

# 9M 2020 Results

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11 November 2020

# Forward-Looking Statements

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# Agenda

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# 9M 2020 Highlights

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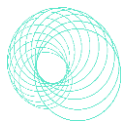
Toni Volpe – Chief Executive Officer

# 9M 2020 Business Highlights



## Asset Development

- ❑ Signed agreement to **acquire 62 MW** in operation (wind and solar), **160 MW wind** under development and **development team**
- ❑ Increase of projects in **Phase II (+491 MW)** and **Devex (+112%)** vs 9M 2019.
- ❑ Pipeline: **2.8 GW** expected by yearend +additional **1 GW** of Prospects
- ❑ **Permitting approval received** for 30 MW developed internally in the US (estimated COD in 2021)



## Energy Management & Downstream Services

- ❑ **929 GWh dispatched** in-house in Italy (100% of energy produced + 3<sup>rd</sup> parties) vs 654 GWh in 9M 2019. Confirmed start of activities **in the UK.**
- ❑ Energy Solutions: **strong commercial activity** notwithstanding Covid emergency.
- ❑ **Continued customers additions** for CloE
- ❑ Acquisition of **1 MW ground mounted Pv solar** and some minor projects in Italy linked to energy solutions to C&I customers



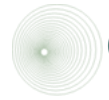
## Digital & Innovation

- ❑ **Structure strengthening** adding competencies and skills.
- ❑ **Continuing Roadmap** for NUO development new modules release
- ❑ **New App** in Italy to update workers about new solutions to manage Covid. Confirmed working from home in current Covid phase 2

Double effort and cash allocated to creation of future opportunities

# 9M and Q3 2020 Operational Highlights

## 9M



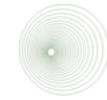
Owned Assets



Financials

- ❑ **Better production** compared to 9M 2019 (+19%) mainly thanks to increase of **perimeter** (Nordics) and **wind** in **the UK** and **France** (+142 GWh)
- ❑ Increased **curtailments** at our Italian wind farms (24 GWh)
- ❑ Lower YoY **wholesale prices** in Italy (-34%) and in the UK (-31%). **Lower captured prices** in Italy (-27%) and in the UK (-22%) vs 9M 2019.
- ❑ Lower results from **Thermal** mainly impacted by biannual maintenance at Rende biomass plant
- ❑ **Brattmyrliden**: energization expected by end of 2020. Substation components delayed 2 months.

## Q3



Owned Assets



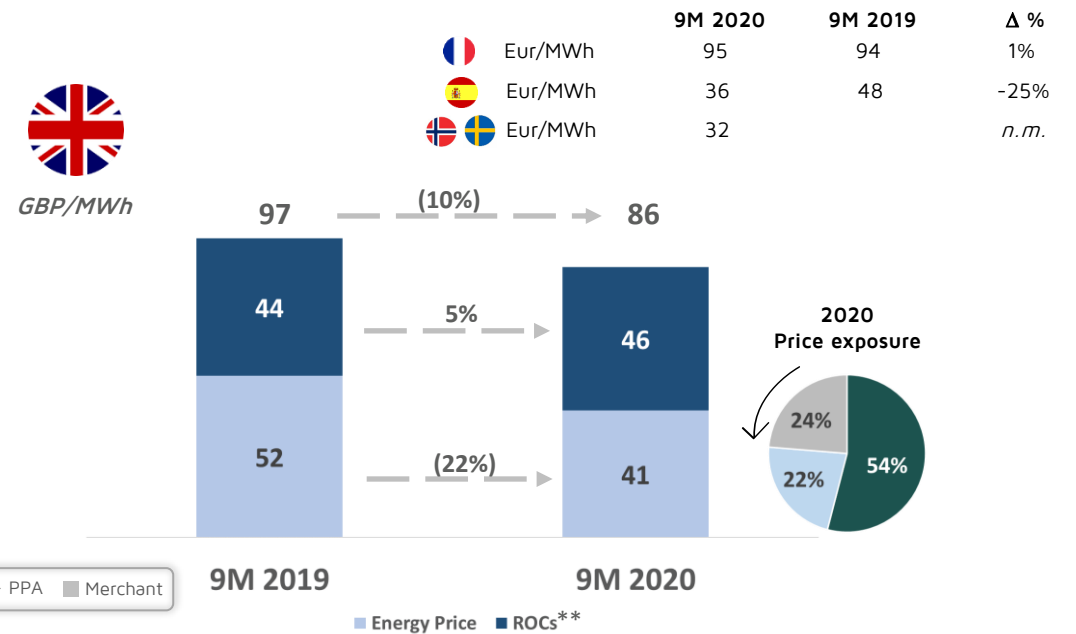
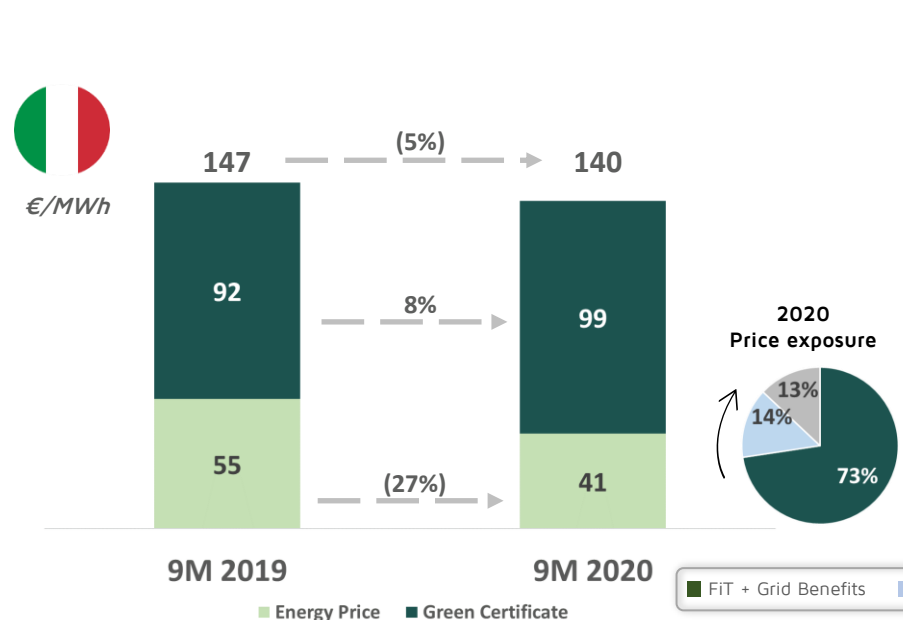
Financials

- ❑ **Increased production** compared to 3Q 2019 (+7%) mainly due to increase of **capacity** (Nordics, Spain), while UK and France experimented poor wind conditions
- ❑ **Lower production** vs internal index (-8%) .
- ❑ **Sustainability targets on track: successful offering** of €200 million senior unsecured equity-linked **green bond** due 2025 (5 years) with a negative yield.

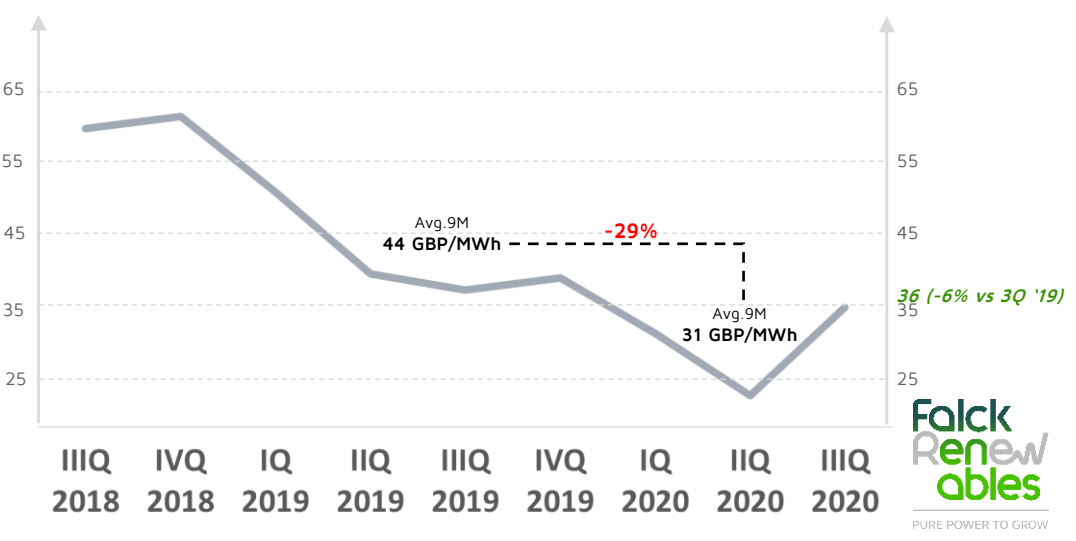
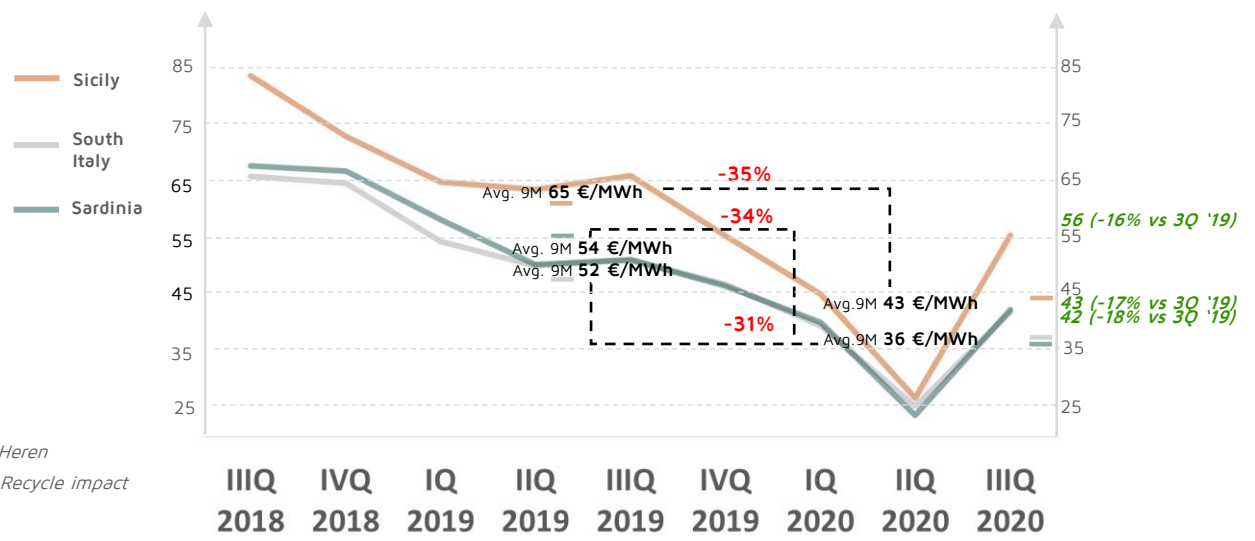
**Results in line with expectations**  
**Continued industrial growth to capitalize on market recovery**

# 9M 2020 Captured Price Overview

CAPTURED ENERGY  
+ INCENTIVE PRICE



WHOLESALE  
PRICE\*

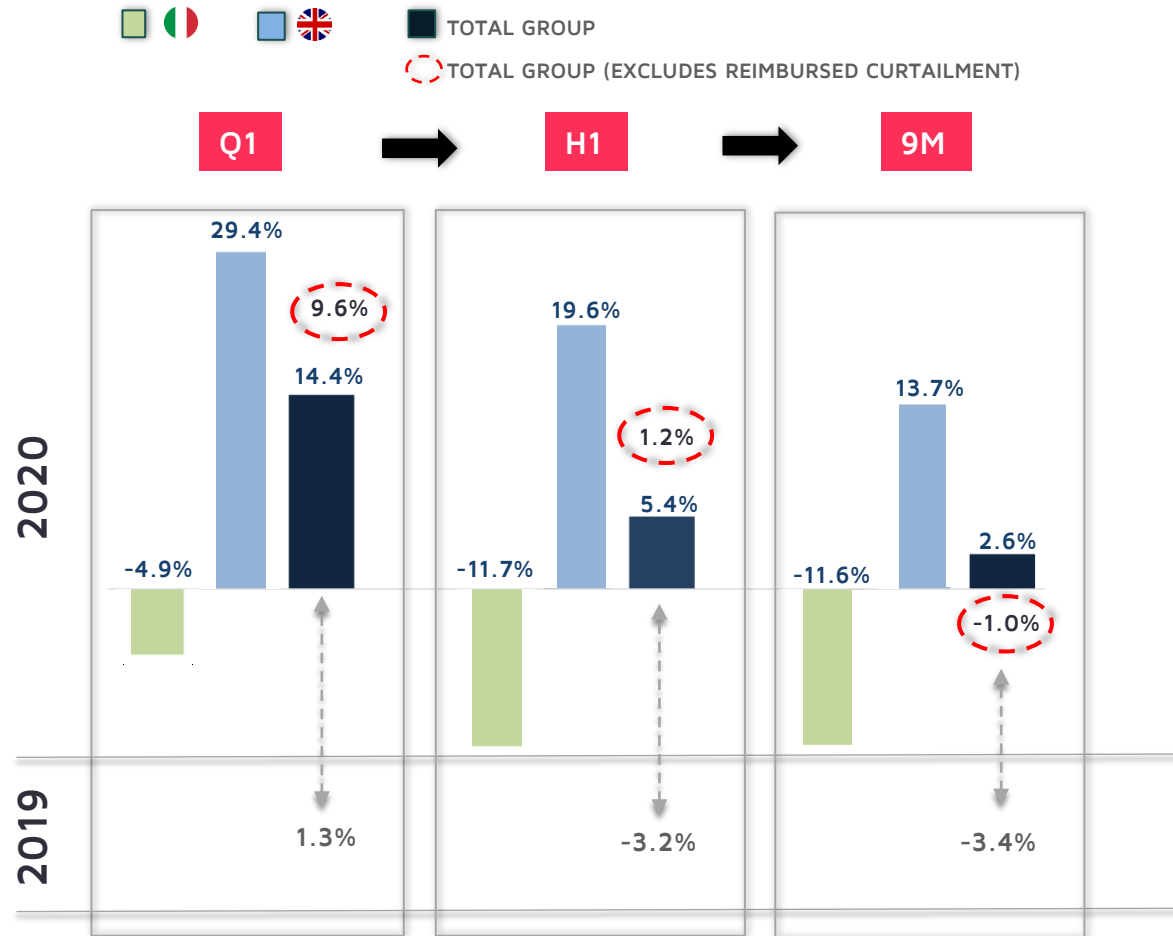


\* Source: GME, Heren  
\*\* Excluding Roc Recycle impact

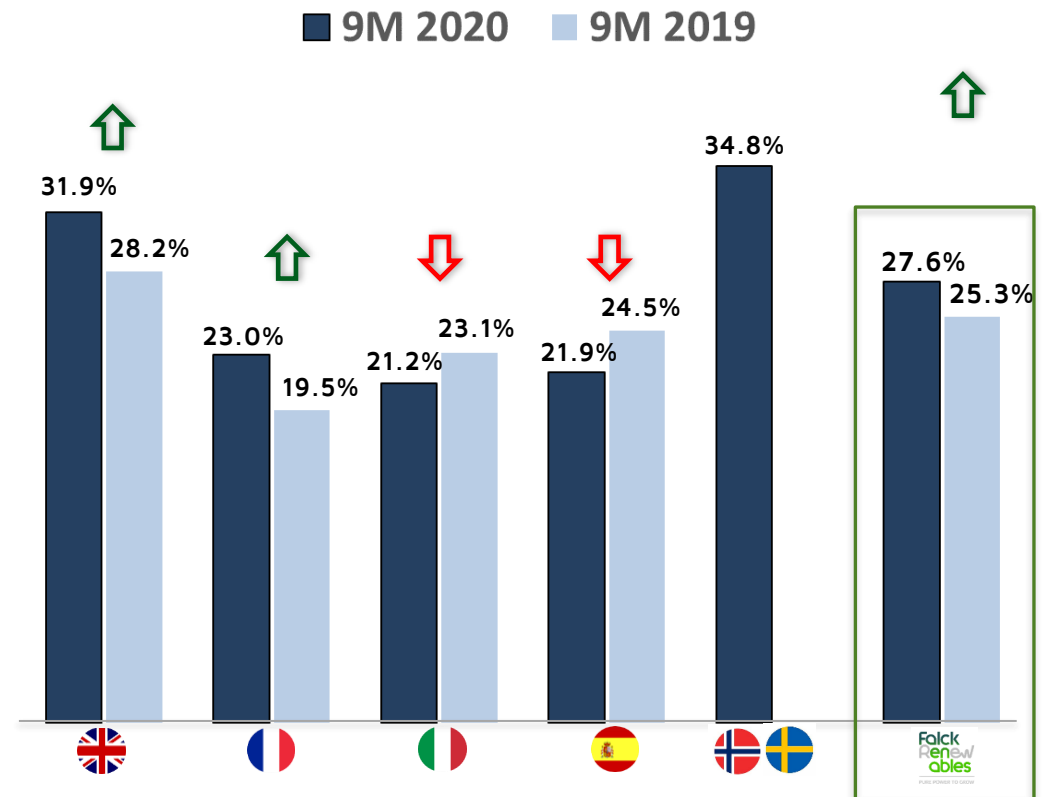


# Assets: 9M 2020 Wind Portfolio Performance

## UK & Italy: Evolution of Production\*



## 9M 2020 vs. 9M 2019: Load Factor\*\* by Country



\*\* Based on effective operating hours, excluding reimbursed curtailments

\* variation % vs. internal Index of production

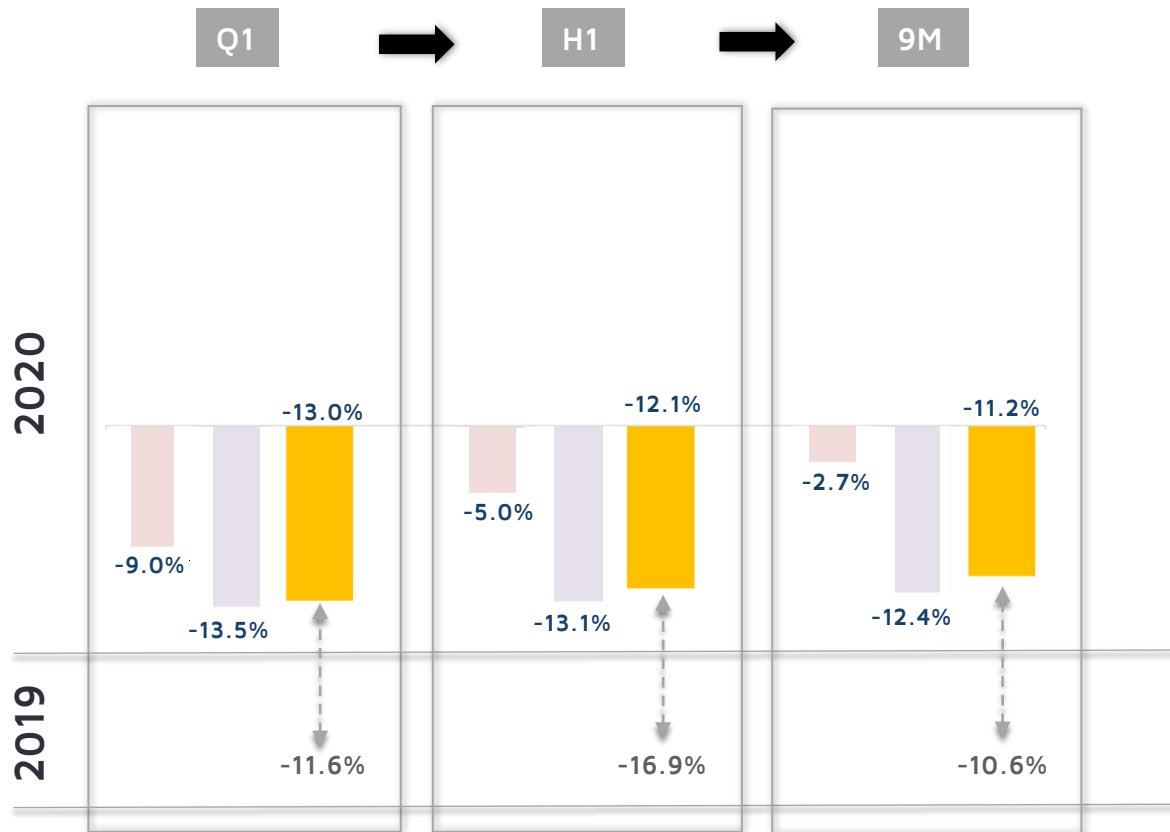


# Assets: 9M 2020 Solar Portfolio Performance

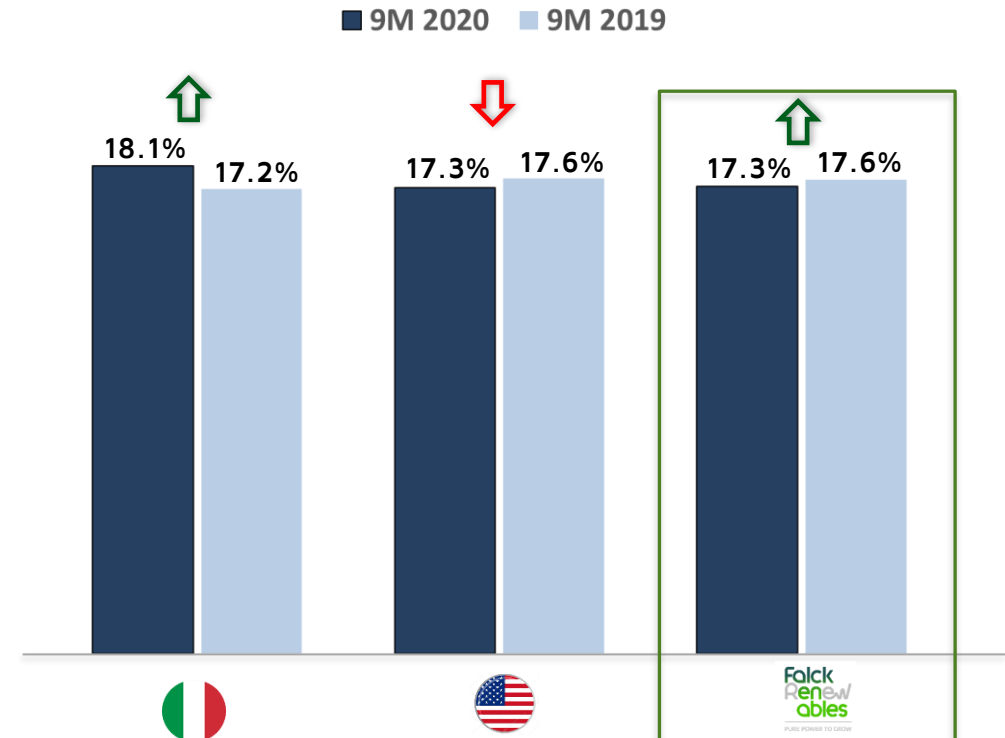
## US & Italy: Evolution of Production\*\*



 TOTAL GROUP



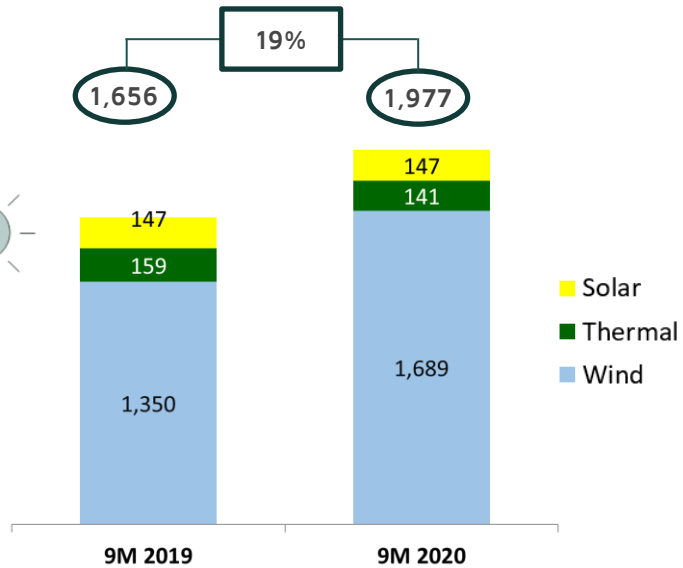
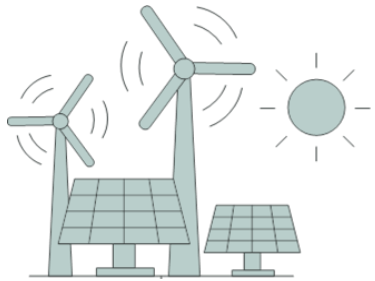
## 9M 2020 vs. 9M 2019: Load Factor\* by Country



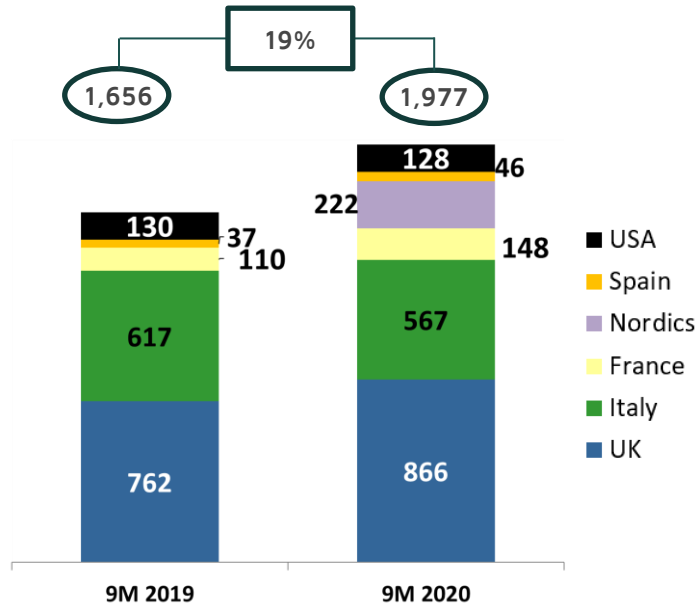
\* Based on effective operating hours

# Electricity Production in 9M 2020 (GWh)

## By Technology



## By Country



### 9M 2020

Confirmed better productions vs. 9M 2019 (+14%) even with a weak 3Q. Significant grid curtailments at our Millennium, Kilbraur, Assel Valley and Auchrobert wind farms included in National Grid balancing system (60 GWh compensated).



- Lower wind production vs. 9M 2019 (-8%) due to poor winds in 1Q and in April, partially mitigated by strong outputs in June: flat contribution in Q3. Solar production better than 9M 2019 (+5%), strong performance in Q3..
- Energy from waste/biomass lower vs. 9M 2019 (-11%) impacted by biannual maintenance at Rende Biomass plant.



Lower performance vs 9M 2019 impacted by outages and technical issues in Q3



Higher productions vs. 9M 2019 (+35%) notwithstanding a weak Q3. Full contribution from increased perimeter (56MW since March 2019) and good performance from existing wind farms (42 MW).

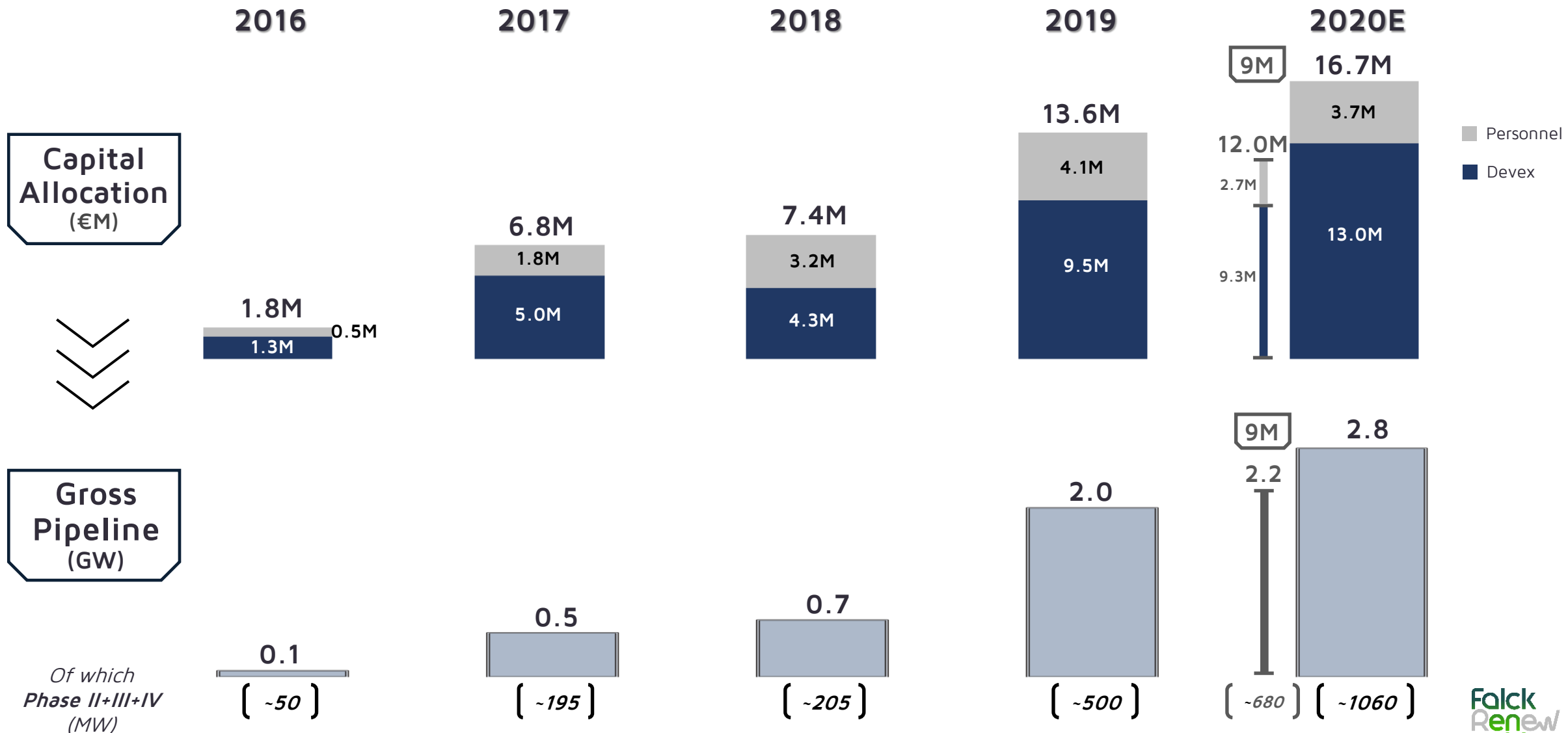
### Δ vs. Internal Index

+13.7% in 9M 2020 while in 9M 2019 production was 3.0% worse than the Index

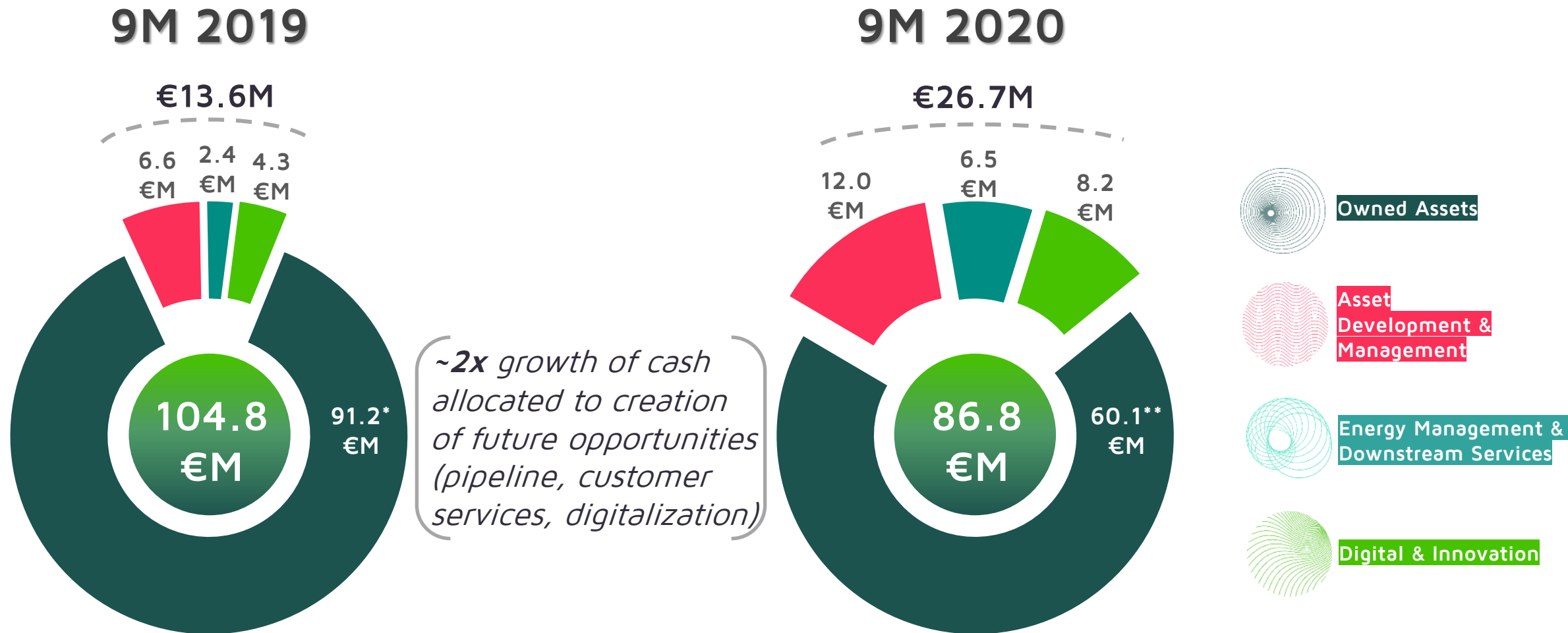
- Wind: -11.7% vs Index in 9M 2020 while in 9M 2019 production was -4.0% vs the Index
- Solar: -2.7% in 9M 2020 better than 9M 2019 performance vs Index (-5.3%)

-12.4% in 9M 2020 while in 9M 2019 production was -11.3% vs the Index.

# Focus on Business Development Progress



# Capital Allocation: 9M 2020 vs 9M 2019



**Cash-out:** Capex + Development Expenses (including direct personnel expenses)

\* It excludes the acquisition of 56MW in France for approx. €60M

\*\* It excludes expected cash – out related to recent signed acquisitions in the US for approx. €75M

# 9M 2020 Results

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Paolo Rundeddu – Chief Financial Officer

# 9M 2020 Financial Highlights



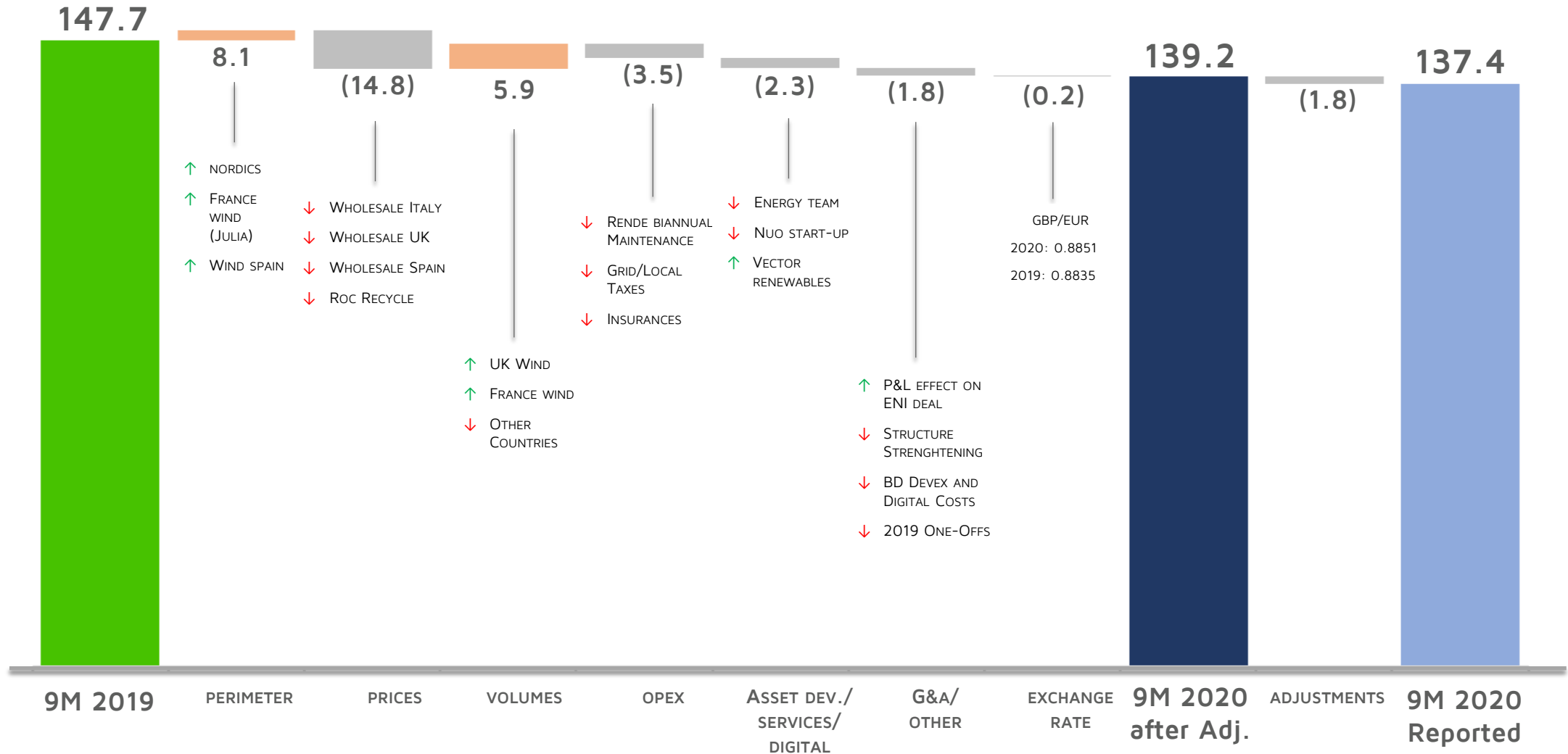
(€M)	9M 2020 Reported	Adjustments			9M 2020 after Adj.	9M 2019	2020 Adj. vs 2019
		<i>Covid Donations</i>	<i>LTI 2017 - 2020</i>	<i>Green Conv. Bond</i>			
<b>Revenues and Other Income</b>	<b>287.5</b>				<b>287.5</b>	<b>276.6</b>	4.0%
<b>Ebitda</b>	<b>137.4</b>	<b>0.8</b>	<b>1.0</b>		<b>139.2</b>	<b>147.7</b>	(5.8%)
<i>% on Revenues and Other Income</i>	<i>47.8%</i>				<i>48.4%</i>	<i>53.4%</i>	
Depreciation - Amortization - Write Off	(64.6)				(64.6)	(68.8)	
<b>Operating result</b>	<b>72.8</b>	<b>0.8</b>	<b>1.0</b>		<b>74.6</b>	<b>78.8</b>	(5.4%)
<i>% on Revenues and Other Income</i>	<i>25.3%</i>				<i>25.9%</i>	<i>28.5%</i>	
Financial income and charges	(27.1)			(1.5)	(28.6)	(29.5)	
Equity investments	(3.2)				(3.2)	2.0	
<b>Earnings Before Taxes</b>	<b>42.5</b>	<b>0.8</b>	<b>1.0</b>	<b>(1.5)</b>	<b>42.8</b>	<b>51.3</b>	(16.6%)

Breakdown	9M 2020	9M 2019
<i>Depreciations</i>	<i>(60.6)</i>	<i>(57.1)</i>
<i>Provisions</i>	<i>(3.6)</i>	<i>(3.3)</i>
<i>Write - offs / Revaluations</i>	<i>(0.4)</i>	<i>(8.4)</i>

(€M)	END OF 9M 2020 Reported	Covid Donations	LTI 2017 - 2020	Green Conv. Bond	END OF 9M 2020 after Adj.	END OF 2019
<b>Net Financial Position</b>	<b>(682)</b>	<b>1</b>	<b>1</b>	<b>(1)</b>	<b>(682)</b>	<b>(721)</b>
<i>of which: Proj. Fin. and MLT no recourse</i>	<i>(611)</i>				<i>(611)</i>	<i>(672)</i>

# 9M 2020 EBITDA Bridge by Nature

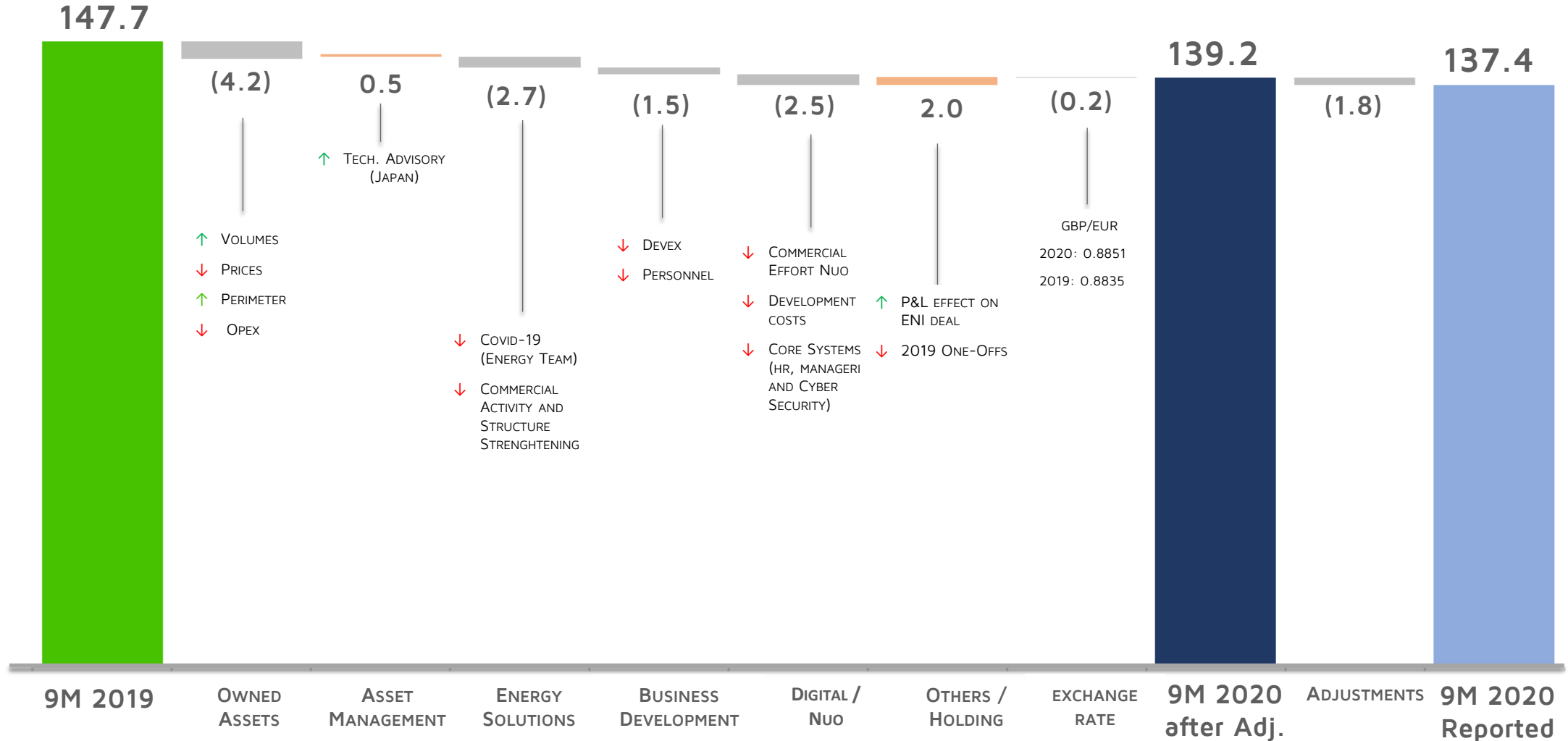
(€M)





# 9M 2020 EBITDA Bridge by Business

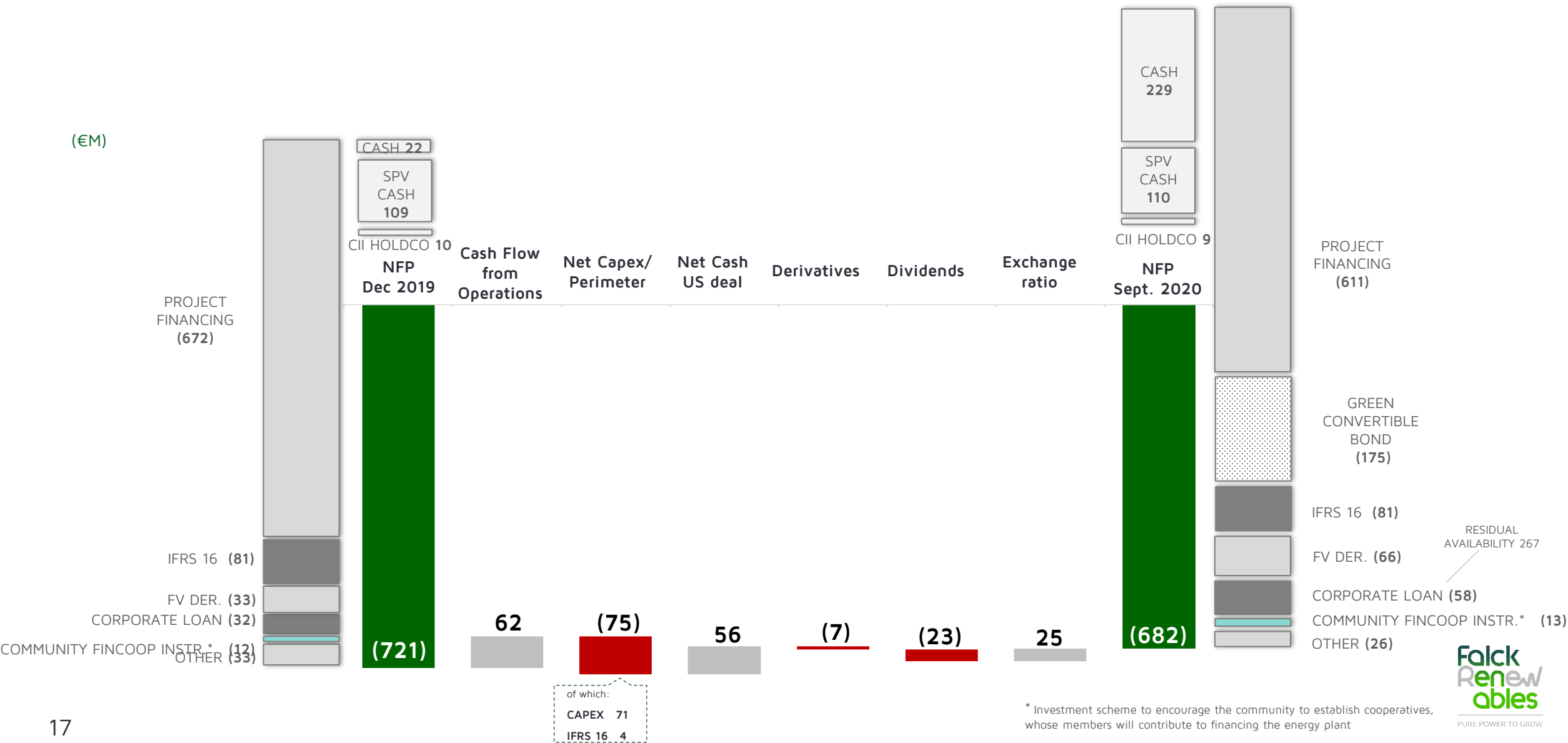
(€M)



# 9M 2020 Cash Flow



(€M)

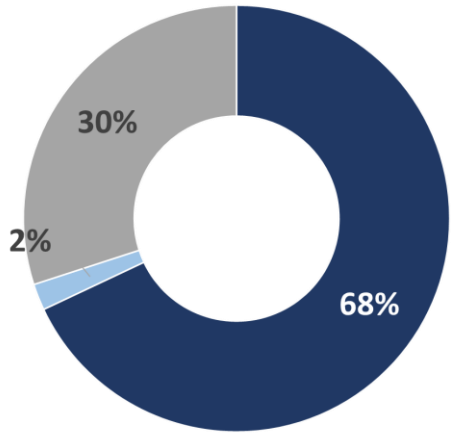


\* Investment scheme to encourage the community to establish cooperatives, whose members will contribute to financing the energy plant



# 9M 2020 Gross Debt Breakdown

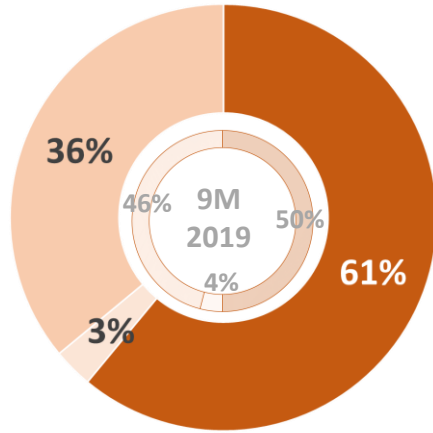
Gross Debt Nature without Derivatives and Leases



€885M

- Financing with recourse
- Project financing without recourse
- Other financings without recourse

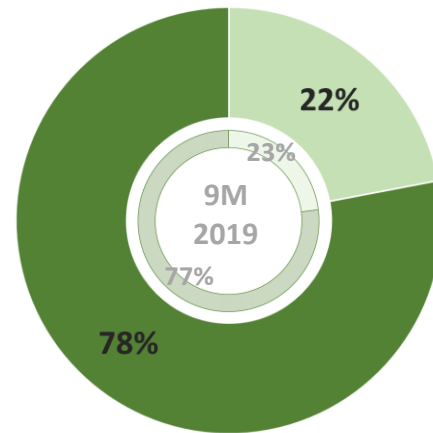
Gross Debt by Currency without Derivatives and Leases



€885M

- GBP
- EUR
- USD

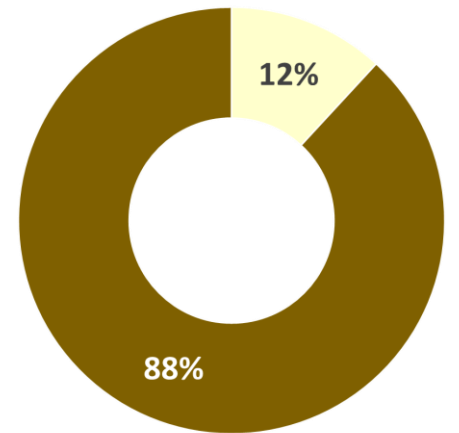
Gross Debt without Derivatives and Leases Hedged



€885M

- Hedged
- Un-hedged

Gross Debt without Derivatives and Leases: Construction and Operations



€885M

- Operating plants
- Under construction

Average interest rate (including interest rate swap) of 2.5%\*

# Green Equity-Linked Bond: Accounting Effects



	09/23/2020	9M 2020	From 11/17/2020 <i>At 10 b. days after notice to bondholders (after E.G.M)</i>	From 11/17/2020 <i>After 10 b. days after notice to bondholders (after E.G.M)</i>	FY 2020
<b>Equity Linked Option</b>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Fair Value</i>	<i>Fair Value</i>
Valuation	23.9M	22.3M	<b>α</b>	0	0
Impact on P&L		1.6M	23.9M- <b>α</b>	23.9M- <b>α</b>	23.9M- <b>α</b>
Impact on Balance Sheet:					
<i>Liability</i>	<i>23.9M</i>	<i>22.3M</i>	<b>α</b>	0	0
<i>Equity gain/(loss)</i>	<i>0</i>	<i>1.6M</i>	<i>23.9M-α</i>	<i>23.9M-α</i>	<i>23.9M-α</i>
<i>Equity Reserve</i>	<i>0</i>	<i>0</i>	<i>0</i>	<b>α</b>	<b>α</b>
<b>Amortised Costs</b>		Accrual	Accrual	Accrual	Accrual
Impact on P&L	0	(0.1M)	(0.7M)	(0.7M)	(1.3M)

# Guidance 2020



(€M)

	1H 2020	Main Assumptions	Current Estimate <i>based on updated operational results</i>
<b>EBITDA</b>	194 - 198	<ul style="list-style-type: none"><li>○ <b>Current Volumes</b> (up to November 12<sup>th</sup>) below expectations + forecast</li></ul>	<b>≥ 191</b>
<b>Group Net Earnings*</b>	34 - 36	<ul style="list-style-type: none"><li>○ <b>Prices:</b> current forward prices</li><li>○ <b>Fx:</b> GBP ~ 0.905 and USD ~ 1.17</li></ul>	<b>≥ 31</b>
<b>Net Financial Position</b>	~740	<ul style="list-style-type: none"><li>○ <b>Not included any effect</b> related to the senior unsecured equity-linked green bonds</li><li>○ <b>Before</b> Impairments and provisions</li></ul>	<b>~740</b>

Final results impacted by remaining Volumes and Prices for Q4 also influenced by Covid (phase 2) and macro variables

\* It includes the impact of deferred tax liabilities on Group Net Earnings due to the change of the corporate tax rate in the UK

# Conclusions

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Toni Volpe – Chief Executive Officer

- ➡ **Significant industrial growth** of capital allocated to Development, Downstream & Digitalization notwithstanding 2020 Covid situation
- ➡ Investments in business expansion should **crystallize value** (EU Green Deal + Biden Scenario) once Covid is under control
- ➡ 0.5B underpinning a **fully funded** plan to 2023 and possibility to explore **inorganic growth**



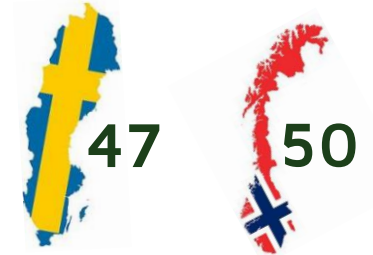
# Appendix

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# Operating Assets: 1,196\* MW in 9M 2020



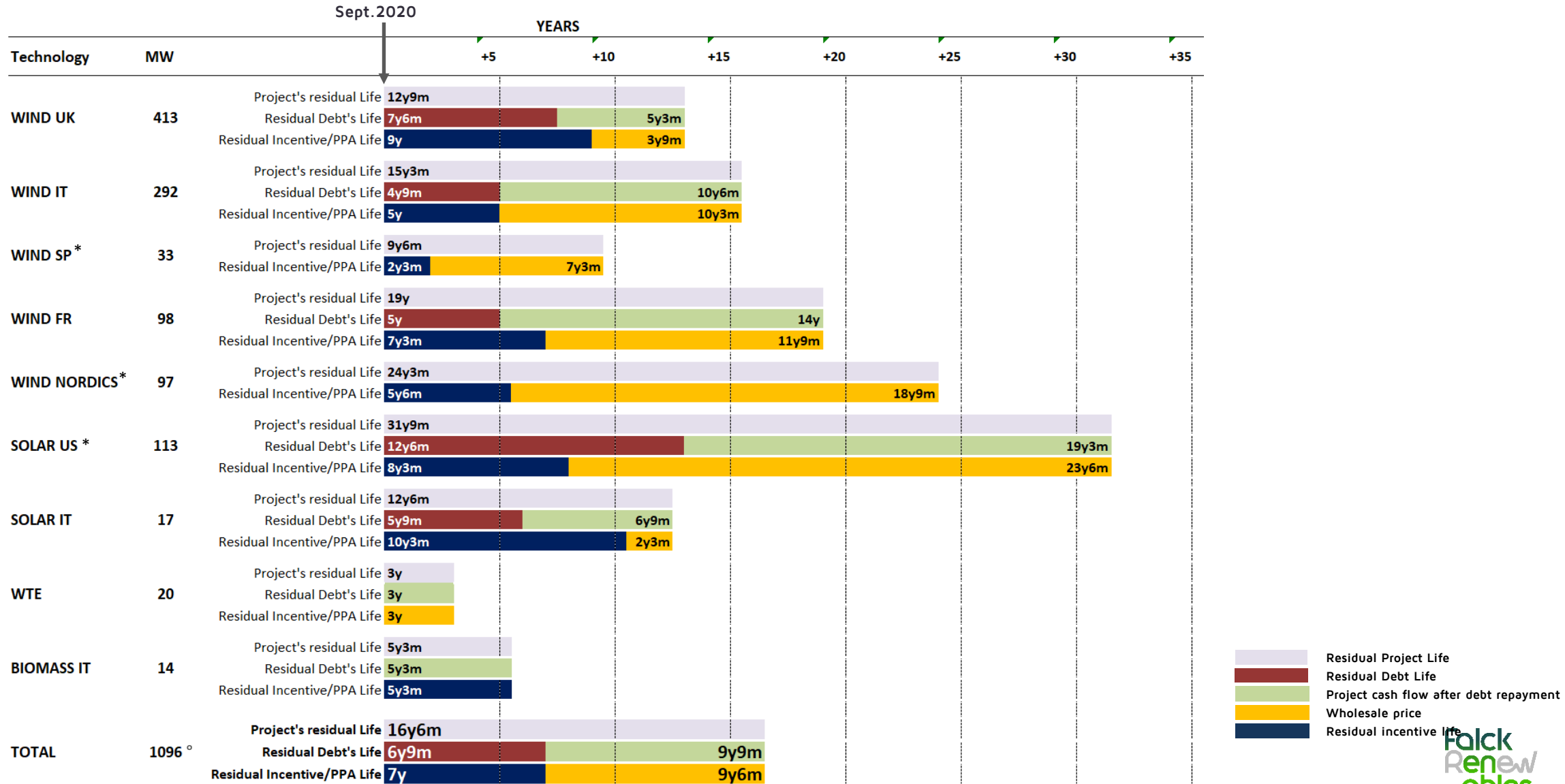
MW				TOTAL
	292	17	46	355
	413			413
	30*	145*		175
	98			98
	59			59
	50			50
	47			47
<b>TOTAL</b>	<b>989</b>	<b>162</b>	<b>46</b>	<b>1,196*</b>



+95 MW Under Construction

\* Includes minority stake in La Muela (26%) wind farm and Frullo Energia Ambiente (49%) for a total amount of 37MW and 62 MW signed in the US and subject to closing by end of 2020

# Asset Base in 9M 2020



\* PPA secured, SREC (in the US only)

° Not included minority stake in La Muela (26%) wind farm and Frullo Energia Ambiente (49%) for a total amount of 37MW and 62 MW signed in the US and subject to closing by end of 2020

# Installed Capacity and Production by Plant in 9M 2020



Plants	MW	Energy produced 9M 2020 (GWh)
Cefn Croes (Wales )	58.5	124
Boyndie (Scotland )	16.7	30
Earlsburn (Scotland)	37.5	84
Ben Aketil (Scotland)	27.6	67
Millennium (Scotland)	65.0	122
Kilbraur (Scotland)	67.5	119
Nutberry (Scotland)	15.0	42
West Browncastle (Scotland)	30.0	63
Kingsburn (Scotland)	22.5	62
Assel Valley (Scotland)	25.0	58
Auchrobert (Scotland)	36.0	72
Spaldington (England)	11.8	22
San Sostene (Italy)	79.5	115
Minervino Murge (Italy)	52.0	54
Buddusò – Alà dei Sardi (Italy)*	138.0	211
Petralia Sottana (Italy)	22.1	26
Ty Ru (France)	10.0	16
Fouy (France)	10.0	14
Cretes (France)	10.0	14
Esquennois (France)	12.0	19
Eol Team (France)	12.0	19
Noyales (France)	10.0	16
Bois (France)	12.0	18
Mazeray (France)	12.0	16
Coudray (France)	10.0	14
Cabezo San Roque (Spain)	23.3	29
Carreastro (Spain)	10.0	17
Hennøy (Norway)	50.0	104
Åliden (Sweden)	46.8	118

\* The installed capacity is 159 MW, production limit at 138 MW



Plants	MW	Energy produced 9M 2020 (GWh)
Rende (Italy)	1.0	1
Sicily (Italy)	13.1	15
Mesagne (Italy)	2.0	3
Bologna (Italy)	0.9	0
North Carolina (USA)	92.0	106
Syncarpha - Massachussets (USA)	14.5	15
Middleton – Massachussets (USA)	6.0	7



WTE Trezzo (Italy)	20.0	72
BIO Rende (Italy)	15.0	69

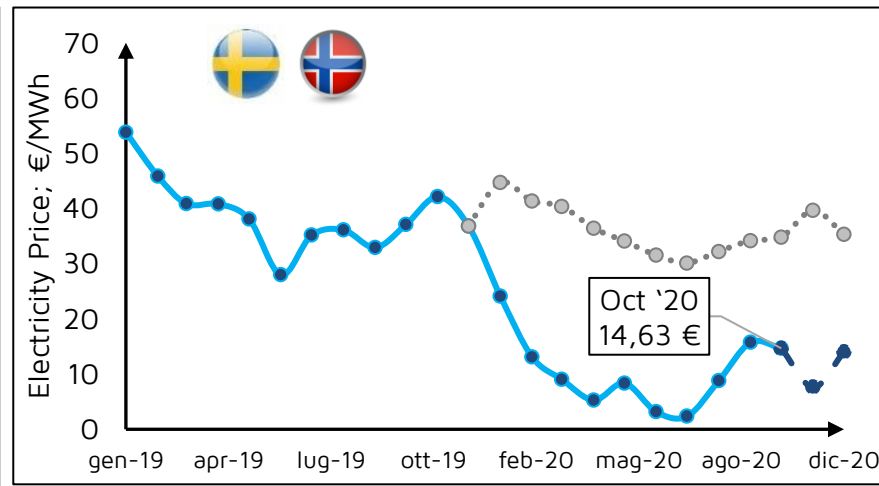
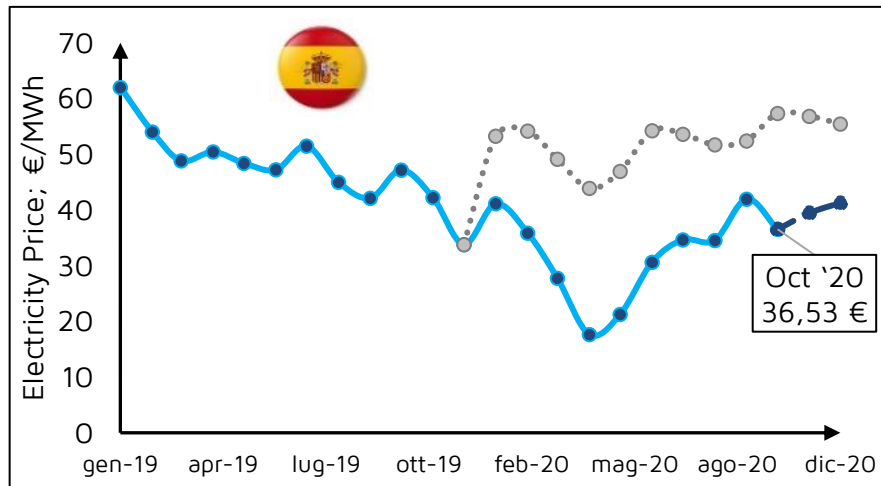
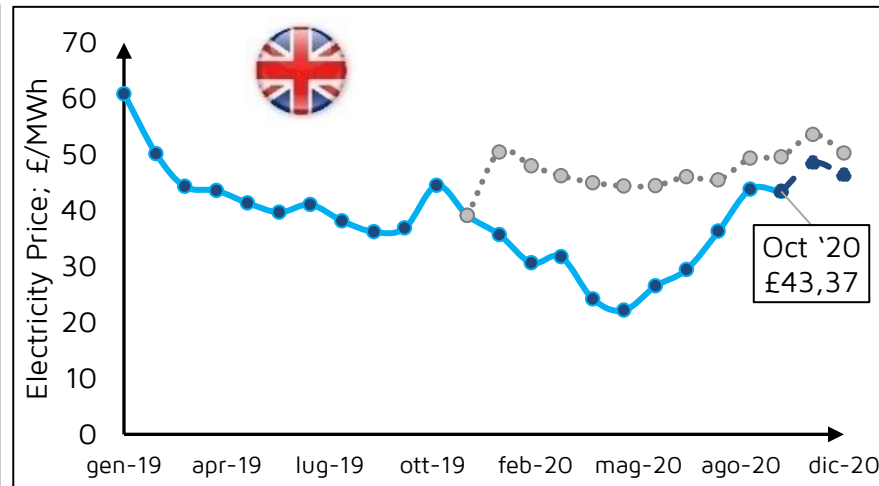
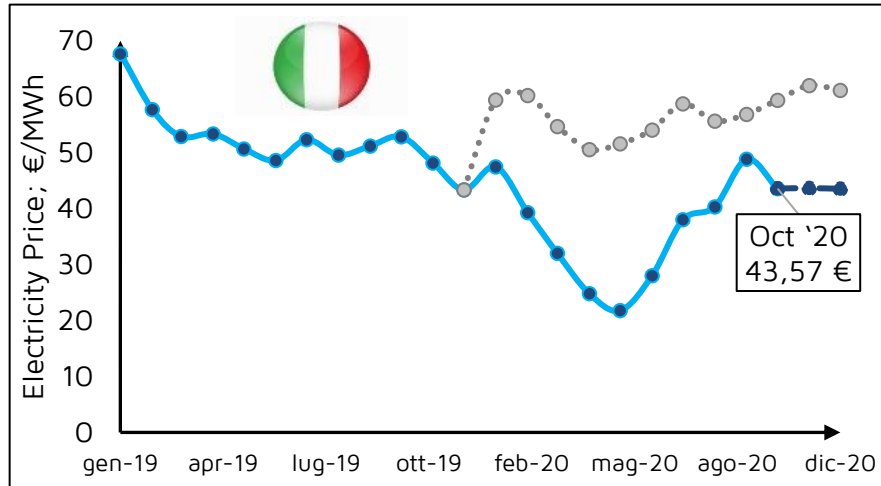
### MINORITIES

La Muela (Wind - Spain)	25.7
Fruzzo Energia Ambiente (WtE - Italy)	11.0

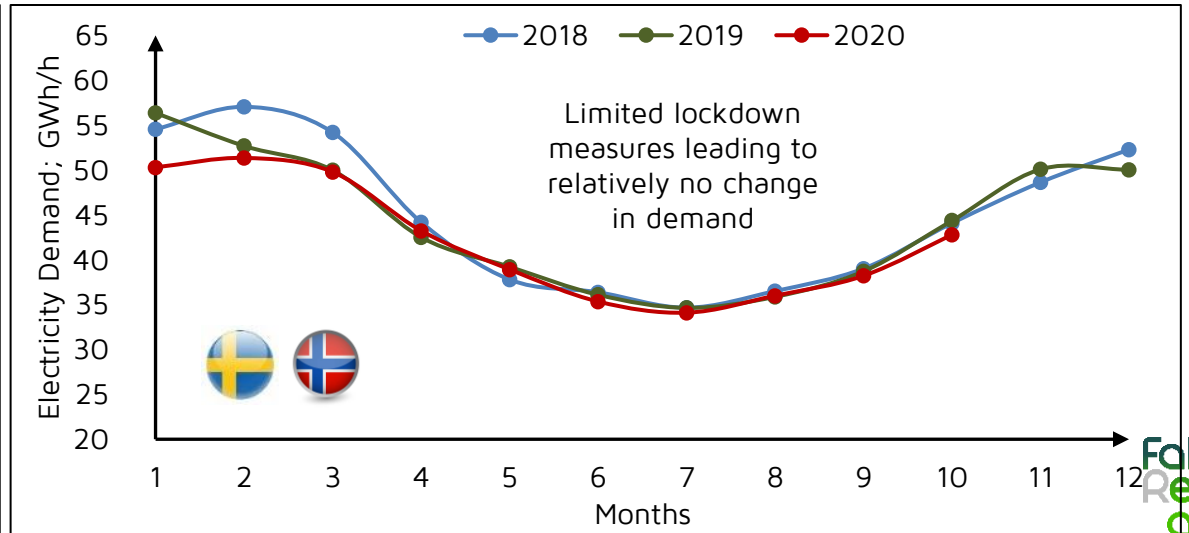
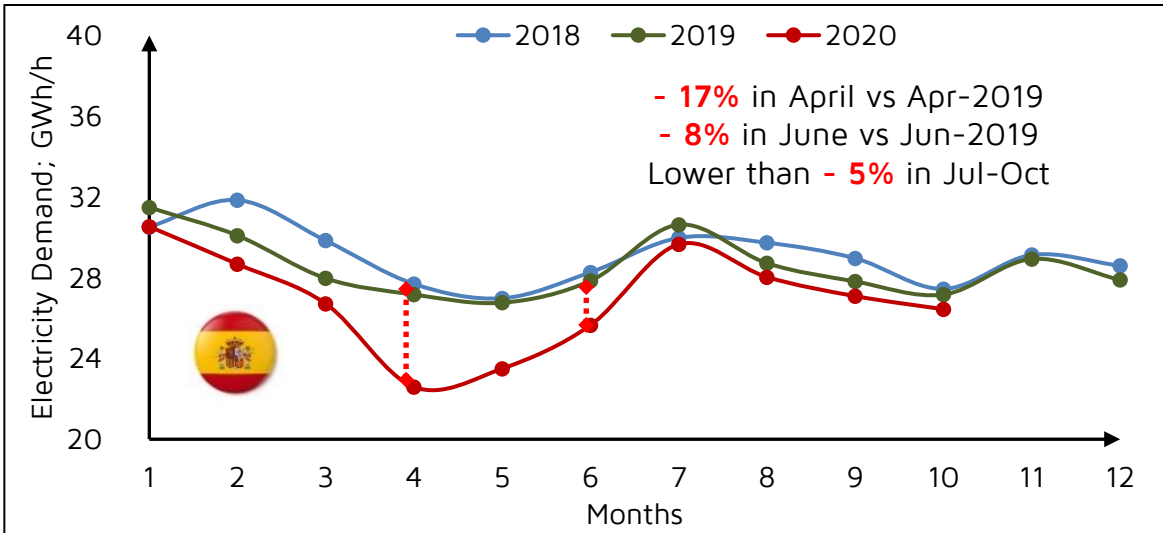
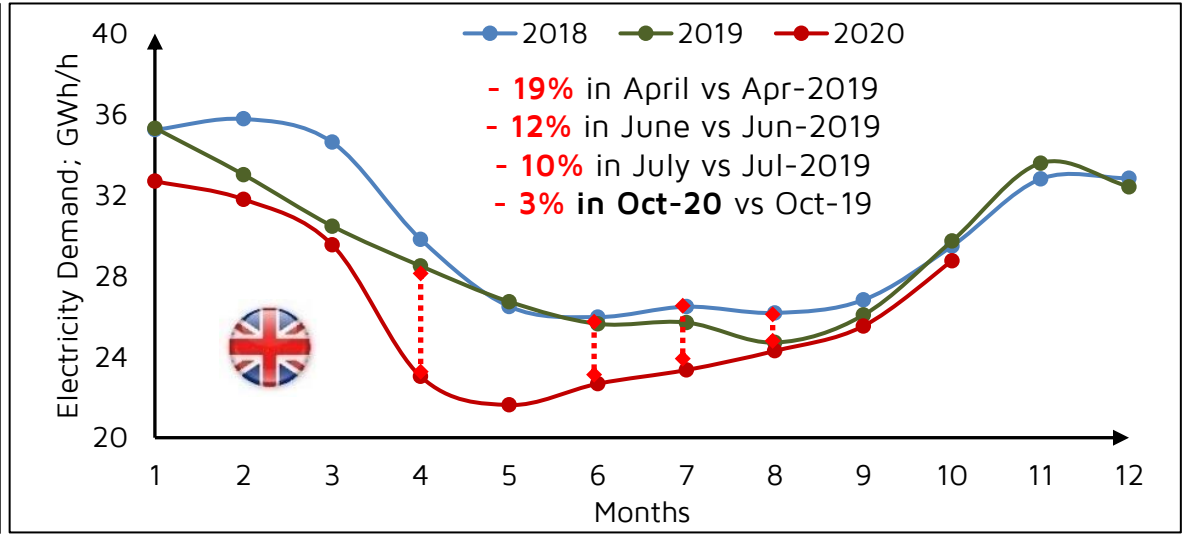
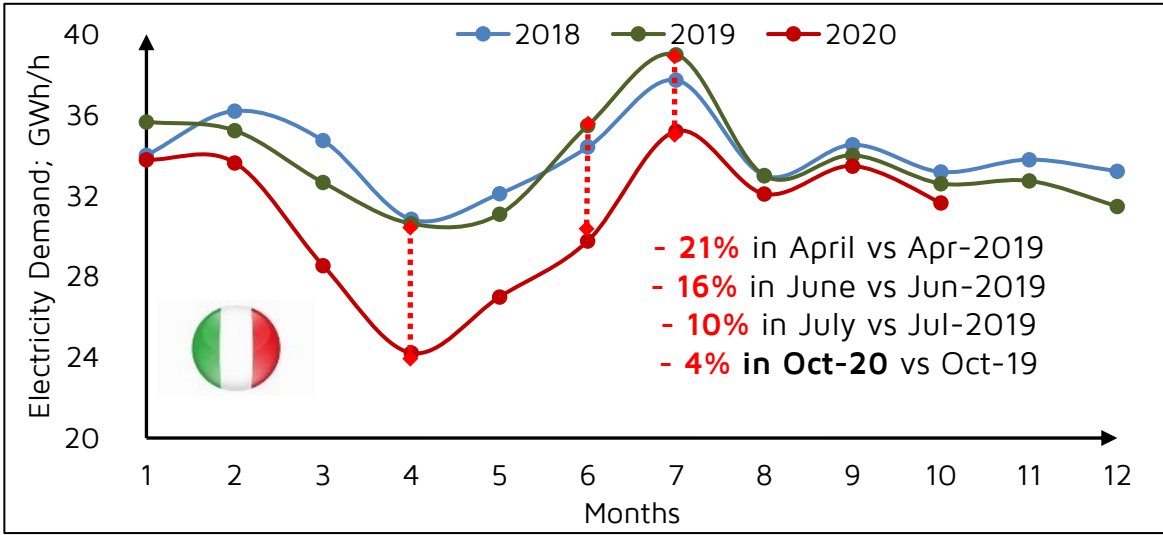
<b>TOTAL INSTALLED CAPACITY (MW)</b>	<b>1,134</b>
<b>TOTAL ENERGY PRODUCED (GWh)</b>	<b>1,977</b>

# Spot Energy Prices: October Update

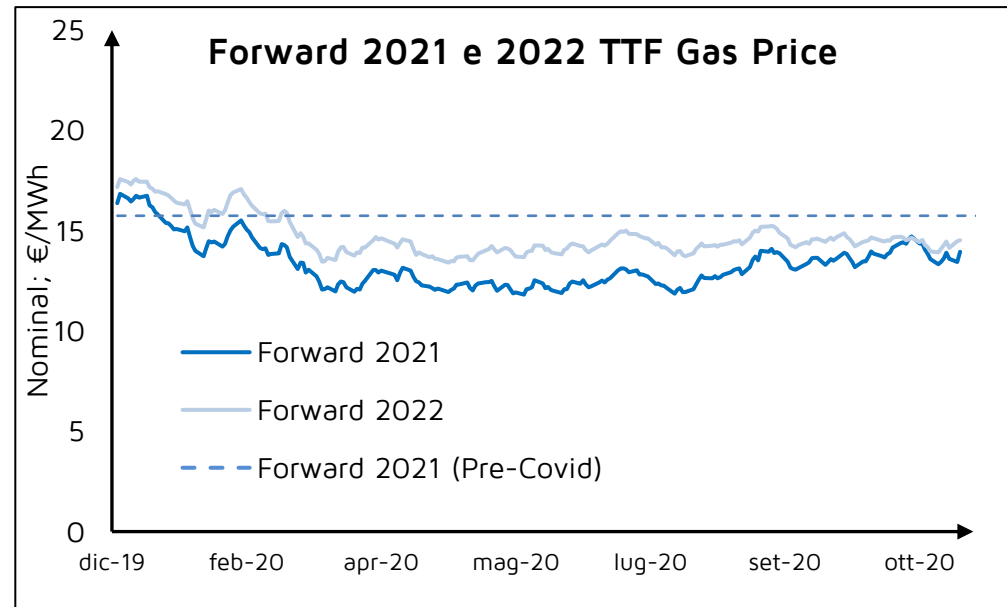
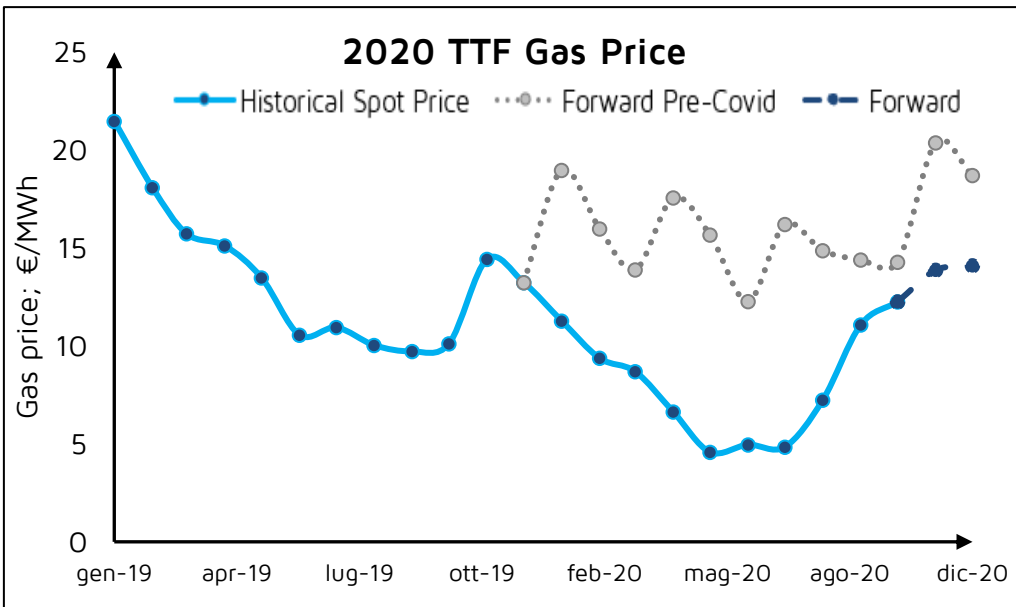
—●— Historical Spot Price    ····· Forward Pre-Covid    —●— Forward



# Electricity Demand: October Update



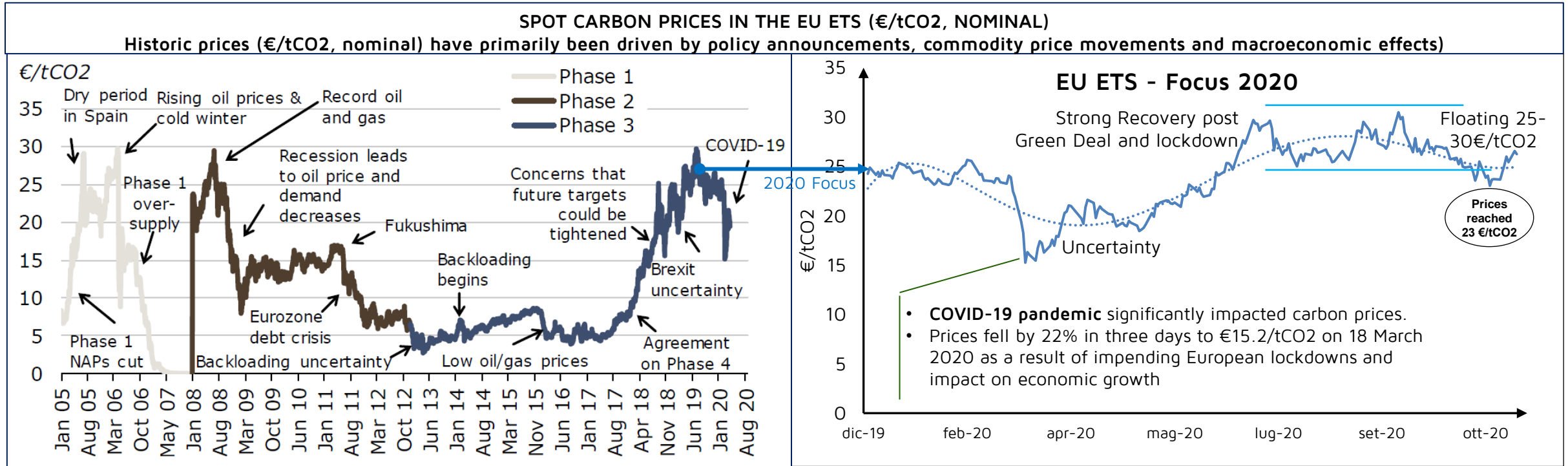
# Gas Prices: October Update



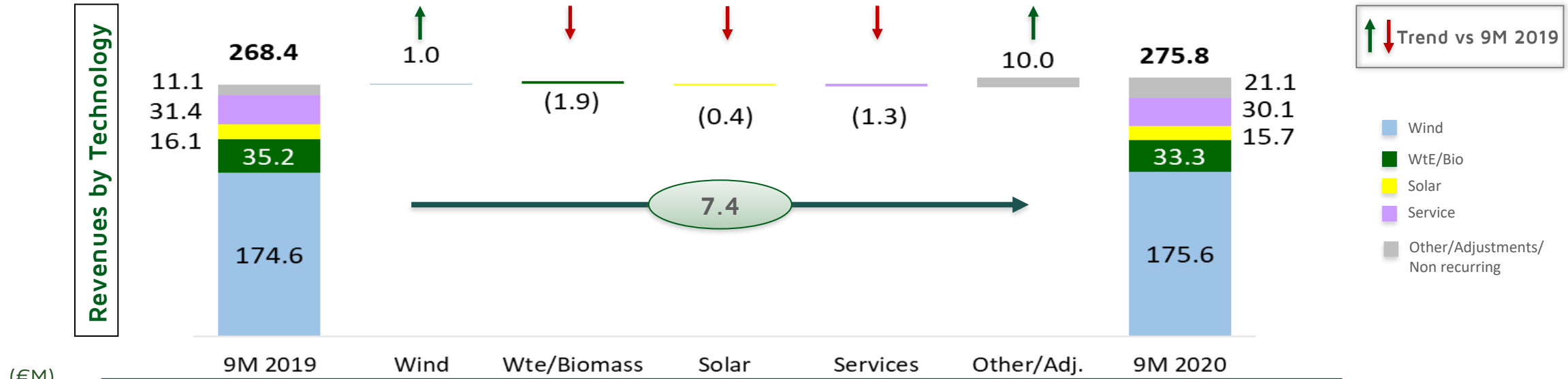
€/MWh	TTF
<b>2019</b>	13,55
Q1-20	9,79
Q2-20	5,38
Q3-20	7,68
Q4-20	13,48
<b>2020</b>	9,09
<b>2020 (Pre-Covid)</b>	16,10
<b>2021</b>	13,95



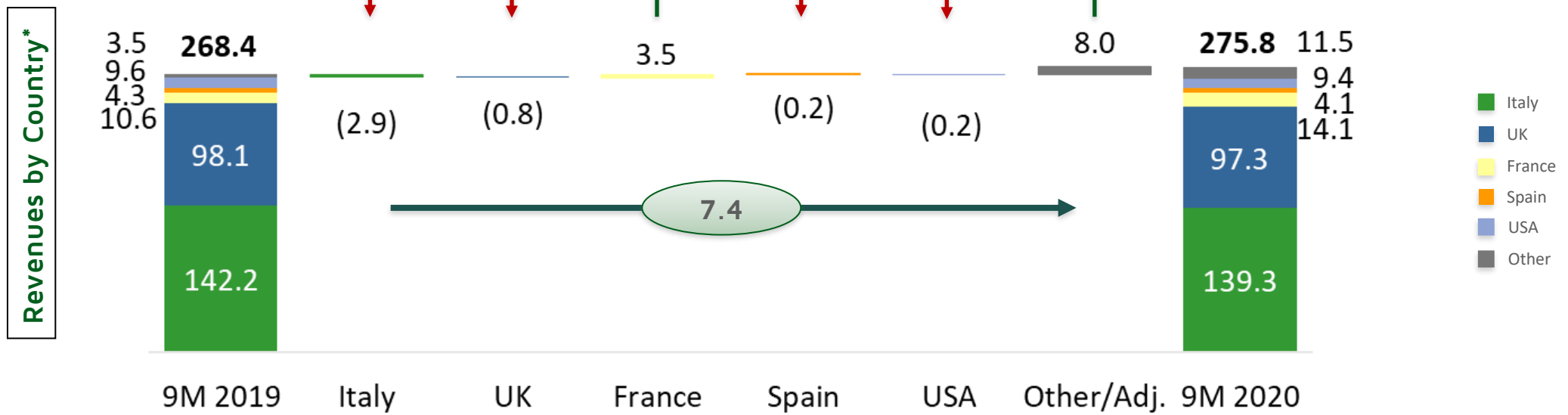
# CO<sub>2</sub> Prices: October Update



# 9M 2020 Revenues



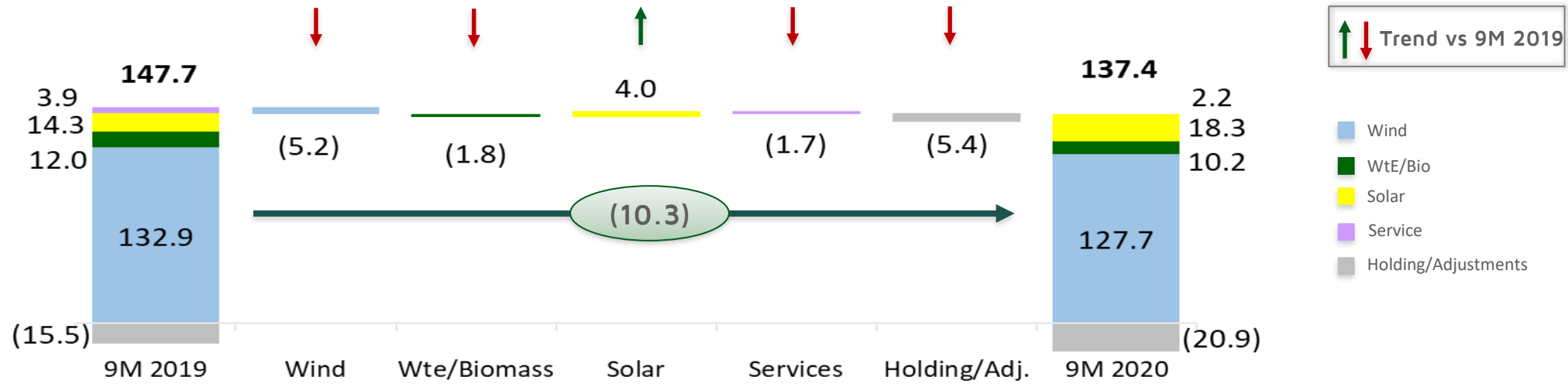
(€M)



\* By origination

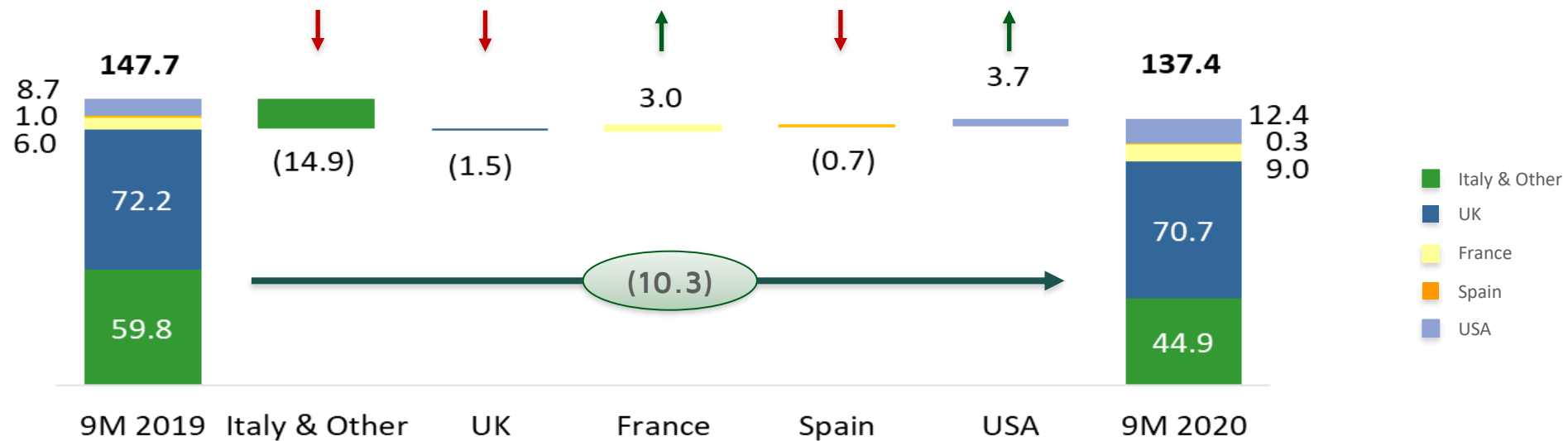
# 9M 2020 EBITDA

EBITDA by technology

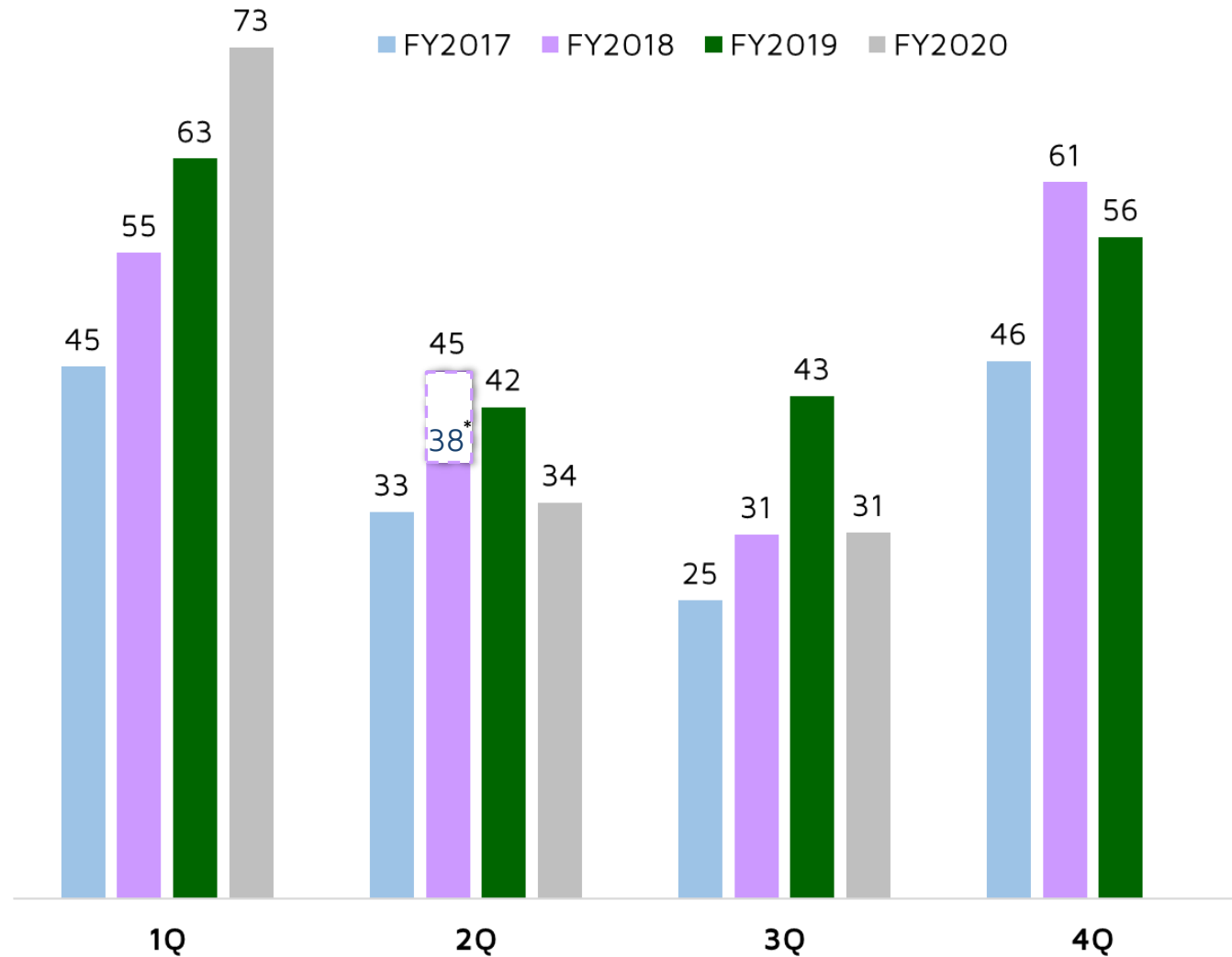


(€M)

EBITDA by Country \*



# EBITDA Breakdown by Quarter







9M 2020 EBITDA: higher volumes and increase of perimeter to mitigate the decrease of energy prices

\* It includes the impact of non-recurring transactions of €7.1M

# Update on Construction in the Nordics (95 MW)





## Brattmyrliden (74 MW)



-  All turbines erected and pre-commissioned
-  Substation energization postponed to late Q4
-  Start of operations expected by Q1 2021
-  % of completion (in value): **84%**

## Okla (21 MW)



-  Construction works delayed and started in August 2020
-  Foundations should be ready by Q1 2021
-  Start of operations expected by end of Q4 2021
-  % of completion (in value): **46%**