



PPC Acquisition of Enel Romania: Building a Leading SEE Clean Utility and Critical Infrastructure Player

9 March 2023

PPC Acquisition of Enel Romania: Key Highlights



Building a Leading South-East European Clean Utility and Critical Infrastructure Player

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PPC to acquire Enel's full business in Romania

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A transformational transaction for PPC, fully aligned with its regional power / renewables transition strategy

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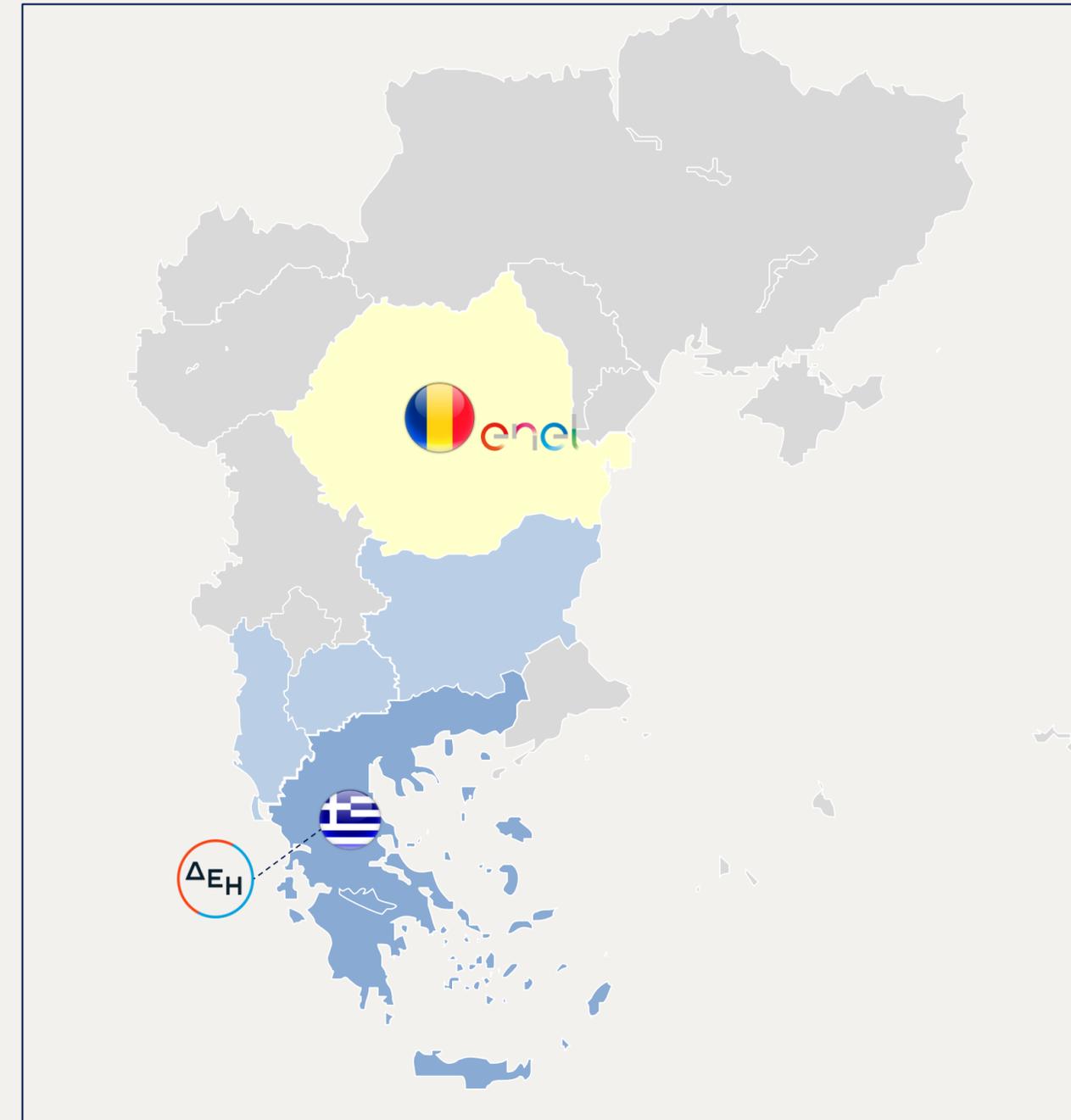
Enterprise value of €1.9bn¹ and equity consideration of €1.260bn

4

PPC to finance deal with available cash and committed debt financing by international and Greek banks

5

Transaction to close by Q3 2023



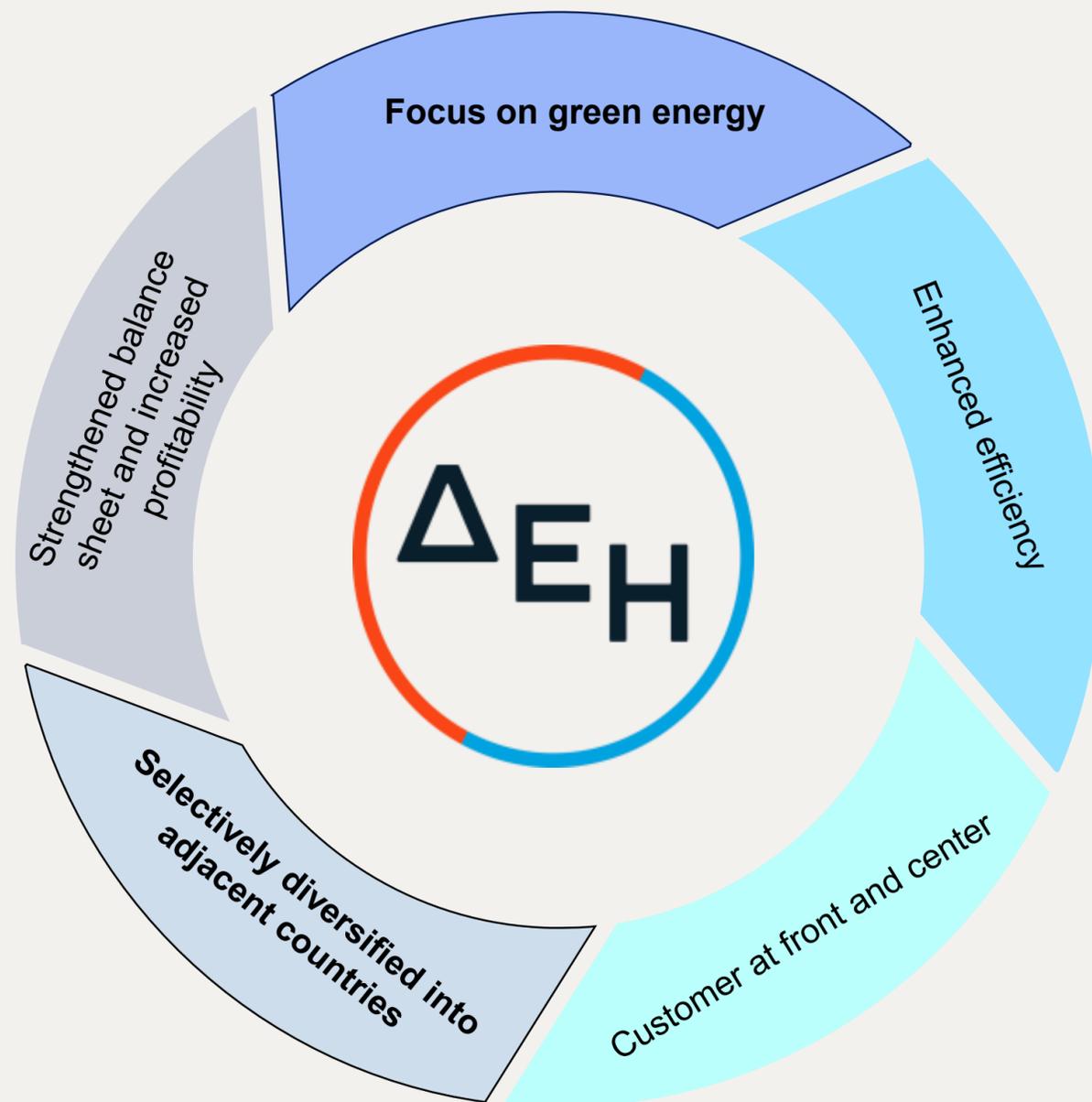
Sources: Company Public Information. Notes: Any EUR valuation output converted as of spot FX rate of 0.20. EDS refers to Energy Delivery Systems Group. PPC Albania and PPC Bulgaria are supply subsidiaries of PPC. ¹ Includes ~€0.3bn of firm value adjustments and ~€0.35bn of minority interest

Recap of the Strategic Pillars of the November 2021 Plan



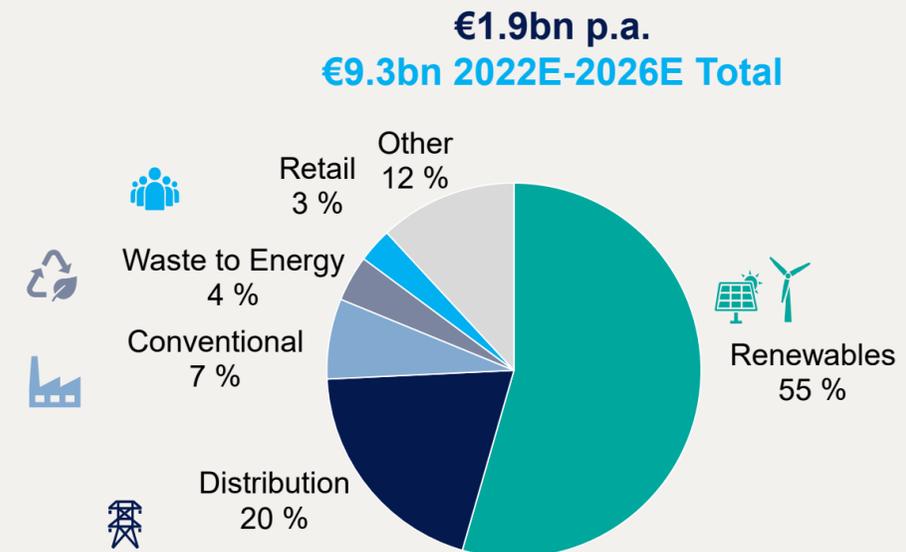
International Expansion is a Key Pillar of PPC Strategy

Transformation to the “New PPC”...



Capex (split by segment)

€bn, 2022E-2026E¹

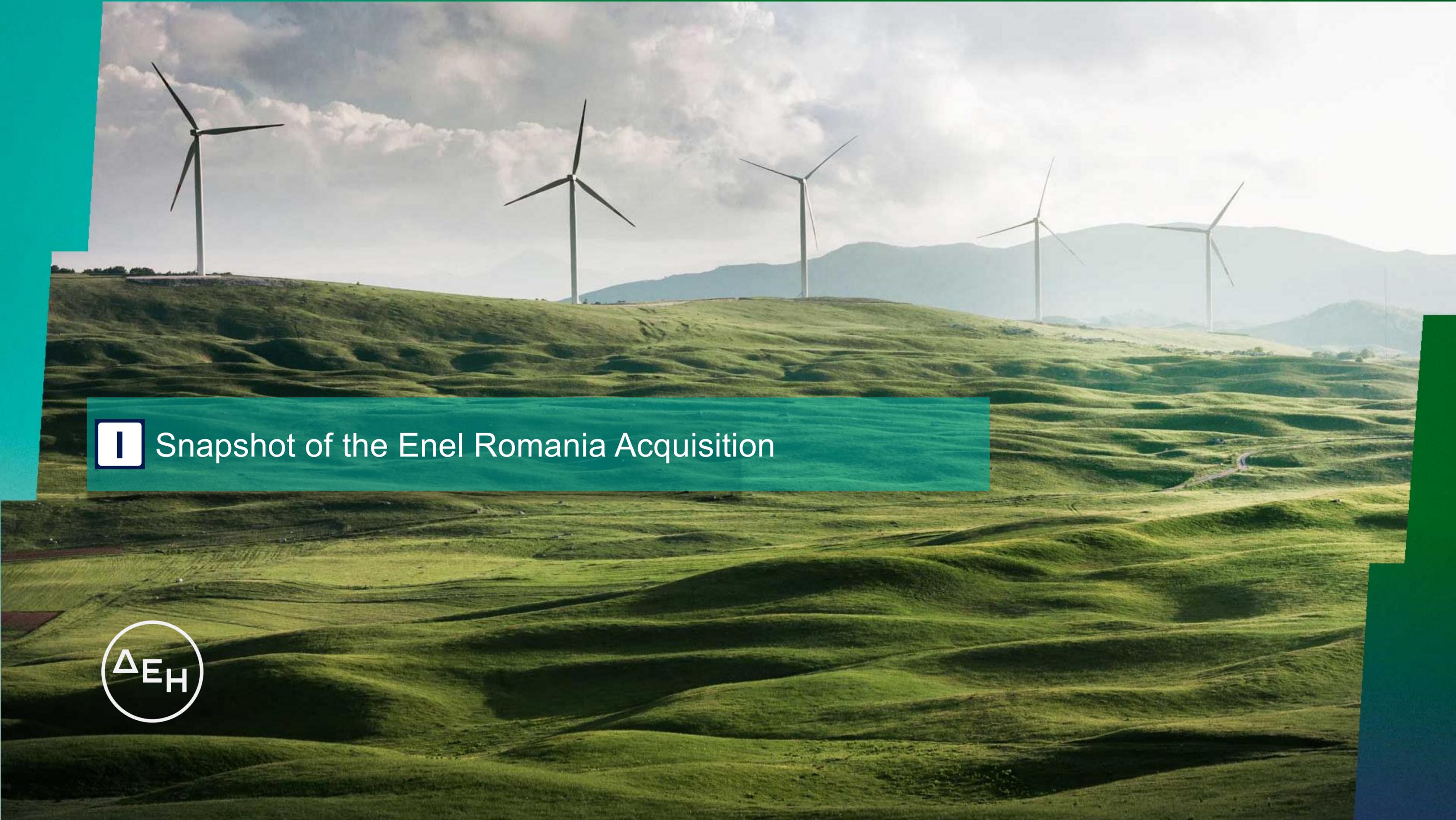


Capex (split by country)

€bn, 2022E-2026E¹



Source: Company Public Information. ¹ Capex plan as per the November 2021 strategy update and prospectus.



I Snapshot of the Enel Romania Acquisition



Enel Romania Business Overview



- On 9-Mar-2023, PPC has announced an agreement to acquire Enel Romania for €1.9bn Enterprise Value and €1.260bn equity consideration
- Enel Romania is a key integrated energy player in Romania with (i) a widespread distribution network, (ii) sizeable supply presence and (iii) a portfolio of renewable assets

Enel Romania Structure



Ownership (%)

Distribution			Supply		Renewables
E-distributie Muntenia	E-distributie Banat	E-distributie Dobrogea	Enel Energie Muntenia	Enel Energie	Enel-X
78%	51%	51%	78%	51%	100%
12%	24.1%	24.1%	12%	12%	
10% SAPE	24.9% SAPE	24.9% SAPE	10% SAPE	37% SAPE	

- Three distribution companies in the three key regions of the country: **Muntenia, Banat and Dobrogea**
- **132,353kms** of distribution network
- **16TWh** of electricity distributed
- **€1.15bn RAB¹**
- **Excellent service quality** based on SAIDI and SAIFI indexes

- **11TWh** of energy sold
- Well established supply business serving **3.2m** customers
- Leading position in the **key country regions** including Bucharest
- Two supply companies: **Enel Energie Muntenia (EEM) and Enel Energie (EE)**

- **Value Added Services** complimentary to the well-developed supply organisation providing good platform for revenue growth
- Development of electric vehicles **charging network**
- Maintenance and repairs and energy solutions

Operating	Pipeline
8 wind farms 499MW capacity	7 wind farms 2.3GW capacity
4 solar PV 36MW capacity	11 solar PV 3.1GW capacity

Source: Company Public Information. Note: Data as of 2021 unless otherwise stated. ¹ Including recoverable network losses.

Key Investment Highlights



Highly Attractive, Adjacent Geography

- Core target geography for PPC's geographic expansion with a fast-growing economy (3.3% 22-26 GDP CAGR) supported by RRF and MFF grants¹ driving investments of c.25%-30% of GDP



Leading position in Romania: #1 in Wind & Solar², #1 in Supply, #2 in Distribution

- Allows PPC to develop a leading role in the region and benefit from physical network proximity of its Greek and Romanian operations
- Fully aligned with PPC strategy of expanding renewable capacity outlined in the context of the 2021 capital increase



Portfolio includes highly attractive renewables generation and electricity distribution assets

- Rare opportunity in Europe where actionable network targets are difficult to find
- Well-balanced mix of secured cash flows, renewables with growth potential and sizeable supply presence



Attractive valuation and further value creation potential

- Implied price per division lower than precedent transactions on the market
- Highly synergetic integrated model that allows off take synergies between the renewables and supply businesses in both Greece and Romania



Generation Portfolio and Pipeline Comprising only Renewables

- +500 MW operating assets across Wind and Solar with +5 GW potential pipeline, fully aligned with PPC's strategic targets in expanding renewable capacity



Multiple Growth Opportunities through RES and Supply Services

- Strategic advantage in Renewables generation given strong customer access in Supply
- Well positioned to capture a sizeable stake of the Romanian RES capacity additions by 2030

Romania Overview

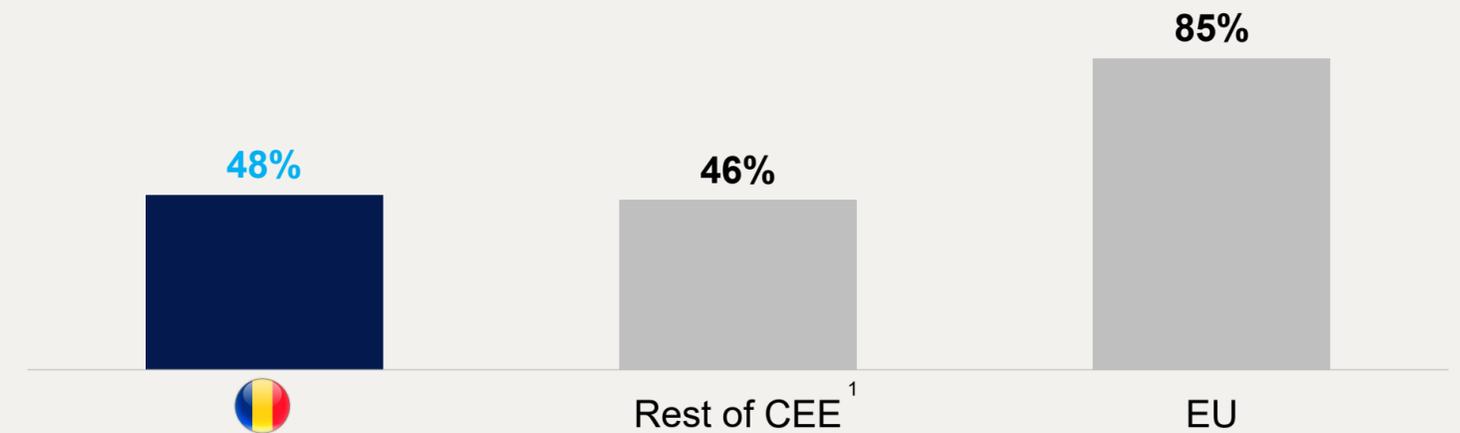


Macroeconomic Strength

- Population of 19.1m, with **GDP per capita of €14k**
- **EU member since 2007**, NATO member since 2004
- **Credit rating of BBB-** (stable outlook) / **Baa3** (stable outlook)
- **Stable currency** supported by strong independent Central Bank
- **>30% of GDP as future inflows from EU Support / NextGen fund**

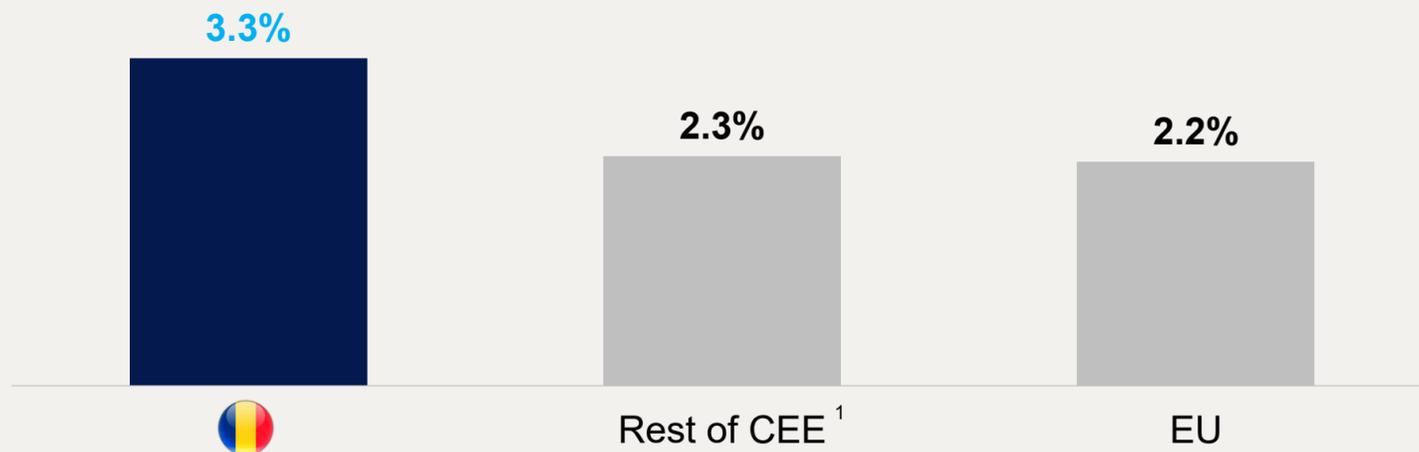
Romania has Comparatively Low Indebtedness...

Total Debt to GDP (%)



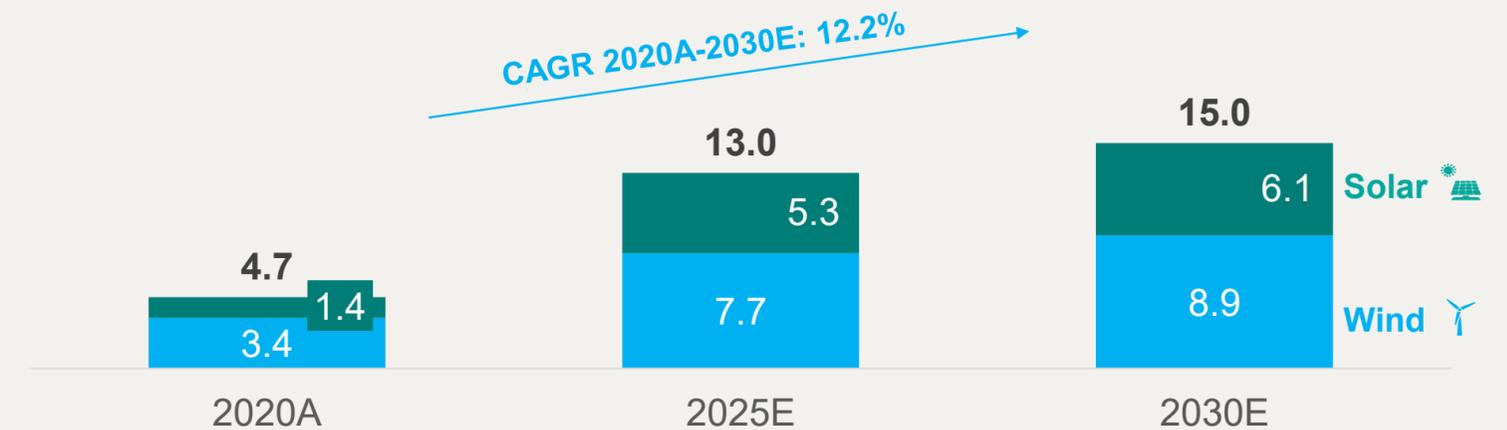
...Considered to be One of the Fastest Growing Economies in the EU...

Average Real YoY GDP Growth in 2022–2026 (%)



... With Ample Appetite for Renewables Growth

Wind and Solar Capacity Evolution in Romania (GW)²



Source: The Economist Intelligence Unit, Eurostat, Statista, ANRE, ENTSO-E, IMF, National Power Dispatch, 2021-2030 Integrated National Energy and Climate Plan (April 2020)

Note:¹ Defined as average for Bulgaria, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Slovenia and Slovak Republic. ² Average of National Trends, Distributed Energy and Global Ambition scenarios.

Distribution



- **Normalization of network losses** (respective law recently approved)
- **5th Regulatory Cycle** tariff methodology will be issued in September 2023

Supply



- **Retail price cap** regulation in place
- Recent legislation passed in December 2022 **addresses the issue of price cap to some extent** by forcing generators to sell certain volumes at a price of 450 RON/MWh

Renewables



- **Windfall tax** introduced at 100% excess revenues above 450 RON/MWh creating a temporary negative effect¹
- Segment benefits and will continue benefiting from **green certificates trading**

Key Deal Metrics



EBITDA Growth

Highly earnings accretive transaction

> €300m

Run-Rate EBITDA¹ contribution

Substantial regulated EBITDA from distribution and renewable assets

Attractive Valuation

~ €1.9bn

Enterprise Value¹ implies

c.6x

Run-Rate EBITDA multiple²

Significant Synergies

Significant synergies

coming from operational optimization & improved energy management as well as structure simplification and financing rightsizing

External Funding

Fully Cash Financed Acquisition through debt and cash on balance sheet

Pro Forma Leverage ratio at 2.4x post acquisition execution remaining in the following years well below

<3.5x

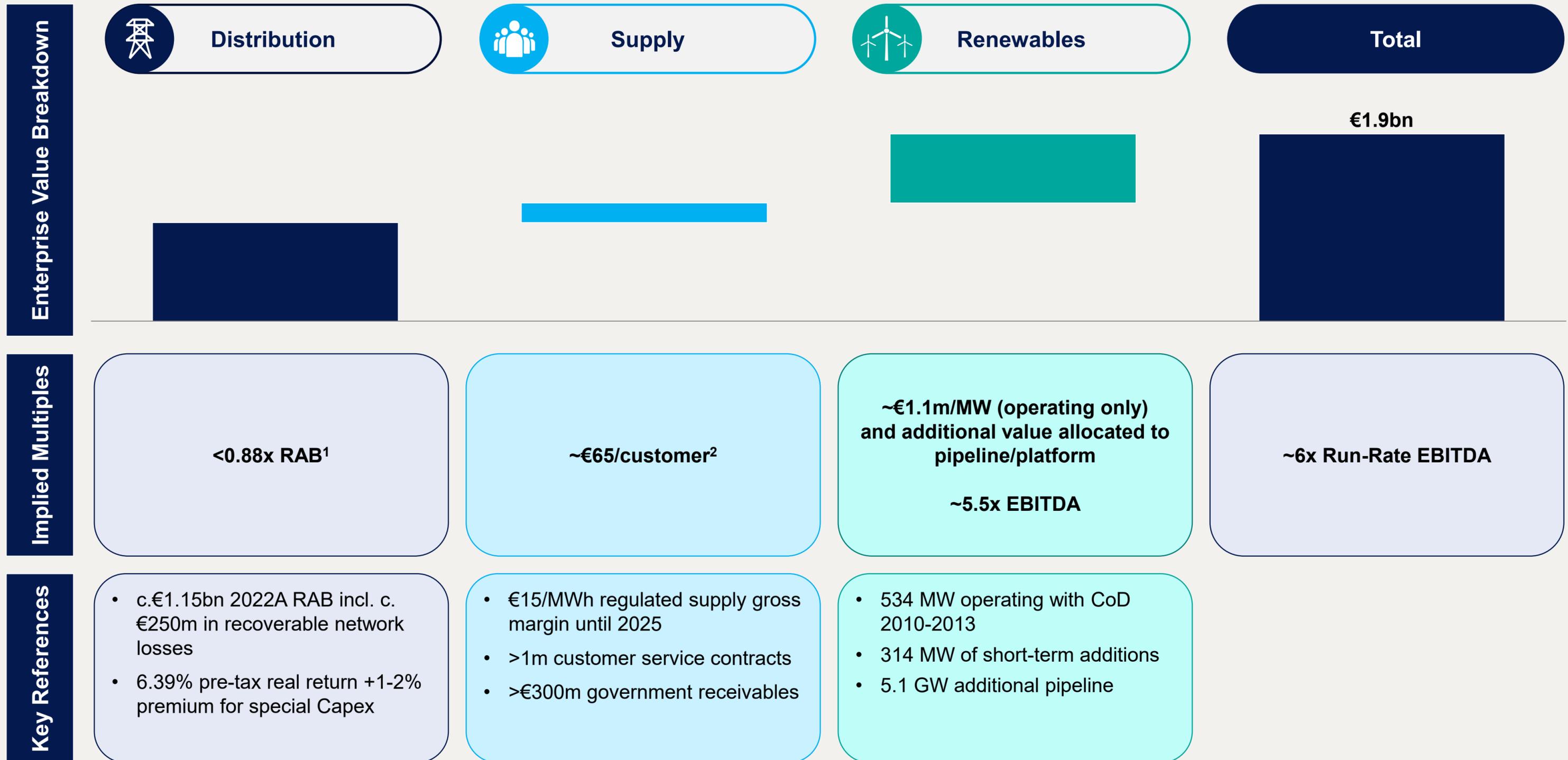
Unchanged Dividend Policy

Reconfirming the dividend policy laid out in Nov-21

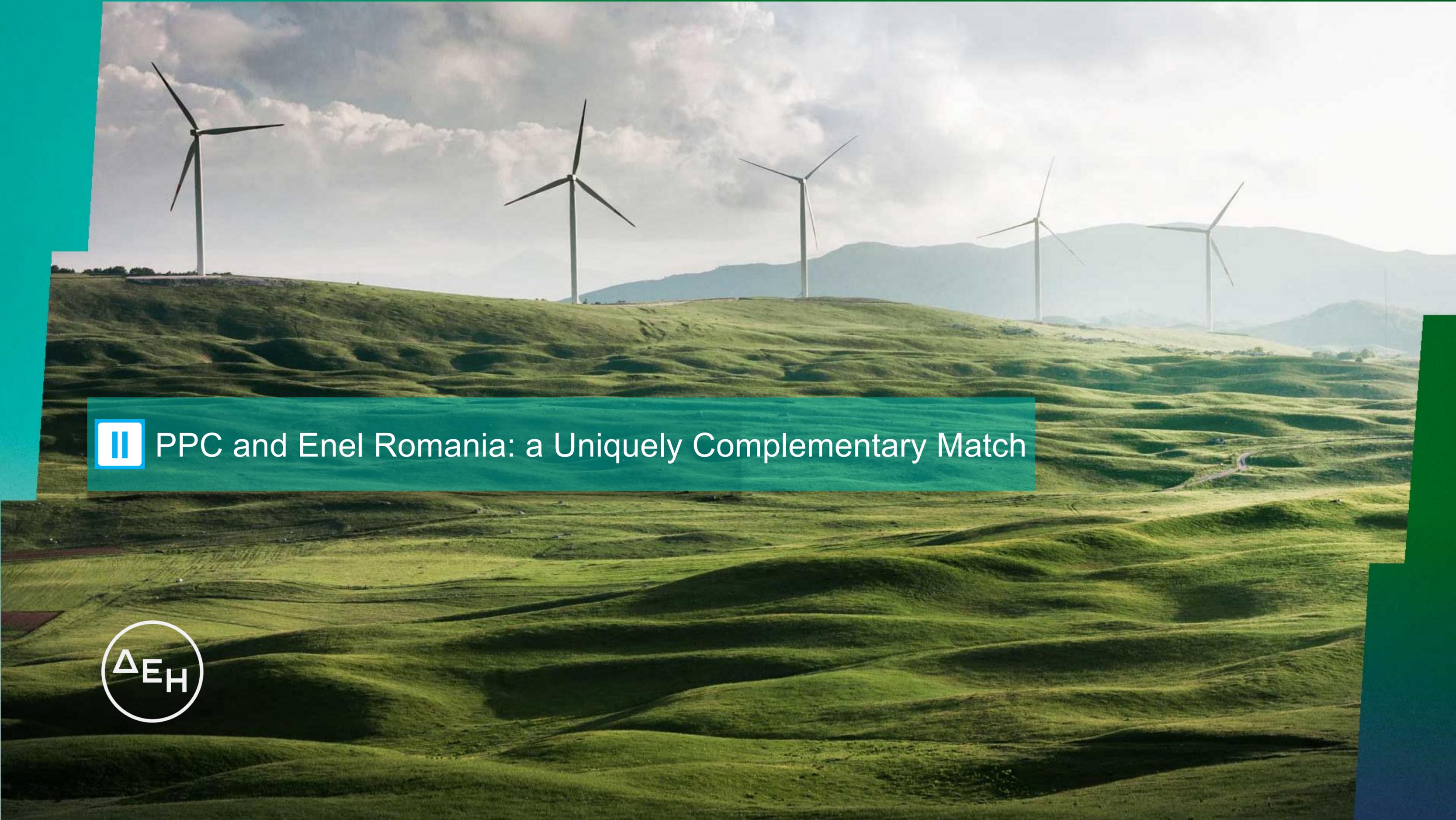
35-55%

pay-out in 2024-2026

Valuation References



Sources: Company Public Information. Note: Any EUR valuation output converted as of spot FX rate of 0.20. ¹ Including recoverable network losses. ² Plus potential earn out in 2 years.



|| PPC and Enel Romania: a Uniquely Complementary Match



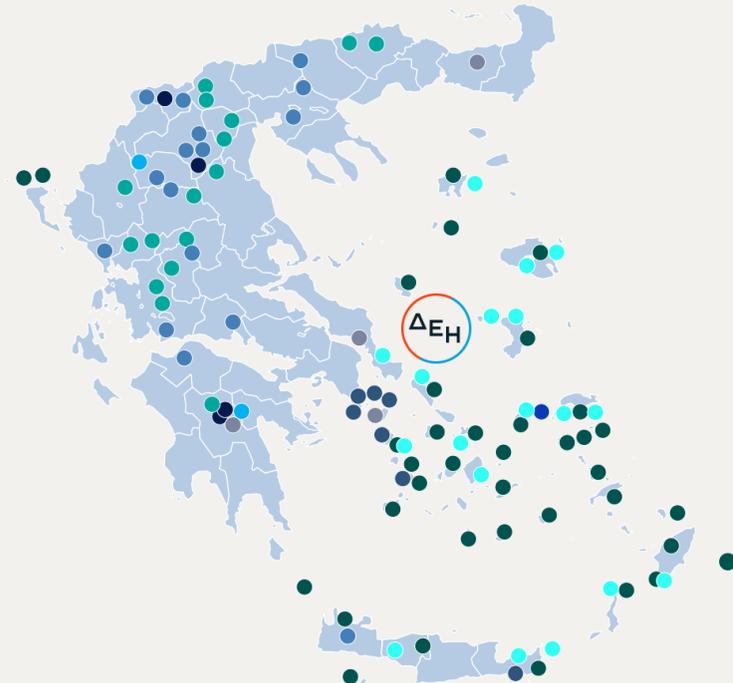
Snapshot of Relative Positioning of PPC Greece and Enel Romania



Greece¹

#1 Generator in the Country

- ✓ 10.5GW installed capacity
- ✓ 3.4GW installed RES capacity²
- ✓ 26TWh produced



#1 Energy Supplier

- ✓ 32TWh of energy sold to c.5.7m clients

#1 Operator in the Country

- ✓ Owner of the single distribution network in Greece
- ✓ c. 245,000 km of network
- ✓ c. €3bn RAB

Asset Portfolio

- Lignite Power Plant
- Lignite Mine Center
- Hydro Power Plant
- Small Hydro Power Plant
- Gas-Fired Power Plant
- Hybrid (Wind + SHPP)
- Oil Power Plant
- Photovoltaic Power Plant
- Wind Park

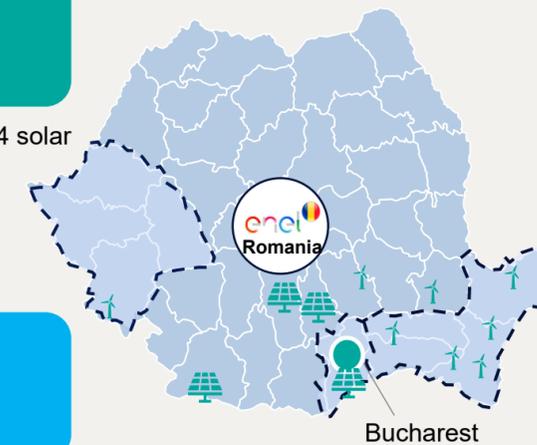
Romania³

#1 CO-Free Private Player in Romania⁴

- ✓ 12 plants of which 8 wind and 4 solar
- ✓ 534MW installed capacity
- ✓ 1,224GWh produced

#1 Energy Supplier

- ✓ 2 Supply companies
- ✓ c.11TWh of energy sold (o/w ~85% electricity) to c.3m clients



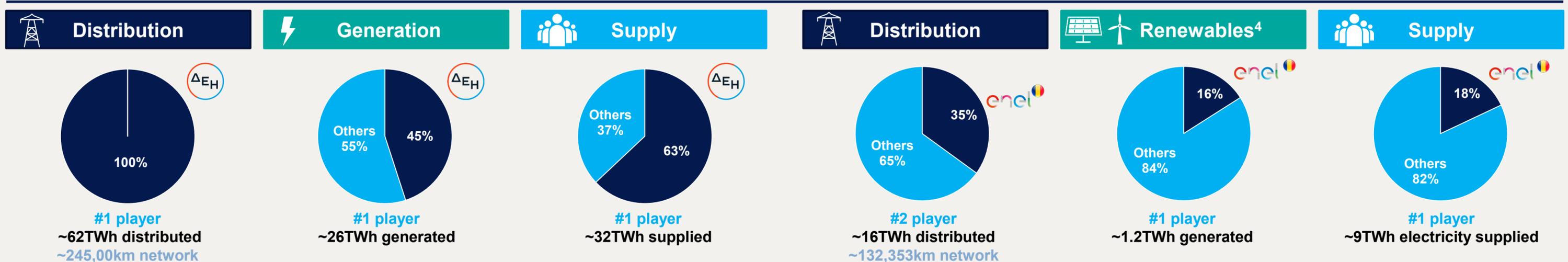
#2 Operator in the Country

- ✓ 3 DSOs in Romania's most populated regions
- ✓ c.132,353 km of lines
- ✓ c. €1.15bn RAB⁵

Lead Energy transition Transformation energy use into new opportunities

- ✓ 5 service areas focused on digitalisation
- ✓ Decarbonisation, Electrification, digitalisation and customer experience

Market Share

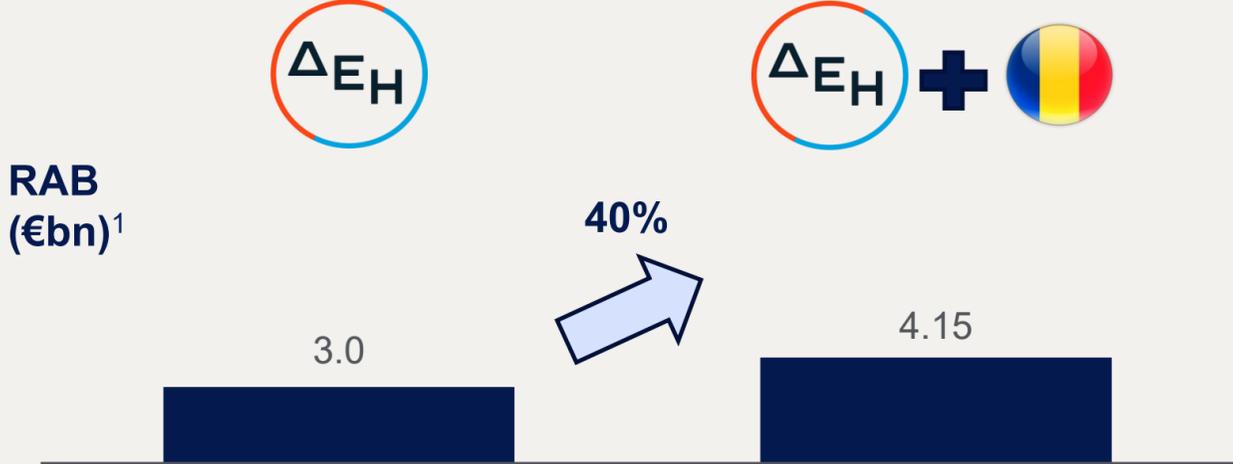


Source: Company Public Information, ANRE, Rystad. Note: ¹ PPC data as of 30.09.2022 or LTM Sep-22. ² Includes large Hydro. ³ Enel Romania data as of 2021. ⁴ Wind and solar generation among CO2-free, private generators (dispatchable units only). ⁵ Including recoverable network losses.

Meaningful Immediate Impact Across PPC's Operating Segments



Distribution



✓ Higher contribution of the distribution segment with stable & regulated EBITDA

Supply



✓ Significant increase to customer base by >50% expanding reach for value-added-services

Renewables



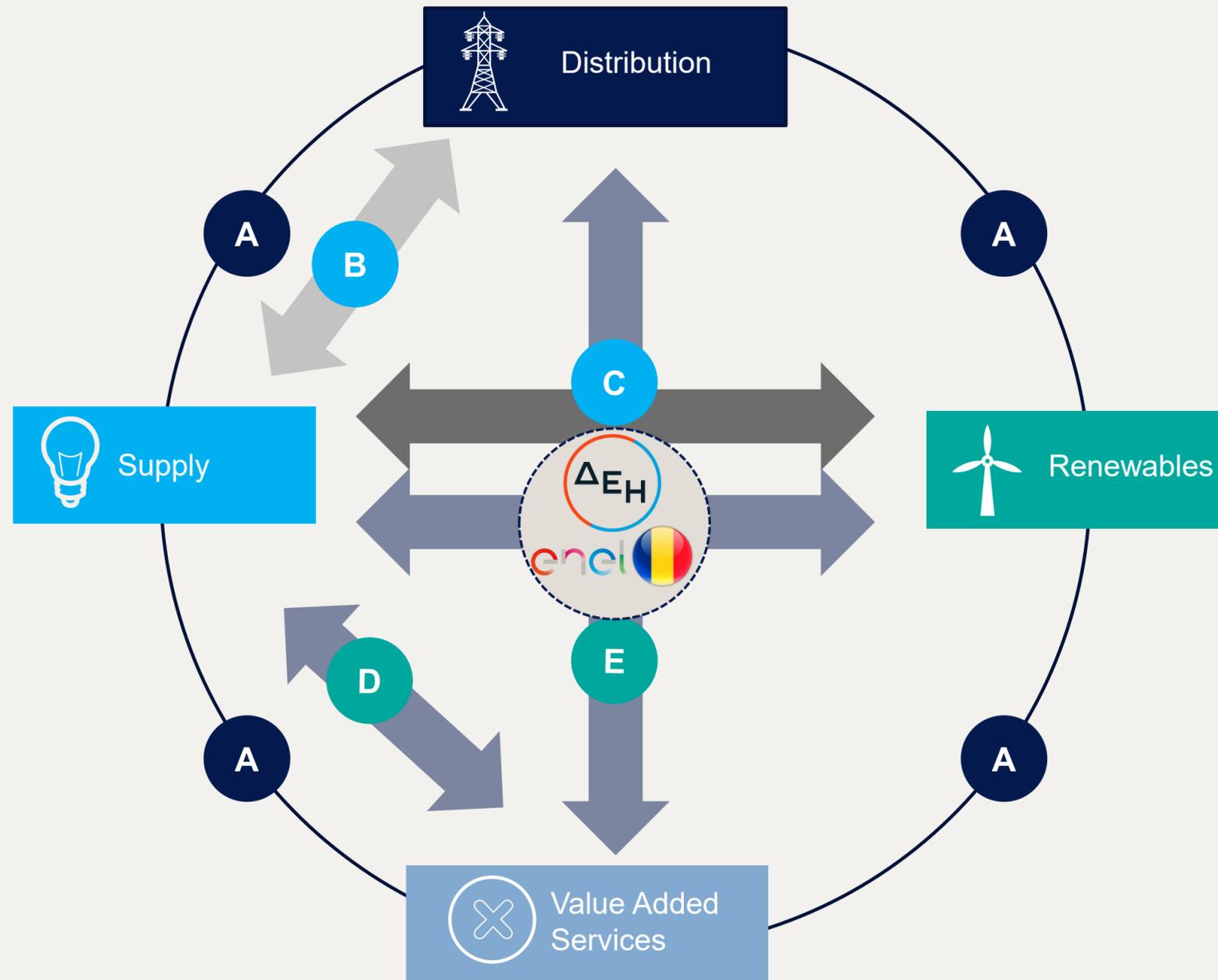
✓ Immediate increase of the operating capacity to ~4GW, and significant pipeline increase to ~15GW



✓ Higher share of "Green" EBITDA improving PPC's ESG profile

Source: Company Public Information. Figures as of 2022E unless stated otherwise. ¹ Includes c.€250m recoverable network losses ² Includes Wind, solar and large Hydro

Integrated Model Creates a Natural Hedge for PPC which Has Been Beneficial to Navigate the European Energy Crisis



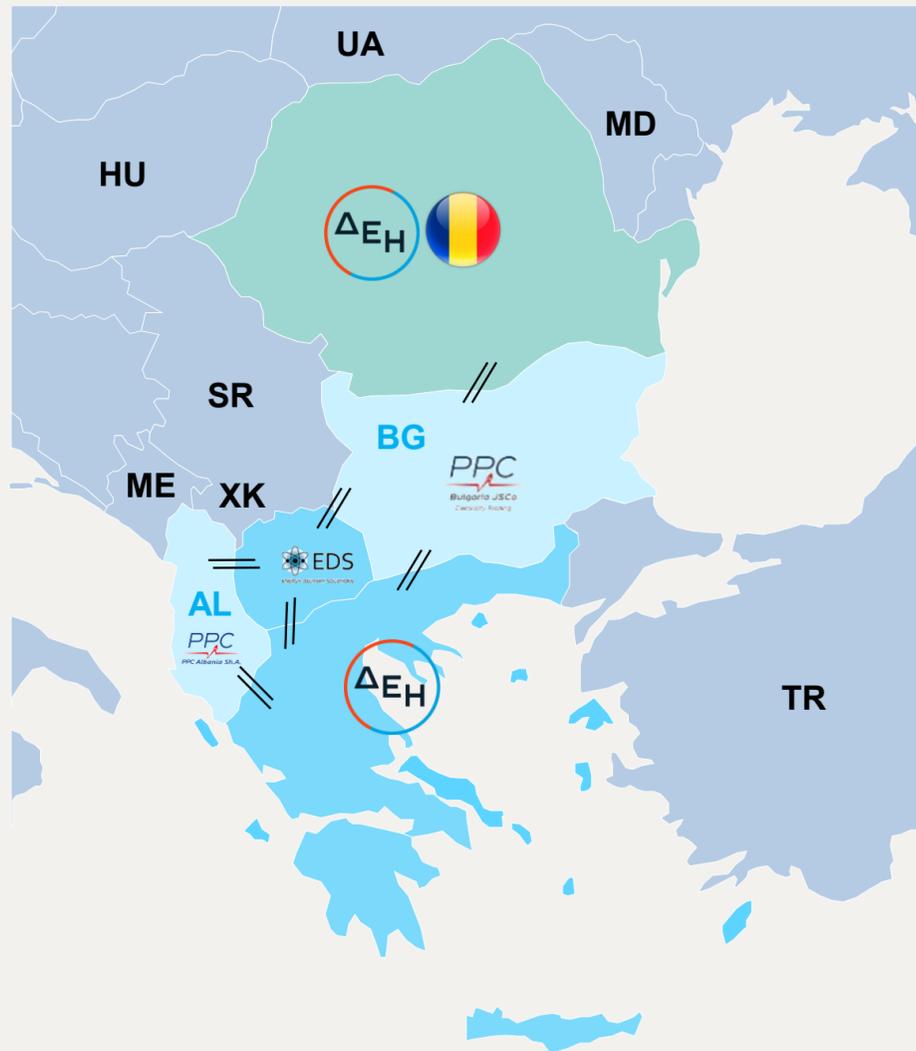
- | | |
|-----------------------------|---|
| Natural Hedging | A Diversification of the business risk profile along the energy value chain to tap different profit pools and better manage the volatile market environment |
| | B Optimise customer lifetime value in company's distribution areas with consolidated physical presence |
| | C Increased efficiency and optimisation of transaction costs thanks to a coordinated sourcing strategy |
| Business Accelerator | D Capture the strategic value of customers thanks to a more competitive product offering and an integrated proposition with beyond commodity products & services |
| | E Benefits from integrated distribution network to accelerate the roll-out of charging stations |
| | E Benefits from the existing relationship of distribution business with local municipalities in developing Value Added Services |

Create a solid platform for profitable growth with potential to further consolidate the market

Upside from Optimization of Geographical Footprint and Synergies



Key Interconnector with Romania, Playing Well with PPC's Strategy of Being Long on Customers



 Provides new interconnections with an adjacent market, helping to complement PPC's business

 Greece likely to remain a net importer and benefit from exploring opportunities in less congested RES markets

 Enel Romania is complementary on strategy vis-à-vis customers

High Synergies Potential Further Enhancing the Deal's Strategic Value for PPC

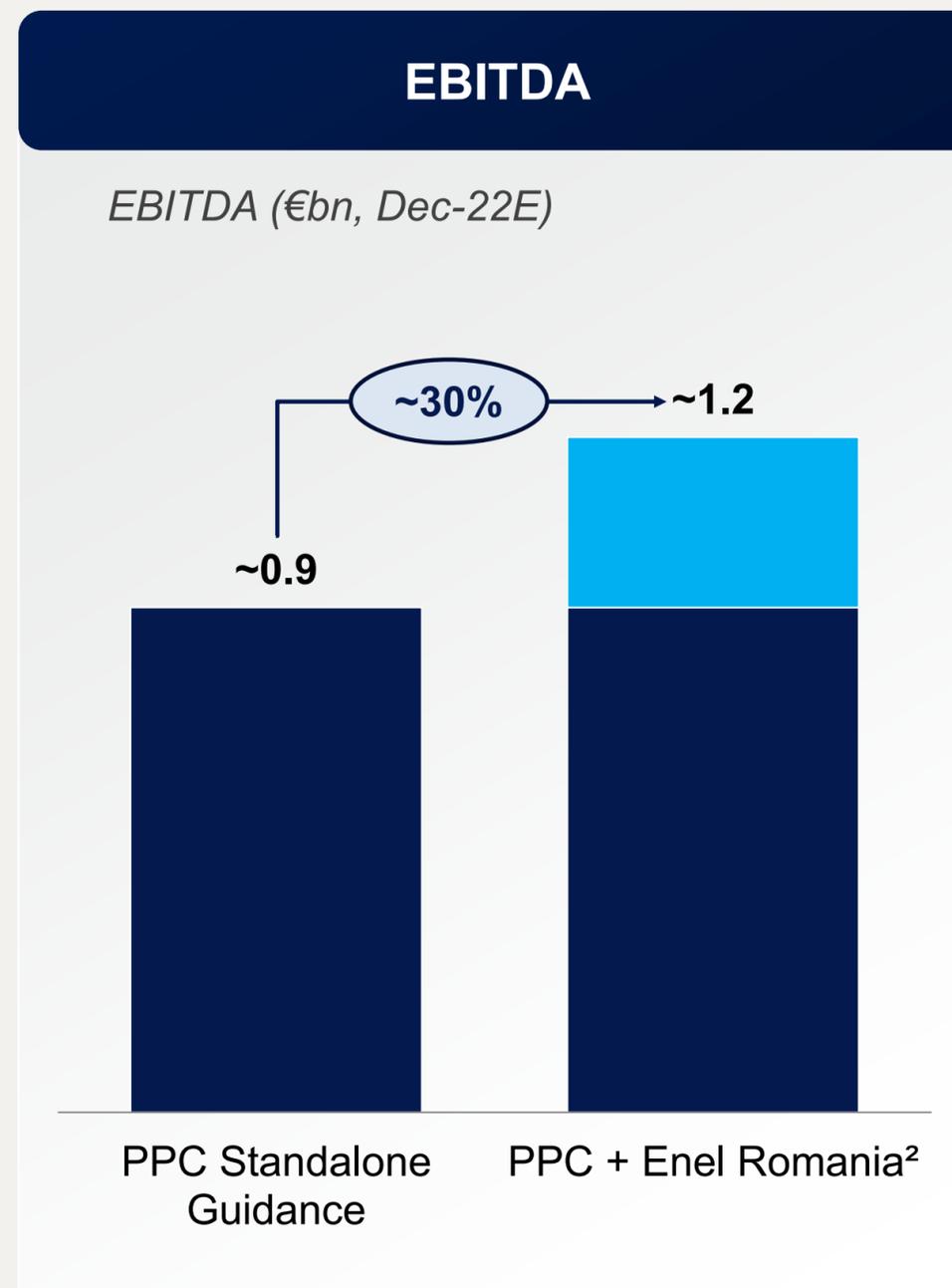
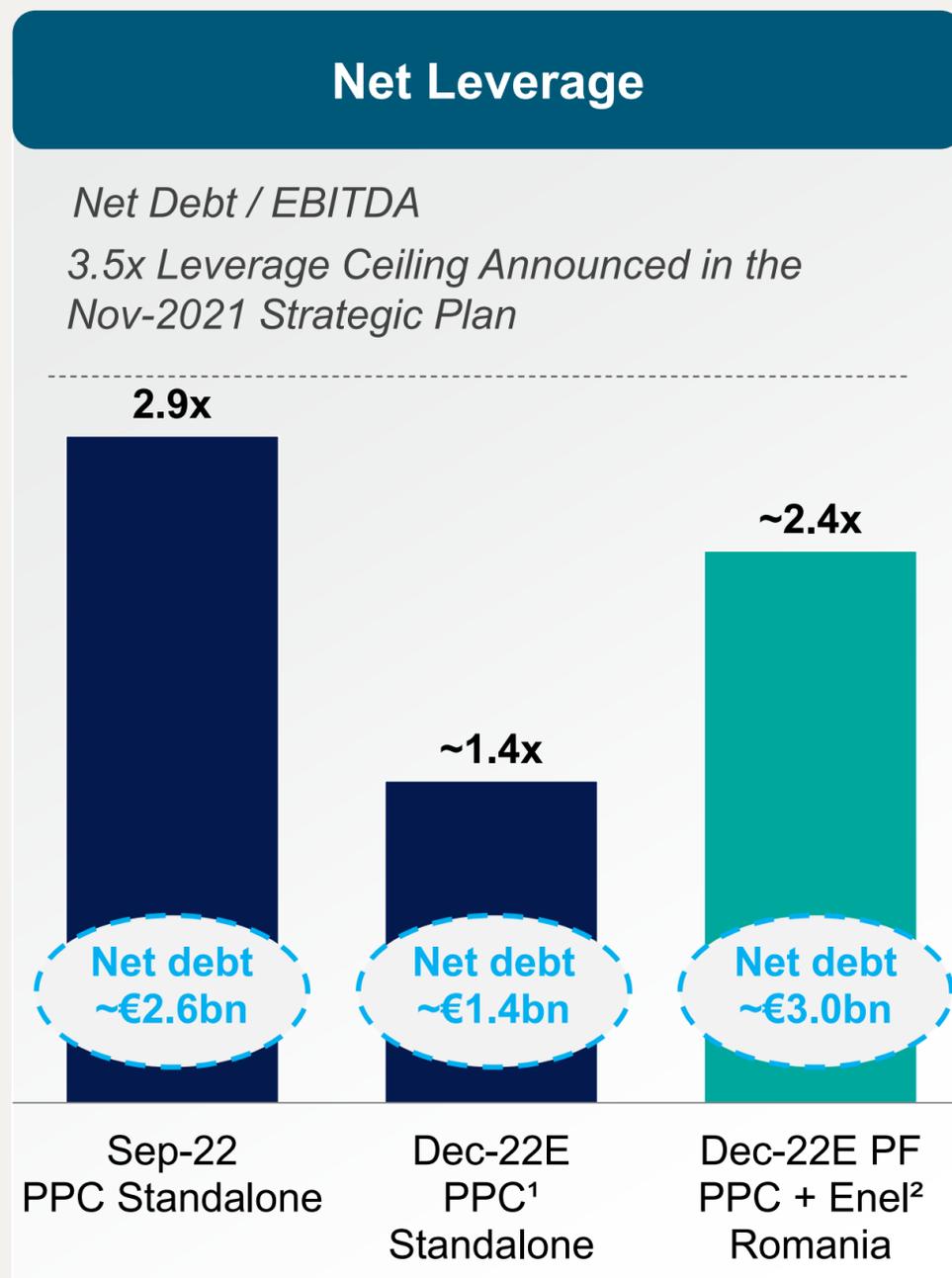
- 1 Romanian structure simplification
- 2 Local financing rightsizing
- 3 Mutual sharing of best practices and IT / Systems
- 4 Commodity trading optimisation across SEE
- 5 Sourcing efficiencies in renewables equipment
- 6 No headcount reductions planned / envisaged

PPC Becomes a More Balanced Regional Group

Financial Impact of the Transaction on PPC



Transaction Remains Well Within Leverage Ceiling while Tangibly Increasing Scale from Day-1



Funding

- **No equity / convertible issuance** required
- **€1.66bn net debt impact** of the deal on 2022 PF basis
- **€0.5bn, 5 yr loan facility secured** with Greek banks and **€0.3bn bridge financing** with international banks

- **Credit ratings**
 - Fitch affirmed **BB-/Stable**
 - S&P expected to remain **stable**

- **3.5x ND/EBITDA ceiling** remains
- **Medium – term investment grade target** remains

Source: Company Public Information. ¹ Updated Guidance. The Net Leverage of 1.4x is calculated on the basis of expected EBITDA which will be different from the rounded figure of €0.9bn ² Pro-Forma based on ~€300m run-rate EBITDA contribution (excl. synergies) from Enel Romania and updated PPC guidance for Net Leverage.

Key Takeaways



- 1 Enel Romania is a perfect fit to PPC's strategy in terms of geography and business**
- 2 Unique opportunity to acquire an integrated utility platform at an attractive valuation**
- 3 PPC on the path to becoming a leading Clean Utility in the SEE region**
- 4 Improved business mix with high cash flow visibility and value creation**
- 5 Additional upside from significant synergies with PPC's existing business**
- 6 Credit metrics to comfortably remain within guidance**

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