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

The Information should be read in conjunction with the “Unaudited Condensed Consolidated Interim Financial Statements as of and for the six-month period ended 30 June 2024” as published on www.epinfrastructure.cz.

A credit rating is not a recommendation to buy, sell or hold any securities and may be revised, suspended or withdrawn by the rating agency at any time.

H1 2024 Results of EP Infrastructure Group

The Board of Directors of EP Infrastructure, a.s. (“EPIF” and together with its subsidiaries, the “Group”) has approved the “Unaudited Condensed Consolidated Interim Financial Statements as of and for the six-month period ended 30 June 2024”. These Financial Statements, along with the accompanying results presentation, are now available on EPIF’s website. For further details, please visit <https://www.epinfrastructure.cz/en/investors/results-centre/>.

The Group’s core activities remain the transmission, distribution and storage of natural gas, the distribution of electricity and district heating. The Group owns and operates:

- the gas transmission pipeline through Slovakia
- the natural gas distribution network in Slovakia as a leader and a natural monopoly in the gas distribution market in Slovakia
- the electricity distribution network in Slovakia as one of the country’s three main distributors of electricity
- the largest gas storage capacities in Central Europe and gas storage operations in Bavaria, Germany
- important heat distribution networks and heat production plants in the Czech Republic.

The Group reported EBITDAⁱ and Adjusted EBITDAⁱⁱ of EUR 741 million and 722 million, respectively, in the six months ended 30 June 2024, representing an increase of EUR 130 million (+22%) compared to Adjusted EBITDA in the six months ended 30 June 2023. In the twelve months ended 30 June 2024, EBITDA and Adjusted EBITDA reached EUR 1,366 million and EUR 1,347 million, respectively, which represents an increase in Adjusted EBITDA of EUR 130 million (+11%) compared to the 2023 full year results. For further details see the Reconciliation of the financial results provided at the end of this document.

The increase in Adjusted EBITDA in the six months ended 30 June 2024 compared to the same period of the previous year was mostly driven by the following:

- The Gas Transmission segment’s performance demonstrated a marked improvement in Adjusted EBITDA of EUR 158 million (+367%), primarily due to the absence of one-off risk mitigation measures that adversely impacted the previous year’s results. The non-recurrence of these detrimental factors in 2024 has played a substantial role in the enhanced EBITDA. Additionally, the higher volume of natural gas flows booked under short-term contracts led to an 18% increase in overall flows through the eustream’s pipeline, reaching 8.7 billion cubic metres in the six months ended 30 June 2024, compared to the same period of the previous year.
- The Gas and Power Distribution segment maintained stable Adjusted EBITDA with a minor decline of EUR 2 million (-1%), bolstered by supportive regulations and market stabilization.
- The Gas Storage segment demonstrated resilience despite a modest Adjusted EBITDA decrease of EUR 8 million (-5%), on the back of reduced gas price volatility.

- The Heat infra segment reported a decline in Adjusted EBITDA of EUR 17 million (-21%), primarily due to a continued decrease in power spreads, which negatively impacted revenues from power generation and ancillary services. Additionally, warmer weather resulted in lower heat offtakes, adding more downward pressure. Unlike in 2023, the results no longer benefited from hedged positions concluded at higher prices before the normalization of power prices.

The Group generated Adjusted Free Cash Flowⁱⁱⁱ of EUR 427 million in the six months ended 30 June 2024, a deterioration of 30% compared to EUR 607 million reached in the same period of the previous year. The decrease was primarily influenced by the margining deposits movements: an outflow of EUR 12 million in the six months ended 30 June 2024 compared to a return of EUR 196 million in the same period of the previous year. Despite this decrease, along with the Gross Debt^{iv} reduction of EUR 269 million and a dividend payment of EUR 300 million to EPIF shareholders during the six months ended 30 June 2024, the Group maintained a substantial liquidity position, holding EUR 1,458 million in Cash and cash equivalents as of 30 June 2024 (compared to EUR 1,695 million as of 31 December 2023). Consequently, the Group's Proportionate Net Leverage Ratio^{vi} reached 2.6x (31 December 2023: 2.7x), significantly below the current leverage target at 3.5x.

In recent years, EPIF has successfully navigated various challenges thanks to its diversified business model, responsive financial policies that adhere to the Proportionate Net Leverage Ratio^{vi} target driven by the commitment to investment grade rating, and prudent risk management.

The Group remains attentive to market conditions and potential geopolitical risks, ensuring readiness to handle uncertainties especially in the Gas Transmission segment. EPIF's management continues to proactively manage risk, debt levels and liquidity. The Group is focused on maintaining its Proportionate Net Leverage Ratio within investment grade limits.

Commenting on the Group's performance, Václav Paleček, EPIF's CFO, said: *"We are pleased with our solid first half 2024 results and financial achievements, which demonstrate the effectiveness of our prudent and responsive policies. With supportive transmission regulation set for 2025 and our strong business diversification, we are well-positioned to handle both current and future market conditions. Our focused strategy of risk management and financial discipline has proven successful, and we remain confident in our ability to navigate the evolving market environment."*

For more details on the results, as well as the financial indicators used, please refer to <https://www.epinfrastructure.cz/en/investors/results-centre/>.

ⁱ EBITDA represents the profit (loss) for the period before income tax expense, finance expense, finance income, change in 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.

ⁱⁱ Adjusted EBITDA represents EBITDA adjusted by 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 (H1 2024: EUR 19 million; H1 2023: EUR 0 million; H1 LTM 2024: EUR 19 million, 2023: EUR 0 million).

Decree means the Slovak Decree of the Regulator No. 18/2017 Coll. (or any other applicable decree or law replacing it).

Reconciliation of the financial results is as follows:

Key Metrics	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	Total segments	Other	Holding entities	Intersegment eliminations	Consolidated financial information
Six months ended 30 June 2024									
Profit (loss) for the period	104	171	100	33	408	1	249	(274)	384
Income tax expenses	33	54	32	7	126	-	7	-	133
Finance income	(8)	(16)	(8)	(6)	(38)	-	(307)	298	(47)
Finance expense	17	8	3	3	31	-	46	(24)	53
Impairment losses on financial instruments and other financial assets	-	1	-	-	1	-	-	-	1
Depreciation, amortisation, and impairment	55	122	13	26	216	1	-	-	217
EBITDA	201	340	140	63	744	2	(5)	-	741
EBITDA adjustments	-	(19)	-	-	(19)	-	-	-	(19)
Adjusted EBITDA	201	321	140	63	725	2	(5)	-	722

Key Metrics	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	Total segments	Other	Holding entities	Intersegment eliminations	Consolidated financial information
Six months ended 30 June 2023									
Profit (loss) for the period	(22)	151	103	40	272	-	288	(309)	251
Income tax expenses	(7)	50	34	14	91	-	8	-	99
Finance income	-	(12)	(7)	(5)	(24)	-	(343)	333	(34)
Finance expense	17	10	4	1	32	-	44	(24)	52
Impairment losses on financial instruments and other financial assets	-	-	1	-	1	-	-	-	1
Depreciation, amortisation, and impairment	55	124	13	30	222	1	-	-	223
EBITDA	43	323	148	80	594	1	(3)	-	592
Network losses correction	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	43	323	148	80	594	1	(3)	-	592

Key Metrics	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	Total segments	Other	Holding entities	Intersegment eliminations	Consolidated financial information
Twelve months ended 30 June 2024									
Profit (loss) for the period	120	294	250	50	714	(2)	364	(408)	668
Income tax expenses	38	91	79	14	222	-	-	-	222
Finance income	(13)	(32)	(17)	(18)	(80)	-	(466)	459	(87)
Finance expense	35	17	7	5	64	1	90	(51)	104
Change in impairment losses on financial instruments and other financial assets	-	5	1	-	6	-	-	-	6
Depreciation, amortisation, and impairment	117	238	37	56	448	4	1	-	453
EBITDA	297	613	357	107	1,374	3	(11)	-	1,366
Network losses correction	-	(19)	-	-	(19)	-	-	-	(19)
Adjusted EBITDA	297	594	357	107	1,355	3	(11)	-	1,347

Key Metrics	Gas Transmission	Gas and Power Distribution	Gas Storage	Heat Infra	Total segments	Other	Holding entities	Intersegment eliminations	Consolidated financial information
Year 2023									
Profit (loss) for the period	(6)	274	253	57	578	(3)	403	(443)	535
Income tax expenses	(2)	87	81	21	187	-	1	-	188
Finance income	(5)	(28)	(16)	(17)	(66)	-	(502)	494	(74)
Finance expense	35	19	8	3	65	1	88	(51)	103
Impairment losses on financial instruments and other financial assets	-	4	2	-	6	-	-	-	6
Depreciation, amortisation, and impairment	117	240	37	60	454	4	1	-	459
EBITDA	139	596	365	124	1,224	2	(9)	-	1,217
Network losses correction	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	139	596	365	124	1,224	2	(9)	-	1,217

iii 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, and disregarding Changes in restricted cash as presented in the Consolidated statement of cash flow of the Group, adjusted for: (i) working capital impact of the SOT, (ii) EBITDA effect of the network losses correction, (iii) working capital impact of the network losses correction.

iv 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 accrued interest. For avoidance of doubt, the Gross Financial Indebtedness does not include mark to market of hedging instruments as it is reported under Financial instruments and financial liabilities and Financial instruments and other financial assets.

v 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.

vi 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.