

Company presentation

26 May 2020

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 2020. 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.

This presentation does not constitute a recommendation regarding the securities of the Company. This presentation is not intended to be/does not contain any offer, under any applicable law, to sell or a solicitation of any offer to buy or subscribe any securities issued by Falck Renewables S.p.A. or any of its subsidiaries.

Neither the Company nor any member of the Company's Group nor any of its or their respective representatives, directors or employees accept any liability whatsoever in connection with this presentation or any of its contents or in relation to any loss arising from its use or from any reliance placed upon it.

Agenda

○ Group Overview 4

○ Roadmap 2025 15

○ 1Q 2020 Results 29

○ Appendix 35

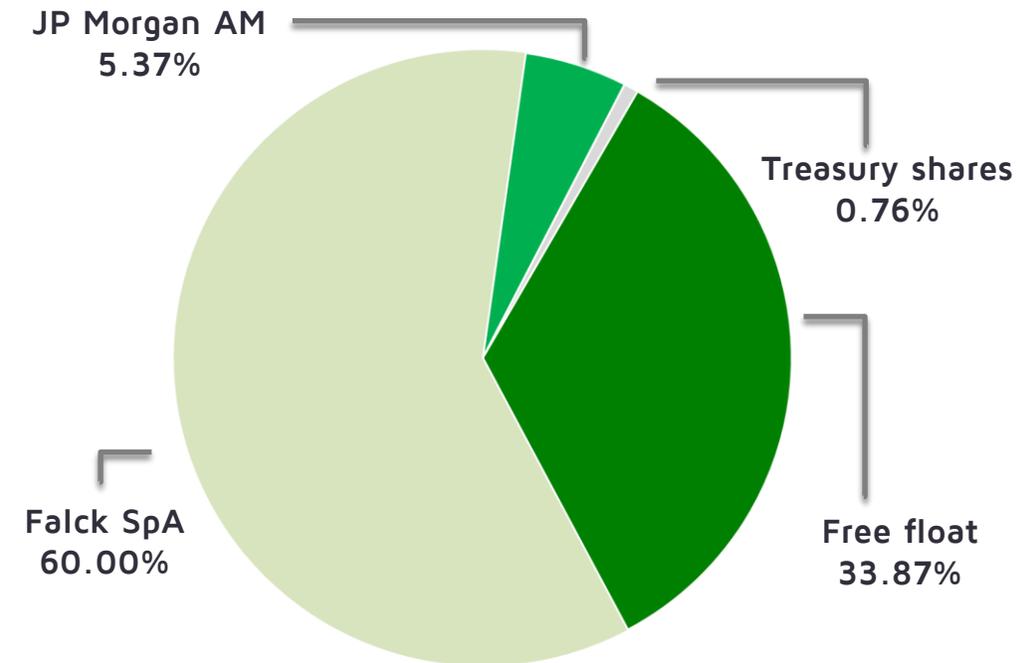
Group Overview

Governance & Shareholders

Board Composition



Current Shareholders Base



The Board of Directors consists of **twelve members**. Seven of them are **Independent Directors (58%)** 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** and includes members with **relevant experience**.

Falck Renewables at a Glance

SHARED VALUE WITH STAKEHOLDERS

SUSTAINABILITY AT THE CORE

Renewable player with a continued expansion

... **diversified** in Services and Business Solutions....

... committed to push on **digitalization & Innovation** and

....**financially strong**

1,133 MW
Asset base

~2 GW
Development pipeline

95 MW
Under construction

~ 1 GW
Energy dispatched in 2019

8th
Market operator in Italy in 2019

C&I 
Customers managed

nuo

Enabling operational excellence

> 90%
Employees working from home

First battery
Integrated with Solar PV
 Commissioned in 2019

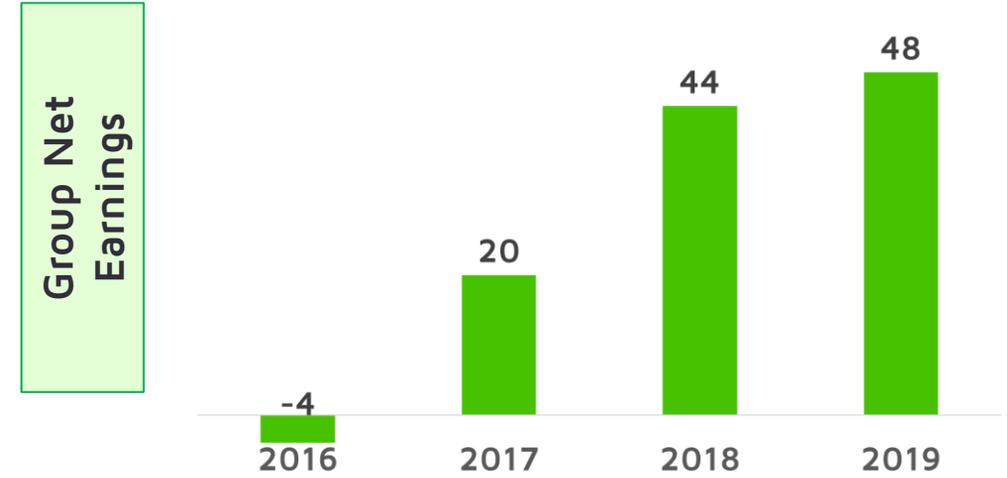
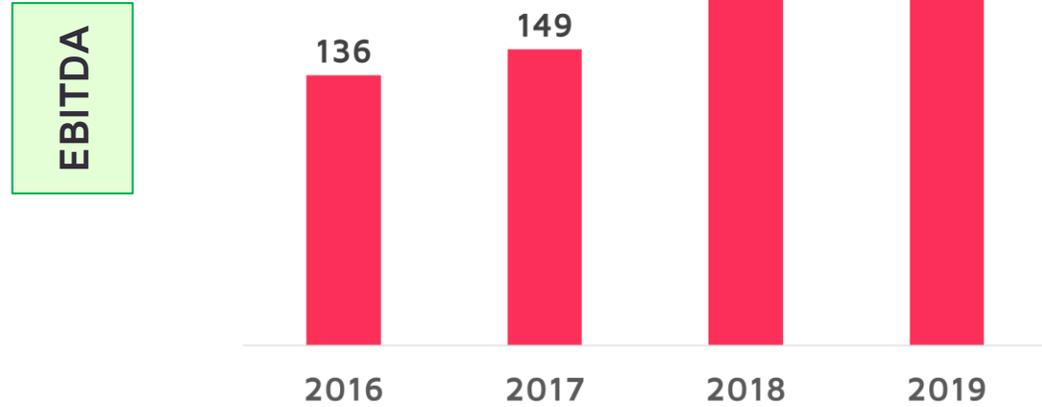
3.5x
NFP/EBITDA in 2019

72%
Gross Debt hedged

€ 325M
Committed credit line

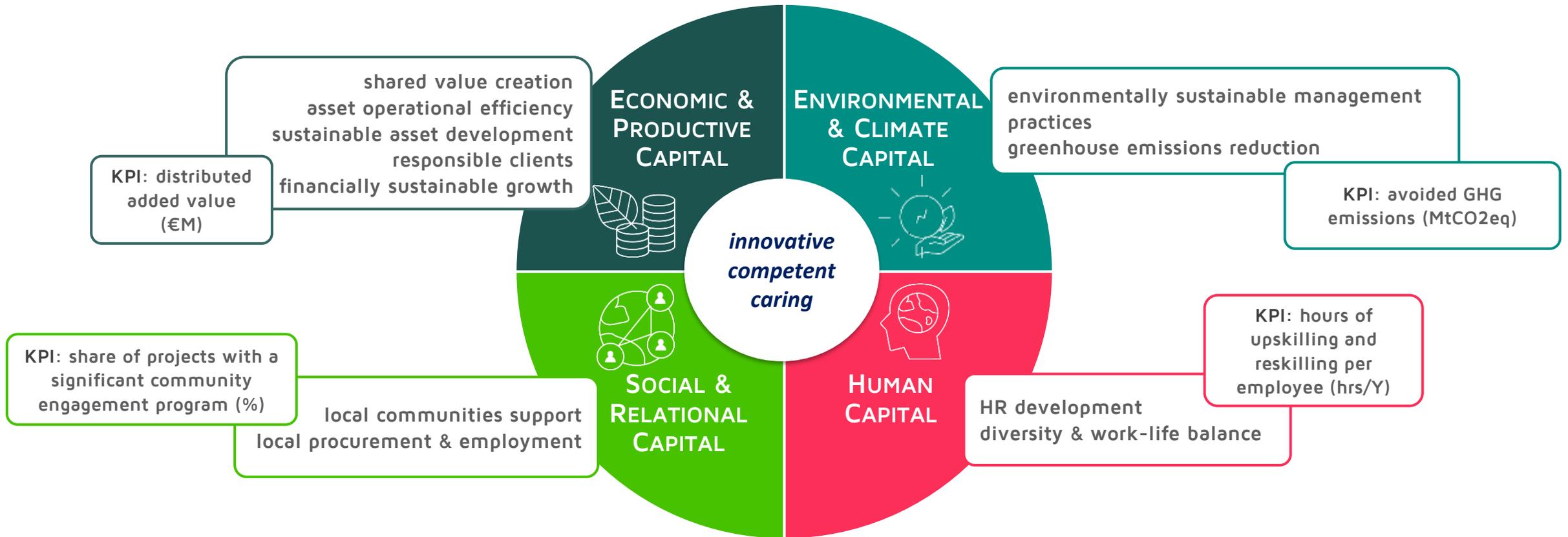
Main Indicators 2016 - 2019

(€M)



Our Commitments to sustainability

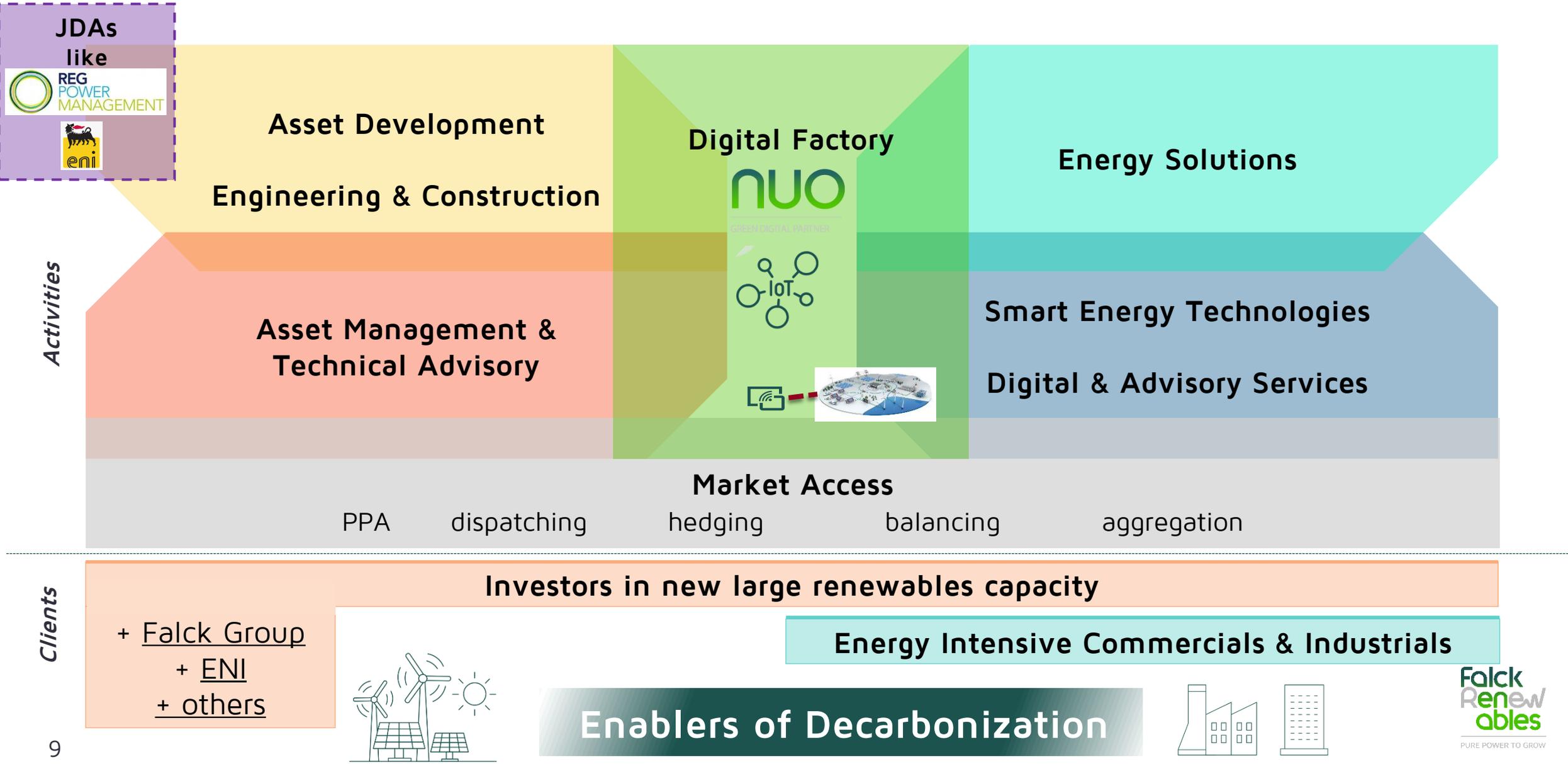
To us, sustainability is the lasting generation of shared value for each stakeholder while maintaining the conditions that allow for such a generation

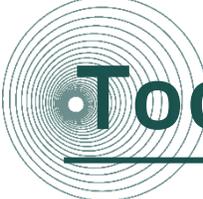


WE ARE DIRECTLY CONTRIBUTING TO
9 U.N. SUSTAINABLE DEVELOPMENT GOALS

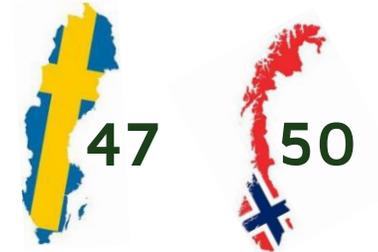


Our business model





Today's Portfolio: 1,133 MW in Operation



MW				
	292	16	46	354
	413			413
		113		113
	98			98
	59			59°
	50			50
	47			47
TOTAL	959	129	46	1,133*

+95 MW Under Construction

* Includes minority stake in La Muela (26%) wind farm and Frullo Energia Ambiente (49%) for a total amount of 37MW

° Includes 10 MW of Carrecastro wind farm in operation since 7 February 2020

How do we optimize our portfolio



Asset Remote Monitoring:

- Operations real time overview
- In depth performance analysis
- Automatic KPIs calculation
- Predictive maintenance*
- Repairs/retrofits effectiveness follow up

Asset Management & Operational Control:

- Contract management
- Site management
- On site quality inspections
- Assessment and follow up on technical improvements

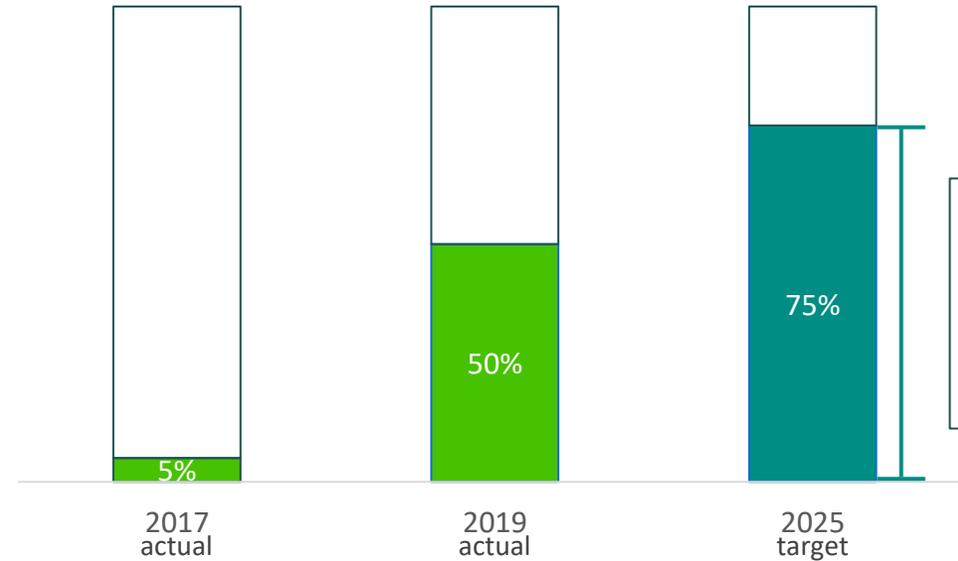


Asset Energy Management:

- Production forecasting
- Energy trading
- Power limitations management
- Grid balancing & regulatory support

- Maximize in-house expertise and experience
- Maximize payback of digital investment
- Exploit high competitive market for O&M services
- Create synergies across assets
- Control life time extension, revamping and repowering projects
- Extendible approach to solar assets

O&M Service Scope Review (calculated on wind farms)



In house responsibility for part or all (favourite option) main components

SEAnet **	95.20%	96.10%	>97%
O&M/MW (€k)***	32	<29	<25

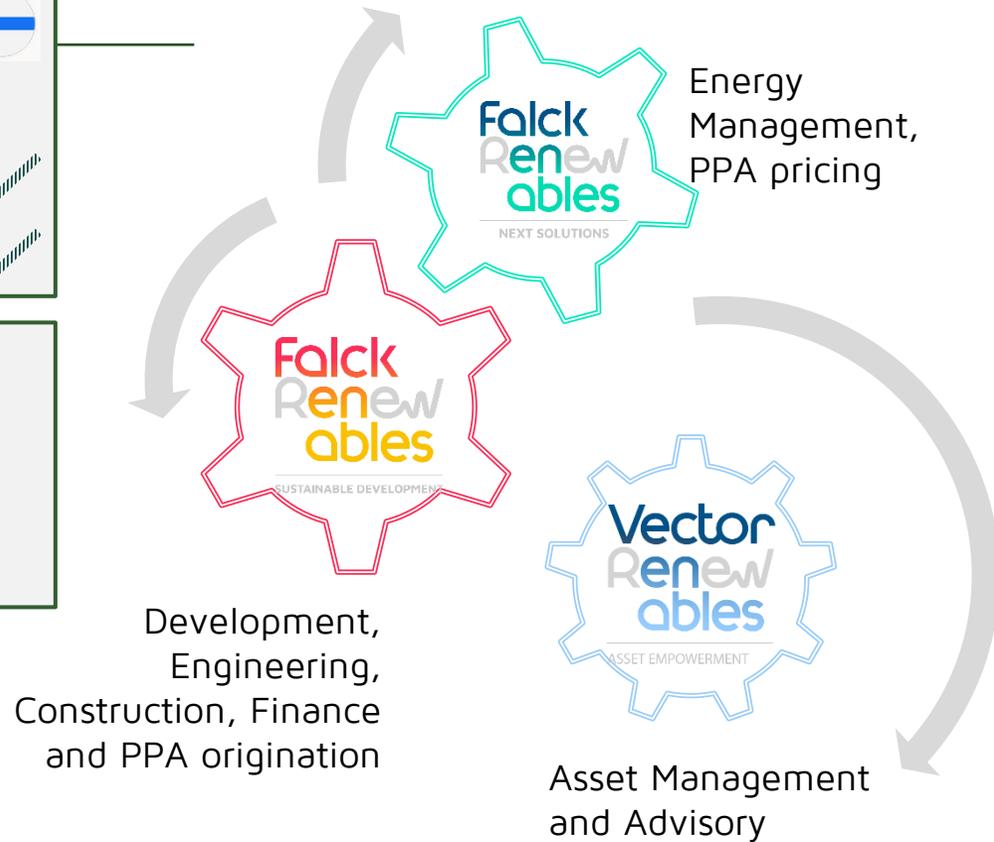
How do we develop new assets

Greenfield, Partnerships and M&A

Current approach

									
 Greenfield				✓	✓				
Partnerships / JDAs		✓		✓		✓	✓		✓
M&A	✓	✓	✓				✓	✓	✓
 Greenfield	✓	✓	✓		✓				
Partnerships / JDAs			✓	✓		✓			
M&A		✓	✓						

✓ Implemented
 ✓ In process / potential



presence on the entire value chain
 ... and in strong wind and solar markets

How do we create value for energy intensive clients

Services Offered	Description	Focus Clients
Market Access	Balancing Service Provider Corporate Power Purchase Agreement Power Purchase Agreement	   
Energy Solutions	New distributed PV assets, repowering PV, storage, CHP	  
Digital & Advisory Services	Advisory (audits, flexibility, storage), data analysis and energy management systems	   
Smart Energy Technologies	Starting from Energy Team metering and Demand Response, plus evolution driven by IoT trends and "open-tech" approach	  

clients →

We enable value creation with advanced solutions



Asset Development
Owned Assets



Large Wind/Solar producers
Small PV assets < 5MWp

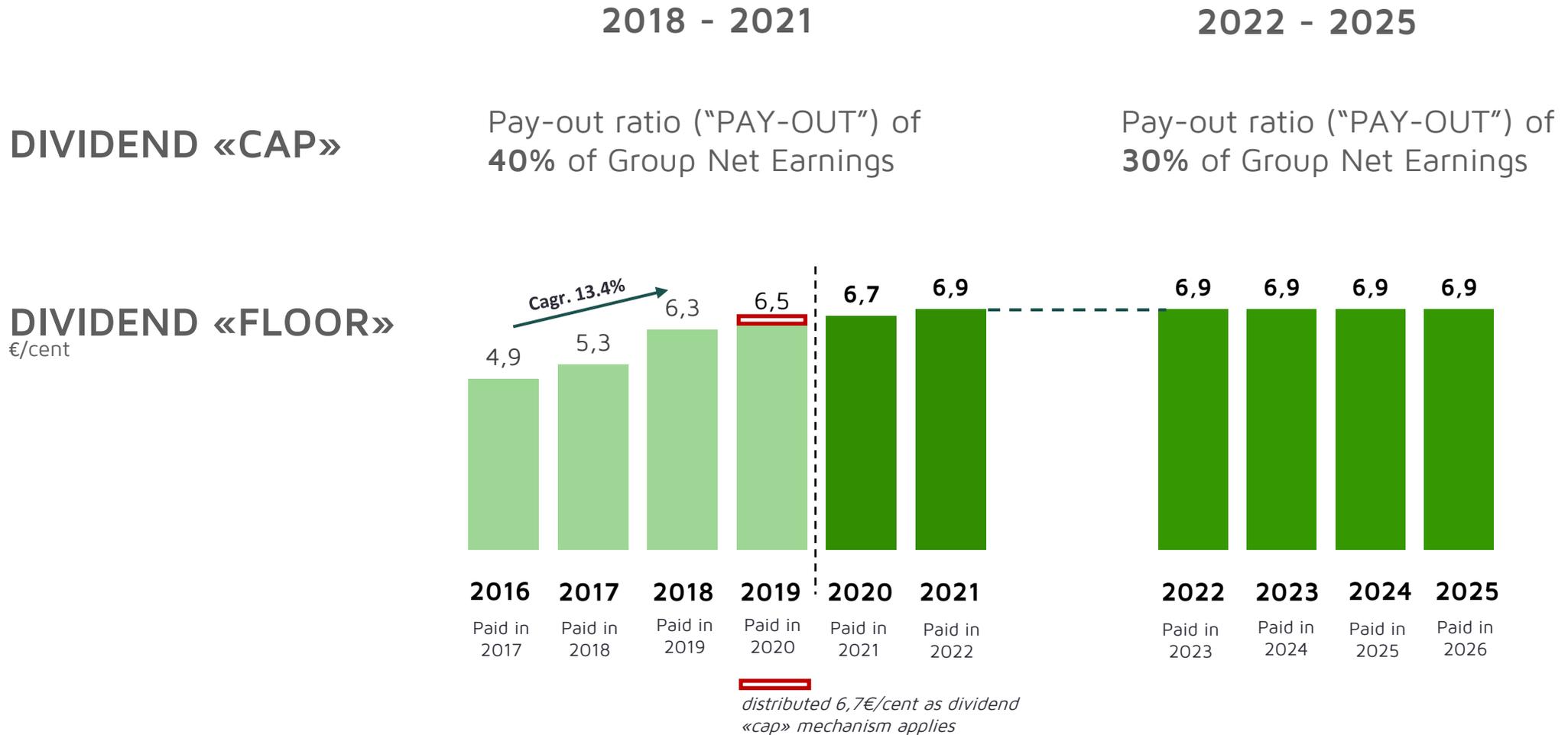


Energy Intensive Industries
Large Industries



Large commercial users
Large commercial corporates

Dividends 2016-2025



Long term visibility, stable dividends to sustain strong growth

Roadmap 2025

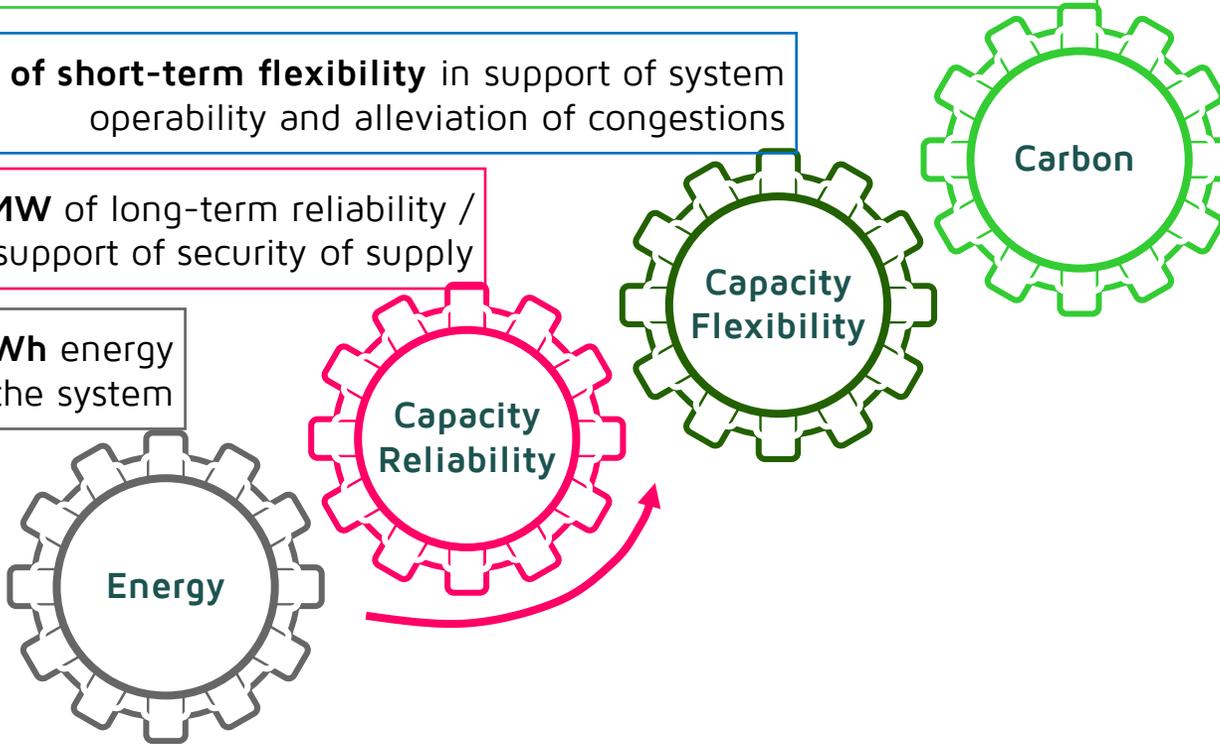
Value for Renewable electricity and pricing model

Value of avoided carbon emissions typically manifested through carbon pricing or taxation and low carbon support mechanisms

Value of short-term flexibility in support of system operability and alleviation of congestions

Value of MW of long-term reliability / adequacy in support of security of supply

Value of MWh energy delivered to the system



Where the "products" are traded

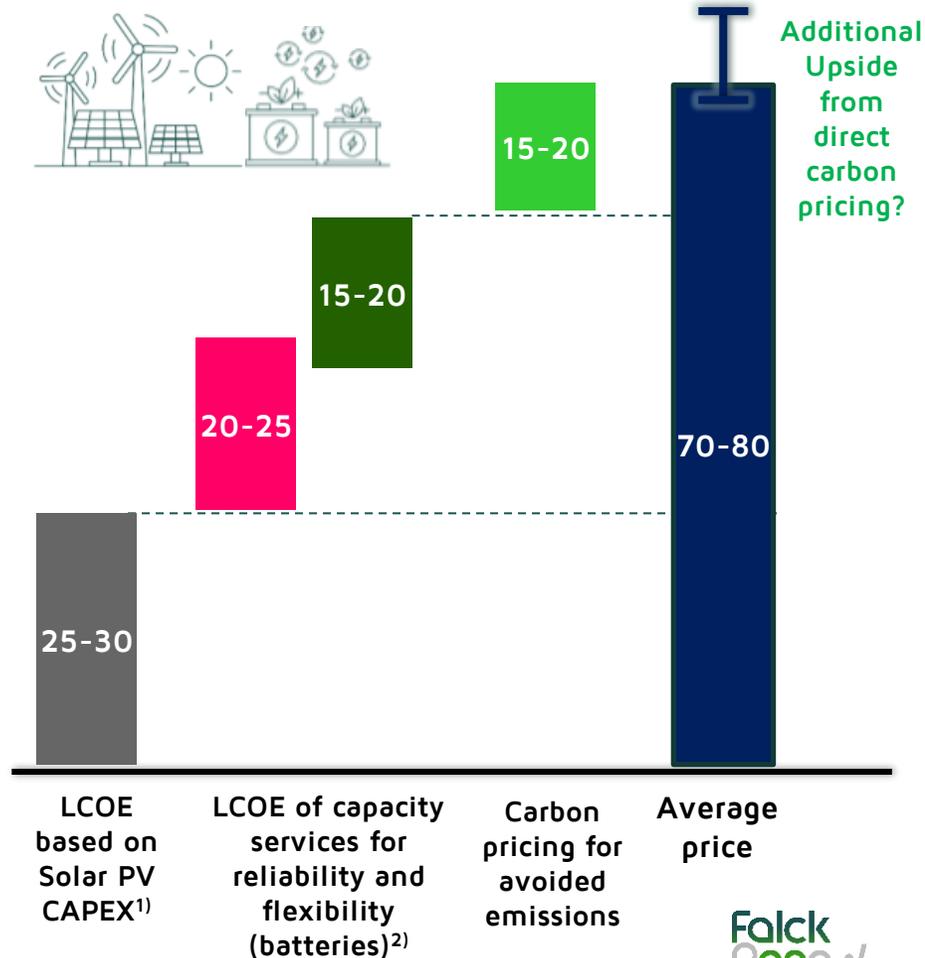
Wholesale electricity market

Capacity market

Reserve, Ancillary services and Balancing markets

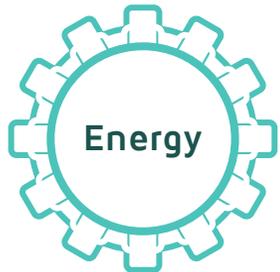
EU Emissions Trading System (EU ETS)

Pricing model 2040? €/MWh; real 2020 money



1) 200-300K €/MW; 2) Assuming, for each MW of Solar, 0.5MWx8h (4 MWh of storage), ~120k€/MW 3) Considering a CO2 price of ≈70 €/tCO2

Focusing on energy plus capacity: how to derive value



System goal	Efficient energy dispatch
What does it provide?	Delivers energy in the most cost-efficient way by having the market define the system's merit order
Market instrument	<ul style="list-style-type: none"> • Forward markets • Day-ahead markets • Intraday markets

Long-term system adequacy in support of security of supply
Ensures long-term system adequacy e.g., in the case of extreme load peaks or backup intermittent renewable generation
<ul style="list-style-type: none"> • Market-based capacity remuneration mechanisms

Short-term system adequacy and flexibility
Enables the system to respond to short-term variations in the supply/demand balance, support operability and alleviate congestion
<ul style="list-style-type: none"> • Short-term reserve markets (e.g. UK) • Ancillary services (e.g. primary and secondary reserve) and balancing market

Falck Renewables
PURE POWER TO GROW
Where are we today?

- Own dispatch platform for **optimization of €/MWh of own plants and third-party energy on the Italian market (hedging, aggregation and balancing)**
- Ongoing platform development for the UK market

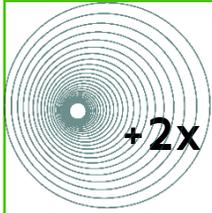
- Participation to capacity market auction for 2023 delivery, with Solar+Storage capacity to be developed in South zone
- **Awarded 9 MW/year at 75 k€/MW/Year for 15 years**

- **Pipeline of stand-alone storage and/or PV+Storage projects in definition for the Italian market.** Revenues from ancillary services (primary and secondary reserve with €/MW remuneration) as well as from the new Fast Reserve mechanism

Energy-only markets are inefficient by definition, as they include technologies with an opposite cost structure in terms on Capex-Opex, leading to energy prices trending, in some hours of the day, towards zero

Roadmap 2025 summary

Significant Assets Growth



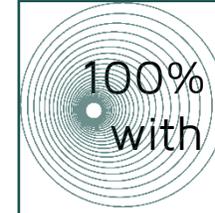
+2x consolidated assets

Continued expansion and diversification of pipeline



2 GW plus developed and put in service by 2025

Strong focus on ENERGY+ model

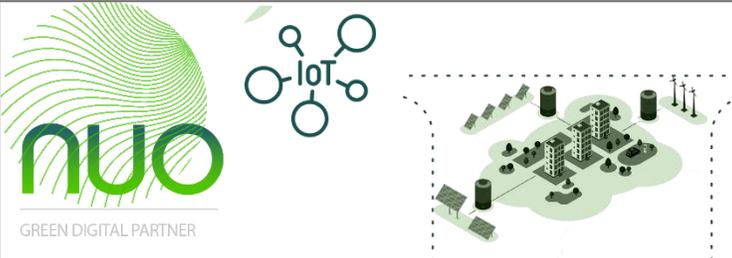


100% of solar developments with COD from 2023 with storage option

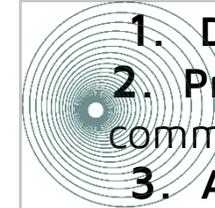
ENABLERS OF GREEN GROWTH



Services and solutions business



Strong digital and application development driven expertise



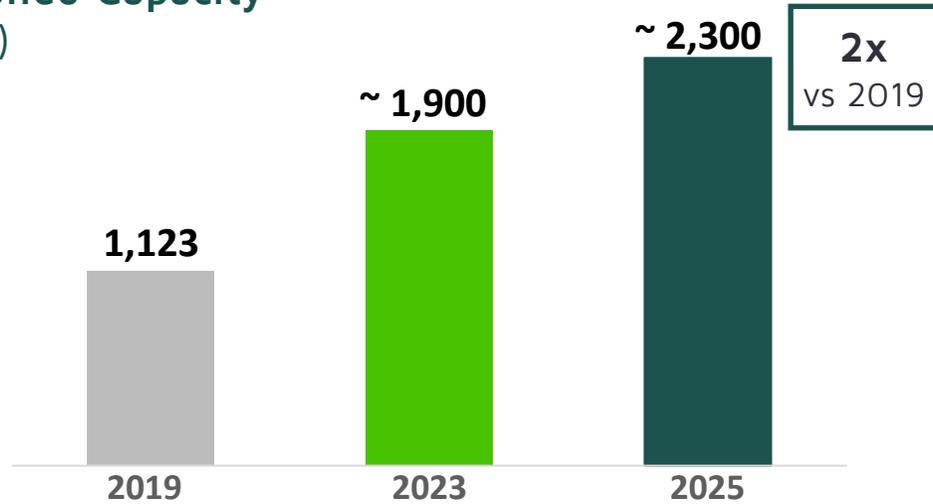
1. Distributed added value
2. Projects with a significant community engagement program
3. Avoided GHG emissions
4. Hours of training per employee

Customer centered, technology and competence driven

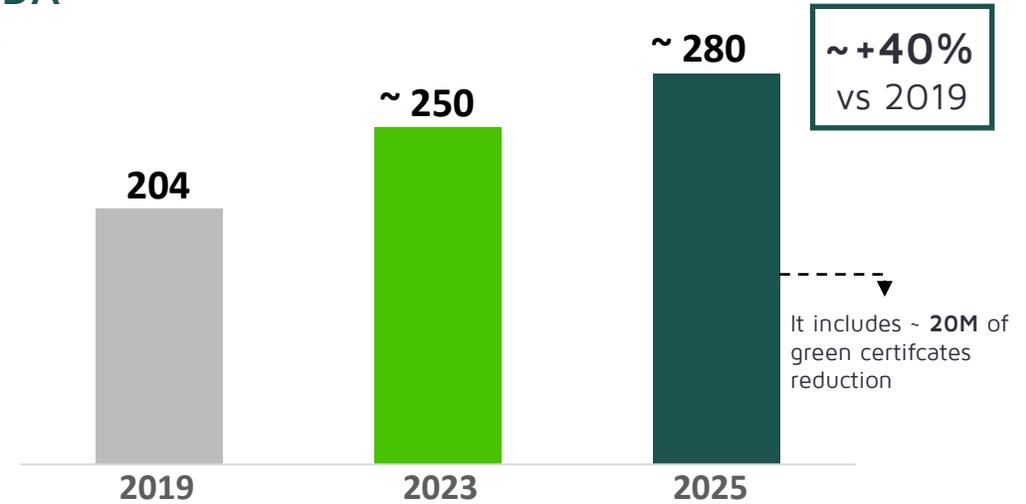
Clear sustainability commitments to 2025

Main Targets

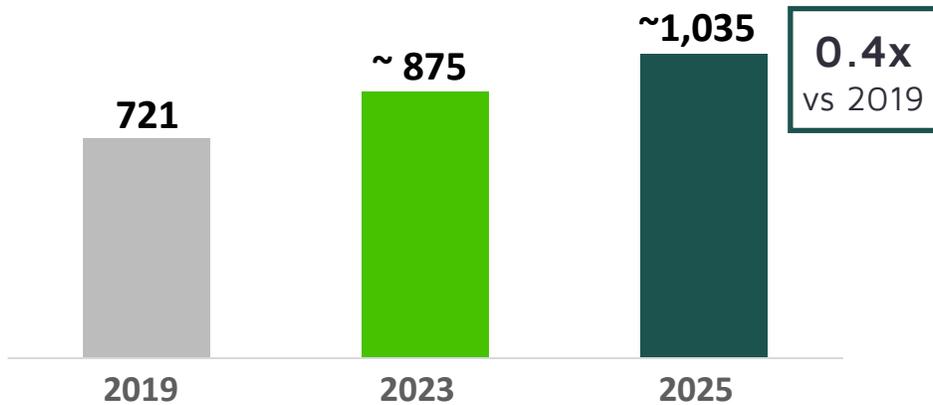
Installed Capacity
(MW)



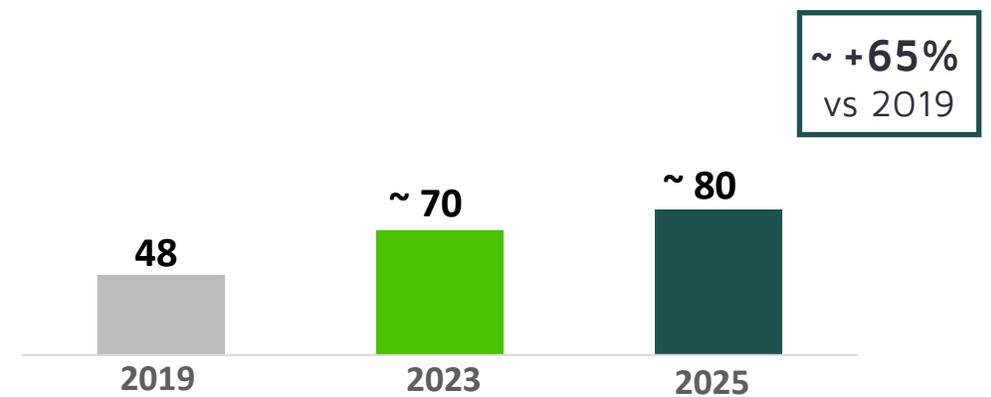
EBITDA
(€M)



Net Financial Position
(€M)



Group Net Earnings
(€M)



NFP/
EBITDA

3.5x

3.5x

3.7x

Our key sustainability targets

Key performance indicators*	2019	2025	Cumulative 2020-2025
 distributed added value**	174 €M	255 €M	1,300 €M
 projects with a significant community engagement program***	41% of projects	55% of projects	
 avoided GHG emissions****	0,62 MtCO2eq	1,36 MtCO2eq	5,99 MtCO2eq
 hours of reskilling and upskilling per employee	21 hrs	40 hrs	

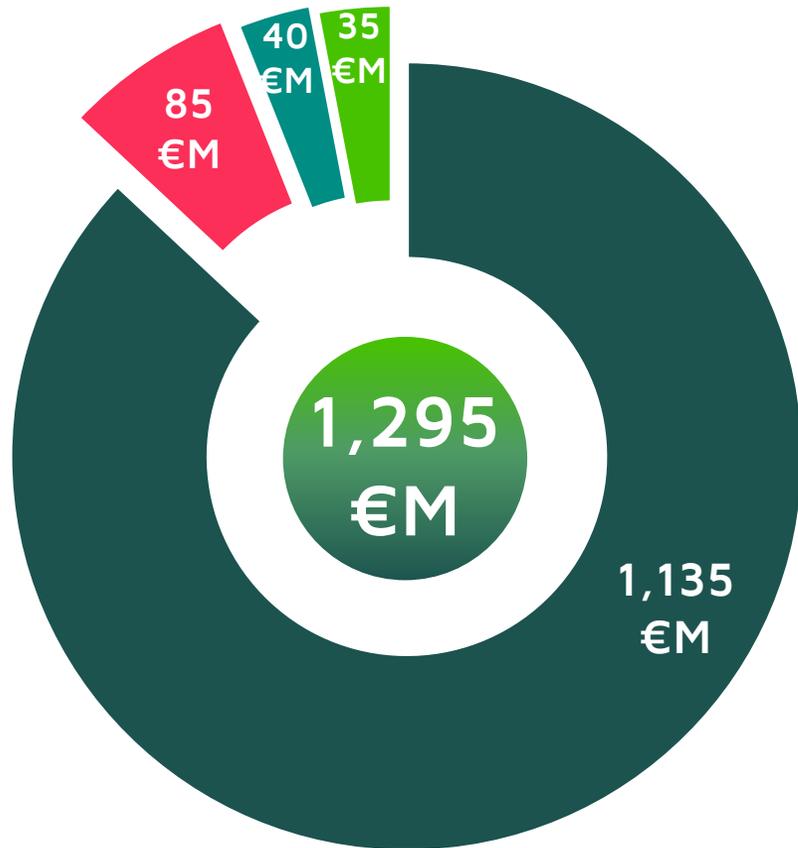
*not audited numbers

** to stakeholders such as staff, shareholders, creditors, central & local administrations, local communities

*** projects supporting local benefit/ownership schemes, or locally enabling sustainable consumption services (e.g. community energy PPA)

**** calculated on 2017 international emission factors. Ref.: US factor: EPA 2019, EU factors: ISPRA 2018, Norway factor: NVE-RME 2019

Capital Allocation 2020 – 2025

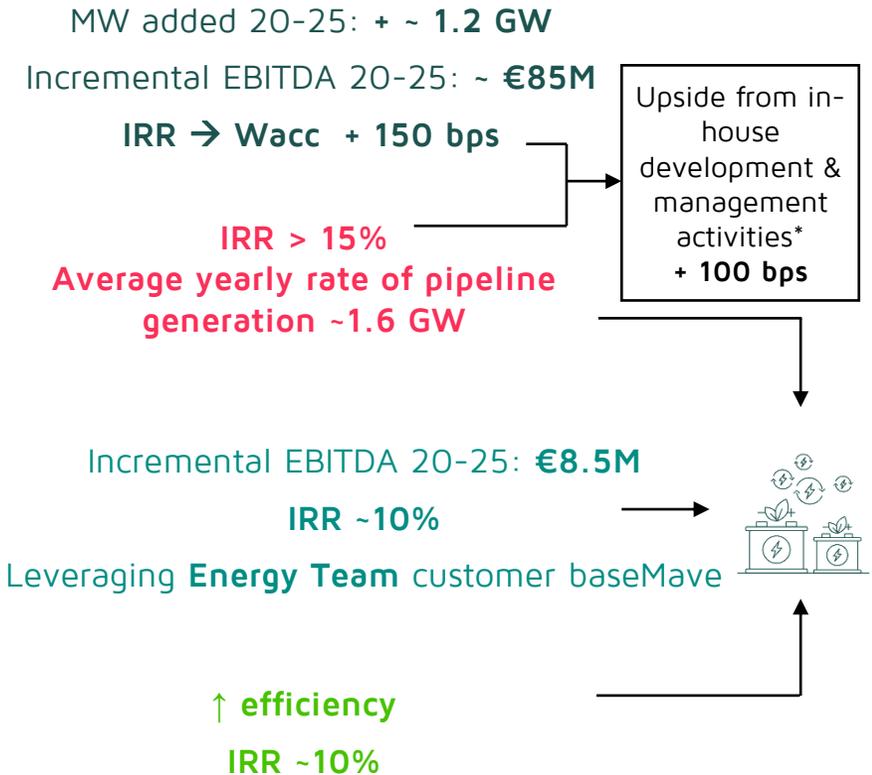


Cash-out: Capex + Development Expenses

Business Lines



Returns and Targets



Installed Capacity Growth

Consolidation of presence in the Nordics

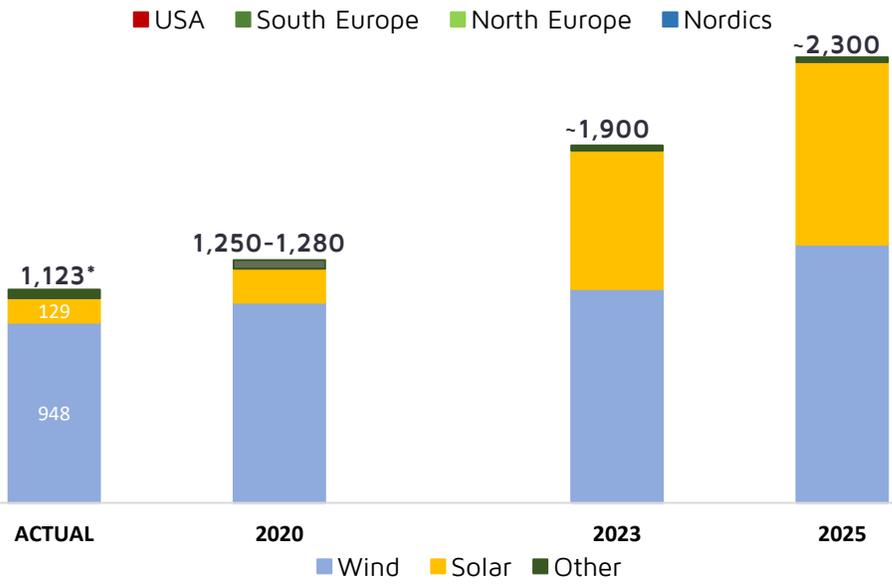
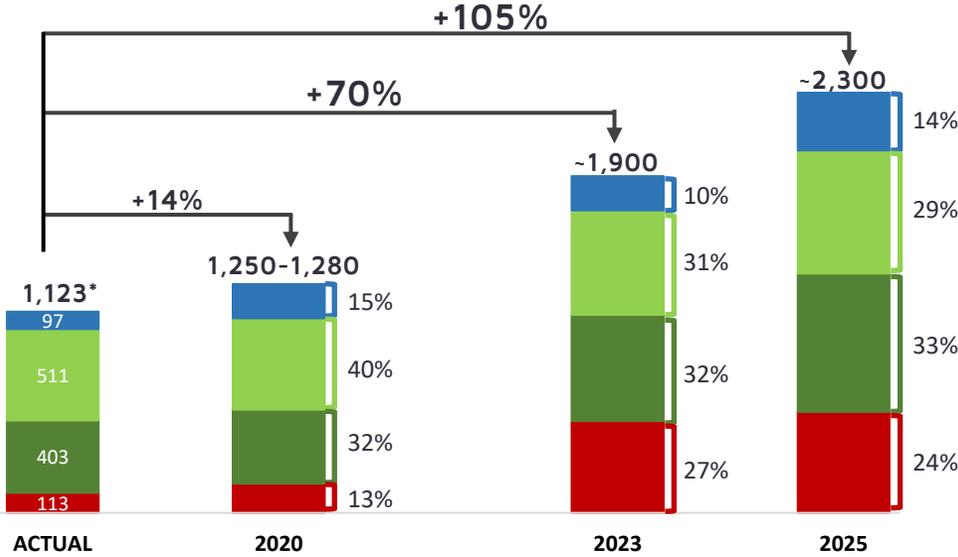
Europe remains central with high emphasis on South Europe

Strong growth in the US with ENI partnership

2021 installed capacity in line or exceeding previous industrial plan

Big effort on solar + 7.4x

Wind continues to blow



Growth 2019-2025

+ ~ 230 MW

+ ~ 175 MW

+ ~ 370 MW

+ ~ 450 MW

Maintaining a balanced Nordics exposure

Onshore wind growth depending on UK and decarbonisation policies

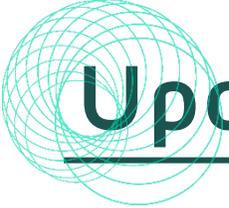
Investing in significant pipeline optionality

Assuming full «ENI framework» delivery

By 2025

~1.2 GW installed
70% solar

~0.8-1.0 GW of pipeline in excess available



Updated targets 2020-2025

Offering

Key business targets 2025

Financial Targets (€M)

Market Access

- Dispatch and fixing IT, UK, evaluating SP and Nordics: **4,3 TWh** (54% captive)
- **120 MW** as Balancing Service Provider for Demand/Response
- **1 GW** of **CPPAs** support/involvement

Energy Solutions

- ~**200 new PV projects** owned, ~**9 MWp** installed
- **4,5 MWeI CHP** installed and owned
- M&A and revamping **3-5 PV assets** ~**5 MWp**
- **1 M&A of ESCo** or **technology solutions** company

Digital & Advisory Services

- **Data science**, Virtual EM, flex / storage audits **ca 1 M€ rev.**
- CloE main platform for client, **ca 3 M€ revenues**
- Increase of solutions for DSO/small producers (**observability**)

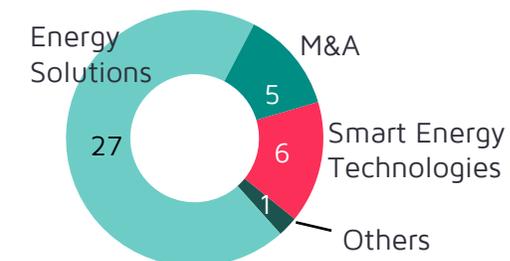
Smart Energy Technologies

- **> 4 M€ increase** of product sales
- New hardware / software solutions for **PV in synergy with** 
- **Upgrade of product line** (focus on IoT and cybersecurity)

EBITDA



CAPEX 20-25



Scenario Assumptions



Prices EUR/MWh	2020	2021	2023	2025
<i>PUN Old Plan</i>	59	58	59	65
PUN New Plan	50	54	60	65
<i>Green Certificates Old Plan</i>	92	94	96	92
Green Certificates New Plan	99	101	97	92



Prices GBP/MWh	2020	2021	2023	2025
<i>Wholesale Old Plan</i>	51	51	56	62
Wholesale New Plan	42	46	55	63
<i>ROCs Old Plan</i>	49	50	52	54
ROCs New Plan	50	50	52	54

PPA assumptions for new projects diverge from these price scenarios

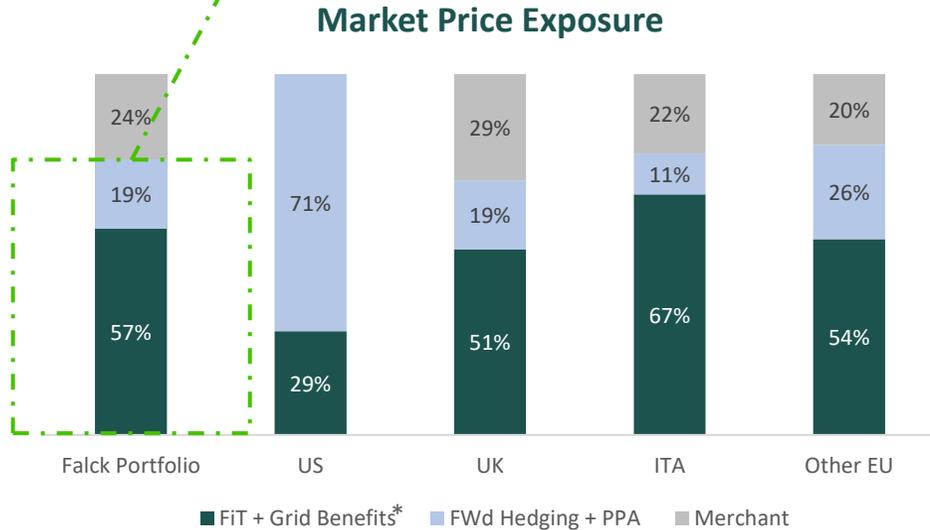
Euribor & Libor	2020	2023	2025
<i>Euribor Old Plan</i>	0.25%	1.00%	<i>n.a.</i>
Euribor New Plan	0.00%	0.30%	1.00%
<i>UK Libor Old Plan</i>	1.30%	1.60%	<i>n.a.</i>
UK Libor New Plan	0.90%	1.30%	1.40%

FX	
<i>EUR/GBP Old Plan (2019-2021)</i>	0.91
EUR/GBP New Plan (2020-2025)	0.878
<i>EUR/USD Old Plan (2019-2021)</i>	1.18
EUR/USD New Plan (2020-2025)	1.14

CapEx / MW (€k)	avg. 20-25
Capex/MW Solar	0.81
Capex/MW Wind	0.99

Price Risk Management Assumptions

No price risk on 76% of expected revenues after hedging actions



*US: SREC + Capacity Payments ;
 UK: ROCs + % of Grid Benefits;
 ITA: Tariffa Grin + Conto Energia;
 Other EU: French FiT

Power Price Risk

- ❑ Natural hedging provided by environmental subsidies (ROCS, Tariffs, Certificates) and Grid Benefits as been complemented by sales on forward market in ITA, UK and Nordics
- ❑ 24% of 2020 revenues is **exposed** to price risk, **after hedging actions**
- ❑ Long term price risk mitigation has been enhanced by 2 PPAs in Spain and Norway for 75% of their expected revenues

2020 Price Risk Sensitivity considering Hedged Positions

	...same electricity price variation	...different impact on revenues
	± 1 €/MWh	± 0.6 M€
	± 1 £/MWh	± 0.7 M€
	± 1 \$/MWh	± 0 M\$
Other	± 1 €/MWh	± 0.2 M€

Onshore Wind Full Price (€/MWh; nominal)

	2020	2023	2025
Captured price + Green Certificate (CV) + Guarantee of Origin (GO) – Imbalance cost	145.1	152.2	151.5**
Captured price + Renewable Obligation Certificate (ROC) + Renewable Energy Guarantee of Origin (REGO) – Imbalance cost	95.4	109.6	116.8

Guidance 2020

(€M)

Scenario 1

Scenario 2

196

EBITDA

202

40

Group Net
Earnings*

42

785

Net Financial
Position

775

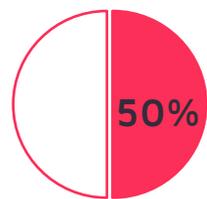
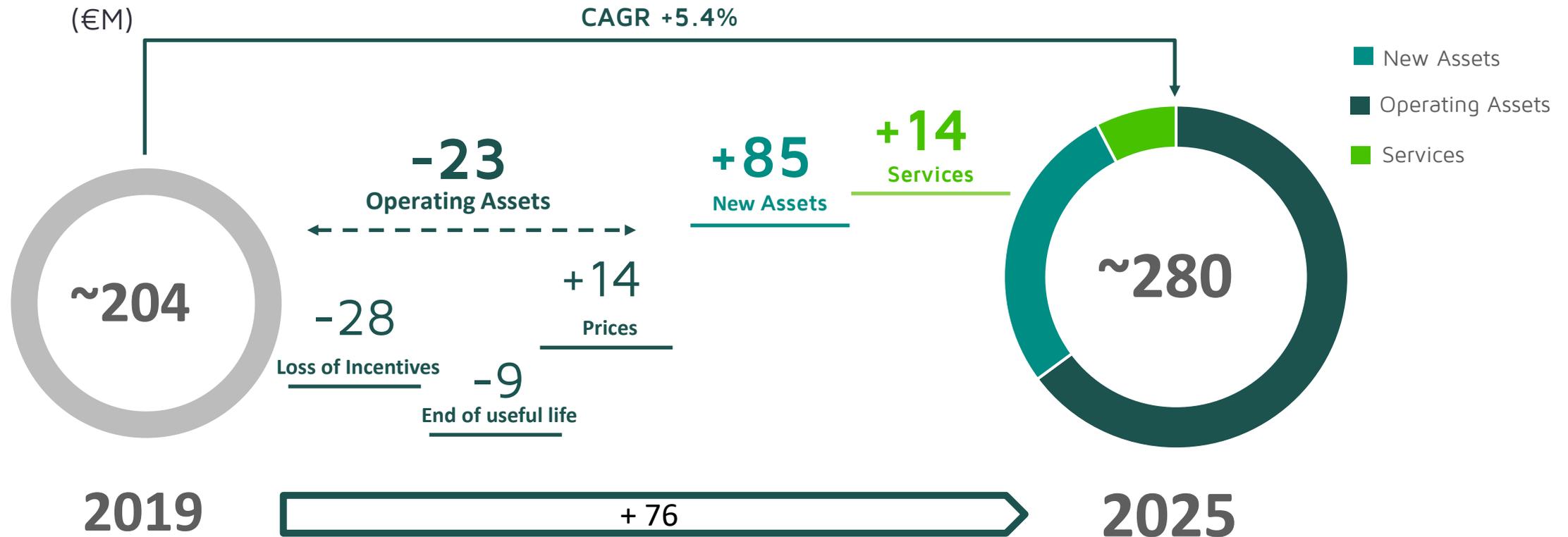
Before provisions and impairment

** Not included the impact of deferred tax liabilities on Group Net Earnings due to the change of the corporate tax rate in the UK*

Main Considerations

- Price assumptions:
 - **Scenario 1:** existing forward price scenario + slight recovery in 2H
 - **Scenario 2:** existing forward price scenario + progressive recovery to CMD assumptions
- **Covid-19 impacts** not very significant and partially mitigated by management actions

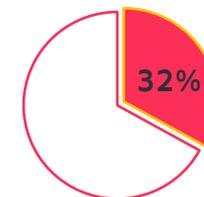
EBITDA Growth 2019 – 2025



2.4

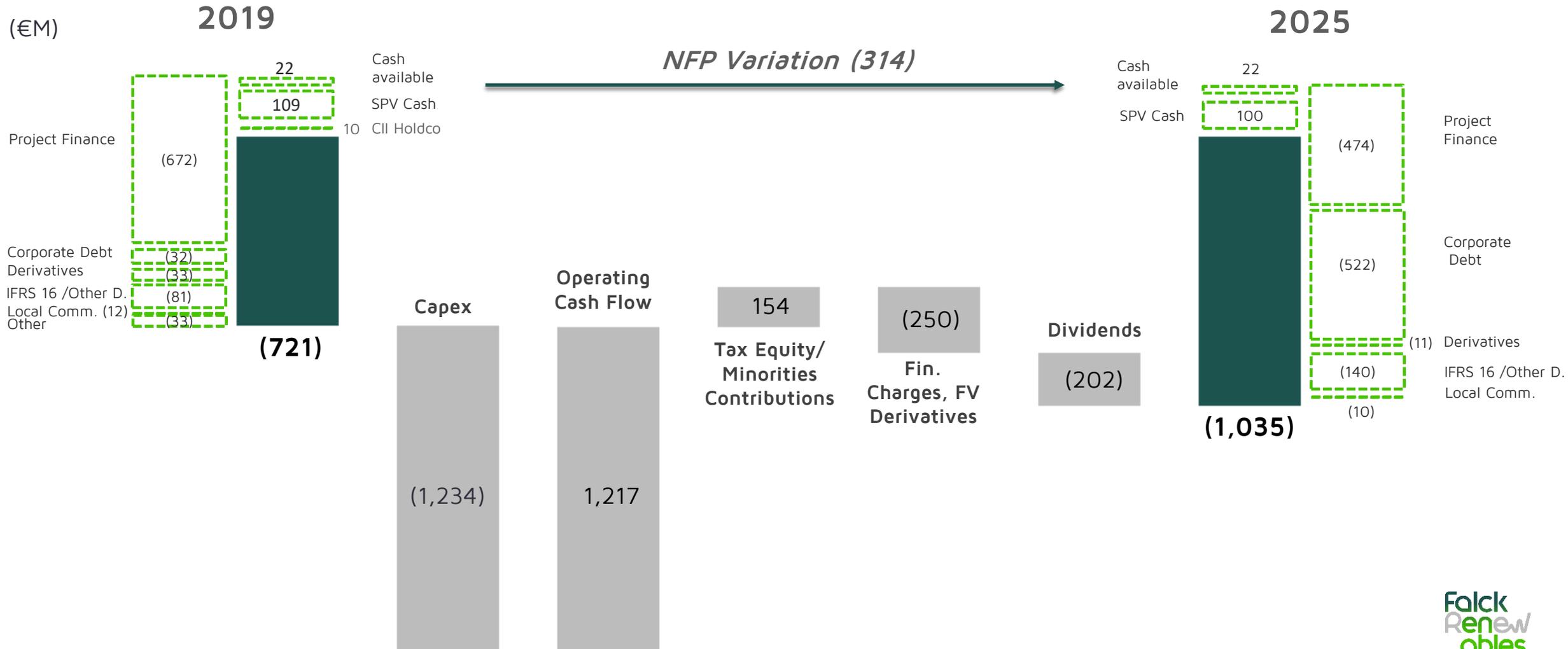
Revenues from incentives

Energy Output (TWh)



5.0

NFP Evolution



1Q 2020 Results

1Q 2020 Business Highlights



Owned Assets

- ❑ Reached **1,133 MW*** operating capacity
- ❑ **Strong quarterly production** vs. 1Q 2019 (+35%) due to strong winds in the UK and France and **perimeter growth** in the Nordics, France and Spain. Lower performance in Italy (-8%) YoY.
- ❑ **Lower comprehensive captured prices** in the UK (-7%) and in Italy (-5%) vs. 1Q 2019
- ❑ **Completed revamping** at Spinasanta PV plant (6MW) and **biannual maintenance** at Rende biomass plant (15MW)



Financials

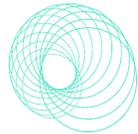
- ❑ **Higher Ebitda at €72.5M** vs €63.0 1Q 2019 (+15.1%) and above expectations
- ❑ **NFP at €650M lower** than €721M end of 2019 impacted by **cash-in** from sale of minorities in US assets
- ❑ **Positive** impact from **GBP exchange ratio** (1.2% vs average 1Q 2019)

* It includes minority stake in La Muela (26%) wind farm and FEA (49%) for a total amount of 37MW



Asset Development

- ❑ **Completed the strategic agreement** with ENI for joint development in the US
- ❑ Signed **PPA in Norway for Hennøy wind farm** (70% of annual production)
- ❑ Reached **2.8 GW** under management



Energy Management & Downstream Services

- ❑ **381 GWh dispatched** in-house in Italy (100% of energy produced + 3rd parties) vs 265 GWh in 1Q 2019
- ❑ **Signed 1 contract** for CHP and PV distributed generation at C&I client
- ❑ **New CloE platform** growing fast with more than 5,000 consumption points licenced
- ❑ Reached **31 MW** of UVAM as BSP

Our Business during pandemic

- 👍 **Regular** supply of electricity in the period. Business continuity **secured**
- 👍 Construction **continuing** as planned
- 👎 **Decreased** energy prices fundamentals (natural gas)
- 👍 **Continued** good performance of operating assets
- 👍 **Financial resources** available to follow the Business plan implementation
- 👎 **Minor delays** suffered in Services (commercial activity)
- 👍 **> 90% of total workforce** working from home
- 👍 **Additional insurance coverage** to employees in Italy and in the UK. Working to extend to the other countries of presence
- 👍 **International support program** for local communities

1Q 2020 Financial Highlights

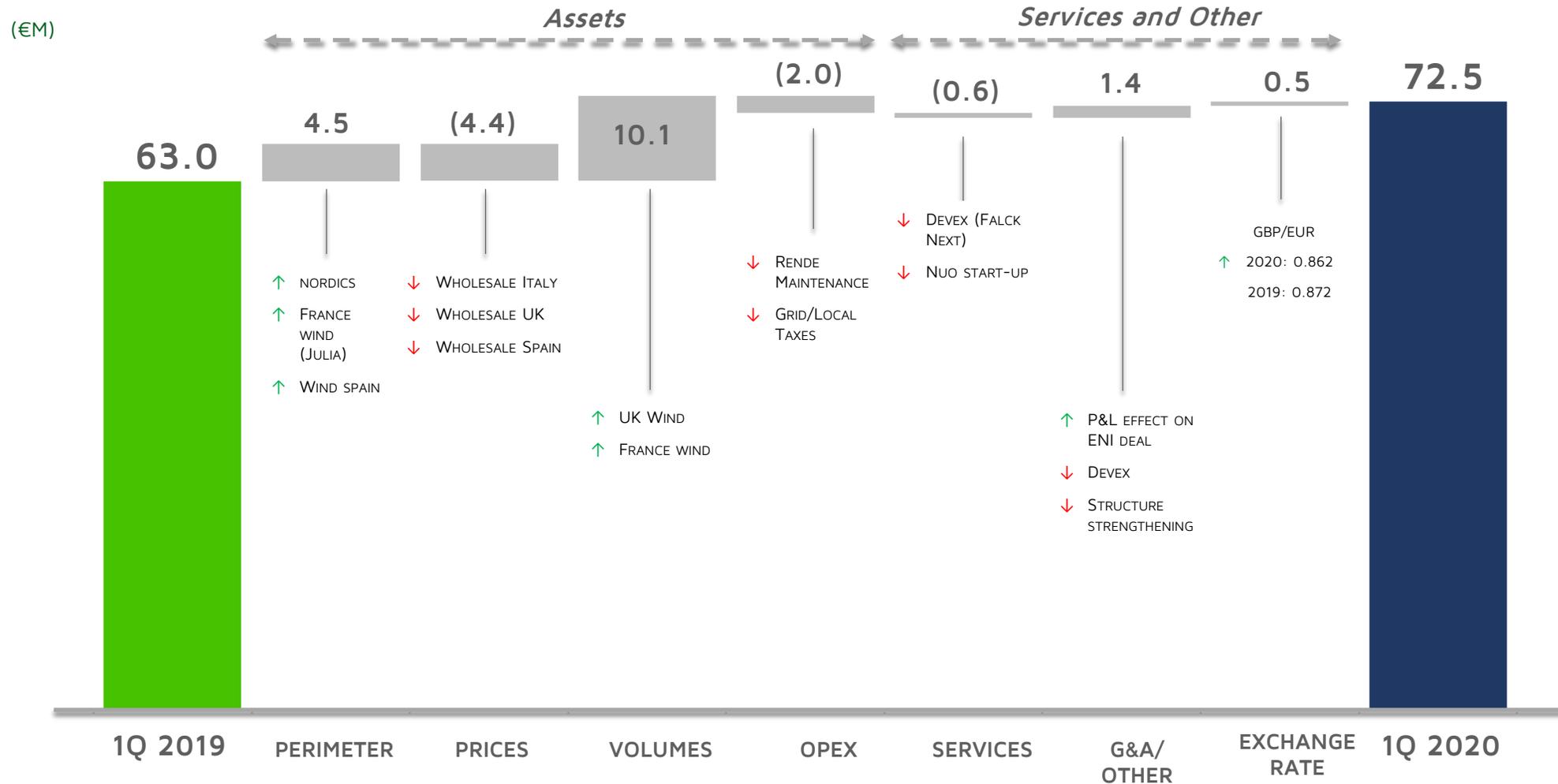


(€M)	1Q 2020	1Q 2019	
Revenues and Other Income	126.2	107.7	17.2%
Ebitda	72.5	63.0	15.1%
<i>% on Revenues and Other Income</i>	<i>57.5%</i>	<i>58.5%</i>	
Depreciation - Amortization - Write Off	(23.4)	(19.8)	
Operating result	49.1	43.2	13.5%
<i>% on Revenues and Other Income</i>	<i>38.9%</i>	<i>40.2%</i>	
Financial income and charges	(10.8)	(10.1)	
Equity investments	0.7	1.5	
Earnings Before Taxes	39.0	34.7	12.4%

Breakdown (€M)	1Q 2020	1Q 2019
Depreciations	(20.3)	(18.1)
Provisions	(3.1)	(1.5)
Write - offs / Revaluations	-	(0.1)

(€M)	END OF 1Q 2020	END OF 2019
Net Financial Position	(650)	(721)
<i>of which: Proj. Fin. and MLT no recourse</i>	<i>(656)</i>	<i>(672)</i>
NFP excluding Derivatives Instruments	(608)	(688)

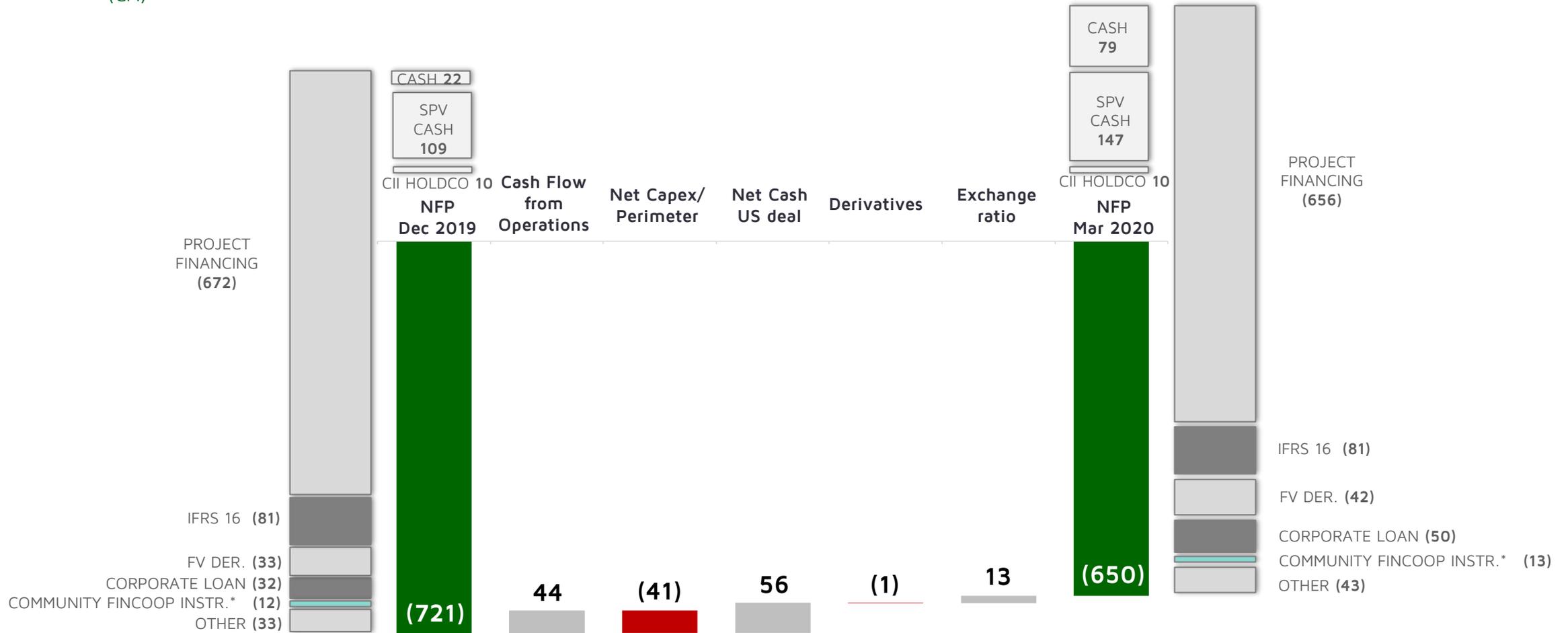
1Q 2020 EBITDA Bridge



1Q 2020 Cash Flow



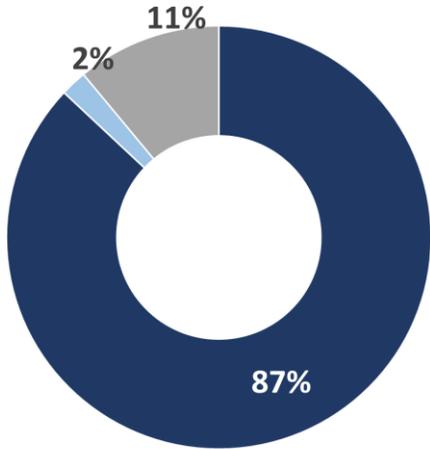
(€M)



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

1Q 2020 Gross Debt Breakdown

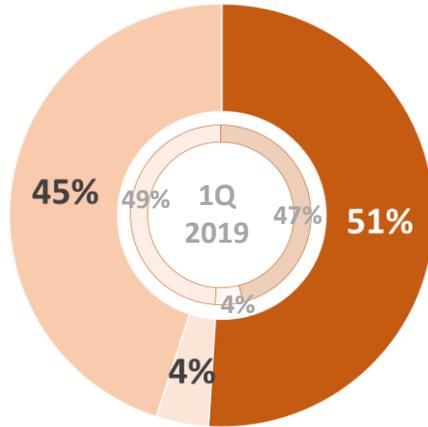
Gross Debt Nature Without Derivatives and Leases



€762M

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

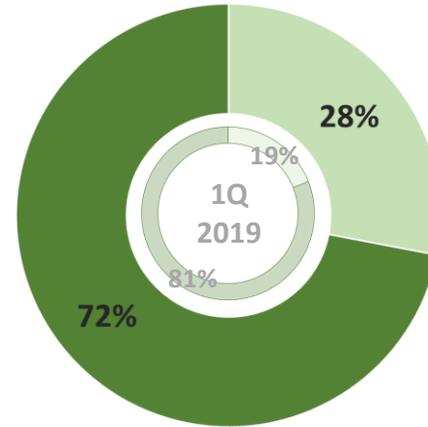
Gross Debt by Currency Without Derivatives and Leases



€762M

- GBP
- EUR
- USD

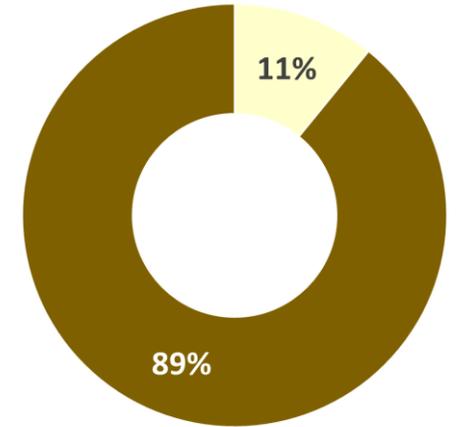
Gross Debt Without Derivatives and Leases Hedged



€762M

- Hedged
- Un-hedged

Gross Debt Without Derivatives and Leases: Construction and Operations



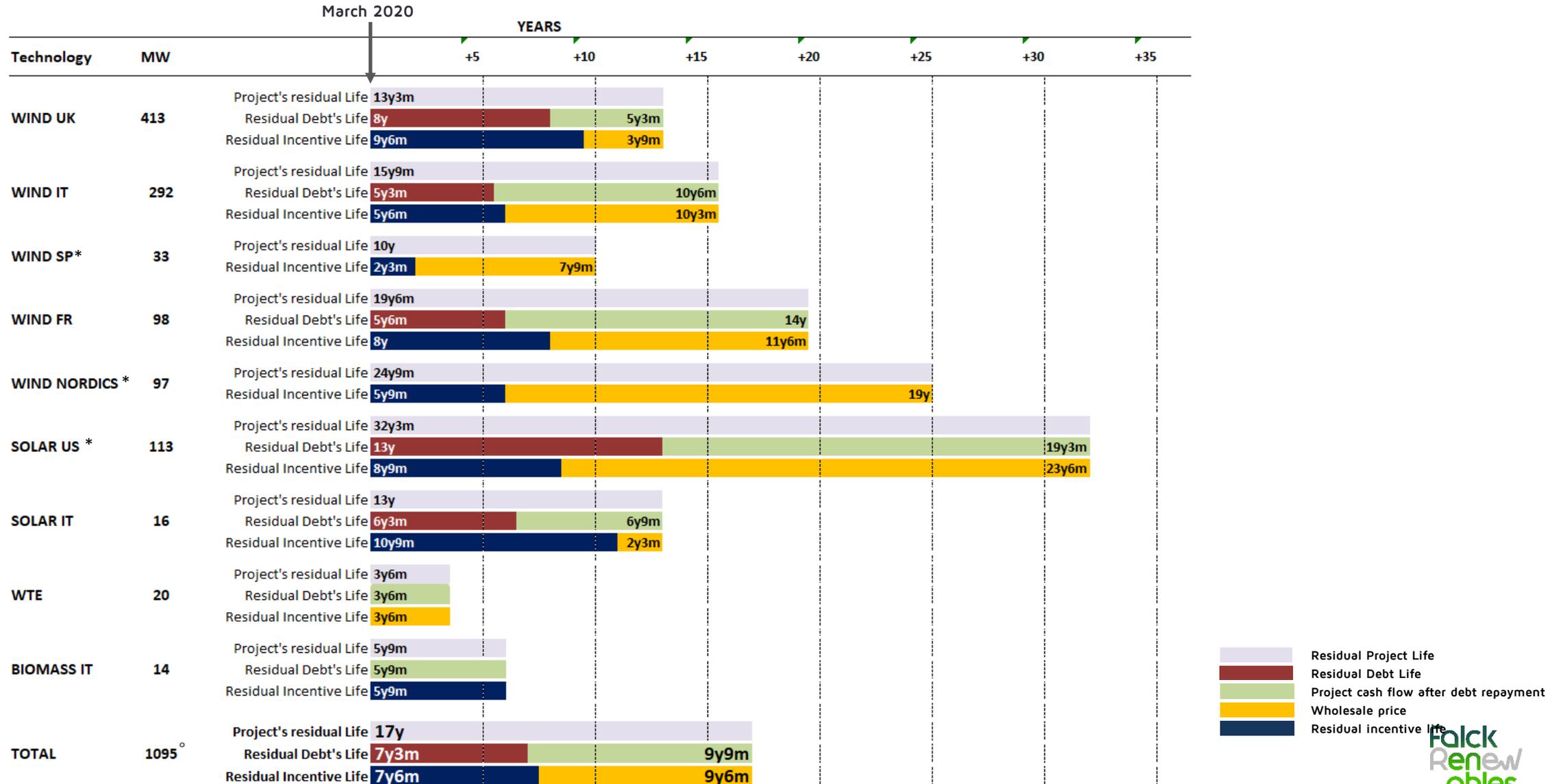
€762M

- Operating plants
- Under construction

Average interest rate (including interest rate swap) of **3.40%***

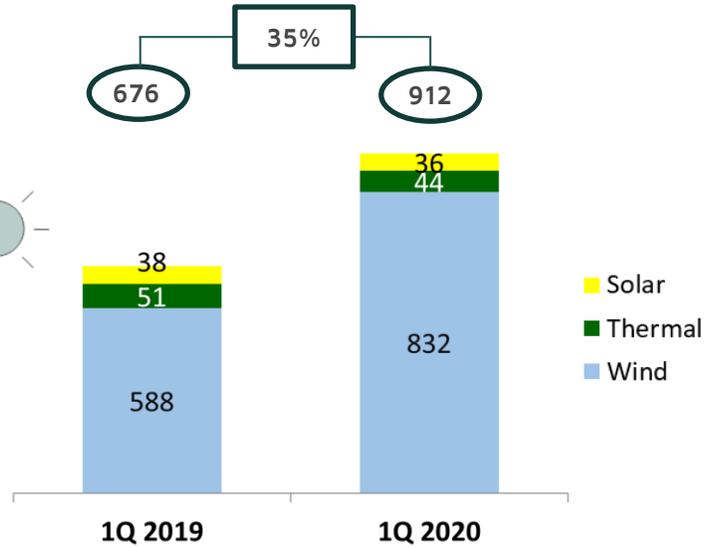
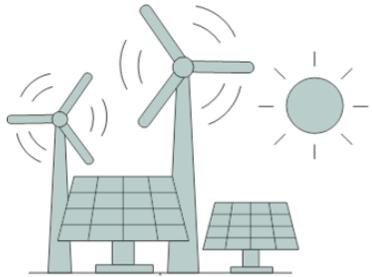
Appendix

Asset Base in 1Q 2020

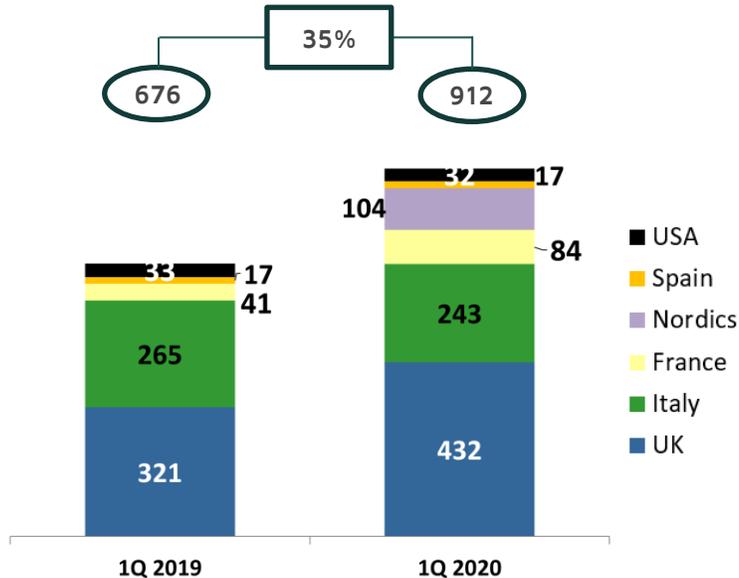


Electricity Production in 1Q 2020 (GWh)

By Technology



By Country



1Q 2020



Strong productions vs. 1Q 2019 (+35%). Significant grid curtailments at our Millennium, Kilbraur, Assel Valley and Auchrobert wind farms (36 GWh compensated).



- Lower wind production vs. 1Q 2019 (-8%) due to poor winds in March and solar production below 1Q 2019 (-6%) burdened by panels replacement at Spin SANTA PV plant (6MW)
- Energy from waste/biomass lower vs. 1Q 2019 (-13%) impacted by biannual maintenance at Rende Biomass plant.



Quarterly productions almost aligned with same period of previous year



Higher productions vs. 1Q 2019 (+104%). Full contribution from increased perimeter (56MW since March) with output better than expected. Strong performance from existing wind farms (42 MW).

Δ vs. Internal Index

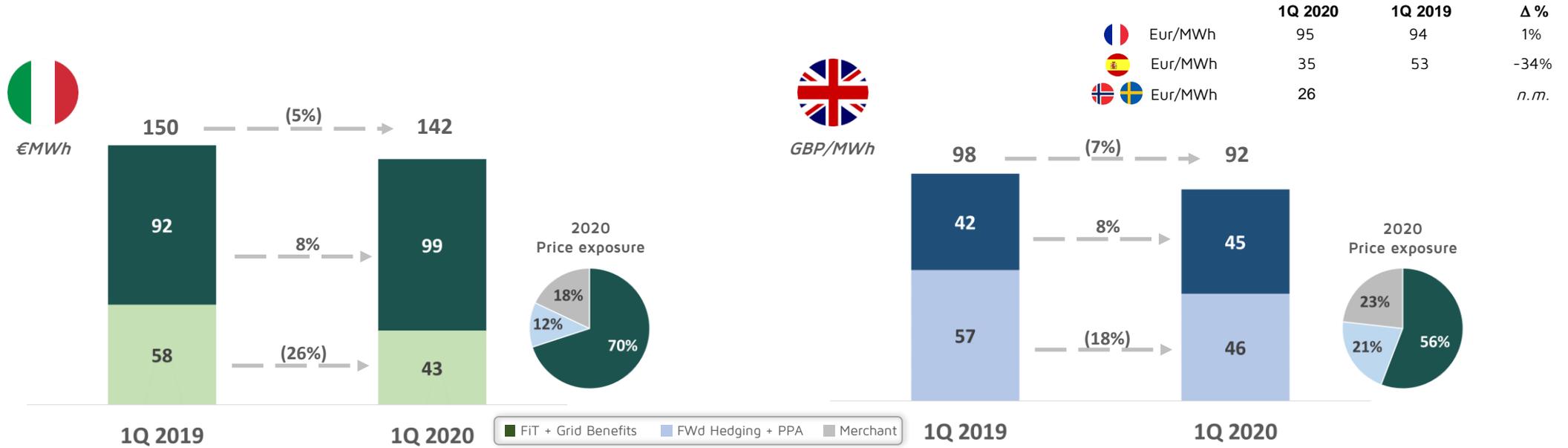
+29.4% in 1Q 2020 while in 1Q 2019 production was 1.3% better than the Index

- Wind: -4.9% vs Index in 1Q 2020 while in 1Q 2019 better performance of 2.1%
- Solar: -9.0% in 1Q 2020 while in 1Q 2019 production was better 5.1% than Index

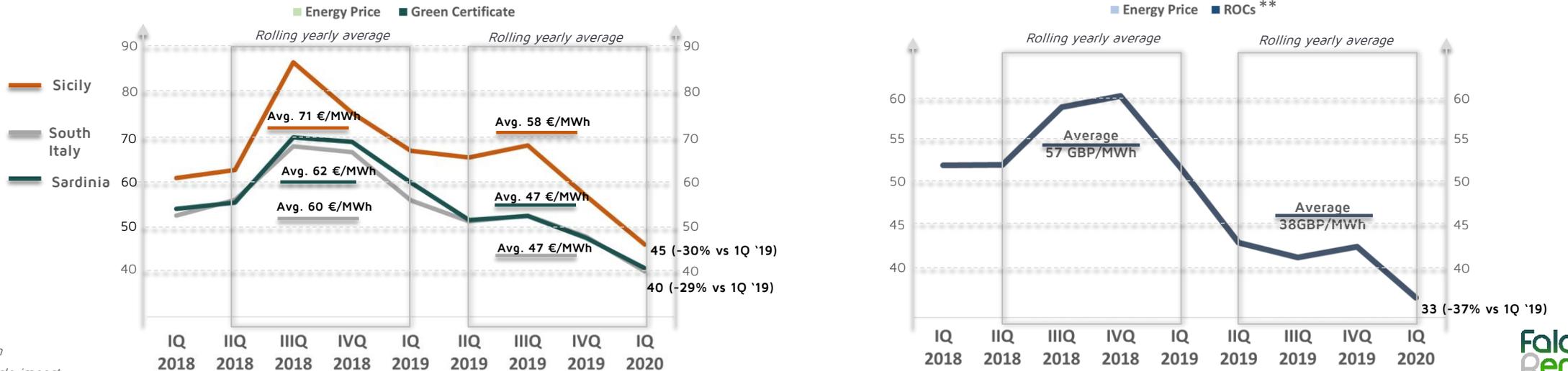
-13.5% in 1Q 2020 while in 1Q 2019 production was -13.6% vs the Index.

1Q 2020 Captured Price Overview

CAPTURED ENERGY + INCENTIVE PRICE



WHOLESALE PRICE*



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

Captured price impacted by positive hedging strategy to support the decrease of average market prices

Boosting Growth in the US: the Partnership with Eni

Falck
Renewables

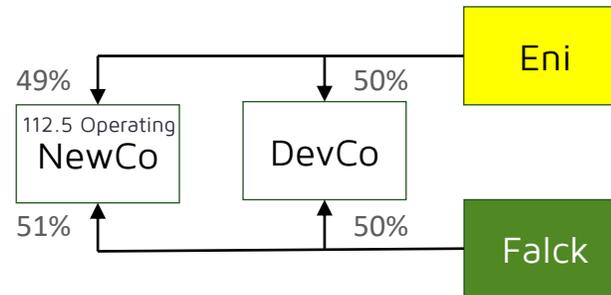


Transaction Summary

DevCo (50/50) between Falck and Eni to develop
~ **1 GW by 2023**

Sale of 49% of the operating portfolio (112.5 MW in a **NewCo**) and **50% of DevCo** @ \$70M with a gain of €14,5M (including fx gain) with impact on Net Equity Reserve and €2M (including fx gain) with impact on P&L

Shareholdings and Governance



NewCo Governance: Falck to *fully control* and consolidate line by line (100%)

DevCo Governance: *shared control* of the company; Falck has the right to appoint the **President** and Eni a **Vice President**

Key Targets

Technology: PV, Wind and Storage > 5 MW

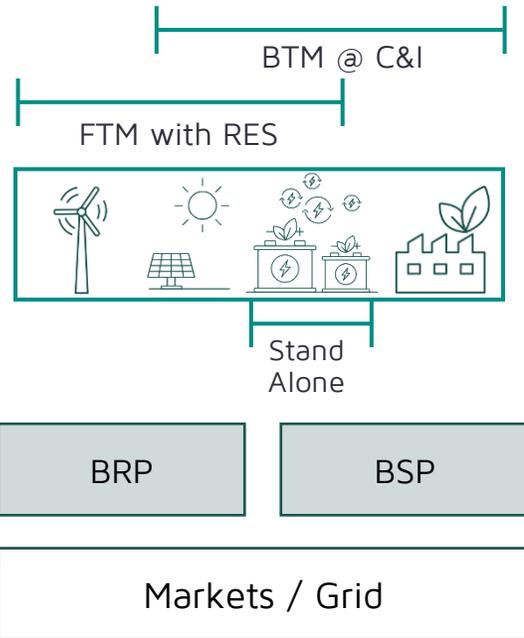
DevCo: Greenfield, RtB, COD and JDAs

Transfer from DevCo: rights for **400 MW** to NewCo (51/ 49) and **600 MW** to EniCo (100% Eni)

Technical and commercial **Asset Management** by Falck Renewables Group

Storage benefits to RES producers and C&I customers

Key set ups



BTM = behind the meter
 FTM = front of the meter
 RES = renewables sources
 C&I = commercials & industrials
 BRP = Balance Responsible Party
 BSP = Balance Service Provider

Key system benefits

Energy

- Time shift / trading
- Self consumption optimisation
- Curtailments reduction
- Unbalances reduction

Power

- Peak shaving
- Grid support

Services

- Primary
- Secondary

Market Capacity

- Market based payments

Market examples and reference values*



Intraday trading schemes

40-80 k€ / MW / year



Reduction of curtailments (ex Buddusò)

~5-8 GWh / year



TERNA projects for grid support

30-60 k€ / MW / year



Peak shaving schemes for DSO (Middleton project in operation)

UVAM



UVAS pilot project

30 -110 k€ / MW / year

Future secondary RES scheme



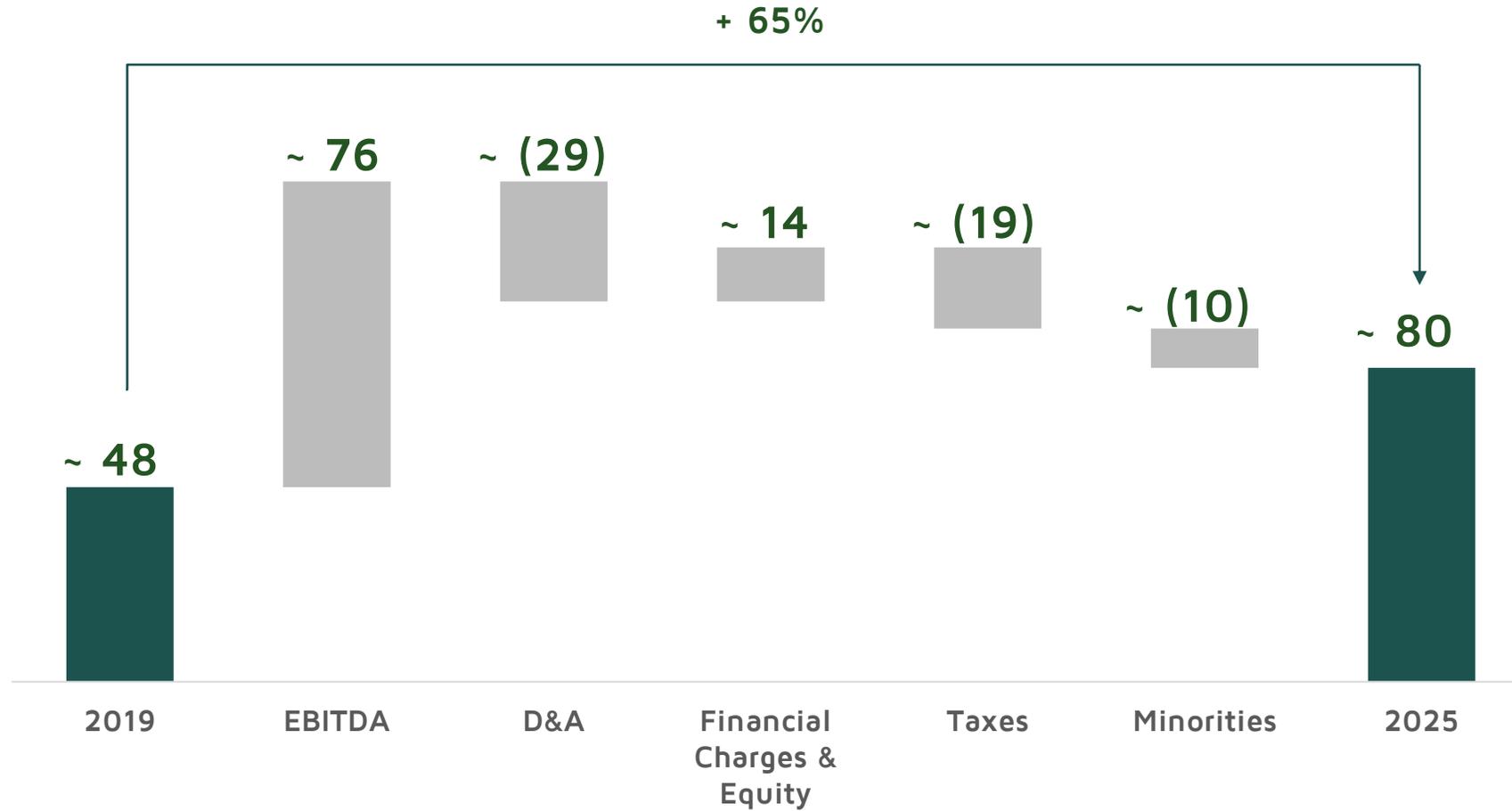
Capacity payment for RES (2 Falck Renewables projects accepted for 2023)

20-40 k€ / MW / year**

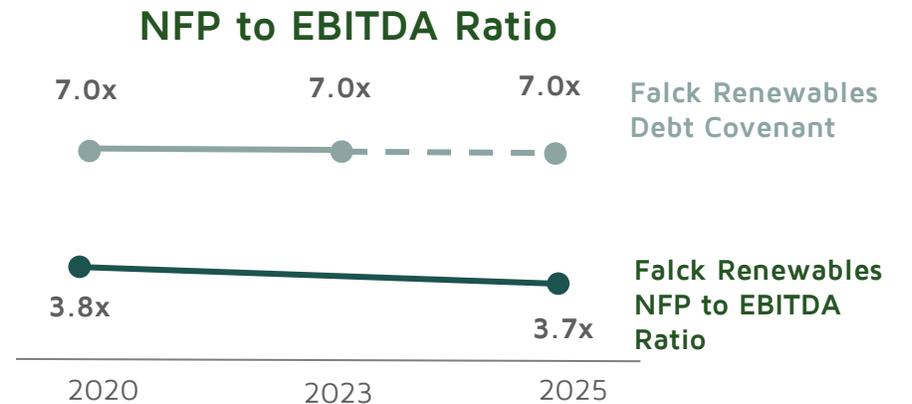
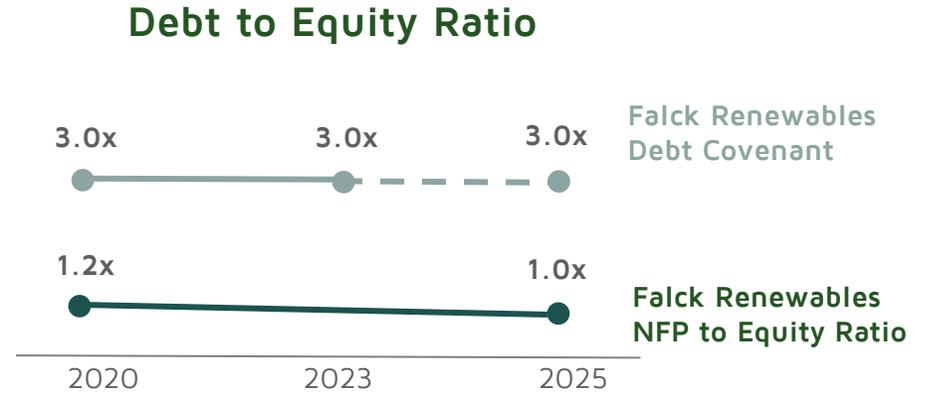
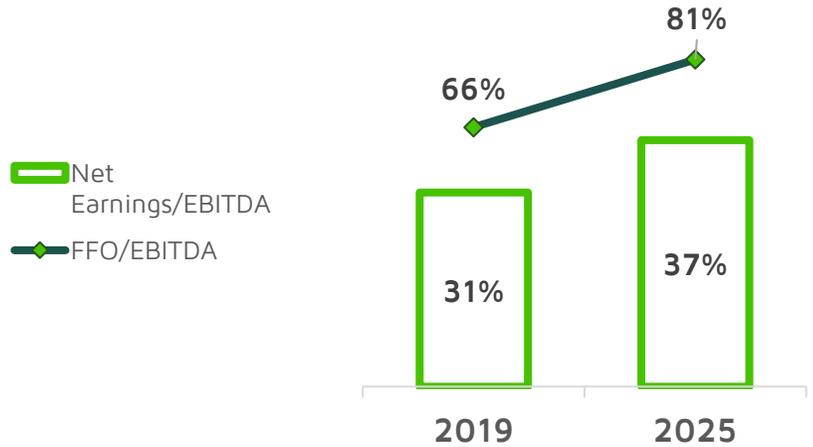
Enabling RES and C&I storage: RES + storage dispatching capabilities, C&I know how with Energy Team

Group Net Earnings 2019 – 2025

(€M)



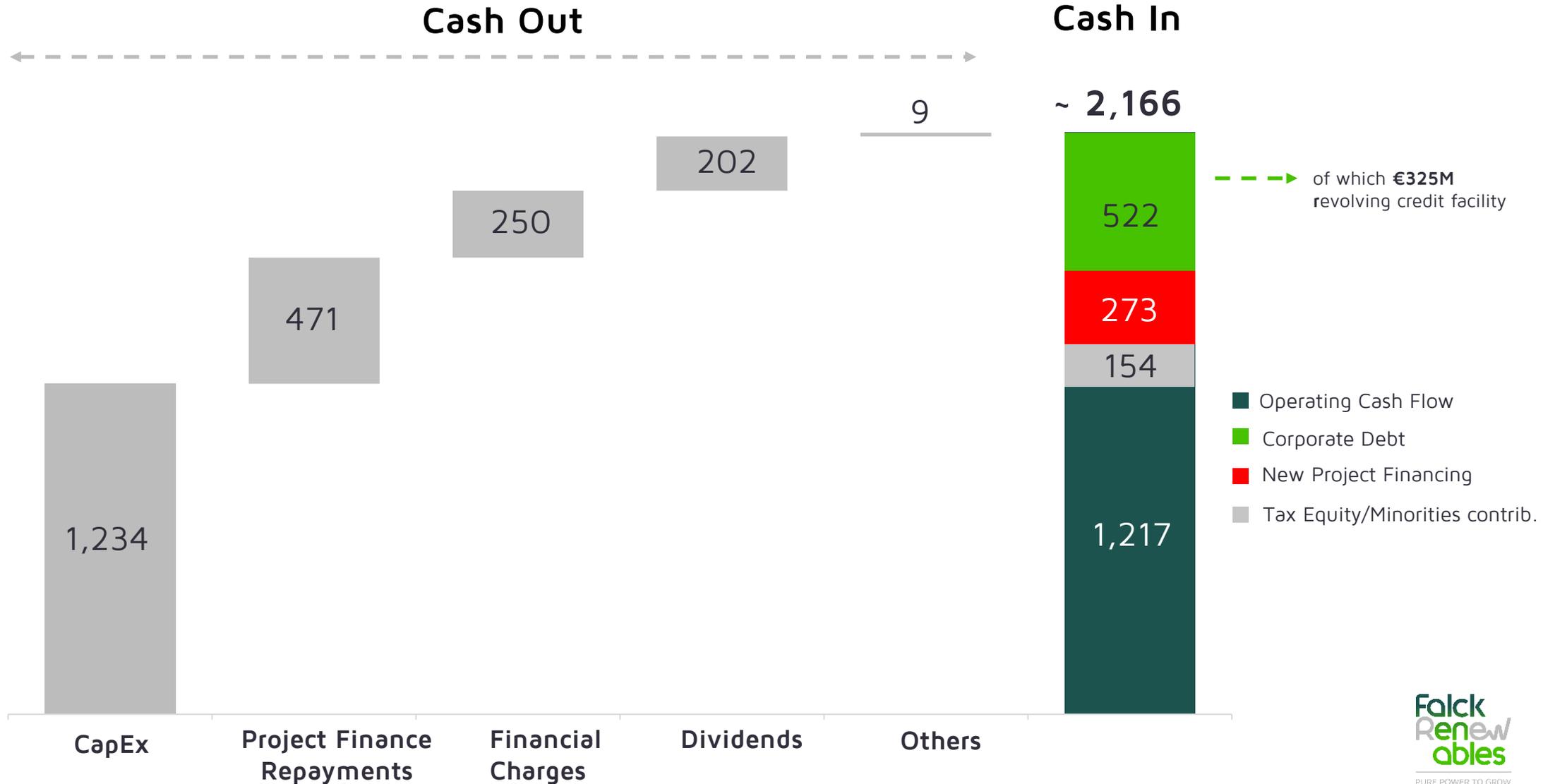
Main Financial Indicators 2019 - 2025



NFP significantly within current covenants

Uses and Sources 2019 – 2025

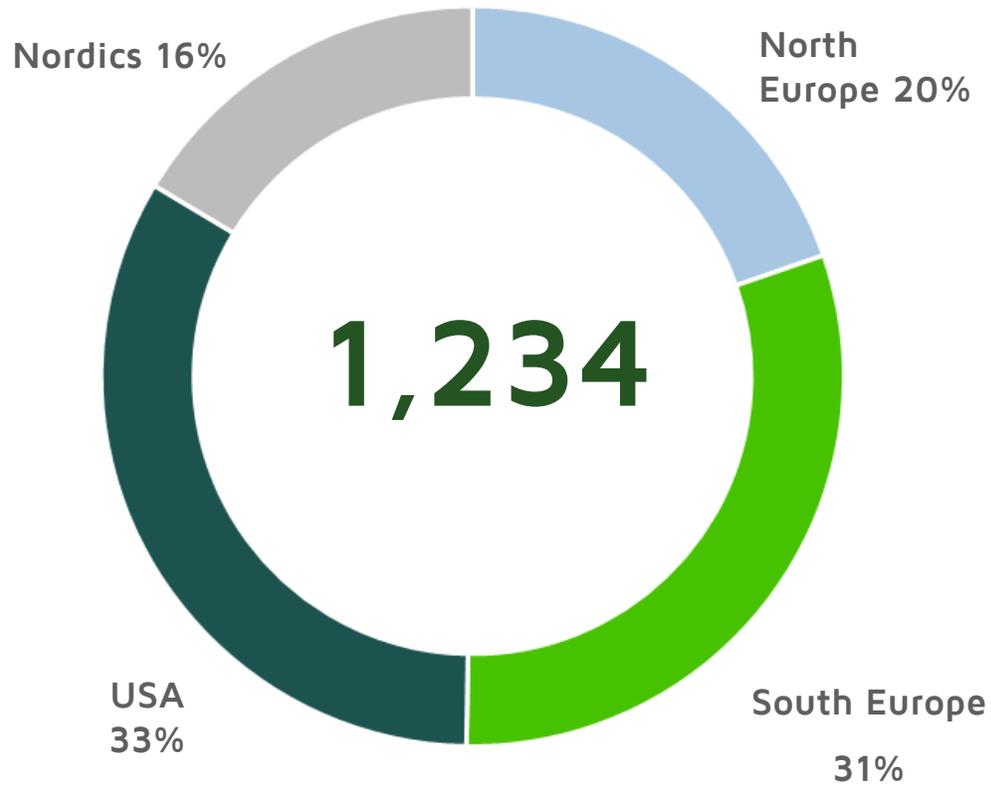
(€M)



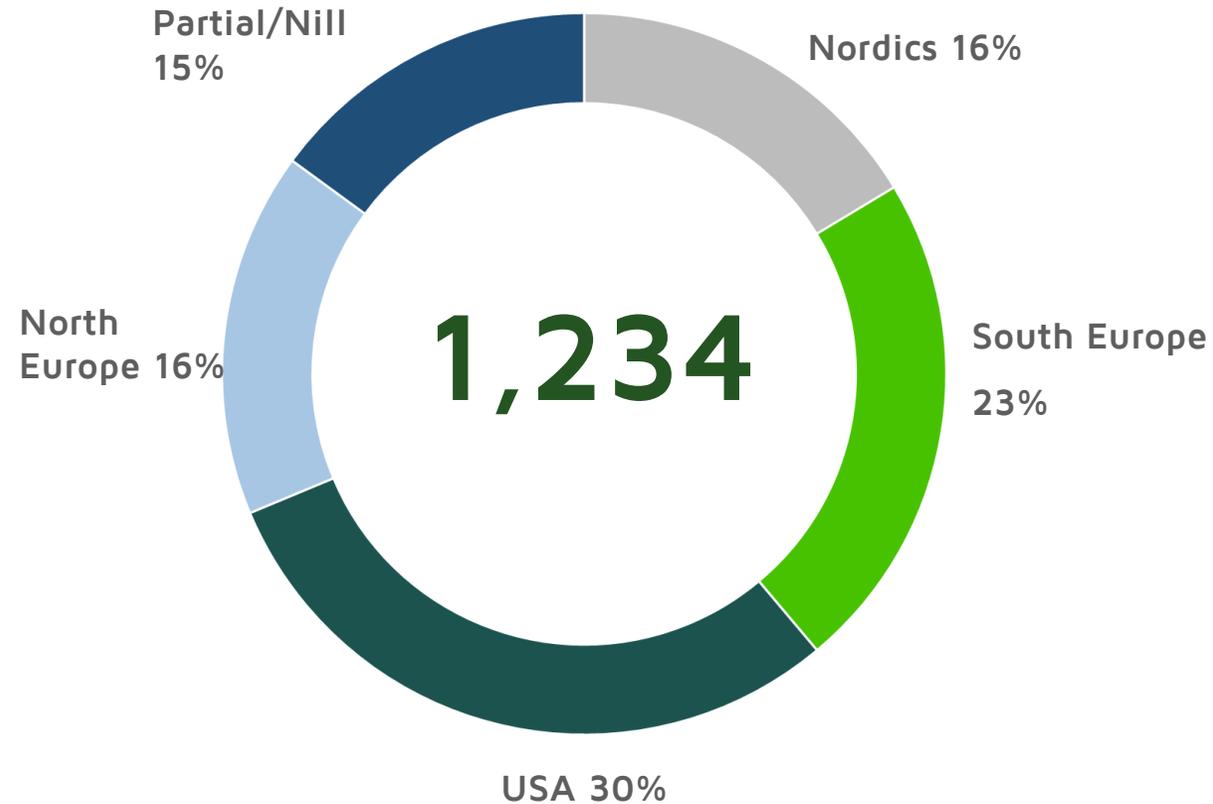
Cumulative Capex 2020 - 2025

(€M)

By Area



By Contribution to EBITDA



Management Incentive Plan

New Plan

2020 - 2022



Performance shares

- Condition of financial sustainability
 - (NFP / EBITDA)
- Conditions of minimum cumulative Group EBITDA
- Overperformance mechanism based on stock price can trigger shares attribution of shares ranging from 0.41% to 0.61% of current market cap



Cash Plan

- Condition of financial sustainability
 - (NFP / EBITDA)
- Conditions of business performance
 - Group EBITDA
 - Specific drivers for business lines

Strong long-term alignment between management and shareholders