

EP Power Europe

2020 financial results and ESG update

14 June 2021



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□ The Information should be read in conjunction with the “Consolidated annual report for the year 2020” as published on www.eppowereurope.cz

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Executive summary

- ❑ In 2020^(1,2) EPPE is proud to present it reached:
 - ❑ **Consolidated sales** of **EUR 5,277 million** (EUR 5,106 million in 2019)
 - ❑ **Adjusted EBITDA** of **EUR 555 million** (EUR 442 million in 2019)
 - ❑ **Cash Conversion Ratio** at approx. **62%** (63% in 2019)
- ❑ **EP Power Europe, a.s.** ("EPPE" or together with its subsidiaries "the **Group**") is a Prague-based subsidiary of Energetický a průmyslový holding, a.s. ("EPH") founded in 2016 by grouping several European assets under one umbrella and gradually growing through new, carefully selected, acquisitions
- ❑ EPPE operations comprise electricity generation (including related activities) in Italy, the UK, Germany, Ireland and France and lignite mining in Germany
- ❑ **Approx. 60%** of 2020 Group's Adj. EBITDA is generated from **regulated and / or long-term contracted** generation assets and has predictable and stable cashflows with **excellent cash conversion**
- ❑ **Low external indebtedness** fully evidenced by **Net Leverage Ratio** (excl. loans and borrowings provided by EPH) of **<0.1x**; Furthermore, in March 2021, external loans at EP UK Group of GBP 154 million and at EP Produzione of EUR 225 million were fully repaid and were partly replaced by loans from EPH
- ❑ EPPE was able to quickly adapt to changing market conditions caused by Covid-19 and succeeded in delivering on its mission – meeting the energy needs of its customers by delivering reliable and affordable electricity as well as flexible capacity
- ❑ EPPE is a European leader in **decarbonisation** and **transitioning** from coal to non-coal assets and focuses on natural gas, apart from renewable power generation, as a key bridging fuel in the transition period towards reaching the net zero carbon future
- ❑ Emission intensity of Group **declined by 58%** between 2014⁽³⁾ and 2020; by 2020 EPPE has achieved **savings of c. 20 mt of CO₂** thanks to realised initiatives
- ❑ **84%** of net power produced in 2020 by EPPE was from **zero or low carbon-intensive sources** and it is constantly expanding the share of such energy generation in the portfolio

1. All figures in the presentation calculated on fully consolidated basis, unless explicitly stated otherwise

2. For definitions of selected indicators and ratios see Appendix

3. Considering pro forma impact as EP Power Europe was founded in 2016

Key strengths and highlights

EP Power Europe

1

Well **diversified controllable power plant fleet** that ensures delivering reliable and affordable electricity as well as flexible capacity

2

Key assets providing critical services **with leading positions** and **strategic importance** for Europe

3

European leader in **transitioning** from coal to non-coal assets; **84%** of power in 2020 was generated by **zero or low carbon intensive sources**

4

Investment focus on controllable **renewables** and **low-emission gas-fired powerplants** that enabled the **decrease in emission factor** by **58%** between 2014 and 2020

5

Predictable and stable performance with an **excellent cash conversion**

6

Low external indebtedness and conservative funding strategy

7

Long-term track record in **prudent, conservative and disciplined acquisitions**

8

Development of new assets in cooperation with the local TSOs that will increase a **stability of grid** in the countries where EPPE operates (e.g. Tavazzano CCGT in Italy and Kilroot OCGT in the UK)

9

Resilient business managed and operated by a **highly competent and experienced management team** with a proven track record

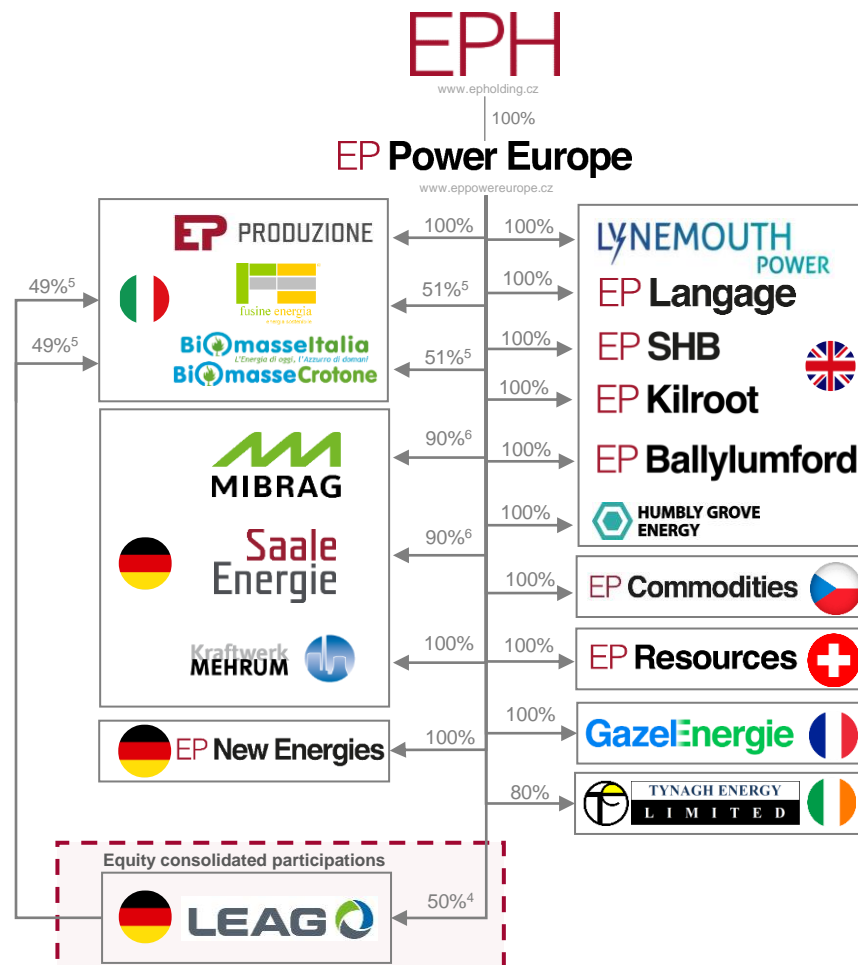
EPPE at glance

EPPE overview

- A Prague-based subsidiary of EPH founded in 2016 by grouping several European assets under one umbrella and gradually growing through new acquisitions
- The operations comprise electricity generation (including related activities) mainly in Italy, the UK, Germany, Ireland and France and lignite mining in Germany
- Stable and resilient business with **high and increasing share of contracted and semi-regulated business** (approx. 60% in 2020)
- High cash conversion ratio of 62% in 2020
- **European leader in transitioning from coal to non-coal assets** continuously decreasing the share of coal in its fleet
 - **Over EUR 1.5bn investments into zero or low emission** sources spent recently or already committed
 - Continuous increase of the contribution to EPH total Adjusted EBITDA
- Emission intensity of EPPE **declined by 58%** between 2014 and 2020, by 2020 EPPE has achieved **savings of c. 20 mt of CO₂** thanks to realised initiatives
- A further substantial decrease is planned:
 - **No lignite fueled operations** outside of Germany
 - Approx. **80%** of our hard coal installed capacity will be **closed by 2023**
 - **100%** of our hard coal installed capacity will be closed by **2025**

KPIs of the Group⁽²⁾

Power production		2020	2019
Installed capacity (net) ⁽³⁾	GW _e	10.0	11.5
Power production (net)	TWh _e	34.7	30.1
ESG indicators		2020	2019
Share of zero or low carbon intensive sources on power production	%	84	83
Emission intensity	tCO ₂ /GWh	457	462



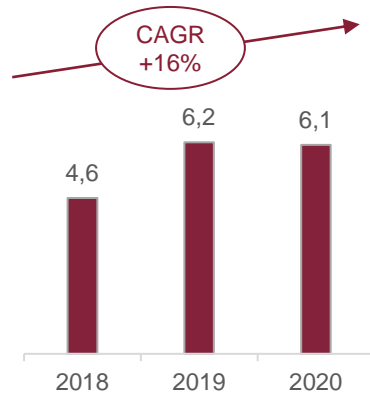
1. For definitions of selected indicators and ratios see Appendix
2. Operating data for year 2020 and 2019 as presented in EPPE Annual report 2020 and 2019
3. The capacity as of 2020 was pro-forma adjusted for Provence 5 power plant in France as it was effectively in a stand-by mode (to be completely closed in Q2 2021)
4. 50% shareholding in LEAG was acquired in 2016 as a 50-50 consortium with PPF Investments
5. EPPE holds effectively 75.5% stake in total (following the sale of 49% stake to LEAG)
6. EPPE holds 90% share in MIBRAG and Saale Energie; 10% is owned directly by EPH

Overview of Financials^{1,2}

€m		2020	2019	2018
INCOME STATEMENT				
Sales	€m	5,277	5,106	3,969
Adjusted EBITDA	€m	555	442	334
Profit for the year	€m	248	252	40
BALANCE SHEET				
Total assets	€m	6,134	6,214	4,574
CAPEX	€m	(156)	(143)	(179)
Net Financial Debt	€m	439	814	746
Net Financial Debt – excl. loans and borrowings provided by EPH	€m	34	262	332
RATIOS				
Adjusted EBITDA Margin	%	10.5%	8.7%	8.4%
Cash Conversion ratio	%	62.3%	62.5%	28.4%
Net Leverage Ratio ³	x	0.8x	1.9x	2.3x
Net Leverage Ratio ³ – excl. loans and borrowings provided by EPH	x	<0.1x	0.6x	1.0x

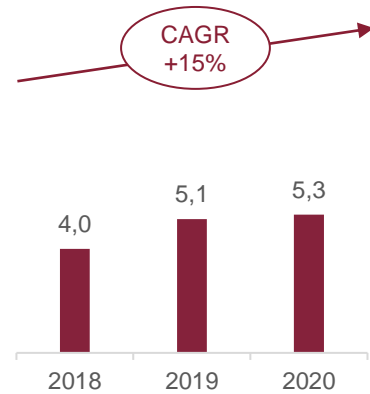
Consolidated Assets

EUR bn



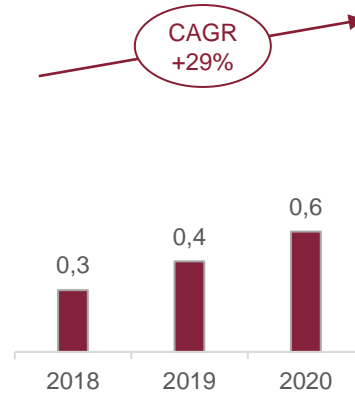
Consolidated Sales

EUR bn

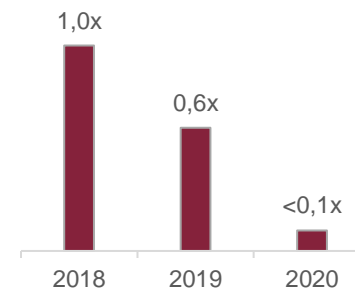


Adjusted EBITDA

EUR bn



Net leverage ratio³ – excl. EPH loans and borrowings



Note: Figures may not add up due to rounding

1. As per 2020, 2019 and 2018 audited financial statements

2. For definitions see Appendix

3. Multiple of Adjusted EBITDA

ESG pillars



ENVIRONMENT

Our role

- ❑ EPPE has focused on low carbon intensive production and renewables rather than on traditional fossil fuel assets; this is supported by the fact that only **16%** of the power produced in 2020 was generated by **hard-coal or lignite power plants** mostly in Must Run regime

Efficiency

- ❑ EPPE has been committed to enhance efficiency and is proud that the **overall emission intensity** (CO₂ per MWh produced) **dropped by 58%** between 2014 and 2020, which means that in 2020 the Group needed 628 tonnes of CO₂-eq less to produce 1 GWh than in 2014
- ❑ The initiatives undertaken by the Group and gradual shift in the energy mix substantially reduced intensity of other emissions (SO₂, NO_x, dust) achieving a **decrease in SO₂ emission intensity by 92%, NO_x intensity by 70%, and dust intensity by 91%** between 2014 and 2020
- ❑ In 2020, **99% of hazardous waste** produced by EPPE Group companies was **recycled**



GOVERNANCE

The governance of EPPE is based on a **two-tier management structure comprising the Board of Directors and the Supervisory Board**

- ✓ Promoting ethics
- ✓ Economic sustainability
- ✓ Risk management
- ✓ Progress on goals and commitments
- ✓ Responsible finance
- ✓ Responsible funding
- ✓ Regulatory compliance
- ✓ Efficient management
- ✓ Open and honest communication with all stakeholders incl. NGOs
- ✓ EPPE Group wide ESG policies and two Health, Safety and Environmental Committees in place setting the ESG relevant framework across the Group



SOCIAL

Health and Safety

- ❑ EPPE did not report any fatal injury among employees in 2020
- ❑ All EPPE Group companies are compliant with the legislative requirements in the H&S area in the countries in which they operate
- ❑ **86%** of EPPE's employees work in companies that are certificated under **OHSAS 18001/ISO 45001**

Employees

- ❑ Equal and fair treatment
- ❑ Healthy and safe working conditions
- ✓ EPPE is a proud employer of 123 employees with various disabilities
- ✓ **87%** of employees is covered by numerous collective bargaining agreements

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- ✓ EPPE owns operations across developed markets including **the UK, Italy, Ireland, France and Germany**
- ✓ Approx. **60%** of the **EPPE Group Adjusted EBITDA** comes **from contracted or regulated activities**
- ✓ EPPE focuses on power generation and **renewable energy** (like biomass) including development of wind and solar powerplants
- ✓ EPPE provides **security of supply** through a fleet of controllable and flexible power plants
- ✓ **75%** of installed capacity comes from **zero or low carbon-intensive sources**⁽²⁾
- ✓ **84%** of power in 2020 was produced from **zero or low carbon-intensive sources**
- ✓ **Constant emission intensity decrease**
- ✓ Leading EU player in **decarbonization** of conventional power plants
- ✓ Favourable position in merit order
- ✓ Coal power generation and mining activities **financed solely from equity**

- 1 A fleet of safe and controllable power generation and renewable assets**
 - ❑ EPPE owns operations across developed markets including the UK, Italy, Ireland, France and Germany with a focus on power generation and sophisticated renewable energy (biomass)
 - ❑ EPPE's power generation portfolio provides a balanced and diversified mix of thermal and biomass power plants and other renewable sources, which provides a strong security of supply
- 2 Low leverage, strong and predictable cash-flow generation, conservative funding**
 - ❑ Approx. 60% of the EPPE Group Adjusted EBITDA comes from contracted or regulated activities (e.g., CFD contract in the UK, Green Energy subsidy and Must Run contract in Italy)
 - ❑ Cash conversion ratio above 60% (62% in 2020⁽¹⁾ and 63% in 2019⁽¹⁾)
 - ❑ Net cash positive with very low gross debt
 - ❑ Resilient performance results even during problematic market conditions
 - ❑ Coal power generation and mining activities financed solely from equity
- 3 Responsible and environmentally sustainable operations**
 - ❑ EPPE is committed to operate its portfolio responsibly to gradually reduce environmental footprint, meet interests of all key stakeholders and stands ready to meet its liabilities, particularly associated with future decommissioning and re-cultivations
 - ❑ 75% of installed capacity comes from zero or low carbon-intensive sources
 - ❑ 84% of power in 2020 was produced from zero or low carbon-intensive sources
- 4 Leading EU player in decarbonization**
 - ❑ Closure of 4 coal-fired power plants in 2021 and 2022 with an installed capacity of 1,947 MW (Provence 5 and Emile Huchet 6 in France, and Mehrum and Deuben in Germany) ahead of planned coal exit in particular countries
 - ❑ Clear path to close other coal and oil-fired power plants (e.g. Kilroot (513 MW) in Northern Ireland in 2023)
 - ❑ Massive investments in carbon footprint reduction (EUR 1 bn in the last 5 years), additional at least EUR 0.5 bn to CCGTs/OCGTs in coming 3 year and further investments of hundreds of millions EUR in Germany
- 5 Strong position in international commodity markets**
 - ❑ Via its group trading arm, EP Commodities, EPPE has a significant presence in international power, gas, carbon and other commodity markets
- 6 Value-driven management team with a proven track record**
 - ❑ Experienced and well-structured stable management team
 - ❑ Proven track record in spotting and extracting value, implementation and integration

EPPE Group overview

Segment	Group Companies	Highlights
1 UK+Ireland 	 EP SHB EP Langage EP Kilroot EP Ballylumford 	<ul style="list-style-type: none"> □ Diversified fleet of power generating assets in the UK and Ireland □ Large portion of contracted or regulated revenues (CfD regime at Lynemouth, Capacity market secured until 2025 for most of the assets) □ Stable performance and strong cash flow generation □ High potential of further growth (Kilroot OCGT, development on Eggborough site)
2 Italy 	EP PRODUZIONE   	<ul style="list-style-type: none"> □ Diversified fleet of power generating assets with a total capacity of 4,171 MW □ Large portion of contracted or regulated revenues (must-run regime on Fiume Santo and Trapani, GRIN incentive scheme for biomass plants, capacity market from 2022) □ Stable performance and strong cash flow generation □ High potential of further growth (Tavazzano CCGT, development on Fiume Santo site)
3 France 		<ul style="list-style-type: none"> □ Diversified fleet of power generating assets with a key focus on renewables □ Large portion of contracted or regulated revenues (feed-in tariffs on biomass plant and wind and solar parks) □ Active steps in decarbonisation ahead of the planned coal exit in France □ High potential of further growth (new projects on former coal sites)
4 Germany 	    	<ul style="list-style-type: none"> □ German assets ensure security of supply and stability of grid □ Track record of successfully realised projects and clear future path to responsible transition □ Financial performance driven by long-term contracted fuel deliveries to critical German infrastructure □ Future investments into renewable energy generation through EP New Energies
5 Other	EP Commodities	<ul style="list-style-type: none"> □ EP Commodities is a Group trading house that plays significant role across European energy markets □ It supports the group and third-party customers with a wide range of specialized market access, asset optimization, risk management, supply and logistics services

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Significant progress in delivering on the ESG goals

We have announced closures of five major coal and lignite power plants in Germany, France and Northern Ireland

- ❑ Ahead of the official French coal phase-out date, **we have shut down coal power plants Provence 5**, located in Bouches du Rhone, in Q2 2021 **and Emile Huchet 6**, located in Moselle, will be shut in Q1 2022. Total installed capacity of both plants represents 1190 MW
- ❑ In Germany, based on results of the second German coal phase-out auction, **the Mehrum hard coal power plant** (net installed capacity 690 MW) and **Deuben lignite power plant** (net installed capacity 67 MW) **are planned to be closed** in the course of **2021**. At Mehrum, the closure is subject to review of the transmission system operator as the plant could be considered relevant for power grid stability
- ❑ In Northern Ireland, in **Kilroot**, the Group has been awarded with 10-year capacity contracts starting in 2023 and 2024. To honour the contracts, the Group plans to build two modern highly efficient gas units (app. 700MW, operational in 2023) while **decommissioning the existing hard coal and oil assets (total installed capacity 513 MW)** in 2023

We have signed a contract on development of 300 MW wind parks

- ❑ EP New Energies, renewables developer owned by EPPE Group, selected GE Renewable Energy (GE) to supply top class **50 wind turbines**, each with **6 MW** rated **capacity**
- ❑ The approval procedures for the projects will start as early as this year with the first construction to start in 2023. This step is part of EPPE Group's renewable energy strategy to **transform real estate capabilities** and former open-cast lignite mining areas by implementing **onshore wind energy and photovoltaics**

We have introduced additional ESG policies, broadening the scope of covered areas

- ❑ In March 2021, the EPH Board approved **additional set of ESG policies**, complementing existing policies which were historically implemented on EPH or its sub-holdings (such as EP Infrastructure and EP Power Europe). The areas newly covered include, among others, the **asset integrity management, cybersecurity, whistle-blowing, diversity or biodiversity**. The policies are to be implemented across EPH Group companies throughout 2021. Majority of the policies are publicly available on our website¹

1. <https://www.ephholding.cz/en/policies-connected-to-esg-area/>

EPPE takes an active role in transforming the energy system: Key highlights (I/II)

EPPE is highly committed to environmental, social and safety aspects of its operations

- ❑ Sustainability, social, health and safety topics are cornerstones of EPPE's operations
- ❑ EPPE already implemented and continues to pursue a number of initiatives to materially **decrease** its **environmental footprint**, whilst keeping focus on social, health and safety aspects of this strategy
- ❑ To assure even greater focus and best practice governance, EPPE installed **Mr. Gary Mazzotti** as the independent member of the boards of directors **in charge of the ESG agenda**

A vast majority of EPPE's financial results stems from low CO₂ intensive power production

- ❑ **84% of power produced** in 2020 comes from **zero or low carbon intensive sources**
- ❑ A major part of EPPE Adjusted EBITDA is generated from regulated and/or long-term contracted businesses **(60% of Adjusted EBITDA in 2020)**

EPPE is a major contributor to reduction of CO₂ footprint in the EU

- ❑ The initiatives already realized or announced by EPPE to be undertaken by 2023 **reduce annual CO₂ emissions by c. 27 mt¹. We hold a leading position in respect of decarbonization efforts in the EU as documented by 12% share on overall CO₂ reduction in the EU in the period 2014-2018²**
- ❑ **The emission intensity** of our assets **declined between 2014-2020 by 58%** and we plan further substantial decrease
- ❑ Our goal is to **save** around **39Mt of CO₂ annually by 2035**

1. Along with reducing production at existing coal plants

2. Data on CO₂ emissions by sector in the EU for 2019 or 2020 were not available on Eurostat at the time of preparing this presentation

EPPE takes an active role in transforming the energy system: Key highlights (II/II)

EPPE is one of the leading players in decarbonization of conventional power plants

- In our decarbonization efforts, we strive to seek **real solutions** - not merely offloading but truly **decommissioning** the most **carbon-intensive sources** while investing and actively **converting** our plants **to** low-carbon or fully **renewable sources**
- We endorse decarbonization efforts and actively pursue them. As a major European energy player, EPPE acknowledges its role in the energy transition and supports the process by already realized as well as planned decommissioning and conversion projects
- For each of the assets we have prepared a **clear transition plan**. In cases without any restrictions (power system stability, social or other) we typically implement the transition very quickly (e.g. Mehrum 2021, Provence 5 and Emile Huchet 6 in France during 2021/2022). In the remaining cases with restrictions we strive to communicate with the regulators and/or stakeholders to agree upon the **fastest possible transition** that would reflect the specific requirements and constraints.

EPPE massively invests in carbon footprint reduction

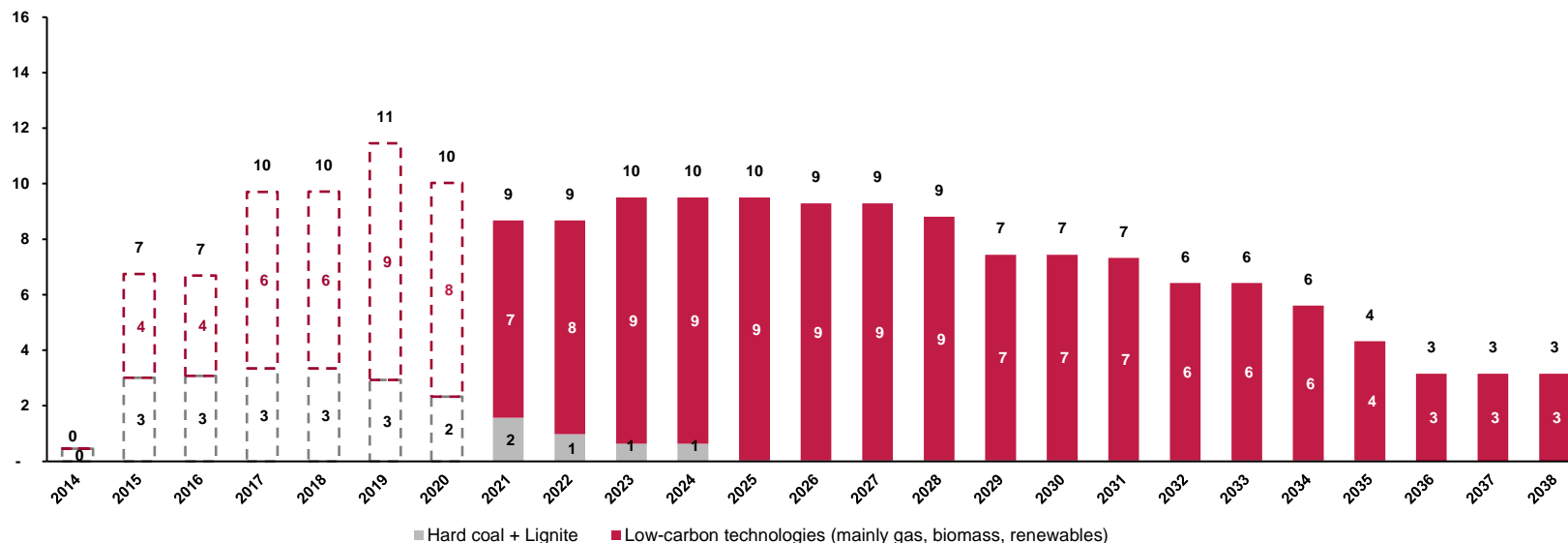
- In the **last 5 years EPPE invested** over **EUR 1 bn** into **zero and/or low carbon footprint** power plants (primarily biomass and modern CCGTs). In 2021, **EPPE will commence development** of **modern and efficient OCGT units** in Northern Ireland, replacing the Kilroot coal and oil units, and **a new app. 800 MW CCGT** unit at Tavazzano and Montanaso power plant in Italy. In Mibrag, among other green projects, we intend to develop and operate **two major wind farms** on former sites of United Schleenhein mine and Profen mine, accompanied by a **photovoltaic power plant** powering the adjacent buildings and facilities. The total development CAPEX for these projects aimed at further substantial reduction of CO₂ emissions **will exceed EUR 1 bn**.
- **EPPE** continues to **invest to** developing a fleet of dispatchable **modern low carbon footprint assets** (biomass, waste to energy, natural gas, and storage), to either replace its existing coal fired power plants or to build completely new ones to back up intermittent renewables and provide much needed security of supply. Beyond that **we invest into cutting edge technologies** and innovations involving **storage, hydrogen and smart technology couplings**

EPPE operates a balanced portfolio of power generation assets with a key weight on natural gas

- The share of **coal generation** in our portfolio **dropped in 2020 to 16%** of which ca 56% was Fiume Santo power plant operating in Must run regime. The share will further decline as large portion of coal-based assets will be either decommissioned or shifted to capacity reserve or converted to zero or low carbon footprint technologies
- Already **by 2023, ca 80%** of our remaining **installed capacity in hard coal** will be **closed**, while **all our hard coal fired power plants** will be **closed by 2025**

Installed capacity in coal will gradually decline as a result of both decommissioning and conversion projects

Installed capacity development: Low or zero emission capacities vs. coal capacities (GW)^{1,2,3}



- Total installed capacity in hard coal and lignite of ca 2.3 GW¹ as of 2020 will gradually decline as the coal-fired power plants in our portfolio will be either **decommissioned or converted** to a more environmentally friendly fuel source in near or not too distant future. Current operations of our conventional assets are often **driven by stability needs of electricity grids** (e.g. coal power plant Kilroot in the UK, which will be however decommissioned in 2023) or are a vitally needed, irreplaceable source of power (Fiume Santo in Sardinia, Italy). Specifically in Germany, our transition plans are a key part of *Kohleausstieg* plans coordinated with the German federal government
- Major coal decommissioning and conversion projects have already been realized, primarily in the UK where we decommissioned Eggborough power plant (1,960 MW) and converted Lynemouth power plant to pure biomass (396 MW). Furthermore, closures of four additional power plants in France and Germany with total capacity of 1,947 MW have been announced (to be shut down in 2021 / Q1 2022), followed by coal and oil units in Kilroot to be decommissioned in 2023 (513 MW). Overview of realized and planned closures and conversion projects is presented on the following slide

1. Operating data are presented consistent with IFRS consolidation scope, excluding equity consolidated companies such as LEAG. Buschhaus power plant is excluded from 2016 onwards as it was placed into stand-by mode in 2016 and decommissioned in 2020. The power plant Provence 5 was excluded from 2020 capacity as it was effectively in a stand-by mode (and completely closed in Q2 2021). The scope does not include the Schkopau power plant where EPPE will likely increase its share from 42% to 100% in October 2021 as a result of historical agreements

2. Projections of future development of installed capacity are only indicative and are based solely on management estimates in respect of closures and refurbishments of individual plants. This forward-looking information is subject to future management decisions, market development as well as numerous risks and uncertainties

3. After 2025, the installed capacity in hard coal and lignite includes only Wählitz power plant with an installed capacity of 31MW

EPPE actively decommissions coal-fired power plants or converts them to low or zero carbon capacities

Specific examples of realized initiatives

- ❑ **Lynemouth** is a power plant (net installed capacity 396 MW) running on biomass, which was converted from hard coal. The conversion helped to significantly reduce SOx and NOx emissions. This conversion saves approximately 2.7 Mt of CO₂-eq emissions annually
- ❑ **Eggborough** power plant (net installed capacity 1960 MW) was decommissioned in 2018, saving 11.5 Mt of CO₂-eq emissions annually (compared to baseload operations in 2013). There are several site development plans in consideration, especially a new build CCGT project (<http://www.eggboroughccgt.co.uk>)
- ❑ **Buschhaus** power plant (net installed capacity 352 MW) in Helmstedter Revier was transferred into security stand-by mechanism in October 2016 and was there until September 2020 and then was finally decommissioned
- ❑ Decommissioning of our **Mumsdorf** power plant (net installed capacity 110 MW) in Germany led to an annual saving of about 800 kt of CO₂-eq emissions
- ❑ Decommissioning of 2 older oil units (Unit 1 and Unit 2) in **Fiume Santo** (net installed capacity approx. 80 MW)

Planned closures and conversion projects¹

- ❑ Coal-fired assets operated by **Gazel Energie** (net installed capacity 1190 MW) in France will be decommissioned ahead of the coal phase-out set by the government at year end 2022. While the power plant Provence 5, located in Bouches du Rhone, will be shut down in Q2 2021, the second power plant Emile Huchet 6, located in Moselle, is expected to operate until Q1 2022
- ❑ Following a successful bid in the second German coal phase-out auction, the **Mehrum** hard coal power plant (net installed capacity 690 MW) and **Deuben** lignite power plant (net installed capacity 67 MW) will be closed in the course of 2021 (Mehrum subject to review of the transmission system operator)
- ❑ **Kilroot** power plant (net coal installed capacity 350 MW with additional oil installed capacity of 163 MW) in the UK will be decommissioned in 2023. Power production from coal is driven by a capacity contract to ensure grid stability. The closed coal capacity will be replaced by newly built highly efficient natural gas units (almost EUR 200m to be invested)
- ❑ Coal power plant **Fiume Santo** (net installed capacity 599 MW) in Sardinia, Italy where sustained operations are required by local government is expected to be decommissioned in 2025. As the power plant is a key source of power on the island, an alternative source of power needs to be identified prior to the shutdown. The selected technology depends on discussions with local authorities, biomass is considered optimal by EPPE provided that adequate generation subsidy is provided. In addition, we expect to build photovoltaic panels on the site

1. The described actions are only indicative and are based solely on management estimates in respect of closures and refurbishments of individual plants. These plans are subject to future management decisions, market development as well as numerous risks and uncertainties

EPPE is one of the leading players in decarbonisation having implemented or announced measures leading to reduction of annual CO₂ emissions by 24 Mt¹

Country	Company	Plant	Capacity (GW)	Savings (Mt CO ₂)	Fuel	Note
UK	EPL	Eggborough	2.0	11.5	Coal	EPPE decommissioned plant in 2018
UK	LPL	Lynemouth	0.4	2.7	Coal	EPPE executed biomass conversion
DE	HSR	Buschhaus	0.4	2.7	Lignite	Voluntarily placed to security stand-by (no generation) in 2016 and closed in 2020
DE	MGB	Mumsdorf	0.1	0.8	Lignite	
Realized closures / conversions			2.9	17.7		
FR	Gazel	Provence 5	0.6	1.5	Coal	Provence 5 to be decommissioned in Q2 2021, while Emile Huchet 6 to be decommissioned in Q1 2022
FR	Gazel	Emile Huchet 6	0.6	2.1	Coal	
DE	KWM	Mehrum	0.7	2.5	Coal	Closure of Mehrum and Deuben in the course of 2021 as a result of second coal phase-out auction in Germany
DE	MGB	Deuben	0.1	0.9	Lignite CHP ²	
Announced closures / conversions			1.9	7.0		
UK	KIL	Kilroot	0.5		Coal	The coal unit (dual boilers combusting coal + oil) is currently required for system stability and expected to be needed for its remaining life (expected decommissioning by 2023) and refurbishment to natural gas
ITA	FS	Fiume Santo	0.6		Coal	Must-run infrastructure, ongoing discussion for gas or biomass conversion
DE	MGB	Wahlitz	0.0		Lignite CHP	CHP utilised for industrial purposes; closure expected in 2035
Planned closures / conversions ³			1.1			

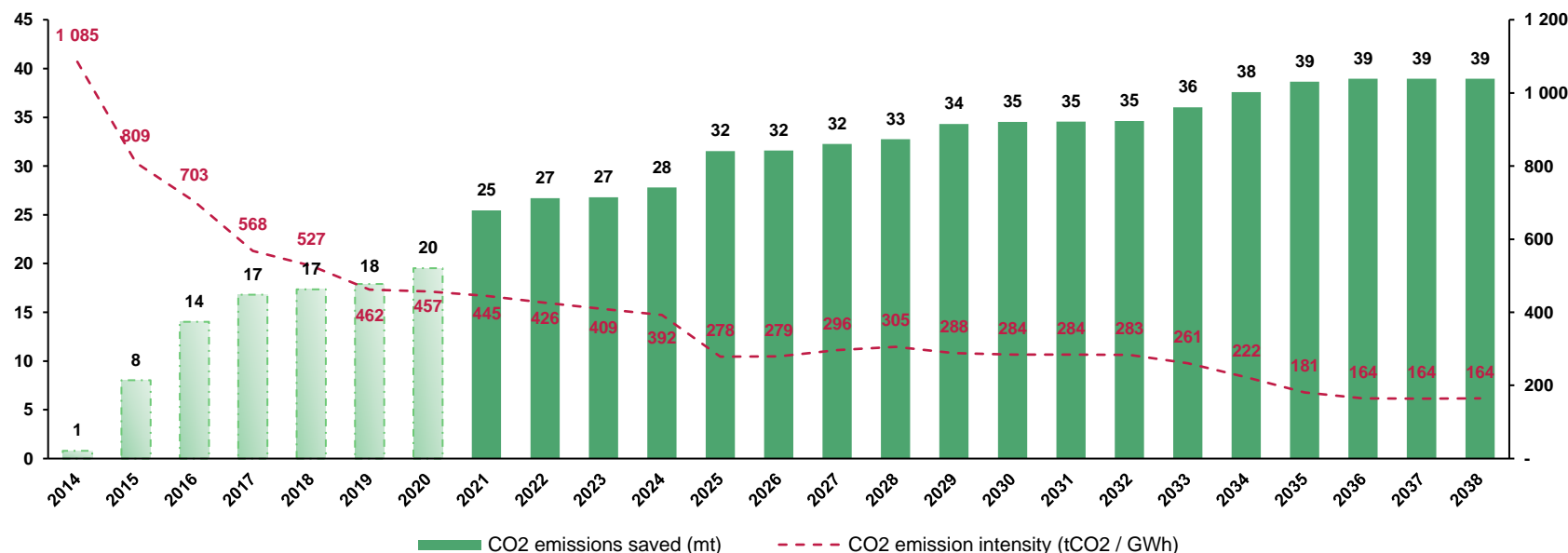
1. CO₂ savings are calculated for year 2020 based on IFRS consolidation scope, excluding equity consolidated companies such as LEAG and SE. The year with peak emissions is used as a base year

2. Combined heat and power generation plants

3. The described actions are only indicative and are based solely on management estimates in respect of closures and refurbishments of individual plants. These plans are subject to future management decisions, market development as well as numerous risks and uncertainties

EPPE will save around 39 Mt of CO₂ annually by 2035

CO₂ emission intensity and annual emissions saved^{1,2,3,4}



- The trend of improving emission efficiency is characteristic for the last 7 years and is projected to continue due to following causes:
 - EPPE increases its installed capacity (and thus generation) in renewables and gas-fired power plants, which are approximately 50% less emission-intensive compared to lignite or hard coal
 - Power generation of the existing hard coal and lignite-fired plants will be limited as large portion of the capacity is not utilized and only held for grid stability purposes
- Owing to the realized and planned initiatives described previously, around 39 mt of CO₂ emissions are projected to be saved annually from 2035 onwards. By 2020, we had already achieved savings of c. 20 mt of CO₂ following decommissioning of Eggborough power plant, conversion of Lynemouth power plant and transfer of Buschhaus power plant to stand-by mode, along with reducing production at existing coal plants. The **savings** realized between 2014 and 2018 represent c. **12% of the total CO₂ emissions reduction** from heat and power generation in EU between 2014 and 2018⁵

1. Operating data for year 2020 are presented consistent with IFRS consolidation scope, excluding equity consolidated companies such as LEAG and SE

2. Energy produced includes electricity and heat

3. Emission savings represent a difference between emissions reported in the given year and peak emissions reported historically

4. Projections of future development of emission intensity only indicative and are based solely on management estimates in respect of closures and refurbishments of individual plants. This forward-looking information is subject to future management decisions, market development as well as numerous risks and uncertainties

5. Total CO₂ emissions in the EU from heat and power generation declined from 1,084 mt in 2014 to 944 mt in 2018 (sourced from European Environment Agency). Data for 2019/2020 not yet available

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Key takeaways

EP Power Europe

1

Well **diversified controllable power plant fleet** that ensures delivering reliable and affordable electricity as well as flexible capacity

2

Key assets providing critical services **with leading positions** and **strategic importance** for Europe

3

European leader in **transitioning** from coal to non-coal assets; **84%** of power in 2020 was generated by **zero or low carbon intensive sources**

4

Investment focus on controllable **renewables** and **low-emission gas-fired powerplants** that enabled the **decrease in emission factor** by **58%** between 2014 and 2020

5

Predictable and stable performance with an **excellent cash conversion**

6

Low external indebtedness and conservative funding strategy

7

Long-term track record in **prudent, conservative and disciplined acquisitions**

8

Development of new assets in cooperation with the local TSOs that will increase a **stability of grid** in the countries where EPPE operates (e.g. Tavazzano CCGT in Italy and Kilroot OCGT in the UK)

9

Resilient business managed and operated by a **highly competent and experienced management team** with a proven track record

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1 **Diversified fleet of power generating assets**

2 **Large portion of contracted or regulated revenues**

3 **Stable performance and strong cash flow generation**

4 **High potential of further growth**

Assets	Location	Fuel	Installed capacity (MW)
Lynemouth	England	biomass	420
South Humber Bank	England	CCGT	1,365
Langage	England	CCGT	905
Kilroot	Northern Ireland	Coal/Oil/CCGT	655
Ballylumford	Northern Ireland	CCGT	683
Tynagh ²	Ireland	CCGT	384



Lynemouth

- Operates under CfD regime since June 2018
- Under the CfD, Lynemouth will receive revenue from the wholesale market for its output and either receive or make payments based on the difference between a defined market reference price and the initial £105/MWh strike price (indexed to inflation; current strike price is £124.35/MWh)

Ballylumford

- the C station is fully contracted under PPA with the Power Procurement Board until 9/2023
- Capacity market revenues secured until 2024/2025 delivery year

South Humber Bank, Langage and Tynagh

- Capacity market revenues secured until 9/2025 for SHB, LAN and until 2024/2025 capacity year for Tynagh

Kilroot

- Provides mainly balancing and ancillary services to secure Northern Irish grid

- Adjusted EBITDA⁽¹⁾ reached **EUR 213 million** in 2020

- In 2020, the fleet produced **16,774 GWh of power**, **94%** of which was from **zero or low carbon-intensive sources**

Kilroot OCGT

- Kilroot coal and oil power plant to be decommissioned in 9/2023 in line with the coal phase-out deadline set by the UK government
- The closed coal and oil capacity is planned to be replaced by two highly efficient and flexible Siemens OCGTs with a combined capacity of app. 700 MW, of which substantial portion is supported by already secured capacity contracts (557 MW) with the remaining derated capacity to be tendered

Eggborough

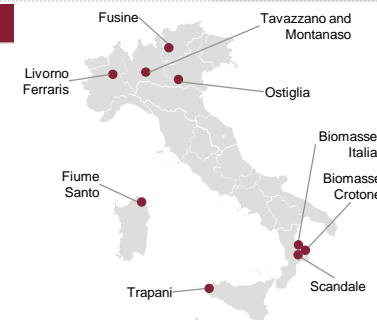
- Eggborough power plant (net installed capacity 1960 MW) was decommissioned in 2018, saving 11.5 Mt of CO₂-eq emissions annually (compared to baseload operations in 2013)
- There are several site development plans in consideration, especially a new build CCGT project (<http://www.eggboroughccgt.co.uk>)
- We intend to extract pulverized fuel ash from former ash disposal site which can help cement industry to reduce their carbon footprint



1

Diversified fleet of power generating assets with a total capacity of 4,171 MW

Assets	Fuel	Net capacity (MW)	Ownership
Livorno Ferraris	CCGT	805	75%
Tavazzano and Montanaso	CCGT	1,140	100%
Ostiglia	CCGT	1,137	100%
Trapani	CCGT	213	100%
Fiume Santo	Hard Coal	598	100%
Biomasse Crotone (BC)	Biomass	27	75.5% ⁽²⁾
Biomasse Italia (BI)	Biomass	47	75.5% ⁽²⁾
Fusine	Biomass	5.7	75.5% ⁽²⁾
Scandale (Ergosud)	CCGT	802	50% ⁽³⁾



2

Large portion of contracted or regulated revenues

Fiume Santo

- ❑ Power plant under *Must Run* essentiality regime, recently extended till 2024
- ❑ Remuneration is taking into account appropriate remuneration on capital employed and variable costs together with any market revenues received.

Biomass plants

- ❑ All plants relying on the GRIN incentive scheme ensuring income in addition to the standard power sales
- ❑ Assigned for 15 years, GRIN will expire in 3/2025 for Fusine, 6/2027 for BI and 10/2027 for BC

Trapani

- ❑ *Must Run* is awarded on yearly basis. Assumed to be prolonged until the capacity can be substituted, but as no project in construction, therefore prolongation for 2022 assumed

Capacity Market from 2022

- ❑ The capacity market (CM) scheme has been confirmed with first auction undertaken for the delivery years 2022 and 2023, with the goal of ensuring sustainability of the Italian energy system vis-a-vis the rise of renewable generation and preserving the economics thermal plants, still considered key assets for the system
- ❑ 15 years CM contracts are available for new builds

3

Stable performance and strong cash flow generation

- ❑ **Adjusted EBITDA⁽¹⁾** reached **EUR 250 million** in 2020
- ❑ In 2020, the fleet produced **14,905 GWh of power**, **80%** of which was from **zero or low carbon-intensive sources**

4

High potential of further growth

Tavazzano CCGT

- ❑ A new 800 MW CCGT power plant, so-called "New Tavazzano project", is being developed in the existing Tavazzano site with expected start of operations in late 2023

Fiume Santo site

- ❑ New approx. 10 MW photovoltaic project under development on site of Fiume Santo plant
- ❑ Further gas power generation projects being developed for upcoming capacity auctions to facilitate energy transition
- ❑ Other opportunities on the Italian market being explored to support Italian coal exit

1. For definitions see Appendix
 2. EPPE holds 75.5% stake in total (following the sale of 49% stake in EPNEI to LEAG)
 3. Ergosud is a joint venture owned by EPPE and A2A gencogas S.p.A.,

1

Diversified fleet of power generating assets operating under GazelEnergie brand with a holding company called EP France

2

Large portion of contracted or regulated revenues

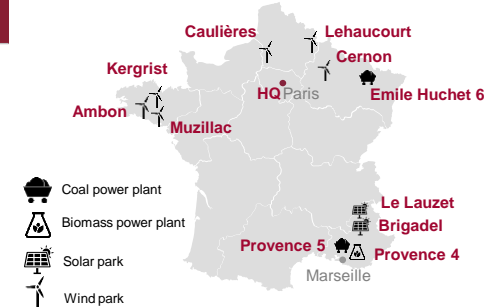
3

Financial performance negatively affected by coal closures

4

High potential of further growth

Assets	Fuel	Net capacity (MW)
Provence 4	Biomass	150
Emile Huchet 6 (to be closed Q1 2022)	Hard Coal	595
Provence 5 (closed in 2021)	Hard Coal	595
2 solar parks: Brigadel, Le Lauzet	Solar	10.5
6 onshore wind parks: Kergrist, Caulières, Ambon, Lehaucourt, Les Vents d. Cernon., Muzillac	Wind	81.9



Key focus on renewable energy generation

- **Provence 4** - Gazel has converted a former coal unit (circulated fluidized bed) into biomass unit, which utilizes local and imported biomass (wood chips) and waste wood
- **Wind and Solar** – the company operates 6 onshore wind parks and 2 solar parks, which are well maintained and provide high visibility on future stable cash flows

Regulated revenue stream

- **Provence 4** – the company was granted feed-in-tariff until 2035
- **Wind** – all parks have feed-in tariffs valid until 2022 – 2025, depending on commissioning date
- **Solar** – both parks operate under feed-in tariffs valid until 2030

Active in decarbonisation ahead of the planned coal exit in France

- Coal power plant Provence 5 was decommissioned in Q2/2021, one year ahead of the official French coal phase-out date and Emile Huchet 6 will be decommissioned in Q1/2022

Supply business

- The French portfolio includes major power and gas supply platforms which focus on B2B customers segmented between large I&C customers and SME customers
- In 2020, total **supplied power** amounted to **14.6 TWh** and total **supplied gas** amounted to **2.6 TWh**, which makes it one of the largest supplier in France

- **Adjusted EBITDA ⁽¹⁾** reached **EUR (71) million** in 2020
- The results were negatively impacted by coal assets that will be closed by 1Q2022
- In 2020, the fleet produced **1,699 GWh of power²**, **95%** of which was from **zero or low carbon-intensive sources**

- New projects for the former coal sites being analyzed, support from the Government and Regions expected
- Other opportunities on the French market are closely monitored and investigated to support our long-term trend

1. For definitions see Appendix
2. Includes power generation of CCGT assets disposed in 2020



- 1 **German assets ensure security of supply and stability of grid**
- 2 **Responsible transitioning out of coal and lignite**
- 3 **Financial performance driven by long-term contracted fuel deliveries to critical German infrastructure**
- 4 **Future investments into renewable energy generation**

EP New Energies

- Competence centre for renewable energies to be operated on decommissioned mining sites

MIBRAG

- Operates 2 opencast lignite mines (**Profen** and **Schleenheim**) and 2 CHP plants (**Deuben** and **Wahlitz**) with a total capacity of 108MW; Deuben will be decommissioned in 2021
- One of the largest employers and purchasers in the Saxony / Saxony-Anhalt region

Helmstedter Revier

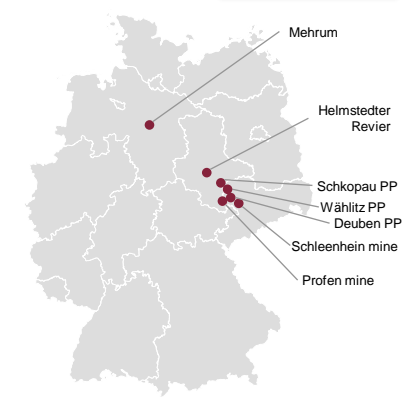
- Comprises decommissioned Buschhaus power plant and the adjacent mine which ceased operations in 2016 and is currently under recultivation

Saale Energie

- Ownership of virtual 400MW stake in the lignite power plant Schkopau

Mehrum

- 690MW Coal power plant to be decommissioned in 2021⁽¹⁾



Track record of successfully realised projects and clear future path to responsible transition

- **Buschhaus power plant** (352 MW) in Helmstedter Revier was transferred into security stand-by mechanism in October 2016 until September 2020 and then was finally decommissioned
- Following a successful bid in the second German coal phase-out auction, **Mehrum** hard coal power plant (690 MW) and **Deuben** lignite power plant (67 MW) will be closed in the course of 2021⁽¹⁾

Recultivation

- Between 1994 and 2020, MIBRAG restored 1,849 hectares of land
- MIBRAG has implemented various initiatives to reduce dust emissions, including interim greening or use of sprinklers

- **Adjusted EBITDA** ⁽²⁾ reached **EUR 130m** in 2020

Development of wind parks with a total capacity of 300 MW

- EP New Energies, selected GE Renewable Energy (GE) to supply top class 50 wind turbines, each with 6 MW rated capacity
- The approval procedures for the projects will start as early as this year with the first construction to start in 2023. This step is part of EPPE Group's renewable energy strategy to transform real estate capabilities and former open-cast lignite mining areas by implementing onshore wind energy and photovoltaics

1. At Mehrum, the closure is subject to review of the transmission system operator as the plant could be considered relevant for power grid stability

2. For definitions see Appendix



EP Commodities

1 *Group trading house that plays significant role across European energy markets*

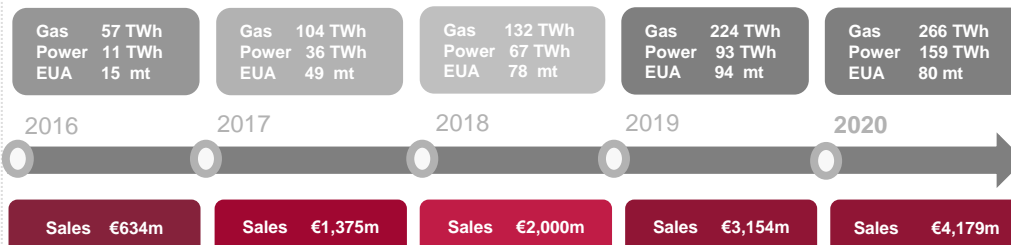
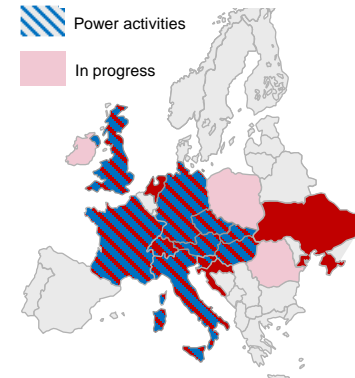
2 *Stable growth in the last 5 years*

3 *Financial results are positively impacted by the growth of EPPE Group*

4 *Strategic importance for the group*

- EP Commodities ("EPC"), was established in 2014 and plays a significant role across the European energy markets with a special focus on markets where the group is active
- EPC uses its physical and financial expertise to support the group and third-party customers with a wide range of specialized market access, asset optimization, risk management, supply and logistics services
- Besides its own trading activities, it optimizes and sources commodities for the group entities and third-party customers throughout the energy value chain on the electricity, natural gas, coal and carbon market
- EPC counterparties portfolio amounts to some 160 trading contracts (EFETs and ISDAs) with more than 100 counterparties. EPC is active in 14 countries

- Gas and Power activities
- Gas activities
- Power activities
- In progress



- Adjusted EBITDA⁽¹⁾ reached **EUR 41 million** in 2020

- Single access point to European commodity exchanges
- Centralized competence for the commodities trading fully supporting Group activities
- Top in class experts
- Full developed market and credit risk functions in the bank style concept

1. For definitions see Appendix

EP Power Europe

Key equity consolidated participations



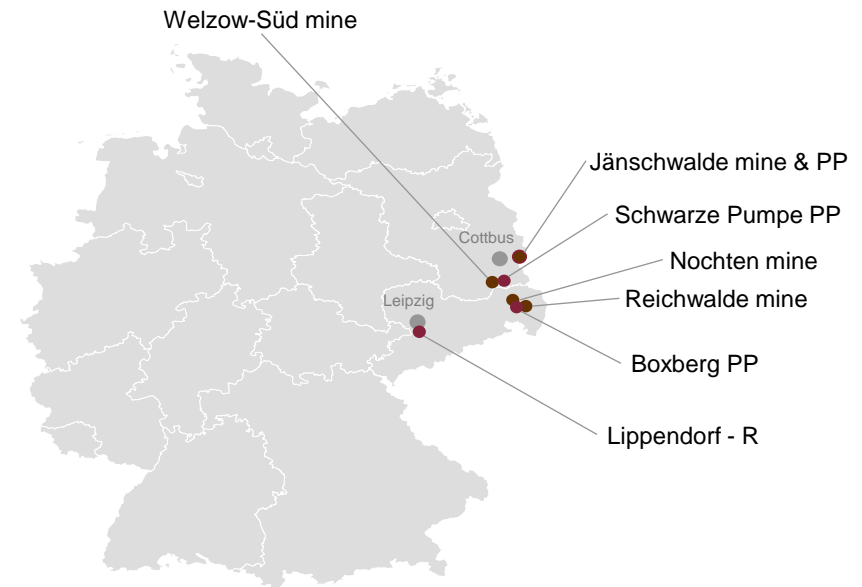
Overview

- ❑ LEAG operates the Lusatian lignite-fired power plants („PP“) **Schwarze Pumpe**, **Boxberg**, and **Jänschwalde**, and is also the operator of **Lippendorf** lignite-fired PP near Leipzig and the owner of one of the two units
- ❑ In addition to **power generation**, LEAG generates **district heat** for half a million households
- ❑ LEAG's third product is **process steam** for industrial customers
- ❑ Until the phase-out dates, LEAG will continue to contribute significantly to maintaining a secure, economically and environmentally sound energy supply
- ❑ LEAG is further developing its business fields with energy technologies for a secure *Energiewende*, such as battery storage systems, renewable energies and the potentials of hydrogen
- ❑ LEAG is **one of the largest private sector employers** in East Germany with more than 7,000 employees and twice that much indirectly employed people in the region

Decommissioning / conversion plans

- ❑ Our steps related to the decommissioning are closely coordinated with the federal German government in line with *Energiewende* and *Kohleausstieg* strategy to ensure that grid stability is not endangered and that social impacts in affected regions are considered
- ❑ With the political decision to phase-out coal-based energy generation, LEAG is transforming its business model and is taking appropriate measures towards a diversified and future-proof transformation
- ❑ LEAG plans to **invest hundreds of millions of EUR** into non-coal related projects such as renewable, storage and waste-to-energy projects including photovoltaic plants, onshore wind energy projects, waste to energy, CCGTs, battery storage and potential other non-coal related projects

Plant	Capacity (GW)	Fuel	Expected closure date
Jänschwalde block E & F	1.0	Lignite	2022/23 (as of 2018/19 security reserve)
Jänschwalde block A & B	1.0	Lignite	2028 (as of 2025/27 security reserve)
Jänschwalde block C & D	1.0	Lignite	2028
Boxberg block N & P	1.0	Lignite	2029
Lippendorf unit R	0.9	Lignite	2035
Schwarze Pumpe block A & B	1.5	Lignite	2038
Boxberg block R & Q	1.5	Lignite	2038



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Appendix: Overview of key EPPE assets

Key subsidiaries	Description	Ownership ¹
EP Commodities	❑ Group trading arm with a significant presence in European markets	100%
MIBRAG	❑ Lignite miner in Germany, operating 2 lignite mines and 2 cogeneration sources	90% ²
Helmstedter Revier	❑ Lignite power plant Buschhaus decommissioned in 2020	90% ²
Saale Energie	❑ Stake in lignite power plant Schkopau in Germany	90% ²
Kraftwerk Mehrum	❑ Hard coal plant in the north of Germany, to be closed in 2021	100%
Lynemouth Power	❑ 100% biomass plant in the UK	100%
Langage & South Humber Bank	❑ Efficient CCGTs in the UK	100%
EP Ballylumford & EP Kilroot	❑ Coal, CCGT and OCGT plants in Northern Ireland	100%
Humbly Grove Energy Ltd.	❑ Underground gas storage facility in Hampshire, UK	100%
Tynagh Energy Ltd.	❑ CCGT Power plant in Ireland	80%
EP Produzione	❑ Owner and operator of gas and coal-fired generation assets in Italy	100% ³
Biomasse Italia & Crotone, Fusine	❑ Modern biomass plants in Italy	75.5%
EP France	❑ 2 coal plants, 1 biomass plant, solar and wind assets in France	100%
EP Resources	❑ Trading company located in Switzerland	100%
<u>Equity consolidated participations</u>		
LEAG	❑ Portfolio of 4 lignite power plants and 4 lignite mines in Germany	50%
Ergosud	❑ Scandale CCGT power plant owned in Joint venture with A2A gencogas S.p.A	50%

1. Direct and indirect

2. EPPE holds 90% share in MIBRAG, Helmstedter revier and Saale Energie; 10% is owned directly by EPH

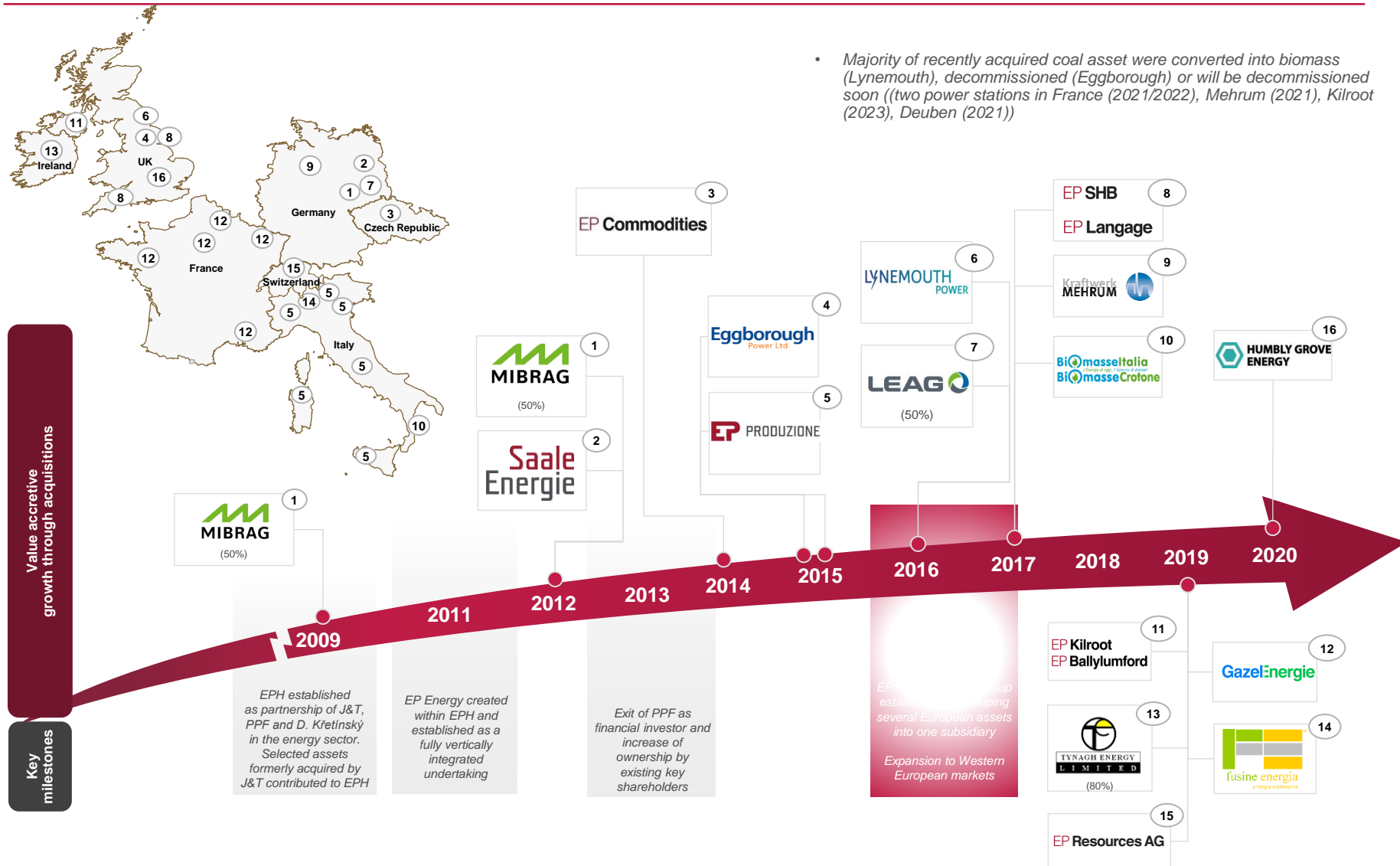
3. EPPE (through EPP Produzione) holds 75% share in Centrale Livorno Ferraris S.p.A.

Appendix: Glossary

- ❑ **Adjusted EBITDA** represents Operating profit before Depreciation & Amortization and Negative goodwill (if any) further adjusted for selected effects of impairment items, special items (e.g. profit/loss realized on goodwill and changes in provisions and similar items)
- ❑ **Adjusted EBITDA margin** represents Adjusted EBITDA / Sales
- ❑ **CAPEX** represents Acquisition of property, plant and equipment and intangible assets as presented in the Consolidated statement of cash flows further adjusted for selected items
- ❑ **Cash and Cash Equivalents** represents cash and cash equivalents including restricted cash intended for or covering the repayment of debt
- ❑ **Cash Conversion Ratio** is calculated as (Adjusted EBITDA minus CAPEX minus Tax paid) divided by Adjusted EBITDA
- ❑ **Gross Debt** represents bonds, notes, debentures, moneys borrowed and debit balances at banks, finance lease or any similar instrument disregarding accrued interest and unamortized fees
- ❑ **Net debt** represents Gross Debt less Cash and cash equivalents
- ❑ **Net Leverage Ratio** represents Net Debt / Adjusted EBITDA

EPPE has been created through a series of strategic acquisitions and organic growth during the past years...

A long-standing history of successful acquisitive and organic growth



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