



FNM GROUP

VIRIDIS ENERGIA ACQUISITION: ENTRY IN THE RENEWABLE GENERATION SECTOR

18 January 2024



Short term

- Industrial investment in a portfolio of 47MW renewable power plants already **in operation** and generating **positive cash flows**
- Operating structure with established expertise in the development, construction and operation of renewable energy plants, capable of developing additional PV and wind power plants in various stages of construction already in the portfolio.
- Expansion of the environmental objectives set forth in the 2021-2025 Strategic Plan, with a **positive contribution to energy transition and on the 2030 Agenda**
- In line with infrastructural development of other peers

Mid-long term

- The development of the renewable power generation projects pipeline is an **opportunity for flexible growth** and will progressively **reinforce FNM Group's infrastructure business**
- While excluding self-consumption, the co-existence in the Group of the power generation business with local public transportation will **strengthen** and **protect core activities**
- Additional business segment with a **stable cash flow and good marginality** supporting growth and that will contribute to stabilize regulatory assets and de-risk concession linked activities


Target with a material size, operational facilities, an experienced team and a significant pipeline


Key assets acquired

- › Viridis is an **Independent Power Producer (IPP)** with diversified sources, predominantly solar-PV, with operational facilities, multiple initiatives in pipeline, and a structure in place with specific know-how
- › **Track-record** of recent divestments to leading renewable energy investment funds
- › Diversified portfolio ensures **balance between IRR and cash flow certainty**

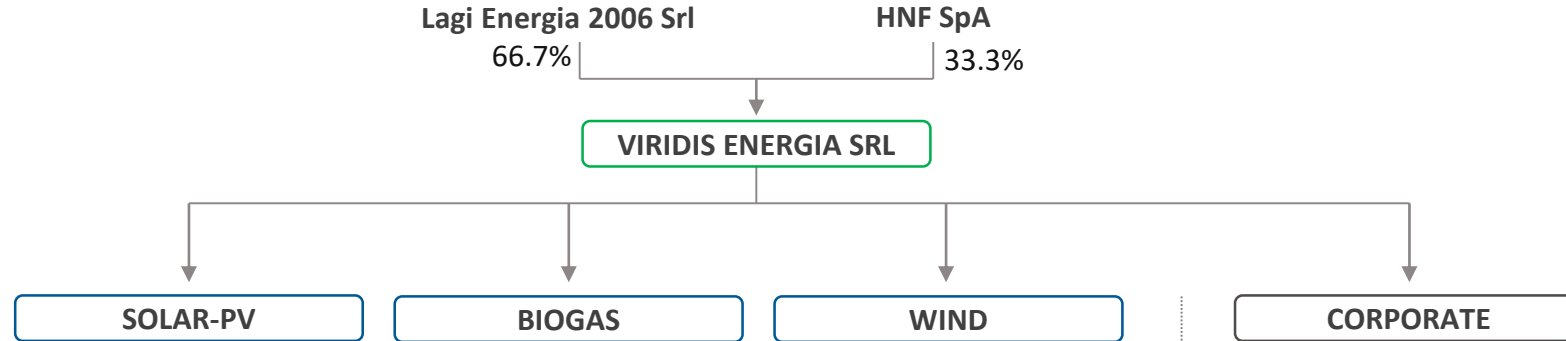
- A** 45.5 MW Solar-PV facilities in operation (mostly incentivized)
- B** 6.5 MW Solar-PV under construction (start early 2024)
- C** 16 MW Solar-PV ready to build
- D** 2 MW Biogas facilities
- E** 38.5 FTE Expertise on O&M, Greenfield dev., M&A and AM
- F** Pipeline of Solar-PV and Wind plants at different stages of development



 = Regions with pipeline projects

 = Regions with operational and pipeline projects

Viridis structure *as-is*



Operational facilities and corporate structure

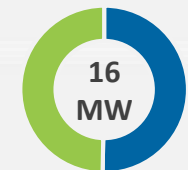
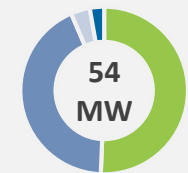
	SOLAR-PV	BIOGAS	WIND	CORPORATE
Operational facilities and corporate structure	52 MW Incentivized (Conto Energia II and IV and "FER1") + 7 MW on grid in early 2024	2 MW Incentivized with All-inclusive tariff (expiration 2028)	0 MW	38.5 FTE

Ready to build RES power plants

	SOLAR-PV	BIOGAS	WIND
Ready to build RES power plants	16 MW Incentivized (FER)	0 MW	0 MW

Pipeline of PV and wind power plants at different stages of development

TOTAL



70 MW

■ FER ■ All-inclusive
■ CE II e IV ■ Market

Semiannual financial highlights at 30/06/2023

	6M23 FNM stand alone (€mln)	6M23 Viridis stand alone ² (€mln)
Revenues	301.6	8.5
EBITDA	100.0	4.9
NFP	761.7	16.2
NFP/EBITDA	3.8x ¹	1.8x ¹

The transaction

The transaction

Acquisition from Target Spa of a 80% stake in Viridis and its fully owned subsidiaries active in the development, construction and operations of a portfolio of renewable power plants as follows:

- nr. 23 solar power plants in operations for a total installed capacity of 45 MWp
- nr. 2 biogas power plants in operations for a total installed capacity of 2 MW
- nr. 1 solar power plants under construction for a total installed capacity of 7 MW
- nr. 2 ready-to-build solar power plants for a total installed capacity of 16 MW
- pipeline of additional solar and wind power projects at different stages of development

The transaction includes the acquisition of over 38 FTE team with proven expertise in the development and construction of RES power plants

Payment at closing

At Closing date, payment of 59.2 mln euros for a 80% stake, including a portion as an advance on the Earn Out to be paid progressively and proportionally upon achievement of Commercial Operation Date of a PV and wind power plants pipeline, and in any case no later than 6 years after Closing Date

The Acquisition Price is calculated based on Viridis consolidated accounts as at June 30, 2023 and reduced to take into account any adjustments to the Net Financial Position incurred between June 30 2023 and Closing Date

The transaction

Conditions precedent

Usual for this kind of transactions, including, but not limited to, subject to due diligence:

- Completion of all the extraordinary transactions aimed at reaching the finals structure of the transaction (including the acquisition by Viridis of 100% stake in certain subsidiaries, the carve out of certain assets from the transaction perimeter)
- Achievement of any consents/waivers upon completion of the Transaction from the banking sector or any obligations related to antitrust/Golden Power legislation if applicable

Shareholders agreement

Including, but not limited to:

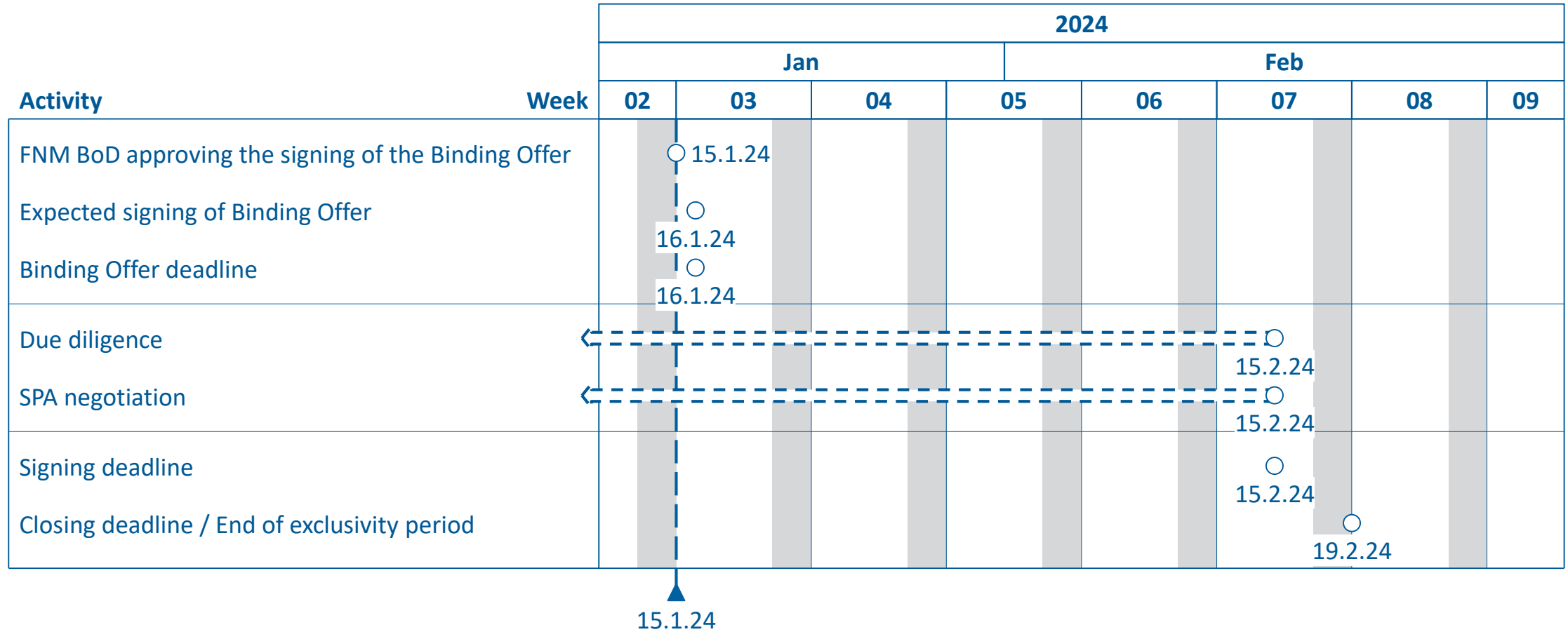
- Drag along
- Right for FNM to nominate the majority of the BoD
- 5 year lock up period from Closing Date
- Put and call options in favour of both shareholders exercisable during the 12 month period following the approval of FY2029 accounts

Projects under development

- Best effort to fund development of projects with a leverage in the range of 70-80%
- Pari passu equity injections by all Viridis shareholders to support the development of projects reaching Ready-to-build stage
- Simple majority of the BoD required for the decision not to continue with the development of a ready-to-build project, with no right for the seller to accrue an Earn out in case the project IRR is below a certain threshold and/or CAPEX are higher than forecasts and/or project risk has increased

Financing of the transaction

Full support ensured by a primary financial institution. FNM is negotiating the structuring of short-term (bridge) unsecured credit facilities that could lead to the structuring of a definitive facility within 12-18 months





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