

**Econergy** Renewable Energy

Capital Market Presentation, Q1/2023

May 2023





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# Investors Highlights



- A leader IPP** A leader Entrepreneur and Electricity producer in Europe with proven experience and expertise in development, construction and operation of renewable energy projects
- Geographical Diversification** activity diversification in six European markets: Italy, The UK, Spain, Poland, Romania and Greece.
- Strategic Partnerships** strategic agreements with strong equity partners at both Equity and Debt levels: UBS bank, Rgreen Invest Fund and The Phoenix
- Diverse revenue streams** from development fees, EPCm fee, and asset management fee for the long term
- Full ownership of projects from the development stage** which allows financial flexibility – The option to sell projects and/or include a partner at a premium – creating a substantial cash flow
- Local activity in the markets** substantial local development teams in each one of Econergy's markets allows better control and management of the projects and excess returns compared to other investors

## Recent Developments

**The Rgreen Invest fund completed an investment of 87.5M Euro in the capital of the subsidiary Econergy International UK**

At a company value of 350m Euro pre-money

**Phoenix Group's investment completes**

To finance the Oradea project in Romania and Resko in Poland in the amount of approximately 73 million euros\*

**End of Construction of Ratesti Project**

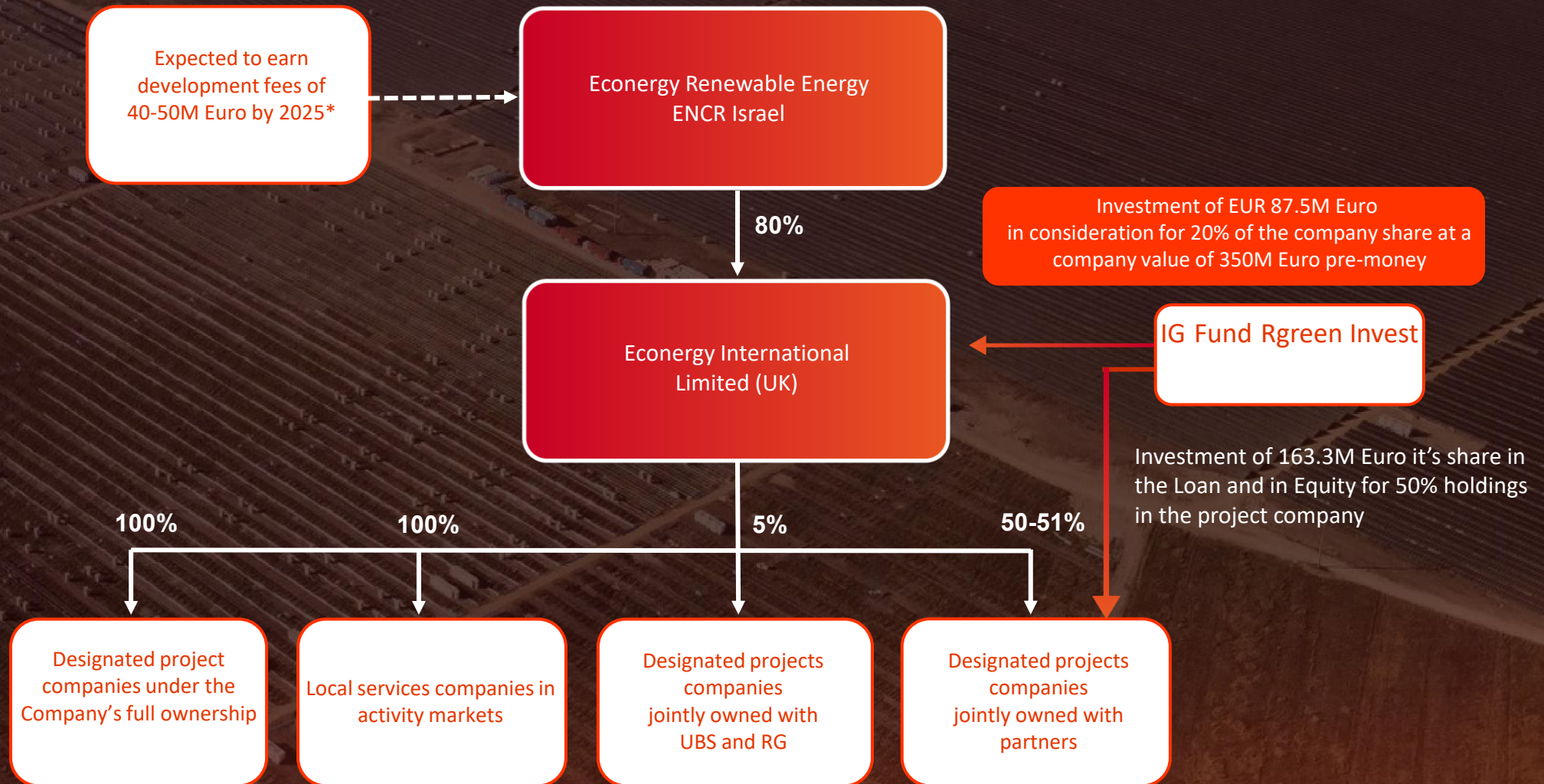
The largest PV project in Romania, capacity of 155MW, and at Ready-for-Connection stage

**An MOU was signed to provide financing for the Ratesti project**

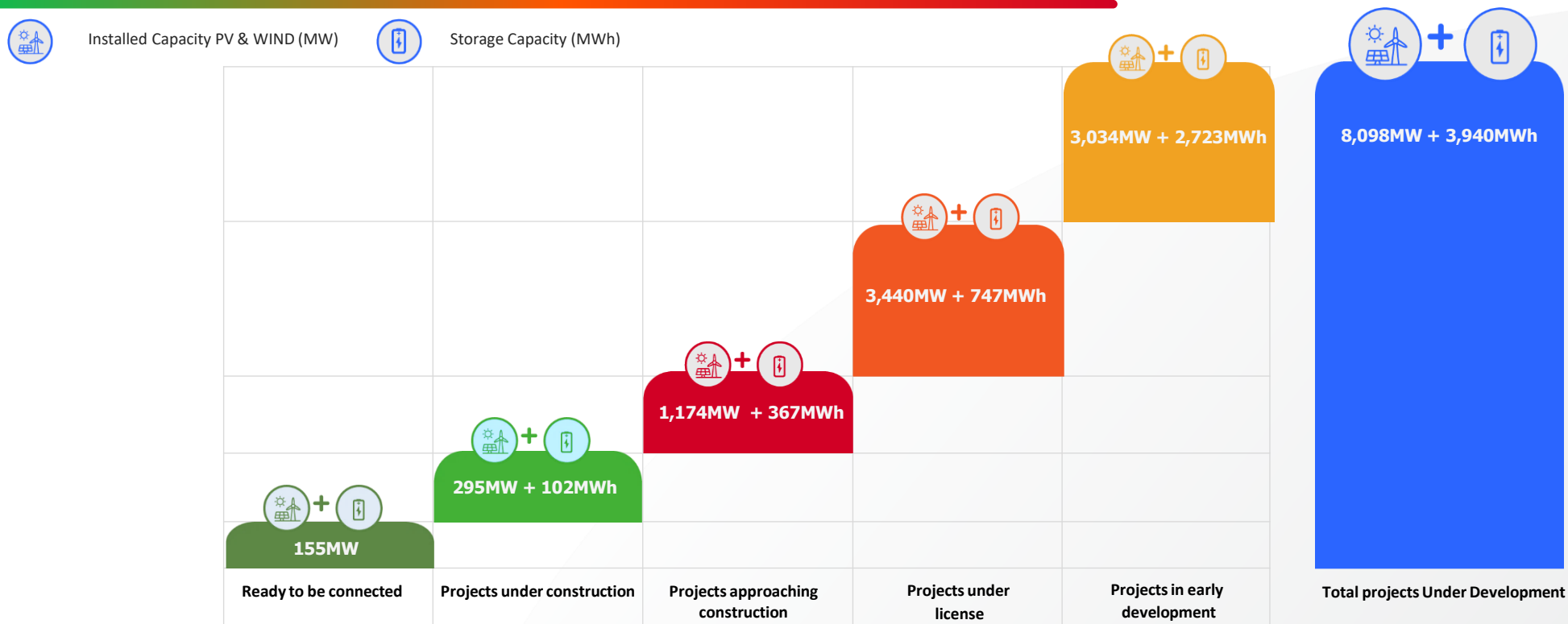
Total of 60 million Euros from the Austrian bank Raiffeisen



# Completion of Rgreen Investment deal in the Capital of Eenergy International UK



# Total Projects under Development – Quarter 1/2023



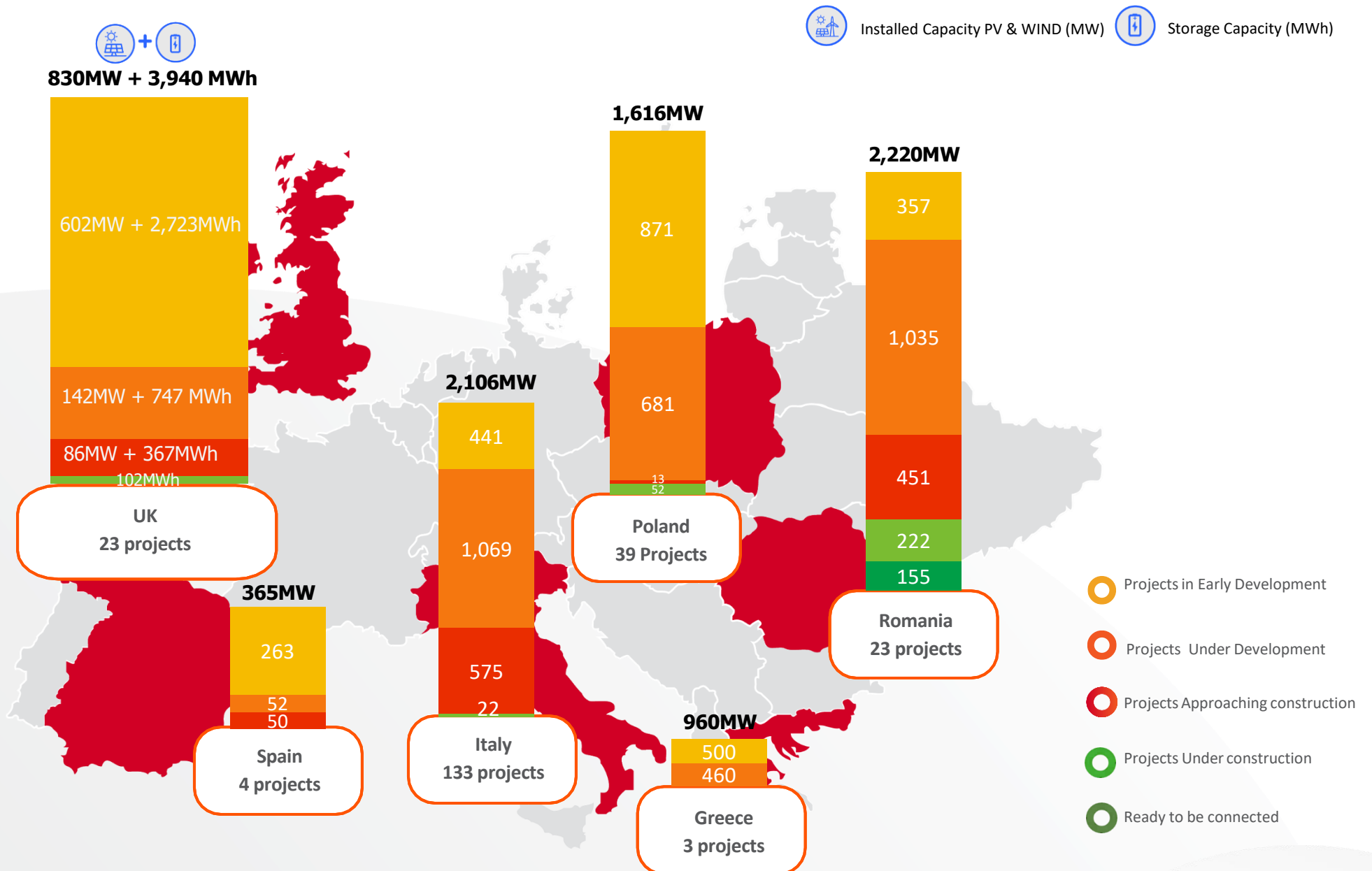
- Projects in early development:** Projects for which comprehensive feasibility studies have been carried out and there is a high probability that they will move to the licensing stage within a period not exceeding six month
- Projects under license:** Projects for which there is a land lease/purchase agreement and which have received or are in the advance process of obtaining a license to connect to the electricity grid and a building permit
- Projects approaching construction:** Projects already ready to build or projects for which there is an approval for connection to the grid and which are in final licensing procedures and the actual start of construction is expected within 12 month
- Projects under construction:** Projects whose construction process has begun
- Ready to be Connected:** Projects for which physical construction stage has been fully completed or for which a connection request has been submitted, but have not yet been connected to the electricity grid

**Total Projects Ready to be connected and under construction of 450MW PV, and additional 102 MWh of Storage Projects\***

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**In additional, Projects approaching construction of 1,174MW PV and Wind and additional 367MWh of Storage Projects\***

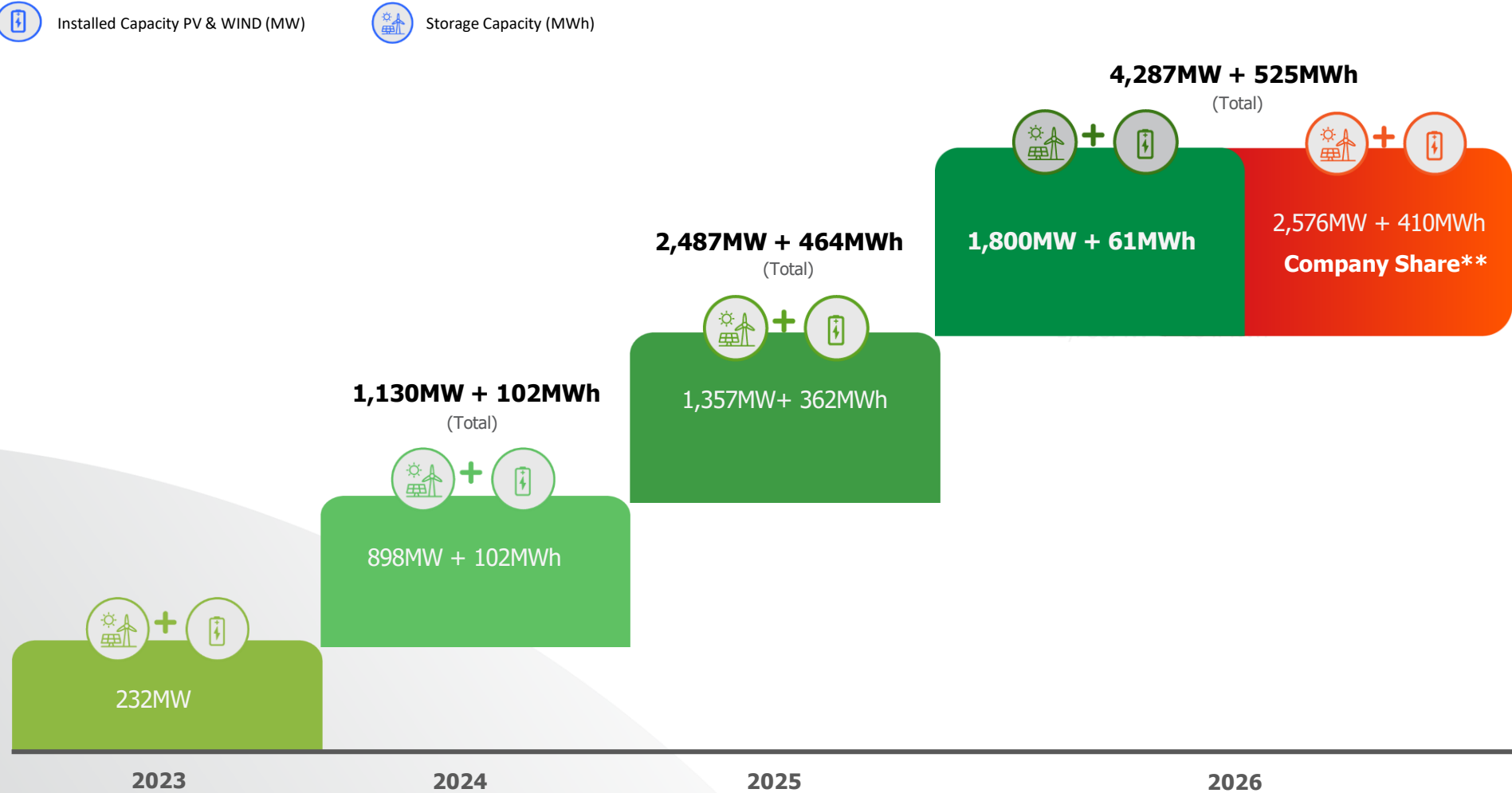
# Projects Under Development – Geographic Spread and Stage of Development



# Projects Connection Forecast Based on the Existing Pipeline













Based on the backlog of projects under development by the company, totaling 8GW of PV and wind and an additional 4GWh of storage, and based on the probability of success, according to the company's annual report

**Connection forecast until 2026 in MW, MWh (in 100% terms)\*:**





# Strategic Partnerships and New financing Agreements

Partner	Scope of the investment (€ m)	Target market	The main points of the agreement	Econergy Revenue*
	€100m		<ul style="list-style-type: none"> <li>● <b>Exclusive investment in</b> Econergy's first portfolio of properties in Italy.</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Development fee of €120,000</b> per megawatt</li> <li>● Management and construction fees (EPCm)</li> <li>● Asset management fees for at least 10 years</li> </ul>
	€163.3m**	     	<ul style="list-style-type: none"> <li>● Entered into a <b>partnership in capital</b> and provides financing for the establishment of Econergy projects <b>in all active countries</b>.</li> <li>● <b>Project Partnership:</b> Econergy and RGreen hold equal shares in the project's capital</li> <li>● RGreen <b>will inject 75% of the total investment</b> required for the construction as equity and short-term loan.</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Development fee between 100 and 140 thousand euros</b> per megawatt</li> <li>● Management and construction fees (EPCm)</li> <li>● Asset management fees for at least 10 years</li> </ul>
	€150m	 	<ul style="list-style-type: none"> <li>● <b>Project Finance:</b> Financing the construction costs of Econergy's projects in Romania and Poland.</li> <li>● <b>Project Partnership:</b> Phoenix has the right to convert part of the loan granted to the project into 49% of the share capital when the project reaches the COD stage</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Development fee of €100,000</b> per megawatt</li> <li>● Management and construction fees (EPCm)</li> <li>● Asset management fees for at least 10 years</li> </ul>

**Econergy has raised more than €600 million at the company and project's level, since the IPO in July 2021, from investors and strategic partners**

\*Forward looking Information

\*\* The amount does not include the investment in the capital of Econergy International, totaling €87.5 million - see slide 5

## Parau Example – Project construction financing

In million of Euros\*

<b>Investment required</b>	<b>71.8</b>	<b>100%</b>	
Loan to finance the establishment	35.9	50%	Short-term bridging financing (up to 5 years) by the partner Rgreen Invest. flexible to exchange to long-term financing, without exit penalty
<b>Capital required to complete the construction</b>	<b>35.9</b>		
Capital investment of the partner	17.9	25%	In exchange for the allocation of 50% of the shares of the project SPV
<b>Econergy's share in the investment</b>	<b>17.9</b>		
<b>Dev value</b>	<b>(12.8)</b>		Calculated on the basis of 140 euros per MWp, the total installed capacity is 91.54MWp
<b>Econergy's net investment</b>	<b>5.1</b>	<b>7%</b>	
Projected revenue, annually	10.2		Average revenues for the first 5 years of operation, assuming a 70% PPA for 10 years, starting from the second half of 2025
Expected EBITDA	8.0		
Expected EBITDA, Econergy share	4.0		

**In addition, Econergy is entitled to payment from the project company for the following services:**

- Construction management, EPCm, in the amount of 1.5% of the net investment, a one-time payment - around 0.9 million euros
- Asset Management of the plant for 10-20 years at about 4% of the revenue- about 0.5 million euros per year.






**The investment required by Econergy is only about 7%\*\* of the total construction cost for holding 50% in the project**






\* The figures include VAT





\*\* The actual development cost for Econergy was carried out in the past and is reflected in the company's balance sheet and in the capital gain that will be presented in the company's reports

# Revenue forecast details for 2024\*

in millions of Euros

Income from initiating and developing projects						Total
Early development						
Licensing	1		30			31
RTB	16	4	16	3		38
Under construction			6			6
Ready to connect						
Total	17	4	52	3		75

Revenues from the sale of electricity						Total
Early development						
Licensing						
RTB	21		17	1		38
Under construction		3	16		3	22
Ready to connect			15			15
Total	21	3	48	1	3	75

Revenues from services						Total
Early development						
Licensing			1			1
RTB	2		2			5
Under construction						1
Ready to connect			1			1
Total	2	1	4			7

Total expected revenues for 2024 of **about 157 million euros in 5 active countries**

Significant revenues of about 75 million euros from initiation and development resulting from **existing agreements with strong capital partners**: UBS, RGreen Invest, and Phoenix

**75 million euros in total revenues from the sale of electricity**, of which approximately 50% from projects under construction and ready for connection with **high certainty of connection to the grid** and another 50% from projects ready to build that also **have a very high probability of being realized\*\***



# Options for raising equity and/or debt to achieve the company's goals

## Proven raising capabilities at both capital and debt levels

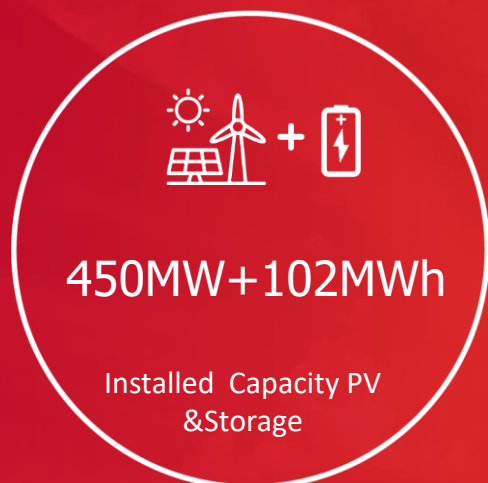
- Econergy has raised €251 million from RGreen Invest fund: €87.5million investment in **equity in the UK subsidiary** Econergy UK and €163.3 million investment at **the project level**
- Econergy raised €150 million from Phoenix Insurance Company to finance the construction of projects in **Romania and Poland**
- Econergy **issued** a series of convertible bond totaling NIS 242.5 million. In early 2023, Econergy raised an additional NIS 70 million by expanding the series.

## Advantages of the company that provide financial flexibility:

- **Full ownership of the projects** – Econergy can decide on the timing of the investment if necessary and/or the introduction of a partner.
- **Diversified revenue streams** – sale of electricity, development fees and various management fees from Econergy's partners at the project level
- **Econergy strategic agreements considering the high interest rate environment:**
  - Econergy has the option to **carry out refinancing in the short term**, without an exit penalty.
  - Replacing bridging financing with cheaper bank financing after commercial operation – **maximizing financing conditions**
  - **Low effective capital investment** in view of the payment of the development fee - **maximizing project yield** – see Parau project example.

**Econergy has demonstrated its ability to raise funds as needed to meet the company's goals**

# Substantial increase in Pipeline of projects Under construction



Financial Data Attributed to Pipeline Ready to be connected and Under Constructions and (Millions of Euro)\*:

	Total	Company's share***
Projected constructions costs	356	193
Annual income from electricity sale only**	60	33
Annual EBITDA from electricity sale only**	50	28

The company has the **required sources to construct** the Under Construction project pipeline in the course of 2023

Construction Mmanagement: **A local construction teams** include : Engineers, Construction managers, Procurement and Project management managers

\*Forward looking Information

\*\*Revenue forecast is calculated based on the assumption of closing transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years starting from the first year of full operation and for 70% of the output and the rest at expected market prices according to the company's market consultants and the PPA prices in the various markets are based on the estimates of the company and its consultants .






\*\*\*According to agreements with UBS, RGreen Invest Fund and the Phoenix and from the assumptions of 50% partnership in all the company's projects in Romania.

# Projects Ready to be Connected, Under Construction and Approaching construction<sup>(1)</sup> - in Thousands of Euro

## Projects Ready to be connected, Under Construction

Country	Project name	Installed Capacity MWp, PV&WIND	Storage Capacity MWh	Company share <sup>(2)</sup>	Expected Capex <sup>(3)</sup>	Invested Capex (6)	Expected Income (3)(4)(5)	EBITDA <sup>(3)(4)</sup>
Italy	UBS 8 Projects Pipeline	22		5%	14,920	10,054	3,052	2,641
Poland	Resko	52		51%	37,375	24,651	4,521	3,652
Romania	Parau	92		50%	64,167	11,455	10,250	8,156
Romania	Oradea	87		51%	62,461	20,206	8,537	6,756
Romania	Scrutu Mare	44		51%	32,640	4,957	5,085	4,330
Romania	Ratesti	155		50%	101,928	101,354	19,806	17,204
UK	Swangate		102	100%	42,261	12,833	8,978	7,523
<b>Total</b>		<b>452</b>	<b>102</b>	<b>5%-100%</b>	<b>355,752</b>	<b>185,510</b>	<b>60,229</b>	<b>50,262</b>

## Projects Approaching Construction

	Country	Installed Capacity MWp, PV&WIND	Storage Capacity MWh	Company share <sup>(2)</sup>	Expected Capex <sup>(3)</sup>	Expected Income (3)(4)(5)	EBITDA <sup>(3)(4)</sup>
	Italy	381		5%-100%	262,629	57,163	49,536
	Poland	13		51%	7,495	1,166	943
	Romania	451		50%-51%	347,151	54,942	46,752
	Spain	50		50%	32,487	4,381	3,352
	UK	67	367	100%	189,234	36,611	29,932
	<b>Total</b>	<b>962</b>	<b>367</b>	<b>5%-100%</b>	<b>838,996</b>	<b>154,263</b>	<b>130,515</b>

## Summary Table - Projects Under Construction and Approaching Construction

	Installed Capacity MWp, PV&WIND	Storage Capacity MWh	Expected Capex <sup>(3)</sup>	Expected Income (3)(4)(5)	EBITDA <sup>(3)(4)</sup>
<b>Total</b>	<b>1,414</b>	<b>469</b>	<b>€ 1,194,748</b>	<b>€ 214,492</b>	<b>€ 180,777</b>
<b>Total Company's Share<sup>(2)</sup></b>	<b>860</b>	<b>347</b>	<b>€ 742,869</b>	<b>€ 137,737</b>	<b>€ 116,310</b>

(1) Forward-looking information

(2) The Company's share in the table above reflects its management's estimates in relation to existing and future partnerships, as reported, and not the actual holding rate as of the date of publication of the report

(3) Construction costs, projected revenue and EBITDA are presented in the above table at 100% and not according to the Company's share (except in relation to the total Company share in the data contained in the table as stated).

(4) Average revenue and projected EBITDA for the first full five years of operation.



(5) The revenue are calculated based on the assumption of transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years and for 70% of the output, and the rest at expected prices according to the Company's market consultants. The PPA prices in the various markets are based on the estimates of the Company and its Consultants.

(6) Invested Capex as of 31/03/2023.





## Romania's economy becomes the second largest one in Eastern Europe\*

		
2022 GDP growth	4.8%	3.5%
2023 GDP growth (estimates)	2.4%	0.8%
2022 Unemployment rate	5.6%	6.8%
2023 Unemployment rate (estimates)	5.6%	6.8%
2022 Inflation rate	13.8%	8.4%
2023 Inflation rate (estimates)	10.5%	5.3%

- GDP per capita in 2021 showed an impressive increase, **about 74% of the average in the European Union**<sup>1</sup>
- In 2022, the volume of Foreign Direct Investment in the country **reached a record level of 9.6 billion euros**<sup>2</sup>
- Romania expects to receive **€2.14 billion in financial assistance** from the program 'Just Transition Fund' aimed at **promoting the transition from coal-based power generation to renewable energy sources, according to the objectives of the Government**<sup>3</sup>
- In early 2022, the OECD Council initiated discussions regarding the **potential inclusion of Romania into the organization**<sup>4</sup>

\*<https://www.reuters.com/world/europe/romania-quietly-catches-up-with-richer-neighbours-helped-by-eu-cash-2023-01-09/>

The data in the table is from IMF World Economic Outlook April 2023

1. [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=GDP\\_per\\_capita,\\_consumption\\_per\\_capita\\_and\\_price\\_level\\_indices](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=GDP_per_capita,_consumption_per_capita_and_price_level_indices)

2. <https://www.lloydsbanktrade.com/en/market-potential/romania/investment#>

3. [https://ec.europa.eu/regional\\_policy/whats-new/newsroom/12-09-2022-eu-cohesion-policy-eur2-14-billion-for-a-just-climate-transition-in-romania\\_en](https://ec.europa.eu/regional_policy/whats-new/newsroom/12-09-2022-eu-cohesion-policy-eur2-14-billion-for-a-just-climate-transition-in-romania_en)

4. <https://www.oecd.org/newsroom/oecd-takes-first-step-in-accession-discussions-with-argentina-brazil-bulgaria-croatia-peru-and-romania.htm>



## Ratesti Project, Romania

**Installed capacity: 155 MW**

Start of construction: Q1-2022  
Expected commercial operation: Q4- 2023\*

End of Construction  
and ready to  
connect



## The largest PV project in Romania

### Funding & Ownership

- Holding: 50%
- Nofar Energy entered the project as a 50% equity partner
- Econergy will provide construction management service (EPCm) and asset management services for a 10-20 year term
- A Memorandum of Understanding was signed with the Austrian **Bank Raiffeisen** for Project finance in a total amount of €60M

### Financial Data (in 100% terms)\*

- Expected total construction cost: 102M Euro\*\*
- Equity investment (company's share): 20.4M Euro\*\*
- **Expected annual income:** 19.8M Euro\*\*\*
- **Expected annual EBITDA:** 17.2M Euro\*\*\*

### Location and other data

- Ratesti, Romania (125 km North West of Bucharest)
- Land size: 170 Hectares
- Land is owned by the project company



\*Forward-looking information

\*\*Excluding VAT, Assuming project financing of 60% of the project cost

\*\*\*Post commercial operation – projected average for first five years of operation. The revenues are calculated based on the assumption of transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years starting in the second half of 2025, and for 70% of the output, and the rest at expected market prices according to the Company's market consultants. The PPA prices in the various markets are based on the estimates of the Company and its consultants.



## Parau Project, Romania

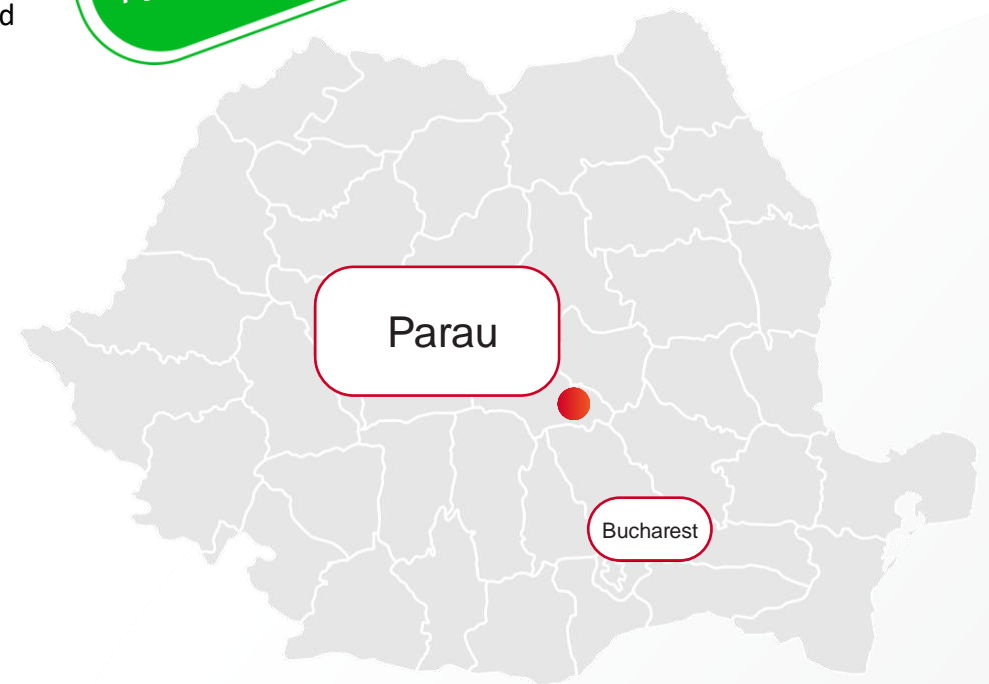
**Installed capacity: 92 MW**

The project has started construction: Q3-2022  
Expected commercial operation: H1- 2024\*

**Under  
Construction**



Completion of Financial  
Agreement with Rgreen  
Invest



## Funding & Ownership

- Holding: 50%
- Infragreen Fund from the Rgreen Invest group entered as an equity partner and provides a 50% mezzanine loan
- Econergy is entitled to development fee of 100,000-140,000 Euro per MW Converted to the equity of the project.
- Econergy will fund the remaining construction cost by injecting 7% equity
- Econergy will provide constructions management service (EPCm) and asset management services

## Financial Data (in 100% terms)\*

- Expected total construction cost: 64M Euro\*\*
- Equity investment (company's share): 4.5M Euro\*\*
- **Expected annual income:** 10M Euro\*\*\*
- **Expected annual EBITDA:** 8M Euro\*\*\*

## Location and other data

- Brasov, Romania (236 km North of Bucharest) Land
- size: 113 Hectares
- Land lease agreement for 49 years

\*Forward-looking information

\*\*Excluding VAT

\*\*\*Post commercial operation – projected average for first five years of operation. The revenues are calculated based on the assumption of transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years starting in the second half of 2025, and for 70% of the output, and the rest at expected market prices according to the Company's market consultants. The PPA prices in the various markets are based on the estimates of the Company and its consultants.





## Oradea Project, Romania

**Installed capacity: 87 MW**

The project has started construction: Q3-2022  
Expected commercial operation: H1-2024\*

**Under  
Construction**



### Funding & Ownership

- Holding: 51%
- The Phoenix shall provide a convertible loan of 49% of the construction costs and in addition, a fixed loan of 18% of the construction costs
- The Phoenix has the option to convert part of the loan to 49% of the share capital at the COD stage
- Eonergy will fund the remaining construction cost by injecting equity and/or shareholders' loan
- Eonergy is entitled to development fee of 100,000 Euro per MW, EPC management fee and asset management fee for a 10-20 year term

### Financial Data (in 100% terms)\*

- Expected total construction cost: 62M Euro\*\*
- Equity Investment (company's share): 21M Euro\*\*
- **Expected annual Income:** 8.5M Euro\*\*\*
- **Expected annual EBITDA:** 6.8M Euro\*\*\*

### Location and other data

- Oradea, Romania (436 km North West of Bucharest)
- Land size: 44 Hectares
- Land lease agreement for 30 years

\*Forward-looking information

\*\*Excluding VAT

\*\*\*Post commercial operation – projected average for first five years of operation. The revenues are calculated based on the assumption of transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years, and for 70% of the output, and the rest at expected market prices according to the Company's market consultants. The PPA prices in the various markets are based on the estimates of the Company and its consultants.





## Scrutu Mare Project, Romania

**Installed capacity: 44 MW**

The project has started construction: Q4-2022  
Expected commercial operation: H1-2024\*

**Under  
Construction**



### Funding & Ownership

- Holding: 51%
- The Phoenix shall provide a convertible loan of 49% of the construction costs and in addition, a fixed loan of 18% of the construction costs
- The Phoenix has the option to convert part of the loan to 49% of the share capital at the COD stage
- Eonergy will fund the remaining construction cost by injecting equity and/or shareholders' loan
- Eonergy is entitled to development fee of 100,000 Euro per MW, EPC management fee and asset management fee for a 10-20 year term

### Financial Data (in 100% terms)\*

- Expected total construction cost: 33M Euro\*\*
- Equity Investment (company's share): 11M Euro\*\*
- **Expected annual Income:** 5M Euro\*\*\*
- **Expected annual EBITDA:** 4.3M Euro\*\*\*

### Location and other data

- Scrutu Mare, Romania (88 km West of Bucharest)
- Land size: 54 Hectares
- Land lease agreement for 35 years



\*Forward-looking information

\*\*Excluding VAT

\*\*\*Post commercial operation – projected average for first five years of operation. The revenues are calculated based on the assumption of transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years and for 70% of the output, starting in the second half of 2025, and the rest at expected market prices according to the Company's market consultants. The PPA prices in the various markets are based on the estimates of the Company and its consultants.

## Resko Project, Poland

**Installed capacity: 52 MW**

The project has started construction : Q1-2022  
Expected commercial operation: H2 - 2023\*

Under  
Construction



### Funding & Ownership

- Holding: 51%
- The Phoenix shall provide a convertible loan of 49% of the construction costs and in addition a fixed loan of 18% of the construction costs
- The Phoenix has the option to convert part of the loan to 49% of the share capital at the COD stage
- Eonergy will fund the remaining construction cost by injecting equity and/or shareholders' loan
- Eonergy is entitled to development fee of 100,000 Euro per MW, EPC management fee and asset management fee for a 10-20 year term

Completion of Financial  
Agreement with The  
Phoenix



### Financial Data (in 100% terms)\*

- Expected total construction cost: 37M Euro\*\*
- Equity investment (company's share): 12.3M Euro\*\*
- **Expected annual income:** 4.5M Euro\*\*\*
- **Expected annual EBITDA:** 3.7M Euro\*\*\*

### Location and other data

- Resko, Poland (644 km North West of Warsaw) Land
- size: 52 Hectares
- Land lease agreement for 30 years with an extension option

\*Forward-looking information

\*\*Excluding VAT

\*\*\*Post commercial operation – projected average for first five years of operation. The revenues are calculated based on the assumption of transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years starting from the first year of full operation and for 70% of the output, and the rest at expected market prices according to the Company's market consultants.

The PPA prices in the various markets are based on the estimates of the Company and its consultants.





## Swangate Storage Project, UK

**Installed capacity: 102 MWh**

The project has started construction: Q2-2022  
Expected connection to grid: H2-2024\*

Under  
Construction



### An agreement was signed with a consortium consisting of: **G2 as the construction contractor and Trina Storage as the Battery supplier**

G2 is a leading contracting company in the storage market in the UK and Ireland – currently responsible for the construction of the project with a capacity of 1 GW for the national electricity grid in the UK.



Trina Storage is a global leader in the renewable energy industry, part of the Trina Corporation, with an annual revenue of USD 30 billion.



### Financial Data (in 100% terms)\*\*

- Expected total construction cost (including EPC, connection to grid, and development expenses): 42M Euro\*\*
- **Expected annual income:** 9M Euro\*\*\*
- **Expected annual EBITDA:** 7.5M Euro\*\*\*

### Location and other data

- Location – Yorkshire, UK (318 km North of London)
- Land lease agreement for 25 years with a 10 years extension option
- data refers to a two-hour batteries




\*Forward-looking information


\*\*Excluding VAT


\*\*\*Post commercial operation – projected average for first five years of operation.

# Econergy is a Dominant Player in the UK Storage Market





 Econergy is developing storage projects in two configurations:  
As Co-Location projects together with the PV and wind projects and  
as independent grid-support storage projects

 The Swangate project (Installed Capacity 102MWh) has started construction and Signed an agreement with consortium consisting of G2 as the construction contractor and Trina Storage as the Battery supplier

 Econergy has a robust, experienced local development team of 8 experienced employees in the field of storage

 The Immingham project – Installed capacity 80MW/163MWh will start construction in Q1/2024\*

 Econergy has an existing storage project pipeline under development in the UK of 4 GWh

 Expected annual income after these 2 storage projects will be connected to the grid : 22 Million Euros\*\*

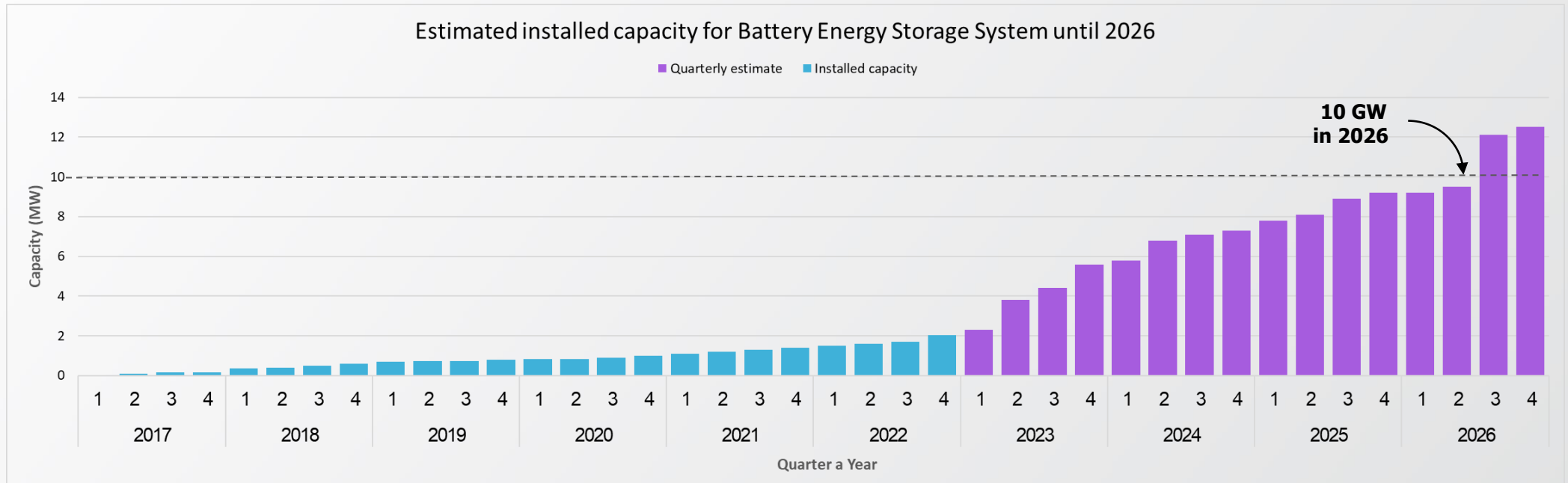
Project distribution by development status and project type:\*

Storage projects in the UK (MWh)	Standalone projects	Co-Location Projects	Total
Under Construction	102		102
Pre- construction	306	61	367
Under License	508	239	747
Early Development	845	1,879	2,723
<b>Total storage UK</b>	<b>1,761</b>	<b>2,178</b>	<b>3,940</b>

# The Storage Sector in the UK: 2022 summary and estimate for the coming years



- **A record year in the installed capacity of Battery Energy Storage Systems**, an increase of 47% to a level of 2,044MW - 654MW more than in 2021



modo

- **Increasing demand for storage solutions:** the total Pipeline of Storage System Under Development, short term, has increased by 35% compared to 2021 to a level of over 10GW
- This strong pipeline will enable a **dramatic increase in Battery Energy Storage capacity** - an increase of at least 7GW by 2026\*
- The Electricity Generator Levy (EGL) **does not apply for Standalone Battery Storage Systems**



# Upgrading forecast for electricity storage system using Batteries (Battery Storage)



- The National Grid\* **upgraded its forecast for battery storage systems in all four scenarios:**

**Leading the way (LW)** (Optimistic scenario): Enables the UK to reach Net Zero Emissions **before 2050**

**Consumer + System Transformation (CT+ST)** (Interim scenarios): Enables the UK to reach Net Zero Emissions **in 2050**

**Falling Short (FS)** (Pessimistic scenario): **Does not reach** Net Zero Emissions in 2050

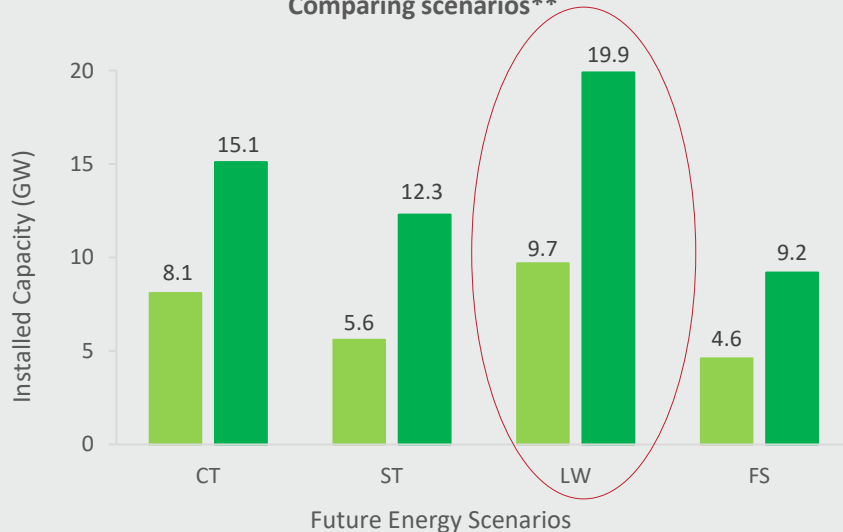
**In the most positive scenario (Leading the way), the capacity of storage systems is doubled to level of 20 GW in 2030 compared to the previous report**

- The National Grid estimates that battery storage **will account for the largest share of installed storage capacity in all scenarios by 2050**

**Main reasons for upgrading forecasts in the short term\*\*\*:**

- The decarbonization process is expected to occur slightly **faster than expected from previous forecast** during the 2030s
- **Faster than expected growth of renewable energy projects** (mainly using PV and Wind technologies) will increase volatility in the grid and will require an increasing use of Energy Storage System
- **Increase in profit margins:** Energy storage systems will offer **higher value services** in the field of power grid stabilization capabilities (System Balancing)

Estimated Storage Installed Capacity for 2030 (GW) – Comparing scenarios\*\*



○ July 2021 National Grid Report

● July 2022 National Grid Report

\*The National Grid ESO operates the UK's electricity and gas supply system

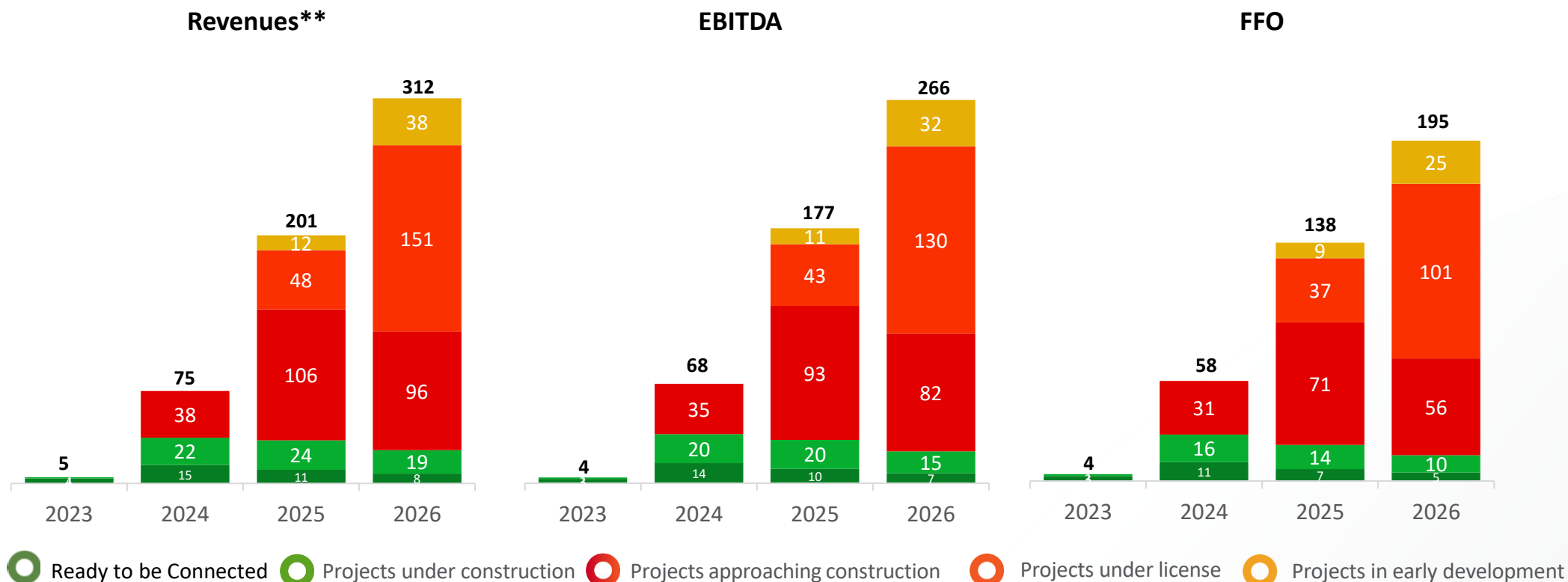
\*\*<https://www.nationalgrideso.com/document/263951/download> – PAGE 217

\*\*\*The Company's market consultants have upgraded their forecast in their reports:

Aurora Energy Research – GB Flexible Energy Market Forecast October 2022, Bringa Q3/2022 Update

# Business Results Forecast by Development Stage – The Company's Share (in EUR millions)\*

## Business Results Forecast from Electricity Sales Only



- **More than 55% of the revenue, EBITDA and FFO expectations stem from Projects ready to be connected, under construction and approaching construction for which the probability of realization is very high\***
- **In addition, Econergy is expected to have significant revenues of EUR 178 million from development fees and services until 2026\*\*\***

\*Forward-looking information as defined in the Securities Law. Assuming project financing of 60%, Based on the Company share, and assuming the introduction of an equity partner, as detailed above

\*\*Revenues are calculated based on the assumption of closing transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years Starting from the first year of operation and for 70% of the output, and the rest at expected market prices according to the company's market consultants. In Romania, the revenues are calculated on the basis of the assumption of closing transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years starting from the second half of 2025. The PPA prices in the various markets are based on the estimates of the company and its consultants

\*\*It was noted that the forecast of revenues from the sale of electricity is a Non-GAAP forecast, that is to say, it was not built according to the accepted accounting rules.

In addition, the EBITDA and FFO indicators are Non-GAAP indicators, calculated on the basis of the assumption underlying the business results forecast

\*\*\*Forward-looking information As defined in the Securities Law

# Econergy publishes its first Sustainability Report (ESG) for 2022

## The report Highlights:

### Environment:

Energy consumption and Carbon footprint assessment

### Social:

Efforts for retaining employees and attracting new talents; H&S, External stakeholders relations

### Governance:

Code of Ethics & Corporate Policies, fair employment, Sustainable supply chain

## Econergy's expected benefits:

- Managing and monitoring our ESG performance
- A better understanding of the company's impact on the environment
- Acknowledging the expectations of the company's stakeholders
- Greater transparency in the field of ESG for the investor

## A Sustainable Business



according to the instructions of :





# Thank You

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# Appendices



## Projected electricity prices in Econergy's Markets by technology in the coming years\*

			Expected Price 2024**	Market Prices, first 10 years of operation	
				Min	Max
Italy	Wind	€/MWh	90	75	124
Italy	PV	€/MWh	86	53	115
UK	PV	£/MWh	74	46	93
UK	BESS	£/kW/year	216***	103	216
Romania	Wind	€/MWh	81	82	134
Romania	PV	€/MWh	78	58	130
Spain	PV	€/MWh	55	39	78
Poland	PV	€/MWh	81	49	118
Greece	PV	€/MWh	80	46	118

\*Forward looking information. The prices are in a real terms, without indexation

\*\*The expected electricity prices during the year 2024 are calculated based on the assumption of closing transactions for the purchase of electricity at a fixed price (PPA) for a period of 10 years and for 70% of the output, and the rest at expected market prices according to the company's market consultants. The PPA prices in the various markets are based on the estimates of the Company and its consultants.

\*\*\* Expected price forecast for storage systems(BESS) includes rates the company won as part of government Auctions in The UK for electricity supply starting from year 2027



# Significant Development in Europe – Striving for Energy Independence



## Supportive Regulation accelerating the pace of renewable energy in Europe – 2022 Summary\*



### Italy

- **Updated government targets for 2030:** pledged to produce 78GW of Solar PV- an average annual increase of 6.9GW
- Italy is expected to receive **70 Billion EURO in financial assistance** for the “Green Revolution”, **24 Billion EURO** will be allocated for increasing the share of production from renewable sources
- TERNA, the national transmission grid, has announced a **18 Billion EURO investment plan** for the next 10 years to upgrade the electricity transmission



### Poland

- **Electricity prices remain high in 2022:** Poland relies significantly on coal in the generation mix
- **Ranked third in Europe in installations of Solar PV systems** - an increase of 32%- 4.9GW
- Poland expected to **triple the installed capacity from renewable energy** between 2022-2027 - adding 31GW, **half of it will be from Solar PV systems.**



### Greece

- Publication of an updated NECP that **significantly increases the renewable targets for 2030:**
- The share of renewable energy is expected reach **28GW compared to 19GW in the previous plan**
- The installed capacity from Solar PV is expected to reach 14GW compared to 7.7GW in the previous plan - **constitute the majority of the increase in the installed capacity for 2030**



### UK

- The REMA plan: number of reforms to optimize the electricity sector by developing a policy that supports investment in **renewable energy systems and encouraging a variety of storage systems**
- The NeuConnect project: **construction of a strategic electricity transmission line** connecting between The UK and Germany with capacity of 1.4GW
- Government target for Solar PV systems for 2035 is 70GW, **5 times more compared to currently installed capacity.**









### Spain

- **All-time record in Solar PV project installations:** an increase of 7.5GW, 33% more than in 2021
- A Leader for the **second year in a row in PPAs transactions in Europe**
- The share of electricity generation from renewable energy sources will amount to 74% in 2030 and **100% in 2050**

\*See reference in slide 31

# Temporary legislation to limit the electricity price for renewable energy producers\*



Country	Details of local temporary legislation
<b>England</b> 	<ul style="list-style-type: none"> <li><b>Validity:</b> January 2023 until March 2028</li> <li><b>Levy amount:</b> 45% of total annual income at an average price of over £75 per MWh**</li> <li><b>Notes:</b> <ul style="list-style-type: none"> <li>Starting with revenues that will cross the £10 million per year threshold</li> <li>Only on companies that produce more than 50 GW per year.</li> </ul> </li> </ul>
<b>Italy</b> 	<ul style="list-style-type: none"> <li><b>Validity:</b> December 2022 until June 2023</li> <li><b>Price Cap:</b> A Cap for income from the sale of electricity, which will be calculated as the difference between: A target price of €180 per MWh and the market price (equal to the monthly average of the market where electricity is traded)</li> </ul>
<b>Spain</b> 	<ul style="list-style-type: none"> <li><b>Validity:</b> until December 31, 2023</li> <li><b>Price Cap:</b> Revenues from the sale of electricity at a rate higher than €67 per MW will be taxed in excess at a rate derived from the impact of natural gas-based systems on electricity prices and gas prices.</li> </ul>
<b>Romania</b> 	<ul style="list-style-type: none"> <li><b>Validity:</b> September 2022 until March 2025</li> <li><b>Price Cap:</b> Some electricity producers will be limited to a maximum rate of 450 LEU (approximately €91)***</li> <li><b>Note:</b> The regulation does not apply to electricity producers who began their activities after 01.04.2022</li> </ul>
<b>Poland</b> 	<ul style="list-style-type: none"> <li><b>Validity:</b> December 2022 to December 2023</li> <li><b>Price ceiling:</b> 355 Zlotys (approx. €75)*** per MW produced from Solar PV Projects</li> <li><b>Notes:</b> The regulation does not apply to projects that sell electricity via tender procedures, projects that include financial hedging agreements and projects with a capacity of up to 1 MW.</li> </ul>
<b>Greece</b> 	<ul style="list-style-type: none"> <li><b>Validity:</b> July 2022 to June 2023</li> <li><b>Price ceiling:</b> The sale of electricity will be subject to a variable price ceiling, which is approximately €85*** per 1MW produced from Solar PV.</li> </ul>

Considering the expected connection dates of the company's projects and the electricity forecasts\*\*\*\*  
**There is no material impact on the results of the company's activities**

\*The European Union adopted temporary legislation to limit the price of electricity to renewable energy producers of €180 per 1 MW until June 30, 2023

\*\* The legislation has not yet been approved by the government

\*\*\*As of the publication date of the Q1 2023 report, for more information see Chapter A of the 2022 annual report - description of the corporation's business, sections: 1.9.1.2, 1.8.1.4, 1.12.1.2, 1.10.1.2, 1.11.1.2, 1.13.1.2

\*\*\*\*According to the assessment of the company's market consultant, Baringa Q1 2023 Update

## Referens for slide number 29 -Significant Development in Europe – Striving for Energy Independence

### **Italy**

. [https://asvis.it/public/asvis2/files/Eventi\\_ASviS/PTE\\_definitivo.pdf](https://asvis.it/public/asvis2/files/Eventi_ASviS/PTE_definitivo.pdf)  
<https://www.mef.gov.it/en/focus/The-National-Recovery-and-Resilience-Plan-NRRP/>.  
[https://download.terna.it/terna/Piano\\_Sviluppo\\_2021\\_8d94126f94dc233.pdf](https://download.terna.it/terna/Piano_Sviluppo_2021_8d94126f94dc233.pdf).

### **Romania**

[Announcement for the extension of the period for submitting the questionnaire regarding the expression of interest until 30.12.2022 – Ministry of Energy \(gov.ro\)](#)

<https://energie.gov.ro/category/pnrr/masura-de-investitii-i-1/>  
The 2021-2030 Integrated National Energy and Climate Plan –April 2020

### **The UK**

<https://www.gov.uk/government/news/uk-launches-biggest-electricity-market-reform-in-a-generation>  
<https://www.themarket.com/markets/2022-08-14/ty-article/.premium/00000182-9b4d-dca8-abe2-9b4df10a0000>  
<https://www.gov.uk/government/publications/british-energy-security-strategy/british-energy-security-strategy>

### **Poland**

Poland Wholesale Power Market Report Q4/2022 Update  
Solarpower Europe : EU Market Outlook for solar power 2021-2025  
International Energy Agency: Renewables 2022 Analysis and forecast to 2027

### **Greece**

<https://www.iene.eu/new-national-energy-and-climate-plan-announced-by-greek-energy-ministry-p5413.html>

### **Spain**

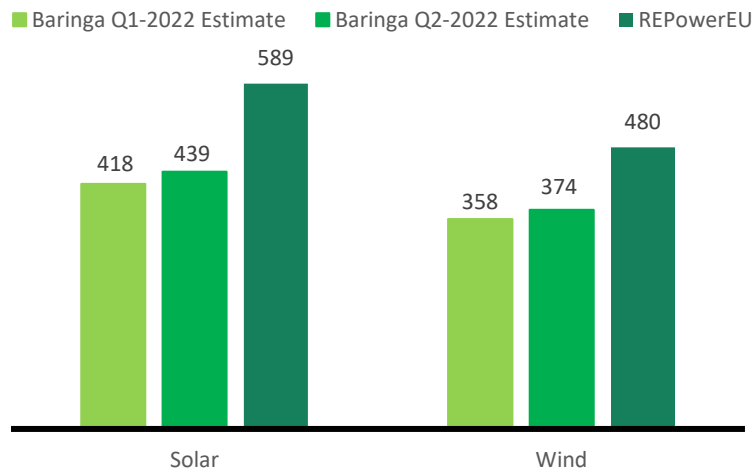
Solarpower Europe - EU Market Outlook for solar power 2022-2026  
[https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_gl/topics/power-and-utilities/ey-recai-60-v2.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/power-and-utilities/ey-recai-60-v2.pdf)  
Law for Climate Change and Energy Transition ( LCCTE) April 2021

# Significant Development in Europe – Striving for Energy Independence

## The REPowerEU program: Increasing the European Union's target for renewables from 40% to 45% for 2030\*

- Target for the installation of 1,200 GW of photovoltaic and wind systems by 2030 – three times the current volume of installations
- Photovoltaic: Installation target of 600 GW of solar by 2030 compared to approx. 170 GW at the end of 2021
- A budgeted plan to achieve the targets totaling approx. EUR 210 billion by 2017
- Accelerated licensing processes and the granting of additional authorities to project approval committees

Estimated installed capacity for 2030 (GW)



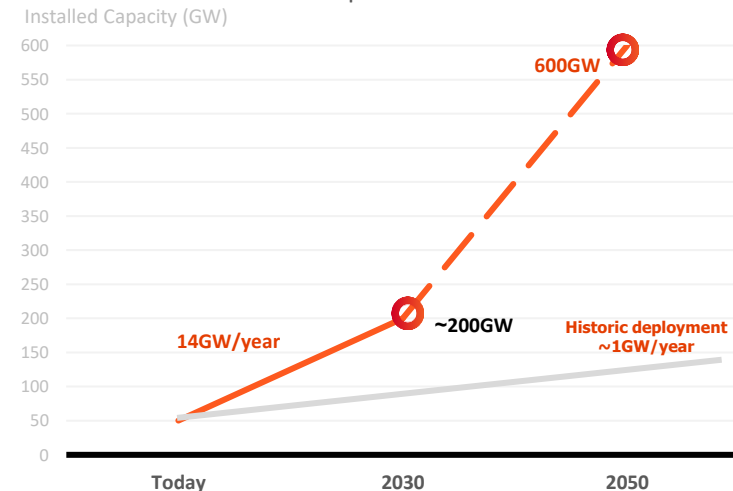
Source: Assessment of the company's market consultant, Baringa, Q2/2022 update

## Determining an Energy Storage Target in accordance with existing climate targets in the EU is critical!

- Installation target of storage systems with a capacity of 200 GW by 2030 and approx. 600 GW by 2050 compared to the current level of 60 GW\*\*
- In most of Econergy's countries of activity in the European Union, there are clear storage targets for 2030: Spain – 20 GW, Italy – 6 GW and Greece – 8 GW

Econergy is active in the UK and is also examining and promoting entry into the storage sector in the other markets in which it operates

The storage system capacity expected for 2030 and 2050 in the European Union compared to the current level\*\*



\*[https://ec.europa.eu/commission/presscorner/detail/en/IP\\_22\\_3131](https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3131)

\*\*SOURCE EASE (EUROPEAN Association for Storage of Energy)

[https://ease-storage.eu/wp-content/uploads/2022/07/Targets-webinar\\_12.07.2022\\_presentation-flow.pdf](https://ease-storage.eu/wp-content/uploads/2022/07/Targets-webinar_12.07.2022_presentation-flow.pdf)



## Consolidated Balance Sheet as of 31.03.2023 (Euro Millions)

	31.03.2023	31.12.2022	31.12.2021
Current assets	64,493	33,160	90,710
Non-current assets	199,072	168,414	45,567
Total assets	263,565	201,574	136,277
Current liabilities	19,627	15,072	8,129
Non-current liabilities	103,425	74,389	69,340
Total liabilities	123,052	89,461	77,468
Total equity	140,513	112,113	58,809
<b>Total liabilities and equity</b>	<b>263,565</b>	<b>201,574</b>	<b>136,277</b>