



PRESS RELEASE

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ENEL UPDATES AGREEMENT WITH EPH FOR SALE OF STAKE IN SLOVENSKÉ ELEKTRÁRNE

Rome, December 22nd, 2020 - Enel S.p.A. (“Enel”) announces that its subsidiary Enel Produzione S.p.A. (“Enel Produzione”), the company EP Slovakia BV and the Czech company Energetický a průmyslový holding a.s. (jointly “EPH”) signed a new agreement that modifies some of the terms and conditions of the contract (the “Contract”) signed on December 18th, 2015 (as already amended during 2018) between Enel Produzione and EPH and concerning the sale of the stake held by Enel Produzione in Slovenské elektrárne a.s. (“Slovenské elektrárne”).

As announced on December 18th, 2015 and on July 28th, 2016, the Contract provided for the contribution to the newly established company Slovak Power Holding BV (“HoldCo”) of the entire stake held by Enel Produzione in Slovenské elektrárne, equal to 66% of the latter’s capital, and governs the subsequent sale in two stages to EP Slovakia BV of 100% of HoldCo¹ for a total consideration of 750 million euros, subject to adjustment based on a set of criteria.

Based on the new agreement, Enel Produzione and EPH implemented a number of amendments to the Contract, which regard the financial support provided to Slovenské elektrárne for the completion of units 3 and 4 of the Mochovce nuclear power plant as well as the mechanisms governing the exercise of the put or call options concerning the transfer of the residual stake in HoldCo.

More specifically, with regard to the financial support, it is provided that Enel Produzione will grant, directly or through other companies of the Enel Group, loans to the HoldCo – which will in turn make them available to Slovenské elektrárne – in the maximum amount of 570 million euros falling due in 2032. These loans will be made available in accordance with the needs and timing envisaged for the completion of the construction of units 3 and 4 of the Mochovce nuclear power plant (the “Project”). The disbursement of the first loan, amounting to 270 million euros, is subject to certain conditions, in particular the amendment of certain loan agreements between Slovenské elektrárne and its lender banks, in order to take into account of the progress of the Project, and other conditions customary for these kinds of transactions. The disbursement of this first loan is a condition for the effectiveness of the additional amendments to the Contract agreed between the parties and illustrated below.

The abovementioned loans up to 570 million euros come in addition to the loan of 700 million euros (jointly referred to as the “Loans”) already disbursed by the Enel Group in line with the agreements amending the Contract signed by the parties in 2018 and whose maturity is also provided to be extended

¹ The first phase of the transaction was completed on July 28th, 2016 with the sale to EP Slovakia of 50% of the share capital that Enel Produzione held in HoldCo.



to 2032. The new agreement between the parties also envisages that EPH in turn grants an additional loan of 200 million euros to fund the Project.

Concerning the amendments related to the mechanisms governing the exercise of the put or call options, it is worth highlighting a new regulation for the so-called “trigger events” for which Enel Produzione and EPH can exercise the respective options. Specifically, the so-called “Long Stop Date” has been eliminated² and therefore the put or call options can be exercised when the latest of the following events occurs: (i) six months from the date of completion of the trial run of Mochovce’s unit 4 (*i.e.*, the moment in which said plant will be able to send power to the grid and sell the generated electricity); (ii) the date of completion of the first outage of Mochovce’s unit 4 (*i.e.*, the mandatory annual technical shutdown of the plant to ensure adequate safety levels), which is expected to occur within a maximum of 12 months from the trial run; and (iii) the maturity of the Loans set for 2032.

The new agreement also provides EPH with the possibility to exercise a so-called “early call option” after six months from the signing of the updated Contract and until the first of the following events occurs: (i) four years from the completion of the trial run of Mochovce’s unit 4 and (ii) December 2028.

The aforementioned total consideration of 750 million euros is subject to an adjustment mechanism, which will be calculated by independent experts in accordance with a formula already defined in the Contract, to which the new agreement provides for a number of amendments, relating to the exclusion of part of the investments envisaged for the completion of Mochovce’s unit 4 and the setting of the percentage of the above unit 4’s enterprise value to be considered depending on when the option is exercised.

Furthermore, in the event of the exercise of the so-called “early call option” from EPH, a floor and cap of the consideration have been introduced - which will vary depending on when the option is exercised and the effective application of the price determination formula - ranging from a minimum of 25 million euros up to a maximum of 750 million euros.

Finally, the new agreement envisages that when the abovementioned options are exercised, EPH will take over the Loans. In the event of the exercise of the early call option, EPH is expected to take over the Loans according to a plan starting from 2026, with the last *tranche* expected in 2032 at the latest.

² The Long Stop Date is the date after which Enel Produzione and EPH were entitled to exercise their respective put and call options, even without completion of units 3 and 4 of the Mochovce nuclear power plant.