

SEVEN ENERGY

GROUP PROFILE 2020



OUR MISSION IS TO BRIDGE THE GAP BETWEEN THE WORLD OF TODAY AND TOMORROW'S ENERGY



"Building on our expertise in conventional power generation, we have evolved into a strong energy player providing services for energy systems going through a green transformation."

Pavel Tykac
Ultimate Beneficiary



"We see potential to grow thanks to our tradition: competent people and our ability to add value."

Lubos Pavlas
President & Group CEO

Our Group in a Nutshell

We are
a European
Electric Power
Industry Group

We strongly believe that the combination of our long-term expertise in traditional energy production combined with our strive to expand our know-how into new energy segments shall bring value to assets beyond our current scope. Our objective is to be the bridge between the energy of today and tomorrow – to address the continuing demand for reliable energy and the ambitious goal of making the energy markets more renewably-fuelled.

For more than a decade we have built in this heritage step by step, from operating coal mines and power plants into providing complex engineering services and developing international commodities trading to become a strong player in the European energy markets.

Today, we strive to build a European asset base to offer a wide range of services to the European energy market, encompassing but not limited to energy. We believe our core business will stay in demand for quite some time to come, since energy systems running on large and rising shares of volatile renewable electricity generation will need flexible, reliable assets.

In line with these aspirations, our company targets professionally managed, highly efficient and flexible power generation assets across Central and Western Europe – be it conventional power generation such as coal and gas, or smaller units fired with biomass. These assets are run on a stand-alone basis using the expertise of local staff and management, and will be integrated into Sev.en Energy Group's trading portfolio to leverage solutions to the markets.

Ambitious
and highly
professional
team, with strong
credibility, market
reputation and
long-standing
energy sector
expertise.

The Sev.en Energy Group's take on business is entirely entrepreneurial, with a long-term perspective. Pavel Tykac, its sole ultimate beneficiary, is an independent investor willing and able to support the Group's further growth. He came to the energy sector in 2006, when he acquired a 50 percent share in the lignite company Mostecká uhelna in Northern Bohemia. The company was then renamed Czech Coal, which, in turn, became today's Sev.en Energy Group.

The owner expressed his long-term approach of continuous investment into the assets that had been acquired, which enabled significant technical upgrades. Local communities have benefited from this sustainable style of business, and until today, the importance of strong ties with local communities at the Group's sites is held in high regard.



**Our core
competence
stays in classical
conventional power
generation,
because we believe
in its important
transitional role
towards a greener
future.**

Our growth strategy

“We are already a well-known player in the Czech Republic. Following a period of intense and systematic development of our skills, portfolios and processes, we are now ready to expand internationally.”

We aim to strategically grow throughout Europe and to substantially expand our portfolio of conventional power plants, mostly gas fired. In doing so, we safeguard future options for conventional plants, their staff and the respective local communities.

Globally, **the transition from carbon-based power sources towards renewable energy generation is in full swing.** However, today's technologies do not yet allow for a complete phase out of conventional power plants. Flexible and robust fossil plants continue to play a critical role in maintaining supply stability and controlling grid flows, thus supporting a swifter build-up of renewable capacities.

In Europe, we want to be the enablers of that transition, bridging the gap between the world of today and tomorrow's energy. We are convinced that conventional plants will be replaced at some point by industrial-scale energy storage, smart grid systems and responsive demand side management. However, there is a transition period that may last several years. Sev.en Energy aims at supporting that transition by responsibly operating fossil plants that benefit both energy systems and consumers.

Our operating strategy is the following: To share the best practices across all assets, to meet all environmental standards and invest in further

options for sustainable power generation.

Our **European-wide trading team** can plug all the plants in to their sophisticated systems of fuel sourcing, placing power on the markets and their hedging strategies in order to maximize value derived from the assets.

Even towards the end of a useful life, we will look for alternatives for these assets, such as power-to-gas technologies or similar innovative concepts that could give yet a new horizon to the plants and their employees.

Focus is the new recipe for success, and today's energy sector calls for top players in clearly defined strategic niches.

They replace the fully integrated super companies of the past that had spanned the entire value chain and beyond.

Our niche is the power generation for high-performing conventional assets until they cease to be needed in the energy system.

We assume responsibility for their entire life span. That includes searching and assessing technological alternatives like power to gas and other innovative solutions that may well expand the perspective for each plant and its teams.

Our strategy is complementary to major traditional operators who are often required to divest their conventional plants. Employing our long-standing

operational experience, we are ready to discuss options for any such asset acquisition. Moreover, as a private company, we are independent from external stakeholders' pressure. We purposefully invest in conventional assets and have full command over the deployment of our own capital resources.

Our mission is to provide a perspective to conventional power plants as long as they are systemically needed and thus offer a robust basis for a swift transition of the energy sector towards a fully sustainable future.

Alan Svoboda
Executive Director



4 FUNDAMENTAL CHARACTERISTICS THAT BEST DESCRIBE OUR GROUP

1

**DEEP-ROOTED
TECHNICAL
EXPERTISE**

2

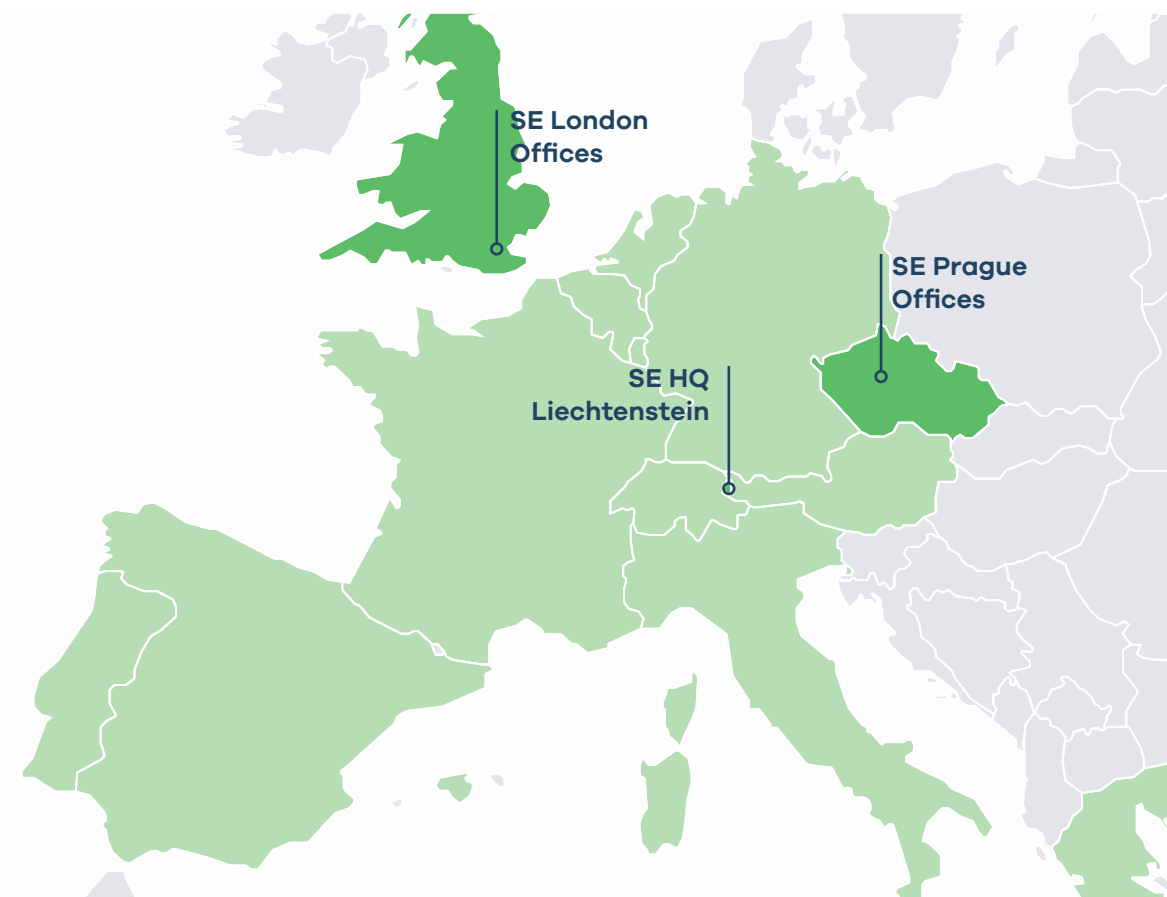
**FINANCIAL
STABILITY AND
INDEPENDENCE**

3

**OPERATIONAL
EXCELLENCE**

4

**ENTREPRENEURIAL
SPIRIT**

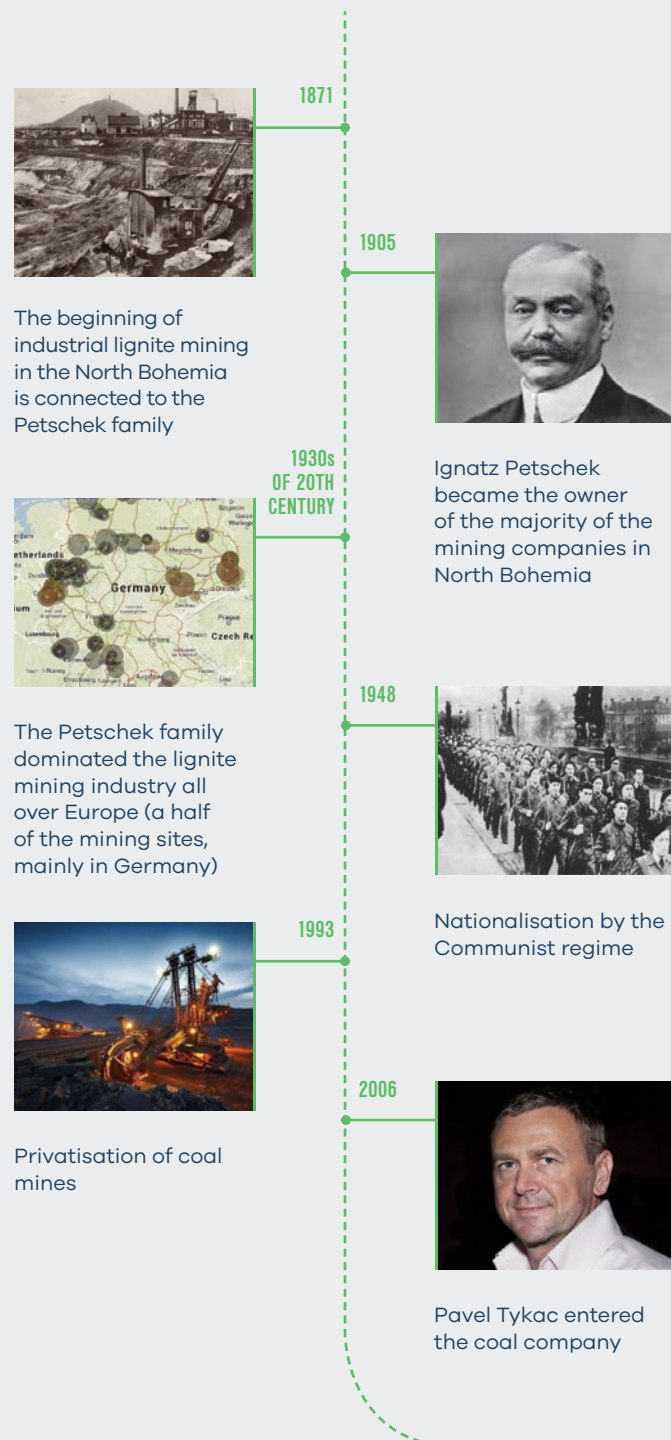


Our Key Target Markets

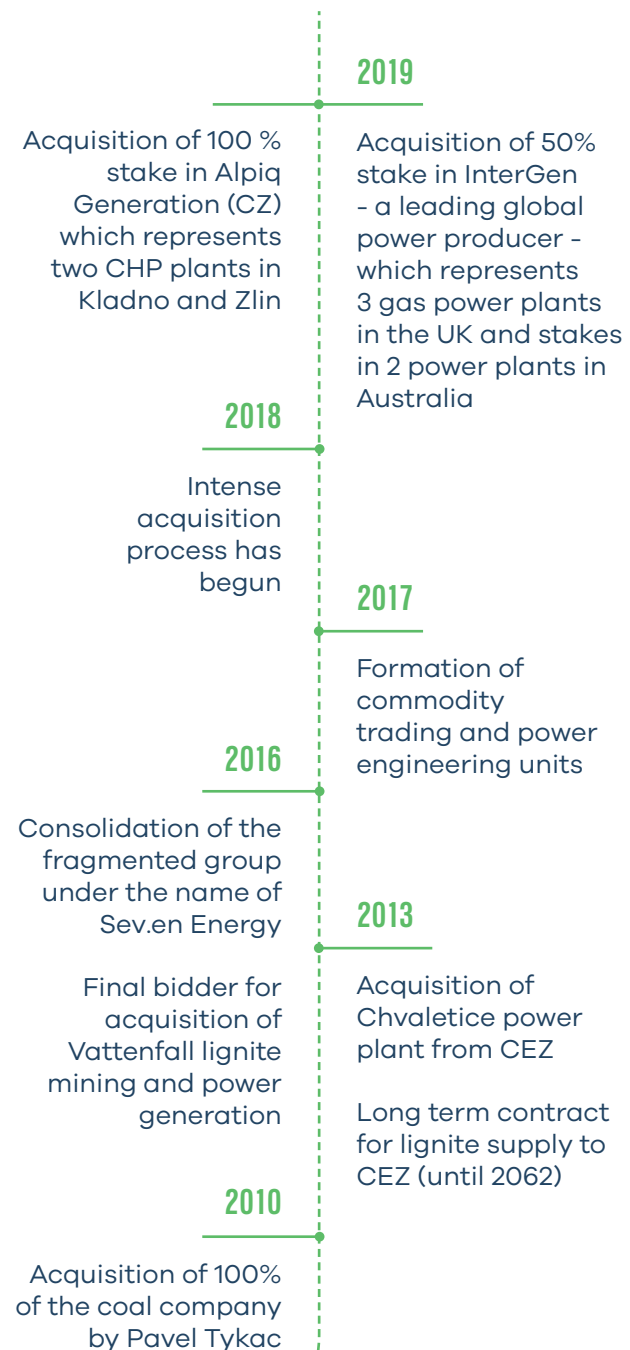
■ Sev.en Energy Group Offices
■ Sev.en Energy Group Target Markets

Our History

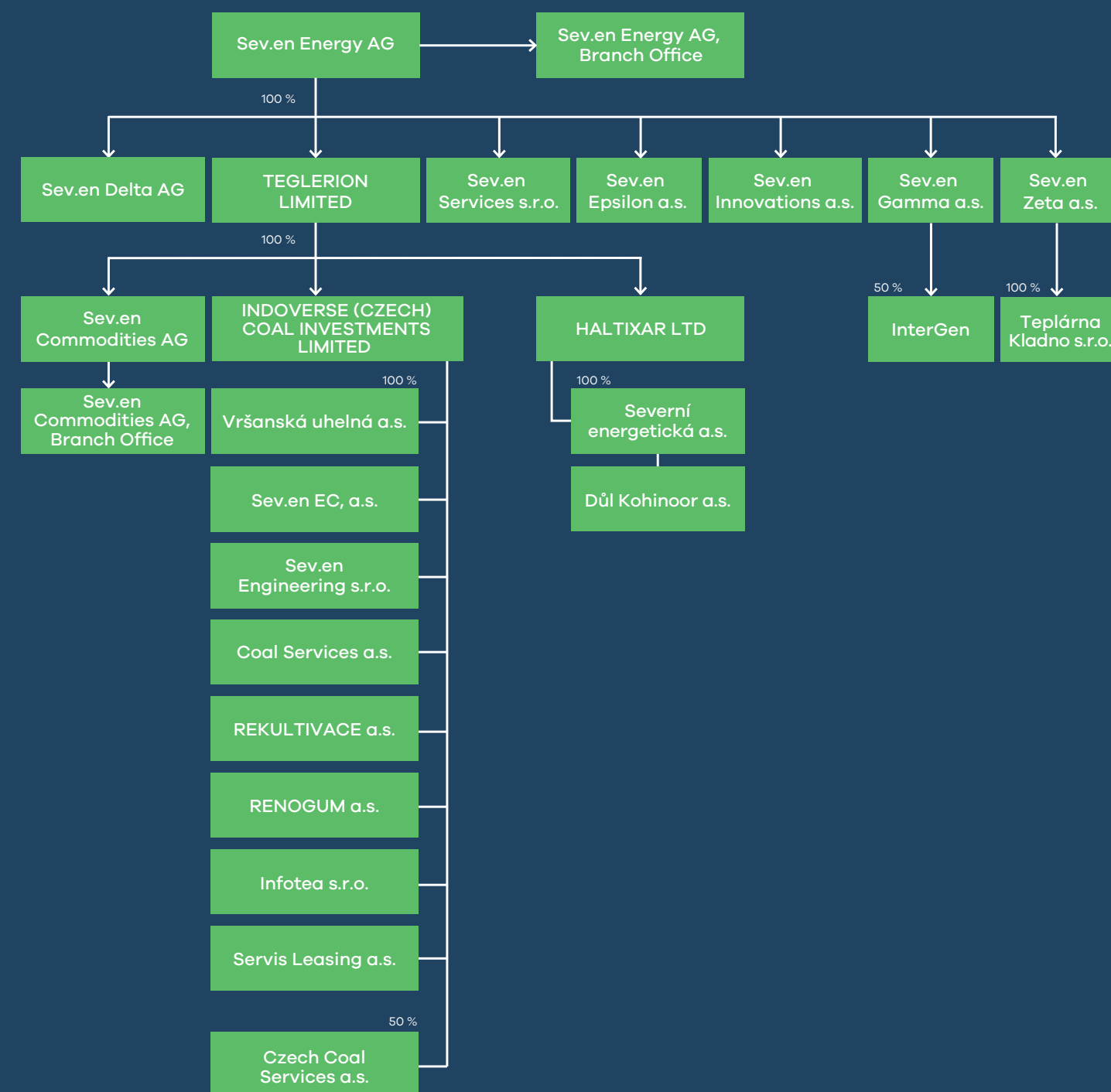
At the heart of our Business is almost 150 Years of Mining History



Our Track Record



Our Group Structure*



* Simplified ownership structure of Sev.en Energy AG, valid to date of November 1, 2019

Our Key People

We are proud that our team is composed of top professionals from the power industry. All the people have a long and proven track record and the right balance between professional competence, managerial skills and experience.



Lubos Pavlas

President & Group CEO

Lubos was appointed as the new CEO of the Sev.en Energy group in October 2018 and is responsible for the management and development of the Sev.en Energy group in the Czech Republic and worldwide.

He relies on his extensive expertise and experience in the energy industry. He has been working in various positions within the group for almost 10 years. In the past, he worked in various managerial positions within the ČEZ Group and was also the Chair of the Board of Directors and CEO of Pražská teplárenská.



Jiri Postolka

Group CFO

Jiri Postolka is a new addition to the financial team of Sev.en Energy. He joined the company in December 2018 and was appointed Director of Sev.en Services s.r.o., as well as Group CFO. At Sev.en Energy, he will supervise financial operations and strengthen control activities.

Jiri has been faithful to the world of finance since he started his career 23 years ago. In the last 10 years, he has managed tax and accounting departments in various companies of the CEZ Group.



Alan Svoboda

Executive Director

Alan manages the strategic development and expansion of the group in Europe. His task is to concentrate on acquisitions in European energy, including the provision of financing.

His main focus is on both conventional and advanced energy-saving technologies. He aims to invest in intelligent distribution and supply of electricity to end customers. He also participates in the long-term development of realised investments.



Petr Lenc

General Manager of Group Mining Companies

Petr took over the management of the Group's mining companies – Severní energetická and Vršanská uhelná – at the end of 2019 and in early 2020. His task is to continue with the most environmentally-friendly extraction and thorough land restoration, which are key principles of the Group's responsible and sustainable business operations. He has long-term experience in managerial positions in the energy sector.



Vaclav Matys

General Manager of Chvaletice Power Plant and entrusted with the management of Sev.en Engineering

Vaclav joined the group in October 2018 and became a general manager of the group's energy generating facility in Chvaletice. His principal project is the modernisation of Blocks 1 and 2. He spent most of his professional life in the CEZ Group in various managerial positions, most notably in a division of classical energy generation and in another of renewable energy.



Milan Prajzler

General Manager of Kladno Heating Plant

Milan has been the general director of the heating plant in Kladno since 2002, the heating plant in Zlín since 2011. Both operations became part of the Sev.en holding in September 2019. He is responsible for running the modern cogeneration units that produce both heat and electricity. At the Kladno heating plant, this also includes supplies of support services.



Michal Skalka

Executive Director of Sev.en Commodities

Michal leads Sev.en Commodities AG, which took over the trading activities of Severní energetická and Sev.en EC. He is building on the long-standing business tradition of the group in the Czech Republic. Michal Skalka has extensive experience with commodity trading in Central and Eastern European markets. His task is to develop commodity trading at European level. His experienced team also participates in market analyses and business outlooks.



Petr Antos

Group COO

Petr is the chairman of the board of Vršanská uhelná, Severní energetická and Coal Services. He contributes to the management of key projects of Sev.en Energy in the Czech Republic and is in charge of smaller service companies in the group.

Petr graduated from the Faculty of Civil Engineering at the Czech Technical University in Prague. He has extensive experience as a manager in several fields, including banking and asset management.

Key Facts About Our Group

105

million tons
of coal mined
since the date
of acquisition



3 600



number of
employees



revenues in EUR (2018)*

789 000 000

20 990

GWh of
Electrical
Energy
Produced
since 2013



82

million EUR
of Paid Taxes (2018)



* Represents sum of revenues of subsidiaries and associates of the Group, corresponding to relevant share held

2019 acquisitions

**100% stake
in Alpiq
Generation (CZ)**

588^{MW}

of installed
capacity for
cogeneration
of heat and
electricity

2

CHP plants in
Czech Republic,
in Kladno
and in Zlin

**50% stake
in InterGen**

3^{GW}

combined
effective
capacity of new
acquisitions
in the UK
and Australia

5

newly acquired
gas and coal
power plants
in group
portfolio

Our Key Business Areas

Power and Heat Generation



Power Engineering



Commodity Trading



Mining



Land Restoration



Power generation

4.7 TWh
produced electricity in 2018

820 MW total installed capacity in Czech Republic	4 units of the Chvaletice power station	2016 the year of a total refit of two power generation units (the second phase is planned for the year 2021)
--	--	---



Power plant Chvaletice, Czech Republic

Sev.en EC Chvaletice Power Plant became a part of the Group in 2013. Sev.en Energy bought the shares in this utility from the CEZ Group. This move marked the Group’s entry into the electricity and heating markets as a major new utility



“In 2016, the group invested in overhauling of two units of the Chvaletice power plant, with the aim of effectively curbing emissions. The remaining two units will be ready in 2021. What we promise in terms of prospects and plants is sound and transparent.”

Vaclav Matys, General Manager of Chvaletice Power Plant



Power Plants in United Kingdom and Australia

Due to the purchase of the Ontario Teacher’s 50% stake in InterGen – a leading global power producer – the portfolio of power generating capacities has increased by 5 facilities. Three combined cycle gas plants in the UK and two coal power plants (partially owned by InterGen) in Australia. And combined capacities increase by 4 GWh.

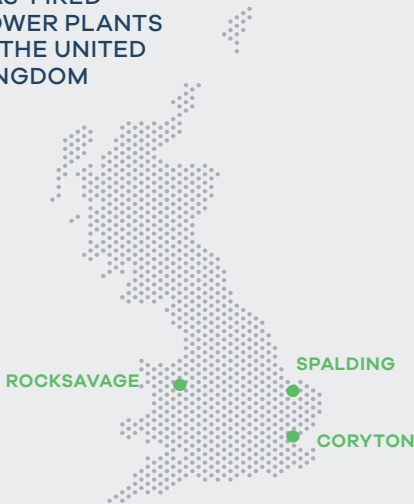
3

newly acquired gas power plants in the UK

2

newly acquired coal-fire power plants in Australia

GAS-FIRED POWER PLANTS IN THE UNITED KINGDOM



ROCKSAVAGE
Runcorn, Cheshire, England
Operation launch: **1998**
Output: **810 MW**
Type: **CCGT**
Turbine: **Alstom GT26**
Group’s ownership interest: **50%**



CORYTON
Essex, Thurrock, England
Operation launch: **2002**
Output: **800 MW**
Type: **CCGT**
Turbine: **Alstom GT26**
Group’s ownership interest: **50%**



SPALDING
Spalding, Lincolnshire, England
Operation launch: **2004**
Output: **880 MW**
Type: **CCGT**
Turbine: **General Electric 9FA**
Group’s ownership interest: **50%**

AUSTRALIAN POWER STATION



CALLIDE C
Biloela, Queensland, Australia
Operation launch: **2001**
Output: **920 MW**
Type: **supercritical thermal**
Turbine: **Toshiba**
Group’s ownership interest: **minority**



MILLMERRAN
Millmerran, Queensland, Australia
Operation launch: **2003**
Output: **850 MW**
Type: **supercritical thermal**
Turbine: **Ansaldo**
Group’s ownership interest: **minority**

Heat generation

524^{MW}
cogeneration source output

5	18 000	250
fluidized boilers	households, including municipal and commercial buildings supplied with heat	employees



Heating plant Kladno Czech Republic

The Kladno heating plant has five production units (B4, B5, B6, B7, B8), of which four are designed for the simultaneous production of electricity and heat for heating and technological purposes. The primary fuel used for electricity and steam production is coal, with the possibility of co-firing biomass.

Currently, only modern equipment gradually put into operation between 2000 and 2013 is being operated in Kladno, and therefore the heating plant meets the strict ecological limits of both the Czech Republic and the new European Union regulations valid from 2021.



“Both of our heating plants generate heat for more than 35 000 customers in Kladno and Zlín. We are a stable and socially responsible company for whom fair behaviour towards our customers, employees and trading partners is of key importance to us. We also place a heavy premium on protecting the environment and maximizing the reduction of the impact of our operations on the surrounding area.”

Milan Prajzler, General Manager of Kladno Heating Plant

Heating plant Zlin Czech Republic

17 000
households, including municipal and commercial buildings supplied with heat

2	64 ^{MW}	150
fluidized boilers	cogeneration source output	employees



The heating plant in Zlín has two main production units (B31, B32) as well as three medium-pressure boilers located on the grounds of the former Bata plant. The main production units are two fluidized bed boilers connected to the TG31 and TG32 turbogenerators.

The primary fuel used for electricity and steam production is coal, complemented with co-firing of biomass and biogas. The technology used and the way it is operated ensure the maximum limitation of emissions into the air.



Power Engineering

100

expected budget of the biggest currently running project

30

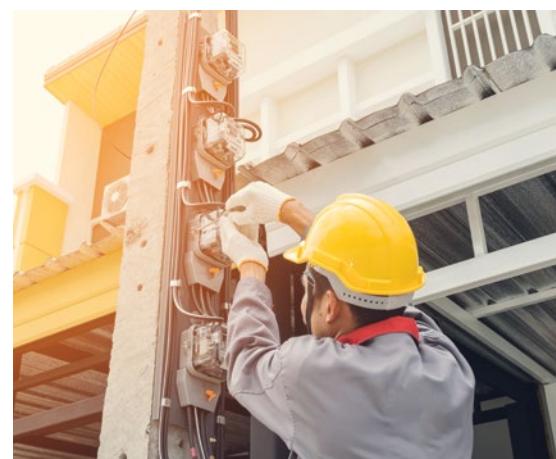
highly competent professionals

2

offices – Prague and at the Chvaletice Power Plant

Sev.en Engineering focuses on the preparation and realisation of modernisation projects, which guarantee the reliable and ecological running of traditional power plants.

The scope of offered services covers from project preparation, realisation of construction, technical and organisational activities in areas ranging from fire protection to occupational safety. Last but not least, they are responsible for the maintenance and technical support for the Chvaletice Power Plant.



"We continue the famous tradition of Czech mechanical engineering. Professional competence and long experience of the whole team create a perfect balance between the optimal planning of power production and the need to protect our environment."

Vaclav Matys, entrusted with the management of Sev.en Engineering

Commodity Trading

12 200

GWh

of traded (and cleared) electricity in 2018

14

million of EUA cleared in 2018

39

members of the professional trading team

Sev.en Commodities is a major player in the Czech energy market and plans to become an important player in the European energy market. As a part of Sev.en Energy, the company trades in electricity and emission allowances on European wholesale markets through energy exchanges, brokers, and trade counterparts. The trading part of the group also provides production optimisation, hedging, and dispatch control for the Sev.en Energy Chvaletice power station and for Teplárna Kladno heating plant which has its plants in Kladno and Zlín in the Czech Republic.



"The creation of a central commodity trading unit is crucial to effective utilisation of the group's energy assets and margin maximization. We aim to provide the group with professional energy trading services and grow our hedging and trading activities on a European scale."

Michal Skalka, Executive Director of Sev.en Commodities

Lignite mining



Traditionally rooted in the conventional power-generating business, we are engaged in the extraction of coal. We are committed to the responsible mining of domestic lignite, thereby reducing the Czech Republic's foreign energy dependence while enhancing our industry's competitiveness and scaling up affordable heat for households.

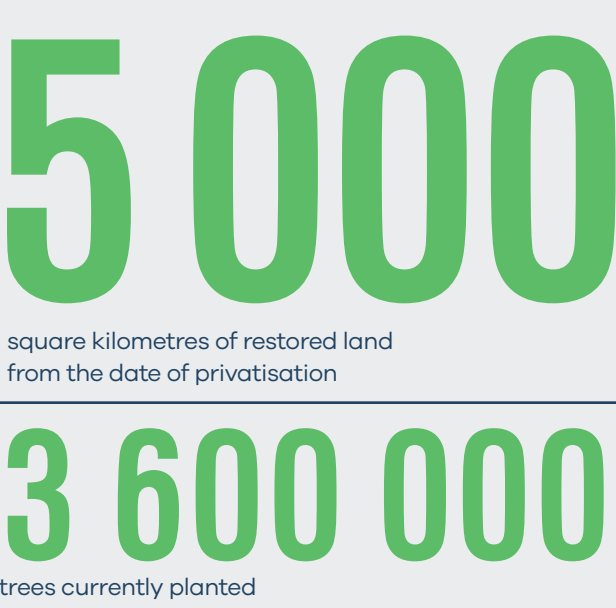
Seven Energy operates two lignite mines: the CSA surface lignite mine and the Vrsany mine, both located in North Bohemia. With our operations, we contribute to preserving a significant share of lignite in the Czech Republic's energy mix.



"We strive to limit the environmental impact of our business. More than two thirds of the area affected by our mining activities have been reclaimed or are undergoing reclamation (e.g. forestry, agriculture, hydro or parkland)."

Petr Lenc, General Manager of Mining Companies

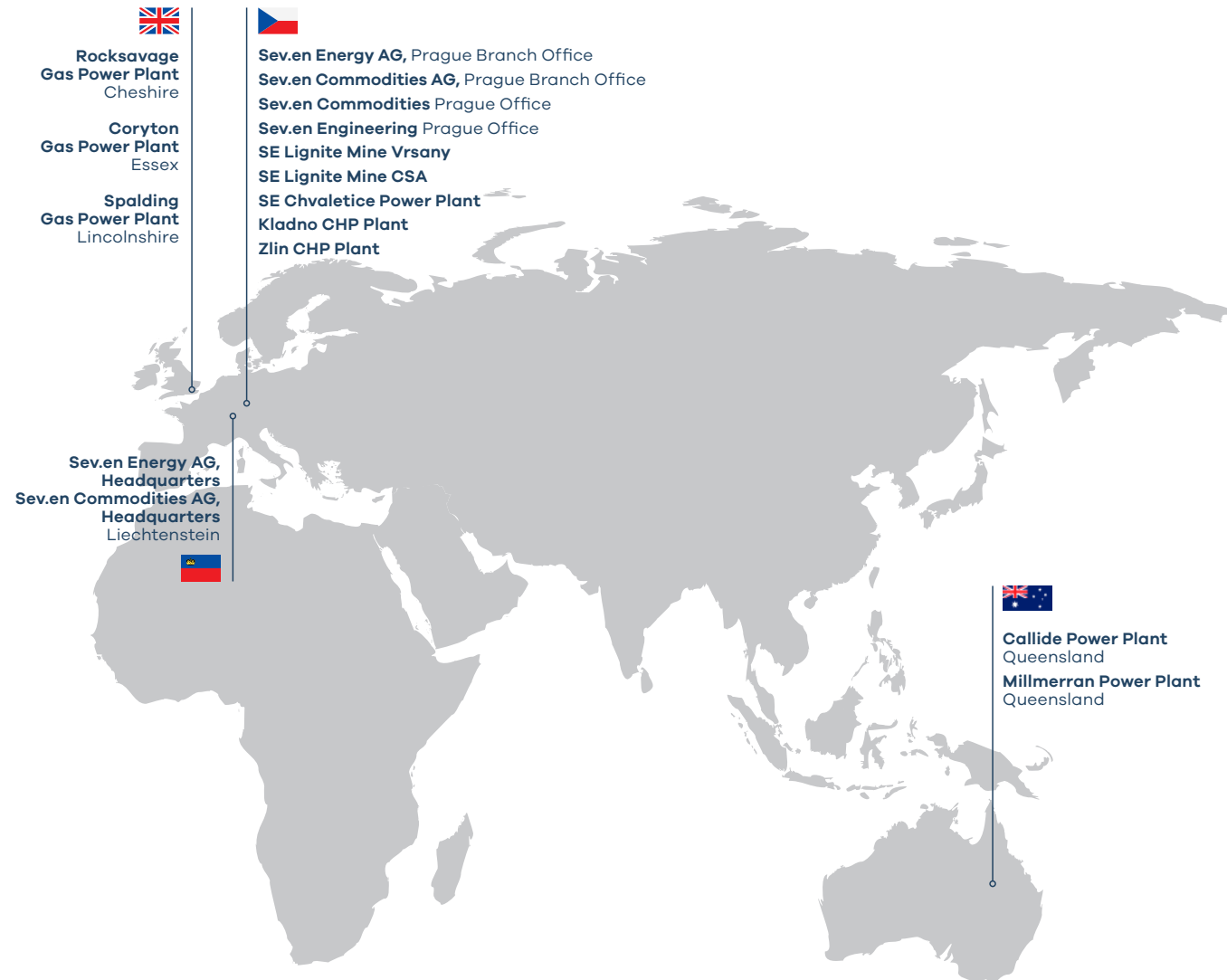
Land restoration



We believe the renewal and creation of land resources in the area affected by industrial activity is a natural part of our work. It is a designed activity, and the individual parts (fields, forests, meadows, water surfaces) must functionally fit together. This creates an environmentally balanced landscape with a stable ecosystem that is economically efficient, healthy, hygienic and socially acceptable. Over the past 60 years, more than 7,000 hectares have been restored and returned to use in one of our localities – the Most region. Here, along with mining, a reclamation process is under way to create a new multifunctional landscape that includes agricultural and forest land, smaller and larger water surfaces and land left for natural regeneration in appropriate habitats. In places where coal was recently mined, grapes are now harvested, mouflons and foxes roam the reclaimed landscape and we can catch a glimpse of sand martins that nest there every year.



Our Group on the Map



We Build on Our Values



Efficiency

We believe in daring visions, but at the same time we understand that between tomorrow's vision and today's reality there is a lot to do. We believe that if you want to succeed in today's world you have to be able to think creatively, while also maintaining practical reasoning.

Sustainability

We help to make people's everyday lives easier and safer: to be able to switch on the lights, to make a morning coffee, to warm their homes after a busy working day. We do it to using natural resources. But like our predecessor, we strongly believe that when we use something, we should give it back in the best possible condition. We not only believe in it, we do it. And we have been doing it since 1908. And have always been the best at it.

Responsibility

We are not only professionals, we are neighbours, citizens and people who understand when somebody needs help or support. That's why our corporate social responsibility programme covers a broad spectrum of good cause initiatives, from supporting local communities to internationally recognised support for the Czech language at Oxford University.

We Believe in Sustainability and Fairness

Sustainable Business

An important part of our daily work is awareness of our responsibility for preserving the entrusted value for future generations. We consider it our duty to restore the landscape affected by our activities to its original state. At the same time, we constantly strive to improve the environment, efforts that build on a long tradition. For example, as far back as in 1908, the first land restoration office was established in the town of Duchcov at the edge of the mining area, long before the word "sustainability" became a part of our modern vocabulary.



Fair Employer

The companies of the Sev.en Energy Group are major employers and have a significant impact on the economic and social situation in the regions where they operate. The Group considers employee care a key value and the foundation for its development. The Group's management is aware of the need for skilled, loyal and motivated employees that contribute to its operations and long-term performance. Therefore, the Group uses every opportunity to provide its people with interesting job prospects.

We Believe in Social Responsibility



Local Support

Clever Heads for North
long-term school support programme

Local Municipalities Support
long-term partnership programme

Most Black Angels
sponsoring a women's handball team

City of Most Hospital Neonatal Dept.
co-financing partnership

HC Dynamo Pardubice
sponsoring a professional ice hockey club

One-off regional projects and operational support

National Support

North Bohemia Regional Support
partnership supporting the region on the national level

East Bohemia Regional Support
partnership supporting the region on the national level

Food for children
unique project supporting disadvantaged schoolchildren

International Support

Ivana and Pavel Tykac Fellowship, University College, Oxford University
supporting teaching of the Czech language in one of the most prestigious British university

almost **2 000 000 EUR**
of financial support in 2018

Our Key Financial Figures 2018

Revenues*		EBITDA (adjusted)
789 million EUR		185 million EUR
ROE		Total Assets
23.2%	ROCE	864 million EUR
		ROCE, including EUA revaluation
		13.6%

* Represents sum of revenues of subsidiaries and associates of the Group, corresponding to relevant share held



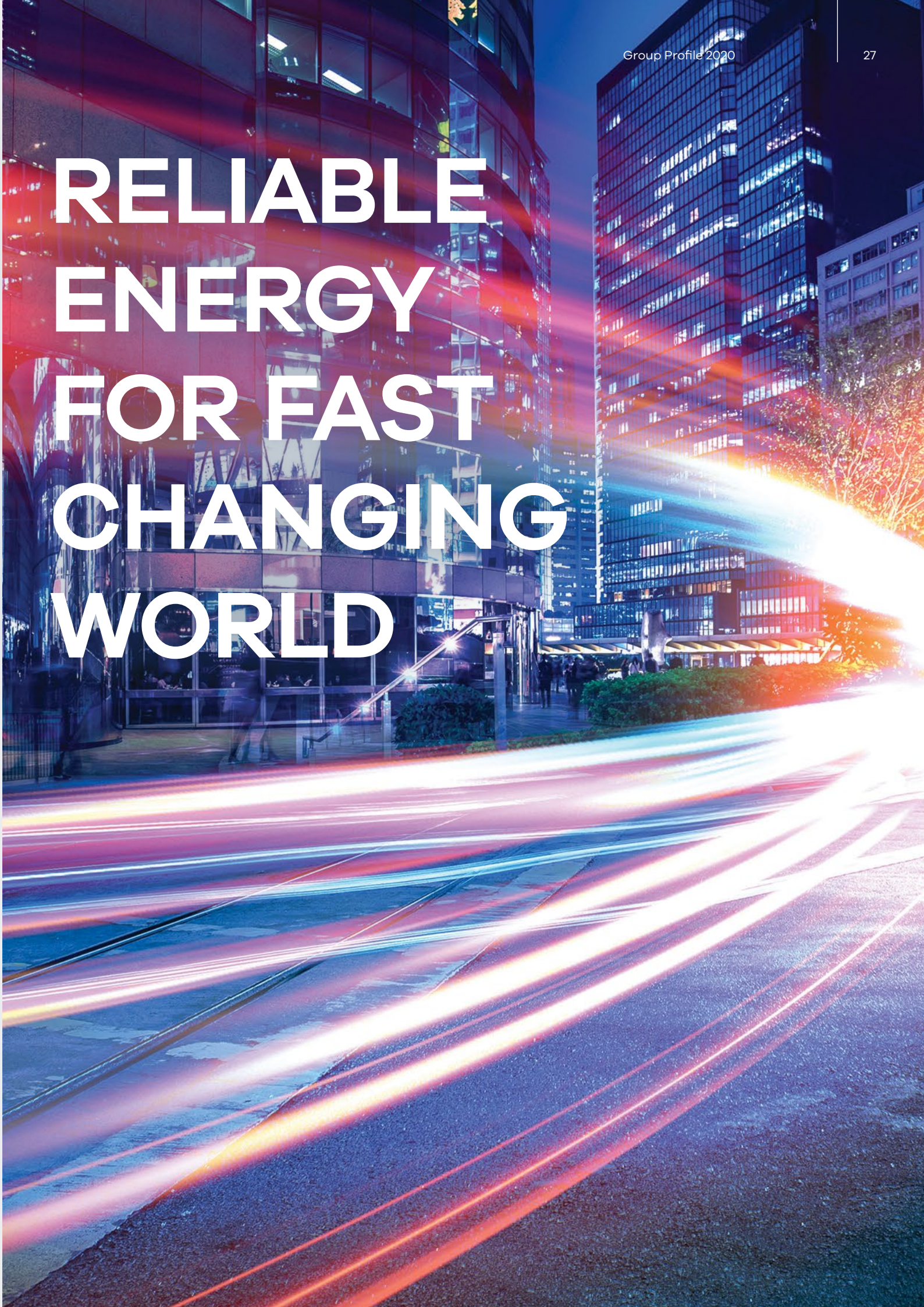
Jiri Postolka, Group CFO

“Over the last several years, the Sev.en Energy group has undergone major restructuring and consolidation. The aim of the changes was to streamline the workings of the entire system and prepare the structure for international expansion.

We have finalized the international acquisition of 50% share in InterGen N.V. and we have closed the acquisition of Alpiq Generation (CZ) s.r.o. The company was renamed

to Teplarna Kladno s.r.o. By the end of 2019, we will also know whether ČEZ will utilise its option to go back on its previous decision to sell the Počerady power plant to the Sev.en Energy group.

Even though our acquisition activities did not have a very significant impact on the first consolidated financial results for 2018, the year 2019 is very important for the group in this respect.”



RELIABLE ENERGY FOR FAST CHANGING WORLD



PRAQUE OFFICE

Sev.en Energy AG
Prague Branch Office

V celnici 1031/4
110 00 Prague

Czech Republic

HEADQUARTERS

Sev.en Energy AG

Zollstrasse 82
9494 Schaan

Liechtenstein

Phone: +420 222 183 499

E-mail: info@7energy.com

www.7energy.com

SEM09D15Y20