

Company Presentation



23 March 2021



PURE POWER TO GROW

Forward-Looking Statements

This presentation contains certain forward-looking statements that reflect the Company's management's current views with respect of future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Falck Renewables S.p.A.'s current expectations and projections about future events and have been prepared in accordance with IFRS currently in force and the related interpretations as set out in the documents issued to date by IFRIC and SIC, with the exclusion of any new standard which is effective for annual reporting periods beginning after January 1st 2021. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Falck Renewables S.p.A. to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in the price and availability of fuel and other risks. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Falck Renewables S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. The information contained in this presentation does not purport to be comprehensive and has not been independently verified by any independent third party.

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Falck Renewables

at a glance

We are an **international pure play company** working in the renewable energy sector. We **develop, design, build and manage plants** that generate **clean power**.

We provide highly **specialized energy management and downstream services** to both energy producers and consumers and we use our **know-how** to **manage third-party assets**, both technically and commercially.

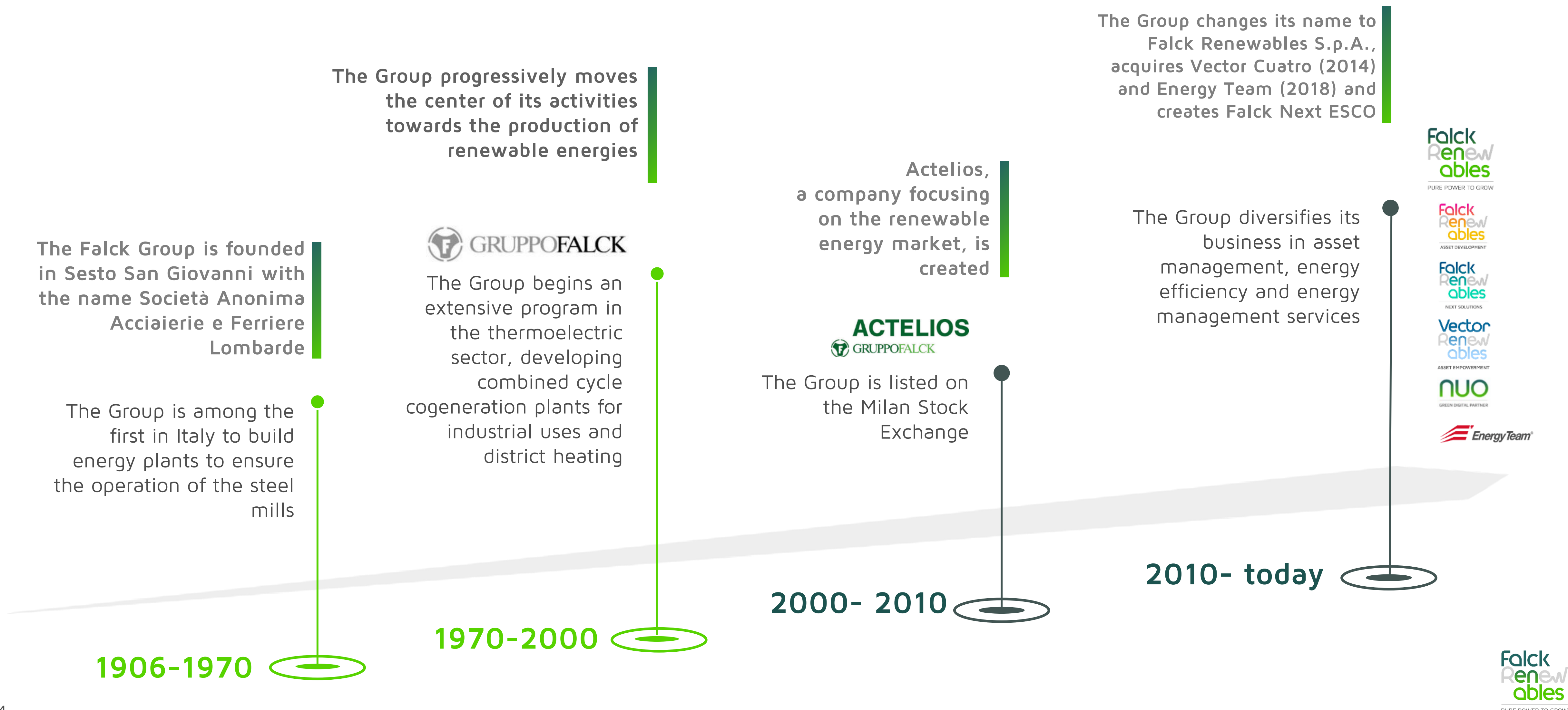
Our Mission

Through the generation of clean energy and the provision of management services along the entire renewable energy value chain, we want to create shared and lasting value for all our stakeholders, while fully respecting the environment that surrounds us.

- ✓ Energy sustainability from **INNOVATION**
- ✓ Global **COMPETENCE** for a sustainable future
- ✓ Maximum **CARE** for our stakeholders
- ✓ **LEADERSHIP** for a carbon free development

Our History

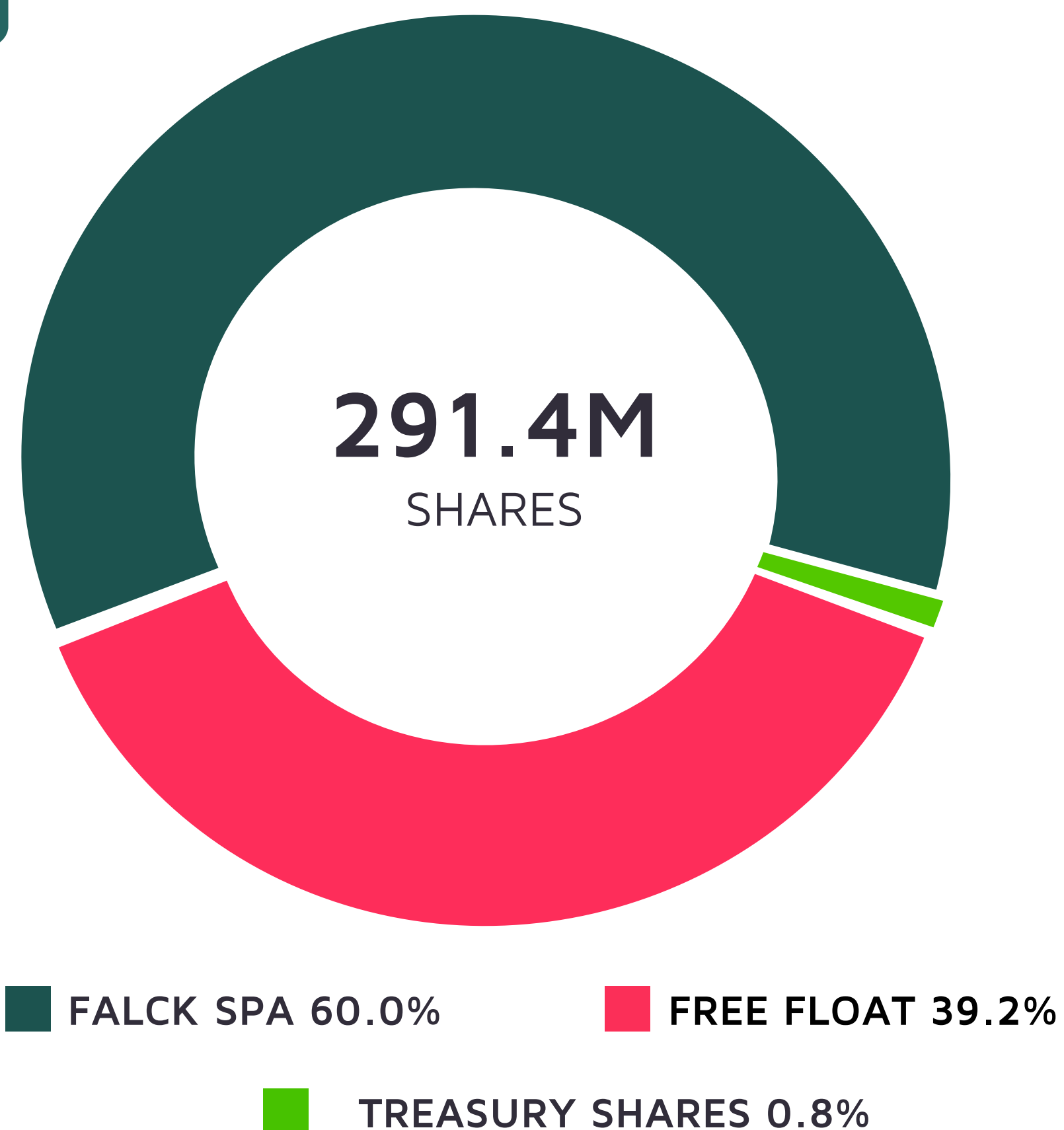
Over 100 years following the sustainability concept



Ownership and Corporate Governance



CURRENT OWNERSHIP



BOARD COMPOSITION



- Executive Director
- Non Executive Director
- Independent Dir. according to T.U.F. and Corporate Governance Code

The Board of Directors consists of **twelve members**. Six of them are **Independent Directors (50%)** and five are **women**; one was appointed **Lead Independent Director**.

The new Board of Directors – as approved at The Shareholders' Meeting on 7 May 2020 – reflects the Group's **international presence**.

Sustainability at the Core



It is not only about what we do, but how we do it, and the values that we live by.

Our Sustainability Charter

1. We promote the local workforce and supply chain
2. We welcome the participation of communities in our business, also through ownership schemes
3. We back community projects – from social & educational to environmental & infrastructural – and we encourage communities to share project practices to maximize benefits for others
4. We share our knowledge of energy sustainability to spread the word about its importance
5. We ensure all our operations have the minimum impact on the environment

In our strategic plan – the **Roadmap 2025** - we have taken **4 main sustainability commitments**, a.k.a. sustainability strategic goals. They will be measured over the plan period, verifying progress with key performance indicators (KPIs).



KPIs

	DISTRIBUTED ADDED VALUE* (€M)	PROJECTS WITH A SIGNIFICANT COMMUNITY ENGAGEMENT PROGRAM** (%)	AVOIDED CO ₂ EMISSIONS*** (MTCO ₂)	HOURS OF UPSKILLING AND RESKILLING PER EMPLOYEE (HR./Y)
2020	170	45% OF PROJECTS	0.57	30
2025	255	55% OF PROJECTS	1.36	40



* To stakeholders such as staff, shareholders, creditors, central & local administrations, and local communities.
 ** To be understood as the engagement of the local community through cooperative schemes, ownership schemes, benefit schemes or with the local enabling of sustainable energy consumption services (i.e. community energy PPA, access to net metering credit schemes, etc.).
 *** References of the emission factors applied : USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2020); EU: "Fattori di emissione atmosferica di gas a effetto serra nel settore elettrico nazionale e nei principali Paesi Europei" [Atmospheric emission factors of greenhouse gases and other pollutants from the power sector] (ISPRA, 2020); Norway: "Electricity disclosure 2018" (NVE-RME, 2020 update)..

Our Strategy

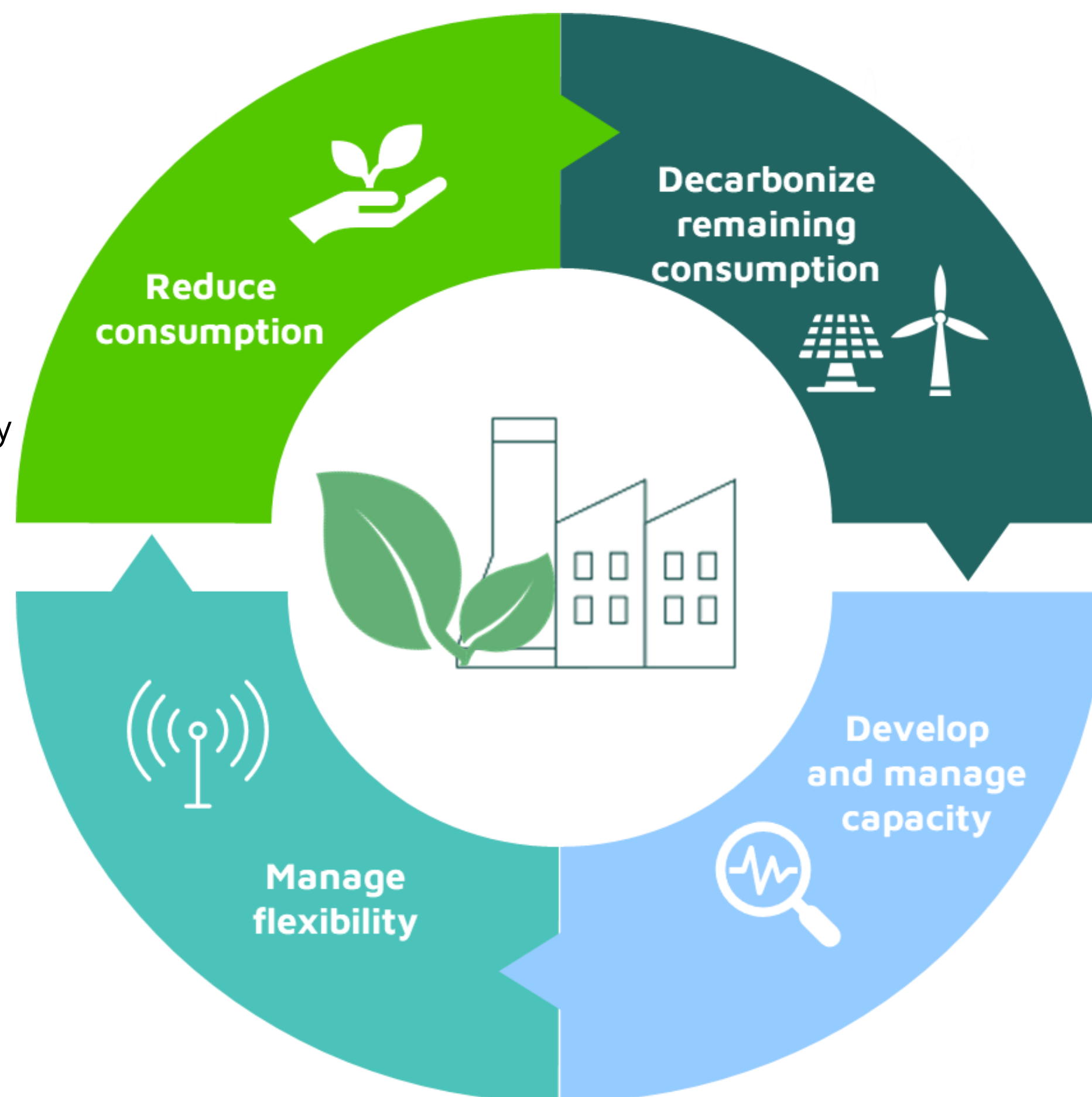
Reduce consumption

An increased focus on sustainability and regulatory compliance requiring a lower energy consumption

- Large scale energy efficiency (e.g. CHP)
- Demand Side management (including energy management software and battery storage)

Manage flexibility

New sources of flexibility (demand response, aggregation) and capability to manage them within an increasingly intermittent world in order to maintain adequate operation of technical and commercial processes (TSOs/DSOs play an important but indirect role in facilitating / managing the supply side)



Decarbonize remaining consumption

Decarbonize energy consumption via

- Green energy supply contracts (including PPA) or on-site RES/BESS generation
- Electrification, switching from fossil to electricity, decarbonizing feedstocks, switching to green resources

Develop and manage capacity

- Sustain accelerates growth strengthening development activities
- Need to manage third parties' assets that are approaching lifetime and incentive end
- Energy management (including dispatching and hedging)

Diversified Portfolio, International Presence and Business Areas

1,196MW
TOTAL INSTALLED CAPACITY

989MW
WIND

162MW
SOLAR

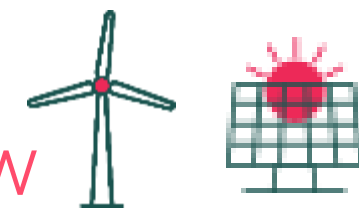
15MW
BIOMASS

31MW
WASTE TO ENERGY

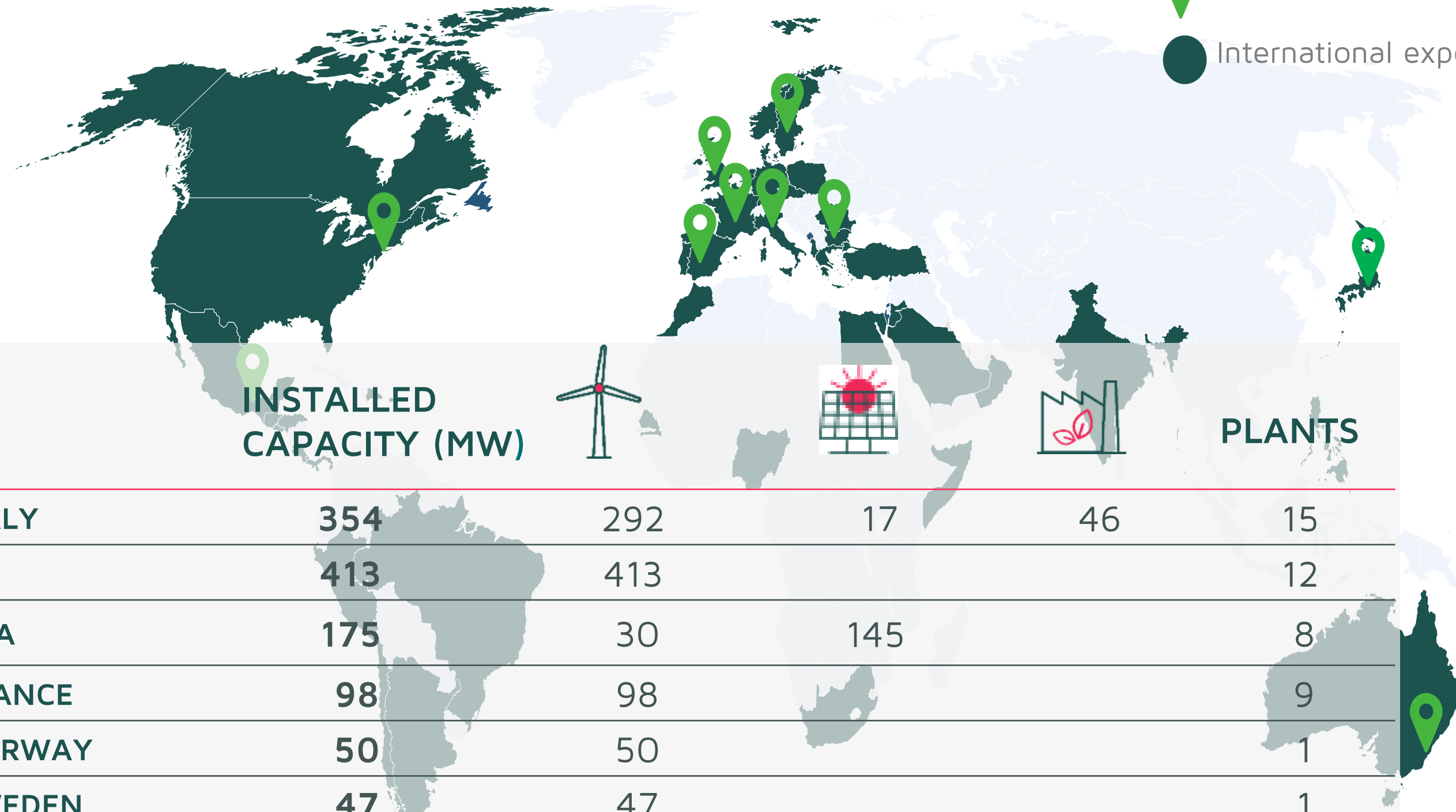
2.6GW

DEVELOPMENT PIPELINE

175MW
UNDER CONSTRUCTION

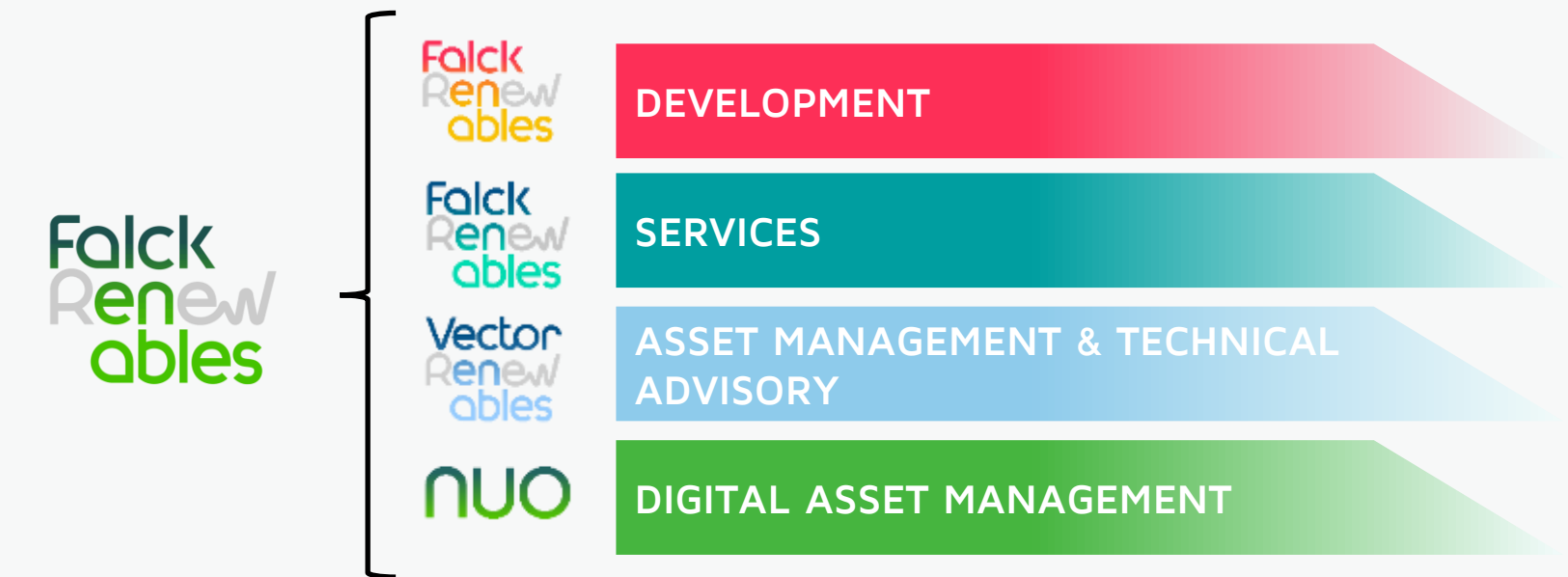


Our Offices
 International experience



	INSTALLED CAPACITY (MW)				PLANTS
ITALY	354	292	17	46	15
UK	413	413			12
USA	175	30	145		8
FRANCE	98	98			9
NORWAY	50	50			1
SWEDEN	47	47			1
SPAIN	59	59			3
TOTAL	1,196	989	162	46	49

BUSINESS AREAS



A FULL RANGE OF SERVICES

ASSET MANAGEMENT AND TECHNICAL ADVISORY

3 GW

ASSET UNDER MANAGEMENT

70 GW

TECHNICAL ADVISORY

4.6 GW

TRANSACTIONAL ADVISORY

ENERGY MANAGEMENT AND ENERGY EFFICIENCY

1.3 TWh
ENERGY DISPATCHED

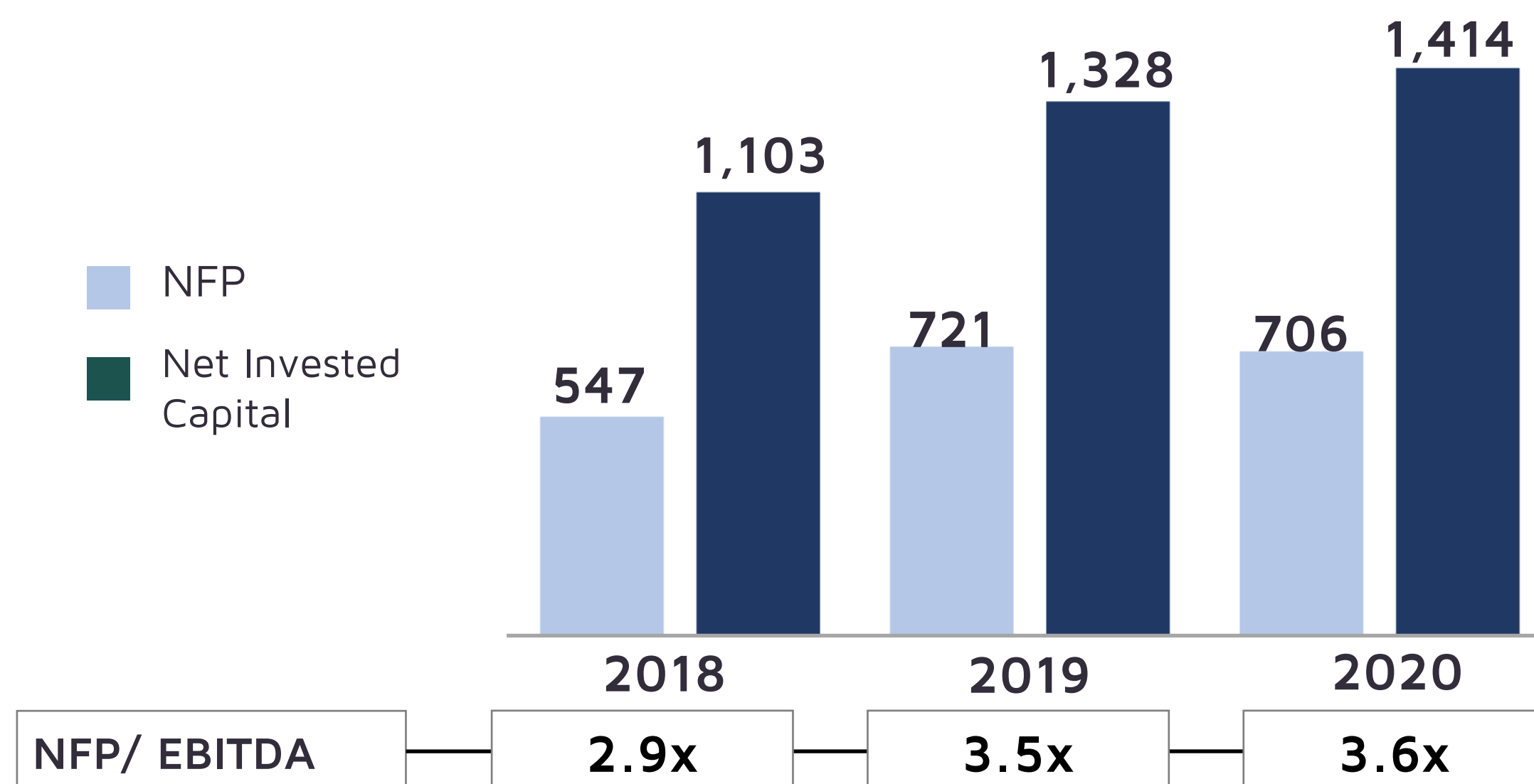
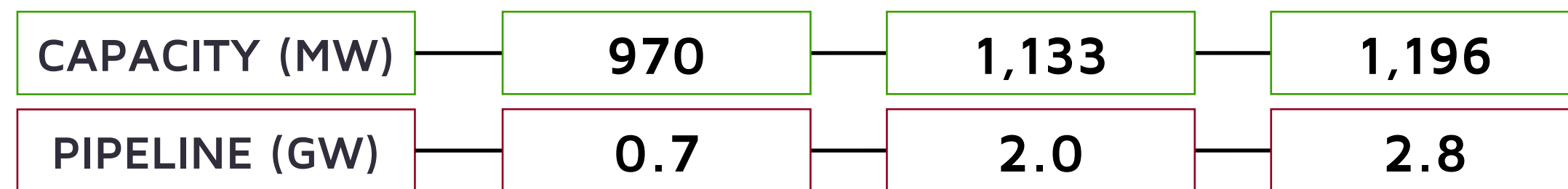
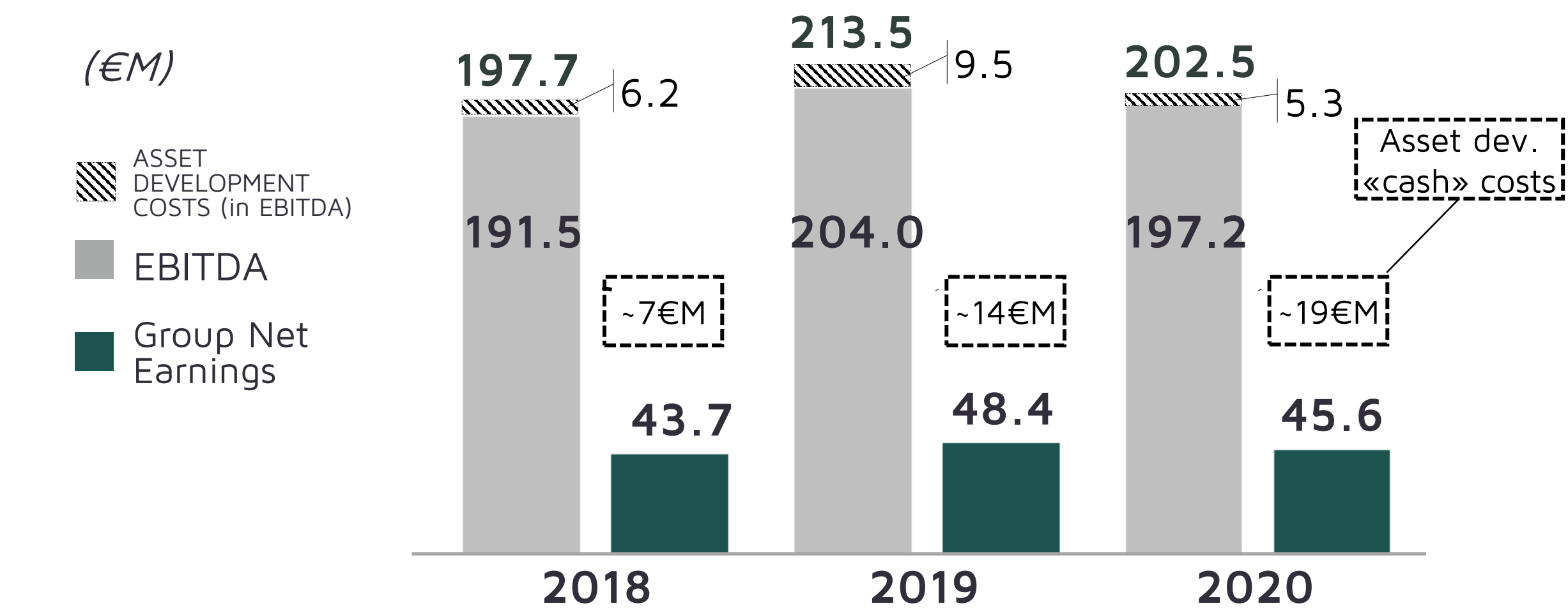
1,500

CUSTOMERS

Falck Renewables

PURE POWER TO GROW

Financial Highlights



- **Ebitda** at €197.2M (€195.8M after non-recurring and special items) **above expectations**. -3.2% vs 2019. **202.5 before Asset Development costs**
- **Group Net Earnings** at €45.6M (€36.6 after non-recurring and special items) **above expectations**. - 5.7% vs 2019
- **NFP** at €706M (€728.7M after non-recurring and special items) **better** than expectations and end of 2019 (€721M)
- **Continued** asset base **growth** (+ ~300€M invested capital vs. 2018), **strong cash flow** generation
- **+254% growth** in Asset Development capital allocation since 2018, underpinning growth in pipeline and change mission from IPP to «**DEVELOPER – OWNER**»

Financial Sustainable Approach

(€M) FINANCIAL STRENGTH

325 Revolving credit facility

200 Green Convertible Bond

>125 Annual Cash Flow^o

SELECTED FINANCIAL INDICATORS

85% Gross Debt Hedged *

2.6% Average Interest Rate*

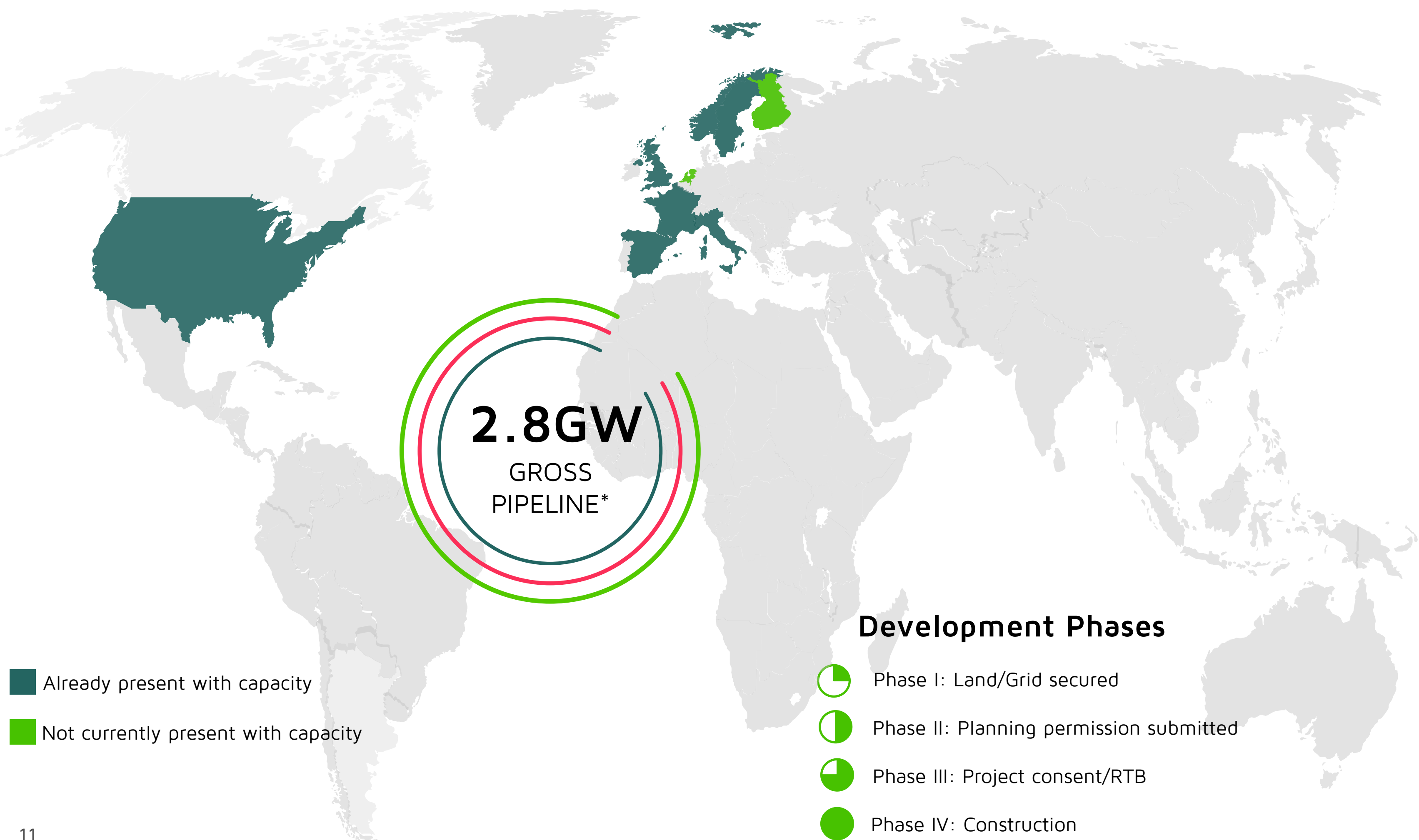
3.6x NFP/Ebitda (2020)

* Average 2016 - 2020

* As of 31 December 2020

Business Development and M&A: Mission in Key Words

Pursue the growth in **installed capacity** consistently with the Group's industrial plan, **expanding** and **diversifying** (also geographically) the projects pipeline and coordinating the activities of **greenfield development**.

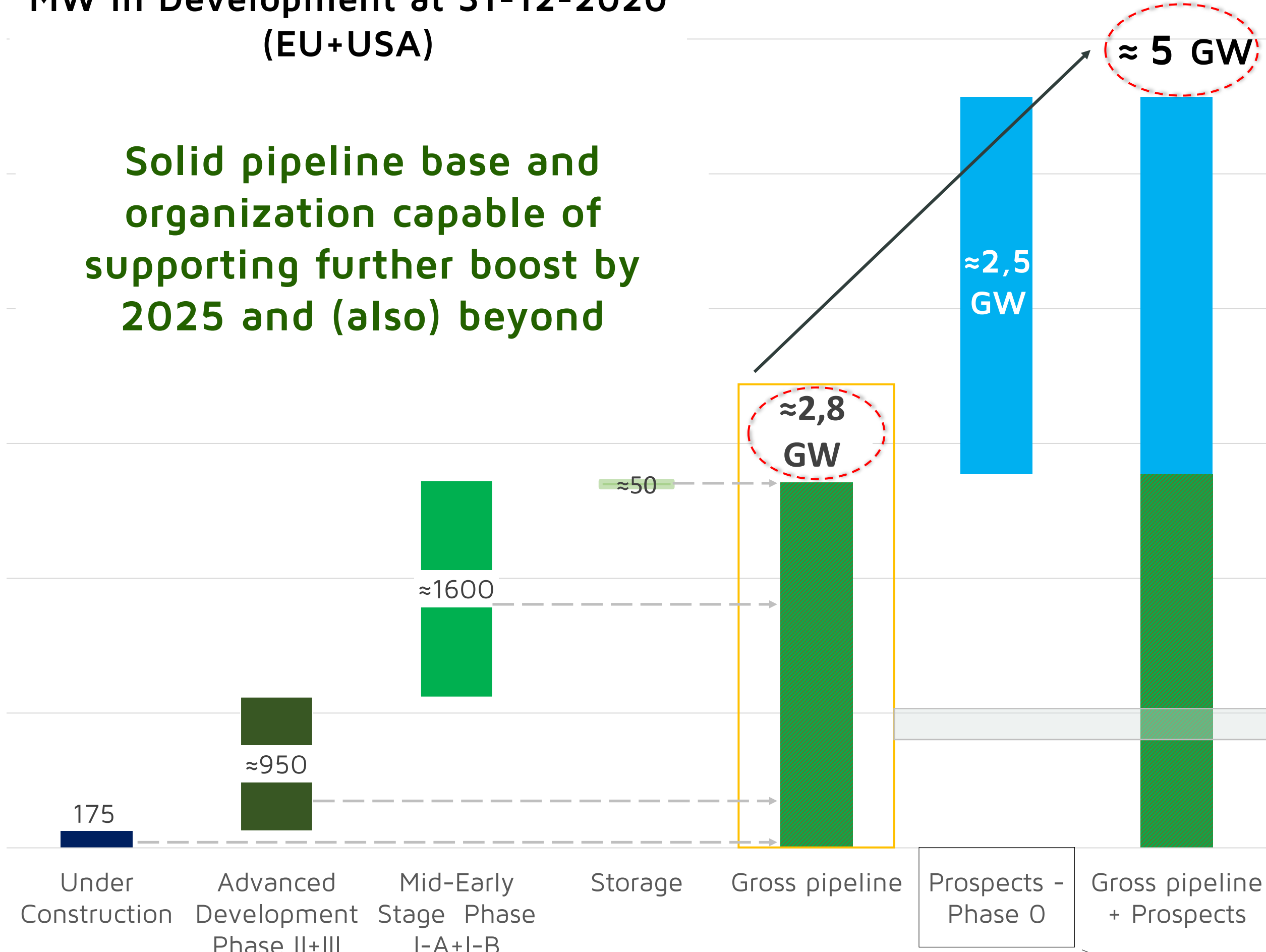


- Markets** ▶ Screening and proposal of potential opportunities
- Pipeline** ▶ Accountability on delivering fully bankable and buildable projects
- M&A** ▶ Identify, screen, evaluate and execute acquisition opportunities
- PPA** ▶ Originate Power Purchase Agreements for the projects developed or acquired

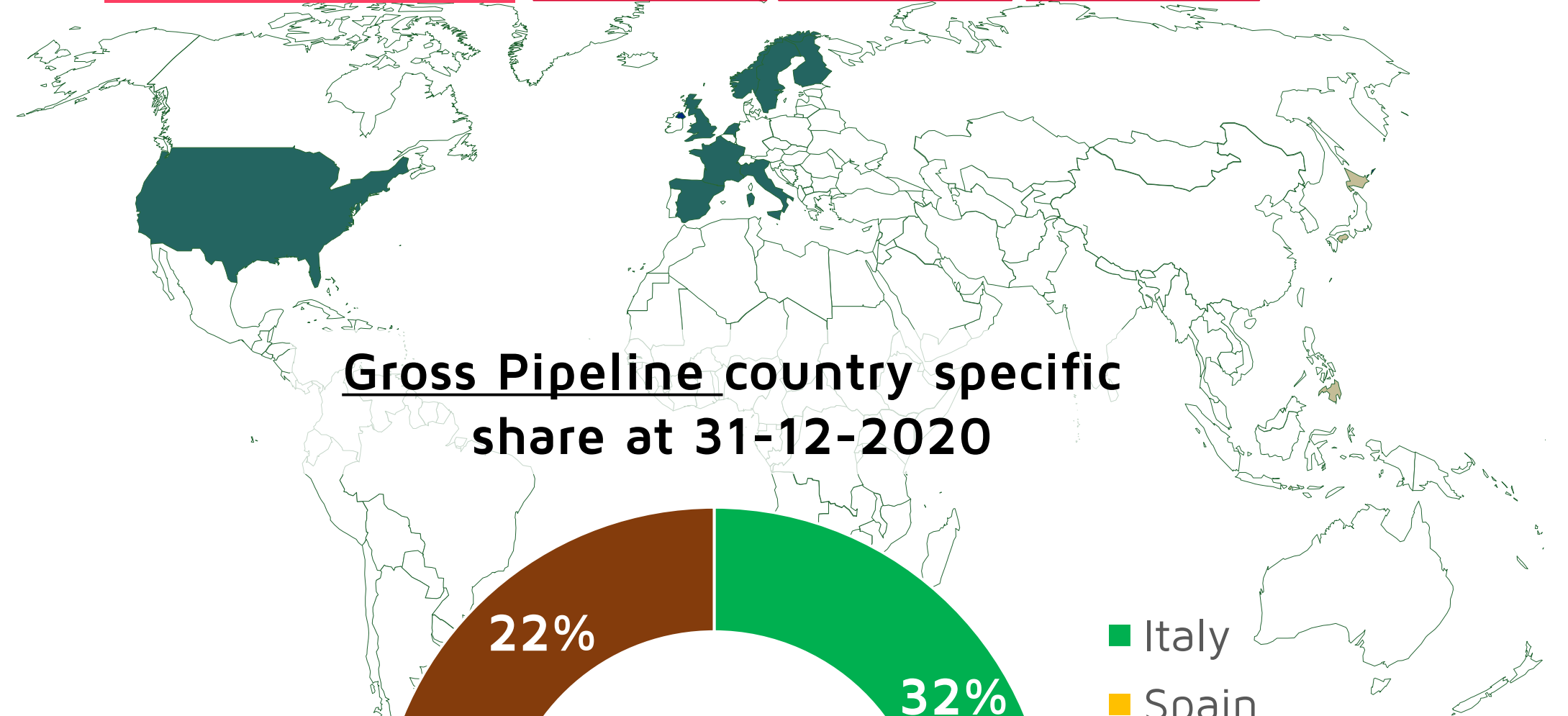
2021: Accelerating Organic Pipeline Growth

MW in Development at 31-12-2020 (EU+USA)

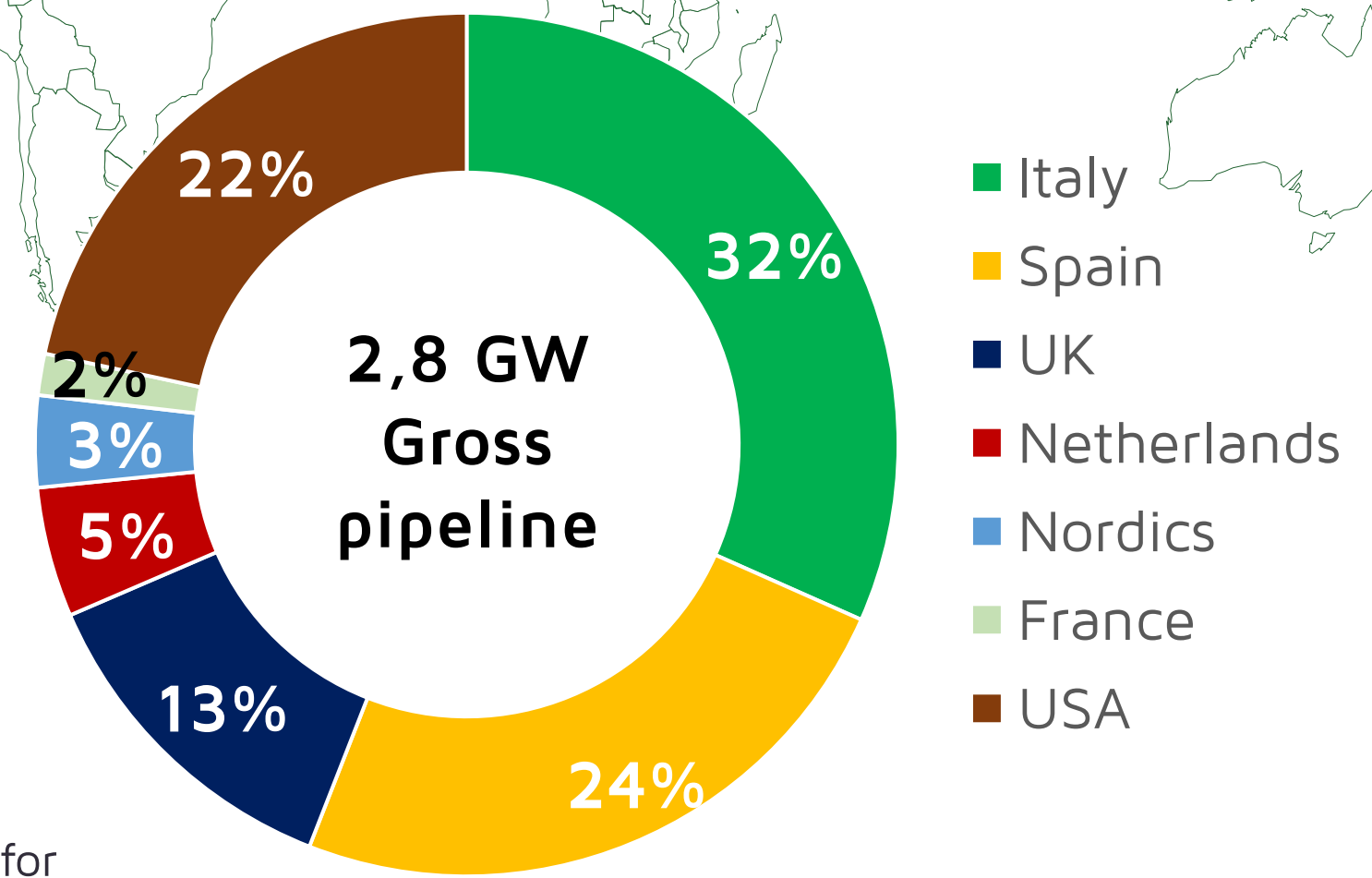
Solid pipeline base and organization capable of supporting further boost by 2025 and (also) beyond



Asset Development headcount	US	EU	Total
	25*	40**	65



Gross Pipeline country specific share at 31-12-2020



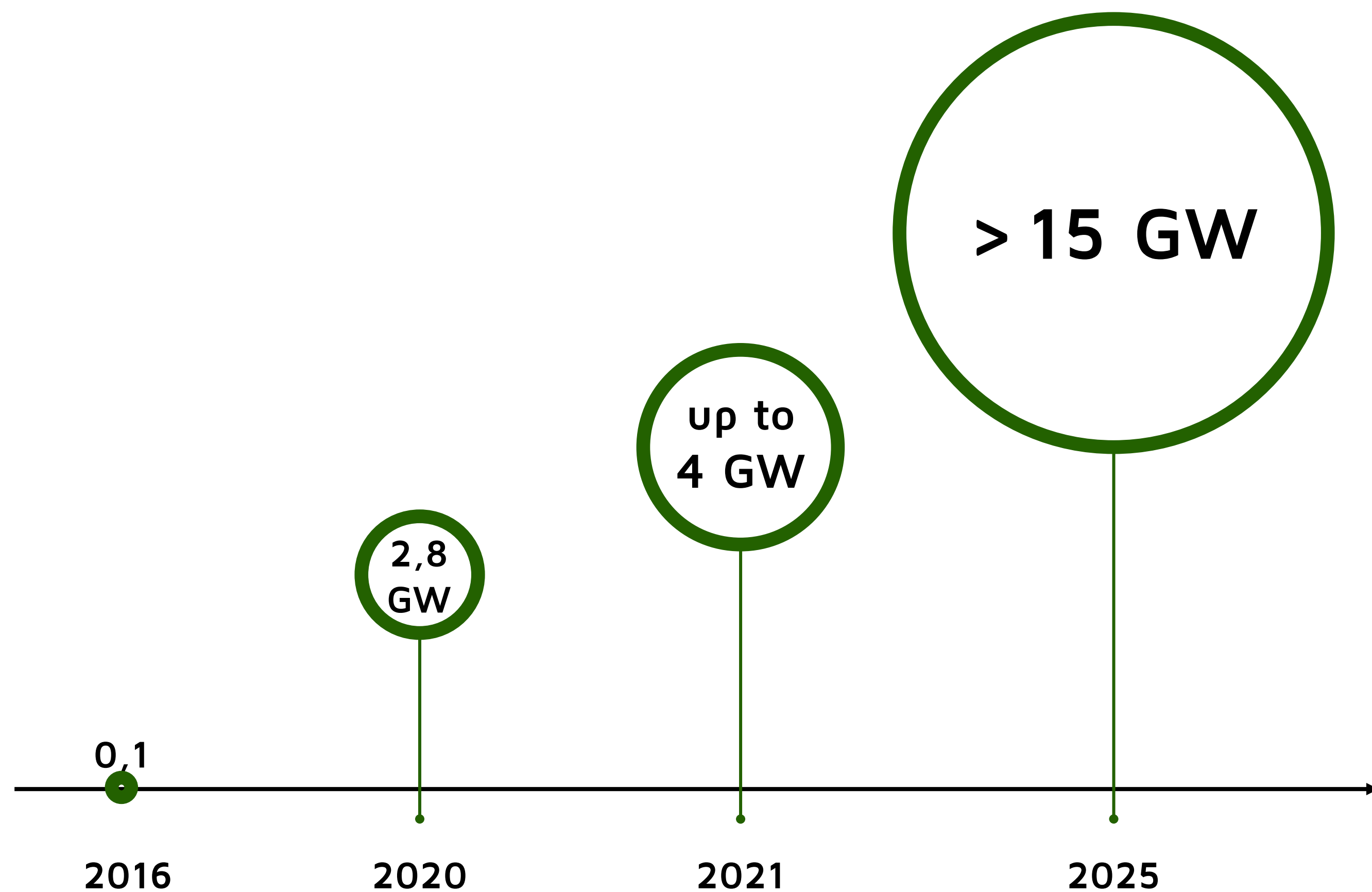
Projects (organic and M&A) identified for which a decision on whether to start development activities is yet to be taken or under evaluation

M&A (pipeline and projects) evaluated on opportunistic and disciplined approach

12 * Includes Novis Renewables
 ** Includes also Engineering & Construction team and REG employees (8)

Target Pipeline 2025

- Excluding prospects -



Pipeline includes projects from Phase I (Active Development) to Phase IV (Under Construction)

- **Continued growth** of Solar, onshore wind and hybrid (with battery) technologies in Europe and US
- Further diversification in **new geographies**
- Possible expansion into **new technologies**
 - **floating offshore** in Scotland, participation with Bluefloat 
 - Green **"H2 ready"** projects: **HyDeal Initiative** and other alliances and partnerships 

Substantial development effort to scale up pipeline in the next five years

Organic growth plan including also all other options (JDAs, partnerships, M&A)

Installed Capacity Growth

Big effort on solar + 7.4x

Wind continues to blow

By 2025

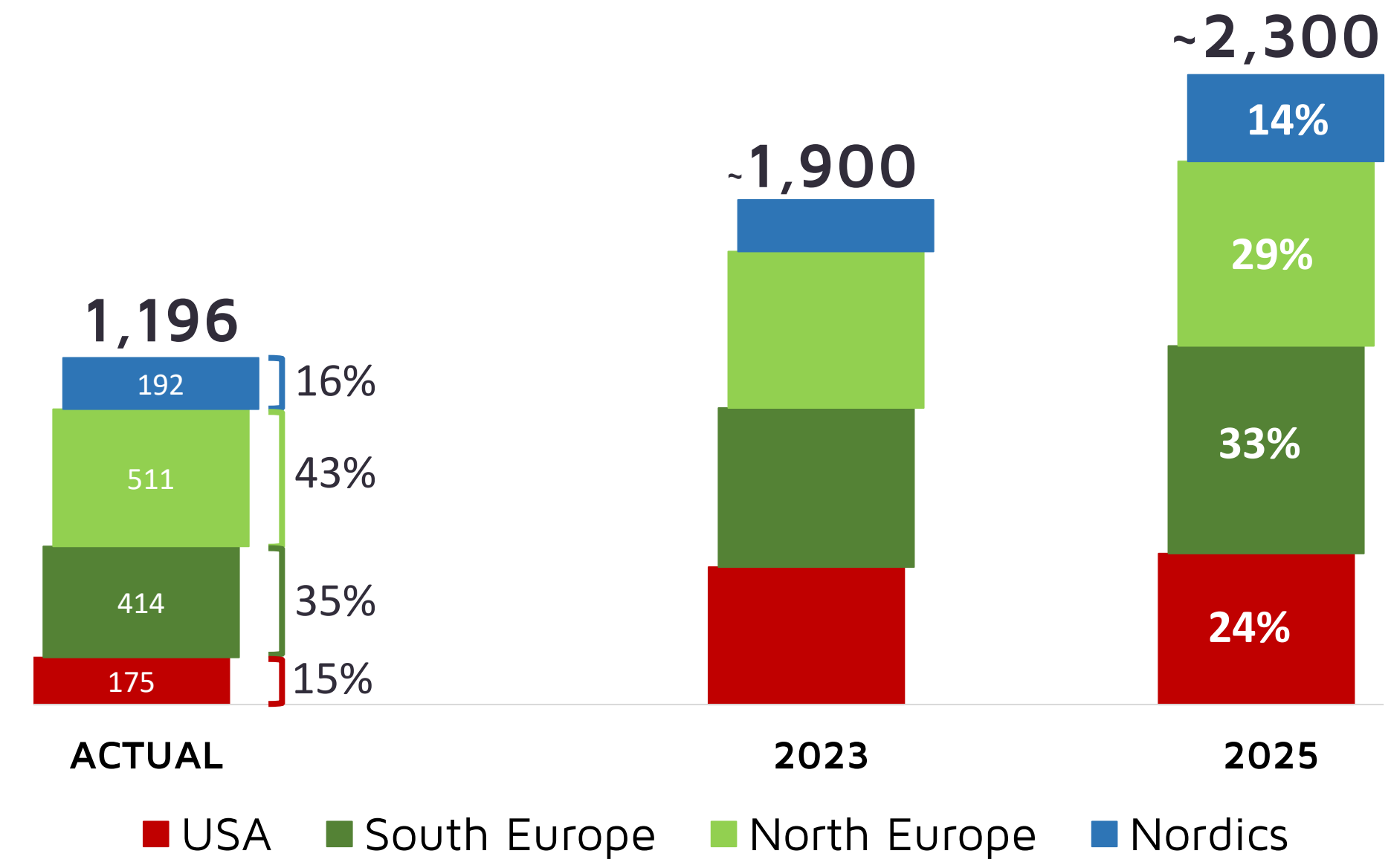
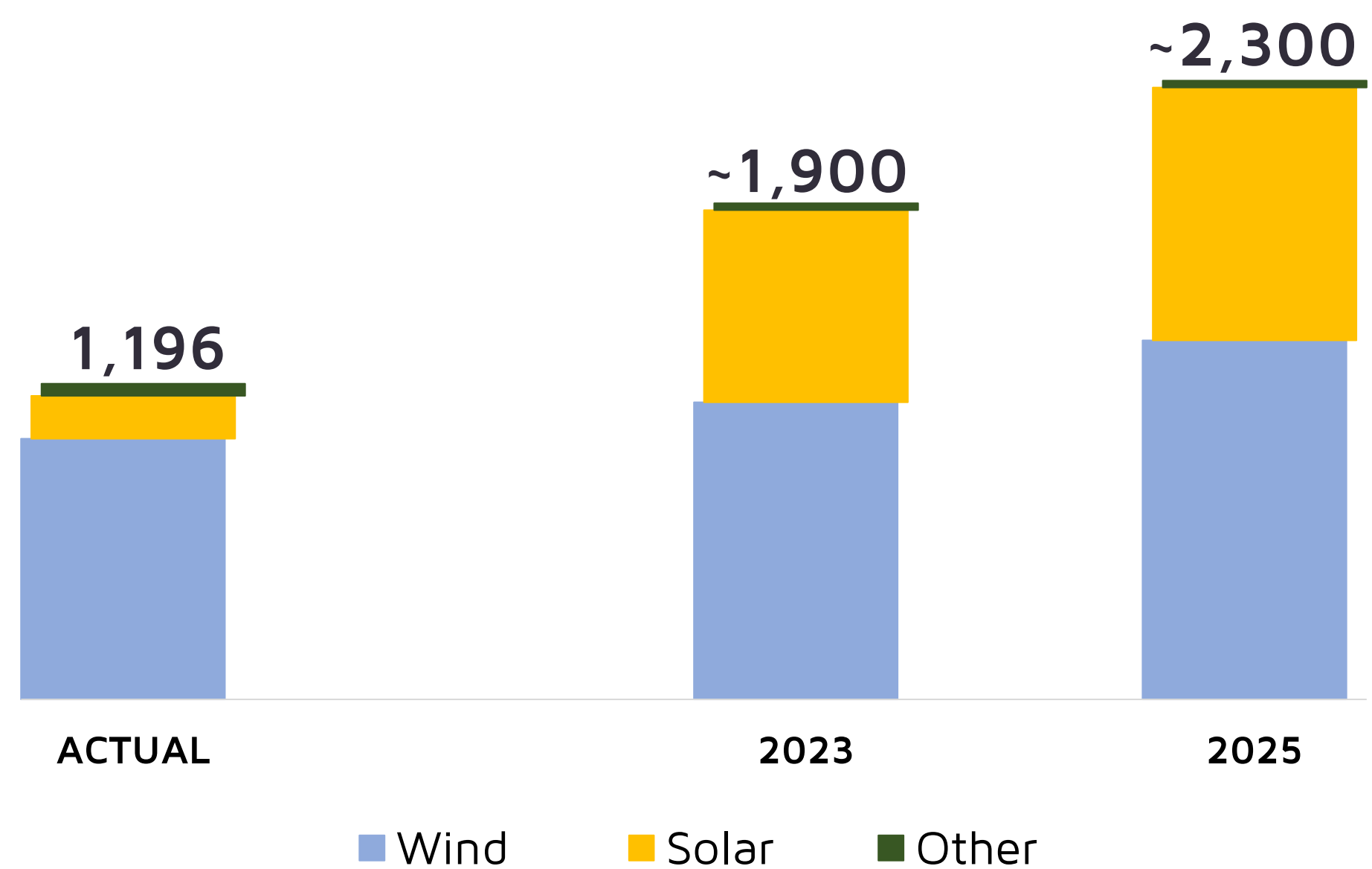
~1.1 GW installed
70% solar

~0.8-1.0 GW of pipeline in excess available

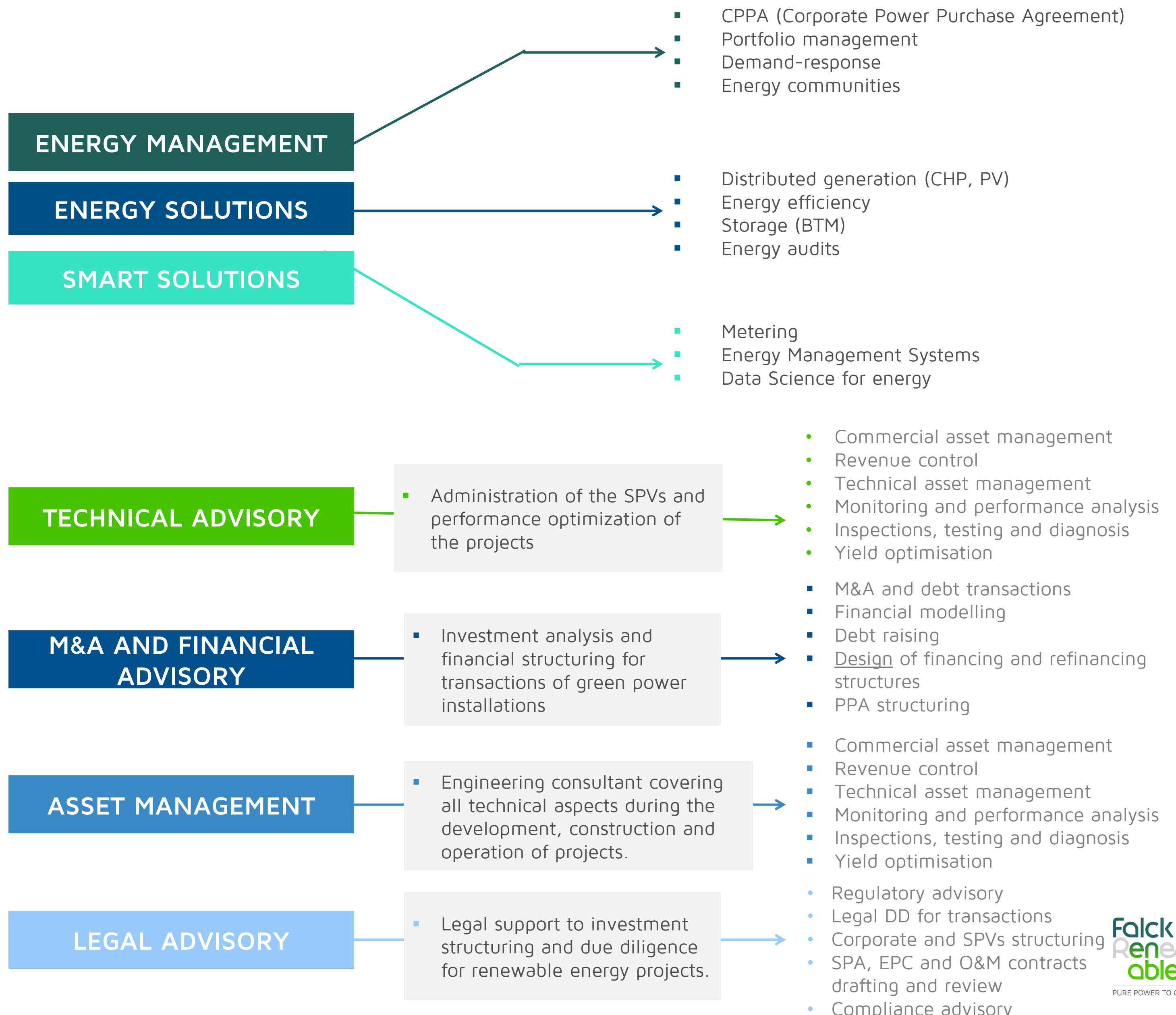
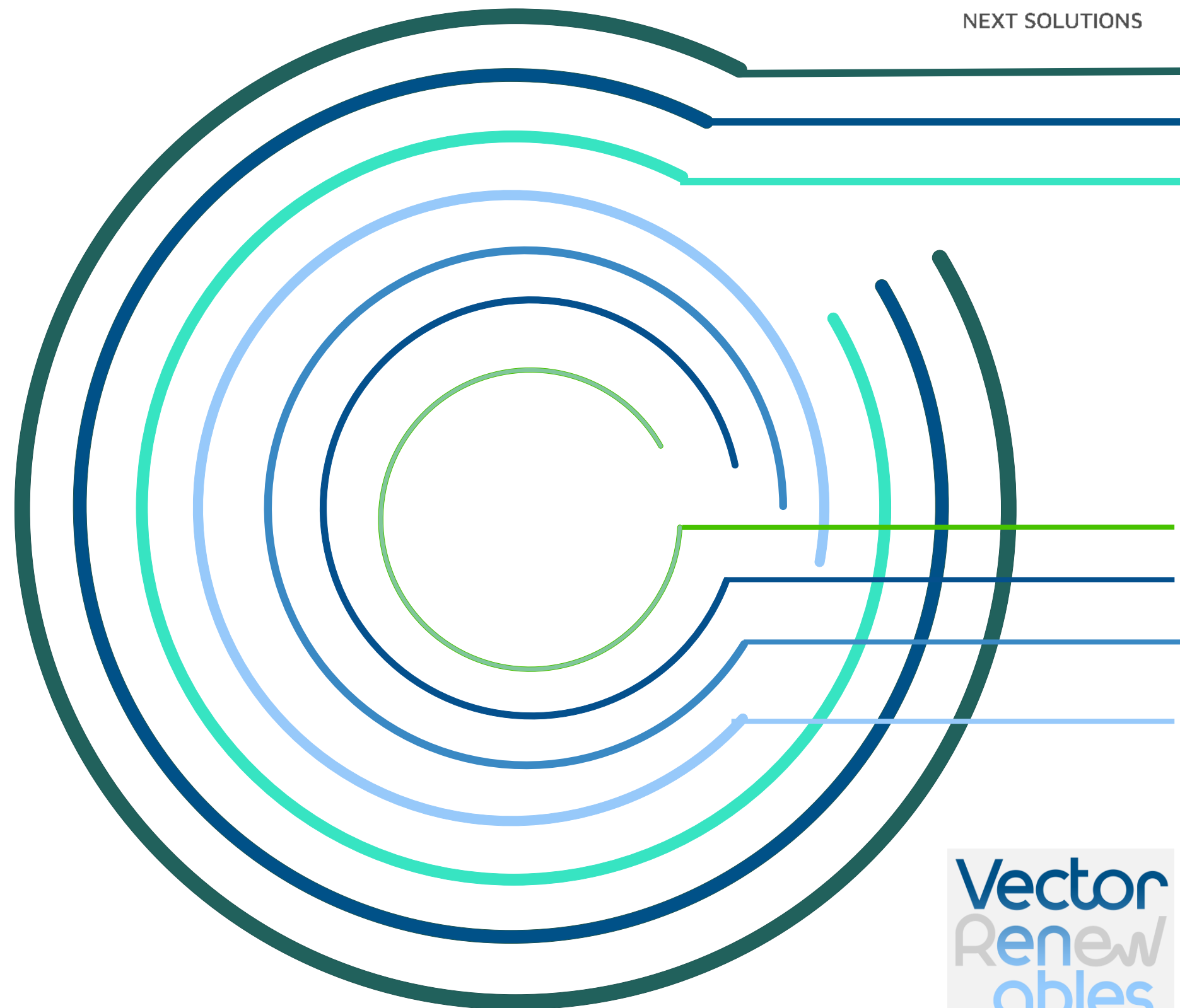
Consolidation of presence in the Nordics

Europe remains central with high emphasis on South Europe

Strong growth in the US with ENI partnership

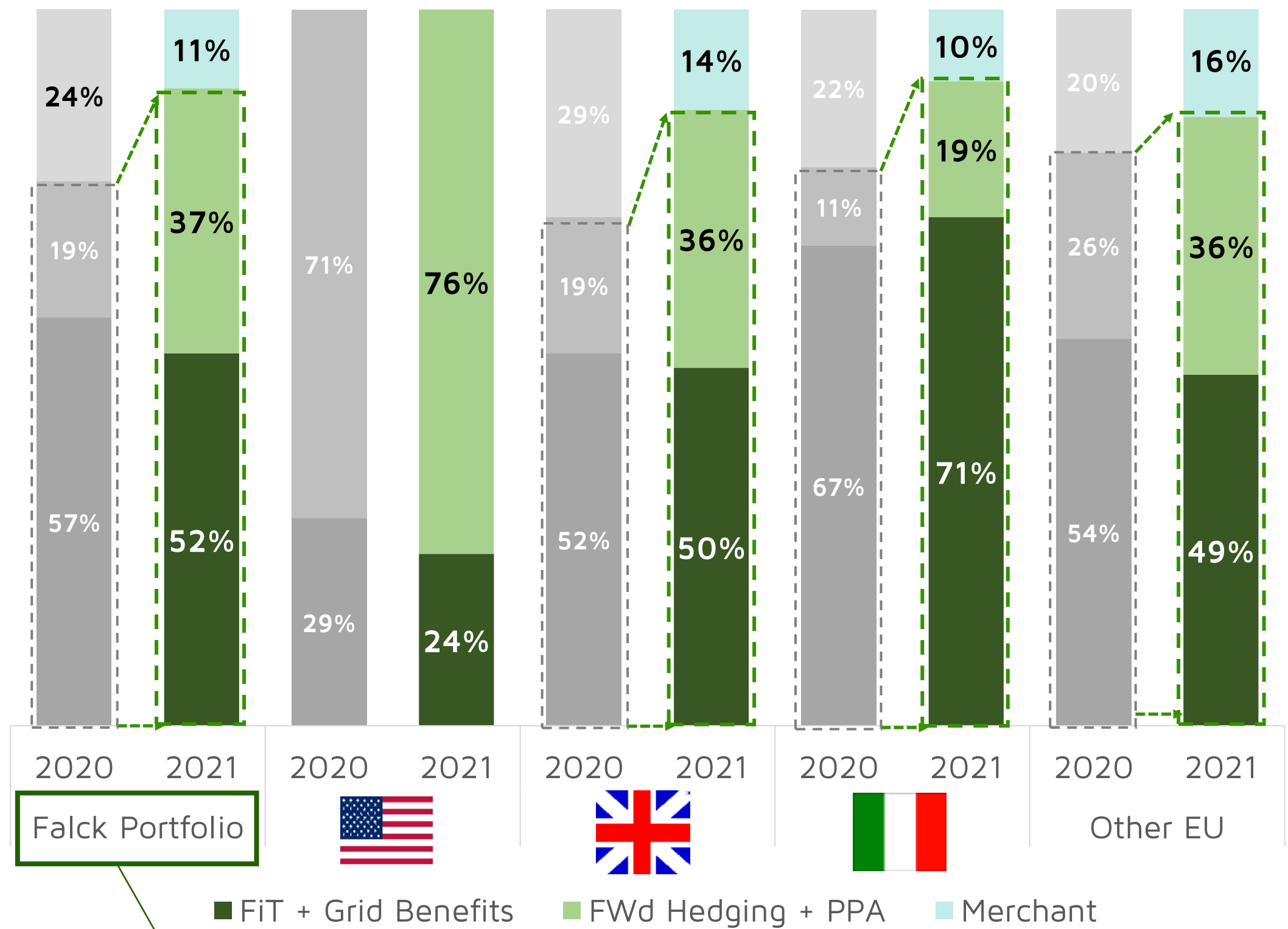


SERVICES



Price & Risk Assumptions

Hedging level: 2020 vs 2021



11% of total revenues exposed to wholesale price variability (vs. 24% in 2020)

Power Price Risk

- ❑ The risk / reward of the group's revenues will be optimized through a **dynamic hedging strategy: optimal bundle of ST hedge, LT PPA, merchant exposure and Capacity payments.**
- ❑ **Market exposure** to a shift of the reference market prices is on average **lower than 20 c€/MWh**. Net exposure is significantly lower (portfolio diversification effect)

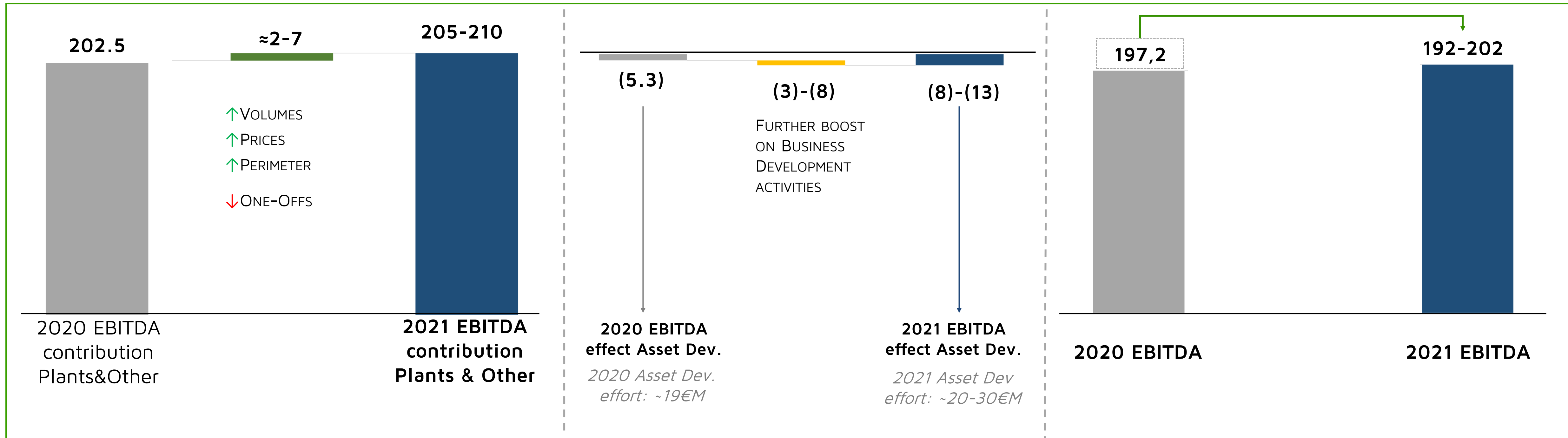
2021 Price Risk Sensitivity considering Hedged Positions

	...electricity unit price variation	...impact on group revenues
	± 1 €/MWh	± 0.25 M€
	± 1 £/MWh	± 0.23 M€
	± 1 \$/MWh	± 0 M\$
Other	± 1 €/MWh	± 0.2 M€

Onshore Wind Full Price

	2021	2023	2025
Captured price*** + Green Certificate (CV) + Guarantee of Origin (GO) – Imbalance cost (€/MWh)	157	150	152**
Captured price*** + Renewable Obligation Certificate (ROC) + Renewable Energy Guarantee of Origin (REGO) – Imbalance cost (£/MWh)	99	108	113

Guidance 2021



	Range
Group Net Income / EBITDA	16-17%
Net Financial Position (€M)	800 \pm 5%
Installed + in construction (MW)	1400 - 1450

Notes:

- Before provisions and impairment;
- Notional financial charges on the Green Convertible Bond not included and equity reserve related to the Green Convertible Bond has been added to the net financial position

Our Dividend Policy

DIVIDEND «CAP»

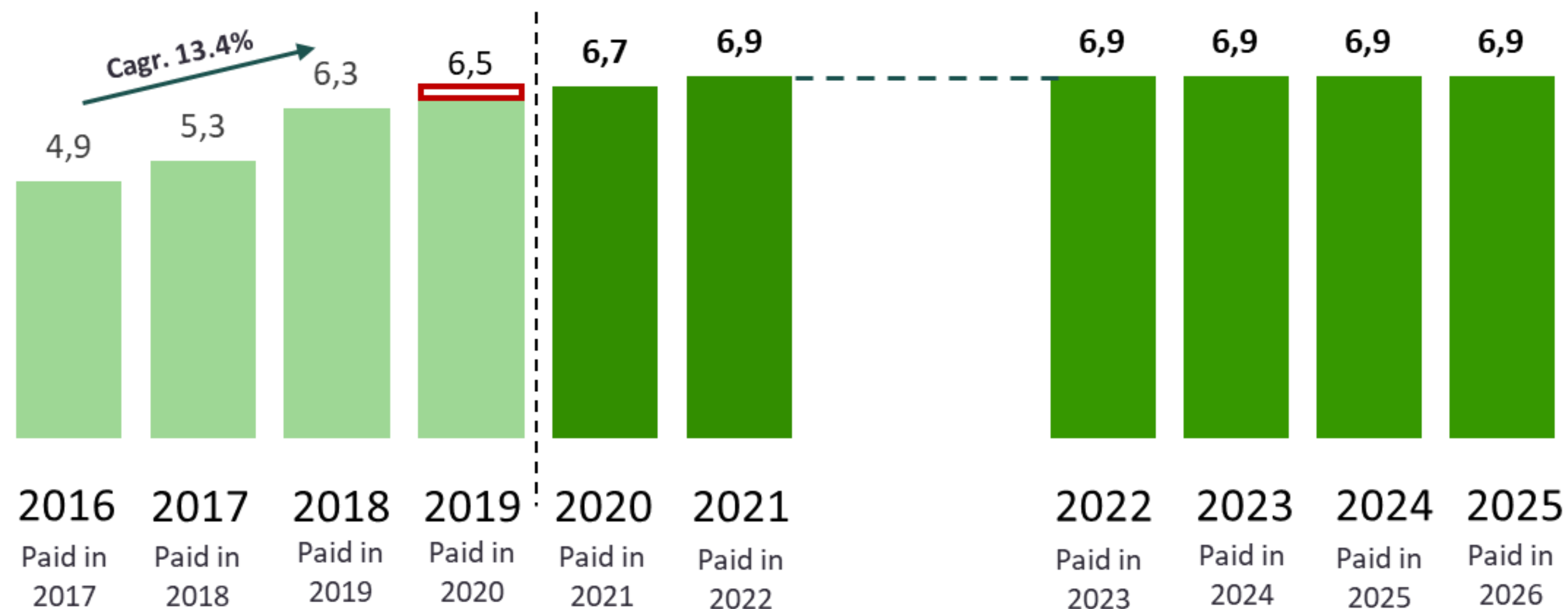
2018 - 2021

Pay-out ratio ("PAY-OUT") of **40%** of Group Net Earnings

2022 - 2025

Pay-out ratio ("PAY-OUT") of **30%** of Group Net Earnings

DIVIDEND «FLOOR»
€/cent

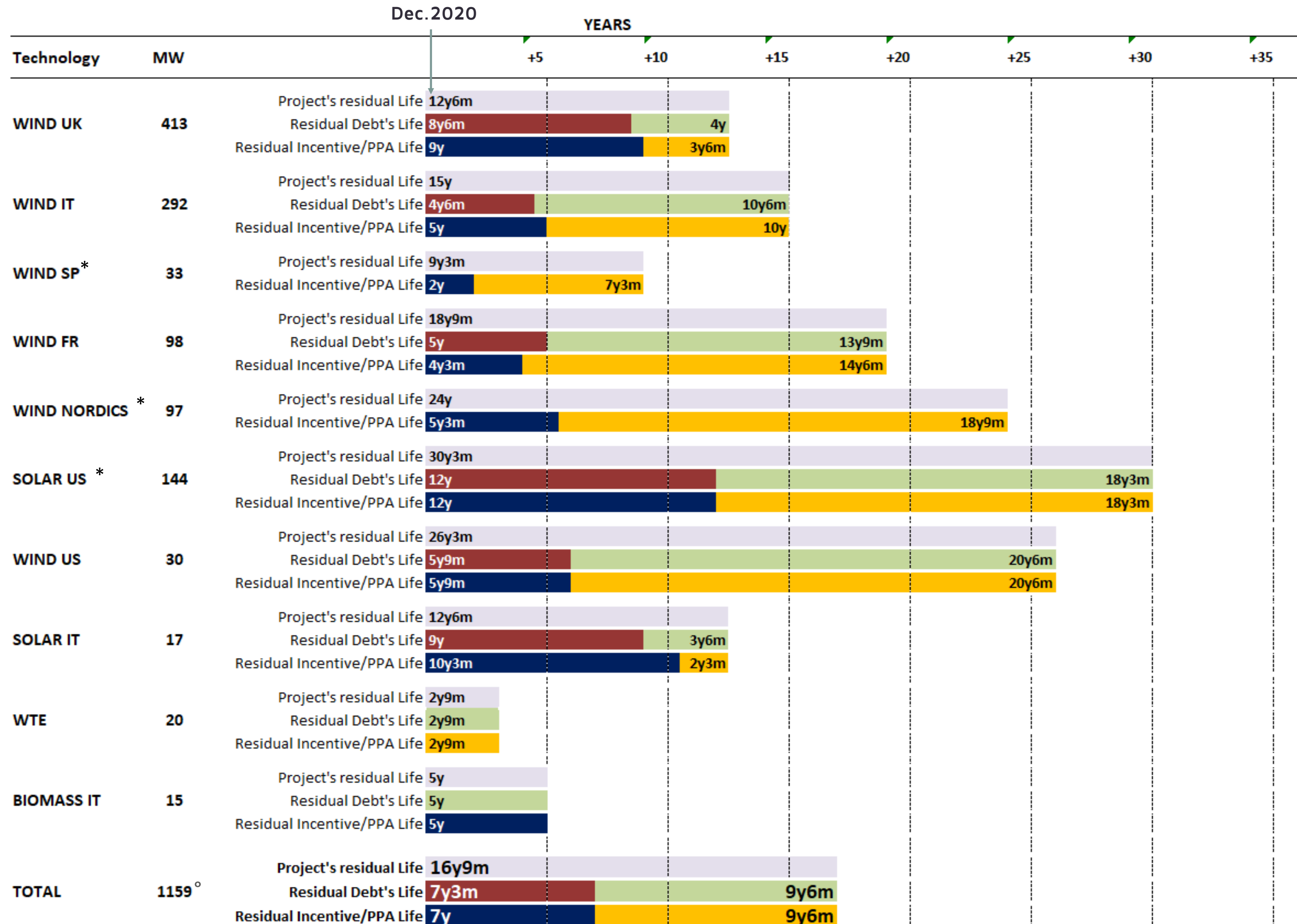


will be distributed 6,7€/cent as dividend «cap» mechanism applies

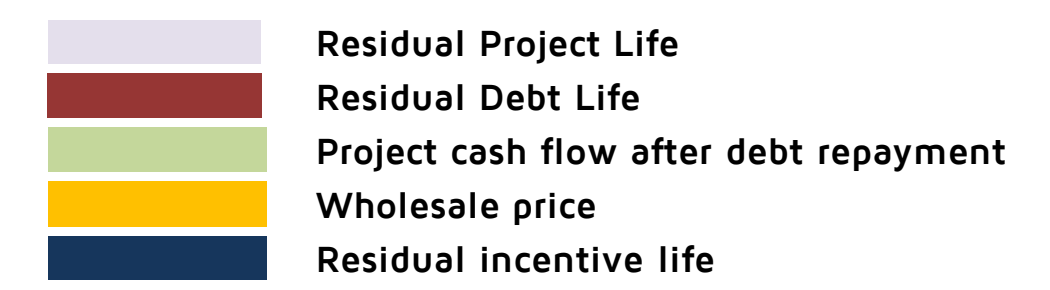
Long term visibility, stable dividends to sustain strong growth

Appendix

Asset Base in FY 2020



New Assets:
 - 32MW Solar US
 - 30MW Wind US

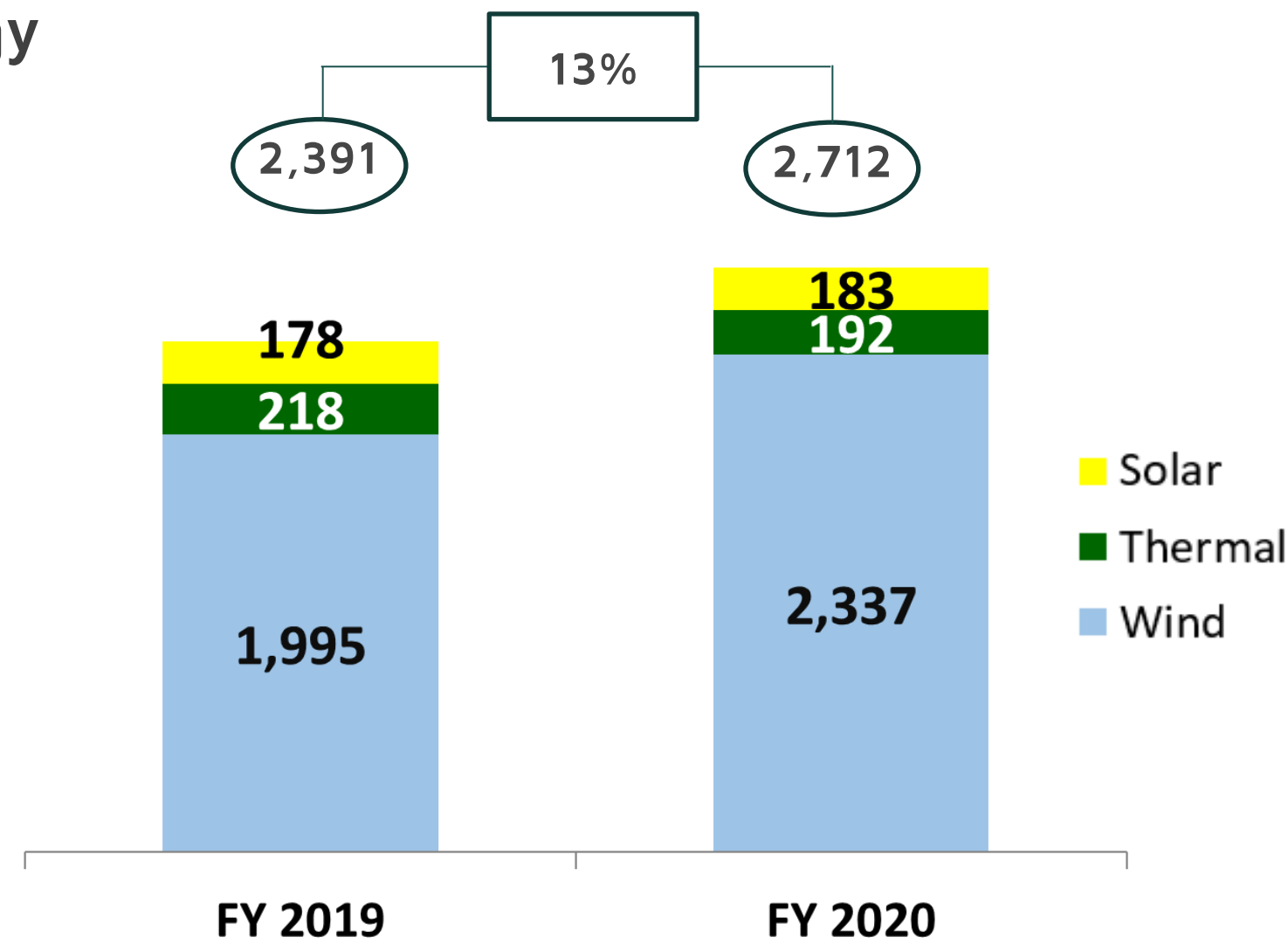
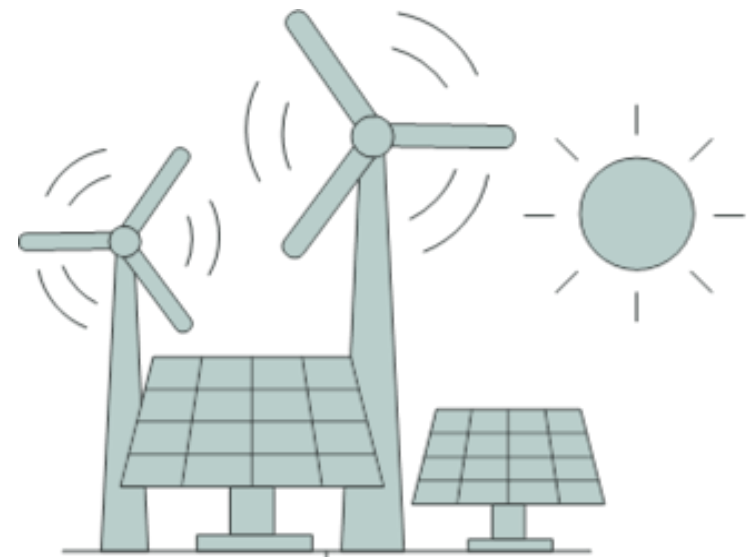


* PPA secured, SREC (in the US only)

^o Not included minority stake in La Muela (26%) wind farm and Frullo Energia Ambiente (49%) for a total amount of 37MW

Electricity Production - FY 2020

By Technology (GWh)



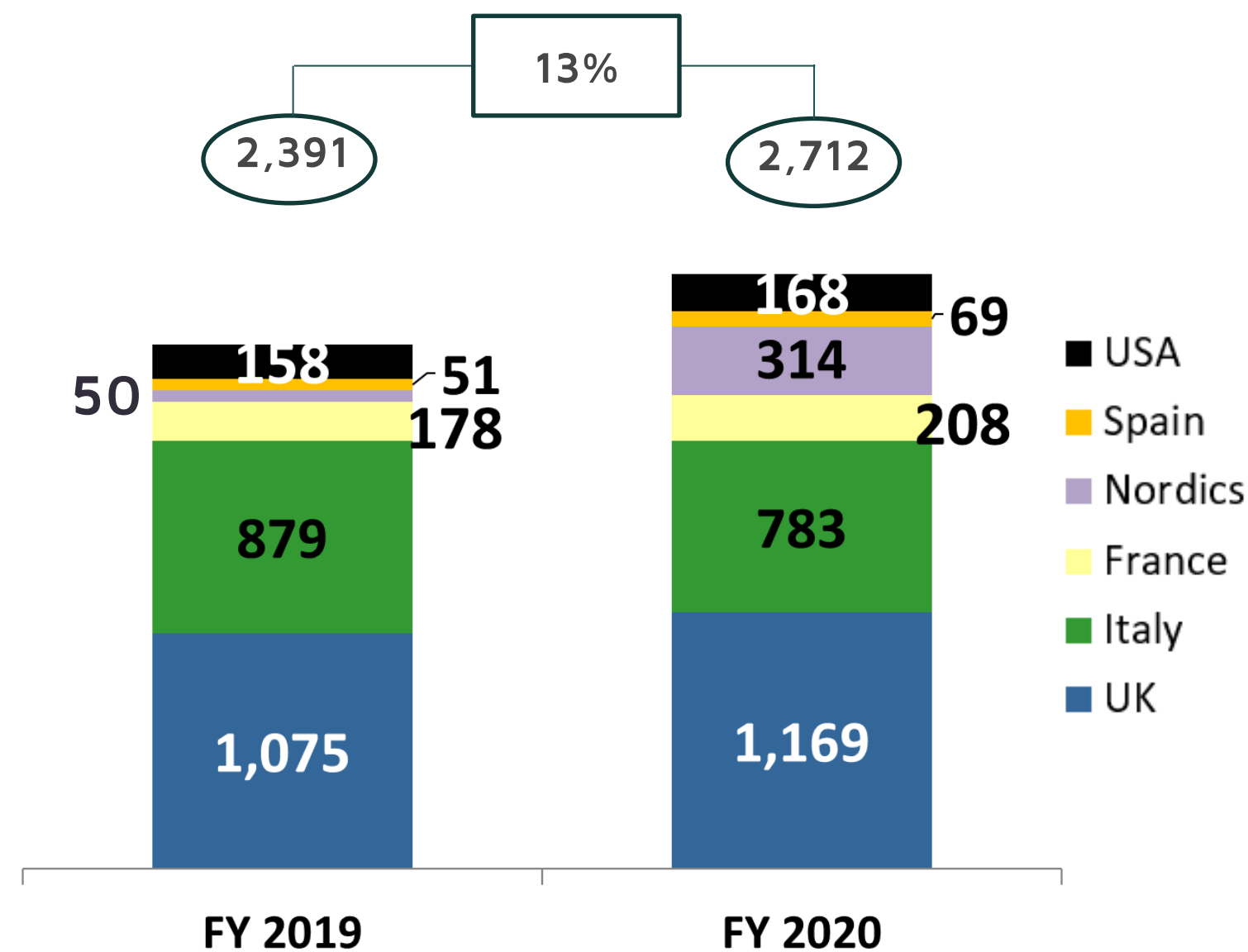
FY 2020

Confirmed better productions vs. 2019 (+9%) even with a weak 4Q. Significant Grid curtailments at our Millennium, Kilbraur, Assel Valley and Auchrobert wind farms included in National Grid balancing system (102 GWh compensated, +42 GWh vs 9M).



- Lower wind production vs. 2019 (-11%) due to poor winds across the year, except strong outputs in June.
- Solar production better than 2019 (+15%), confirmed by good performance in Q4, and Spina Santa revamping.
- Energy from waste/biomass lower vs. 2019 (-12%) mainly impacted by biannual maintenance at Rende Biomass plant. WTE Scope 1 GHG emissions 154 Kt*

By Country (GWh)



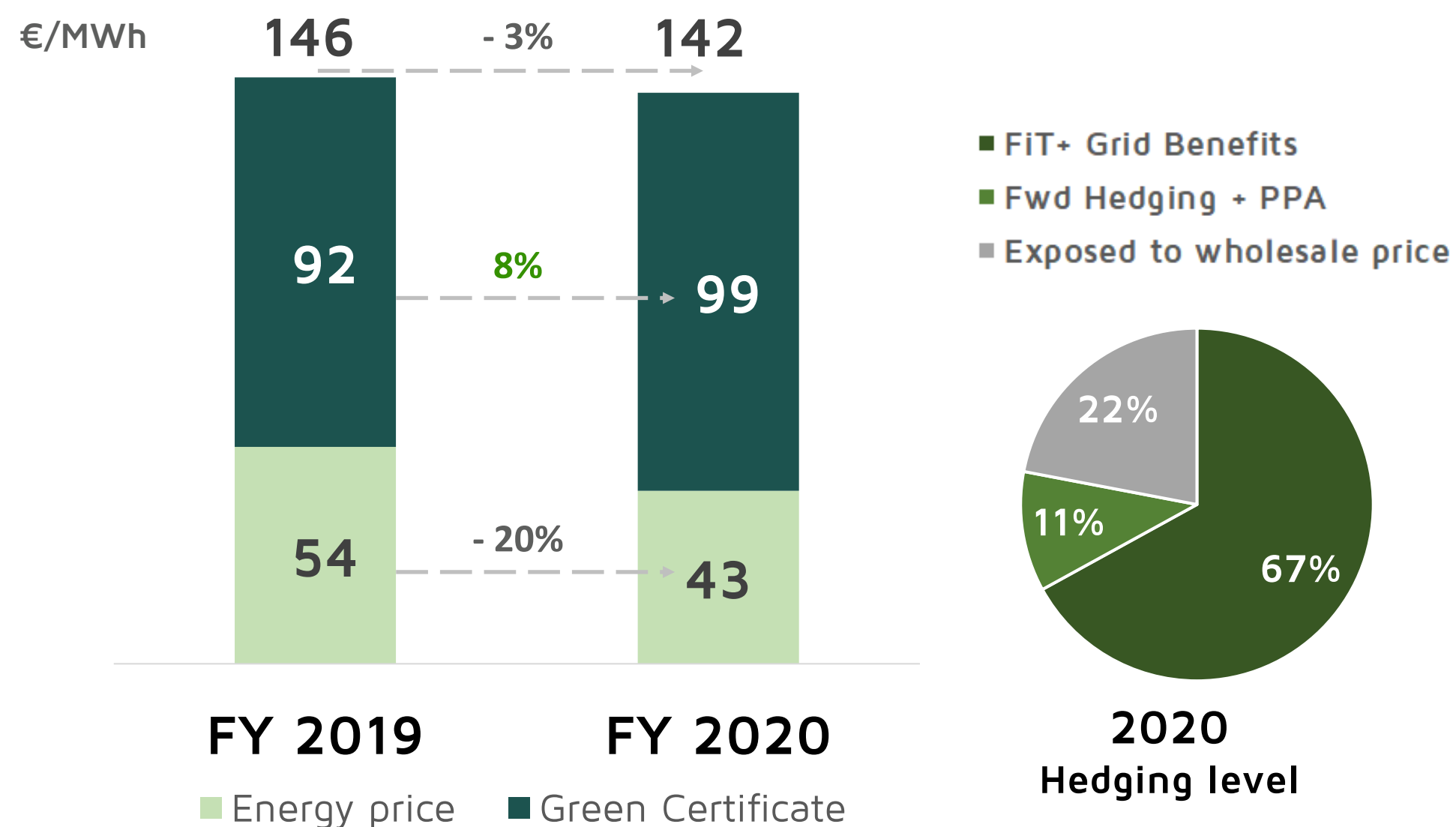
Better performance vs 2019 impacted by outages and technical issues in Q3 mostly at IS42 (trackers and inverters), partially recovered in Q4



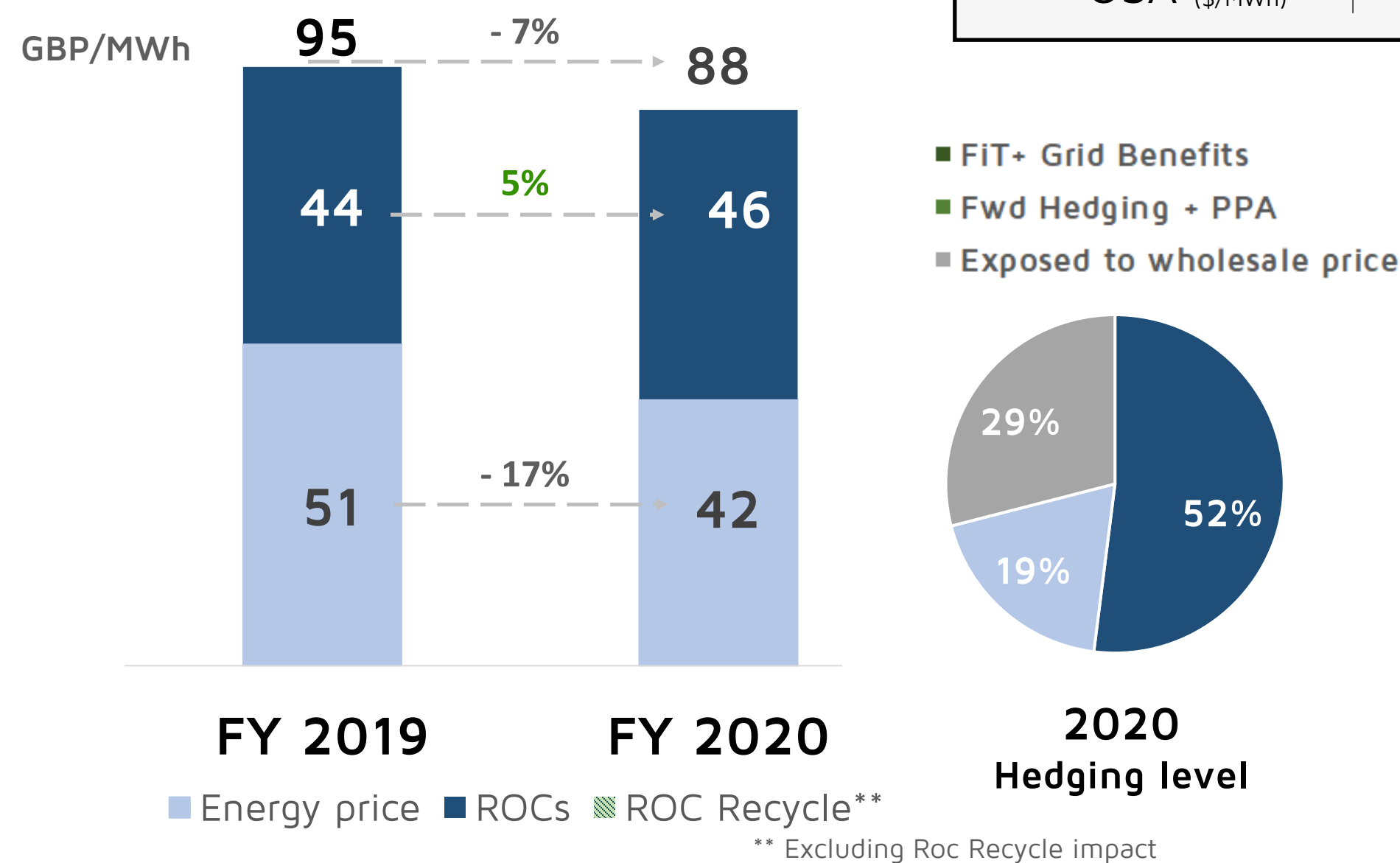
Higher productions vs. 2019 (+17%) notwithstanding a weak Q3 and Q4. Full contribution from increased perimeter (56MW since March 2019) and good performance from existing wind farms (42 MW).

Captured Price Overview FY 2020

Captured price + Incentive

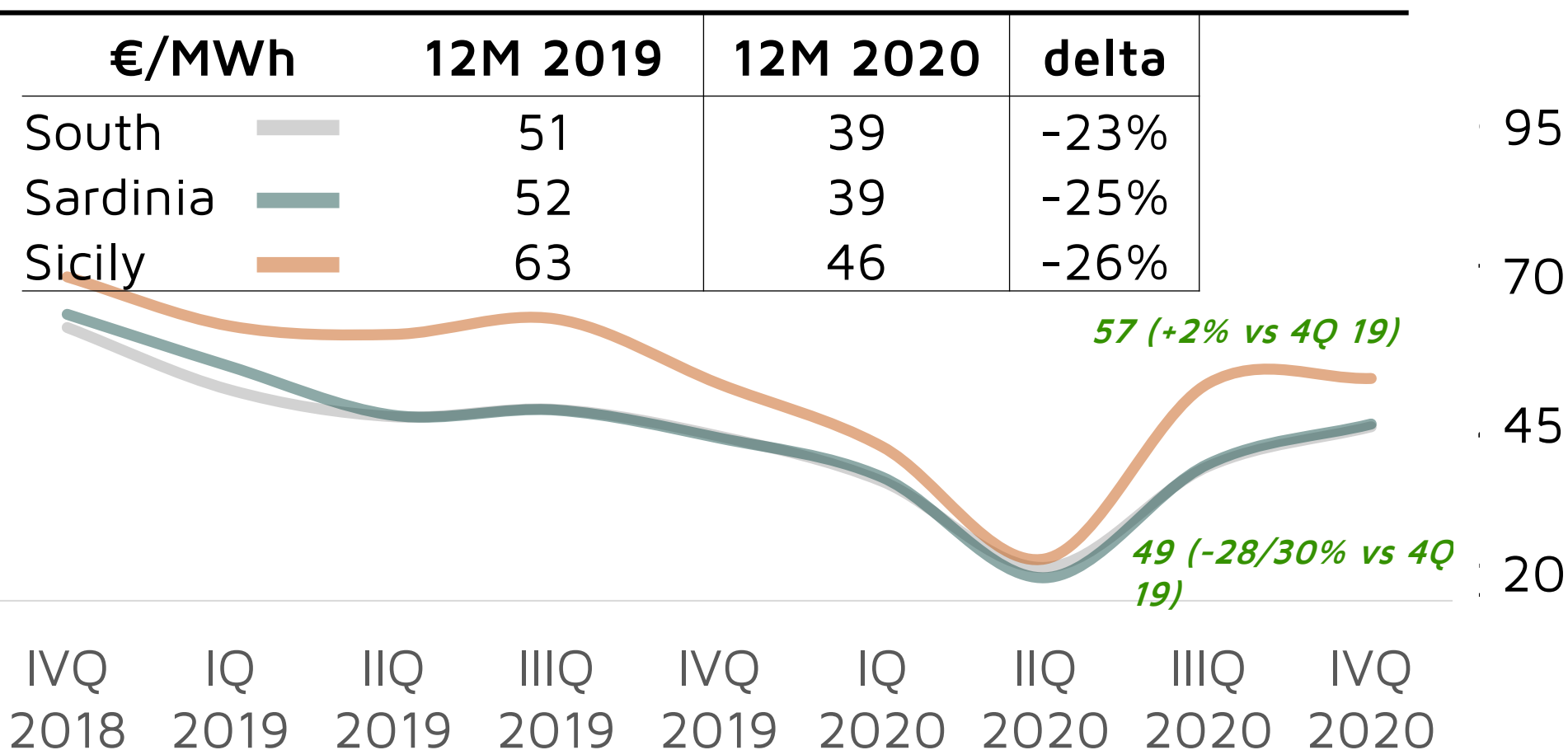


Captured price + Incentive

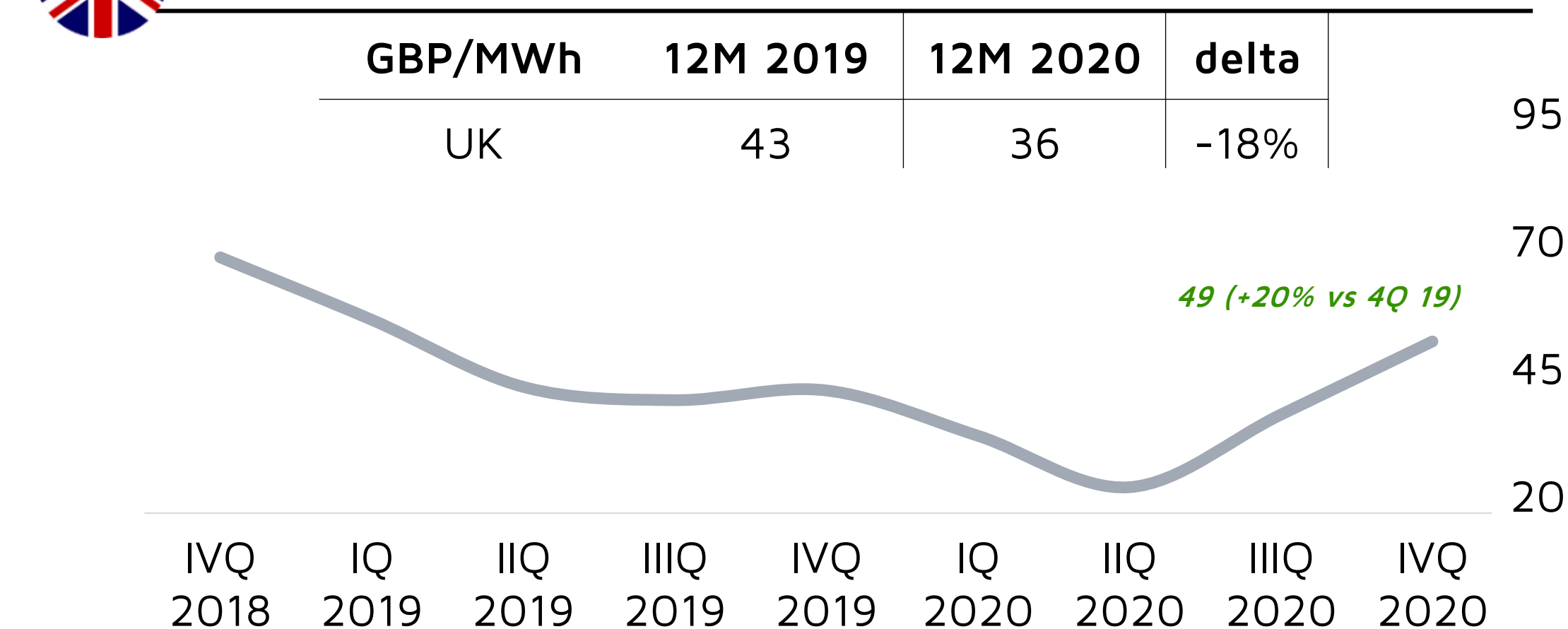


	FY 2019	FY 2020	Δ%
France (€/MWh)	94	95*	1%
Spain (€/MWh)	45	37**	-18%
Nordics (€/MWh)	-	30***	n.m.
USA (\$/MWh)	81	82	+1%

€/MWh; Historical wholesale electricity price



GBP/MWh; Historical wholesale electricity price



*France Wholesale price 2020: 32,2 €/MWh; **Spain Wholesale price 2020: 33,95 €/MWh; *** Scandinavia Wholesale price 2020: 10,93 €/MWh;

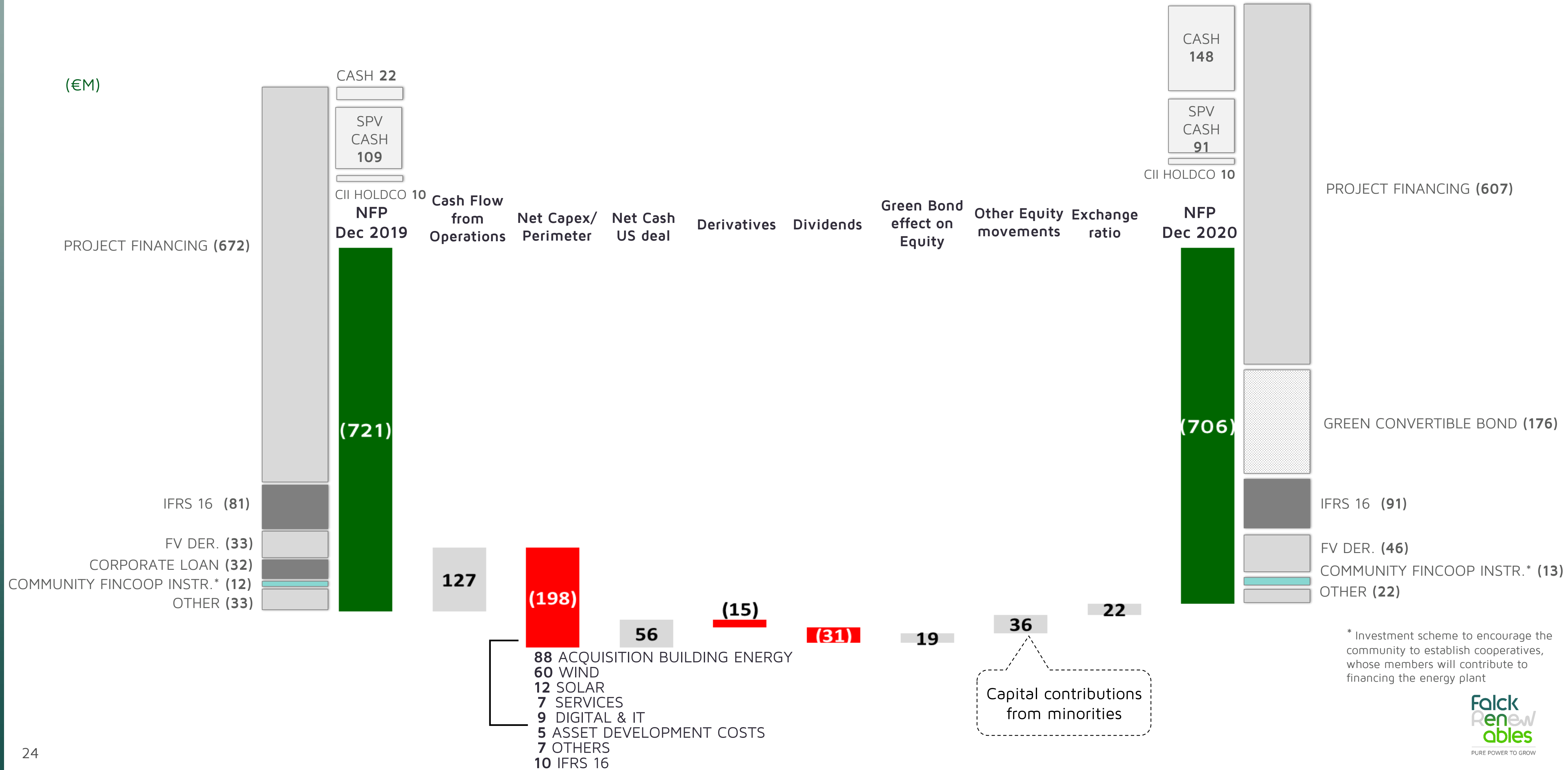
FY 2020 Financial Highlights

(€M)	FY 2020 Reported	Non Recurring	Special Items	FY 2020 after Non Recurring and Special Items	FY 2019 Reported	Special Items	FY 2019 after Special Items	Delta vs 2019
Revenues and Other Income	401.8	(3.3)		398.5	385.2		385.2	3.4%
Ebitda	197.2	(3.2)	1.8	195.8	204.0		204.0	(4.0%)
<i>% on Revenues and Other Income</i>	49.1%			49.1%	53.0%		53.0%	
Depreciation - Amortization - Write Off	(86.0)		(1.6)	(87.5)	(89.6)		(89.6)	
Operating result	111.3	(3.2)	0.2	108.2	114.4		114.4	(5.4%)
<i>% on Revenues and Other Income</i>	27.7%			27.2%	29.7%		29.7%	
Financial income and charges	(33.2)	(3.5)	(1.9)	(38.5)	(39.1)		(39.1)	
Equity investments	(2.5)			(2.5)	2.7		2.7	
Earnings Before Taxes	75.6	(6.7)	(1.7)	67.2	78.0		78.0	(13.8%)
Taxes	(15.8)	(2.2)	2.7	(15.3)	(14.8)	(5.7)	(20.5)	
Net Earnings	59.8	(8.9)	1.0	51.9	63.2	(5.7)	57.5	(9.8%)
Minorities	14.2	(0.0)	1.1	15.3	14.7		14.7	
Group Net Earnings	45.6	(8.9)	(0.1)	36.6	48.4	(5.7)	42.8	(14.4%)

(€M)	END OF 2020 Reported	Non Recurring	Special items	END OF 2020 after Non recurring and Special Items	END OF 2019	Special Items	END OF 2019 after Special Items
Net Invested Capital	1,414	(5.5)	1.5	1,410	1,328	(5.7)	1,323
Equity	708	(28.1)	1.0	681	608	(5.7)	602
Group Equity	569				550		
Net Financial Position	(706)	(22.6)	(0.6)	(729)	(721)		(721)
<i>of which: Proj. Fin. and MLT no recourse</i>	(607)			(607)	(672)		(672)

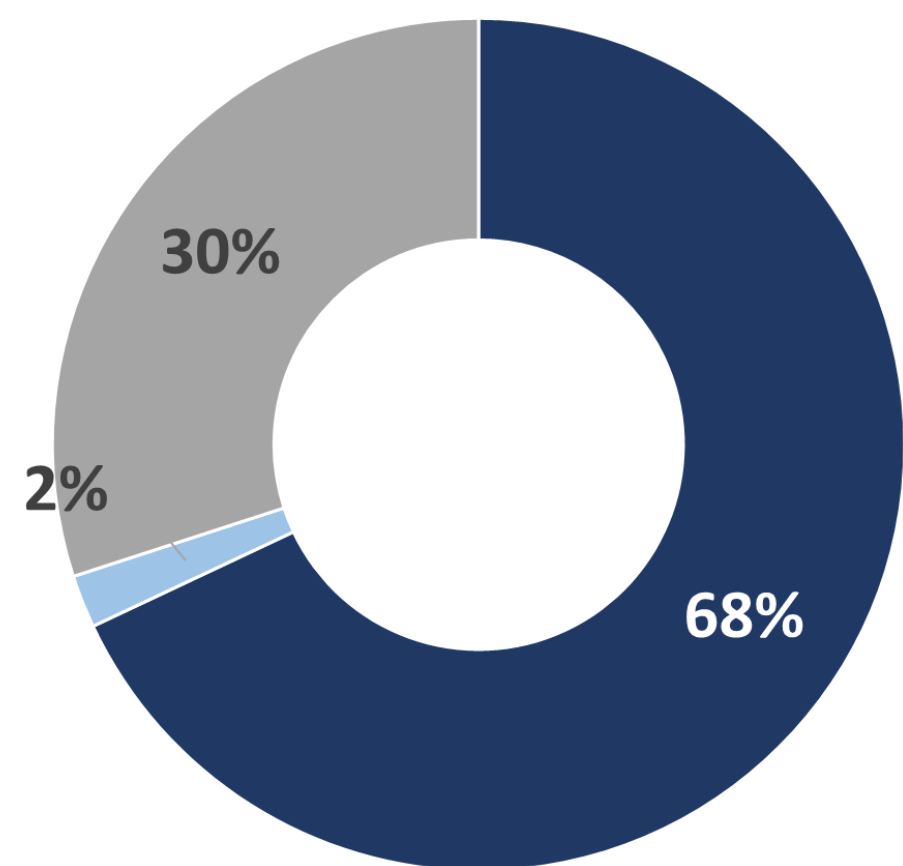
Dividend proposal → 6.7 €/c

FY 2020 Cash Flow



FY 2020 Gross Debt Breakdown

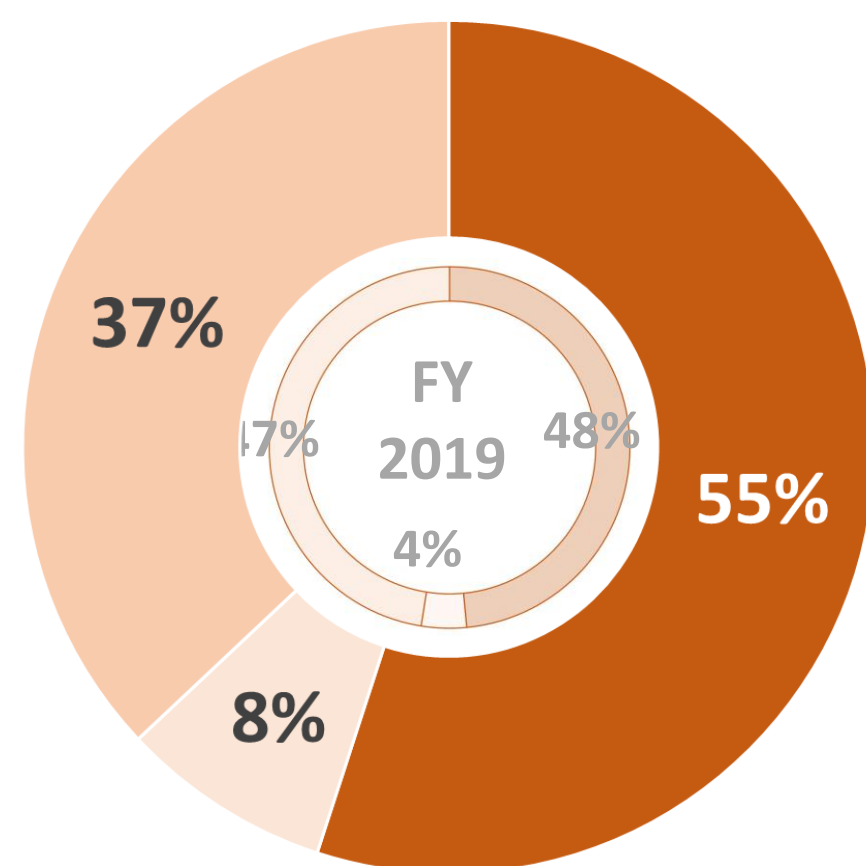
Gross Debt Nature without Derivatives and Leases



€818M

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

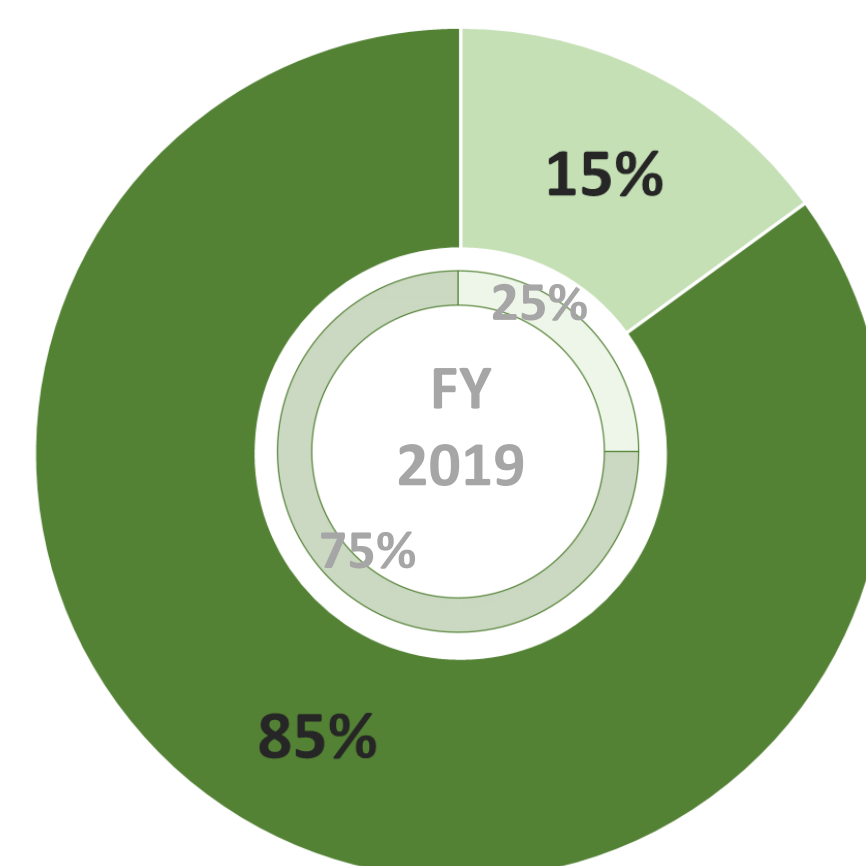
Gross Debt by Currency without Derivatives and Leases



€818M

- GBP
- EUR
- USD

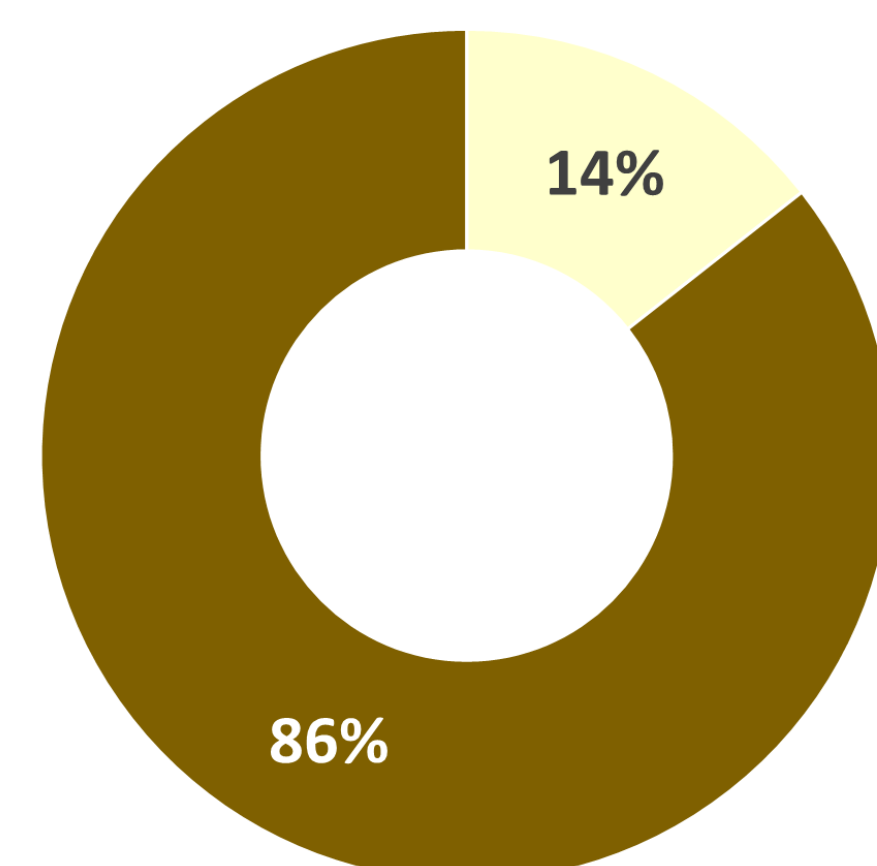
Gross Debt without Derivatives and Leases Hedged



€818M

- Hedged
- Un-hedged

Gross Debt without Derivatives and Leases: Construction and Operations



€818M

- Operating plants
- Under construction

Gross Debt = Project Financing + Other Debt + Debt vs CII HoldCo + Corporate Debt + Green Convertible Bond


Average interest rate (including interest rate swap and excluding figurative cost of Green Convertible Bond) of **2.64%***


-83 bps vs 2019


*excluding IFRS 9 effect


Scenario Assumptions | Update 2021


- Wholesale average prices -

	2020	2021	2023	2025
 PUN CMD 2020	50	54	60	65
March 2021 Update	<i>n.a.</i>	51	56	64
Green Certificates CMD 2020	99	101	97	92
March 2021 Update	<i>n.a.</i>	109	98	94
Actual	38,92			

	2020	2021	2023	2025
 Wholesale CMD 2020	42	46	55	63
March 2021 Update	<i>n.a.</i>	48	52	57
ROCs CMD 2020	50	50	52	54
March 2021 Update	<i>n.a.</i>	51	53	55
Actual	35,3			

	2020	2021	2023	2025
 Wholesale CMD 2020	48	50	54	61
March 2021 Update	<i>n.a.</i>	46	52	57
Actual	33,95			

	2020	2021	2023	2025
 Wholesale CMD 2020	44	46	50	56
March 2021 Update	<i>n.a.</i>	45	49	53
Actual	32,2			

	2020	2021	2023	2025
 Wholesale CMD 2020	28	33	41	50
March 2021 Update	<i>n.a.</i>	24	35	46
Actual	10,93			

CapEx / MW (€k)

	Avg 21-25
Solar CMD 2020	0.81
Solar March 2021 Update	0.62
Wind CMD 2020	0.99
Wind March 2021 Update	0.95

FX	2021	2022-2025
EUR/GBP CMD (2020-2025)	0.878	0.878
EUR/GBP 2021 Update	0.89	0.88
EUR/USD CMD (2020-2025)	1.14	1.14
EUR/USD 2021 Update	1.22	1.20

Euribor & Libor	2021	2023	2025
Euribor CMD 2020	0.00%	0.30%	1.00%
Euribor 2021 Update	0.00%	0.00%	0.00%
UK Libor CMD 2020	1.00%	1.20%	1.30%
UK Libor 2021 Update	0.25%	0.50%	0.50%

Revenues approach to new projects in Europe



Originating PPAs at project development stage:

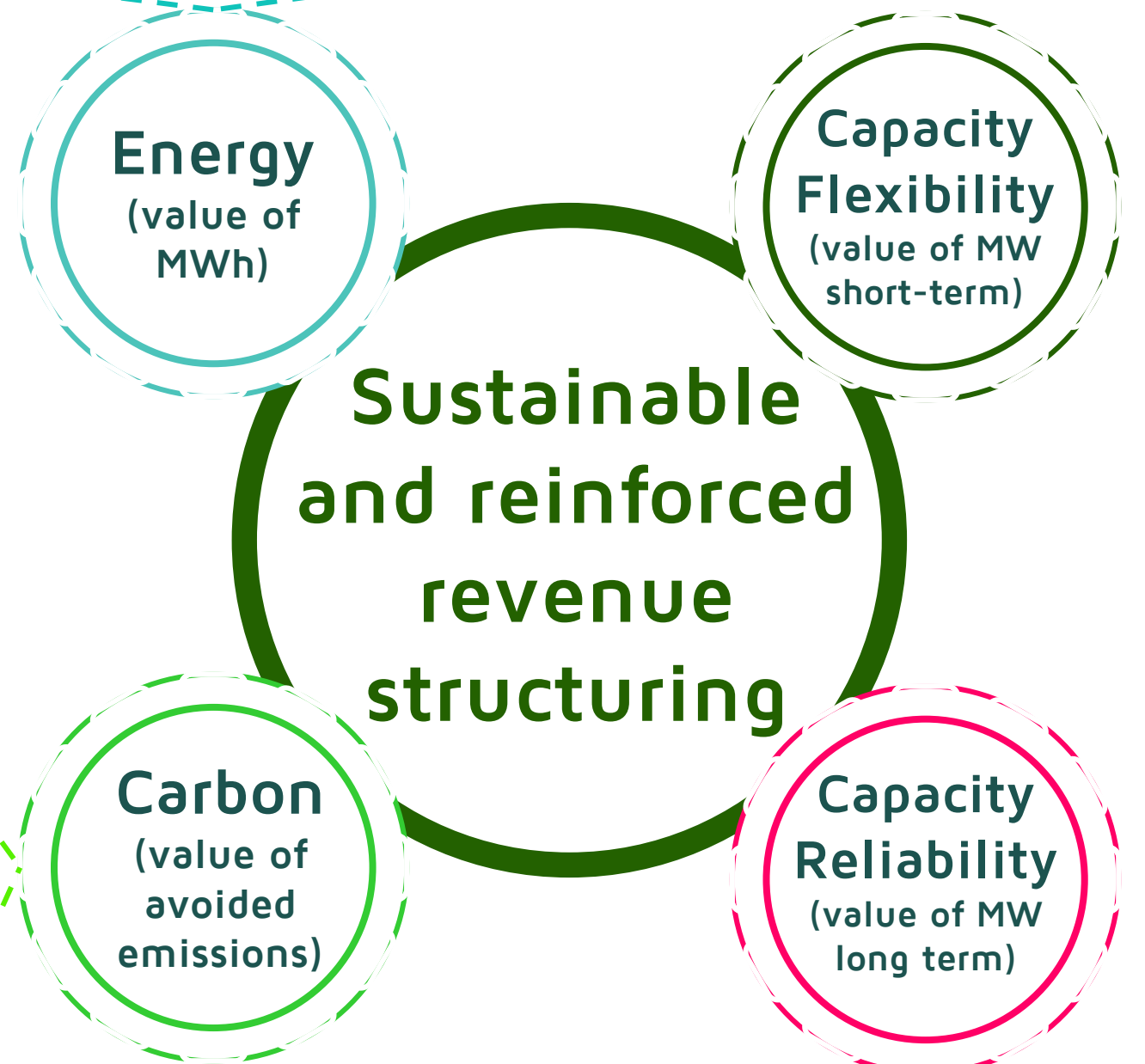
- covering volume risk by contracting directly with customer
- Stabilizing price / revenues over a 7-10 years PPA period
- Several options: CPPAs, PPAs with traders, auctions
- Necessary condition to allow project leverage (30-50% nonrecourse project level debt)

Volumes that remain «floating» are hedged:

- Ex-ante monthly, quarterly, yearly hedging to reduce price volatility
- The floating share of volumes allows to manage production volatility (risk of over and underhedge)

- **Increased sophistication in PPA structuring**
- **Options available should increase over time for PPAs:**
Duration; Floor; Collar; Fixed price; Escalators; “as produced” / profiled; Basis risk

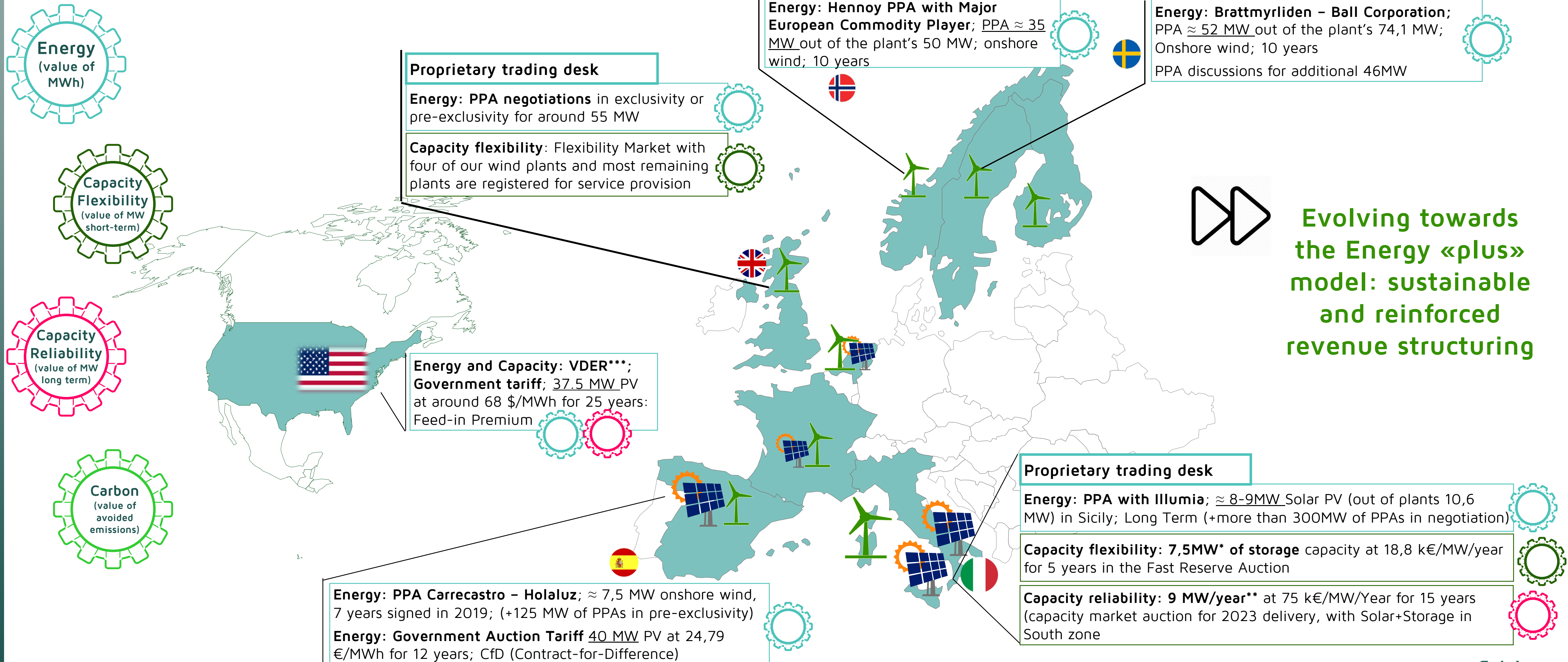
- **Proactive and diversified management of GOs, REGO, RECS** through a network of brokers and counterparties that allow us to extract any potential upside for this market.
- Currently, there is still limited value coming from this component – more needs to be done so that RES avoided carbon emissions gain proper value



Most of our future assets will be partially dispatchable and able to provide flexibility and reliability services to the system, thanks to the:

- **Hybridization** of RES with batteries which is crucial for **capacity revenues, ancillary services** and peak generation management, especially for Solar plants → **“Hardware” side**
- Structuring and diversification of revenue streams through digital optimisation tools and Energy Management strategies → **“Software” side**

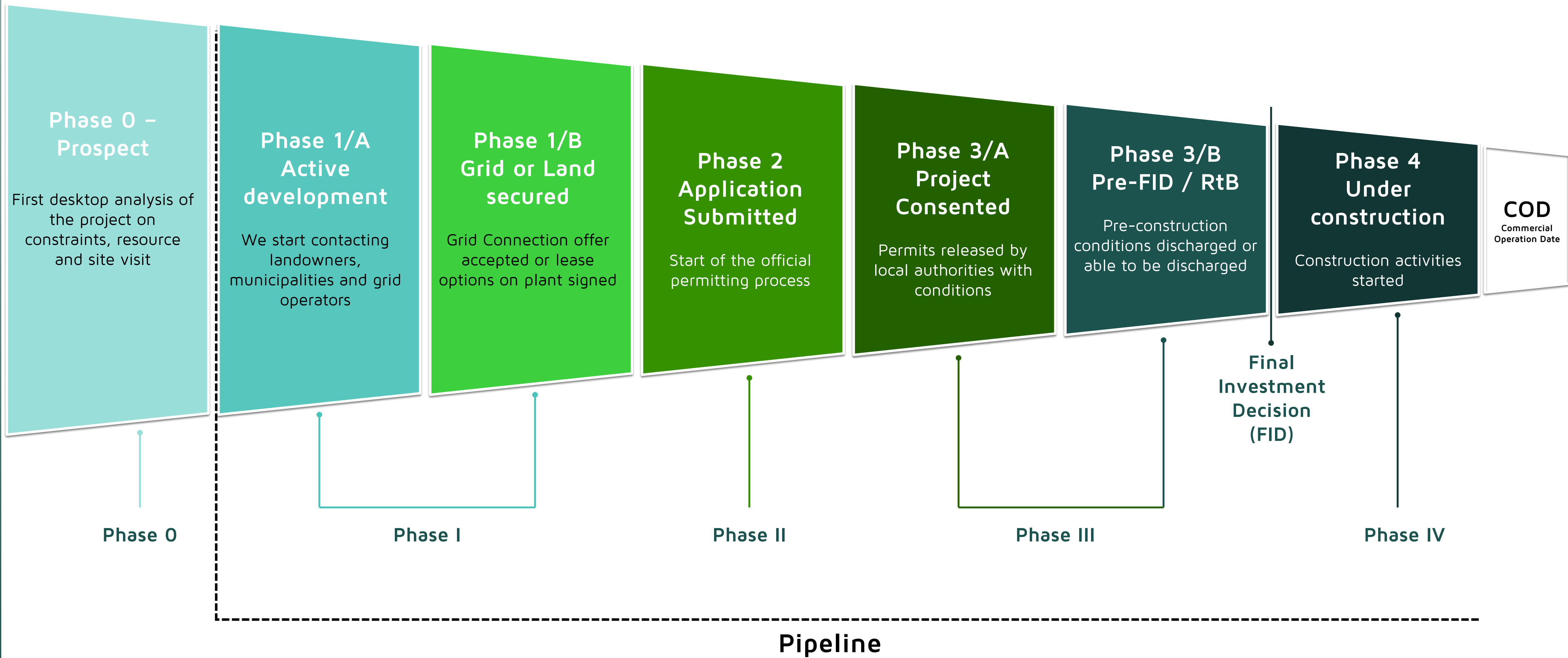
2020 Results: won ≈175 MW of PPAs and government tariffs; additional 530 MW of PPAs in exclusivity or pre-exclusivity; proprietary trading desks, continues hedging of open positions.



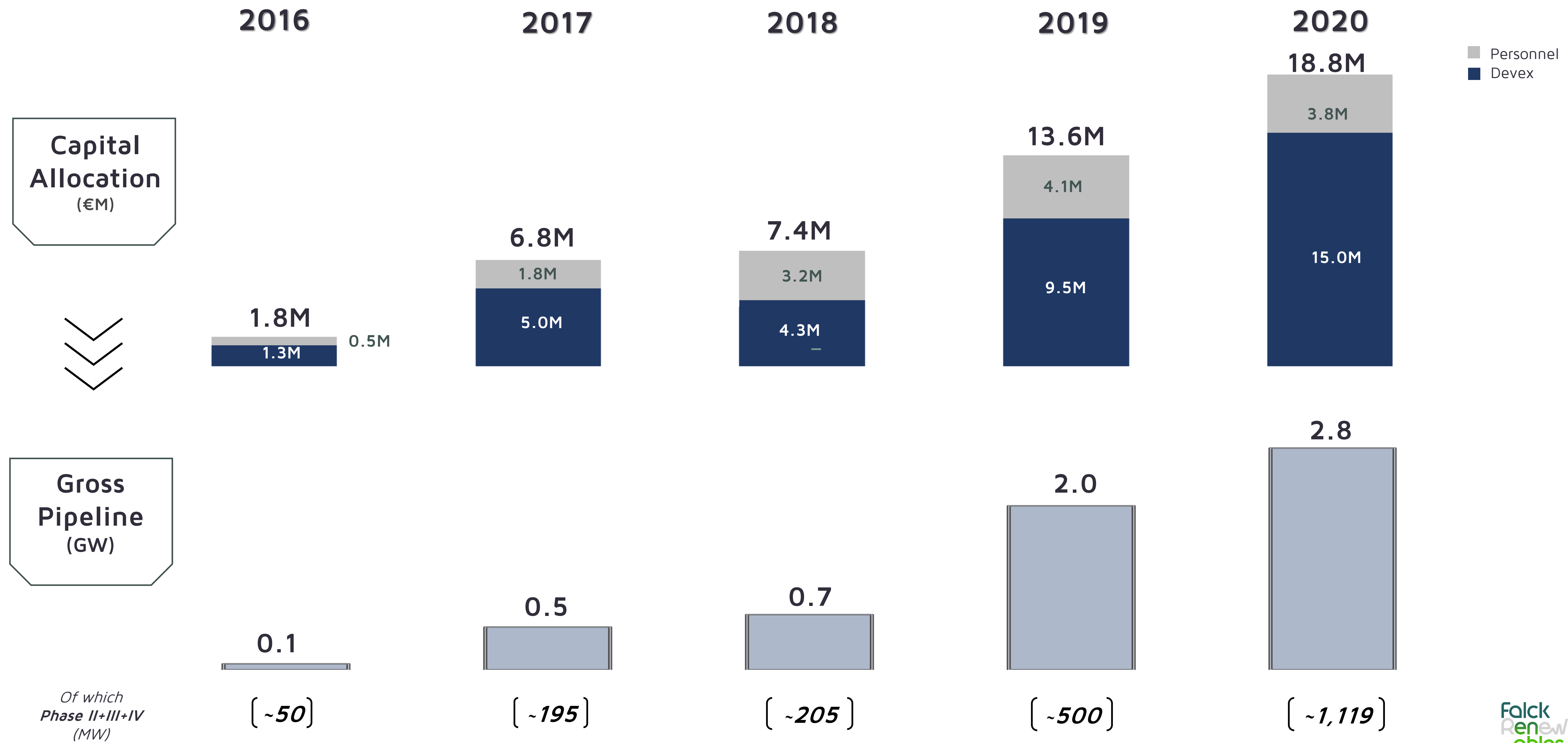
***VDER - Value of Distributed Energy Resources (VDER), also known as Value Stack, is a program promoted by the New York State Public Service Commission in substitution of net metering tariffs in the State. It includes Merchant-based components: Energy value (LBMP), Capacity value (ICAP) and Fixed component: Environmental value (E) and Demand Reduction Value (DRV)

*Subject to successful developing project **The capacity premium is assigned pro-rata based on the 50% derating factor applicable to the capacity, hence the battery capacity to be installed will be higher, to be able to retain the full premium

Pipeline definition throughout the different phases

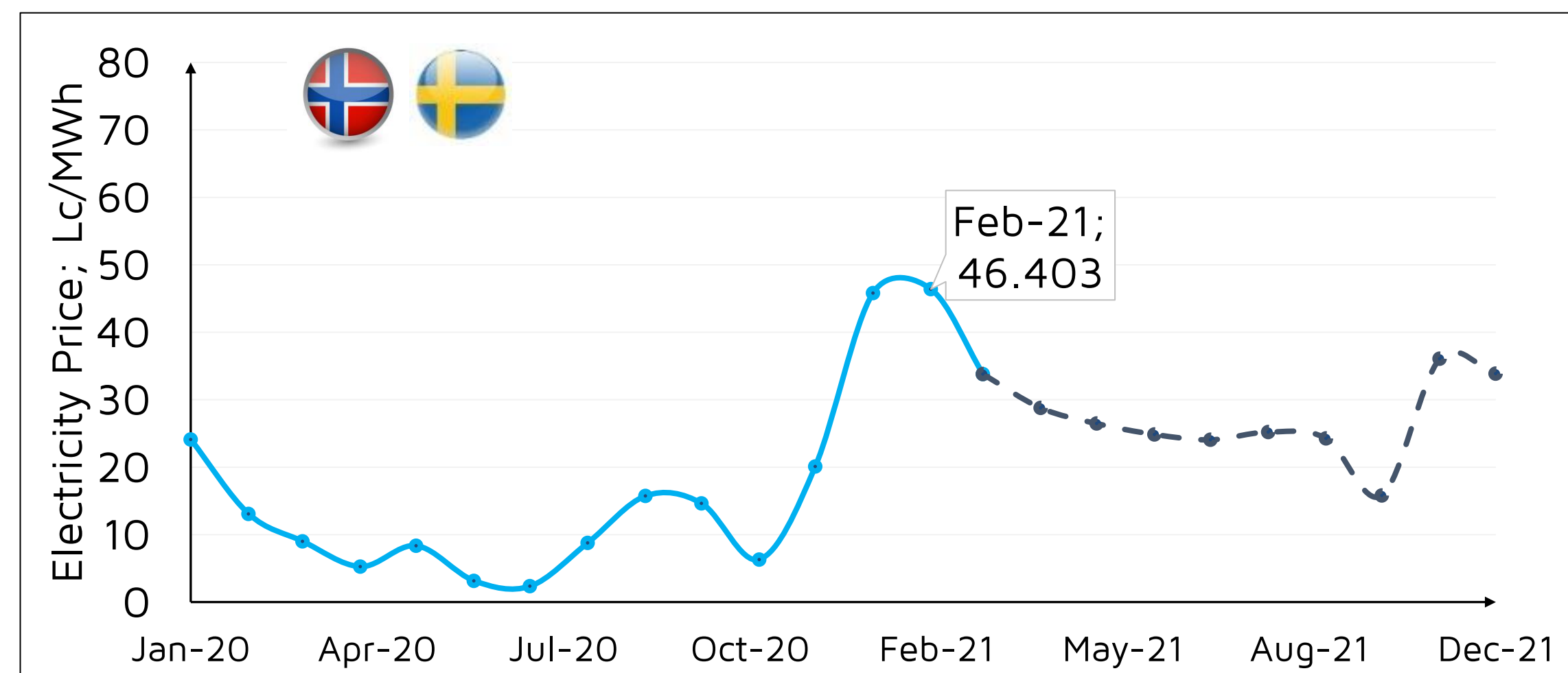
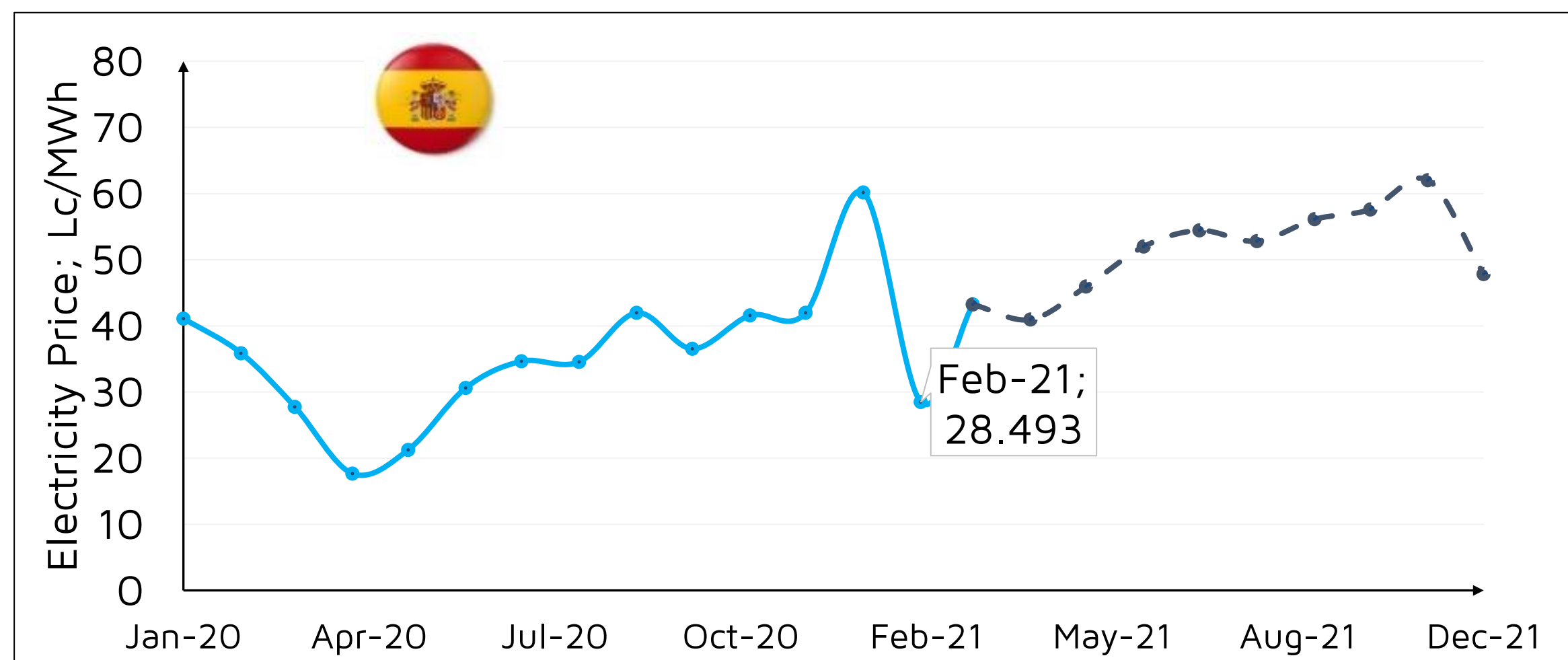
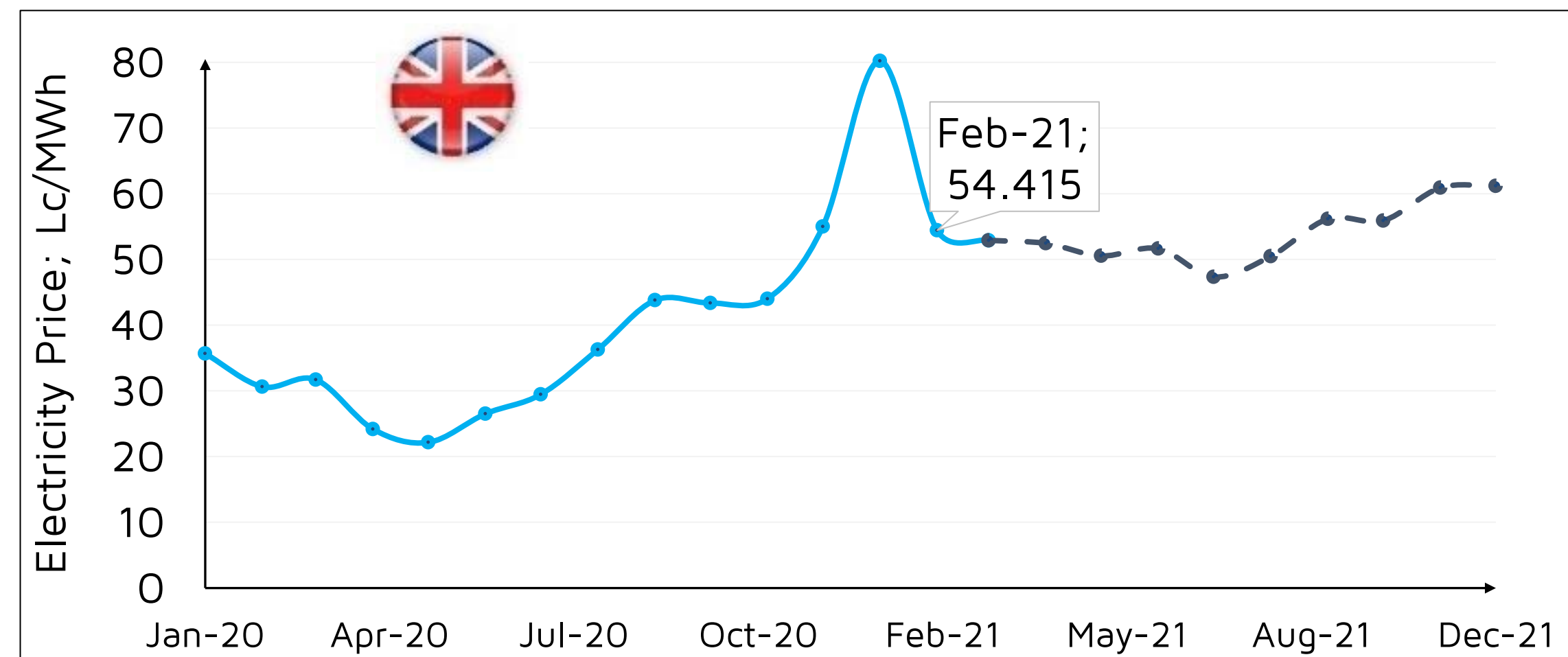
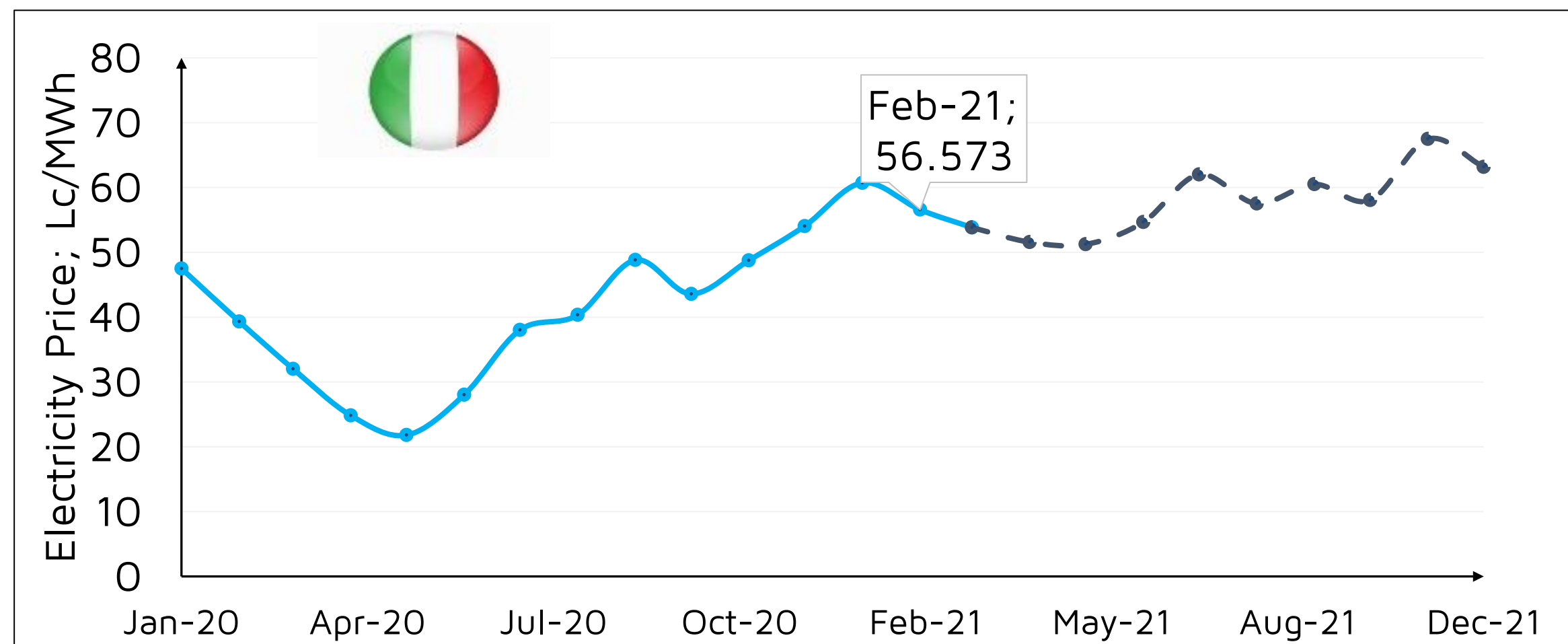


Focus on Asset Development progress



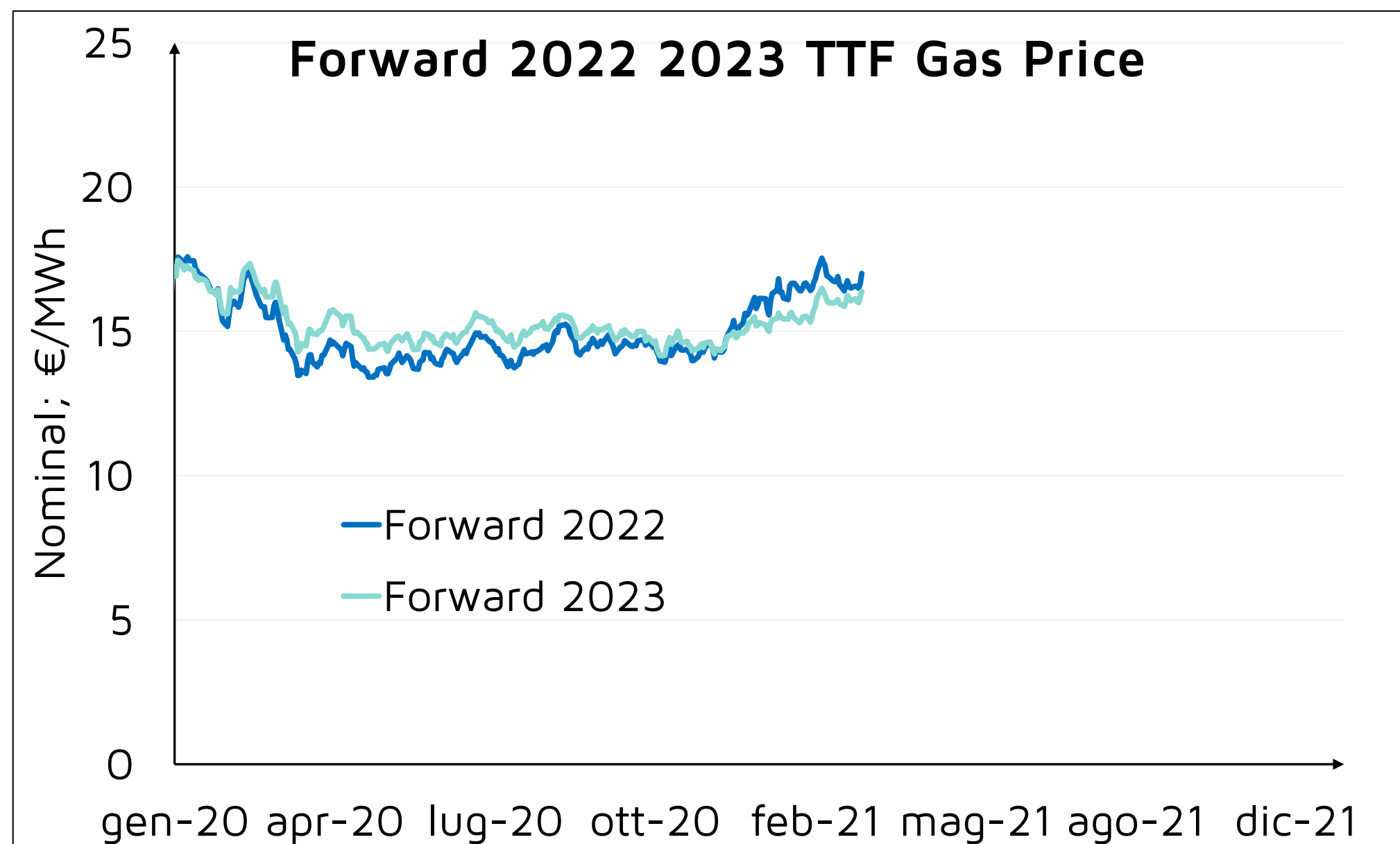
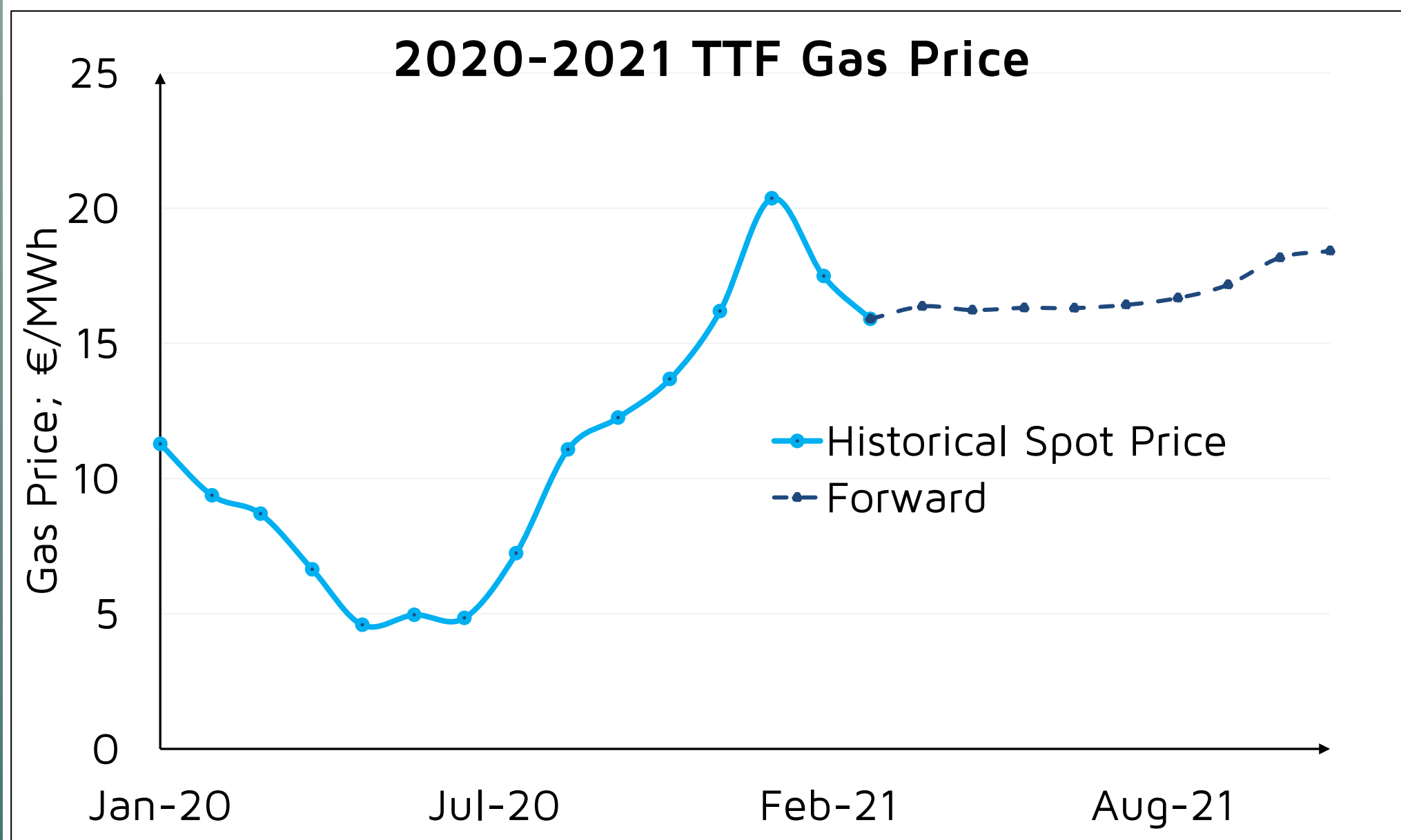
Spot Electricity Prices: Early March Update

—●— Historical Spot Price -●- Forward



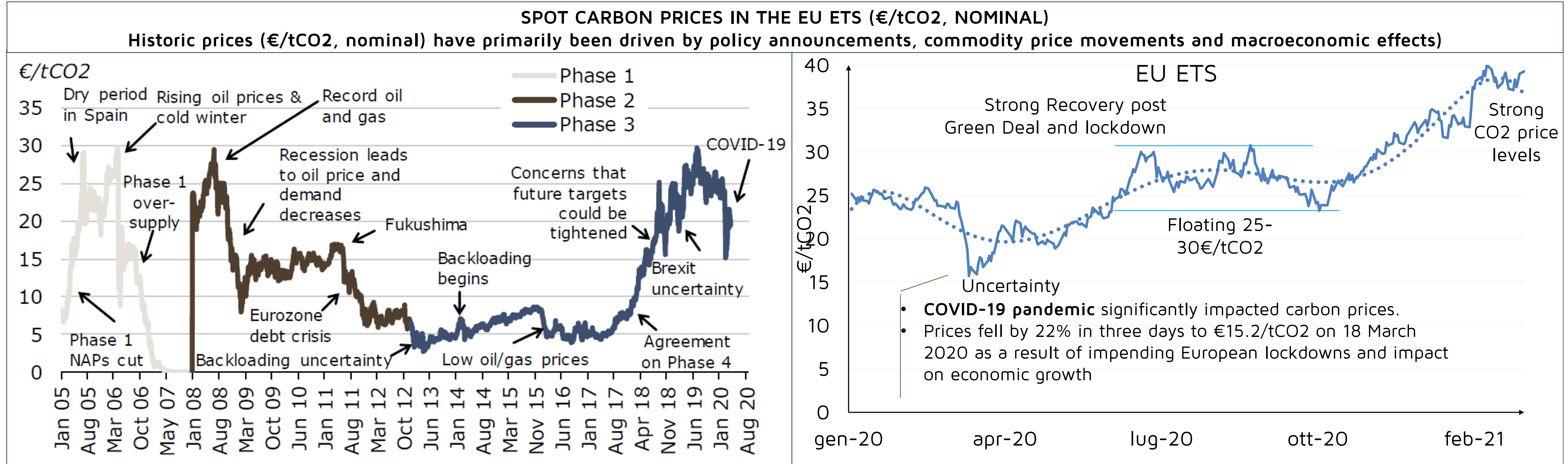
Graphs show monthly electricity prices 2020-2021 (Historical Spot and Forward) in countries where Falck has market price exposure.

Gas Prices: Early March Update



€/MWh	TTF 
2020	9.23
Q1-21	17.93
Q2-21	16.30
Q3-21	16.47
Q4-21	17.92
2021	17.15
2022	17.00
2023	16.39

CO2 Prices: Early March Update



Data sources: Reuters. Last data available regarding the current month: 5^o March, 2021.

Falck Renew ables

PURE POWER TO GROW