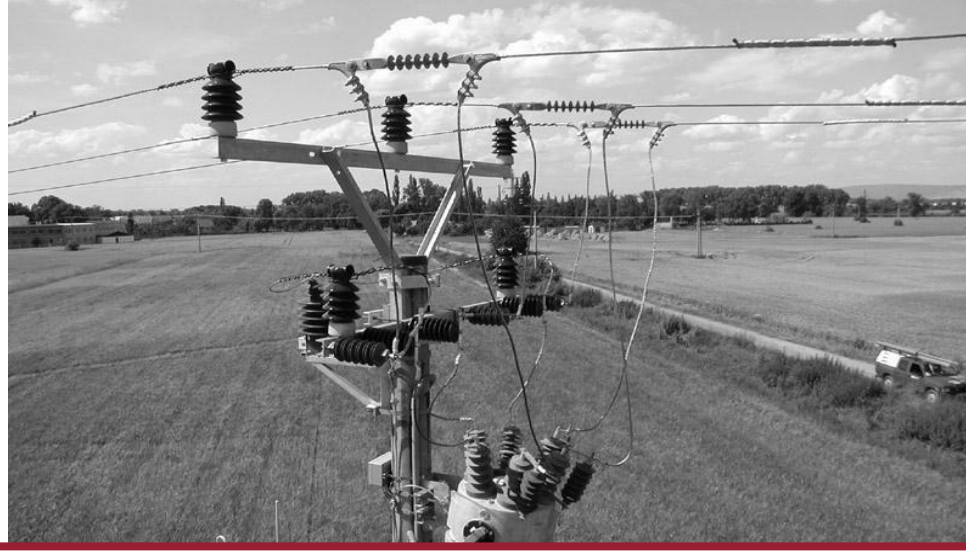
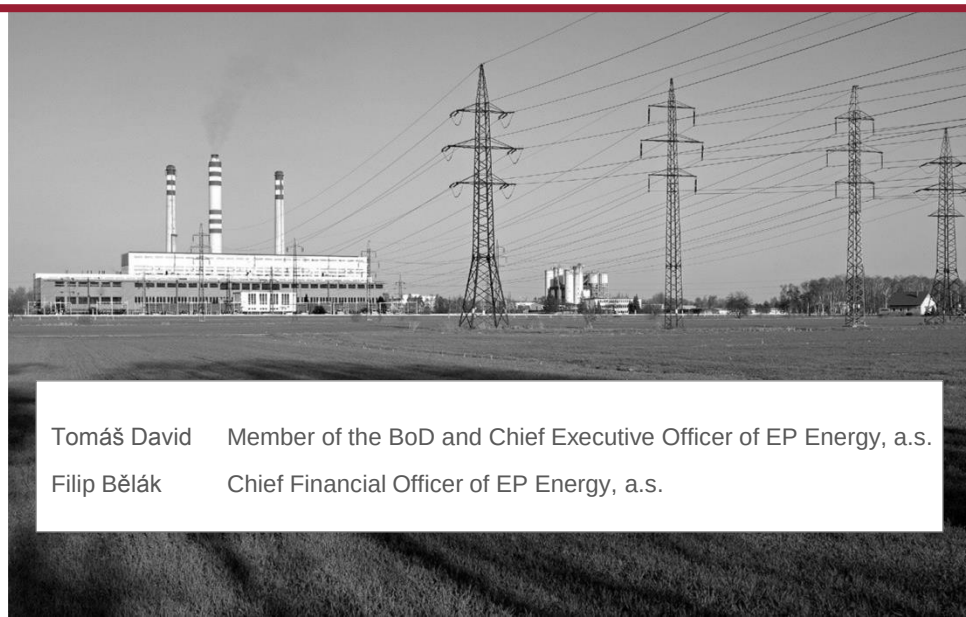


EP ENERGY

# 3Q 2016 EP Energy Results Call

Prague, November 28, 2016




Tomáš David — Member of the BoD and Chief Executive Officer of EP Energy, a.s.

Filip Bělák — Chief Financial Officer of EP Energy, a.s.

# Disclaimer

Forward-looking statements

This Report contains “forward-looking statements” within the meaning of the securities laws of certain jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “assume,” “believe,” “could,” “estimate,” “anticipate,” “expect,” “intend,” “may,” “will,” “plan,” “continue,” “ongoing,” “potential,” “predict,” “project,” “risk,” “target,” “seek,” “should” or “would” and similar expressions or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth and strategies, our reserves and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.

Many factors may cause our results of operations, financial condition, liquidity, reserves and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this Report.

These factors include, among others:

• negative or uncertain global and regional economic conditions;

• failure to implement our key strategies;

• in the supply of, or the unexpected increase in the price of, fuel and other raw materials, as well as transportation costs;

• reliance on a small number of suppliers in our power and heat business;

• failure to successfully integrate and manage acquired companies; and

• changes in laws or regulatory schemes.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this Report and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Report. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Report. As a result, you should not place undue reliance on these forward-looking statements.

Financial indicators such as EBITDA or Net Debt are not defined terms in IFRS and do not represent the term EBITDA or Net Debt as may be defined by any documentation for any financial liabilities of the group.

This presentation should be read in conjunction with the “Report on the first three quarters of the year 2016 for EP Energy, a.s.” as published on www.epenergy.cz

# Summary of key results of EP Energy in 3Q 2016

## Pro forma consolidated results

- The **pro forma (also „PF“) consolidated sales** reached **EUR 1,860 million** and **PF adjusted EBITDA**[1] amounted to **EUR 302 million** for the Last Twelve Months („LTM“) as at September 30, 2016
- Indicative **PF net consolidated leverage ratio**[2] as of September 30, 2016 stood at **2.2x**

## Historical consolidated results

- The **historical consolidated sales** (i.e. without pro forma effect of acquisitions, disposals and other adjustments) reached **EUR 1,327 million** and **EBITDA** amounted to **EUR 196 million** for the first three quarters of 2016
- The **consolidated net debt** as of September 30, 2016 was **EUR 759 million**[3]

## Other information

- Both pro forma and historical consolidated results exclude disposed Mining and Power generation operations in Germany and pro forma excludes results of disposed operations of Pražská teplárenská LPZ, a.s. (“LPZ”)
- EPE is required to treat the net proceeds from the disposal of German assets subject to the notes documentation. So far, the company applied approx. EUR 186 million to the repayment of its existing bank debt. Also on October 3, 2016, the Company redeemed EUR 3 million of bonds based on a collateral sale offer

(1) Pro forma Adjusted EBITDA represents pro forma profit from operations plus pro forma depreciation of property, plant and equipment and pro forma amortization of intangible assets minus pro forma negative goodwill (if applicable) further adjusted to reflect (i) a consolidation of a 95.62% share in Budapesti Erömü Zrt („BERT“) acquired on December 10, 2015 using the full method of EBITDA consolidation (EUR 22 million for 2015, of which EUR 6 million relates to period October 1, 2015 to November 30, 2015), (ii) a deconsolidation of share in LPZ disposed on June 1, 2016 using the full method of EBITDA consolidation (EUR 11 million for twelve-month period ended September 30, 2016 of which EUR 4 million relates to period October 1, 2015 to December 31, 2015, and EUR 7 million for period January 1, 2016 to June 1, 2016), (iii) exclusion of EBITDA of several minor entities that were disposed in 2016 and (iv) revenue relating to accounting for System Operations Tariff (“SOT”) at SSE in 2015. For full details of pro forma adjustments, please refer to slide 14 and to the “Report on the first three quarters of the year 2016 for EP Energy, a.s.”

(2) This presentation includes the calculation as of September 30, 2016 of „Indicative Net Consolidated Leverage Ratio", as defined in the EP Energy Indentures. The calculation of Net Consolidated Leverage Ratio differs from any leverage ratio included in the offering memoranda for the senior secured notes or otherwise included herein, and consistent with the definition, is made on the basis of certain good faith judgments made by EP Energy

(3) Please refer to slide 15 for details on calculation of net debt

# Main events and effects driving the 3Q 2016 results

## Structural changes to EP Energy Group

- In December 2015 in relation to intended reorganization of EP Energy's parent company EP Infrastructure, a.s. („EPIF", formerly CE Energy, renamed to EPIF in April 2016), it was decided on an intention to sell-off the German mining and power generation assets, including among others MIBRAG, Saale Energie and Helmstedter Revier GmbH, („German assets") to EPH in order to reorganise the EPIF Group into infrastructure type of assets that will be mostly regulated and/or long-term contracted. As such, neither 3Q 2016 EBITDA nor 3Q 2015 EBITDA measure include the EBITDA of discontinued German assets
- Intended sell-off of German assets was completed on April 1, 2016 resulting in proceeds of approximately EUR 493 million (of which EUR 337 million relates to settlement of intragroup loans and EUR 156 million represents equity fair value price for relevant shares)
- EPE disposed other non-core entities in 2016 by means of sale for a total equity value of EUR 12 million (for details of transactions please see the Key development section in the Report on the first three quarters of the year 2016 for EP Energy, a.s.)
- Following to the completion of reorganization, Fitch affirmed EP Energy's Long-term Issuer Default Rating (IDR) at 'BB+' with outlook stable (BBB- for senior secured bonds)
- On June 1, 2016 PT sold its shareholding in LPZ to a third party for approx. EUR 71 million (CZK 1,920 million) subject to post-closing adjustments, which were to be calculated based on working capital movement. As of September 30, 2016 no additional receivable was recorded as the value was not known. Subsequently, on October 20, 2016 the final purchase price adjustment of EUR 11 million was approved by both parties and settled. Total sales price was therefore EUR 82 million

## Main drivers behind the performance of the nine-month period ended September 30, 2016 (3Q 2016)

- Acquisition of Budapesti Erömü Zrt. („BERT") on December 10, 2015, which is a leading heat and power producer in Hungary, operating in the Budapest area, delivering 3.9 PJ of heat, generating 0.6 TWh of electricity and contributing EUR 20 million to EBITDA in 3Q 2016
- Negative effect of a timing difference in System Operations Tariff („SOT") deteriorated SSE's EBITDA by EUR 44 million in 3Q 2016 as compared to 3Q 2015
- Improved performance of SSE by EUR 24 million mainly in its core activities that is expected to partially level-off in Q4 2016
- Rather warm weather in 3Q 2016 comparable to the pattern in 3Q 2015 (Day-degrees[1] were in 3Q 2016 in the areas we operate in the Czech Republic approximately 0.3% higher compared to 3Q 2015, however still fewer day degrees than long-term average) that resulted in comparable heat and power offtake. Declining power prices and simple spread accompanied with decreased free allocation of emission allowances had certain adverse effect on our results

(1) Day-degrees measure integrates the difference between reference indoor temperature and outdoor temperature over the given period of time. A higher value indicates that the temperature in the given period was below the reference temperature for a longer period of time. Day-degrees relate to all areas where EPE delivers heat

# Key financial performance indicators of EP Energy

## Overview

| Consolidated financial results (m EUR) | 3Q 2015[1] | 3Q 2016 |
|---|---|---|
| Sales | 1,401 | 1,327 |
| EBITDA[2] | 201 | 196 |
| Total assets | | 2,584 |
| Total net debt[3] | | 759 |
| CAPEX[4] | 94[5] | 84 |

| Pro Forma adjusted figures (m EUR) | FY 2015 restated[6] | 3Q 2016 |
|---|---|---|
| Pro forma adjusted LTM EBITDA | 338 | 302 |

(1) Restated: Consolidated financial statements of EP Energy a.s. for the nine-month period ended September 30, 2015 have been restated as the German assets have been reclassified to assets and liabilities held for sale and operations were classified as discontinued
(2) EBITDA represents profit from operations plus depreciation and amortization minus negative goodwill (if applicable). The EBITDA included in this report does not represent the term EBITDA as may be defined by any documentation for any financial liabilities of EP Energy
(3) Total net debt per financial statements balance is based on the consolidated financial statements (Total Loans and borrowings plus Total Financial instruments and financial liabilities less Cash and cash equivalents). The Total net debt included in this report does not represent the term Indebtedness as may be defined by any documentation for any financial liabilities of the EPE Group. For detailed calculation of Net Debt calculation see appendix (slide 15)
(4) Excluding emission allowances and disregarding actual cash flows
(5) Capital expenditures for the nine-month period ended September 30, 2015 totalled EUR 127 million, of which EUR 33 million relates to the German assets that were discontinued, therefore capital expenditures of EUR 94 million are presented only
(6) FY2015 figures have been restated in relation to LPZ disposal. For more detail refer to slide 9

## Commentary

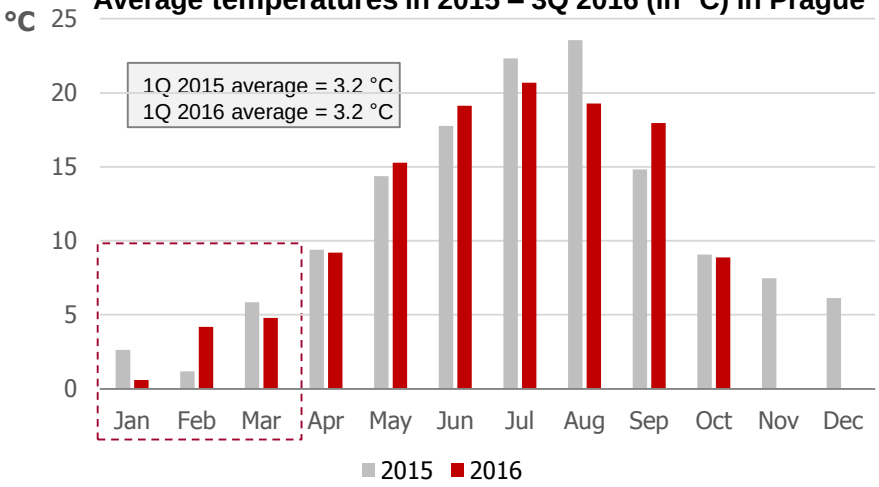
- In 3Q 2016, we report Pro forma adjusted LTM EBITDA of EUR 302 million
- Our 3Q 2016 IFRS EBITDA reached EUR 196 million, which is a deterioration by 2% compared to 3Q 2015 (please refer to slide 8 for a detailed EBITDA bridge)
- CAPEX decreased by 11% due to ongoing CAPEX optimization and the fact that EOP incurred significant one-off capital expenditures in order to comply with the stricter emission targets set forth by the European Industrial Emissions Directive, of which majority was invested in 2015. On the other hand, EP Cargo acquired a new machinery for approx. EUR 4 million in 2016

# Key developments in the Heat Infra segment

## Overview

| | Unit | 3Q 2015[1] | 3Q 2016 |
|---|---|---|---|
| Heat supplied | TJ | 10,655 | 14,311 |
| Power production | GWh | 1,385 | 2,049 |
| Space heating needs | Day – degrees[3] | 1,970 | 1,976 |
| Sales[2] | mEUR | 281 | 369 |
| EBITDA[2] | mEUR | 76 | 98 |

**Average temperatures in 2015 – 3Q 2016 (in °C) in Prague**




Source: Internal analysis based on data from Czech Hydrometeorological Institute, temperatures measured in Prague, Libus

## Commentary

- For 2016, Heat Infra segment accounted for approx. 49% of consolidated EBITDA (before intercompany eliminations and holding results)
- Heat supplied increased by 3.7 PJ primarily due to acquisition of BERT on December 10, 2015 that produced 3.9 PJ in 3Q 2016
- Power production volume was positively influenced by the acquisition of BERT that produced 590 GWh in 3Q 2016. In addition, EOP increased its power production in condensation mode compared to 3Q2015 when it underwent an outage relating to the IED refurbishment
- EBITDA increased by EUR 22 million in 3Q 2016 as compared to 3Q 2015:
  - EBITDA was positively affected by the acquisition of BERT that has contributed EUR 20 million to EBITDA and due to a slight increase in power production at EOP, which was partially offset by lower power prices, higher fuel costs and continuing decreases in allocated emission allowances in 2016 as compared to 2015

(1) Restated, Saale Energie and the HSR Group were classified as discontinued operation in 2015 and therefore they were excluded from the Heat Infra segment in 2015 and 2016
(2) Based on consolidated financial statements of EPE Group – Segment Heat Infra according to IFRS
(3) Day-degrees measure integrates the difference between reference indoor temperature and outdoor temperature over the given period of time. A higher value indicates that the temperature in the given period was below the reference temperature for a longer period of time. Day-degrees relate to all areas in the Czech Republic where EPE delivers heat

# Key developments in the Power Distribution & Supply segment
*(presented including 100% of SSE)*

## Overview

| | Unit | 3Q 2015 | 3Q 2016 |
|---|---|---|---|
| Sales[1] | mEUR | 1,228 | 1,041 |
| EBITDA[1] | mEUR | 123 | 98 |

## Commentary

- In 2016, Power Distribution & Supply segment accounted for approx. 49% of consolidated EBITDA (before intercompany eliminations and holding results)
- The 3Q 2016 results were primarily negatively impacted by SOT[2] timing difference of approximately EUR 44 million (see below). On the contrary, SSE's EBITDA was improved by approximately EUR 24 million resulting from improvements of its core business activities (which is considered partly temporary and it is expected to level off during 4Q 2016) and due to savings on cost side. While the underlying SSE's business performance is stable, due to the temporary effect from SOT, annual 2016 EBITDA is assumed at the level of EUR 110 – 125 million with relevant negative impact on its cash flows
- Furthermore, EPET experienced a drop of EUR 3 million in its EBITDA largely due to lower trading activities. The drop in trading activities is driven mostly by one-off natural gas and power trading transactions in 3Q 2015

## Overview of SOT mechanism

- SSE-D, a subsidiary of SSE is, in its role of Distribution System Operator ("DSO"), obliged to purchase electricity from renewables at regulated prices, which are higher than market prices. The DSOs are then compensated through SOTs collected from the final electricity consumers. As per current regulation, any negative balance between the DSO's costs and the SOT revenues should be taken into account when assuming new tariffs
- For the period ended September 30, 2016, the SOT income statement impact amounted to negative EUR 68 million which is EUR 44 million worse compared to the period ended September 30, 2015. At the same time, 3Q 2016 income statement impact includes EUR 55 million (3Q 2015 – EUR 40 million) of accrued revenue to be collected in 2017 (2015 – collected in 2016)

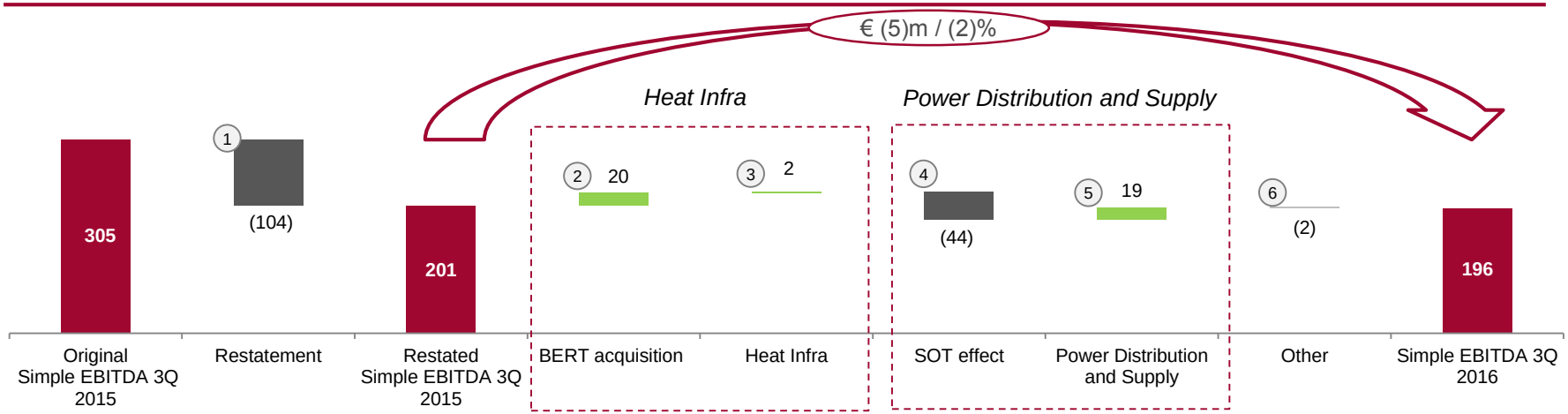
| (m EUR) | 3Q 2015 | 3Q 2016 | Difference |
|---|---|---|---|
| SSE Simple EBITDA | 106 | 86 | (20) |
| SSE SOT I/S impact | (24) | (68) | (44) |

- SSE continues to negotiate the situation with the Slovak regulator to accelerate cash collection relating to SOT
- SSE-D's distribution margin is relatively stable

(1) Based on consolidated financial statements of EPE Group – Segment Power distribution & Supply according to IFRS
(2) System Operations Tariff („SOT")

# EP Energy indicative simple EBITDA bridge 3Q 2016 vs. 3Q 2015

## Indicative EBITDA bridge[1] (m EUR)




(1) Restated: 3Q 2015 Figures were restated due to the disposal of the German assets

(2) BERT was acquired on December 10, 2015, which resulted in a contribution to EBITDA of EUR 20 million in 3Q 2016 (while EUR 11 million in 3Q 2015 which is not included in the figures presented above)

(3) The results of the Heat Infra segment (in addition to effect (2)) were positively affected by a slight increase in power production at EOP primarily in condensation mode compared to 3Q2015 when it underwent an outage relating to the IED refurbishment. This improvement was partially offset by lower power prices, higher fuel costs and continuing decreases in allocated emission allowances in 2016 as compared to 2015. Heat offtake at the Czech CHP fleet was comparable in both periods with effect of LPZ being disposed as of June 1, 2016

(4) The 3Q 2016 results were primarily negatively impacted by SOT timing difference of approximately EUR 44 million (see slide 7)

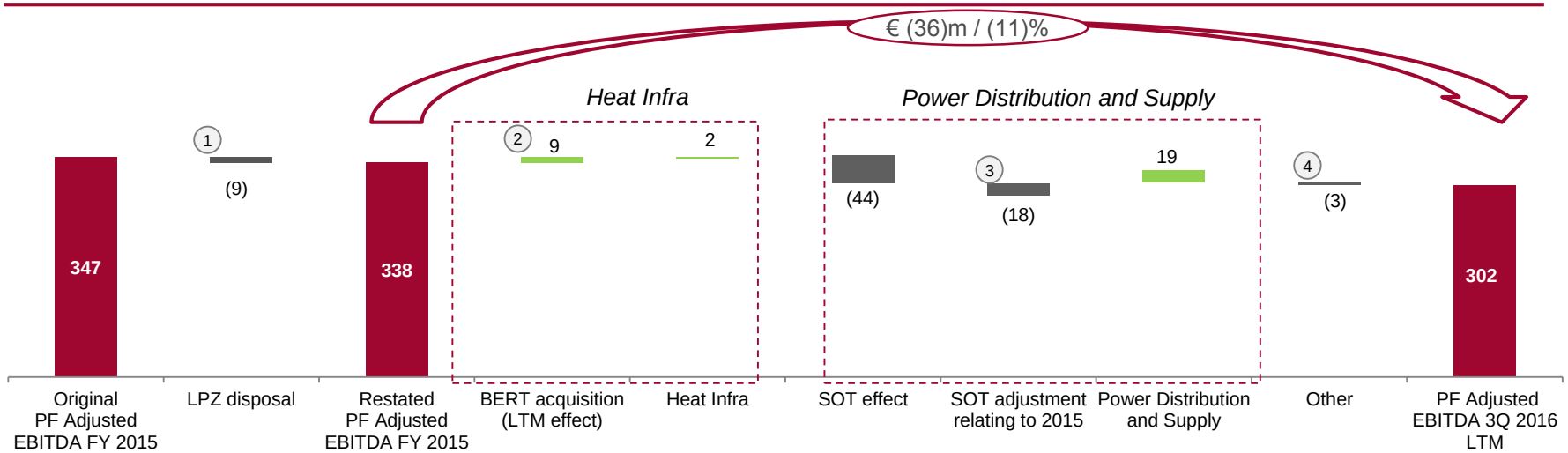
(5) EBITDA of Power Distribution and Supply (in addition to effect (4)) was improved by EUR 19 million resulting from a partially temporary improvement of SSE's core business activities of EUR 24 million, which was partially offset by drop of EUR 3 million resulting mostly from lower power and natural gas trading at EPET in 3Q 2016 and drop of EUR 2 million in the rest of the segment

(6) Other, besides results of Renewables and Holding company, includes also result of other minor entities that were disposed by EPE in 2016 (2)

(1) Figures might not add up due to rounding
(2) For more details on disposed entities please refer to the "Report on the first three quarters of the year 2016 for EP Energy, a.s."

# EP Energy indicative PF adjusted LTM EBITDA bridge vs. FY2015

## Indicative EBITDA bridge[1] (m EUR)




1 Restatement relating to LPZ disposal on June 1, 2016 in order to present like to like results

2 BERT was acquired on December 10, 2015, which resulted in a contribution to EBITDA of EUR 20 million in 3Q 2016 (while EUR 11 million in 3Q 2015), which translates into improvement of EUR 9 million on Pro forma adjusted LTM basis

3 Beginning January 2015 SSE was accruing revenue for the previous year's SOT deficit on monthly basis for expected annual amount of EUR 53 million. In December 2015 SSE received a statement from RONI confirming EUR 77 million as a compensation for the 2014 SOT loss, which is to be paid in 2016. In order to reflect linear origination of the SOT related losses, for the purposes of the Pro forma Adjusted EBITDA for the LTM period ended September 30, 2016, historical financial performance of the EPE Group was adjusted downward by three quarters of the incremental revenue recorded in December 2015 (i.e. negative EUR 18 million)

4 Includes LTM negative effect of EUR -1 million relating to minor entities disposed by EPE in 2016

The remaining effects are explained on previous slides

(1) Figures might not add up due to rounding

# Subsequent events

- On October 3, 2016 EP Energy, a.s., based on collateral sale offer, repaid EUR 3 million from its bonds (ie. EUR 2 million from the EUR 600 million bond due 2018 and EUR 1 million from the EUR 500 million bond due 2019). The repaid bonds were already cancelled
- On October 31, 2016 EP Energy, a.s. granted a loan to Alternative Energy, s.r.o., a member of EPE Group, which used the funds to repay a bank loan of EUR 4 million and an intercompany loan from EPH of EUR 3 million
- In October 2016 Energetický a průmyslový holding, a.s. entered into an agreement with a consortium of global institutional investors led by Macquarie Infrastructure and Real Assets (MIRA) on the sale of a 30% stake in EP Infrastructure, a.s. (EPIF). The remaining 70% of EPIF remains with EPH, which will also retain management control over EPIF. The MIRA-managed consortium is led by Macquarie European Infrastructure Fund 5 and includes global institutional investors. The transaction is expected to complete in early Q1 2017, following customary regulatory approvals
- In October 2016 the current shareholders of Energetický a průmyslový holding, a.s. (EPH) concluded a series of transactions, through which Daniel Křetínský (94%) and selected members of the existing management of EPH (6%), will become sole owners of EPH going forward. The transaction is pending closing and is expected to be finalized in early 2017 (linked to the completion of sale of minority share in EPIF to MIRA

# Wrap-up

- IFRS EBITDA of EP Energy reached EUR 196 million, which is EUR 5 million, or 2%, lower compared to the corresponding period of the last year. The Pro forma Adjusted EBITDA for the last twelve-month period ended September 30, 2016, reflecting full consolidation of SSE reached EUR 302 million compared to EUR 338 million for the fiscal year ended December 31, 2015
- The 3Q 2016 results are primarily affected by:
  - Acquisition of BERT, a leading heat and power producer in Hungary based in the Budapest area
  - Improved underlying performance of SSE in 3Q 2016 was negatively affected by timing difference resulting from System Operations Tariff („SOT“). SSE 2016 annual EBITDA assumed at the level of EUR 110 – 125 million with relevant negative impact on its cash flows
  - Declining power prices and simple spread accompanied with decreased free allocation of emission allowances had certain adverse affect on our results
- Activities and assets held by EP Infrastructure, a.s. („EPIF“), the parent company, were reorganized, which included disposal of German mining and power generation assets („German assets“) and shares in non-core entities for cash consideration
- On June 1, 2016 PT sold its shareholding in LPZ to a third party for approx. EUR 71 million (CZK 1,920 million) subject to post-closing adjustments, which were to be calculated based on working capital movement. As of September 30, 2016 no additional receivable was recorded, on October 20, 2016 the final purchase price adjustment of EUR 11 million was approved and settled. The total sales price was therefore EUR 82 million
- Following to the completion of reorganization, Fitch affirmed EP Energy’s Long-term Issuer Default Rating (IDR) at ‘BB+’ with outlook stable (BBB- for senior secured bonds)
- As previously announced, on May 2, 2016 EPE declared a cash dividend of EUR 40 million, which was paid in September 2016

# Q&A

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# Appendix – key operating performance indicators

## Overview

| Operating performance[1] (EPE excluding SSE) | Unit | 3Q 2015 | 3Q 2016 | Change |
|---|---|---|---|---|
| Installed cogeneration capacity | $MW_e$ | 500 | 904 | 404 |
| Installed condensation capacity | $MW_e$ | 360 | 360 | – |
| Installed heat capacity[2] | $MW_{th}$ | 3,195 | 3,326 | 131 |
| Power produced | GWh | 1,385 | 2,049 | 664 |
| Grid balancing services | GWh | 1,041 | 1,588 | 547 |
| Heat supplied | TJ[3] | 10,655 | 14,311 | 3,656 |
| Power supplied | GWh | 1,350 | 1,721 | 371 |
| Natural gas supplied | GWh | 971 | 1,222 | 251 |

| Operating performance of SSE[1] | Unit | 3Q 2015 | 3Q 2016 | Change |
|---|---|---|---|---|
| Power supplied | GWh | 2,837 | 2,863 | 26 |
| Natural gas supplied | GWh | 236 | 213 | (23) |
| Power distributed | GWh | 4,279 | 4,315 | 36 |

## Commentary

- Installed cogeneration and heat capacities increased by 404 MWe and 131 MWth respectively, due to acquisition of BERT, while the Installed condensation capacity remained at the same level. In addition, disposed shareholding in Pražská teplárenská LPZ, a.s. ("LPZ") operated installed heat capacity of 525 MWth and installed cogeneration capacity of 2 MWe
- Power produced increased by 48%, which is primarily attributable to acquisition of BERT in December 2015 that produced 590 GWh, of which 539 GWh in cogeneration mode, in 3Q 2016
- Grid balancing services increase of 53% reflects primarily acquisition of BERT, generating 267 GWh in 3Q 2016, and partially a higher success rate in winning tenders for these services in the Czech Republic
- Heat supplied increase of 34% is primarily attributable to acquisition of BERT, that supplied 3.9 PJ in 3Q 2016
- Natural gas supplied increased by 26%, which is mainly driven by additional customer base obtained by EPET through its acquisition of Optimum Energy, a.s. in August 2015
- Power supplied and power distributed by SSE remained stable

(1) The operating data are based on the results of the respective entities on a 100% basis for the full period, regardless of the date when each entity joined the EPE Group or the ownership share of the EPE Group in each entity. The EPE's majority interest in BERT was only acquired on 10 December 2015 and therefore the below data include results of BERT for the first three quarters 2016 only. Similarly, the nine-month period ended September 30, 2016 includes operations of Pražská teplárenská LPZ, a.s. ("LPZ") for five months only as it was disposed on June 1, 2016. Specifically, installed capacity (i) as of September 30, 2016 includes capacity of BERT and does not include capacity of LPZ and (ii) as of September 30, 2015 does not include capacity of BERT and includes capacity of LPZ

(2) Installed heat capacity on heat exchangers

(3) 1 TJ = 0,2778 GWh

# Appendix – Pro forma adjusted EBITDA calculation

**EP Energy** *(SSE on 100% basis)*

- Pro forma Adjusted EBITDA represents pro forma profit from operations plus pro forma depreciation of property, plant and equipment and pro forma amortization of intangible assets minus pro forma negative goodwill (if applicable) further adjusted to reflect
  - a consolidation of a 95.62% share in Budapesti Erömü Zrt. („BERT“) acquired on December 10, 2015 using the full method of EBITDA consolidation (EUR 22 million for FY2015, of which EUR 6 million relates to period October 1, 2015 to November 30, 2015)
  - a deconsolidation of share in LPZ disposed on June 1, 2016 using the full method of EBITDA consolidation (EUR 11 million for twelve-month period ended September 30, 2016, of which EUR 4 million relates to period October 1, 2015 to December 31, 2015, and EUR 7 million for period January 1, 2016 to June 1, 2016)
  - exclusion of EBITDA of several minor entities that were disposed in 2016
  - revenue relating to accounting for System Operations Tariff (“SOT”) at SSE in 2015

- Pro Forma Adjusted EBITDA calculation:

| Pro Forma Adjusted EBITDA calculation | LTM Sept 30, 2016 (m EUR) |
|---|---|
| Actual IFRS EBITDA 1-9 / 2016 | 196 |
| Actual IFRS EBITDA 1-12 / 2015 | 331 |
| Actual IFRS EBITDA 1-9 / 2015 | (201)[1] |
| **LTM Simple EBITDA** | **326** |
| BERT Pro Forma Adjustment | 6 |
| LPZ Pro Forma Adjustment | (11) |
| System Operations Tariff adjustment | (18) |
| Adjustment for other minor disposals | (1) |
| **LTM Adj. Pro forma EBITDA** | **302** |

(1) Restated: Consolidated financial statements of EP Energy a.s. as of and for the nine-month period ended September 30, 2015 have been restated as the German assets were reclassified to assets and liabilities held for sale and operations were classified as discontinued

# Appendix – Other

## 2015 Financial statements restatement

- As part of the reorganization of EPIF in 2016, the Company 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 through restatement of comparatives as discontinued operations as of and for the for the nine-month period ended September 30, 2015. Gain on disposal of these operations is presented as Gain (loss) on disposal of subsidiaries, special purpose entities and associates in the statement of comprehensive income for the nine-month period ended September 30, 2016 (i.e. does not affect EBITDA)

## Net Debt calculation

- Total net debt per financial statements balance is based on the consolidated financial statements (Total Loans and borrowings plus Total Financial instruments and financial liabilities less Cash and cash equivalents). The Total net debt included in this report does not represent the term Indebtedness as may be defined by any documentation for any financial liabilities of the EPE Group

| **Net Debt calculation as of September 30, 2016** | | **m EUR** |
|---|---|---|
| Loans and borrowings (non-current) | *add* | 1,137 |
| Financial instruments and financial liabilities (non-current) | *add* | 20 |
| Loans and borrowings (current) | *add* | 39 |
| Financial instruments and financial liabilities (current) | *add* | 4 |
| Cash and cash equivalents | *less* | 441 |
| **Net Debt as of September 30, 2016** | | **759** |

- The Net Debt included in this report does not represent the term Indebtedness as may be defined by any documentation for any financial liabilities of the EP Energy