	(30)	(2)	(1)	(2)	(35)	(1)	3	-	(33)
Profit (loss) from operations	**(12)**	**199**	**135**	**50**	**372**	**-**	**(3)**	**-**	**369**
Finance income	-	12	7	5	24	-	*343	*(333)	34
external finance revenues	-	*5*	*5*	*2*	*12*	-	*22*	-	*34*
inter-segment finance revenues	-	*7*	*2*	*3*	*12*	-	**321*	**(333)*	-
Change in impairment losses on financial instruments and other financial assets	-	-	(1)	-	(1)	-	-	-	(1)
Finance expense	(17)	(10)	(4)	(1)	(32)	-	(44)	24	(52)
Net finance income (expense)	**(17)**	**2**	**2**	**4**	**(9)**	**-**	**299**	**(309)**	**(19)**
Profit (loss) before income tax	**(29)**	**201**	**137**	**54**	**363**	**-**	***296**	***(309)**	**350**
Income tax expenses	7	(50)	(34)	(14)	(91)	-	(8)	-	(99)
Profit (loss) for the period	**(22)**	**151**	**103**	**40**	**272**	**-**	***288**	***(309)**	**251**

* *EUR 309 million is attributable to intra-group dividends primarily recognised by Slovak Gas Holding B.V., Czech Gas Holding Investment B.V., SPP Infrastructure, a.s. and EP Energy, a.s.*

Other financial information:									
Underlying EBITDA[(1)]	43	323	148	80	594	1	(3)	-	592

(1) Underlying EBITDA represents profit (loss) for the period before income tax expenses, finance expense, finance income, change in impairment losses on financial instruments and othe financial assets, depreciation of property, plant and equipment, amortisation of intangible assets, negative goodwill and impairment of tangible and intangible assets.

For the six-month period ended 30 June 2022

In millions of EUR	Gas trans-mission	Gas and power distribution	Gas storage	Heat Infra	Total segments	Other	Holding	Inter-segment eliminations	Consolidated financial information
Revenues: Energy and related services	241	1,501	116	322	2,180	2	-	(332)	1,850
external revenues	*138*	*1,465*	*100*	*146*	*1,849*	*1*	-	-	*1,850*
of which: Gas	*138*	*545*	*100*	-	*783*	-	-	-	*783*
Electricity	-	*920*	-	*62*	*982*	*1*	-	-	*983*
Heat	-	-	-	*84*	*84*	-	-	-	*84*
inter-segment revenues	*103*	*36*	*16*	*176*	*331*	*1*	-	*(332)*	-
Revenues: Logistics and freight services	-	-	-	21	21	-	-	-	21
external revenues	-	-	-	*21*	*21*	-	-	-	*21*
inter-segment revenues	-	-	-	-	-	-	-	-	-
Revenues: Other	-	4	3	11	18	4	-	-	22
external revenues	-	*4*	*3*	*11*	*18*	*4*	-	-	*22*
inter-segment revenues	-	-	-	-	-	-	-	-	-
Gain (loss) from commodity and freight derivatives, net	-	(1)	-	-	(1)	-	-	-	(1)
Total revenues	**241**	**1,504**	**119**	**354**	**2,218**	**6**	**-**	**(332)**	**1,892**
Purchases and consumables: Energy and related services	(16)	(1,202)	(7)	(89)	(1,314)	(1)	-	329	(986)
external Purchases and consumables	*(5)*	*(907)*	*(6)*	*(67)*	(985)	*(1)*	-	-	(986)
inter-segment Purchases and consumables	*(11)*	*(295)*	*(1)*	*(22)*	(329)	-	-	*329*	-
Total Purchases and consumables	**(16)**	**(1,202)**	**(7)**	**(89)**	**(1,314)**	**(1)**	**-**	**329**	**(986)**
Services	(3)	(23)	(14)	(33)	(73)	(1)	(3)	2	(75)
Personnel expenses	(14)	(53)	(17)	(25)	(109)	(1)	(3)	-	(113)
Depreciation, amortisation and impairment	(58)	(111)	(20)	(28)	(217)	(1)	-	-	(218)
Emission rights, net	-	-	(1)	(86)	(87)	-	-	-	(87)
Operating work capitalized to fixed assets	1	11	-	1	13	-	-	-	13
Other operating income (expense), net	(3)	2	(3)	(1)	(5)	(1)	5	1	-
Profit (loss) from operations	**148**	**128**	**57**	**93**	**426**	**1**	**(1)**	**-**	**426**
Finance income	43	2	1	5	51	-	*340	*(312)	79
external finance revenues	*42*	*(1)*	*1*	*3*	*45*	-	*34*	-	*79*
inter-segment finance revenues	*1*	*3*	-	*2*	*6*	-	**306*	**(312)*	-
Impairment losses on financial instruments and other financial assets	-	-	(1)	-	(1)	-	5	1	5
Finance expense	(16)	(6)	(2)	(1)	(25)	(1)	(37)	16	(47)
Net finance income (expense)	**27**	**(4)**	**(2)**	**4**	**25**	**(1)**	**308**	**(295)**	**37**
Profit (loss) before income tax	**175**	**124**	**55**	**97**	**451**	**-**	***307**	***(295)**	**463**
Income tax expenses	(43)	(34)	(13)	(18)	(108)	-	(7)	-	(115)
Profit (loss) for the period	**132**	**90**	**42**	**79**	**343**	**-**	***300**	***(295)**	**348**

* *EUR 295 million is attributable to intra-group dividends primarily recognised by Slovak Gas Holding B.V., Czech Gas Holding Investment B.V., SPP Infrastructure, a.s. and EP Energy, a.s.*

Other financial information:

	Gas trans-mission	Gas and power distribution	Gas storage	Heat Infra	Total segments	Other	Holding	Inter-segment eliminations	Consolidated financial information
Underlying EBITDA(1)	206	239	77	121	643	2	(1)	-	644

(1) Underlying EBITDA represents profit (loss) for the period before income tax expenses, finance expense, finance income, change in impairment losses on financial instruments and othe financial assets, depreciation of property, plant and equipment, amortisation of intangible assets, negative goodwill and impairment of tangible and intangible assets.

Underlying EBITDA reconciliation to the closest IFRS measure

The underlying EBITDA reconciles to the profit (loss) as follows:

For the six-month period ended 30 June 2023

In millions of EUR	**Gas trans-mission**	**Gas and power distribution**	**Gas storage**	**Heat Infra**	**Total segments**	**Other**	**Holding**	**Inter-segment eliminations**	**Consolidated financial information**
Underlying EBITDA	**43**	**323**	**148**	**80**	**594**	**1**	**(3)**	**-**	**592**
Depreciation, amortisations and impairment	(55)	(124)	(13)	(30)	(222)	(1)	-	-	(223)
Finance income	-	12	7	5	24	-	343	(333)	34
Change in impairment losses on financial instruments and other financial assets	-	-	(1)	-	(1)	-	-	-	(1)
Finance expense	(17)	(10)	(4)	(1)	(32)	-	(44)	24	(52)
Income tax	7	(50)	(34)	(14)	(91)	-	(8)	-	(99)
Profit (loss) for the period	**(22)**	**151**	**103**	**40**	**272**	**-**	**288**	**(309)**	**251**

For the six-month period ended 30 June 2022

In millions of EUR	**Gas trans-mission**	**Gas and power distribution**	**Gas storage**	**Heat Infra**	**Total segments**	**Other**	**Holding**	**Inter-segment eliminations**	**Consolidated financial information**
Underlying EBITDA	**206**	**239**	**77**	**121**	**643**	**2**	**(1)**	**-**	**644**
Depreciation, amortisations and impairment	(58)	(111)	(20)	(28)	(217)	(1)	-	-	(218)
Finance income	43	2	1	5	51	-	340	(312)	79
Change in impairment losses on financial instruments and other financial assets	-	-	(1)	-	(1)	-	5	1	5
Finance expense	(16)	(6)	(2)	(1)	(25)	(1)	(37)	16	(47)
Income tax	(43)	(34)	(13)	(18)	(108)	-	(7)	-	(115)
Profit for the period	**132**	**90**	**42**	**79**	**343**	**-**	**300**	**(295)**	**348**

Segment assets and liabilities

For the six-month period ended 30 June 2023

In millions of EUR	**Gas transmission**	**Gas and power distribution**	**Gas storage**	**Heat Infra**	**Total reportable segments**	**Other**	**Holding**	**Inter-segment eliminations**	**Consolidated financial information**
Reportable segment assets	4,300	6,654	1,148	1,013	13,115	23	1,773	(1,970)	12,941
Reportable segment liabilities	(2,152)	(2,677)	(635)	(380)	(5,844)	(12)	(3,726)	1,970	(7,612)
Additions to tangible and intangible assets(1)	3	57	16	40	116	-	-	-	116
Acquisition of property, plant and equipment, investment property and intangible assets (excl. emission rights, right-of-use assets and goodwill)	2	44	14	8	68	-	-	-	68
Revaluation of gas pipelines (revaluation model)	-	590	-	-	590	-	-	-	590
Equity accounted investees	-	1	-	-	1	-	-	-	1

(1) *This balance includes additions to right of use assets, emission rights and goodwill*

For the year ended 31 December 2022

In millions of EUR	**Gas transmission**	**Gas and power distribution(2)**	**Gas storage**	**Heat Infra**	**Total reportable segments**	**Other**	**Holding**	**Inter-segment eliminations**	**Consolidated financial information**
Reportable segment assets	4,431	6,187	1,063	1,095	12,776	26	1,739	(1,574)	12,967
Reportable segment liabilities	(2,407)	(2,829)	(430)	(483)	(6,149)	(12)	(3,805)	1,574	(8,392)
Additions to tangible and intangible assets(1)	37	117	23	234	411	1	-	-	412
Acquisition of property, plant and equipment, investment property and intangible assets (excl. emission rights and goodwill)	32	90	10	33	165	-	-	-	165
Equity accounted investees	-	1	-	-	1	-	-	-	1

Information about geographical areas

In presenting information on the basis of geography, segment revenue is based on geographical location of delivery of goods and services and segment assets are based on the geographical location of the assets.

As of the six-month period ended 30 June 2023

In millions of EUR	**Czech Republic**	**Slovakia**	**Germany**	**Total**
Property, plant and equipment	572	9,296	155	10,023
Intangible assets and goodwill	115	40	2	157
Total	**687**	**9,336**	**157**	**10,180**

For the six-month period ended 30 June 2023

In millions of EUR	**Czech Republic**	**Slovakia**	**Germany**	**Other***	**Total**
Revenues: Gas	170	495	20	79	764
Revenues: Electricity	518	935	-	51	1,504
Revenues: Heat	91	-	-	-	91
Revenues: Logistics and freight services	10	1	5	4	20
Revenues: Other	12	60	2	-	74
Gain (loss) from commodity derivatives for trading with electricity and gas, net	(1)	-	-	-	(1)
Total	**800**	**1,491**	**27**	**134**	**2,452**

* The geographical area “Other” comprises income items primarily from Switzerland, Luxembourg, France and United Kingdom.

As of the year ended 31 December 2022

In millions of EUR	**Czech Republic**	**Slovakia**	**Germany**	**Total**
Property, plant and equipment	583	8,819	160	9,562
Intangible assets and goodwill	287	40	3	330
Total	**870**	**8,859**	**163**	**9,892**

For the six-month period ended 30 June 2022

In millions of EUR	**Czech Republic**	**Slovakia**	**Germany**	**Other***	**Total**
Revenues: Gas	290	473	27	(7)	783
Revenues: Electricity	419	564	-	-	983
Revenues: Heat	84	-	-	-	84
Revenues: Logistics and freight services	21	-	-	-	21
Revenues: Other	15	5	1	1	22
Gain (loss) from commodity derivatives for trading with electricity and gas, net	(1)	-	-	-	(1)
Total	**828**	**1,042**	**28**	**(6)**	**1,892**

* The geographical area “Other” comprises income items primarily from Switzerland, Luxembourg and France.

5. Acquisitions and disposals of subsidiaries, joint-ventures and associates

The interim financial statements of the Company for the six-month period ended 30 June 2023 include Parent company and all its material subsidiaries, which Parent company controls directly or indirectly using the full consolidation method and all material associates and joint-ventures, which are included using the equity method. Number of the Group entities as at 30 June 2023 and 31 December 2022 is as follows:

	30 June 2023	**31 December 2022**
Fully consolidated entities	56	56
Associates and joint-ventures accounted for using the equity method	4	5

(a) Acquisitions and step-acquisitions

i. 30 June 2023

There were no significant acquisitions or step-acquisitions in the six-month period ended 30 June 2023.

(b) Disposal of investments

i. 30 June 2023

There were no disposals in the six-month period ended 30 June 2023.

6. Revenues

In millions of EUR	**30 June 2023 (six months)**	**30 June 2022 (six months)**
Revenues: Energy and related services		
of which: Electricity	1,504	983
Gas	764	783
Heat	91	84
Total Energy and related services	**2,359**	**1,850**
Revenues: Logistics and freight services	**20**	**21**
Revenues: Other	**74**	**22**
Total revenues from customers	**2,453**	**1,893**
Gain (loss) from commodity derivatives for trading with electricity and gas, net	**(1)**	**(1)**
Total	**2,452**	**1,892**

For disaggregation of revenue based on type of service and based on geographical area refer to Note 4 – Operating segments.

Other revenue and logistics and freight services are represented mainly by revenues from municipal waste incineration, transportation services, sales of energy by-products, and energy management services.

In the six-month period ended 30 June 2023 no material revenue was recognised from performance obligations satisfied (or partially satisfied) in previous periods.

Total revenues less total purchases and consumables are presented in line “Subtotal” in the statement of comprehensive income.

Contract assets and liabilities primarily relate to uninvoiced fulfilled performance obligations, payments received for services and goods where control over the assets was not transferred to customer and deferred income related to grid connection fees collected and free-of-charge non-current assets transferred from customers.

Several items of gas equipment (typically connection terminals) were obtained “free of charge” from developers and from local authorities (this does not represent a grant, because in such cases the local authorities act in the role of a developer). This equipment was recorded as property, plant, and equipment at the costs incurred by the developers and local authorities with a corresponding amount recorded as contract liability as receipt of the free of charge property is related to obligation to connect the customers to the grid. These costs approximate the fair value of the obtained assets. This contract liability is released in the income statement on a straight-line basis in the amount of depreciation charges of non-current tangible assets acquired free of charge.

In millions of EUR	**30 June 2023**	**31 December**
Contract assets	102	101
Current	*102*	*101*
Non-Current	-	-
Contract liabilities	235	171
Current	*120*	*63*
Non-Current	*115*	*108*

The amount of EUR 45 million recognised in current contract liabilities at the beginning of the period has been recognised as revenue in the period for the six months ended 30 June 2023. Remaining part of EUR 18 million will be recognised till the end of 2023.

7. Purchases and consumables

In millions of EUR	30 June 2023 (six months)	30 June 2022 (six months)
Purchases and consumables		
Purchase cost of sold electricity	1,160	693
Purchase cost of sold gas and other energy products	234	195
Other purchase costs	68	43
Consumption of fuel and other material	62	49
Consumption of energy	6	6
Changes in WIP, semi-finished products and finished goods	1	(2)
Other purchases	1	2
Total Purchases and consumables	**1,532**	**986**

Purchases and consumables presented in the above table contains only cost of purchased energy and purchased materials consumed in producing energy output, it does not contain directly attributable overhead (particularly personnel expenses, depreciation and amortisation, repairs and maintenance, emission rights, taxes and charges etc.).

8. Services

In millions of EUR	30 June 2023 (six months)	30 June 2022 (six months)
Repairs and maintenance	18	15
Outsourcing and other administration fees	16	9
Transport expenses	10	11
Network fees	10	4
Rent expenses	8	7
Information technologies costs	7	7
Consulting expenses	5	5
Advertising expenses	3	2
Industrial waste	2	2
Insurance expenses	2	2
Communication expenses	1	1
Training, courses, conferences	1	-
Security services	1	1
Other	10	9
Total	**94**	**75**

9. Other operating income (expense), net

In millions of EUR	30 June 2023 (six months)	30 June 2022 (six months)
Rental income	4	5
Property acquired free-of-charge and fees from customers	3	2
Compensation from insurance and other companies	1	1
Contractual penalties	1	-
Consulting fees	-	4
Other	8	12
Other operating income	**17**	**24**
Impairment losses	(28)	-
Of which relates to: Trade receivables and other assets	1	-
Inventories	(29)	-
Office equipment and other material	(8)	(9)
Taxes and charges	(3)	(3)
Consulting expenses	(2)	(1)
Shortages and damages	(2)	-
Gifts and sponsorship	(1)	(1)
Creation, reversal of provision	(1)	-
Loss on disposal of tangible and intangible assets	-	(4)
Other	(5)	(6)
Other operating expense	**(50)**	**(24)**
Other operating income (expense), net	**(33)**	**-**

10. Finance income and expense, profit (loss) from financial instruments

Recognised in profit or loss

In millions of EUR	30 June 2023 (six months)	30 June 2022 (six months)
Interest income	18	3
Dividend income	1	1
Profit from trading derivatives	15	77
Profit (loss) from hedging derivatives	1	(1)
Profit (loss) from sale of financial assets	-	(5)
Net foreign exchange profit (loss)	(1)	4
Finance income	**34**	**79**
Change in impairment on financial assets	(1)	5
Change in impairment on financial instruments and other financial assets	**(1)**	**5**
Interest expense	(47)	(43)
Interest expense from unwind of provision discounting	(3)	(1)
Fees and commissions expense for other services	(2)	(3)
Finance expense	**(52)**	**(47)**
Net finance income (expense) recognised in profit or loss for continuing operations	**(19)**	**37**

11. Income tax expenses

Income tax recognised in other comprehensive income

In millions of EUR	**30 June 2023 (six months)**		
	Gross	**Income tax**	**Net of income tax**
Items that are not reclassified subsequently to profit or loss			
Revaluation reserve included in other comprehensive income[1]	593	(151)	442
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	8	-	8
Effective portion of changes in fair value of cash-flow hedges[1]	321	(64)	257
Total	**922**	**(215)**	**707**

(1) Deferred tax recognized in other comprehensive income of equity accounted investees is not shown in the table as it is not relevant to the financial statements of the Group.

In millions of EUR	**30 June 2022 (six months)**		
	Gross	**Income tax**	**Net of income tax**
Items that are not reclassified subsequently to profit or loss			
Fair value reserve included in other comprehensive income[1]	2	-	2
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	1	-	1
Effective portion of changes in fair value of cash-flow hedges[1]	(376)	77	(299)
Total	**(373)**	**77**	**(296)**

(1) Deferred tax recognized in other comprehensive income of equity accounted investees is not shown in the table as it is not relevant to the financial statements of the Group.

The foreign currency translation differences related to non-controlling interest are presented under other comprehensive income attributable to non-controlling interest.

Tax for the six-month period is charged at 28.29% (six-month period ended 30 June 2022: 24.84%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six-month period.

12. Property, plant and equipment

In the six-month period ended 30 June 2023 the additions of property, plant and equipment consists of additions to tangible assets under construction of EUR 45 million attributable mainly to SSD of EUR 17 million, SPPD of EUR 13 million, Elektrárny Opatovice, a.s. of EUR 4 million and NAFTA of EUR 4 million. Additions to buildings of EUR 6 million attributable mainly to SSD of EUR 5 million, additions to technical equipment, plant and machinery of EUR 8 million attributable mainly to SSD of EUR 4 million and SPPD of EUR 2 million and addition to gas distribution pipelines (fair value model) of EUR 8 million attributable solely to SPPD.

In the six-month period ended 30 June 2023 the Group has disposed of property, plant and equipment in the net book value of EUR 4 million.

As of 31 December 2022, SPPD’s distribution pipeline system had a carrying value of EUR 3,468 million under the Revaluation model. Based on the revaluation of relevant assets performed with an effective date as of 1 January 2023, the carrying value increased to EUR 4,058 million.

The difference of EUR 590 million with a corresponding deferred tax impact of EUR 151 million was recognized as a current period revaluation under IAS 16 and reported in other comprehensive income for the period.

Revalued asset is depreciated on a straight-line basis, revaluation surplus is released to retained earnings as the asset is depreciated. If the revalued asset is derecognised or sold, the revaluation surplus as a whole is transferred to retained earnings. These transfers are made directly in equity and do not affect other comprehensive income.

Impairment testing

A major part of the Group’s Property, Plant and Equipment is represented by gas transmission pipelines of Eustream and gas distribution pipelines of SPPD, which 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.

As of the balance sheet date, the Group carried out an impairment testing of non-current assets in line with IAS 36 (Impairment of Assets), in particular of the Property, Plant and Equipment assets carried at revalued amount based on the revaluation model under the IAS 16 (Property, Plant and Equipment). The management of the Group has considered varying scenarios taking into account volatile market environment and uncertainties regarding developments in the geopolitical situation. The recoverable amount was determined as value in use based on the estimated future cash flows discounted to present value, using midterm business plans and perpetuity. The following underlying assumptions were considered for the base case scenario:

- Commodity prices are based on available forward prices as of the balance sheet date
- In the short to mid term horizon, Russian gas is expected to be supplied to the European Union. In the long term, the European Union is assumed to be able to build additional LNG capacities (namely regasification facilities and interconnections) in order to balance a potential reduction in Russian gas supplies without the need to reduce Europe’s gas consumption
- Due to the strategic position of Eustream with respect to gas supply to countries neighbouring with Slovakia, the gas transmission network of Eustream is deemed to be relevant even in a scenario with reduced or even stopped natural gas flows from Russia
- The major Russian shipper is assumed to honour the long-term contract with Eustream
- Natural gas demand in Slovakia and the neighbouring countries is expected to remain broadly in line with historical volume
- In the long term, natural gas is assumed to be replaced by low-carbon gases
- The Group aims to be a frontrunner in the transition to a hydrogen future, therefore a necessary transformation of the business is expected to be undertaken.

The discount rates applied to the cash flow projections used for the value in use determination are calculated as the Weighted Average Cost of Capital (WACC) of each CGU. Cost of Equity was determined using the Capital Asset Pricing Model, while parameters were based on the reputable external sources and peer-group entities relevant to each CGU. In particular, Cost of Equity takes into account a risk premium rate impacted by the recent developments. Cost of Debt was calculated as the weighted average rate of the Group‘s Loans and borrowings.

As the result of the performed impairment testing, the Group did not recognize any impairment as of the balance sheet date. According to the Group’s policy, the impairment testing will be performed again as at 31 December 2023 unless an impairment trigger is identified earlier.

13. Intangible assets (including goodwill)

In the six-month period ended 30 June 2023 the additions to intangible assets in the EPIF Group consisted mainly of purchased emission allowances of EUR 21 million and emission allowances allocated to the Group by the Ministry of the Environment of the Czech Republic in the amount of EUR 13 million.

In the six-month period ended 30 June 2023 the disposals of intangible assets by the EPIF Group consisted mainly of surrendered emission allowances of EUR 197 million related to production of 2022, which were mainly represented by Czech entities in Heat infra segment of EUR 196 million.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to single cash generating units are as follows:

In millions of EUR	**30 June 2023**	**31 December 2022**
EOP Distribuce, a.s.	52	52
Elektrárny Opatovice, a.s.	8	8
EP Cargo a.s.	5	5
EP ENERGY TRADING, a.s.	5	5
SPV100, s.r.o.	1	1
Dobrá Energie s.r.o.	1	1
Total goodwill	**72**	**72**

Additional information on CGU with significant goodwill assigned:

As at 30 June 2023, management didn't identify any impairment trigger that would cause the Group to perform impairment testing of Goodwill recognized in relation to above listed entities. According to the Group's policy, the impairment test will be performed as at 31 December 2023 unless an impairment trigger is identified earlier.

14. Trade receivables and other assets

In millions of EUR	**30 June 2023**	**31 December 2022**
Trade receivables	247	417
Advance payments	130	70
Margin deposit relating to derivatives	115	311
Other receivables and assets	58	19
Estimated receivables	3	3
Accrued income	12	-
Value added tax receivables, net	9	8
Other taxes receivables, net	3	-
Allowance for bad debts	(31)	(31)
Total	**546**	**797**
Non-current	5	48
Current	541	749
Total	**546**	**797**

15. Equity

Share capital and share premium

The authorised, issued and fully paid share capital as at 30 June 2023 consisted of 222,870,000 ordinary shares with a par value of CZK 250 each (31 December 2022: 222,870,000 ordinary shares) ("Shares A") and 100,130,000 shares (with which special rights relating to profit distribution are connected as specified in the Articles of Incorporation) with a par value of CZK 250 each (31 December 2022: 100,130,000 shares) ("Shares B").

The shareholder is entitled to receive dividends and to cast 1 vote per 1 share of nominal value CZK 250 at meetings of the Company's shareholders.

In the six-month period ended 30 June 2023 and in 2022 the Company declared and paid no dividends to its shareholders.

30 June 2023 *In thousand of pieces*	**Number of shares 250 CZK** **Shares A**	 **Shares B**	**Ownership** **%**	**Voting rights** **%**
EPIF Investments a.s.	222,870	-	69.00%	69.00%
CEI INVESTMENTS Sàrl	-	100,130	31.00%	31.00%
Total	**222,870**	**100,130**	**100.00%**	**100.00%**

31 December 2022 *In thousand of pieces*	**Number of shares 250 CZK** **Shares A**	 **Shares B**	**Ownership** **%**	**Voting rights** **%**
EPIF Investments a.s.	222,870	-	69.00%	69.00%
CEI INVESTMENTS Sàrl	-	100,130	31.00%	31.00%
Total	**222,870**	**100,130**	**100.00%**	**100.00%**

Reserves recognised in equity comprise the following items:

In millions of EUR	**30 June 2023**	**31 December 2022**
Non-distributable reserves	1	1
Revaluation reserve	1,487	1,293
Hedging reserve	(112)	(295)
Translation reserve	67	61
Other capital reserves	(4,182)	(4,182)
Total	**(2,739)**	**(3,122)**

16. Earnings per share

Basic earnings per share

Basic earnings per share in EUR per 1 share of CZK 250 (30 June 2022 (six months): in EUR per 1 share of CZK 250) nominal value equal 0.45 (30 June 2022 (six months): 0.64).

The calculation of basic earnings per share as at 30 June 2023 was based on profit attributable to ordinary shareholders of EUR 145 million (30 June 2022 (six months): EUR 206 million), and a weighted average number of ordinary shares outstanding of 323,000,000 (30 June 2022 (six months): 323,000,000).

Weighted average number of ordinary shares as at 30 June 2023

In pieces	**Nominal**	**Weighted**
Issued shares	323,000,000	323,000,000
of which classified as:		
Ordinary shares "A" (1 share/CZK 250)	*222,870,000*	*222,870,000*
Shares "B" (1 share/CZK 250)	*100,130,000*	*100,130,000*
Total	**323,000,000**	**323,000,000**

Weighted average number of ordinary shares as at 30 June 2022

In pieces	**Nominal**	**Weighted**
Issued shares	323,000,000	323,000,000
of which classified as:		
Ordinary shares "A" (1 share/CZK 250)	*222,870,000*	*222,870,000*
Shares "B" (1 share/CZK 250)	*100,130,000*	*100,130,000*
Total	**323,000,000**	**323,000,000**

Dilutive earnings per share

As the Group issued no convertible debentures or other financial instruments with dilutive potential effects on ordinary share, diluted earnings per share is the same as basic earnings per share.

17. Non-controlling interest

30 June 2023 *In millions of EUR*	**Stredoslovenská energetika Holding, a.s. and its subsidiaries (including SSD)**	**NAFTA a.s. and its subsidiaries**	**SPP Infrastructure, a.s. and its subsidiaries(2)**	**SPP distribúcia, a.s. and its subsidiaries**	**eustream a.s.**	**POZAGAS a.s.**	**Plzeňská teplárenská, a.s.**	**Other subsidiaries**	**Total**
Non-controlling percentage	**(3)51.00%**	**31.01%**	**(3)51.00%**	**(3) 51.00%**	**(3)51.00%**	**38.01%**	**65.00%**		
Business activity	Distribution of electricity	Gas storage and exploration	Distribution of gas	Distribution of gas	Transmission of gas	Gas storage and exploration	Production and distribution of heat		
Country(1)	Slovakia	Slovakia, Germany	Slovakia	Slovakia	Slovakia	Slovakia	Czech Republic		
Carrying amount of NCI at 30 June 2023	**336**	**127**	**(189)**	**1,683**	**1,095**	**36**	**167**	**20**	**3,275**
Profit (loss) attributable to non-controlling interest for the period	**37**	**25**	**(2)**	**34**	**(11)**	**4**	**13**	**6**	**106**
Dividends declared	**(39)**	**(4)**	**(153)**	**-**	**-**	**-**	**(7)**	**-**	**(203)**

(1) Principal place of business of subsidiaries and associates varies.

(2) Excluding NAFTA a.s. and its subsidiaries, SPP Storage, s.r.o. and SPP – distribúcia, a.s. and its subsidiaries, eustream, a.s. and its subsidiaries and POZAGAS a.s. The non-controlling interest in this entity is negative as the consolidated net asset value of the entity after elimination of investment in subsidiaries is negative.

(3) Even though the immediate parent companies hold less than half of the voting rights, the Group assumes its control over the subgroups through shareholders' agreements that provide the Group with management control as the shareholder's agreement provides the Group with right and ability to manage subgroups' activities and influence thus their performance and return on the investment.

31 December 2022 *In millions of EUR*	**Stredoslovenská energetika Holding, a.s. and its subsidiaries (including SSD)**	**NAFTA a.s. and its subsidiaries**	**SPP Infrastructure, a.s. and its subsidiaries[2]**	**SPP distribúcia, a.s. and its subsidiaries**	**eustream a.s.**	**POZAGAS a.s.**	**Plzeňská teplárenská, a.s.**	**Other subsidiaries**	**Total**
Non-controlling percentage	**[3]51.00%**	**31.01%**	**[3]51.00%**	**[3] 51.00%**	**[3]51.00%**	**38.01%**	**65.00%**		
Business activity	Distribution of electricity	Gas storage and exploration	Distribution of gas	Distribution of gas	Distribution of gas	Gas storage and exploration	Production and distribution of heat		
Country[1]	Slovakia	Slovakia, Germany	Slovakia	Slovakia	Slovakia	Slovakia	Czech Republic		
Carrying amount of NCI at 31 December 2022	**339**	**157**	**(105)**	**1,423**	**1,032**	**45**	**159**	**21**	**3,071**
Profit (loss) attributable to non-controlling interest for the year	**25**	**63**	**(2)**	**66**	**86**	**15**	**22**	**10**	**285**
Dividends declared	**(75)**	**(2)**	**-**	**-**	**-**	**-**	**(5)**	**-**	**(82)**

(1) Principal place of business of subsidiaries and associates varies.

(2) Excluding NAFTA a.s. and its subsidiaries, SPP Storage, s.r.o., SPP – distribúcia, a.s. and its subsidiaries, eustream, a.s. and its subsidiaries and POZAGAS a.s. The non-controlling interest in this entity is negative as the consolidated net asset value of the entity after elimination of investment in subsidiaries is negative.

(3) Even though the immediate parent companies hold less than half of the voting rights, the Group assumes its control over the subgroups through shareholders' agreements that provide the Group with management control as the shareholder's agreement provides the Group with right and ability to manage subgroups' activities and influence thus their performance and return on the investment.

18. Loans and borrowings

In millions of EUR	**30 June 2023**	**31 December 2022**
Issued debentures at amortised costs	3,864	3,875
Loans payable to credit institutions	227	689
Liabilities from financial leases	73	65
Total	**4,164**	**4,629**
Total non-current liabilities	3,318	4,530
Total current liabilities	846	99
Total	**4,164**	**4,629**

EPIF Facilities agreement

On 6 February 2023, 13 March 2023 and 4 May 2023, EP Infrastructure, a.s. voluntarily repaid a total of EUR 400 million of the revolving credit facility maturing in 2025.

19. Provisions

In millions of EUR	**Employee benefits**	**Provision for emission rights**	**Provision for restoration and decommissioning**	**Provision for lawsuits and litigations**	**Other**	**Total**
Balance at 1 January 2023	**33**	**208**	**197**	**1**	**23**	**462**
Provisions made during the year	2	66	-	-	1	69
Provisions used during the year	(1)	(182)	(1)	-	(1)	(185)
Unwind of discount(1)	-	-	3	-	-	3
Change in provision recorded in property, plant and equipment	-	-	(1)	-	-	(1)
Effect of movements in foreign exchange rates	-	4	-	-	-	4
Balance at 30 June 2023	**34**	**96**	**198**	**1**	**23**	**352**
Non-current	**33**	**-**	**183**	**1**	**22**	**239**
Current	**1**	**96**	**15**	**-**	**1**	**113**

(1) Unwinding of discount is included in interest expense.

In millions of EUR	**Employee benefits**	**Provision for emission rights**	**Provision for restoration and decommissioning**	**Provision for lawsuits and litigations**	**Other**	**Total**
Balance at 1 January 2022	**40**	**142**	**210**	**1**	**32**	**425**
Provisions made during the year	(2)	92	7	-	-	97
Provisions used during the year	(1)	(144)	-	-	(9)	(154)
Unwind of discount[1]	-	-	1	-	-	1
Change in provision recorded in property, plant and equipment	-	-	9	-	-	9
Effect of movements in foreign exchange rates	1	2	(3)	-	1	1
Balance at 30 June 2022	**38**	**92**	**224**	**1**	**24**	**379**
Non-current	**37**	**-**	**220**	**1**	**20**	**278**
Current	**1**	**92**	**4**	**-**	**4**	**101**

(1) Unwinding of discount is included in interest expense.

20. Financial instruments

Financial instruments and other financial assets

In millions of EUR	**30 June 2023**	**31 December 2022**
Assets carried at amortized cost		
Loans to other than credit institutions	5	6
Total	**5**	**6**
Assets carried at fair value		
Hedging: *of which*	**95**	**162**
Commodity derivatives cash flow hedge(1)	*61*	*111*
Interest rate swaps cash flow hedge	*34*	*51*
Non-hedging: *of which*	**4**	**41**
Interest rate swaps reported as trading	-	37
Currency derivatives reported as trading	*4*	*4*
Equity instruments at fair value through OCI: *of which*	**20**	**18**
Shares and interim certificates at fair value through OCI	*20*	*18*
Total	**119**	**221**
Non-current	70	69
Current	54	158
Total	**124**	**227**

Financial instruments and other financial liabilities

In millions of EUR	**30 June 2023**	**31 December 2022**
Liabilities carried at fair value		
Hedging: *of which*	**253**	**618**
Commodity derivatives cash flow hedge(1)	*246*	*611*
Currency derivatives cash flow hedge	*7*	*7*
Non-hedging: *of which*	**2**	**3**
Commodity derivates reported as trading	*1*	*2*
Currency derivatives reported as trading	*1*	*1*
Total	**255**	**621**
Non-current	34	44
Current	221	577
Total	**255**	**621**

(1) Commodity derivatives designated as cash flow hedges primarily relate to forwards for sale/purchase of electricity and gas which EP ENERGY TRADING, a.s. used to hedge the cash flows arising from purchase and from sale of electricity and gas, as part of its activities as supplier of electricity and gas to final customers. The effectiveness of the change of fair value of hedging instruments to change of fair value of hypothetical derivative which represent hedged item. Additionally, Eustream is active in hedging cash inflows predominantly from gas-in-kind received from shippers. Eustream regularly performs estimations of the surplus of natural gas from received gas-in-kind and might enter into short and mid-term commodity swaps in order to hedge its natural gas selling prices.

Fair values and respective nominal amounts of derivatives are disclosed in the following table:

In millions of EUR

	30 June 2023 Notional amount buy	30 June 2023 Notional amount sell	30 June 2023 Positive fair value	30 June 2023 Negative fair value
Hedging: *of which*	1,195	(1,272)	95	(253)
Interest rate swaps cash flow hedge	*580*	*(577)*	*34*	-
Commodity derivatives cash flow hedge	*505*	*(576)*	*61*	*(246)*
Currency derivatives cash flow hedge	*110*	*(119)*	-	*(7)*
Non-hedging: *of which*	91	(89)	4	(2)
Commodity derivatives reported as trading	*1*	*(2)*	-	*(1)*
Currency derivatives reported as trading	*90*	*(87)*	*4*	*(1)*
Total	**1,286**	**(1,361)**	**99**	**(255)**

In millions of EUR

	31 December 2022 Notional amount buy	31 December 2022 Notional amount sell	31 December 2022 Positive fair value	31 December 2022 Negative fair value
Hedging: *of which*	1,579	(1,811)	162	(618)
Interest rate swaps cash flow hedge	*580*	*(576)*	*51*	-
Commodity derivatives cash flow hedge	*799*	*(1,023)*	*111*	*(611)*
Currency derivatives cash flow hedge	*200*	*(212)*	-	*(7)*
Non-hedging: *of which*	1,012	(1,010)	41	(3)
Interest rate swaps reported as trading	*710*	*(710)*	*37*	-
Commodity derivatives reported as trading	*5*	*(6)*	-	*(2)*
Currency derivatives reported as trading	*297*	*(294)*	*4*	*(1)*
Total	**2,591**	**(2,821)**	**203**	**(621)**

Commodity derivatives are recognised in respect of contracts for purchase and sale of electricity and gas, which are denominated in CZK and EUR with maturity up and over one year and where the contractual condition of derivatives does not meet the “own use exemption” as noted in IFRS 9.

Fair value hierarchy for financial instruments carried at fair value

In general, financial instruments carried at fair value are measured based on quoted market prices at the reporting date. If the market for a financial instrument is not active, fair value is established using valuation techniques. In applying valuation techniques, management uses estimates and assumptions that are consistent with available information that market participants would use in setting a price for the financial instrument.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: are observable on the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	30 June 2023			
In millions of EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at fair value:				
Hedging: of which	-	95	-	**95**
Commodity derivatives cash flow hedge	-	*61*	-	***61***
Interest rate swaps cash flow hedge		*34*		***34***
Non-hedging: *of which*	-	4	-	**4**
Currency derivatives reported as trading	-	*4*	-	***4***
Equity instruments at fair value through OCI: of which	-	-	20	**20**
Shares and interim certificates at fair value through OCI	-	-	*20*	***20***
Total	**-**	**99**	**20**	**119**
Financial liabilities carried at fair value:				
Hedging: of which	-	253	-	**253**
Commodity derivatives cash flow hedge	-	*246*	-	***246***
Currency derivatives cash flow hedge	-	*7*	-	***7***
Non-hedging: *of which*	-	2	-	**2**
Commodity derivates reported as trading	-	*1*	-	***1***
Currency derivatives reported as trading		*1*		***1***
Total	**-**	**255**	**-**	**255**

	31 December 2022			
In millions of EUR	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at fair value:				
Hedging: *of which*	-	162	-	**162**
Commodity derivatives cash flow hedge	-	*111*	-	***111***
Interest rate swaps cash flow hedge	-	*51*	-	***51***
Non-hedging: *of which*	-	41	-	**41**
Interest rate swaps reported as trading	-	37	-	***37***
Currency derivatives reported as trading	-	*4*	-	***4***
Equity instruments at fair value through OCI: of which	-	-	18	**18**
Shares and interim certificates at fair value through OCI	-	-	*18*	***18***
Total	**-**	**203**	**18**	**221**
Financial liabilities carried at fair value:				
Hedging: *of which*	-	618	-	**618**
Commodity derivatives cash flow hedge	-	*611*	-	***611***
Currency derivatives cash flow hedge	-	*7*	-	***7***
Non-hedging: *of which*	-	3	-	**3**
Commodity derivatives reported as trading	-	*2*	-	***2***
Currency derivatives reported as trading	-	*1*	-	***1***
Total	**-**	**621**	**-**	**621**

The fair value of financial instruments held at amortised costs is shown in the table below:

In millions of EUR	30 June 2023	30 June 2023	31 December 2022	31 December 2022
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets				
Loans to other than credit institutions	5	5	6	6
Financial liabilities				
Loans and borrowings	4,164	3,446	4,629	3,846

* *The fair value of trade receivables and other receivables and trade payables and other liabilities equal to its carrying amount.*

21. Commitments and contingencies

Off balance sheet liabilities

In millions of EUR	**30 June 2023**	**31 December 2022**
Commitments	934	1,443
Other granted guarantees and warranties	9	32
Total	**943**	**1,475**

Commitments

Majority of commitments is represented by contracts to purchase energy with physical delivery in following periods by SSE Group in the amount of EUR 829 million (31 December 2022: EUR 1,368 million). Commitments are further represented by contracts for purchase of non-current assets of EUR 30 million (31 December 2022: EUR 19 million) recognised by SSE Group and EUR 1 million (31 December 2022: EUR 8 million) recognised by Eustream. Remaining EUR 74 million (31 December 2022: EUR 48 million) arise from different type of service contracts.

Off balance sheet asset

In millions of EUR	**30 June 2023**	**31 December 2022**
Received promises	2,047	1,647
Other received guarantees and warranties	236	234
Total	**2,283**	**1,881**

Received promises

Received promises mainly comprise the loan commitments received by the various companies within the Group in the amount of EUR 940 million (31 December 2022: EUR 398 million) and contracts for the future sale of energy in the amount of EUR 1,107 million (31 December 2022: EUR 1,249 million).

Other received guarantees and warranties

Other received guarantees and warranties mainly consist of guarantees received from a parent company of customers to secure trade receivables in the amount of EUR 214 million (31 December 2022: EUR 193 million) recognised by Eustream and SPPD and guarantees received from banks of EUR 22 million (31 December 2022: EUR 41 million) recognised by NAFTA a.s.

22. Subsequent events

On 8 August 2023, EPIF recorded a dividend receipt of EUR 81.54 million from Czech Gas Holding Investments B.V. that holds 40.45% stake in Nafta a.s.

Except for the matters described above and elsewhere in the Notes, the Company's management is not aware of any other material subsequent events that could have an effect on the condensed consolidated interim financial statements as at 30 June 2023.

Appendix*:

Appendix 1 – Restated Consolidated statement of comprehensive income

* *Information contained in the appendices form part of the complete set of these interim financial statements.*

Date:	Signature of the authorised representative	
29 August 2023	Daniel Křetínský Chairman of the Board of Directors of EP Infrastructure, a.s.	Pavel Horský Member of the Board of Directors of EP Infrastructure, a.s.

Appendix 1 – Restated Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

For the six-month period ended 30 June 2022 as published
In millions of EUR ("MEUR")

	2022 (six months)
Revenues	**1,893**
Purchases and consumables	**(1,016)**
Subtotal	**877**
Personnel expenses	(113)
Depreciation and amortization	(214)
Repairs and maintenance	(12)
Emission rights, net	(87)
Taxes and charges	(3)
Other operating income	33
Other operating expenses	(68)
Own work, capitalized	13
Profit (loss) from operations	**426**
Finance income	7
Finance expense	(47)
Gain (loss) from financial instruments	77
Net finance income (expense)	**37**
Profit before income tax	**463**
Income tax expenses	(115)
Profit for the period	**348**
Items that are not reclassified subsequently to profit or loss	
Fair value reserve included in other comprehensive income, net of tax	2
Items that are or may be reclassified subsequently to profit or loss	
Foreign currency translation differences for foreign operations	1
Effective portion of changes in fair value of cash-flow hedges, net of tax	(299)
Other comprehensive income for the period, net of tax	**(296)**
Total comprehensive income for the period	**52**
Profit attributable to:	
Owners of the Company	206
Non-controlling interest	142
Profit for the period	**348**
Total comprehensive income attributable to:	
Owners of the Company	6
Non-controlling interest	46
Total comprehensive income for the period	**52**
Total basic and diluted earnings per share in EUR	0.64

Consolidated statement of comprehensive income

For the six-month period ended 30 June 2022 restated

In millions of EUR ("MEUR")	**2022 (six months)**
Revenues	**1,892**
Purchases and consumables	**(986)**
Subtotal	**906**
Services	(75)
Personnel expenses	(113)
Depreciation, amortization and impairment	(218)
Emission rights, net	(87)
Own work, capitalized	(13)
Other operating income (expense), net	-
Profit (loss) from operations	**426**
Finance income	79
Change in impairment losses on financial instruments and other financial assets	5
Finance expense	(47)
Net finance income (expense)	**37**
Profit before income tax	**463**
Income tax expenses	(115)
Profit for the period	**348**
Items that are not reclassified subsequently to profit or loss	
Fair value reserve included in other comprehensive income, net of tax	2
Items that are or may be reclassified subsequently to profit or loss	
Foreign currency translation differences for foreign operations	1
Effective portion of changes in fair value of cash-flow hedges, net of tax	(299)
Other comprehensive income for the period, net of tax	**(296)**
Total comprehensive income for the period	**52**
Profit attributable to:	
Owners of the Company	206
Non-controlling interest	142
Profit for the period	**348**
Total comprehensive income attributable to:	
Owners of the Company	6
Non-controlling interest	46
Total comprehensive income for the period	**52**
Total basic and diluted earnings per share in EUR	0.64