



EDF

2022 Half-Year Results

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2022 HALF-YEAR RESULTS

Jean-Bernard Lévy

Chairman and Chief Executive Officer

Good morning to all. We are delighted to welcome you to this presentation of EDF Group's 2022 first semester results. In a few minutes, Xavier Girre, CFO will present our results in more details. We will both answer your questions, but first I would like to point out our key performance indicators and review the highlights of the last six months.

KEY OPERATIONAL INDICATORS

In the H1 2022 nuclear power generation in France reached 154.1TWh, which is 27.6TWh less than in the same period in 2021. This is due to lower plant availability following the discovery of signs of stress corrosion and despite fewer unforeseen events and an optimized production schedule. But total generation is below the previous year.

Hydroelectric generation in France is also below the previous year. It reached 18.9TWh down by 5.7TWh. This is in a context of historically low water levels as the logical consequence of the drought in France.

Our carbon intensity, which is already five times lower than the European average remains stable in line with what we had in the first six months of 2021.

In the United Kingdom, nuclear generation stood at 23.2TWh, up by 2.3TWh compared to the first six months of 2021.

EDF Group's wind and solar power production reached 12.9TWh up 20.7% when compared to the first half of 2021. Our portfolio of worldwide wind and solar projects amounts to 82GW gross compared to 76 GW at the end of 2021. These are very good results. They confirm our path for growth in renewable energies.

FINANCIAL RESULTS

EDF Group's EBITDA shows a fall of 75%. This reflects the company's difficulties in nuclear generation and to a lesser extent, hydroelectric generation. EDF has also been affected by the regulatory measures in France to cap price increases in 2022.

Nevertheless, EBITDA includes the exceptional performance of EDF trading and also better generation from our new nuclear fleet in the United Kingdom.

Our net current income has decreased by €5.1 billion compared to the first half of 2021. It stands at €1.3 billion negative. Net income - group share amounted to €5.3 billion negative at the end of the first half of 2022 down by €9.6 billion.

Net financial debt stood at €42.8 billion at the end of June 2022 following a €3.1 billion rights issue last April, and the significant improvement in working capital requirements. At the end of June, we had €29 billion net liquidity.

INCREASE OF THE FRENCH'S STATE STAKE TO 100% OF THE SHARE CAPITAL

Next slide talks about the state ownership, which is expected to rise maybe up to 100%. As I'm sure you know, on July the 19th, the French government announced how it will enact its intention to take 100% stake in EDF's capital. A simplified public purchase offer will be launched. Should be done at the beginning of September. The goal of the project is to enable EDF to implement ambitious and essential projects in energy transition. Since this announcement, EDF's Board of Directors has set up an ad hoc committee within the board to present to the board an independent expert report on the financial conditions of the State's offer. The independent financial expert was designated yesterday. If the conditions for this implementation are met, the Purchase offer will be followed by a squeeze out of all the shares

and convertible bonds, we call them OCEANE, which are not today held by the French government after the buyout. The total buyout for shares and convertible bonds is estimated at approximately €9.7 billion.

STRESS CORROSION PHENOMENON

The next slide talks about the stress corrosion phenomenon and it will start with a video.

Video: *Stress corrosion phenomenon occurs due to the simultaneous influence of several different factors: material, its intrinsic characteristics and welding conditions, stresses induced during operations as a result of fluids circulating in the piping, the type of fluid conveyed by the piping. Stress corrosion causes fine cracks on the surface of the material, which propagate into the thickness of the pipe. Since this phenomenon was detected, EDF has carried out inspections by means of ultrasonic and liquid penetrant testing. Investigations on samples of piping material, digital welding simulations, studies to calculate the speed of propagation of stress corrosion, and the size of the maximum allowable defects. So far, these analyses have enabled EDF to confirm the following: the 32 reactors of 900MW and the 8 reactors of 1300MW of P4 type are less sensitive to the appearance of the stress corrosion. The 12 reactors of 1300MW of P'4 type and the 4 N4 reactors are more sensitive to the appearance of the stress corrosion phenomenon. Stress corrosion occurs within a welding area of the piping and does not develop beyond this zone. EDF has drawn up a programme of inspection for all his reactors. The inspection strategy was submitted to the French nuclear authority whose judged it as appropriate. Inspections led by EDF are underway across the entire fleet. Repairs are underway at the Chinon B3 and Civaux 1 reactors and are in the process of preparation at other reactors. EDF continues to develop enhanced non-destructive examination methods and confirms its ambition to implement them on a systematic basis from January 2023.*

As you just saw in that video, the inspections, investigations, and analyses carried since May have enabled EDF to determine which reactors are most sensitive to the phenomenon, have enabled EDF to identify the specific zone to be monitored within the scope of our maintenance programs, and also has enabled EDF to continue the program of inspections across the entire fleet. Yesterday, the French nuclear authority has publicly judged our global strategy as appropriate.

IMPACT OF THE WAR IN UKRAINE

Next slide is about the war in Ukraine. EDF is exposed to some consequences of the war in Ukraine. First, extreme tensions on the electricity market in a context of declining nuclear output requiring a high level of purchases on the market at very high prices. Secondly, we have seen considerable volatility in the price and availability of raw materials and certain components leading to supply difficulties for some of the group's businesses and key projects.

However, impacts on gas and Uranium supplies are real, but very limited. For example, we have a single gas contract with a Russian operator through our subsidiary Edison. It represents only 4% of the Group's supplies and it was anyway going to expire at the end of 2022. We also have low dependence on imports of Russian uranium given the stocks we have built up and a long-term diversified supply contract base.

The war in Ukraine has also impacted the financial markets reducing the value of listed assets held in our Dedicated Assets area. On the other hand, interest rates have risen faster than inflation, reducing the level of nuclear provisions which is favourable. As a result, the coverage ratio of nuclear provisions by Dedicated Assets stands at 105.3% at the end of June. This number is slightly down on what it was at the end of December.

ENVIRONMENTAL AND SOCIAL SUCCESS

In May 2021, the General Assembly approved our *raison d'etre*, which feeds into all our businesses and lies of the heart of our social and environmental responsibility policy.

In this context, we have set ourselves ambitious targets and we pursue them vigorously. This year we presented all shareholders with a Climate Resolution for the first time. It was adopted by 99.87% of our shareholders. In sustainable finance, 84% of our credit lines are indexed on ESG indicators. That means a total of €10 billion. These figures show that sustainable finance tools are at the heart of EDF's financing strategy. We are also very happy to announce that EDF is the first major group to publish its impact score and commit to a transparent process of improvement. We have achieved a score of 68 out of 100, which is higher than the average score of companies that have previously disclosed their Impact score. This average is 55 out of 100. These targets, these measures will enable us to attract new talents. Today we are the preferred company in France for students and young graduates in the energy sector. And all in all, we rank 4th among the most attractive employers for engineers.

Finally, we are extremely proud that we have received the ESG information award at the new edition of the 2022 Transparency Awards. This ESG award recognizes the transparency and the quality of our non-financial information.

NEW NUCLEAR & INCLUSION OF NUCLEAR POWER IN TAXONOMY

Now I would like to highlight a few events that have marked the beginning of the year.

Let us start with new nuclear. In the United Kingdom, we recently revised the schedule and the cost of building the two Hinkley Point C EPR reactors. Unit 1 is scheduled to start producing electricity in June 2027. The project's full cost is now estimated in 2015 pounds, between £25 and £26 billion.

We are very pleased that the British government has approved the construction of the Sizewell C nuclear power plant. Two EPR units, very similar to Hinkley Point. This reaffirms the British government's confidence in nuclear as part of its climate ambition.

EDF, we accelerate the development of our small modular reactor NUWARD. This will be supervised through an early joint regulatory review led by the French Nuclear Safety Authority with the participation of the Czech and the Finnish safety authorities. This initiative is the first of a kind in European regulatory corporation between several countries regarding nuclear reactors and it will support the implementation of an international SMR licensing strategy.

We also welcome, of course, the final decisions made by both the European Council and the European Parliament to include nuclear power in the European Taxonomy. This recognizes the role of nuclear energy, confirming the opinions of majority of experts such as the IPCC or the IEA. We are happy because we worked very hard to achieve this. These final decisions of the European Council and Parliament, they mean several things. Firstly, optimized financing conditions for investment programs in existing assets, but also in future projects. Secondly, this taxonomy will contribute directly to the achievement of the European Union's climate objectives.

At EDF and in line with the European taxonomy, we recently published our new Green Financing Framework to reflect the best practices on the market.

RENEWABLES & CUSTOMERS AND SERVICES

The slide on renewables and on customers and services will show you the scale of our ambitions. Our project portfolio in renewables stands at 82GW gross. This is 9% above what it was six months ago. We've met with major success both in India and in the United States. We're proud that we have now produced the first megawatt-hours through the Saint Nazaire offshore wind farm. So far 56, that is exactly 70%, 56 out of the 80 wind turbines to be built, they have been installed.

In terms of customers and services, we have many reasons to be satisfied. Sales performance has been excellent reflecting the relevance of our offers and the quality of our relationship with all categories of consumers. We are growing the number of electricity service and gas contracts per customer in line with our target of reaching 1.5 by 2030. We have signed nearly 520,000 gas and service contracts over the last 12 months.

The number of our residential customers on market offers for electricity supply was 1.7 million at the end of June. This is a growth of 18% when compared to the end of December 2021.

INNOVATIONS & ENEDIS & FRAMATOME

Our sense of innovation and mobility and in green hydrogen has led to several promising advances. The EU has approved the French government aid for the Hydrogen plan as part of IPCEI for the McPhy Gigafactory project in Belfort, which will reach 1GW of production of electrolysers every year.

Recently, we took part in fundraising for the English start up Carbon8. Carbon8's solution will allow our industrial clients to rapidly accelerate their decarbonization and transition to a more circular economy. This is a vision that we share. We believe it is essential to achieve carbon neutrality by 2050.

At the end of June 2022, EDF Group continues to contribute to energy transition with more than 240,000 charge points for vehicles installed and managed. 240,000 is up 26% on what we had at the end of 2021.

We're also proud to note that all the concessions in mainland France held by our independent subsidiary Enedis have now been renewed for an average duration of 30 years. And that the number of new connections to the grid has been growing during the first six months of the year in particular with renewable energy producers.

I will now hand over to Xavier Girre. Xavier will be providing more details concerning our financial results.

Xavier Girre

Group Senior Executive, Vice President, Group Finance

Thank you, Jean-Bernard. Good morning, everybody. I will now with detail and explain our 2022 half-year results.

KEY FIGURES FOR 2022 FIRST HALF-YEAR

Let me start with the key figures.

Sales increased very materially to €66.3 billion at 66% organic growth. This is mainly the consequence of three elements. First, the surge in power prices leading to a positive price effect on the sales in the four key European countries of the Group. In France though, these price effects were largely reduced by the impact of the tariff shield and the replication in the offers of the additional ARENH volumes. Second, the rise in gas prices. As the sourcing cost has risen at the same time, the impact on EBITDA remains limited. Third, the resale of purchase obligations in France at much higher prices. This has no impact on EBITDA because of the CSPE mechanism.

EBITDA decreased by 75% to €2.7 billion, mainly a consequence of the power purchases at high prices on the market due to the decrease in nuclear and to a lesser extent, hydraulic output in France and of the regulatory measures in France.

Net recurring income stood at minus €1.3 billion compared to a positive €3.7 billion in H1 2021. And the net income Group share decreased from €4.2 billion one year ago to minus €5.3 billion for H1 2022 taking into account the decrease in the fair value of the financial assets.

Net financial debt was stable at €42.8 billion, a €0.2 billion decrease versus end 2021, mainly as a consequence of the right issue carried out in April and the positive working capital change which compensated the drop in EBITDA.

GROUP EBITDA BY SEGMENT

As you can see on this bridge, the EBITDA fall is concentrated on France Generation and Supply activities. Most of the other segments recorded a growth, in particular EDF Trading presented in the other activities, the UK, EDF Renewables, and Italy.

EBITDA FRANCE – GENERATION AND SUPPLY ACTIVITIES

Let me now focus on the segments of the group with the most significant evolution.

Starting with France - Generation and Supply activities down from €4.8 billion in H1 2021 to minus €5 billion in H1 2022. The first three blocks show the situation at end of June, as it was disclosed in the 2021 full year presentation concerning the 2022 EBITDA. First a positive price effect before regulatory measures and regulated and market offers for an estimated plus €3.9 billion.

Second, a negative impact of the additional ARENH volumes for minus €6.2 billion of which minus €3.5 billion include the cost of the 6.5TWh additional volumes already delivered to alternative suppliers over Q2 for an estimated minus €1.4 billion, plus the corresponding impact on both regulated and market offers since April the 1st, as well as a tariff shield to limit the increase of the regulated tariffs for minus €2 billion. And minus €2.7 billion correspond to a provision for the additional 13TWh ARENH volumes to be delivered to alternative suppliers in H2 2022.

Third, a decrease in nuclear output of -27.6TWh, for an estimated minus €7.3 billion. The decrease was due primarily to the impact of the stress corrosion phenomenon for an estimated -36.6TWh. These outages compelled the Group to purchase power on the market at very high prices.

The fourth block corresponds to the hydraulic output. In a context of historically poor hydropower conditions, output decreased by -5.7TWh with a negative impact on EBITDA of minus €1.4 billion.

EBITDA FRANCE – REGULATED ACTIVITIES

France - regulated activities remained almost stable at €3.2 billion.

UNITED KINGDOM

UK EBITDA increased significantly from €0.3 to €0.9 billion.

This is mainly explained by improved generation and optimization of the nuclear fleet. The increase in nuclear output of 2.3TWh enabled additional volumes to be sold on the market in a context of rising prices, whereas the level of generation in 2021 had led to purchases at high prices.

ITALY

The EBITDA of Italy improved organically by 14% at €0.6 billion primarily led by electricity and gas activities.

RENEWABLE ENERGIES

The EBITDA of EDF Renewables increased organically by a strong 65%. The growth was mainly due to the increase of 22.7% in the generated volumes versus H1 2021 and to positive price effects. The first half of 2021 was impacted by

the extreme cold snap in Texas, with a material adverse impact on generation EBITDA estimated at minus €94 million with no equivalent in 2022.

OTHER ACTIVITIES

Other activities more than doubled to €1.8 billion driven by EDF Trading's EBITDA, which was up sharply compared to H1 2021. It reached more than €1.7 billion. This trading and optimization performance was achieved across all geographies, on the backdrop of very volatile commodity markets.

GROUP EBITDA - SYNTHESIS

This slide now presents another summary view of the variation of Group EBITDA. A positive price effect in France of €3.9 billion on regulated and market offers before regulatory measures. A negative impact of the regulatory measures in France for minus €6.2 billion, including a provision of €2.7 billion for the ARENH volumes to be delivered to alternative suppliers in the second half of the year. A negative impact of the drop in nuclear output in France for minus €7.3 billion. A decrease in hydraulic generation for minus €1.4 billion. An improvement of the other renewables generation by €0.2 billion. The exceptional performance of EDF Trading, which contributed positively for plus €1.1 billion, and last, other operational effects for a total of plus €1.6 billion, including a positive impact of sales and purchases on markets, increased nuclear output in the UK, and unfavourable downstream impact in the UK and Italy.

EBIT

Let's now move to the other items of the P&L. EBIT was down by €8.8 billion from €4.3 to minus €4.5 billion. This variation is mainly explained by the decrease of the EBITDA for minus €7.9 billion.

NET INCOME – GROUP SHARE

Net income - Group share amounted to minus €5.3 billion, a negative €9.5 billion variation versus H1 2021. As detailed previously, EBIT decreased by minus €8.8 billion. The financial result amounted to minus €2.9 billion, down minus €3.8 billion compared to the first half of 2021. This change is mainly explained by, first, minus €5.1 billion due to a lower performance of the dedicated assets portfolio in the context of a bearish stock market: -8.9% in H1 2022 versus +6.9% in H1 2021. Second, a favourable discount effect of plus €1.5 billion mainly due to the increase in the real discount rate for nuclear provisions in France of 30 bps between end December 2021 and end June 2022, after a stable trend over H1 2021. Third, overall, the coverage ratio of the dedicated assets stood at 105.3% at the end of June 2022 compared to 109.3% at the end of 2021. Income tax followed the evolution of the EBIT and the financial result with a swing from minus €1.5 billion in H1 2021 to plus €1.8 billion in H1 2022 with the recognition of deferred tax assets.

NET INCOME EXCLUDING NON-RECURRING ITEMS

This slide shows the main elements from Net Income Group Share to Net recurring income. The main element explaining the €4.4 billion increase in the non-recurring items net of tax is the fair value adjustment of the dedicated assets net of tax for plus €3.8 billion. The Group's net income excluding non-recurring items stood at minus €1.3 billion in H1 2022 versus €3.7 billion in H1 2021.

NET FINANCIAL DEBT

Let's now highlight the main elements explaining the evolution of the net financial debt in H1 2022. Group cash flow was negative for minus €4 billion. It mainly results from the deterioration of the cash EBITDA. Working capital requirements represented a positive plus €6.8 billion. It is mainly explained by a reversal of the working capital requirements of the trading activities compared to end 2021 and by cash in on the CSPE mechanism, the purchases obligation of renewable producers, in a context of very high prices on the spot market. Net investments amounted to €8.5 billion, an increase of €0.8 billion compared to H1 2021, especially related to the acquisition in 2022 of the development rights for offshore wind power in the New York Bight.

The rights issue of last April contributed positively for €3.1 billion. As a result, the net financial debt decreased slightly to €42.8 billion at the end of June 2022 versus €43 billion at the end of 2021.

To summarize my key messages of this semester: activity was good for most of the segments, but the fall of nuclear output in France in a context of very high market prices alongside exceptional regulatory measures led to major drop in EBITDA. The proceeds from the recent rights issue and a very favourable working capital requirement movement helped maintain the level of debt at an even level.

This ends my presentation. Let me now hand it back again to Jean-Bernard Lévy.

Jean-Bernard Lévy

Chairman and Chief Executive Officer

2022: A CHALLENGING YEAR

Yes. Thank you very much Xavier.

Some perspectives for the year, current one, 2022 has been marked by several events that have had a significant impact on our finances as you have seen. Therefore, we must draw your attention to the EBITDA for 2022, starting from a 2021 base of €18 billion. We should expect approximately €8 billion in positive effects on energy prices compared to what we had estimated back in February, which was €6 billion. Today we estimate at eight. Then approximately €10 billion of less EBITDA due to exceptional regulatory measures, and €24 billion EBITDA less due to the impact of declining nuclear production in France compared to the previous forecast mid-May, which was €18.5 billion. Today, €24 billion. And of course, these estimates are linked to the increase in feed-in tariffs, and they are calculated based on the market prices as they were of July the 13th, 2022.

AMBITIONS

On the next slide, you will see that regarding 2023, we stand by our ambitions. We are aiming at the net financial debt to EBITDA of three, around or slightly above three, and an adjusted economic debt to EBITDA ratio at around five. As you know, the French government's announcement of its intention to hold 100% of EDF's capital: it will open up a new chapter for our group and that **why** the French state renews its commitment and will allow EDF to find the right solutions to grow our business sustainably in France and abroad and in particular regarding new nuclear projects and the development of renewable energy.

Thank you very much. This ends Xavier and my initial presentation.

QUESTIONS AND ANSWERS

Arthur Sitbon (Morgan Stanley): Hello. Thank you for taking my questions.

The first one is on the press release from the ASN, the French nuclear safety body yesterday, saying that your strategy regarding the stress corrosion phenomenon is appropriate and also making a comment on the Belleville 2 reactor. I was wondering if this could impact your nuclear output targets for 2022, 2023? But also doing the checks by 2025 I thought was giving you a bit more time than initially thought. So I was wondering also if it impacts output in 2024 and 2025.

My second question is on the coverage ratio on nuclear provision. I was wondering if you see a risk of fit of the ratio dropping below 100% and EDF having to make further contribution to the Dedicated Assets.

And my last question is actually that we're seeing targets in France and in other European countries to ~~get~~ cut the consumption of electricity and gas for the next few years. I was wondering how as a group you can help with that, and if you think the objectives being set are achievable and at which cost to utilities and consumers. Thank you.

Jean-Bernard Levy (EDF): Thank you very much. I will answer your first and third questions. I will leave the second one to Xavier.

The ASN press release confirms what we had proposed, what appropriate, I think is a good description of what we would've expected as a green light to move ahead as we had proposed. So this means it is in line with our previous and recent target for nuclear generation in 2022 between 280 and 300TWh, in 2023 between 300 and 330TWh. So there is no change. And if we bring forward for just one of our 56 reactors, which is in Bellville, if we bring forward one of the maintenance period that we had in mind, it falls well within the range of these numbers. Because as you know, it's not a single number, it's a range. And so this does not have any impact on the range. So we keep the 280 to 300 for 2022, the 300 to 330 for 2023, and we will, of course, comply with the request to bring forward the one of the Belleville reactor maintenance and we're looking into it in more details and we will publish the new period for maintenance when we are ready which is, I guess, in a few days.

On the third question regarding consumption of energy, I think the first we have to say is that we feel at the heart of these efforts in Europe, in general, and in the European countries where we are present, which is France, Italy, Belgium mostly. And I would like to add the UK, although it is not technically within the European Union. I think European consumers today can have a very comfortable life but save a bit of energy, generally speaking. They can save a bit of energy by the way they consume it. They can also use less fossil energy and use more low carbon energy such as nuclear, renewable, hydro, and so on. So I think electricity, the switch towards electricity has started and will move on, as we see, for instance, heat pumps, electric vehicles being more and more in use in the other countries where we operate. And then as EDF, of course, first we have to make sure that ourselves, we are exemplary, that we give our own energy resource management the right pressure in order that we do work certainly much better than the average companies, that our own employees are minded about their own personal consumption.

So we try to do so in various ways. And of course, as always, we will help our consumers, our corporate consumers with giving them some advice, dedicated advice, tailor-made advice in order for these corporate consumers to improve their energy consumption and to reduce their bills. And with our domestic, our mainstream consumers, we have lots of tools. We have, of course, people talking to them over the phone. We have internet sites, and even more importantly, we give them digital tools, algorithms in order for them to understand where they stand regarding the electricity consumption and how they can improve it. And to give you, I think, quite a remarkable example and the number I will quote, the number has been checked by an independent audit company, those customers who come often to our site to check on their consumption and use our algorithm to advise them in the energy consumption, it is proven that they save in average 12% on their bills. So yes, consumption optimization and reduction of demand is at the heart of what we want to achieve for the next period and of course even further. Now, the second question may be, Xavier.

Xavier Girre (EDF): Thank you for your question.

So as we get the coverage ratio for nuclear liabilities as I highlighted at the end of June, this year our coverage ratio is above 105%. These days it's even a bit higher than that and of course, we follow it very, very carefully. It's important

just to keep in mind that if this ratio were to go below 100%, we may get five years to inject additional assets in order to improve this coverage ratio. This is by regulation. So we may have five years to inject additional assets, but clearly today our coverage ratio is strong being significantly higher than 105%.

Vincent Ayral (JP Morgan): Good morning, everyone. Good morning, Jean-Bernard and Xavier. One of our last set of results, so you'll be nationalized. So I'll ask big picture questions here rather than focus on the numbers.

The first one will be talking about the present and the nationalization process. It's been voted in the lower house in parliament. Could you give us an update on the process, the timeline and the risk of delays? I'm thinking about things about the minority shareholder association Adam, which asks for more and basically is there a threshold in terms of a voting right for their request to be considered and could that mean some risk of delay indeed on the process? So we'd be interested in understanding the dynamics around that.

The second question regarding the future. So here we are nationalizing first, but we'll have to re-regulate later, EDF is facing a number of challenges. Clearly, we have the outages in the short term but the other challenge is the one of the re-regulation. And how do we finance the future nuclear fleet? What about the market design in Europe? So how do you see this developing all through the coming years for EDF? What are the key challenges in your view? Thank you.

Jean-Bernard Levy (EDF): So to summarize, if I understood well, your first question is on the process of the buyout of the minorities. And the second one is more about how we see our key challenges and especially the one regarding regulation and market design, not only for EDF but in Europe. So I would take the two questions on the timeline of the process.

Obviously, in order for the process to move ahead, there is a need for the state to have the money to buy out the minorities. And as you said, right now there is a legislation in front of our parliament. So it goes to first, the national assembly then to the Senate. Then it is a full law. As you may have noted a couple of days ago, the first step was that the national assembly did vote in favour of opening a new line within the government's books, in order for the 9.7 billion to be available to Mr. Le Maire at the ministry of finance, to pay for the minorities and convertible bonds buyout, but it hasn't yet gone to the Senate. And then it has got to be a full legislation.

So this is the first step. So let's assume that this legislation is implemented sometime in the next few weeks. And then the state will have to go to the French financial markets authority, AMF in a French acronym and we'll have to go to AMF with a proposal for the buyout at the €12. Then the ball will be in the camp. So right now the ball is in the camp of parliament. Then the ball is in the camp of the government as I said. Then the ball goes to EDF and EDF building on the advice of its ad hoc committee and on a board, decision will have to respond to the initiative that is being taken by the state and make its own comments on the price. So the independent expert that was designated yesterday will fuel the ad hoc committee. The ad hoc committee will make a recommendation to the full board, and then the full board will give AMF its response to the proposal at €12 made by the state. So that is the third step. I would say the ball is in the camp of EDF and that the fourth step is the ball is in the camp of AMF, of the financial markets authority. At this fourth step, AMF, the services and the college, the people leading the AMF, they have to decide whether this is an appropriate buyout proposal by the state with the support of the advice that they will have received from EDF. And this is the fourth step. And then if AMF does consider that buyout process and the numbers and so on at all, this is consistent, they will open a tender offer for all the minorities to bring their shares against €12 for each share. So this is where we stand.

Four steps, parliament, where we are today. State, to go to AMF to propose. AMF, to request advice from the company, and then back to AMF, to state on, to make a statement, to make a decision on the takeover proposal. And then open if the AMF decision is positive open the tender offer period. And so this leads us to sometime in the fall. And I am not going to make any comment on detailed timeline because it's complicated and things day by day is probably not very interesting.

On market design and regulation. I understand your question is of course, related to a period of time where maybe there will be less discussions between us at EDF and the financial community, or not, of course, our friends that lend money to us, but our friends that are shareholders or work in the name of our shareholders like you the analyst.

And yes, we do indeed hope that the current situation which is unbelievably volatile with unbelievably high prices and day after day changes in these prices will show the regulators that the market that was designed, maybe worked. Did it work well? Did it work poorly? Maybe it worked during normal years, normal periods. But with the war in the Ukraine, supply chain issues, inflation and so on, I think there is no doubt that the market design needs a good chunk of repairs, or maybe a total reshuffle.

A total reshuffle will create problems because I think people have been used now for many years that energy products, commodity products, electricity products can be traded between various players though that do generate or do need physically these products on the market, but also a large community of financial actors. And that there is probably indeed an interesting case for optimization through these markets and for short-term optimization through the market where of course, physically, the last generation tool, which is used is compliant with the price that you can see on the short term, on the spot price on the market. But when you think about the market design that has led to this situation where for Q2 2023 or Q1 2023 prices are close to €1000 per megawatt hours and with swings of tens and tens of megawatt hours every day, where you can see that in case of shortage there is from time to time, a need for some very short-term trades almost immediate trades to be performed at 10,000. I think it was £10,000 that were traded between Belgium and the UK a few days ago in order for the UK system not to collapse. And whereas the normal price was in the 50 range. And so you talk about 900, you talk about 3000, you talk about 10,000, whereas the price was 50 or maybe 60 or maybe 80. It does prove that the market design has not met its objective in cases of crisis like the one we've seen for the last few months. So I do believe that in some points in time, and we hope that the European Commission will be a bit more active, a bit more responsive, a bit more agile, that there will be a need for significant change in that market design which obviously, well, one may wonder whether it does work well or not in normal times, in normal circumstances, but obviously in the current circumstances, and it's been going on like this for months and months, it doesn't work. So it needs a significant reform. And we do hope that the member states and the commission will be able to implement that in a reasonable timeframe. And I have to say that my own discussions, that I'm having both as a chairman and CEO at EDF, and also as the president of Eurelectric, the association of 27 countries, electricity generators and distributors. I think these conversations do not lead in the depth of my heart. I am not very optimistic that right now we will have soon a strong reform, a deep reform in front of us. I believe right now there is a lot of hesitations and I don't think that's good for anybody. So that's my view on your question.

Sam Arie (UBS): Hi. Good morning, everybody. Just wanted to say thank you for the presentation and your very helpful commentary and ask a couple of different questions.

One is on the slide where you give us your EBITDA bridge for the end of the year. And I just wanted to check, I suppose it looks to me like the midpoint of that would be an EBITDA loss of around maybe four or 5 billion factoring in the July 13 prices I think you said. So this raises the question, and maybe this is Xavier, if you could comment, is that about right for full year expectation? And then talk a little bit about how you are landing on a positive EBITDA for the first half, but then still expecting this big swing to the negative.

And I suppose that comes back to a question of how far you are into the buybacks that you need to do this year. So that's a financial question. And I suppose related to that then I can't help asking, but with all these pressures in the second half and the risk on prices that you mentioned, then of course, this EBITDA bridge that's been getting worse every time we look at it could get worse again. If for any reason the state offer did not go ahead, you talked about various steps it has to go through. But I'm interested in your commentary on how you feel about the position of the company if it was not effectively nationalized in the autumn and what kind of measures you would have to think about to get through this very difficult winter that's in front of us.

That's my big question and if there's time, and if you forgive me, I'd also, Jean-Bernard, be very interested to hear your thoughts about the UK market. We've obviously got an election process going on for a new prime minister. And as soon

as that new prime minister takes office, they're going to be confronted with a tariff cap update that looks to have gone up by nearly another £1000, which offsets all of the remedy measures offered so far. And even some of the measures only just announced and not offered. So I'm just wondering what you think might happen in the UK market to address this rising household bills and where we might end up, if you think when full tax for power generators comes back, if you think there are other changes, I mean, it's a huge question for the sector and we'd love to hear your thoughts.

Xavier Girre (EDF): Thank you for your questions. First, as we got 2022 EBITDA, we expect the second half of this year to deliver a weaker EBITDA than the first half. Why that? Because we still have to buy back volumes in order to compensate the lack of nuclear generation in France and in the context of the current prices, this gives these very significant minus 24 estimated on the basis of the prices of the 13th of July, negative impact for the full year 2022 EBITDA. So you're right. The second half is expected to be significantly lower than the first half of the year.

As regards to your second question, what's key to me is to be in a position to finance the necessary investments in order to enable EDF to be clearly a key contributor to the energy transition. And that's why we are paying the highest attention to our rating. That's why we have set an action plan, including the right issue that we organized in April. And that's why we have constantly set up very forward-looking financing policy of the group. So we have, as you know organized term loans for more than €12 billion in April. And we intend of course, to refinance the group, including with senior bonds and with hybrids in the future, because it's absolutely key and hybrids are also core to our financing strategy in the long term.

And Jean-Bernard, the third question is for you.

Jean-Bernard Levy (EDF): I think the situation in all these countries where energy prices for domestic users, for households has been growing a lot, if you're creating for governance. And I'm not specifically talking about the British government especially at a period where I understand that there is an election coming up for the new leadership of the parties so this is just a general view. I think right now the burden, the weight of energy bills on the people with the lowest revenues does create a problem. And we have seen in many countries that a way to manage that is to let the prices reflect on household bills, but to offset, to compensate, to give subsidies to those people for which it becomes an unbearable situation because a strong part of their low revenues cannot all of a sudden be switched to pay for energy even if they are encouraged to save. But the savings they can achieve are below the additional bill they have in front of them. And so we have seen the government comes with checks in order to help out with these populations. I believe that this is maybe not very Orthodox ways to run the economy, but in these circumstances, I believe it is a proper way to deal with a difficult situation due to the shortage and the price of the primary energies. So we do see in several countries that governments are using a way to offset very critical situation of some households by giving subsidies, state subsidies to maybe 20, 30% of the households or maybe a bit more. So this is just a general comment I'm happy to make and of course, at EDF, generally speaking, we are helping out with those people who have low revenues. And we are very proud that this year we have implemented something which, well, the question is why didn't we do it earlier, but we are very proud that this year we have implemented a solution where all year long, and not only during the winter period, but all year long, the people that don't pay their bills, we keep one kilowatt of available power for them to lead a decent life with maybe of course, less access to electricity than if they had paid their bill, but not with no access at all to electricity. With one kilowatt, you can do a few things, and we are proud that in France, all our clients, irrespective of what is their cash balance with us, they do get the one kilowatt to lead a minimum comfortable life. So that's it.

I believe that's the end of the time that we had a schedule, 9:30 here in Paris.

And I want to thank everybody for attending and following so closely EDF's situation. And I wish you in the name of Xavier, myself and all the team that is working day after day with the financial community following EDF, I want to thank you very much for all your dedicated work and we've had with you with a very hectic year, let's be clear, a lot of interaction, and I want to thank you for being so motivated and so professional in analysing what we do. Thanks again. A good day to everybody.