

PRESS RELEASE**Falck Renewables S.p.A.****The Board of Directors approves the 2020-2025 Business Plan
(Roadmap to 2025)****TARGETS 2025:**

- **Doubling of installed capacity compared to 2019 with 2.3 GW to 2025**
- **EBITDA and Group Net Profit up 40% and 65% respectively**
- **Continued evolution of the integrated business model to seize the opportunities of energy transition**
- **Sustainability targets to 2025 integrated in the Business Plan**
- **New Corporate Identity and new logo**

ECONOMIC AND FINANCIAL TARGETS IN THE ROADMAP 2025

- **Consolidated MW of approximately 2,300**, with more than 100% growth on 2019
- **Group EBITDA¹ at about Euro 280 million**, +40% on 2019
- **Net Profit attributable to owners of the parent** of about Euro 80 million: +65% on 2019
- **Total CAPEX of around Euro 1.25 billion** in 2020-2025
- **Net financial debt of about Euro 1 billion in 2025**
- **Group consolidated NFP/EBITDA ratio at 3.7x** in 2025
- **Dividend policy with visibility until 2025**: confirmed the mechanism for the distribution of dividends according to the maximum value between a fixed amount per year already defined in the previous Plan and a pay-out rate of 30% of the Group's annual net profit from 2022 onwards

Milan, March 12, 2020 – The **Board of Directors of Falck Renewables S.p.A.** met yesterday and approved the Business Plan for 2025.

¹ EBITDA - The Group measures EBITDA as earnings before income and expense from investments, net financial income/expense, amortization, depreciation, impairment, provisions for risks and income taxes.

The **Chief Executive Officer Toni Volpe** announced: “This year we are presenting a Business Plan targeting a longer timeframe, which provides greater visibility to our strategy of sustainable development. We set ambitious targets, which include doubling installed capacity from 2019 to 2025 and significantly boosting EBITDA (+40%) and Group Net Profit (+65%). Our Plan is part of a scenario that focuses on the opportunities of the energy transition, with all the possibilities that this offers and that we are ready to seize thanks to the evolution of our integrated business model. Our strategy to 2025 lays the foundations on sustainable development which, now more than ever, is at the center of interests of institutions and companies worldwide. We have been focusing on a sustainable approach for a long time, thanks to consolidated experience that allows us to set important Plan non-financial objectives. From 2020 to 2025 we expect to reach about 1.3 billion euros of added value distributed to our stakeholders and, thanks to wind and photovoltaic generation, to avoid emissions into the atmosphere for about 6 million tons of CO2 equivalent.”

KEY POINTS OF THE PLAN

- New growth path based on significant investments, sustainable for the Group and stakeholders, with new renewable generation capacity
- Confirmed focus on current countries of geographical presence, in onshore wind and solar photovoltaic, with emphasis on the contribution of electricity storage, both associated with large generation and industrial and commercial consumer customers
- Further strengthening on the development of new plants, as well as design, engineering, construction and operation. These activities become the focus of the business to enable the Group and its partners to invest in zero emission generation. The "joint venture", recently signed with Eni for the US market, is an excellent example of how the Group intends to implement such a strategy
- Strengthening the presence in Energy Management and Energy Solutions, with technological and innovative solutions to reduce energy consumers' carbon footprint
- Strong push in the digitalization made available to customers, with software platforms both for renewable plants management and for monitoring services for industrial and commercial customers

Focus on development

The Group intends to reach an installed capacity of approximately 1,900 MW by the end of 2023, with an increase of 70% compared to December 2019 (equal to 1,123 MW, excluding the Carreastro wind farm, which became operational at the beginning of February 2020), and of approximately 2,300 MW by 2025, with an increase of more than 100% compared to December 2019. The reference markets remain North Europe, South Europe, North America (United States) and Scandinavia - and leading-edge technologies, on-shore wind, solar photovoltaic and electricity storage.

The technology mix will see a strong growth in solar projects, which from 2023 will be, in most cases, coupled with battery-powered storage systems. This to optimize the exploitation of non-programmable resources and make more green energy available to users. With the aim of packaging turnkey projects, the Group is functionally integrating development, construction engineering, procurement, finance, asset

management and long-term marketing of the produced energy. The Group is building its organic growth strategy on current 2 GW gross pipeline and its future developments. Over the Plan's horizon, the Group expects to originate and develop about 2 GW of plants that will come on stream by 2025, corresponding to 1.2 GW of additional installed capacity and about 0.8-1 GW for further expansion or sale to third parties.

Growth in energy services: Energy Management, Energy Solutions and Digital Technologies (with Energy Team)

The main mission is to enable the energy transition of "Commercial & Industrial" customers - who are on average customers with high energy consumption - through the offer of renewable self-production solutions, reduction and flexibility of consumption, access to electricity markets, with grid services and long-term green energy supply.

The integrated offer includes monitoring, distributed management, demand response services, energy efficiency, electricity storage, portfolio management and dispatching of energy produced by customers, as well as the enabling of Corporate PPA contracts with Falck Renewables or third parties.

The strategy includes important investment actions for a total of Euro 40 million over the period 2020 - 2025. A significant portion (Euro 27 million to 2025) is earmarked for the construction of distributed photovoltaic capacity and cogeneration plants at our customers. Energy Team, in synergy with "Digital & IT", will also focus on the development of the new CloE platform dedicated to data management and new hardware products, with more advanced Internet of Things (IoT) and cybersecurity features.

A strategic area of expansion concerns energy dispatching and energy price risk hedging services, which the Group currently provides in Italy and which it also wants to export to the UK, possibly Spain and Scandinavia, aiming to manage 4.5 TWh in 2025.

In economic terms, the Plan foresees an EBITDA of Euro 12 million in 2025, up sharply from Euro 4.6 million in 2019.

Industrial excellence and digitalization of Asset Management and Technical Advisory

Thanks to the know-how consolidated over the years and to its reputation at international level, the Group intends to further improve the performance of the plants in its portfolio, reducing the activities entrusted to third party "Operation & Maintenance" operators, by internalizing some key activities. This will optimize response times and reduce maintenance costs, with a target decrease of more than 20% by 2025 compared to 2019.

The NUO digital platform will make a significant contribution to this, enabling in-depth technical analysis and real-time monitoring of trends, reducing downtimes and, thus, increasing production.

Synergies with Energy Management will also enable active management of energy limitations, a more precise production forecasting and capture the benefits deriving from network balancing actions.

The objective of Asset Management and Technical Service continues to be the growth in activities for third party customers, innovating skills and the technical competence of resources in the reference markets (Spain, Italy, Japan, Mexico and the United Kingdom).

ROADMAP 2025 –ECONOMIC AND FINANCIAL TARGETS

The new Business Plan shows a marked increase in the main indicators, particularly in terms of EBITDA and Group Net Profit, joined by sustainable growth of the Net Financial Position, mainly due to the effect of increased development and construction activities.

The Plan foresees:

- **Consolidated EBITDA** of Euro 250 million at 2023 and Euro 280 million at 2025. The Group believes it can achieve this objective thanks to: i) an increase in renewable generation volumes thanks to new installed capacity and the recovery of market prices, ii) a greater focus on the Energy Team customer base and Energy Management and Energy Solutions services, and iii) internal improvements in operating efficiency;
- **Consolidated Group Net Profit** (after minority interests) in 2023 of approximately Euro 70 million, to reach Euro 80 million in 2025 (up 65% from Euro 48 million in 2019), mainly thanks to the contribution of the Group's own plants, the growth in other activities (development, services and asset development) and the financial efficiency that will allow the containment of financial expenses;
- **Cumulative investments 2020-2025** for about Euro 1.25 billion. Investments will be mainly allocated to asset growth, while a portion will be allocated to services (Energy Management, Energy Solutions and Asset Management). The Group will also invest heavily in digitalization, continuing the strategy set out in the previous Plan;
- The consolidated **Net Financial Position** as at 2025 will reach approximately Euro 1,035 million as a result of the significant plan to increase installed capacity, offset by the cash generation of the plants currently in operation and by those that will be added over the Plan's horizon. The Group expects to have a consolidated NFP/EBITDA ratio within the value of 4.0x, ending at 3.7x at the end of 2025. The consolidated Debt/Equity ratio is expected to remain constantly below 1.2x, ending at the target value of about 1.0x at the end of 2025.

The new Roadmap 2025 allows for sustainable investments in the short and long term, while maintaining the dividend policy. The Group therefore confirms the mechanism that provides for a guaranteed minimum dividend ("Floor") for each year (equal to 6.7 Euro cents in 2020 and to 6.9 Euro cents from 2021 to 2025). The actual distribution will be decided year by year on the basis of the maximum value between the "Floor" and a pay-out ratio of 30% of the Group's Net Profit (Cap).

Guidance for 2020

The Group expects consolidated EBITDA of Euro 196 to 206 million in 2020 and a profit attributable to owners of the parent of Euro 40 to 44 million, due to the volatility of the main market drivers - first and foremost energy prices and exchange rates - and to the measures taken by the management to increase Group revenue and income. The consolidated Net Financial Position (including the fair value of derivatives) should fall within a range of Euro 775 to 785 million (at a €/£ exchange rate of 0.878 and a €/€ exchange rate of 1.14). Installed MW are expected to exceed 1,250 MW at year end.

The Group reserves the right to update the guidance should the "Coronavirus (or Covid-19) crisis" generate material impacts on the Group's economic and financial indicators.

FALCK RENEWABLES

This press release contains forward-looking statements that reflect the Group's current forecasts of future events and the financial and operating results of Falck Renewables SpA and its subsidiaries. The forward-looking statements in this document are based on the Group's forecasts and future projections, and have been prepared in accordance with the currently applicable IFRS and their interpretations, as indicated in the IFRIC and SIC documents published to date, excluding the new standards which will become applicable to reporting periods beginning on or after January 1, 2020. As these forward-looking statements are subject to risks and uncertainties, actual results could differ, even significantly, from estimated results due to many different factors, most of which are beyond the Group's controls, including regulatory changes, future market developments, price fluctuations and the available of fuel, in addition to other risk factors. Readers of this press release should not unduly rely on these forward-looking statements. The information in this press release cannot be considered complete and has not been audited by independent third parties.

The presentation of the 2019 results, together with the new Group Strategic Plan 2020-2025, will be available today as from 7.30 am CET on <http://capitalmarketday.falckgroup.eu/>. Today at 10.30 am CET, a conference call Q&A reserved for analysts, investors and banks will be held with regards to the presentation of financial data at December 31, 2019 and the Strategic Plan. The details for the conference call are available on <http://capitalmarketday.falckgroup.eu/>.

Falck Renewables S.p.A., listed on the Italian stock exchange in the STAR segment and included in the FTSE Italia Mid Cap Index, develops, designs, builds and manages power production plants from renewable sources, with installed capacity of 1,133 MW (1,096.5 MW according to the IFRS 11 reclassification) in the United Kingdom, Italy, United States, Spain, France, Norway and Sweden, using wind power, solar power, WtE and biomass technologies. The Group is an international player offering technical consultancy for renewable energy and third party asset management, through its subsidiary Vector Cuatro, which provides customers with these services, for total installed capacity of roughly 2,500 MW, thanks to experience accrued in more than 40 different countries worldwide.

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