

Unaudited pro forma consolidated financial statements as of and for the year ended 31 December 2015

The following unaudited pro forma consolidated financial statements of EP Energy, a.s. (“the Company” or “EPE”) as of and for the year ended 31 December 2015 have been derived from the historical IFRS consolidated financial statements of EP Energy, a.s. and its subsidiaries (“EPE Group”) as of and for the year ended 31 December 2015. Certain pro forma related adjustments, as described further in the text, have been added to the data derived from the historical IFRS consolidated financial statements to compile these unaudited pro forma consolidated financial statements.

The unaudited pro forma consolidated financial statements of EP Energy, a.s. as of and for the year ended 31 December 2015, pro forma adjustments and related assumptions were prepared as described in the accompanying notes to this unaudited pro forma consolidated financial statements on pages PF 9 – 21. The unaudited pro forma adjustments are based on currently available information and assumptions that we believe to be reasonable.

The unaudited pro forma consolidated financial information is for informational purposes only and is not intended to represent or to be indicative of the consolidated results of operations or financial position of the EPE Group and should not be taken as indicative of EPE Group’s future consolidated results of operations.

The actual results may differ significantly from those reflected in the unaudited pro forma consolidated financial statements for a number of reasons, including, but not limited to, differences between the assumptions used to prepare this unaudited pro forma consolidated financial information and actual results.

The primary reason for the pro forma consolidated financial statements compilation was a series of various reorganization steps carried out in 2016 as well as acquisition of 95.6% in Budapesti Erömü Zrt. on 10 December 2015. If no major similar transactions and/or events happen in 2016, we will not be updating this pro forma consolidated financial statements during the course of 2016 anymore.

The unaudited pro forma consolidated financial statements have not been prepared in accordance with the rules or regulations of the United States Securities and Exchange Commission, and is not compliant therewith or any other comprehensive basis of preparation. Any reliance you place on this information should take this fully into consideration.

EP Energy, a.s.

Unaudited pro forma consolidated statement of financial position

As at 31 December 2015

In thousands of EUR ("TEUR")

	Consolidated figures ⁽¹⁾	Pro forma adjustments	EP Energy, a.s. pro forma
Assets			
Property, plant and equipment	1,605,706	(245)	1,605,461
Intangible assets	82,369	(56)	82,313
Goodwill	98,210	(242)	97,968
Investment property	2,531	(2,531)	-
Participations with significant influence	8,407	-	8,407
Financial instruments and other financial assets	8,306	(161)	8,145
Trade receivables and other assets	21,488	-	21,488
Deferred tax assets	1,898	-	1,898
Total non-current assets	1,828,915	(3,235)	1,825,680
Inventories	47,319	-	47,319
Trade receivables and other assets	294,944	6,039	300,983
Financial instruments and other financial assets	313,718	5,355	319,073
Prepayments and other deferrals	3,073	(248)	2,825
Tax receivables	20,320	(70)	20,250
Cash and cash equivalents	131,629	476,527	608,156
Assets/disposal groups held for sale	1,094,041	(1,070,520)	23,521
Total current assets	1,905,044	(582,917)	1,322,127
Total assets	3,733,959	(586,152)	3,147,807
Equity			
Share capital	504,843	-	504,843
Share premium	116,434	-	116,434
Reserves	(378,646)	(12,989)	(391,635)
Retained earnings	400,240	49,734	449,974
Total equity attributable to equity holders	642,871	36,745	679,616
Non-controlling interest	474,949	(2,034)	472,915
Total equity	1,117,820	34,711	1,152,531
Liabilities			
Loans and borrowings	1,304,272	(296)	1,303,976
Financial instruments and financial liabilities	513	-	513
Provisions	16,325	-	16,325
Deferred income	72,279	-	72,279
Deferred tax liabilities	182,724	-	182,724
Trade payables and other liabilities	6,668	-	6,668
Total non-current liabilities	1,582,781	(296)	1,582,485
Trade payables and other liabilities	286,080	13,138	299,218
Loans and borrowings	45,555	(10)	45,545
Financial instruments and financial liabilities	5,121	-	5,121
Provisions	23,467	-	23,467
Deferred income	11,459	-	11,459
Current income tax liability	13,303	(2)	13,301
Liabilities associated with assets held for sale	648,373	(633,693)	14,680
Total current liabilities	1,033,358	(620,567)	412,791
Total liabilities	2,616,139	(620,863)	1,995,276
Total equity and liabilities	3,733,959	(586,152)	3,147,807

Note: (1) Historical IFRS consolidated statement of financial position of EP Energy, a.s. as of 31 December 2015

EP Energy, a.s.

Unaudited pro forma consolidated statement of financial position, showing pro forma adjustments

As at 31 December 2015

In thousands of EUR ("TEUR")

Notes	Consolidated figures ⁽¹⁾	Budapesti Erömü Zrt and its subsidiary related adjustment (Part 1)	Budapesti Erömü Zrt and its subsidiary related adjustment (Part 2)	EP Cargo Deutch-land GmbH related adjustment	EP CARGO POLSKA S.A. related adjustment	EP COAL TRADING POLSKA S.A. related adjustment	LokoTrain s.r.o. related adjustment	ADCON-CRETUM + PGP Terminal related adjustment	EOP & HOKA s.r.o. and its subsidiary related adjustment	German assets related adjustment	EP Energy, a.s. pro forma
	Note 3.2.1	Note 3.2.1	Note 3.2.2.1	Note 3.2.2.2	Note 3.2.2.3	Note 3.2.2.4	Note 3.2.2.5	Note 3.2.2.6	Note 3.2.3		
Assets											
Property, plant and equipment	1,605,706	-	-	(14)	-	-	(231)	-	-	-	1,605,461
Intangible assets	82,369	-	-	-	-	-	(56)	-	-	-	82,313
Goodwill	98,210	-	-	(7)	-	-	(235)	-	-	-	97,968
Investment property	2,531	-	-	-	-	-	-	(2,531)	-	-	-
Participations with significant influence	8,407	-	-	-	-	-	-	-	-	-	8,407
Financial instruments and other financial	8,306	-	-	-	-	-	555	(740)	24	-	8,145
Trade receivables and other assets	21,488	-	-	-	-	-	-	-	-	-	21,488
Deferred tax assets	1,898	-	-	-	-	-	-	-	-	-	1,898
Total non-current assets	1,828,915	-	-	(21)	-	-	33	(3,271)	24	-	1,825,680
Inventories	47,319	-	-	-	-	-	-	-	-	-	47,319
Trade receivables and other assets	294,944	-	-	(38)	(79)	40	(969)	3,490	696	2,899	300,983
Financial instruments and other financial	313,718	-	-	-	-	5,379	-	-	(24)	-	319,073
Prepayments and other deferrals	3,073	-	-	-	-	-	(248)	-	-	-	2,825
Tax receivables	20,320	-	-	(11)	(40)	-	(19)	-	-	-	20,250
Cash and cash equivalents	131,629	-	-	227	317	415	(509)	340	4,722	471,015	608,156
Assets/disposal groups held for sale	1,094,041	-	-	-	2	(7,691)	-	-	(5,808)	(1,057,023)	23,521
Total current assets	1,905,044	-	-	178	200	(1,857)	(1,745)	3,830	(414)	(583,109)	1,322,127
Total assets	3,733,959	-	-	157	200	(1,857)	(1,712)	559	(390)	(583,109)	3,147,807

Equity

Share capital	504,843	-	-	-	-	-	-	-	-	-	504,843
Share premium	116,434	-	-	-	-	-	-	-	-	-	116,434
Reserves	(378,646)	-	(2,066)	2	4	(6)	-	-	-	(10,923)	(391,635)
Retained earnings	400,240	-	1,740	275	344	54	(144)	559	1,514	45,392	449,974
Total equity attributable to equity holders	642,871	-	(326)	277	348	48	(144)	559	1,514	34,469	679,616
Non-controlling interest	474,949	-	326	-	-	-	(815)	-	(7)	(1,538)	472,915
Total equity	1,117,820	-	-	277	348	48	(959)	559	1,507	32,931	1,152,531

Liabilities

Loans and borrowings	1,304,272	-	-	-	-	-	(296)	-	-	-	1,303,976
Financial instruments and financial liabilities	513	-	-	-	-	-	-	-	-	-	513
Provisions	16,325	-	-	-	-	-	-	-	-	-	16,325
Deferred income	72,279	-	-	-	-	-	-	-	-	-	72,279
Deferred tax liabilities	182,724	-	-	-	-	-	-	-	-	-	182,724
Trade payables and other liabilities	6,668	-	-	-	-	-	-	-	-	-	6,668
Total non-current liabilities	1,582,781	-	-	-	-	-	(296)	-	-	-	1,582,485

Trade payables and other liabilities	286,080	-	-	(120)	(213)	-	(447)	-	839	13,079	299,218
Loans and borrowings	45,555	-	-	-	-	-	(10)	-	-	-	45,545
Financial instruments and financial liabilities	5,121	-	-	-	-	-	-	-	-	-	5,121
Provisions	23,467	-	-	-	-	-	-	-	-	-	23,467
Deferred income	11,459	-	-	-	-	-	-	-	-	-	11,459
Current income tax liability	13,303	-	-	-	(2)	-	-	-	-	-	13,301
Liabilities associated with assets held for sale	648,373	-	-	-	67	(1,905)	-	-	(2,736)	(629,119)	14,680
Total current liabilities	1,033,358	-	-	(120)	(148)	(1,905)	(457)	-	(1,897)	(616,040)	412,791
Total liabilities	2,616,139	-	-	(120)	(148)	(1,905)	(753)	-	(1,897)	(616,040)	1,995,276
Total equity and liabilities	3,733,959	-	-	157	200	(1,857)	(1,712)	559	(390)	(583,109)	3,147,807

Note: (1) Historical IFRS consolidated statement of financial position of EP Energy, a.s. as of 31 December 2015

EP Energy, a.s.
Unaudited pro forma consolidated income statement
For the year ended 31 December 2015

<i>In thousands of EUR ("TEUR")</i>	Consolidated figures ⁽¹⁾	Pro forma adjustments	EP Energy, a.s. pro forma
Sales: Energy	1,916,425	138,222	2,054,747
<i>of which: Electricity</i>	<i>1,300,931</i>	<i>71,968</i>	<i>1,372,899</i>
<i>Heat</i>	<i>294,907</i>	<i>66,354</i>	<i>361,261</i>
<i>Gas</i>	<i>246,076</i>	-	<i>246,076</i>
<i>Coal</i>	<i>74,511</i>	-	<i>74,511</i>
Sales: Other	43,848	-	43,848
Gain (loss) from commodity derivatives for trading with electricity and gas, net	10,445	-	10,445
Total sales	1,970,718	138,322	2,109,040
Cost of sales: Energy	(1,482,538)	(101,044)	(1,583,582)
Cost of sales: Other	(33,076)	(4,298)	(37,374)
Cost of sales	(1,515,614)	(105,342)	(1,620,956)
Subtotal	455,104	32,980	488,084
Personnel expenses	(95,186)	(9,136)	(104,322)
Depreciation and amortisation	(158,152)	(3,545)	(161,697)
Repairs and maintenance	(8,641)	-	(8,641)
Emission rights, net	(3,890)	(737)	(4,627)
Negative goodwill	33,085	(1,549)	31,536
Taxes and charges	8,502	(2,510)	5,992
Other operating income	25,898	1,440	27,338
Other operating expenses	(51,061)	(4,784)	(55,845)
Profit/(loss) from operations	205,659	12,159	217,818
Finance income	42,198	7,583	49,781
Finance expense	(89,538)	10,139	(79,399)
Profit/(loss) from financial instruments	(1,847)	(6,537)	(8,384)
Net finance expense	(49,187)	11,185	(38,002)
Share of profit of equity accounted investees, net of tax	368	-	368
Gain/(loss) on disposal of subsidiaries, special purpose entities, joint-ventures and associates	(1,407)	32,963	31,556
Profit/(loss) before income tax	155,433	56,307	211,740
Income tax expenses	(53,742)	(2,075)	(55,817)
Profit/(loss) from continuing operations	101,691	54,232	155,923
Profit from discontinued operations	(19,965)	-	(19,965)
Profit/(loss) for the year	81,726	54,232	135,958
Profit/(loss) attributable to:			
Owners of the Company	36,482	53,906	90,388
Non-controlling interest	45,244	326	45,570
Profit/(loss) for the year	81,726	54,232	135,958
Other financial information:			
Pro forma Adjusted EBITDA⁽²⁾ (further "Adjusted EBITDA")	330,726	15,852	346,578

Note:

(1) Historical IFRS consolidated income statement of EP Energy, a.s. for the year ended 31 December 2015

(2) For details refer to the reconciliation of Adjusted EBITDA to closest IFRS measure as presented on the following page

<i>In thousands of EUR ("TEUR")</i>	Consolidated figures	Pro forma adjustments	EP Energy, a.s. pro forma
Adjusted EBITDA reconciliation to closest IFRS measure			
Profit/(loss) from operations	205,659	12,159	217,818
<i>Less</i> Depreciation and amortisation	(158,152)	(3,545)	(161,697)
<i>Less</i> Negative goodwill	33,085	(1,549)	31,536
<i>Less</i> Adjustment for other minor disposals	-	1,401	1,401
Adjusted EBITDA⁽³⁾	330,726	15,852	346,578
Adjusted CAPEX excluding emission rights⁽⁴⁾	243,744	(70,995)	172,749

Notes:

- (3) Adjusted EBITDA represents profit from operations plus depreciation of property, plant and equipment and amortisation of intangible assets (negative goodwill not included, if applicable). Adjusted EBITDA is further amended to exclude Adjusted EBITDA of other minor disposals in the total amount of EUR 1,401 thousand. Minor disposals are further described in the pro forma financial information and they relate to the following companies EP Cargo Deutschland, EP CARGO POLSKA, EP COAL TRADING POLSKA, LokoTrain and EOP&HOKA. Although Adjusted EBITDA should not be considered a substitute measure for profit and net cash flow from operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements. Adjusted EBITDA may not be comparable to the similarly titled measure used by other companies.
- (4) Adjusted CAPEX excluding emission rights represents acquisitions of property, plant and equipment and intangible assets excluding emission rights (disregarding the actual cash flows) further adjusted to include CAPEX of the acquired BERT Group which lead to an EUR 5,407 thousand increase to CAPEX and to exclude CAPEX of disposed companies which lead to an EUR 76,402 thousand decrease to CAPEX in the year ended 31 December 2015 (of which EUR 76,107 thousand relates to the German assets and EUR 295 thousand relates to other minor disposals)

EP Energy, a.s.

Unaudited pro forma consolidated income statement, showing pro forma adjustments

For the year ended 31 December 2015

<i>In thousands of EUR ("TEUR")</i>	Consolida- ted figures (1)	Budapesti Erözü Zrt and its subsidiary related adjustment (Part 1)	Budapesti Erözü Zrt and its subsidiary related adjustment (Part 2)	EP Cargo Deutschland GmbH related adjustment	EP CARGO POLSKA S.A. related adjustment	EP COAL TRADING POLSKA S.A. related adjustment	LokoTrain s.r.o. related adjustment	ADCON- CRETUM + PGP Terminal related adjustment	EOP & HOKA s.r.o. and its subsidiary related adjustment	German assets related adjustment	EP Energy, a.s. pro forma
Notes		Note 3.2.1	Note 3.2.1	Note 3.2.2	Note 3.2.2.2	Note 3.2.2.3	Note 3.2.2.4	Note 3.2.2.5	Note 3.2.2.6	Note 3.2.3	
Sales: Energy	1,916,425	138,322	-	-	-	-	-	-	-	-	2,054,747
<i>of which: Electricity</i>	1,300,931	71,968	-	-	-	-	-	-	-	-	1,372,899
Heat	294,907	66,354	-	-	-	-	-	-	-	-	361,261
Gas	246,076	-	-	-	-	-	-	-	-	-	246,076
Coal	74,511	-	-	-	-	-	-	-	-	-	74,511
Sales: Other	43,848	-	-	-	-	-	-	-	-	-	43,848
Gain (loss) from commodity derivatives for trading with electricity and gas, net	10,445	-	-	-	-	-	-	-	-	-	10,445
Total sales	1,970,718	138,322	-	-	-	-	-	-	-	-	2,109,040
Cost of sales: Energy	(1,482,538)	(101,044)	-	-	-	-	-	-	-	-	(1,583,582)
Cost of sales: Other	(33,076)	(4,302)	4	-	-	-	-	-	-	-	(37,374)
Cost of sales	(1,515,614)	(105,346)	4	-	-	-	-	-	-	-	(1,620,956)
Subtotal	455,104	32,976	4	-	-	-	-	-	-	-	488,084
Personnel expenses	(95,186)	(9,136)	-	-	-	-	-	-	-	-	(104,322)
Depreciation and amortisation	(158,152)	(6,034)	2,489	-	-	-	-	-	-	-	(161,697)
Repairs and maintenance	(8,641)	-	-	-	-	-	-	-	-	-	(8,641)
Emission rights, net	(3,890)	(737)	-	-	-	-	-	-	-	-	(4,627)
Negative goodwill	33,085	-	(1,549)	-	-	-	-	-	-	-	31,536
Taxes and charges	8,502	(2,510)	-	-	-	-	-	-	-	-	5,992
Other operating income	25,898	1,456	(16)	-	-	-	-	-	-	-	27,338

Other operating expenses	(51,061)	(4,796)	12	-	-	-	-	-	-	-	(55,845)
Profit/(loss) from operations	205,659	11,219	940	-	-	-	-	-	-	-	217,818
Finance income	42,198	7,185	-	-	-	-	-	-	-	398	49,781
Finance expense	(89,538)	(4,494)	-	(2)	(4)	6	-	-	-	14,633	(79,399)
Profit/(loss) from financial instruments	(1,847)	(6,537)	-	-	-	-	-	-	-	-	(8,384)
Net finance expense	(49,187)	(3,846)	-	(2)	(4)	6	-	-	-	15,031	(38,002)
Share of profit of equity accounted investees, net of tax	368	-	-	-	-	-	-	-	-	-	368
Gain/(loss) on disposal of subsidiaries, special purpose entities, joint-ventures and associates	(1,407)	-	-	278	348	47	(144)	559	1,514	30,361	31,556
Profit/(loss) before income tax	155,433	7,373	940	276	344	53	(144)	559	1,514	45,392	211,740
Income tax expenses	(53,742)	(1,602)	(473)	-	-	-	-	-	-	-	(55,817)
Profit/(loss) from continuing operations	101,691	5,771	467	276	344	53	(144)	559	1,514	45,392	155,923
Discontinued operations	(19,965)	-	-	-	-	-	-	-	-	-	(19,965)
Profit/(loss) for the year	81,726	5,771	467	276	344	53	(144)	559	1,514	45,392	135,958
Profit/(loss) attributable to:											
Owners of the Company	36,482	5,518	394	276	344	53	(144)	559	1,514	45,392	90,388
Non-controlling interest	45,244	253	73	-	-	-	-	-	-	-	45,570
Profit/(loss) for the year	81,726	5,771	467	276	344	53	(144)	559	1,514	45,392	135,958

Note:

(1) Historical IFRS consolidated income statement of EP Energy, a.s. for the year ended 31 December 2015

Notes to the unaudited pro forma consolidated financial statements

1. Description of the entity

EP Energy, a.s. was founded by Energetický a průmyslový holding, a.s. (“EPH”) on 16 December 2010 as a subsidiary to consolidate entities belonging to the energy segment of EPH Group. On 19 May 2014, the Company was sold to CE Energy, a.s., which became a new parent company of EPE.

Registered office of the Company:

EP Energy, a.s.
Příkop 843/4
602 00 Brno
Czech Republic

Members of Board of Directors as of 31 December 2015:

Chairman:	JUDr. Daniel Křetínský, Czech Republic
Vice-chairman:	Jan Špringl, Czech Republic
Member:	Marek Spurný, Czech Republic
Member:	Pavel Horský, Czech Republic
Member:	Jiří Feist, Czech Republic
Member:	Tomáš David, Czech Republic

Members of Supervisory Board as of 31 December 2015:

Chairman:	Ivan Jakobovič, Slovak Republic
Member:	Martin Fedor, Slovak Republic
Member:	Miloš Badida, Czech Republic

2. Background information and scope of the unaudited pro forma consolidated financial statements

The unaudited pro forma consolidated financial statements (further also “pro forma financial information”) are derived from the historical IFRS consolidated financial statements of the EPE Group as of and for the year ended 31 December 2015.

The historical IFRS consolidated statement of financial position of the EPE Group and historical IFRS consolidated income statement information as of and for the year ended 31 December 2015 is included in the column “Consolidated figures” in the pro forma financial information as of and for the year ended 31 December 2015.

The historical IFRS consolidated financial statements of the EPE Group as of and for the year ended 31 December 2015 are used as the main building blocks in the compilation of pro forma financial information. Pro forma adjustments, as included in column “Pro forma adjustments”, were applied to the historical IFRS consolidated financial information to derive the pro forma financial information (column “EP Energy, a.s. pro forma”).

The pro forma adjustments were based on assumptions from the individual financial information of the sub-group’s entities for the period from 1 January 2015 to 31 December 2015. This individual financial information was prepared following the EPE Group’s accounting instructions, which are based on IFRS.

The pro forma consolidated financial information of the EPE Group as of and for the year ended 31 December 2015 includes the following entities:

Entity	Method of consolidation in historical FS	Method of consolidation in pro forma FS	Actual date of acquisition	Date of acquisition for pro forma	Actual date of disposal	Date of disposal for pro forma	Method of acquisition
EP Energy, a.s. (100%) – parent company	Full	Full	XII.10	XII.10	-	-	EST
AISE, s.r.o. (80%)	Full	Full	X.09	X.09	-	-	AA
PT Holding Investment B.V. (100%)	Full	Full	IX.10	IX.10	-	-	AA
Pražská teplárenská Holding a.s. (49%)	Equity	Equity	IX.10	IX.10	-	-	AA
Pražská teplárenská a.s. (47.42%)	Full	Full	IX.10	IX.10	-	-	AA*
Pražská teplárenská Trading, a.s. (100%)	Full	Full	VIII.14	VIII.14	-	-	EST
Termonta Praha a.s. (100%)	Full	Full	IX.10	IX.10	-	-	AA*
Teplo Neratovice, spol. s r.o. (100%)	Full	Full	IX.10	IX.10	-	-	AA*
Energotrans SERVIS, a.s. (95%)	Full	Full	IV.12	IV.12	-	-	EST/AA*
RPC, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Pražská teplárenská LPZ, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Nový Veveslavín, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Pod Juliskou, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Nová Invalidovna, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Michelský trojúhelník, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Nové Modřany, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT Properties I, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT Properties II, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT Properties III, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT Properties IV, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT měření, a.s. (47.42%)	Full	Full	XII.14	XII.14	-	-	EST
United Energy, a.s. (100%)	Full	Full	X.09	X.09	-	-	CC
EVO - Komořany, a.s. (100%)	Full	Full	XI.10	XI.10	-	-	EST
Severočeská teplárenská, a.s. (100%)	Full	Full	X.10	X.10	-	-	EST
United Energy Moldova, s.r.o. (100%)	Full	Full	X.09	X.09	-	-	CC
United Energy Invest, a.s. (100%)	Full	Full	X.09	X.09	-	-	CC
EP Sourcing, a.s. (former EP Coal Trading, a.s.) (100%)	Full	Full	X.09	X.09	-	-	CC
EOP & HOKA s.r.o. (99.79%)	IFRS 5	-	XII.10	XII.10	II.16	XII.15	AA
EOP HOKA POLSKA SPOŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA (100%)	IFRS 5	-	IV.14	IV.14	II.16	XII.15	EST
EP COAL TRADING POLSKA S.A (100%)	IFRS 5	-	II.12	II.12	II.16	XII.15	EST
EP ENERGY TRADING, a.s. (100%)	Full	Full	X.09	X.09	-	-	CC
Optimum Energy, s.r.o. (100%)	Full	Full	VIII.15	VIII.15	-	-	AA
ADCONCRETUM REAL ESTATE ltd (100%)	Full	-	XII.14	XII.14	IV.16	XII.15	AA
Plzeňská energetika a.s. (100%)	Full	Full	X.09	X.09	-	-	AA
VTE Moldava II, a.s. (former EP Renewables a.s.) (100%)	Full	Full	IX.10	IX.10	-	-	AA
MR TRUST s.r.o. (99.5%)	Full	Full	IX.10	IX.10	-	-	AA
Arisun, s.r.o. (100%)	Full	Full	XII.10	XII.10	-	-	AA
Greeninvest Energy, a.s. (41.7%)	IFRS 5	IFRS 5	XI.10	XI.10	-	-	AA
POWERSUN a.s. (100%)	Full	Full	IX.10	IX.10	-	-	AA
VTE Pchery, s.r.o. (64%)	Full	Full	IX.10	IX.10	-	-	AA
Triskata, s.r.o. (100%)	Full	Full	IX.10	IX.10	-	-	AA
MR TRUST s.r.o. (0.5%)	Full	Full	IX.10	IX.10	-	-	AA
CHIFFON ENTERPRISES LIMITED (100%)	Full	Full	IX.10	IX.10	-	-	AA

Claymore Equity, s.r.o. (80%)	Full	Full	IX.10	IX.10	-	-	AA
Alternative Energy, s.r.o. (90%)	Full	Full	IX.10	IX.10	-	-	AA
EBEH Opatovice, a.s. (100%)	Full	Full	XII.10	XII.10	-	-	AA
Elektrárny Opatovice, a.s. (100%)	Full	Full	XII.10	XII.10	-	-	AA
V A H O s.r.o. (100%)	Full	Full	XII.10	XII.10	-	-	AA
NPTH, a.s. (100%)	Full	Full	XII.10	XII.10	-	-	AA
Pražská teplárenská a.s. (50.58%)	Full	Full	XII.10	XII.10	-	-	AA*
Pražská teplárenská Trading, a.s.	Full	Full	VIII.14	VIII.14	-	-	EST
Termonta Praha a.s. (100%)	Full	Full	XII.10	XII.10	-	-	AA*
Teplo Neratovice, spol. s r.o. (100%)	Full	Full	XII.10	XII.10	-	-	AA*
Energotrans SERVIS, a.s. (95%)	Full	Full	IV.12	IV.12	-	-	EST/AA*
RPC, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Pražská teplárenská LPZ, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Nový Veleslavín, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Pod Juliskou, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Nová Invalidovna, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Michelský trojúhelník, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
Nové Modřany, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT Properties I, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT Properties II, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT Properties III, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT Properties IV, a.s. (100%)	Full	Full	XII.14	XII.14	-	-	EST
PT měření, a.s. (50.58%)	Full	Full	XII.14	XII.14	-	-	EST
JTSD Braunkohlebergbau GmbH (100%)	IFRS 5	-	VI.11; VI.12	VI.11; VI.12	IV.16	XII.15	AA+
Mitteldeutsche Braunkohlen Gesellschaft mbH (100%)	IFRS 5	-	VI.11; VI.12	VI.11; VI.12	IV.16	XII.15	AA+
MIBRAG Consulting International GmbH (100%)	IFRS 5	-	VI.11; VI.12	VI.11; VI.12	IV.16	XII.15	AA+
GALA-MIBRAG-Service GmbH (100%)	IFRS 5	-	VI.11; VI.12	VI.11; VI.12	IV.16	XII.15	AA+
Mitteldeutsche Umwelt- und Entsorgung GmbH (50%)	IFRS 5	-	VI.11; VI.12	VI.11; VI.12	IV.16	XII.15	AA+
Fernwärme GmbH Hohenmölsen – Webau (48.96%)	IFRS 5	-	VI.11; VI.12	VI.11; VI.12	IV.16	XII.15	AA+
Ingenieurbüro für Grundwasser GmbH (25%)	IFRS 5	-	VI.11; VI.12	VI.11; VI.12	IV.16	XII.15	AA+
Bohr & Brunnenbau GmbH (100%)	IFRS 5	-	IX.12	IX.12	IV.16	XII.15	AA
MIBRAG Neue Energie GmbH (100%)	IFRS 5	-	VI.11; VI.12	VI.11; VI.12	IV.16	XII.15	AA+
Helmstedter Revier GmbH (100%)	IFRS 5	-	XII.13	XII.13	IV.16	XII.15	AA'
Norddeutsche Gesellschaft zur Ablagerung von Mineralstoffen mbH (51%)	IFRS 5	-	XII.13	XII.13	IV.16	XII.15	AA'
Terrakomp GmbH (100%)	IFRS 5	-	XII.13	XII.13	IV.16	XII.15	AA'
EP Germany GmbH (100%)	IFRS 5	-	VIII.11	VIII.11	IV.16	XII.15	CC
Saale Energie GmbH (100%)	IFRS 5	-	VII.12	VII.12	IV.16	XII.15	AA-
Kraftwerk Schkopau GbR (41.9%)	IFRS 5	-	VII.12	VII.12	IV.16	XII.15	AA-
Kraftwerk Schkopau Betriebsgesellschaft mbH (44.4%)	IFRS 5	-	VII.12	VII.12	IV.16	XII.15	AA-
Stredoslovenská energetika, a.s. (49%)	Full	Full	XI.13	XI.13	-	-	AA''
Stredoslovenská energetika – Distribúcia, a.s.	Full	Full	XI.13	XI.13	-	-	AA''
Elektroenergetické montáže, a.s. (100%)	Full	Full	XI.13	XI.13	-	-	AA''
SSE – Metrológia s.r.o. (100%)	Full	Full	XI.13	XI.13	-	-	AA''
Stredoslovenská energetika – Project Development, s.r.o. (100%)	Full	Full	XI.13	XI.13	-	-	AA''
SSE-Solar, s.r.o. (100%)	IFRS 5	IFRS 5	XI.13	XI.13	-	-	AA''
SSE CZ, s.r.o. (100%)	Full	Full	XI.13	XI.13	-	-	AA''
SPX, s.r.o. (33.33%)	At cost	At cost	XI.13	XI.13	-	-	AA''
Energotel, a.s.(20%)	At cost	At cost	XI.13	XI.13	-	-	AA''
EP ENERGY HR d.o.o. (100%)	Full	Full	IX.13	IX.13	-	-	EST
EP Cargo a.s. (100%)	Full	Full	IX.15	IX.15	-	-	CC
LokoTrain s.r.o. (65%)	Full	-	VII.15	VII.15	IV.16	XII.15	AA

EP Cargo Deutschland GmbH (100%)	Full	-	XII.14	XII.14	IV.16	XII.15	AA
EP CARGO POLSKA s.a. (100%)	Full	-	IV.15	IV.15	IV.16	XII.15	EST
PGP Terminal, a.s. (60%)	IFRS 5	-	X.14	X.14	II.16	XII.15	AA
PLAZMA LIPTOV, a.s. (50%)	IFRS 5	-	X.14	X.14	II.16	XII.15	AA
EP Hungary, a.s. (100%)	Full	Full	XII.15	I.15	-	-	AA/
Budapesti Erözü Zrt.(95.62%)	Full	Full	XII.15	I.15	-	-	AA/
BE-Optimum Kft. (100%)	Full	Full	XII.15	I.15	-	-	AA/
KÖBÁNYAHŐ Kft. (25%)	At cost	At cost	XII.15	I.15	-	-	AA/
ENERGZET SERVIS a.s. (100%)	Full	Full	VII.15	VII.15	-	-	AA

Abbreviations used:

AA Acquisition accounting incl. purchase price allocation

AA* Pražská teplárenská a.s. was acquired in two steps:

1. The first part was acquired by PT Holding Investment B.V. in September 2010. The acquisition was recorded in the IFRS consolidated financial statements using acquisition accounting techniques incl. purchase price allocation.
2. The second part was acquired by HC Fin 3 N.V. in December 2010. The acquisition was recorded using acquisition accounting techniques incl. purchase price allocation.

Furthermore, in June 2012, the EPE Group gained control over Pražská teplárenská a.s. (with no change in shareholding structure) and has fully consolidated Pražská teplárenská a.s. from June 2012 onwards (with the respective portion of non-controlling interests).

In June 2012, Energotrans, a.s., a former subsidiary of Pražská teplárenská a.s. was sold.

AA+ JTSD - Braunkohlebergbau GmbH Group was acquired in two steps:

1. The first 50% share was acquired by the EPE Group in June 2011.
2. The remaining 50% share was acquired by the EPE Group in June 2012.

Both acquisitions were included using acquisition accounting techniques including the purchase price allocation which was based on the valuation report prepared for the purposes of the acquisition of the other 50% share.

As at 31 December 2015, JTSD Group was excluded from the pro forma financial statements due to the planned sale of JTSD Group in the year 2016.

AA- Saale Energie GmbH Group:

- 100% share in Saale Energie GmbH was acquired in July 2012.

The acquisition of Saale Energie GmbH uses acquisition accounting techniques including the purchase price allocation adjustments and related tax effects based on the valuation report prepared by external valuers.

As at 31 December 2015, Saale Energie and its associates was excluded from the pro forma financial statements due to the planned sale of Saale Energie in the year 2016.

AA'	<p>Helmstedter Revier GmbH Group was acquired as follows:</p> <ul style="list-style-type: none"> • In December 2013, the EPE Group acquired a 100% share in Helmstedter Revier GmbH and its subsidiaries. <p>The acquisition of Helmstedter Revier GmbH uses acquisition accounting techniques including the purchase price allocation adjustments and related tax effects based on the valuation report prepared by external valuers.</p> <p>As at 31 December 2015, Helmstedter Revier GmbH Group was excluded from the pro forma financial statements due to the planned sale of Helmstedter Revier GmbH in the year 2016.</p>
AA''	<p>Stredoslovenská energetika, a.s. Group was acquired as follows:</p> <ol style="list-style-type: none"> 1. 49% share in Stredoslovenská energetika, a.s. Group was acquired in November 2013 by the EPH Group. 2. In December 2013, EPH Financing II, a.s. (a parent company of Stredoslovenská energetika, a.s.) and Stredoslovenská energetika, a.s. and its subsidiaries were contributed from the EPH Group to the EPE Group. As this transaction was a common control transaction, the Company presents the entity in its historical IFRS consolidated financial statements from the original date of acquisition by the parent company Energetický a průmyslový holding, a.s. <p style="padding-left: 40px;">In August 2014, EPH Financing II, a.s. merged into EP Energy, a.s.</p>
AA/	<p>Budapesti Erömü Zrt Group was acquired as follows:</p> <ul style="list-style-type: none"> • In December 2015, the EPE Group acquired a 100% share in Budapesti Erömü Zrt. <p>The acquisition of Budapesti Erömü Zrt Group included in this pro forma financial information uses acquisition accounting techniques including a purchase price allocation adjustments and related tax effects based on the valuation report prepared by external valuers. In this pro forma financial information, Budapesti Erömü Zrt Group is reported as if already controlled by the EPE Group effectively from 1 January 2015. For this reason, the pro forma financial information contains specific pro forma adjustments as described in Note 3.2.1.</p>
CC	<p>Common control acquisition – no new goodwill or negative goodwill recognised in the IFRS consolidated financial statements. The difference between the Net assets acquired (at Net Book Value) and the Purchase price was recorded against equity in the IFRS consolidated financial statements.</p>
CO	<p>Entity included at cost (due to immateriality).</p>
EST	<p>Entity established by the parent company.</p>

3. Assumptions used for the compilation of the pro forma consolidated financial statements

3.1. General pro forma financial information assumptions

The historical IFRS consolidated financial statements as of and for the year ended 31 December 2015 have been adjusted to reflect:

1. Consolidation of a 95.62% share in Budapesti Erömü Zrt and its subsidiary and an associate using the full method of consolidation effectively from 1 January 2015 (adjustment column “Budapesti Erömü Zrt and its subsidiary related adjustments”).
2. Disposal of a 100% share in EP Cargo Deutschland GmbH effectively from 31 December 2015 (adjustment column “EP Cargo Deutschland GmbH related adjustment”).
3. Disposal of a 100% share in EP CARGO POLSKA s.a. effectively from 31 December 2015 (adjustment column “EP CARGO POLSKA s.a. related adjustment”).
4. Disposal of a 100% share in EP COAL TRADING POLSKA S.A. effectively from 31 December 2015 (adjustment column “EP COAL TRADING POLSKA S.A. related adjustment”).
5. Disposal of a 65% share in LokoTrain s.r.o. effectively from 31 December 2015 (adjustment column “LokoTrain s.r.o. related adjustment”).
6. Disposal of a 100% share in ADCONCRETUM REAL ESTATE ltd and a 60% share in PGP Terminal, a.s. effectively from 31 December 2015 (adjustment column “ADCONCRETUM and PGP Terminal related adjustment”).
7. Disposal of a 99.79% share in EOP & HOKA s.r.o. and its subsidiary effectively from 31 December 2015 (adjustment column “EOP & HOKA s.r.o. related adjustment”).
8. Disposal of a 100% share in JTSD - Braunkohlebergbau GmbH Group and its subsidiaries and associates (including Helmstedter Revier GmbH Group, Saale Energie GmbH Group and Mibrag Neue Energie) effectively from 31 December 2015 (adjustment column “German assets related adjustment”).

3.2. Description of adjustments recorded to the pro forma financial information of EP Energy, a.s. as of and for the year ended 31 December 2015

3.2.1. Budapesti Erömü Zrt and its subsidiaries related adjustments

The EPE Group acquired a 95.62% share in Budapesti Erömü Zrt and its subsidiary (further “BERT Group”) on 10 December 2015. The sub-group was included in the pro forma financial information using a full method of consolidation effectively from 1 January 2015 reflecting the relevant non-controlling interest of 4.38%.

Operations of the BERT Group for December 2015 are already included in the historical IFRS consolidated income statement of the EPE Group. In the pro forma financial information, statutory consolidated income statement of the BERT Group as of and for the year ended 31 December 2015 was adjusted to reflect operations of the BERT Group for the period from 1 January 2015 to 30 November 2015. The operations for the period from 1 January 2015 to 30 November 2015 are presented in the separate column of the pro forma financial information (Part 1).

The historical financial statements were further adjusted in the following column of the pro forma financial information to reflect an application of the EPE accounting principles as of 1 January 2015 and to reflect pro forma acquisition adjustments (Part 2). Pro forma adjustments included in Part 2 comprise mainly acquisition accounting. These particular effects are further described below.

Purchase price allocation in connection with the above acquisition was prepared by external valuation specialists and was included in the historical IFRS consolidated financial statements as of and for the year ended 31 December 2015. The pro forma financial information includes the effects of certain purchase price allocation adjustments and related tax effect as if the EPE Group had gained control over the BERT Group on 1 January 2015.

In connection with the purchase price allocation the acquirer identified decreased value of property, plant and equipment and identified a new intangible asset (MVM contract). The respective property, plant and equipment have been depreciated since 1 December 2015 in the historical IFRS consolidated financial statements as of and for the year ended 31 December 2015. The purchase price allocation adjustments were reflected in the pro forma financial information as if the whole purchase price allocation process was performed on 1 January 2015. The pro forma financial information includes adjustments simulating the impact of depreciation from the tangible assets revalued during the purchase price allocation process. These pro forma depreciation adjustments were based on a simple linear approximation of amortisation and depreciation charges of related assets and may not, therefore, be accurate in terms of following the real amortisation and depreciation patterns. MVM contract intangible asset represents value to be generated by the respective MVM contract until the expiration date. In the pro forma financial information the value of this intangible asset was not adjusted to simulate the acquisition of the BERT Group as of 1 January 2015. However, the fact that the value of the intangible asset was not adjusted, does not impact the Adjusted EBITDA measure for 2015.

Also, appropriate changes to intercompany eliminations were carried out in the pro forma financial information to reflect the consolidation of the BERT Group as of 1 January 2015.

No pro forma financing effects have been calculated due to immateriality of the effect.

Negative goodwill resulting from the acquisition of the BERT Group was reflected in profit or loss account (as such, pro forma financial information also includes a reversal of negative goodwill of EUR 33,085 thousand recognised in the historical IFRS consolidated financial statements as of and for the year ended 31 December 2015).

The pro forma adjustments related to operations of the BERT Group were assigned to “Heat and Power” operating segment.

3.2.2. Minor disposals

The EPE Group finalised several minor disposals in 2016. The disposals were included in the pro forma financial information with the effective date 31 December 2015. For the description of the pro forma adjustments related to the disposals refer below. Due to the immateriality of the effect, profit or loss of these companies for 2015 was included in the pro forma financial information, but the effect on Adjusted EBITDA in the total amount of EUR 1,401 thousand was excluded from the Group’s Adjusted EBITDA measure by a one-line adjustment. For details on the Adjusted EBITDA reconciliation please refer to above.

3.2.2.1. EP Cargo Deutschland GmbH related adjustment

In April 2016, a 100% share in EP Cargo Deutschland GmbH (“EPCD”) was disposed from the EPE Group to EPH for a purchase price of EUR 352.4 thousand (equivalent of CZK 9,523.0 thousand as of 31 December 2015 paid in cash). As a result, EPCD was deconsolidated from the pro forma financial information effectively from 31 December 2015.

EPCD was consolidated using a full method of consolidation in IFRS historical financial statements as at 31 December 2015. The associated pro forma financial information adjustment excluded EPCD from the historical IFRS financial statements as at 31 December 2015. Operations for the year 2015 remained in profit or loss account in pro forma financial information, however Adjusted EBITDA of negative EUR 25.9 thousand was excluded from the Adjusted EBITDA of the EPE Group by a one-line adjustment.

Also, relevant adjustments to intercompany transactions between EPCD and the EPE Group were reflected in the pro forma financial information.

Translation reserve for EPCD was released to profit or loss account.

The gain on disposal of EPCD calculated in pro forma financial statements was recorded to profit or loss account.

3.2.2.2. EP CARGO POLSKA s.a. related adjustment

In April 2016, a 100% share in EP CARGO POLSKA s.a. (“EPCP”) was disposed from the EPE Group to EPH for a purchase price of EUR 487.5 thousand (equivalent of CZK 13,176 thousand as of 31 December 2015 paid in cash). As a result, EPCP was deconsolidated from the pro forma financial information effectively from 31 December 2015.

EPCP was consolidated using a full method of consolidation in IFRS historical financial statements as at 31 December 2015. The associated pro forma financial information adjustment excluded EPCP from the historical IFRS financial statements as at 31 December 2015. Operations for the year 2015 remained in profit or loss account in pro forma financial information, however Adjusted EBITDA of EUR 112.0 thousand was excluded from the Adjusted EBITDA of the EPE Group by a one-line adjustment.

Also, relevant adjustments to intercompany transactions between EPCP and the EPE Group were reflected in the pro forma financial information.

Translation reserve for EPCP was released to profit or loss account.

The gain on disposal of EPCP calculated in pro forma financial statements was recorded to profit or loss account.

3.2.2.3. EP COAL TRADING POLSKA S.A. related adjustment

In February 2016, a 100% share in EP COAL TRADING POLSKA S.A. (“EPCTP”) was disposed from the EPE Group to EPH for a purchase price of EUR 415.0 thousand (equivalent of PLN 1,769.0 thousand as of 31 December 2015 paid in cash). As a result, EPCTP was deconsolidated from the pro forma financial information effectively from 31 December 2015.

Assets and related liabilities of EPCTP were held for sale in IFRS historical financial statements as at 31 December 2015. The associated pro forma financial information adjustment excluded EPCTP

from the historical IFRS financial statements as at 31 December 2015. Operations for the year 2015 remained in profit or loss account in pro forma financial information, however Adjusted EBITDA of EUR 146.0 thousand was excluded from the Adjusted EBITDA of the EPE Group by a one-line adjustment.

Also, relevant adjustments to intercompany transactions between EPCTP and the EPE Group were reflected in the pro forma financial information.

Translation reserve for EPCTP was released to profit or loss account.

The gain on disposal of EPCTP calculated in pro forma financial statements was recorded to profit or loss account.

3.2.2.4. LokoTrain s.r.o. related adjustment

In April 2016, a 65% share in LokoTrain s.r.o. (“LokoTrain”) was disposed from the EPE Group to EPH for a purchase price of EUR 1,604.8 thousand (equivalent of CZK 43,371.0 thousand as of 31 December 2015 paid in cash). As a result, LokoTrain was deconsolidated from the pro forma financial information effectively from 31 December 2015.

LokoTrain was consolidated using a full method of consolidation in IFRS historical financial statements as at 31 December 2015. The associated pro forma financial information adjustment excluded LokoTrain from the historical IFRS financial statements as at 31 December 2015. Operations for the year 2015 remained in profit or loss account in pro forma financial information, however Adjusted EBITDA of EUR 320.9 thousand was excluded from the Adjusted EBITDA of the EPE Group by a one-line adjustment.

Also, relevant adjustments to intercompany transactions between LokoTrain and the EPE Group were reflected in the pro forma financial information.

The loss on disposal of LokoTrain calculated in pro forma financial statements was recorded to profit or loss account.

3.2.2.5. ADCONCRETUM and PGP Terminal related adjustment

In February 2016, a 60% share in PGP Terminal, a.s. (“PGP”) was disposed from the EPE Group to EPH for a purchase price of EUR 340.0 thousand (equivalent of CZK 9,189.0 thousand as of 31 December 2015 paid in cash). As a result, PGP was deconsolidated from the pro forma financial information effectively from 31 December 2015.

In April 2016, a 100% share in ADCONCRETUM REAL ESTATE ltd (“ADCONCRETUM”) was disposed from the EPE Group. The purchase price of EUR 3,489.6 thousand has not been settled as of the date of compilation of this pro forma financial information. As a result, ADCONCRETUM was deconsolidated from the pro forma financial information effective from 31 December 2015 and a corresponding receivable from the sale was included in the pro forma financial information.

PGP and ADCONCRETUM were recognised as a financial investment at cost and investment property respectively in IFRS historical financial statements as at 31 December 2015. The associated pro forma financial information adjustment excluded investments in both companies from the historical IFRS financial statements as at 31 December 2015 and recognised a gain from disposal to profit or loss account.

3.2.2.6. EOP & HOKA s.r.o. and its subsidiary related adjustment

In February 2016, a 99.79% share in EOP & HOKA s.r.o. (“EOP & HOKA”) was disposed from the EPE Group to EPH for a purchase price of EUR 4,722.1 thousand (equivalent of CZK 127,614.0 thousand as of 31 December 2015). As a result, EOP & HOKA was deconsolidated from the pro forma financial information effectively from 31 December 2015.

Assets and related liabilities of EOP & HOKA were held for sale in IFRS historical financial statements as at 31 December 2015. The associated pro forma financial information adjustment excluded EOP & HOKA from the historical IFRS financial statements as at 31 December 2015. Operations for the year 2015 remained in profit or loss account in pro forma financial information, however Adjusted EBITDA of EUR 848.4 thousand was excluded from the Adjusted EBITDA of the EPE Group by a one-line adjustment.

Also, relevant adjustments to intercompany transactions between EOP & HOKA and the EPE Group were reflected in the pro forma financial information.

The gain on disposal of EOP & HOKA calculated in pro forma financial statements was recorded to profit or loss account.

3.2.3. German assets related adjustment

As part of the reorganization of the Group in 2016, EPE sold-off its power generation activities in Germany as well as its mining operations in Germany to its ultimate parent company EPH (effective on April 1, 2016). The decision to sell-off these activities, which comprise an isolated geographical segment (Germany), was reached at the end of 2015. Due to the fact that these operations were predominantly representing the whole German operations, mining operations and condensation power production, the Company presents these activities as discontinued operations in the IFRS historical financial statements as of and for the year ended December 31, 2015 (including restatement of comparatives).

German assets include, among others, MIBRAG and Saale Energie. MIBRAG is a wholly-owned subsidiary of JTSD, Saale Energie is a wholly-owned subsidiary of EP Germany; both EP Germany and JTSD were wholly-owned subsidiaries of EPE (where EP Germany has been since 31 December 2015 directly owned by JTSD as a result of the sale of all EP Germany shares by EPE to JTSD for EUR 4.3 million, corresponding to fair value of equity of EP Germany). Due to the nature of the German assets, which are out of the scope of the Group’s infrastructure business, the restructuring entailed disposition of the German assets.

The German assets were disposed of by means of sale of 100% shares in JTSD by EPE to EPH for EUR 156.0 million (corresponding to fair value of equity of JTSD); the disposal was completed on April 1, 2016 and the purchase price was fully settled in cash.

As a result, a 100% share in JTSD - Braunkohlebergbau GmbH Group and its subsidiaries and associates (including Helmstedter Revier GmbH Group, Saale Energie GmbH Group and Mibrag Neue Energie) was deconsolidated from the pro forma financial information effectively from 31 December 2015.

As a part of the pre-sale restructuring, during 2016 the Group recognised the following transactions in the historical IFRS financial statements, which were recognised in the pro forma financial information as at 31 December 2015:

- EPE repaid a part of the loan in the an amount of EUR 15.0 million provided by Mibrag (the original total amount of the loan was EUR 96.9 million);

- JTSD set-off (a part of) its receivables towards EPE in the amount of EUR 81.9 million arising from (i) a loan of EUR 16.9 million provided by JTSD to EPE, and (ii) a loan of EUR 65.0 million provided by MIBRAG to EPE (assumed by JTSD from EPE for the nominal value thereof);
- EPE paid off a loan provided by Saale Energie in the amount of EUR 12.2 million;
- EP Germany paid a part of the loan in the amount of EUR 7.2 million provided by EPE (the original total amount of the loan was EUR 97.9 million);
- (i) JTSD assumed a liability of EP Germany towards EPE in the amount of EUR 61.8 million (out of the loan in the amount of EUR 97.8 million as at 31 December 2015 outstanding under the loan provided by EPE to EP Germany) for the nominal value thereof, and (ii) EPE contributed EUR 71.2 million to the capital funds of JTSD.

After the capitalization, the total liabilities of JTSD towards EPE in the amount of EUR 305.0 million were settled by JTSD making a payment to EPE in the amount of EUR 305.0 million (out of the funds drawn under a bank loan contracted by JTSD in the total amount of EUR 309.0 million for this purpose).

The outstanding amount of the original loan provided by EPE to EP Germany immediately after JTSD assumed part of this liability of EP Germany to EPE was EUR 30.0 million. This was settled by EP Germany making a payment in the amount of EUR 30.0 million (out of the funds drawn under a bank loan contracted by EP Germany in the total amount of EUR 31.0 million for this purpose).

The total outstanding liabilities of EP Germany and JTSD towards EPE as at 31 December 2015 were lower than the respective outstanding liabilities as at the date of the actual settlement by EUR 4.1 million. This difference relates to the accrued interest relating to the settled loans for the period from 1 January 2016 until the date of settlement of each loan. This difference was recognised in the equity in the pro forma financial information.

Assets and related liabilities of German assets were held for sale in IFRS historical financial statements as at 31 December 2015 and operations were presented as discontinued. As such, Adjusted EBITDA does not include a profit or loss effect of German assets. After the recognition of the pre-sale restructuring, the associated pro forma financial information adjustment excluded German assets from the historical IFRS financial statements as at 31 December 2015. Operations of German assets for the year 2015 were included in profit or loss account as discontinued operations in pro forma financial information.

Also, relevant adjustments to intercompany transactions between German assets and the EPE Group were reflected in the pro forma financial information.

Translation reserve for German assets was released to profit or loss account.

The gain on disposal of German assets calculated in pro forma financial statements was recorded to profit or loss account.

3.2.4. Pražská teplotárenská LPZ, a.s.

Pražská teplotárenská (“PT”) spin-off

In May 2015, PT spun off certain assets consisting of small local heat sources and related distribution networks located predominantly on the left bank of Vltava river into Pražská teplotárenská LPZ, a.s. (“PT LPZ”).

On 29 February 2016, PT as seller entered into a share purchase agreement with Veolia Energie ČR, a.s. as buyer relating to the sale of 85% of shares in PT LPZ for EUR 60,322 thousand (CZK 1,632 million) subject to usual post-closing adjustments based on working capital level against the benchmarked value. Consummation of the transaction is subject to customary conditions precedent including competition clearance. PT and Veolia Energie ČR, a.s. also entered into an option agreement in relation to the remaining 15% of shares in PT LPZ exercisable between 1 July 2016 and 30 September 2017. If exercised, the total purchase price for 100% of the shares in PT LPZ will amount to CZK 1,920 million (subject to the above post-closing adjustments, which can significantly increase the final price). Due to the absence of several approvals, the relevant assets and liabilities were not presented as Assets and liabilities held for sale as of 31 December 2015 in the historical IFRS financial statements. Adjusted EBITDA of PT LPZ amounted to EUR 8,836 thousand for the year 2015 and was included in the historical IFRS financial statements.

As the closing of the transaction was not finalised as at the date of compilation of the pro forma financial information, the transaction is not included in the pro forma adjustments.

Compiled on: 29 April 2016