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ENERGO-PRO

PRESS RELEASE

ENERGO-PRO a.s. Releases Results of Operations for the First Six Months of 2024

Prague, 16 September 2024

ENERGO-PRO a.s. (the "**Company**" or "**EPAS**") has today published its results of operations for the six months ended 30 June 2024.

HIGHLIGHTS:

- **Generation**: Total hydropower generation volume in 1H 2024 amounted to 2,430 GWh, an increase of 986 GWh or 68% from 1,444 GWh in 1H 2023. The generation volume in 1H 2024 includes 357 GWh attributable to Xeal in Spain, acquired on 4 October 2023, and 424 GWh attributable to Murat Nehri in Türkiye, acquired on 8 January 2024. Excluding the effect of these acquisitions, hydropower generation volume increased by 205 GWh or 14%, as a result of better hydrological conditions in Georgia and Türkiye, while generation in Bulgaria was lower. The average free market sales price of our generated hydropower in 1H 2024 fell in Bulgaria from the elevated levels recorded in 1H 2023, and declined in EUR terms also in Türkiye, while in Georgia unregulated prices rose in both GEL and EUR terms.
- **Distribution and supply**: In 1H 2024, the Company distributed 2,808 GWh of electricity in Bulgaria and 2,563 GWh in Georgia, which represents a broadly unchanged level and an increase of 8%, respectively, compared to 1H 2023. Compared to 1H 2023, grid losses in 1H 2024 declined by 0.1 percentage points to 6.3% in Bulgaria and by 0.7 percentage points to 10% in Georgia. In 1H 2024, the Company supplied 3,469 GWh of electricity in Bulgaria and 1,934 GWh in Georgia, an increase of 4% and 5%, respectively, compared to 1H 2023.
- Consolidated **revenue** in 1H 2024 amounted to EUR 675m, a 5% increase compared to EUR 642.8m achieved in 1H 2023. Excluding the effect of Xeal and Alpaslan 2, which amounted to EUR 103.9m, revenue decreased by 11% or EUR 71.7m to EUR 571.1m. This decrease was primarily due to lower revenue in the distribution and supply segment in Bulgaria and, to a smaller extent, Georgia, principally due to lower average electricity sales prices and supply and distribution tariffs, respectively.
- **EBITDA** in 1H 2024 reached EUR 206.1m, a 22% increase compared to EUR 169.4m in 1H 2023. EBITDA in 1H 2024 included EUR 64.6m attributable to Xeal and Murat Nehri. Excluding these acquisitions, EBITDA decreased by EUR 28m or 17% to EUR 141.4m, primarily due to lower EBITDA in the distribution and supply segment, which was only partly offset by higher EBITDA in the generation segment.
    - EBITDA in the **distribution and supply segment** decreased by EUR 39.1m to EUR 81.7m in 1H 2024. The decrease was primarily attributable to the distribution and supply segment in Georgia, where EBITDA decreased by EUR 34.1m to EUR 26.8m in 1H 2024, mainly as a result of (i) significantly lower distribution as well as end customer (supply) tariffs from

1 January 2024, (ii) higher prices (in GEL/MWh terms) paid for purchased electricity, and (iii) higher labour costs, partly offset by (iv) a decrease in other tax expenses and an increase in other income (both related to internal group cash management activities). EBITDA in the distribution and supply business in Bulgaria decreased by EUR 5m to EUR 54.9m for 1H 2024, mainly due to (i) lower EBITDA in the free market supply business (mainly due to (A) lower free market electricity prices which reduced gross profit, (B) lower margin from transactions on the wholesale market and (C) customer attrition as competitive pressures continued to increase), partly offset by (ii) higher EBITDA in the distribution business (as a result of (A) lower cost of power purchased to cover grid losses, (B) higher income from new customer connections and (C) lower labour costs and other operating expenses, partly offset by (D) lower distribution tariffs from 1 July 2023), as well as (iii) higher EBITDA in the regulated supply business (mainly due to higher realised margins due to a positive EWRC price decision as of 1 July 2023 on broadly unchanged volumes of electricity sold to end customers on the regulated market).

- EBITDA in the **generation segment** increased by EUR 72m to EUR 131.2m in 1H 2024. Xeal and Murat Nehri accounted for EUR 62.4m or 87% of this increase[1]. Excluding the effect of Xeal and Murat Nehri, EBITDA in the generation segment increased by EUR 9.6m to EUR 68.8m in 1H 2024. The increase was primarily attributable to higher EBITDA in the generation segment in Georgia, where EBITDA increased by EUR 17.6m, mainly due to (i) improved EBITDA in both the non-regulated and regulated businesses (principally as a result of more favourable hydrological conditions and resulting higher generation volumes and, to a smaller extent, higher prices in both GEL and EUR terms) and (ii) an increase in other income and a decrease in other tax expenses (both related to internal group cash management activities). EBITDA in RH Turkey (our legacy business in Türkiye) increased by EUR 0.9m in 1H 2024, as more favourable hydrological conditions and resulting higher generation volumes were almost entirely offset by lower average electricity sales prices in EUR terms. The increase in EBITDA in the generation segment in Georgia and in RH Turkey was partly offset by a decrease in EBITDA in the generation segment in Bulgaria, which fell by EUR 8.9m, mainly as a result of significantly lower average electricity sales prices and lower generation volumes.

- **Capex** in 1H 2024 amounted to EUR 81.4m, an increase of 78% (EUR 35.7m) from EUR 45.6m spent during 1H 2023. This increase was primarily driven by higher investments in our distribution and supply segment in Georgia (+EUR 26.1m), specifically in network improvements and new connections. Investments in the generation segment also increased, mainly related to (i) higher investments in construction of the Chorreritas HPP in Colombia (+EUR 5.8m), (ii) higher capex for HPP rehabilitations in Georgia, and also (iii) the effect of Xeal and Murat Nehri.
- **Gross debt** (including guarantees) stood at EUR 1,143.7m at 30/06/2024, an increase of EUR 130m (13%) from the 2023 year-end position of EUR 1,013.7m. The increase was mainly due to the project debt in Murat Nehri (EUR 107.4m) being included in EPAS in 1H 2024 and, to a smaller extent, exchange rate fluctuations.
- **Cash and equivalents** were EUR 196.3m at 30/06/2024 compared to EUR 120.9m at the end of 2023. At 30/06/2024, approx. EUR 191.4m of **additional liquidity** was available under our committed credit facilities.
- **Pro forma** for the acquisition of Xeal and Murat Nehri, the Company's LTM 1H 2024 EBITDA was EUR 389.5m.

[1] Total EBITDA of Xeal and Murat Nehri for 1H 2024 amounted to EUR 64.6m, of which EUR 62.4m was included in the generation segment. The difference reflects EBITDA of Xeal's ferroalloy business, which is included in the Other Business segment.

Petr Milev, Chief Executive Officer, commented on the results: "We are pleased with our results for the first half of 2024. The strong EBITDA growth that we delivered in the period benefited materially from the contribution of Xeal and Murat Nehri. Our legacy generation businesses also performed well, especially in Georgia, thanks to higher generation volumes as well as a more supportive pricing environment. On the other hand, our distribution and supply business in Georgia continued on the path of normalization of its results following several years of outperformance. In light of the results for the first half of the year, current trading, as well as our current expectations for the remainder of 2024, we are increasing our 2024 EBITDA guidance to EUR 310-330 million."

The tables below show operating and financial highlights for the Company in 1H 2023 and 1H 2024.

Operating highlights	Unit	1H 2023	1H 2024	Change	% change
Net generation volume (HPPs)					
Bulgaria	GWh	250	227	(23)	(9%)
Georgia	GWh	976	1,140	165	17%
Spain	GWh	n.a.	357	357	n.a.
Türkiye	GWh	219	706	487	223%
TOTAL	**GWh**	**1,444**	**2,430**	**986**	**68%**
Average free market sales price					
Bulgaria	BGN/MWh	197	154	(43)	(22%)
Georgia	GEL/MWh	126	138	13	10%
Spain	EUR/MWh	n.a.	59	n.a.	n.a.
Türkiye	TRY/MWh	1,822	2,082	260	14%
Distributed volume					
Bulgaria	GWh	2,812	2,808	(4)	(0%)
Georgia	GWh	2,376	2,563	187	8%
Grid losses					
Bulgaria	%	6.4	6.3	(0.1)	n.m.
Georgia	%	10.6	10.0	(0.7)	n.m.
Supplied volume					
Bulgaria	GWh	3,337	3,469	132	4%
Georgia	GWh	1,849	1,934	85	5%

Financial highlights (EURm)	1H 2023	1H 2024	Change	% change
Revenues	642.8	675.0	32.2	5%
EBITDA				
Bulgaria - generation	22.8	13.8	(8.9)	(39%)
Bulgaria - D&S	59.9	54.9	(5.0)	(8%)
Georgia - generation	24.0	41.6	17.6	74%
Georgia - D&S	60.9	26.8	(34.1)	(56%)
Türkiye - generation	12.5	59.2	46.8	376%
Spain - generation	n.a.	16.5	16.5	100%
Other	(10.5)	(6.8)	3.7	(35%)
TOTAL	**169.4**	**206.1**	**36.6**	**22%**
Cash interest paid	28.2	30.6	2.4	9%
Capex	45.6	81.4	35.7	78%
	FYE 2023	**30/06/2024**	**Change**	**% change**
Cash	120.9	196.3	75.4	62%
Total gross debt (incl. guarantees)	**1,013.7**	**1,143.7**	**130.0**	**13%**

The Company's interim consolidated financial statements for the six months ended, and as of, 30 June 2024 are available to view and download from the Investor Relations section of the Company's website (http://www.energo-pro.com/en/pro-investory) or by following this **link**.

The Company will hold an investor call to present the results for the first six months of 2024 at 15:00 CET / 14:00 UK on 19 September 2024. If you would like to participate in the call, please refer to the Investor Relations section of the Company's website (http://www.energo-pro.com/en/pro-investory) or follow this **link** for details.

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APPENDIX: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (ABRIDGED)

Operating segments

The Group's business is divided into seven segments: (i) electricity distribution and supply in Bulgaria ("**D&S Bulgaria**"), (ii) electricity distribution and supply in Georgia ("**D&S Georgia**"), (iii) electricity generation in Bulgaria ("**Generation Bulgaria**"), (iv) electricity generation in Georgia ("**Generation Georgia**"), (v) electricity generation in Türkiye ("**Generation Türkiye**"), (vi) electricity generation in Spain ("**Generation Spain**") and (vii) other ancillary business activities of the Group ("**Other Business**"). The table below sets out key income statement line items of the Group's segments for the six months ended 30 June 2024 and 2023.

	D&S		Generation				Other	Intra-	
Key line items	**Bulgaria**	**Georgia**	**Bulgaria**	**Georgia**	**Türkiye**	**Spain**	**Business**	**group**	**Total**
				(*in EUR million*)					
Six months ended 30 June 2024									
Revenue	364.2	212.4	20.4	41.6	71.8	21.2	72.2	(128.8)	675.0
Other income / (expense)	(1.5)	10.6	0.5	5.7	0.3	(0.0)	4.7	(3.8)	16.5
Changes in inventory of products and in work in progress	–	–	–	–	–	–	(1.0)	1.0	0.1
Purchased power	(253.6)	(167.4)	(2.5)	(1.1)	(2.7)	–	–	100.0	(327.4)
Service expenses	(27.3)	(6.4)	(1.8)	(1.2)	(5.9)	(2.3)	(16.2)	9.6	(51.5)
Labour costs	(24.9)	(18.3)	(1.5)	(2.0)	(2.9)	(1.1)	(14.8)	(0.0)	(65.5)
Material expenses	(1.7)	(0.7)	(0.2)	(0.1)	–	(0.1)	(50.0)	25.1	(27.6)
Other tax expenses	(0.3)	(1.0)	–	(0.7)	(1.3)	(1.3)	(0.5)	0.0	(5.0)
Other operating expenses	(0.0)	(2.3)	(1.2)	(0.6)	(0.0)	(0.0)	(4.7)	0.4	(8.5)
EBITDA	**54.9**	**26.8**	**13.8**	**41.6**	**59.2**	**16.5**	**(10.3)**	**3.5**	**206.1**
Depreciation, amortisation and impairment losses	(11.3)	(11.9)	(1.6)	(2.7)	(8.2)	(2.9)	(2.1)	–	(40.7)
EBIT	**43.5**	**15.0**	**12.2**	**38.9**	**51.0**	**13.6**	**(12.4)**	**3.5**	**165.3**
Six months ended 30 June 2023									
Revenue	415.9	238.6	28.2	33.8	16.8	–	39.8	(130.2)	642.8
Other income / (expense)	(0.1)	6.7	0.3	0.3	0.2	–	0.3	(4.5)	3.2
Changes in inventory of products and in work in progress	–	–	–	–	–	–	(2.8)	2.8	0.1
Purchased power	(275.9)	(153.5)	(0.2)	(3.0)	(0.6)	–	–	102.2	(331.0)
Service expenses	(46.1)	(6.5)	(2.1)	(3.2)	(2.1)	–	(12.1)	9.4	(62.7)
Labour costs	(25.7)	(15.3)	(1.4)	(1.6)	(1.6)	–	(8.4)	0.0	(54.1)
Material expenses	(2.2)	(0.6)	(0.2)	(0.0)	–	–	(21.0)	19.0	(4.9)
Other tax expenses	(0.3)	(5.7)	–	(1.7)	(0.2)	–	(0.6)	–	(8.5)
Other operating expenses	(5.8)	(2.8)	(1.9)	(0.5)	–	–	(4.4)	0.0	(15.4)
EBITDA	**59.9**	**60.9**	**22.8**	**24.0**	**12.5**	**–**	**(9.3)**	**(1.3)**	**169.4**
Depreciation, amortisation and impairment losses	(11.3)	(11.8)	(1.7)	(2.5)	(0.6)	–	(0.5)	–	(28.3)
EBIT	**48.6**	**49.2**	**21.1**	**21.5**	**11.8**	**–**	**(9.8)**	**(1.3)**	**141.1**

Key performance indicators

	Six months ended 30 June	
	2024	**2023**
Group(1)		
RAB (*in EUR million*)(2)	383	349
Distributed Volume (*in GWh*)	5,371	5,188
Connection points (*in thousands*)	2,584	2,562
Supplied Volume (*in GWh*)	5,403	5,186
HPP Net Generation (*in GWh*)	2,430	1,444
Of which Regulated	892	461
EBITDA (*in EUR million*)	206.1	169.4
Capex (*in EUR million*)	81.4	45.6
D&S Bulgaria		
RAB (*in BGN million*)	270	282
RAB (*in EUR million*)(2)	138	144
WACC (pre-tax) (*in %*)	5.74	5.74
Distributed Volume (*in GWh*)	2,808	2,812
Connection points (*in thousands*)	1,241	1,243
Grid losses (*in %*)	6.3	6.4
Supplied Volume (*in GWh*)	3,469	3,337
SAIDI (*in minutes*)	37.2	40.4
SAIFI (*frequency*)	1.0	1.0
EBITDA (*in EUR million*)	54.9	59.9
Capex (*in EUR million*)	10.1	10.9
D&S Georgia		
RAB (*in GEL million*)	738	587
RAB (*in EUR million*)(2)	245	205
WACC (pre-tax) (*in %*)	15.39	15.39
Distributed Volume (*in GWh*)	2,563	2,376
Connection points (*in thousands*)	1,343	1,319
Grid losses (*in %*)	10.0	10.6
Supplied Volume (*in GWh*)	1,934	1,849
SAIDI (*in minutes*)	513	664
SAIFI (*frequency*)	6.6	9.0
EBITDA (*in EUR million*)	26.8	60.9
Capex (*in EUR million*)	55.0	28.9
Generation Bulgaria		
HPP Net Generation (*in GWh*)	227	250
Of which Regulated(3)	–	–
Price per MWh (*in BGN*)		
Of which Regulated(4)	–	–
Of which Non-regulated	154.0	196.8
EBITDA (*in EUR million*)	13.8	22.8
Capex (*in EUR million*)	0.9	0.8
Generation Georgia		
HPP Net Generation (*in GWh*)	1,140	976
Of which Regulated	468	461
Price per MWh (*in GEL*)		
Of which Regulated	35.4	29.6
Of which Non-regulated	138.4	125.8
EBITDA (*in EUR million*)	41.6	24.0
Capex (*in EUR million*)	4.9	1.9

	Six months ended 30 June	
	2024	**2023**
Generation Spain(5)		
HPP Net Generation (*in GWh*)	357	230
Of which Regulated	–	–
Price per MWh		
Of which Regulated (in EUR)		
Of which Non-regulated (in EUR)	59.2	129.6
EBITDA (*in EUR million*)	16.5	23.4
Capex (*in EUR million*)	0.5	0.5
Generation Türkiye(6)		
HPP Net Generation (*in GWh*)	706	219
Of which Regulated	424	–
Price per MWh		
Of which Regulated (in USD)	86	
Of which Non-regulated (in TRY)	2,082	1,822
Of which Non-regulated (in USD)	63	77
EBITDA (*in EUR million*)	59.2	12.5
Capex (*in EUR million*)	1.1	0.0

Notes:

(1) Covers only (i) the D&S Bulgaria segment and the D&S Georgia segment for the following KPIs: RAB, Distributed Volume, Connection points and Supplied Volume; and (ii) the Generation Bulgaria segment, the Generation Georgia segment, the Generation Spain segment and the Generation Türkiye segment for the following KPIs: HPP Net Generation and HPP Net Regulated Generation.

(2) Converted into EUR using exchange rates at the end of period: 1.0 EUR = 1.95583 BGN, 1.0 EUR = 3.01 and 2.86 GEL on 30 June 2024 and 30 June 2023, respectively.

(3) In June 2022, EP Bulgaria terminated its agreements with ESSF and its HPPs are no longer eligible for CfP / FiP.

(4) From 1 January 2022, the premium for all regulated HPPs was set to zero (due to high electricity market prices).

(5) EPAS acquired Xeal on 4 October 2023.

(6) EPAS acquired 100% of indirect ownership rights over Murat Nehri (which owns Alpaslan 2 dam and hydropower plant) on 8 January 2024. Data for Generation Türkiye segment include Murat Nehri from 1 January 2024.

Results of operations

Six months ended 30 June 2024 compared to six months ended 30 June 2023

The following table sets forth a summary of the Group's income statement for the six months ended 30 June 2024 and 2023:

	Six months ended 30 June		
	2024	**2023**	**Change**
	(*in EUR million*)		(*in %*)
Total revenue	675.0	642.8	5
Other income	16.5	3.2	414
Purchased power	(327.4)	(331.0)	(1)
Service expenses	(51.5)	(62.7)	(18)
Labour costs	(65.5)	(54.1)	21
Material expenses	(27.6)	(4.9)	461
Other tax expenses	(5.0)	(8.5)	(41)
Other operating expenses	(8.5)	(15.4)	(45)
EBITDA	206.1	169.4	22
Depreciation, amortisation and impairment losses	(40.7)	(28.3)	44
EBIT	165.3	141.1	17
Finance costs	(83.9)	(31.6)	166

Total revenue

Total revenue increased by 5% to EUR 675 million for the six months ended 30 June 2024 as compared to EUR 642.8 million for the six months ended 30 June 2023. Total revenue from the Group's legacy businesses (i.e. excluding the effect of Xeal and Murat Nehri, which amounted to EUR 103.9 million) decreased by 11% or EUR 71.7 million to EUR 571.1 million. This decrease was primarily due to lower revenue in the Group's distribution and supply segment, mainly in Bulgaria and, to a smaller extent, Georgia.

Revenue in the Group's distribution and supply segment in Bulgaria decreased by EUR 51.7 million, primarily as a result of (i) lower free market supply revenue due to significantly lower average electricity sales prices, which were only partly offset by higher volumes of electricity supplied to end customers and (ii) lower distribution revenue due to lower distribution tariffs from 1 July 2023, which were partly offset by higher regulated supply revenues due to higher end customer tariffs from 1 July 2023. Revenue in the Group's distribution and supply segment in Georgia decreased by EUR 26.2 million, primarily as a result of (i) lower supply revenue due to significantly lower end customer tariffs from 1 January 2024, which were only partly offset by higher volumes of electricity supplied to end customers, (ii) lower distribution revenue due to lower distribution tariffs from 1 January 2024, which were only partly offset by higher volumes of distributed electricity, and (iii) depreciation of GEL against the EUR.

Revenue in the Group's generation segment increased by EUR 76.3 million, with Xeal and Murat Nehri accounting for EUR 72.2 million[2] (or 95%) of this increase. Excluding the effect of Xeal and Murat Nehri, revenue in the Group's generation segment increased by EUR 4.1 million. This increase was mainly due to increased revenue from the Group's generation segment in Georgia as a result of more favourable hydrological conditions and resulting higher generation volumes, partly offset by lower revenue from the sale of electricity generated by gPower. Revenue from the Group's legacy generation assets in Türkiye increased, as a result of more favourable hydrological conditions and

[2] Total revenue of Xeal and Murat Nehri for the six months ended 30 June 2024 amounted to EUR 103.9 million. Revenue of Xeal and Murat Nehri for the six months ended 30 June 2024 included in the generation segment amounted to EUR 72.2 million. The difference reflects the revenue of Xeal's ferroalloy business, which is included in the Other Business segment.

resulting higher generation volumes, partly offset by lower average electricity sales prices in EUR terms. The increase in revenue in the Group’s generation segment in Georgia and Türkiye was partly offset by a decrease in revenue in the Group’s generation segment in Bulgaria, as a result of significantly lower average electricity sales prices and lower generation volumes.

Other income

Other income increased by 414% to EUR 16.5 million for the six months ended 30 June 2024 as compared to EUR 3.2 million for the six months ended 30 June 2023, primarily as a result of other income (i) from EP Georgia and EPG Generation which represented a refund of corporate income tax related to the partial repayment of intercompany loans provided by EP Georgia and EPG Generation to EPAS in 2023 as part of internal group cash management (these loans had been classified as distributions for tax purposes in Georgia and thus subject to corporate income tax in Georgia), and also (ii) from Xeal mainly related to sales of CO2 allowances received by its two ferroalloy plants.

Purchased power

Purchased power was broadly unchanged at EUR 327.4 million for the six months ended 30 June 2024 as compared to EUR 331 million for the six months ended 30 June 2023, as lower power purchase costs in EP Varna were partly offset by higher power purchase costs in our distribution and supply business in Georgia. Lower power purchase costs in EP Varna were mainly the result of significantly lower average electricity market prices partly offset by higher volumes of electricity purchased for free market supply customers. Power purchase costs in our distribution and supply segment in Georgia increased in GEL terms (due to both higher prices as well as higher volumes of electricity purchased for supply customers), with depreciation of GEL against the EUR partly offsetting this increase when expressed in EUR.

Service expenses

Service expenses decreased by 18% to EUR 51.5 million for the six months ended 30 June 2024 as compared to EUR 62.7 million for the six months ended 30 June 2023. This decrease was primarily due to lower service expenses in EP Varna related to the purchase of electricity to cover grid losses, mainly as a result of lower prices per MWh paid in the six months ended 30 June 2024. This decrease in service expenses in EP Varna was partly offset by service expenses in the newly included Xeal and Murat Nehri.

Labour costs

Labour costs increased by 21% to EUR 65.5 million for the six months ended 30 June 2024 as compared to EUR 54.1 million for the six months ended 30 June 2023. This increase was primarily due to the inclusion of Xeal and, to a smaller extent, higher labour costs in the Group’s distribution and supply segment in Georgia as a result of a gradual increase in salaries starting from 1 May 2023.

Material expenses

Material expenses increased by 461% to EUR 27.6 million for the six months ended 30 June 2024 as compared to EUR 4.9 million for the six months ended 30 June 2023. This increase was primarily due to the inclusion of Xeal and is related to its ferroalloy business.

Other tax expenses

Other tax expenses decreased by 41% to EUR 5 million for the six months ended 30 June 2024 as compared to EUR 8.5 million for the six months ended 30 June 2023. In the six months ended 30 June 2023, EPG Supply, EP Georgia and EPG Generation provided intercompany loans to EPAS as part of internal group cash management, which were classified as distributions for tax purposes in Georgia and thus subject to corporate income tax in Georgia (the tax being refundable upon repayment of the loans). In the six months ended 30 June 2024, no such loans were provided and, hence, no tax was paid or payable in Georgia, resulting in lower other tax expenses. This decrease in other tax expenses in EPG Supply, EP Georgia and EPG Generation was partly offset by other tax expenses in the newly included Xeal and Murat Nehri.

Other operating expenses

Other operating expenses decreased by 45% to EUR 8.5 million for the six months ended 30 June 2024 as compared to EUR 15.4 million for the six months ended 30 June 2023. This decrease was primarily due to lower other operating expenses in the Group's distribution and supply segment in Bulgaria, as a result of (a) lower cost of equipment for solar projects sold to third parties and (b) a reversal of provisions for doubtful receivables.

EBITDA

EBITDA for the six months ended 30 June 2024 increased by EUR 36.6 million or 22% to EUR 206.1 million as compared to EUR 169.4 million for the six months ended 30 June 2023. EBITDA for the six months ended 30 June 2024 included EUR 64.6 million attributable to Xeal and Murat Nehri. Excluding Xeal and Murat Nehri, EBITDA for the six months ended 30 June 2024 decreased by EUR 28 million or 17% to EUR 141.4 million as compared to EUR 169.4 million for the six months ended 30 June 2023. This decrease in EBITDA in the Group's legacy businesses was primarily due to lower EBITDA in the distribution and supply segment, which was only partly offset by higher EBITDA in the generation segment.

EBITDA in the Group's distribution and supply segment decreased by EUR 39.1 million to EUR 81.7 million for the six months ended 30 June 2024 as compared to EUR 120.8 million for the six months ended 30 June 2023. This decrease was primarily attributable to the Group's distribution and supply segment in Georgia, where EBITDA decreased by EUR 34.1 million to EUR 26.8 million for the six months ended 30 June 2024 (EUR 60.9 million for the six months ended 30 June 2023), mainly as a result of (i) significantly lower distribution as well as end customer (supply) tariffs from 1 January 2024, (ii) higher prices (in GEL/MWh terms) paid for purchased electricity, and (iii) higher labour costs due to the gradual increase in salaries starting from 1 May 2023, partly offset by (iv) a decrease in other tax expenses as EP Georgia and EPG Supply did not provide any loans to EPAS as part of internal group cash management and, hence, no corporate income tax on such transactions was paid or payable in Georgia, resulting in lower other tax expenses in the six months ended 30 June 2024 compared to the six months ended 30 June 2023 when Group companies did provide such loans to EPAS, and (v) a refund of corporate income tax related to the partial repayment of intercompany loans provided by EP Georgia to EPAS in 2023 as part of internal group cash management (these loans had been classified as distributions for tax purposes in Georgia and were thus subject to corporate income tax in Georgia until repaid). EBITDA in the distribution and supply business in Bulgaria decreased by EUR 5 million to EUR 54.9 million for the six months ended 30 June 2024 compared to EUR 59.9 million for the six months ended 30 June 2023. This decrease was primarily due to (i) lower EBITDA in the free market supply business (mainly due to (A) lower free market electricity prices which reduced gross profit as prices for customers are set as a percentage mark-up on the price of purchased electricity, (B) lower realised margin from transactions on the wholesale market and (C) customer attrition as competitive pressures continued to increase), partly offset by (ii) higher EBITDA in the distribution business (mainly as a result of (A) lower cost of power purchased to cover grid losses (i.e. a broadly unchanged volume of losses purchased for lower prices), (B) higher income from new customer connections and other operating income and (C) lower labour costs and other operating expenses, which were partly offset by (D) lower distribution tariffs from 1 July 2023), as well as (iii) higher EBITDA in the regulated supply business (mainly due to higher realised margins due to a positive EWRC price decision as of 1 July 2023 on broadly unchanged volumes of electricity sold to end customers on the regulated market).

EBITDA in the Group's generation segment increased by EUR 72 million to EUR 131.2 million for the six months ended 30 June 2024 from EUR 59.2 million for the six months ended 30 June 2023. Xeal and Murat Nehri accounted for EUR 62.4 million (or 87%) of this increase[3]. Excluding the effect of Xeal and Murat Nehri, EBITDA in the Group's generation segment increased by EUR 9.6 million to EUR 68.8 million for the six months ended 30 June 2024. This increase was primarily attributable to higher EBITDA in the generation segment in Georgia, where EBITDA increased by EUR 17.6 million, mainly due to (i) improved EBITDA in both the non-regulated business and the regulated business (principally as a result of more favourable hydrological conditions and resulting higher generation volumes and, to a smaller extent, higher prices in both GEL and EUR terms), (ii) an increase in other income due to (a) a refund of corporate income tax related to the partial repayment of intercompany loans provided by EPG Generation to EPAS in 2023 as part of internal group cash management (these loans had been classified as distributions for tax purposes in Georgia and thus subject to corporate income tax in Georgia, this tax being refundable upon repayment of the loans) and (b) income from an insurance claim related to Zahesi HPP, and (iii) a decrease in other tax expenses (an operating expense, see above) as in the six months ended 30 June 2024 EPG Generation did not provide any intercompany loans to EPAS. EBITDA in RH Turkey (our legacy business in Türkiye) increased by EUR 0.9 million, as more favourable hydrological conditions and resulting higher generation volumes were almost entirely offset by lower average electricity sales prices in EUR terms. The increase in EBITDA in the Group's generation segment in Georgia and in RH Turkey was partly offset by a decrease in EBITDA in the Group's generation segment in Bulgaria, which fell by EUR 8.9 million as a result of significantly lower average electricity sales prices and lower generation volumes.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses increased by 44% to EUR 40.7 million for the six months ended 30 June 2024 as compared to EUR 28.3 million for the six months ended 30 June 2023. This increase was primarily due to the inclusion of depreciation, amortisation and impairment losses of Xeal and Murat Nehri.

EBIT

EBIT increased by 17% to EUR 165.3 million for the six months ended 30 June 2024 as compared to EUR 141.1 million for the six months ended 30 June 2023. This increase was primarily due to the factors described above.

[3] Total EBITDA of Xeal and Murat Nehri for the six months ended 30 June 2024 amounted to EUR 64.6 million. EBITDA of Xeal and Murat Nehri for the six months ended 30 June 2024 included in the generation segment amounted to EUR 62.4 million. The difference reflects EBITDA of Xeal's ferroalloy business, which is included in the Other Business segment.

Finance costs

Finance costs increased by 166% to EUR 83.9 million for the six months ended 30 June 2024 as compared to EUR 31.6 million for the six months ended 30 June 2023. This increase by EUR 52.3 million was primarily due to (i) higher finance costs in EPAS by EUR 42.9 million, mainly as a result of EPAS recording (a) unrealised foreign exchange losses for the six months ended 30 June 2024 compared to unrealised foreign exchange gains for the six months ended 30 June 2023 and, to a smaller extent, (b) higher interest expenses attributable to the increased nominal amount of bonds outstanding and higher average interest rates on these bonds and, to a smaller extent, (ii) the inclusion of Murat Nehri and finance costs (including unrealized foreign exchange losses) related to its outstanding project finance facility.

Unrealised foreign exchange losses in the six months ended 30 June 2024 arose primarily in EPAS and in Murat Nehri. In the six months ended 30 June 2024, CZK (EPAS's functional currency) depreciated against both the USD and, to a smaller extent, the EUR. Unrealised foreign exchange losses in EPAS in the six months ended 30 June 2024 arose primarily on (i) its USD-denominated bonds due to a higher amount of outstanding USD-denominated bonds and the depreciation of CZK against the USD and (ii) its EUR-denominated bonds due to the depreciation of CZK against the EUR. In the six months ended 30 June 2024, TRY (Murat Nehri's functional currency) depreciated materially against the EUR, as a result of which Murat Nehri recorded unrealised foreign exchange losses on its EUR-denominated borrowings. Unrealised foreign exchange gains in the six months ended 30 June 2023 arose primarily in EPAS, on its USD- as well as EUR-denominated bonds due to the appreciation of CZK (EPAS's functional currency) against both the USD and the EUR. These unrealised foreign exchange gains were only partly offset by the unrealized foreign exchange losses on EPAS's EUR-denominated issued loans (mainly loans to DKHI[4]) and EUR-denominated intercompany receivables.

[4] These loans were largely extinguished in January 2024 as part of the acquisition of Murat Nehri by EPAS from DKHI.

Liquidity and capital resources

Statement of cash flows

The following table summarises the Group's cash flows for the six months ended 30 June 2024 and 2023:

	Six months ended 30 June	
	2024	2023
	(*in EUR million*)	
Profit/(loss) before income tax	**111.0**	**132.6**
Adjusted for:		
Depreciation, amortisation and impairment losses	40.7	28.3
Unrealised currency translation losses/(gains)	40.0	4.0
Interest income	(8.0)	(20.6)
Interest expenses	38.2	23.7
Changes in provisions and impairment	(6.7)	0.4
Assets granted free of charge	(2.4)	(0.7)
Inventory surplus	0.1	(0.1)
(Gain)/Loss on disposal of property, plant and equipment	1.0	0.8
Inventory obsolescence expense	2.2	1.8
Hyperinflationary effect - IAS29 - Monetary items (gains)/losses	(19.8)	–
Hyperinflationary effect - IAS29 - Non-cash adjustments of statement of comprehensive income items	(2.6)	–
Other changes - difference in rate of exchange and other	2.5	(0.4)
Cash (outflow)/inflow from operating activities before changes in operating assets and liabilities	**196.2**	**169.7**
Movements in working capital		
Decrease/(increase) in inventories	(6.6)	(7.6)
Decrease/(increase) in trade accounts receivable	9.9	60.2
Decrease/(increase) in other current assets	(3.6)	18.7
Increase/(decrease) in trade and other payables	(2.0)	(67.0)
Increase/(decrease) in other current liabilities	(13.2)	(1.3)
Cash (outflow)/inflow from operating activities before interest income received, interest expense paid and income tax paid	**180.8**	**172.7**
Interest received	1.5	0.0
Income tax paid	(9.1)	(2.6)
Net cash (outflow)/inflow from operating activities	**173.2**	**170.1**
Cash flow from investing activities		
Acquisition of subsidiaries and financial investments, net of cash of entities acquired (-), disposal of subsidiaries, net of cash of entities disposed	33.4	0.9
Purchases of property, plant and equipment and intangible assets	(81.4)	(45.6)
Loans granted	(18.7)	(86.8)
Loans repaid	10.1	6.4
Net cash (outflow)/inflow from investing activities	**(56.6)**	**(125.2)**
Cash flow from financing activities		
Proceeds from borrowings	467.0	603.1
Repayment of borrowings	(477.6)	(617.8)
Interest paid	(30.6)	(28.2)
Dividends paid to non-controlling interest	–	–
Dividends paid to the shareholders of the parent company	–	–
Net cash (used in)/provided by financing activities	**(41.3)**	**(42.9)**
Net increase/(decrease) in cash and cash equivalents	**75.4**	**2.0**
Cash and cash equivalents at the beginning of the period	**120.9**	**80.6**
Effect of exchange rate on changes in cash and cash equivalents	0.0	(1.0)
Cash and cash equivalents at the end of the period	**196.3**	**81.6**

Net cash inflow from operating activities

Net cash inflow from operating activities amounted to EUR 173.2 million for the six months ended 30 June 2024 as compared to net cash inflow from operating activities of EUR 170.1 million for the six months ended 30 June 2023, an increase of EUR 3.1 million or 2%. Cash inflow from operating activities before changes in operating assets and liabilities increased by EUR 26.6 million or 16%, primarily due to an increase in the Group's EBITDA by EUR 36.6 million as a result of the factors described under "—Results of operations—Six months ended 30 June 2024 compared to six months ended 30 June 2023—EBITDA" above. This was partly offset by the negative effect of changes in working capital of EUR 18.5 million in the six months ended 30 June 2024 as compared to the six months ended 30 June 2023. For the six months ended 30 June 2024, changes in working capital resulted in a cash outflow of EUR 15.4 million compared to a cash inflow of EUR 3 million in the six months ended 30 June 2023. The EUR 15.4 million increase in working capital (cash outflow) in the six months ended 30 June 2024 was the result of (i) a decrease in other current liabilities mainly in our business in Georgia (due to EP Georgia and EPG Generation having paid corporate income tax on the intercompany loans provided by EPG Generation to EPAS in 2023 as part of internal group cash management) and EP Varna (mainly due to the payment of discretionary compensation accrued in 2023), (ii) an increase in inventories mainly in EPAS (related to purchases made by the Group's central purchasing department), in our distribution and supply segment in Georgia (related to increased purchases of materials for ongoing investment projects), and (iii) an increase in other current assets mainly in Xeal (related to the creation of cash collateral for the issuance of a bank guarantee), partly offset by (iv) a decrease in trade accounts receivable mainly of EP Varna (principally due to lower volumes of electricity sold to regulated customers partly offset by higher volumes and higher prices of electricity sold to free market customers), partly offset due to the inclusion of trade accounts receivable of Murat Nehri. On the other hand, the EUR 3 million decrease in working capital (cash inflow) in the six months ended 30 June 2023 was primarily the result of (i) a decrease in trade accounts receivable mainly of EP Varna (principally due to lower prices and lower volumes of electricity sold to customers on the regulated market and lower prices of electricity sold to free market customers) and (ii) a decrease in other current assets mainly of EP Varna (due to a decrease in the receivable from DKHI related to the sale of EP Varna's minority interest in the share capital of Berta Enerji Elektrik Üretim Sanay ve Tic. A.Ş., an HPP and dam project in Türkiye owned and developed by DKHI, a decrease in recoverable VAT receivable, and a decrease in advances to suppliers), almost entirely offset by (i) a decrease in trade and other payables mainly in our distribution and supply segment in Georgia (due to a decrease in reverse factoring of purchased power-related trade payables), EP Varna (due to lower prices and lower volumes of purchased electricity) and RH Turkey (due to repayment of a payable to EPIAS related to derecognition of revenue from electricity sales in 2022 in excess of the price cap introduced by the Government of Türkiye) and (ii) an increase in inventories mainly in our distribution and supply segment in Bulgaria related to the purchase of equipment for solar projects.

Net cash outflow from investing activities

Net cash outflow from investing activities amounted to EUR 56.6 million for the six months ended 30 June 2024, which represented a decrease of EUR 68.6 million compared to net cash outflow from investing activities of EUR 125.2 million for the six months ended 30 June 2023. This decrease was primarily due to (i) a decrease in net loans granted, which fell by EUR 71.9 million to EUR 8.6 million and represented mainly distributions to DKHI and (ii) the cash acquired as part of the acquisition of Murat Nehri by EPAS in January 2024 (the purchase price of EUR 476 million was settled on a non-cash basis by a set-off against the corresponding amount of EPAS's receivables against DKHI), partly offset by (iii) an increase in the purchases of property, plant and equipment and intangible assets by EUR 35.7 million related mainly to investments in our distribution and supply segment in Georgia, specifically in network improvements and new connections, as more fully described under "—Liquidity and capital resources—Capital expenditures and investments" below.

Net cash used in financing activities

Net cash used in financing activities amounted to EUR 41.3 million for the six months ended 30 June 2024 compared to net cash used in financing activities of EUR 42.9 million for the six months ended 30 June 2023.

The principal factors impacting net cash used in financing activities for the six months ended 30 June 2024 were (i) the semi-annual interest payments on USD 435 million 8.50% notes due 2027 and USD 300 million 11% notes due 2028 and (ii) the semi-annual interest payment and the scheduled principal amortization payment on the Murat Nehri project finance facility. The principal factors impacting net cash used in financing activities for the six months ended 30 June 2023 were (i) the semi-annual interest payment on USD 435 million 8.50% notes due 2027 and the annual interest payment on EUR 250 million 4.5% notes due 2022 and (ii) net repayment of bank overdrafts.

Capital expenditures and investments

The following table sets forth a summary of the Group's capital expenditures and investments for the six months ended 30 June 2024 and 2023:

	Six months ended 30 June	
	2024	2023
	(*in EUR million*)	
EP Varna		
New customer connections	4.8	4.8
Network improvements	2.4	1.9
Meter replacement	1.2	1.9
Solar development and construction	–	0.8
IT, vehicles and other	1.6	1.4
EP Georgia		
New customer connections	17.1	12.1
Network improvements	34.5	13.7
IT, vehicles and other	3.4	3.1
Distribution and supply segment total	***65.1***	***39.8***
EP Bulgaria		
HPP rehabilitation	0.9	0.8
EPG Generation		
HPP rehabilitation	4.6	1.7
TPP rehabilitation	0.3	0.2
RH Turkey		
HPP rehabilitation	0.2	0.0
Murat Nehri		
Various	0.9	–
Xeal		
HPP rehabilitation	0.5	–
EP Colombia		
HPP development and construction	8.0	2.2
Generation segment total	***15.3***	***4.9***
Other		
Other investments	0.9	0.9
Total	**81.4**	**45.6**

Principal capital expenditures in the distribution and supply segment related to network improvements (such as rehabilitation of low, medium and high voltage transmission lines and rehabilitation of substations), new customer connections, modernisation of IT systems and vehicle fleet, and meter replacement. Investments in the development and construction of solar power plants in EP Varna ceased in the six months ended 30 June 2024, reflecting a change in the Group's strategy and a decision gradually to dispose of these assets.

Principal capital expenditures in the generation segment related to the development and construction of Generadora Chorreritas S.A.S. E.S.P. ("**Chorreritas**"), a 20 MW greenfield hydropower project on the San Andrés river in the Antioquia region of Colombia, as well as to the rehabilitation of HPPs in order to increase the efficiency and service lifetime across the operating HPP portfolio.

Other capital expenditures primarily related to investments in OPPA (mainly into its network of payment terminals) and the two ferroalloy plants owned and operated by Xeal.

Financing arrangements of the Group

The following table sets forth the Group's loans and borrowings as of 30 June 2024 and 31 December 2023:

	As of	
	30 June 2024	**31 December 2023**
	(*in EUR million*)	
Revolving credit facilities / overdrafts	-	–
Term loan	108.2	–
Bonds issued	984.2	954.2
Total	**1,092.4**	**954.2**
Current	54.2	24.0
Non-current	1,038.2	930.2
Total	**1,092.4**	**954.2**
Secured(1)	108.2	–
Unsecured	984.2	954.2
Total	**1,092.4**	**954.2**

Notes:

(1) Security with respect to bank overdrafts includes pledges over trade receivables, bank accounts and other security instruments. Security with respect to the project term loan consists of a comprehensive security package more fully described under *"Principal bank loans–Murat Nehri Facility Agreement*" below.

As of 30 June 2024, the Group's loans and borrowings amounted to EUR 1,092.4 million, of which EUR 984.2 million, or approximately 90%, was owed by EPAS. As of 30 June 2024, approximately 10% of the Group's loans and borrowings was owed by subsidiaries of EPAS, specifically by Murat Nehri under a project term loan. As of 30 June 2024, approximately 10% of the Group's loans and borrowings were secured. As of 30 June 2024, the Group's undrawn committed credit facilities and overdrafts in place to fund its liquidity needs amounted to EUR 191.4 million.

Bonds

The following table provides an overview of outstanding bonds issued by the Group, as of 30 June 2024:

Group Member	**Ranking**	**Credit rating by Fitch / S&P**	**Bonds Outstanding(1)**	**Maturity**	**Coupon**
			(*in EUR million*)		(*in %*)
EPAS	guaranteed unsecured unsubordinated	BB- / BB-	280.3(2)	2 November 2028	11.000
EPAS	guaranteed unsecured unsubordinated	– / –(3)	300.0	27 July 2035	4.262
EPAS	guaranteed unsecured unsubordinated	BB- / BB-	406.4(4)	4 February 2027	8.500
Total			**986.7**		

Notes:

(1) Represents outstanding principal only, excluding accrued interest and IFRS adjustments.

(2) Represents USD 300.0 million converted into EUR using the exchange rate 1.0 EUR = 1.0703 USD.

(3) The 2035 Eurobonds benefit from a guaranty from the United States International Development Finance Corporation and are rated Aa1 by Moody's.

(4) Represents USD 435.0 million converted into EUR using the exchange rate 1.0 EUR = 1.0703 USD.

As of 30 June 2024, EPAS had three bond issues outstanding: (i) USD 300 million guaranteed notes due 2028 with a coupon of 11% (“**2028 Eurobonds**”), (ii) EUR 300 million guaranteed notes due 2035 with a coupon of 4.262% (“**2035 Eurobonds**”) and (iii) USD 435 million guaranteed notes due 2027 with a coupon of 8.50% (“**2027 Eurobonds**”), all listed on the official list of the Irish Stock Exchange plc (Euronext Dublin) and traded on the Global Exchange Market of Euronext Dublin, and guaranteed by EP Varna, EP Georgia Holding, EP Georgia, EPG Generation, EPG Supply, EP Turkey Holding and RH Turkey.

The coupon on the 2035 Eurobonds is payable annually. The 2035 Eurobonds have a 12-year final maturity, with principal amortizing in equal annual payments following a 4-year interest-only period. In addition to guarantees from EP Varna, EP Georgia Holding, EP Georgia, EPG Generation, EPG Supply, EP Turkey Holding and RH Turkey (the “**Upstream Guarantors**”) the 2035 Eurobonds benefit from a guaranty from the United States International Development Finance Corporation (the “**DFC**”). The 2035 Eurobonds rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of EPAS. The 2035 Eurobonds benefit from an unconditional and irrevocable guaranty by DFC, which guarantees the full and complete payment of all (i) Scheduled Payments of principal of the 2035 Eurobonds up to an aggregate principal amount of USD 545 million (the “**Maximum Guaranteed Principal Amount**”), (ii) Scheduled Payments of Covered Interest up to the Maximum Guaranteed Principal Amount, and (iii) all Guarantor Acceleration Payments. The 2035 Eurobonds are fully and unconditionally guaranteed on a joint and several basis by the Upstream Guarantors. The 2035 Eurobonds are unsecured. However, their terms contain a negative pledge covenant according to which EPAS will not, and will not cause or permit any of its restricted subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any lien of any kind securing indebtedness upon any of its property or assets, subject to certain exceptions. The 2035 Eurobonds include several financial covenants prohibiting EPAS from, among other things, (i) declaring or paying any dividend or making any other distributions, including contributions to holders of EPAS’s equity interests and certain other payments; (ii) purchasing, redeeming or otherwise acquiring any equity interests of EPAS or of any direct or indirect parent of EPAS; (iii) making any payment on or with respect to, or purchasing, redeeming, defeasing or otherwise acquiring or retiring for value any indebtedness of EPAS or any Upstream Guarantor that is expressly contractually subordinated in right of payment to the 2035 Eurobonds or to any guarantee; and (iv) creating, incurring, issuing, assuming, guaranteeing or otherwise becoming directly or indirectly liable, contingently or otherwise, with respect to any indebtedness or issuing any disqualified stock (while EPAS will not cause or permit any of its restricted subsidiaries to do the same), if the consolidated net leverage ratio, on a pro forma basis, would exceed 4.5 to 1.0. These financial covenants are subject to certain exceptions and thresholds specified therein. Moreover, EPAS or any Upstream Guarantor may not under the 2035 Eurobonds consolidate, amalgamate or merge with or into another entity, subject to certain exceptions specified therein. In addition, the 2035 Eurobonds contain a change of control provision, which is triggered if (i) properties or assets of EPAS and its restricted subsidiaries are directly or indirectly sold, transferred, leased or otherwise disposed of, or (ii) Mr. Tesař ceases to own directly or indirectly at least 50.1% of the issued share capital of EPAS, the voting rights of EPAS or otherwise ceases to control EPAS. If any of the triggers are followed by a rating downgrade the bondholders may become entitled to require EPAS to buy the 2035 Eurobonds back from them. The 2035 Eurobonds also contain customary events of default, including, among other things, non-payment of principal or interest, breach of other obligations, cross acceleration of EPAS, the Upstream Guarantors or any restricted subsidiary, winding up and analogous events, cessation, insolvency, insolvency proceedings, guarantee not in force and unlawfulness.

The coupon on the 2027 Eurobonds and the 2028 Eurobonds is payable semi-annually. The 2027 Eurobonds and the 2028 Eurobonds have a 5-year final maturity. The 2027 Eurobonds and the 2028 Eurobonds benefit from guarantees from EP Varna, EP Georgia Holding, EP Georgia, EPG Generation, EPG Supply, EP Turkey Holding and RH Turkey (the "**Guarantors**"). The 2027 Eurobonds and the 2028 Eurobonds rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of EPAS. The 2027 Eurobonds and the 2028 Eurobonds are fully and unconditionally guaranteed on a joint and several basis by the Guarantors. The 2027 Eurobonds and the 2028 Eurobonds are unsecured. However, their terms contain a negative pledge covenant according to which EPAS will not, and will not cause or permit any of its restricted subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any lien of any kind securing indebtedness upon any of its property or assets, subject to certain exceptions. The 2027 Eurobonds and the 2028 Eurobonds include several financial covenants prohibiting EPAS from, among other things, (i) declaring or paying any dividend or making any other distributions, including contributions to holders of EPAS's equity interests and certain other payments; (ii) purchasing, redeeming or otherwise acquiring any equity interests of EPAS or of any direct or indirect parent of EPAS; (iii) making any payment on or with respect to, or purchasing, redeeming, defeasing or otherwise acquiring or retiring for value any indebtedness of EPAS or any Guarantor that is expressly contractually subordinated in right of payment to the 2027 Eurobonds and the 2028 Eurobonds or to any guarantee; and (iv) creating, incurring, issuing, assuming, guaranteeing or otherwise becoming directly or indirectly liable, contingently or otherwise, with respect to any indebtedness or issuing any disqualified stock (while EPAS will not cause or permit any of its restricted subsidiaries to do the same), if the consolidated net leverage ratio, on a pro forma basis, would exceed 4.5 to 1.0. These financial covenants are subject to certain exceptions and thresholds specified therein. Moreover, EPAS or any Guarantor may not under the 2028 Eurobonds consolidate, amalgamate or merge with or into another entity, subject to certain exceptions specified therein. In addition, the 2027 Eurobonds and the 2028 Eurobonds contain a change of control provision, which is triggered if (i) properties or assets of EPAS and its restricted subsidiaries are directly or indirectly sold, transferred, leased or otherwise disposed of, or (ii) Mr. Tesař ceases to own directly or indirectly at least 50.1% of the issued share capital of EPAS, the voting rights of EPAS or otherwise ceases to control EPAS. If any of the triggers are followed by a rating downgrade the bondholders may become entitled to require EPAS to buy the 2027 Eurobonds and the 2028 Eurobonds back from them. The 2027 Eurobonds and the 2028 Eurobonds also contain customary events of default, including, among other things, non-payment of principal or interest, breach of other obligations, cross acceleration of EPAS, the Guarantors or any restricted subsidiary, winding up and analogous events, cessation, insolvency, insolvency proceedings, guarantee not in force and unlawfulness.

Principal bank loans

The following table provides a basic overview of the Group's principal bank loan facilities as of 30 June 2024:

Group Member	Type of Facility	Security and Guarantees	Aggregate Outstanding Balance(1)	Base Rate	Final Maturity Date
			(*in EUR million*)		
EP Energy Services I .	Overdraft	Secured by trade receivables and pledge over bank accounts; guaranteed by EP Varna	–	EURIBOR	28 February 2025
EP Energy Services II	Overdraft + guarantees	Secured by trade receivables and pledge over bank accounts; co-debtor is EP Varna	–	BIR(2)	31 July 2025(5)
EP Energy Services III	Overdraft + guarantees	Secured by trade receivables and pledge over bank accounts; co-debtor is EP Varna	–	STIR(3)	5 October 2024(6)
EDC North	Overdraft	Unsecured; co-debtor is EP Varna	–	STIR(3)	5 October 2024
EP Sales I	Overdraft	Secured by pledge over bank accounts; co-debtor is EP Varna	–	BIR(2)	31 July 2025
EP Sales II	Overdraft + guarantees	Secured by trade receivables and pledge over bank accounts; co-debtor is EP Varna	–	PRIME Business clients(4)	5 January 2025(7)
EP Georgia Generation...........	Revolving credit	Unsecured	–	Fixed rate	29 March 2026
EP Georgia................	Revolving credit	Unsecured	–	Fixed rate	20 May 2025
Murat Nehri	Term loan	Full security package typical for project finance facilities	107.4	Facility A and B: Fixed rate Facility C: EURIBOR	Facility A and B: 30 October 2030 Facility C: 30 April 2027
Total			**107.4**		

Notes:

(1) Represents outstanding principal only, excluding accrued interest and IFRS adjustments.

(2) BIR represents Basic Interest Rate as published by the Bulgarian National Bank, a reference interest rate under loans denominated in BGN.

(3) STIR represents Short-Term Interest Rate, a reference interest rate under loans denominated in BGN.

(4) PRIME Business clients is a reference interest rate under loans denominated in BGN.

(5) The conditional limit for issuance of bank guarantees must be repaid by 15 July 2026.

(6) The conditional limit for issuance of bank guarantees must be repaid by 5 October 2025.

(7) The conditional limit for issuance of bank guarantees must be repaid by 5 December 2025.

The terms of certain of the Group's financial indebtedness contain restrictive provisions (see below for more information).

EP Energy Services Facility Agreement I

EP Energy Services as borrower and EP Varna as guarantor are parties to an overdraft facility agreement dated 27 June 2014 with DSK Bank EAD, as amended and restated from time to time ("**EP Energy Services Facility Agreement I**"). The EP Energy Services Facility Agreement I is Bulgarian law governed and provides for an overdraft facility in the amount of BGN 85 million (EUR 43.5 million).

The overdraft facility under the EP Energy Services Facility Agreement I was provided for general corporate purposes. The final maturity date with respect to the overdraft facility under the EP Energy Services Facility Agreement I is 28 February 2025.

EP Energy Services Facility Agreement II

EP Energy Services as borrower and EP Varna as co-debtor are parties to a multipurpose revolving facility agreement dated 10 August 2020 with UniCredit Bulbank AD, as amended and restated from time to time ("**EP Energy Services Facility Agreement II**"). The EP Energy Services Facility Agreement II is Bulgarian law governed and provides for an overdraft and bank guarantee issuance facility in the amount of BGN 60 million (EUR 30.7 million). The facility contains (i) a BGN 60 million (EUR 30.7 million) conditional limit for issuance of bank guarantees, (ii) a BGN 25 million (EUR 12.8 million) committed overdraft facility limit and (iii) a BGN 5 million (EUR 2.6 million) uncommitted overdraft facility limit. The overdraft facility under the EP Energy Services Facility Agreement II was provided for general corporate purposes. The final maturity date with respect to the overdraft facility under the EP Energy Services Facility Agreement II is 31 July 2025 and the final maturity date with respect to the conditional limit for issuance of bank guarantees is 15 July 2026.

EP Energy Services Facility Agreement III

EP Energy Services as borrower and EP Varna as co-debtor are parties to a revolving facility agreement dated 22 June 2023 with United Bulgarian Bank AD ("**EP Energy Services Facility Agreement III**"). The EP Energy Services Facility Agreement III is Bulgarian law governed and provides for an overdraft and bank guarantee issuance facility in the amount of up to BGN 60 million (EUR 30.7 million). The facility contains (i) a BGN 60 million (EUR 30.7 million) committed overdraft facility limit and (ii) a BGN 60 million (EUR 30.7 million) conditional limit for issuance of bank guarantees. The overdraft facility under the EP Energy Services Facility Agreement III was provided for general corporate purposes. The final maturity date with respect to the overdraft facility under the EP Energy Services Facility Agreement III is 5 October 2024 and the final maturity date with respect to the conditional limit for issuance of bank guarantees is 30 days after the expiration of the longest guarantee but no later than 5 October 2025.

EDC North Facility Agreement

EDC North as borrower and EP Varna as co-debtor are parties to an overdraft facility agreement dated 14 October 2022 with KBC Bank Bulgaria EAD, which was subsequently merged into United Bulgarian Bank AD, as amended and restated from time to time (the "**EDC North Facility Agreement**"). The EDC North Facility Agreement is Bulgarian law governed and provides for an overdraft facility in the amount of BGN 70 million (EUR 35.8 million). The overdraft facility under the EDC North Facility Agreement was provided for general corporate purposes. The final maturity date with respect to the overdraft facility under the EDC North Facility Agreement is 5 October 2024.

EP Sales Facility Agreement I

EP Sales as borrower and EP Varna as co-debtor are parties to an overdraft facility agreement dated 23 April 2021 with UniCredit Bulbank AD, as amended and restated from time to time (the "**EP Sales Facility Agreement I**"). The EP Sales Facility Agreement I is Bulgarian law governed and provides for an overdraft facility in the amount of BGN 15 million (EUR 7.7 million). The overdraft facility under the EP Sales Facility Agreement I was provided for general corporate purposes. The final maturity date with respect to the overdraft facility under the EP Sales Facility Agreement I is 31 July 2025.

EP Sales Facility Agreement II

EP Sales as borrower and EP Varna as co-debtor are parties to a multipurpose revolving facility agreement dated 5 December 2022 with Eurobank Bulgaria AD (Postbank) ("**EP Sales Facility Agreement II**"). The EP Sales Facility Agreement II is Bulgarian law governed and provides for an overdraft and bank guarantee issuance facility in the amount of BGN 60 million (EUR 30.7 million). The facility contains (i) a BGN 60 million (EUR 30.7 million) committed overdraft facility limit and (ii) a BGN 60 million (EUR 30.7 million) conditional limit for issuance of bank guarantees. The overdraft facility under the EP Sales Facility Agreement II was provided for general corporate purposes. The final maturity date with respect to the overdraft facility under the EP Sales Facility Agreement II is 5 January 2025 and the final maturity date with respect to the conditional limit for issuance of bank guarantees is 5 December 2025.

EP Georgia Generation Facility Agreement

EP Georgia Generation as borrower is a party to a revolving credit facility agreement dated 29 March 2024 with JSC TBC Bank ("**EP Georgia Generation Facility Agreement**"). The EP Georgia Generation Facility Agreement is Georgian law governed and provides for a revolving credit facility in the amount of EUR 30 million. The revolving credit facility under the EP Georgia Generation Facility Agreement was provided for general corporate purposes. The final maturity date with respect to the revolving credit facility under the EP Georgia Generation Facility Agreement is 29 March 2026.

EP Georgia Facility Agreement

EP Georgia as borrower is a party to a revolving credit facility agreement dated 20 May 2024 with JSC Bank of Georgia ("**EP Georgia Facility Agreement**"). The EP Georgia Facility Agreement is Georgian law governed and provides for a revolving credit facility in the amount of EUR 10 million. The revolving credit facility under the EP Georgia Facility Agreement was provided for the purpose of working capital financing. The final maturity date with respect to the revolving credit facility under the EP Georgia Facility Agreement is 20 May 2025.

Murat Nehri Facility Agreement

Murat Nehri as borrower is a party to a credit agreement dated 8 November 2019 with MUFG Securities EMEA PLC as original lender and agent, and certain other parties ("**Murat Nehri Facility Agreement**"). The Murat Nehri Facility Agreement is English law governed and provides for three credit facilities in the aggregate amount of EUR 175 million, namely Facility A in the amount of EUR 125 million, Facility B in the amount of EUR 30 million and Facility C in the amount of EUR 20 million. The credit facilities under the Murat Nehri Facility Agreement were provided for the purpose of funding eligible costs related to the construction of Alpaslan 2, reimbursing certain affiliates of Murat Nehri for amounts related to the construction of Alpaslan 2 which had already been spent, and providing initial funding of certain reserve accounts required to be maintained under the Murat Nehri Facility Agreement. Facility A and Facility B benefit from 95% If-type (political and commercial risk) insurance coverage provided by the Czech state-owned Export Guarantee Insurance Corporation (*Exportní garanční a pojišťovací společnost, a.s.*, "**EGAP**"). Facility A and Facility B bear a fixed rate of interest and Facility C bears a floating rate of interest (6-month EURIBOR plus a margin). Each facility is subject to semi-annual repayments in accordance with its respective repayment schedule, with the first repayment made on 30 October 2021. The final maturity date with respect to Facility A and Facility B is 30 October 2030, and with respect to Facility C 30 April 2027. The facilities may be prepaid at any time at the option of the borrower, in full but not in part. Prepayment of Facility A and Facility B is subject to a makewhole payment. The Murat Nehri Facility Agreement provides for a Debt Service Reserve Account ("**DSRA**"), which is required to be funded by an amount at least equal to the sum of any payments due under the facilities on the next interest payment date, a CAPEX Reserve Account ("**CRA**") funded with EUR 10 million (already released to the current account), and a Maintenance Reserve Account ("**MRA**") funded with EUR 2 million. The obligations of Murat Nehri under the Murat Nehri Facility Agreement are general, senior secured obligations. The security package is comprehensive and includes (i) first ranking pledge on 100% of shares in Murat Nehri as well as in ENERGO-PRO Hydro Development, s.r.o., (ii) first ranking mortgage over all immovable assets of Murat Nehri, (iii) first ranking pledge over the commercial enterprise of Murat Nehri, (iv) assignment of rights and receivables under the project documents (including licenses and governmental approvals), (v) assignment of all rights and receivables under the insurance policies, and (vi) pledge over the DSRA, CRA, MRA, and other bank accounts of Murat Nehri, among others. The Murat Nehri Facility Agreement contains financial covenants involving regular monitoring, including a minimum debt service coverage ratio on the level of Murat Nehri as well as DK Holding Investments, s.r.o. In addition, the Murat Nehri Facility Agreement contains restrictive provisions and undertakings standard for this type of financing which, among other things, limit Murat Nehri's ability to incur further financial indebtedness, sell its assets, change its business and implement a corporate reorganization without prior written consent by the bank. They also require Murat Nehri to, among other things, maintain project insurance policies, provide certain information to the lenders (such as energy production reports on a monthly basis, financial statements on a semi-annual basis, and an annual operating budget). Murat Nehri is also required to apply for YEKDEM each year, to promptly exchange payments received under YEKDEM from TRY to EUR, to provide information as requested by EGAP and otherwise fully co-operate with EGAP.