



2021

INTERIM FINANCIAL REPORT
AT 30 SEPTEMBER

Falck
Renew
ables

PURE POWER TO GROW

The English version is a courtesy translation. The original Italian document is the authoritative version and in case of any discrepancies between the Italian and the English version, the Italian version shall always prevail.

Interim Financial Report at 30 September 2021

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1. Company officers

1. Company officers

Board of Directors

Falck Enrico Ottaviano	Executive Chairman
Corbetta Guido Giuseppe Maria	Vice President
Volpe Toni	CEO
Caldera Elisabetta (*)	Director
Dassù Marta (*)	Director
Falck Federico Francesco Sergio	Director
Giadrossi Nicoletta (*)	Director
Grenon Georgina (*)	Director
Marchi Filippo Claudio Neil	Director
Ott Andrew Lee (*)	Director
Pietrogrande Paolo (*)	Director
Stefini Silvia (*)	Director

(*) Independent Members for the purposes of the TUF and the Corporate Governance Code

The Board of Directors was appointed by the Shareholders' Assembly on 7 May 2020

Board of Statutory Auditors

Righetti Dario	Chairman
Conca Giovanna	Statutory Auditor
Paleologo Oriundi Patrizia	Statutory Auditor
Busetto Domenico	Alternative Auditor
Delfrate Daniela	Alternative Auditor

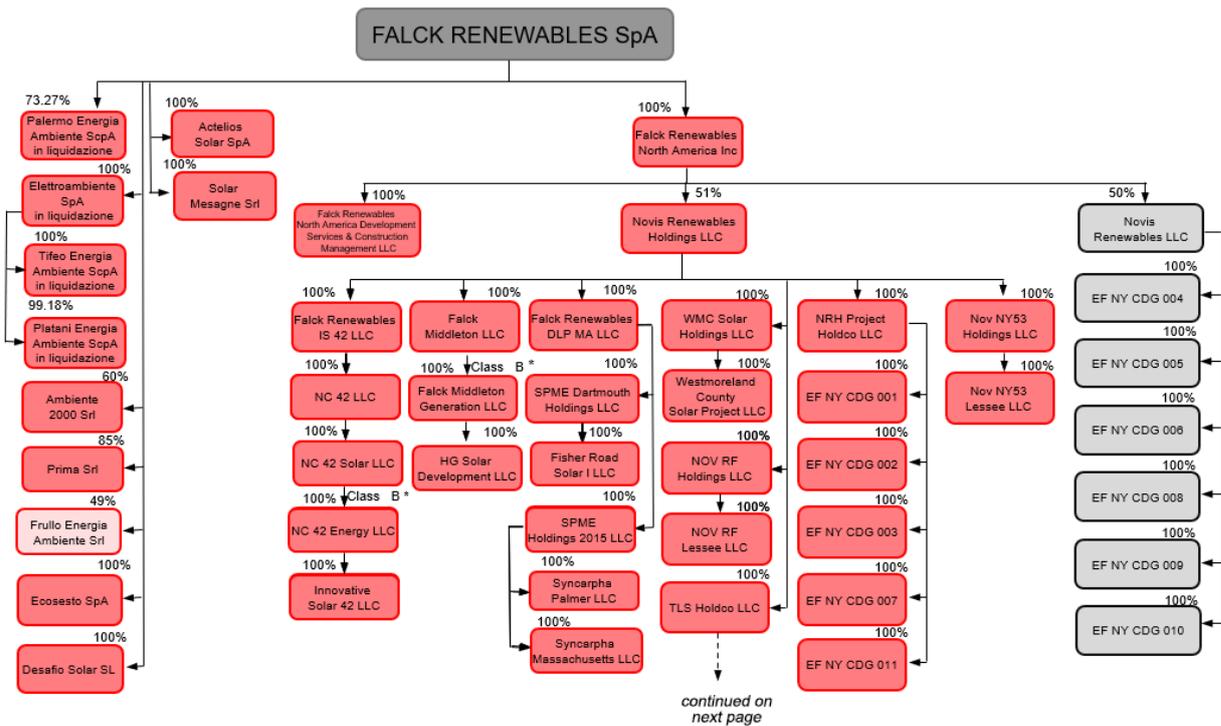
The Board of Statutory Auditors was appointed by the Shareholders' Assembly on 7 May 2020

Independent Auditors

PricewaterhouseCoopers SpA

2. Group structure

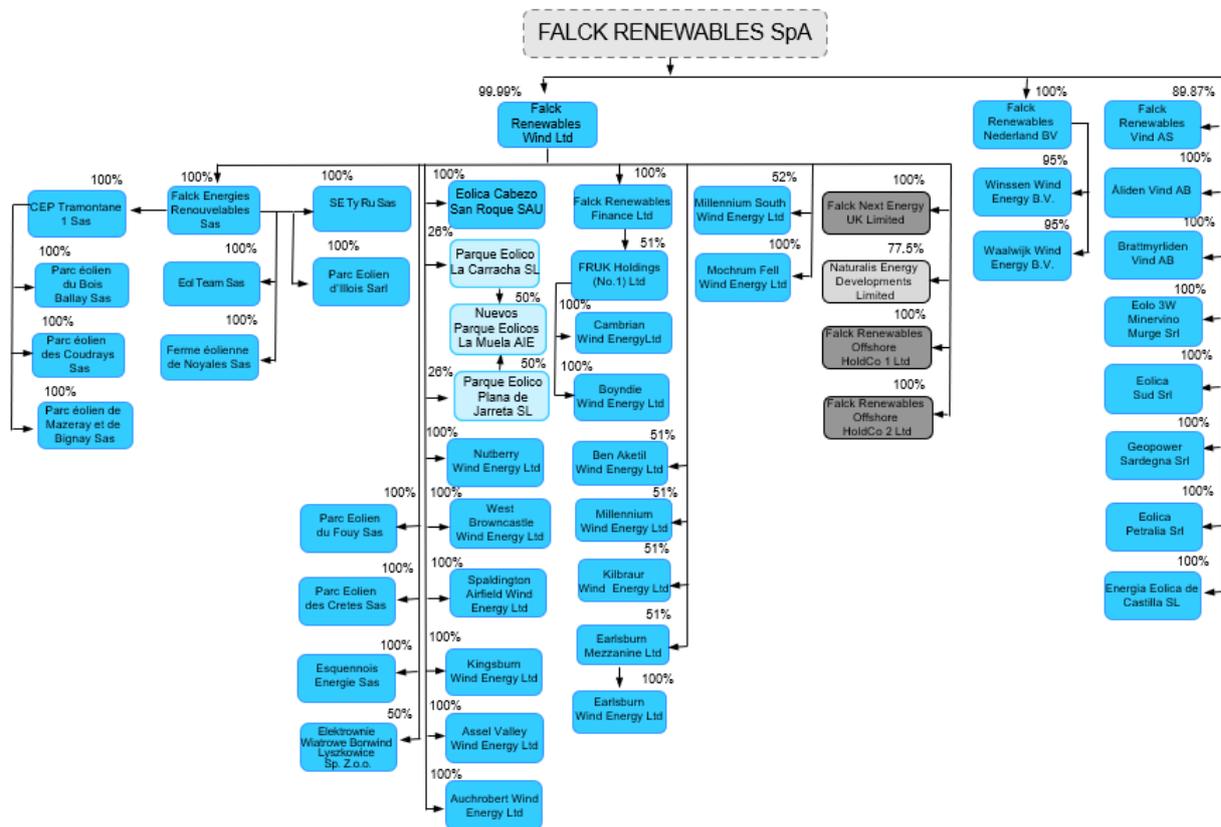
2. Group structure



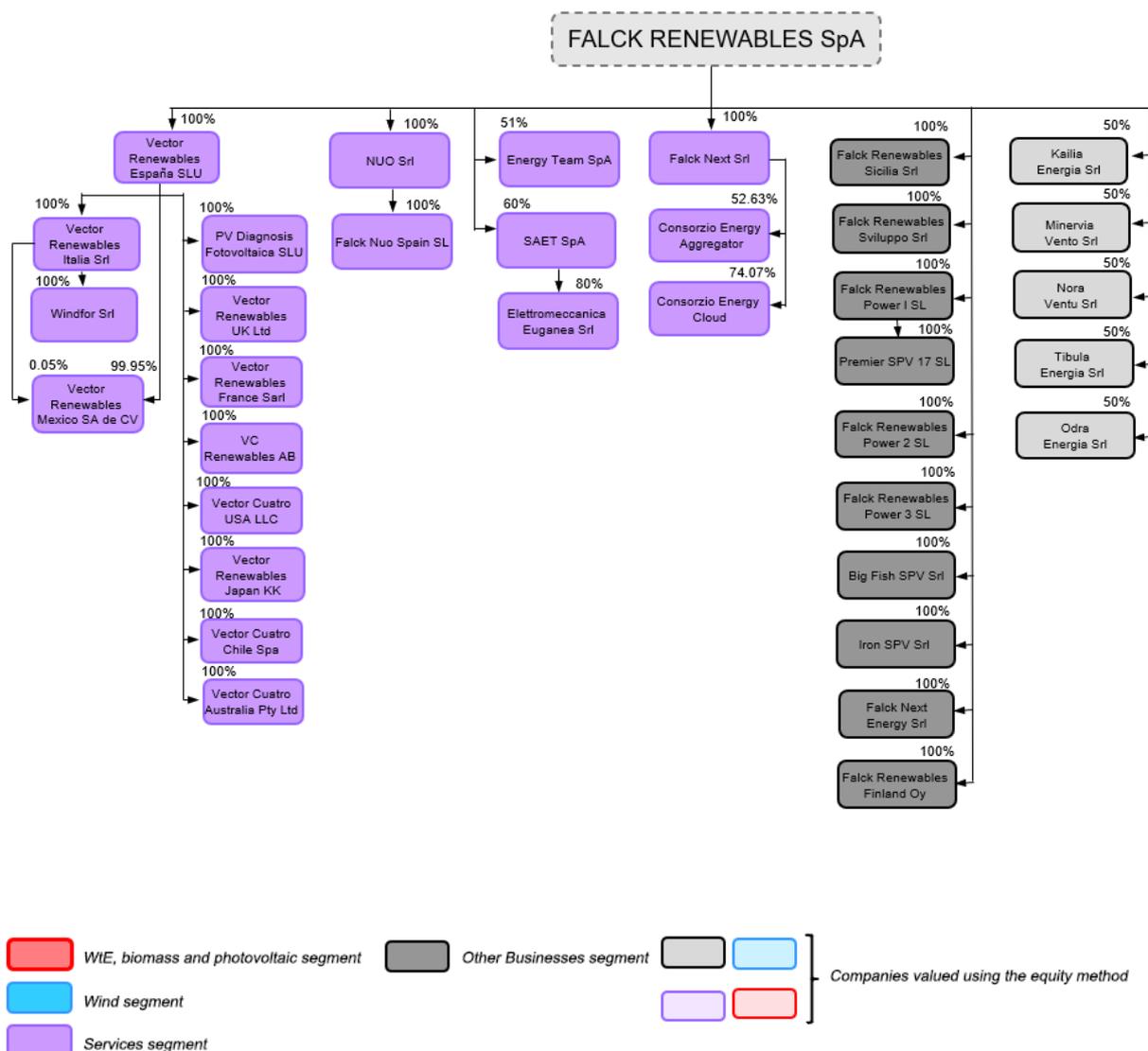
2. Group structure



2. Group structure



2. Group structure



* The class B quotas guarantee the control of the company, while class A quotas attribute protective rights

3. Financial statements

3. Financial statements

3. Financial statements

3.1 Income statement

	(€ thousands)				
	Third quarter 2021	Third quarter 2020	At 30.09.2021	At 30.09.2020	At 31.12.2020
Revenues	113,969	80,550	348,155	275,839	384,359
Direct costs	(86,381)	(52,815)	(232,136)	(156,135)	(211,476)
Personnel costs	(13,760)	(11,423)	(39,076)	(34,038)	(46,123)
Other income	2,734	2,197	8,688	11,703	17,473
Administrative expenses	(9,623)	(7,939)	(23,631)	(24,605)	(32,984)
Net margin from trading activities	(3,631)	(59)	(4,119)	37	31
Operating profit/(loss)	3,308	10,511	57,881	72,801	111,280
Financial income/(expenses)	(10,180)	(6,277)	(27,224)	(27,083)	(33,197)
Investment income/(expenses)	52	43	52	12	10
Share of profit from investments accounted for using the equity method	552	(2,407)	(255)	(3,187)	(2,506)
Profit/(loss) before tax	(6,268)	1,870	30,454	42,543	75,587
Income tax expense					(15,762)
Profit/(loss) for the year					59,825
Profit/(loss) attributable to non-controlling interests					14,219
Profit/(loss) attributable to owners of the parent					45,606
EBITDA (*)	27,859	31,152	128,559	137,403	197,240

(*) EBITDA = EBITDA is measured by the Falck Renewables Group as profit for the period before investment income and expenses, net Financial income/expenses, amortisation and depreciation, impairment losses, allocations to risk provisions and the income tax expense.

3. Financial statements

3.2 Net financial position

Net financial position

	(€ thousands)				
	30.09.2021	30.06.2021	31.12.2020	Change	
	(1)	(2)	(3)	(4)=(1)-(2)	(5)=(1)-(3)
Current financial liabilities	(281,134)	(159,782)	(109,943)	(121,352)	(171,191)
Current financial liabilities for operating leases	(5,782)	(6,141)	(5,085)	359	(697)
Current financial receivables	5,912	10,830	6,012	(4,918)	(100)
Cash and cash equivalents	199,495	196,144	239,230	3,351	(39,735)
Current net financial position	(81,509)	41,051	130,214	(122,560)	(211,723)
Non-current financial liabilities	(603,566)	(573,138)	(581,640)	(30,428)	(21,926)
Non-current financial liabilities for operating leases	(92,601)	(92,963)	(85,571)	362	(7,030)
Convertible bonds (Green Bond)	(179,961)	(178,762)	(176,429)	(1,199)	(3,532)
Non-current financial receivables	13,726	13,231	7,897	495	5,829
Non-current net financial position	(862,402)	(831,632)	(835,743)	(30,770)	(26,659)
Total net financial position	(943,911)	(790,581)	(705,529)	(153,330)	(238,382)

Net Financial Debt (ESMA)

	(€ thousands)				
	30.09.2021	30.06.2021	31.12.2020	Change	
	(1)	(2)	(3)	(4)=(1)-(2)	(5)=(1)-(3)
Cash and cash equivalents	199,495	196,144	239,230	3,351	(39,735)
Other current financial assets	5,732	10,515	4,966	(4,783)	766
Liquidity	205,227	206,659	244,196	(1,432)	(38,969)
Current third party financial liabilities	(194,547)	(71,944)	(14,245)	(122,603)	(180,302)
Current portion of non-current financial liabilities	(86,587)	(87,838)	(95,698)	1,251	9,111
Current financial liabilities for operating leases	(5,782)	(6,141)	(5,085)	359	(697)
Current financial debt	(286,916)	(165,923)	(115,028)	(120,993)	(171,888)
Net current financial debt	(81,689)	40,736	129,168	(122,425)	(210,857)
Non-current third party financial liabilities	(603,566)	(573,138)	(581,640)	(30,428)	(21,926)
Non-current financial liabilities for operating leases	(92,601)	(92,963)	(85,571)	362	(7,030)
Convertible bonds (Green Bond)	(179,961)	(178,762)	(176,429)	(1,199)	(3,532)
Other non-current liabilities	(3,447)	(3,885)	(4,216)	438	769
Non-current financial debt	(879,575)	(848,748)	(847,856)	(30,827)	(31,719)
Total net financial debt (ESMA)	(961,264)	(808,012)	(718,688)	(153,252)	(242,576)
Non-current third party financial receivables	6,626	6,842	7,057	(216)	(431)
Active derivative financial instruments not included in the financial debt	7,280	6,704	1,886	576	5,394
Adjustment of other non-current liabilities	3,447	3,885	4,216	(438)	(769)
Total net financial position	(943,911)	(790,581)	(705,529)	(153,330)	(238,382)
- of which "non-recourse" project financing	(601,571)	(603,300)	(606,532)	1,729	4,961
- of which fair value of derivatives	(203,753)	(64,563)	(46,150)	(139,190)	(157,603)
- of which financial liabilities for operating leases	(98,383)	(99,104)	(90,656)	721	(7,727)
Net financial debt excluding fair value of derivatives	(740,158)	(726,018)	(659,379)	(14,140)	(80,779)
Net financial debt excluding operating leases	(845,528)	(691,477)	(614,873)	(154,051)	(230,655)
Net financial debt excluding operating leases and derivatives	(641,775)	(626,914)	(568,723)	(14,861)	(73,052)

4 Interim Directors' report

4.1 Accounting standards, content and form of the consolidated financial statements

The interim report at 30 September 2021 includes information on the parent company Falck Renewables SpA and its subsidiaries.

Falck Renewables SpA controls an entity when it has the power to influence significant decisions, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity: in this case the entity is consolidated on a line-by-line basis.

The companies in which the parent company exercises joint control with other shareholders (joint-ventures) and those in which it exercises a significant influence are consolidated using the equity method.

Falck Renewables Group consists of 173 companies, of which 156 are consolidated on a line-by-line basis, and 17 are consolidated applying the equity method.

During the first nine months of 2021, the following were established:

- Falck Renewables Sviluppo Offshore Srl with effect from 16 March 2021, 100% owned by Falck Renewables SpA;
- Falck Renewables Minervia Srl with effect from 25 March 2021, 100% owned by Falck Renewables SpA;
- Falck Renewables Tibula Srl with effect from 25 March 2021, 100% owned by Falck Renewables SpA;
- Falck Renewables Nora Srl with effect from 25 March 2021, 100% owned by Falck Renewables SpA;
- Falck Renewables Odra Srl with effect from 25 March 2021, 100% owned by Falck Renewables SpA;
- Falck Renewables Finland Oy with effect from 1 June 2021, 100% owned by Falck Renewables SpA;
- Falck Renewables Offshore HoldCo 1 Ltd with effect from 9 July 2021, 100% owned by Falck Renewables Wind Ltd;
- Falck Renewables Offshore HoldCo 2 Ltd with effect from 9 July 2021, 100% owned by Falck Renewables Wind Ltd;
- Nov NY53 Holdings, LLC with effect from 14 September 2021, 100% owned by Novis Renewables Holdings, LLC;
- Nov NY53 Lessee, LLC with effect from 14 September 2021, 100% owned by Nov NY53 Holdings, LLC.

The other transactions that took place during the first nine months are listed below:

- Falck Renewables SpA completed the acquisition of 100% of the share capital of Desafio Solar SL with effect from 20 April 2021;
- Novis Renewables Holdings, LLC established a new, wholly owned company named NRH Project Holdco, LLC, with effect from 20 May 2021;
- Falck Renewables Power I acquired 90% of the share capital of Premier SPV 17 SL on 24 June 2021, and finalised the acquisition of the remaining 10% as of 30 September 2021;
- PV Diagnosis SL sold its 0.05% stake in Vector Renewables Mexico SA de CV to Vector Renewables Italia Srl;
- Falck Renewables SpA finalised the acquisition of 60% of the share capital of SAET SpA, which, in turn, owns 80% of Elettromeccanica Euganea Srl, with effect from 20 July 2021.

The companies have been fully consolidated.

Furthermore, the following companies were removed from the commercial register during the first nine months:

- Sol Occidental SL with effect from 11 January 2021;
- Falck Renewables CH-1 LLC with effect from 20 January 2021;
- Route 23A Solar Farm LLC with effect from 20 January 2021;
- Lake Osiris Road Solar Farm LLC with effect from 20 January 2021;
- Vector Cuatro EOOD in liquidation with effect from 28 September 2021.

NRH Project Holdco, LLC also acquired 100% of the following companies from Novis Renewables, LLC:

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- EF NY CDG 011, LLC effective 12 July 2021;
- EF NY CDG 003, LLC effective 15 July 2021;
- EF NY CDG 007, LLC effective 15 July 2021;
- EF NY CDG 001, LLC effective 24 August 2021;
- EF NY CDG 002, LLC effective 24 August 2021.

These companies were fully consolidated as of 30 September 2021. The companies were previously valued using the equity method.

Furthermore, with effect from 16 July 2021, Falck Renewables SpA sold BlueFloat Energy International SL 50% of the shares in the following companies, which, at the same time, changed their names as follows:

- Falck Renewables Minervia Srl, now Minervia Vento Srl;
- Falck Renewables Odra Srl, now Odra Energia Srl;
- Falck Renewables Nora Srl, now Nora Ventu srl;
- Falck Renewables Tibula Srl, now Tibula Energia Srl;
- Falck Renewables Sviluppo Offshore Srl, now Kailia Energia Srl.

These companies were valued using the equity method as of 30 September 2021. The companies were previously fully consolidated.

The following companies also changed their names during the first nine months:

- Vector Cuatro Japan into Vector Renewables Japan KK with effect from 17 February 2021;
- Vector Cuatro SL into Vector Renewables España SL with effect from 3 March 2021;
- Vector Cuatro France Sarl into Vector Renewables France Sarl with effect from 4 March 2021;
- Vector Cuatro Srl into Vector Renewables Italia Srl with effect from 14 June 2021;
- Vector Cuatro Energías Renovables Mexico SA de CV into Vector Renewables Mexico SA de CV with effect from 2 July 2021.

Finally, it should be noted that Falck Renewables SpA increased its stake in Falck Renewables Vind AS from 88.64% to 89.87%.

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Purchase Price Allocation

Temporary Purchase Price Allocation for the acquisition of Desafio Solar SL

On 20 April 2021 Falck Renewables SpA finalised the acquisition of 100% of the share capital of Desafio Solar SL, owner of a solar plant operating in Spain. The price was approximately € 22 million, plus the assumption of the project’s residual debt. The solar plant (50 MW), located in the municipality of Escatrón, in the region of Aragon, has been in operation since June 2020.

The acquisition was accounted for in accordance with IFRS 3, applying the purchase method, by calculating the fair value of the assets and liabilities acquired.

The specific effects on the current values of the company’s identifiable assets and liabilities are still being determined and identified. There may be changes in the determination of the amount of the purchase price after the completion of these activities, which will take place within 12 months from the date of execution, as required by IFRS 3.

The company’s revenues and profit before tax as of 30 September 2021, starting from the date of its consolidation within Falck Renewables Group, are as follows:

(EUR/000)	2021
Revenues	5,075
Profit Before Tax	3,489

Please refer to the Half-Year Financial Report as of 30 June 2021 for further details.

Temporary Purchase Price Allocation for the acquisition of SAET group

On 20 July 2021 Falck Renewables SpA acquired 60% of the shares of SAET SpA, a Padua based company that’s a leader in the design and construction of high voltage electrical systems and energy storage plants. SAET, in turn, owns 80% of Elettromeccanica Euganea Srl.

The agreed price, which amounted to approximately € 5.7 million, was financed entirely using in-house resources, and will undergo the usual adjustment mechanisms. The transaction also entailed the signature of a shareholders’ agreement at closing, and the possibility of acquiring the remaining 40% of SAET within four years.

Throughout its 65 years of activity, SAET has built more than 70 high voltage substations in Italy and abroad, and was among the pioneers in the construction of storage plants, for which it can boast about 100 MWh of installed capacity. With this transaction, SAET will be able to continue operating independently, and will grow more rapidly, while the Falck Renewables Group will gain access to SAET’s historic expertise, even for the benefit of its customers, including producers and consumers in both the industrial and tertiary sectors. This transaction bolsters the Group’s position on the market, allowing it to reassert itself as an operator that’s ready to tackle the energy context of the future, which will be characterised by a massive presence of non-programmable renewable plants.

The specific effects on the current values of SAET group’s identifiable assets and liabilities are still being determined and identified. There may be changes in the determination of the amount of the purchase price currently allocated, and the amount initially attributed to the goodwill value, after the completion of these activities, which will take place within 12 months from the date of execution, as required by IFRS 3.

SAET group was consolidated on a balance sheet and financial basis with effects on the consolidated income statement starting from 1 August 2021 (approximating the transfer of control to that date). The cost of the

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acquisition amounted to € 10,142 thousand, which, net of the cash and cash equivalents acquired and the registration of the PUT option on the remaining shares, was paid entirely in cash.

Consolidated shareholders' equity at the date of acquisition was € 2,440 thousand. The difference of € 7,702 thousand between the net assets acquired and the price paid has been temporarily allocated to goodwill. The amounts contributed to the consolidated financial statements by the acquired group are shown below:

(EUR/000)	2021
Property, plant and equipment	590
Intangible assets	277
Temporary PPA (goodwill)	7,702
Trade receivables/(payables)	3,868
Other assets/(liabilities)	(1,271)
Financial receivables/(payables)	(4,034)
Non controlling interests	(40)
Price	7,092

Cash flow analysis of the acquisition:

Total acquisition cost	10,142
Cash and cash equivalents acquired	3,050
Price	7,092
Payable for acquisitions at 30.09.2021	4,413
Net financial outlay for acquisitions	2,679

The group's revenues and profit before tax as of 30 September 2021, starting from the date of its consolidation within Falck Renewables Group, are as follows:

(EUR/000)	2021
Revenues	4,788
Profit before Tax	231

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4.2 Main changes

The Group uses the following alternative performance indicators:

- a) EBITDA is defined by the Group as profit for the period before investment income and costs, net finance income/costs, amortisation and depreciation, impairment losses, charges to risk provisions and tax;
- b) Net financial position is defined by the Group as total cash and cash equivalents, current financial assets including shares available for sale, financial liabilities, fair value of financial hedging instruments and other non-current financial assets;
- c) Net financial position excluding operating leases: for the purposes of calculating the Financial Ratio, the financial liabilities for operating leases recorded in accordance with IFRS 16 are not included in the calculation of the Consolidated Net Financial Debt as defined above in the Corporate Loan Agreement;
- d) Adjusted results: to make it easier to understand the operating performance of the business, the economic, financial and equity results are also shown highlighting several adjustments related to (i) events or transactions whose occurrence is non-recurring, i.e. those transactions or facts that do not recur frequently in the usual course of business (so-called Non-Recurring Events pursuant to CONSOB Communication no. DEM/6064293 of 28 July 2006); or (ii) events or transactions of a non-ordinary nature, i.e. not representative of the normal course of business (so-called Special items): these results are referred to as "Adjusted results". The adjusted results are not audited.

As defined by the ESMA (European Security and Markets Authority) in its guidelines published on 4 March 2021, the Net Financial Debt differs from the Net Financial Position due to the inclusion of certain items, such as "other non-current liabilities", and the exclusion of the fair value of the non-current financial instruments (derivative financial assets) and "hedging" instruments, as well as "non-current financial receivables". For the reconciliation between the Net Financial Position (which amounts to € 943,911 thousand) and the Net Financial Debt (which amounts to € 961,264 thousand), please refer to section "3.2 Net Financial Position".

Third quarter 2021 results

In the third quarter of 2021, Falck Renewables Group recorded a loss before tax and before minority interests of € 6,268 thousand, down on the profit of € 1,870 thousand recorded in the same period of the previous year.

Moreover, the third quarter generally shows very low profitability due to the seasonal nature of the wind power segment.

Revenues were up by € 33,419 thousand compared to the corresponding quarter of 2020. The increase in revenues reflects multiple opposing dynamics, which can be summarised as follows: (i) change in the consolidation perimeter due to the acquisition of the Building Energy Holding US plants (November 2020) and the Desafio Solar SL plant (April 2021), and the entry into operation of the Brattmyrliiden plant (June 2021); (ii) greater volume of energy sold by Falck Next Energy Srl for the increased revenues of the consortia tasked with managing the interruptibility service on the Italian energy market; (iii) decreased revenues from ROC Recycle with respect to the corresponding period of 2020; (iv) lower wind production in the United Kingdom, Spain, and the Nordic countries (Sweden and Norway), which was partially offset by the greater production in France and Italy; (v) increased revenues following the acquisition of SAET group (1 August 2021); (vi) increased revenues from the Services segment; (vii) greater amount of waste processed by the WtE plant in Trezzo.

EBITDA decreased from € 31,152 thousand to € 27,859 thousand due to: (i) the lower wind production in the United Kingdom, Spain and the Nordic countries (Sweden and Norway), which was partially offset by the higher production in France and Italy; (ii) the decreased revenues from ROC Recycle with respect to the corresponding period of 2020; and (iii) the increased personnel costs due to the bolstering of the business line and staff structures.

With respect to the third quarter of 2020, the increase of € 3,903 thousand in financial expenses during the third quarter of 2021 was mainly due to the effect of the amortised cost on the convertible bond loan, for € 1,199 thousand (Special item), the increased costs for sureties in support of development, for € 311 thousand, the

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decreased net foreign exchange gains for € 343 thousand, and the decreased releases and the increased allocations to the provision for doubtful accounts, for a total of € 699 thousand.

The net financial expenses as of September 2020, on the other hand, benefited from the positive change in the Fair Value of the conversion option of the senior unsecured equity-linked green bond, issued on 23 September 2020, for a value, net of contractual costs and the effect of amortised cost as required by IFRS 9, of € 1,489 thousand (“**Non-recurring event**”).

Progressive results up to 30 September 2021

The cumulative income statement at 30 September 2021 shows a pre-tax profit before taxes and before minority interests of € 30,454 thousand, down by € 12,089 thousand compared to the same period last year.

In the first nine months of 2021, Falck Renewables Group recorded revenues of € 348,155 thousand, an increase of € 72,316 thousand (+26%) compared to the same period in 2020.

The increase in revenues reflects multiple opposing dynamics, which can be summarised as follows: (i) approximately € 14.2 million for the change in the consolidation perimeter due to the acquisition of the Building Energy Holding US plants (November 2020), the Desafio Solar SL plant (April 2021), and the Donema plant (July 2020), and for the entry into operation of the Brattmyrliiden plant (June 2021); (ii) approximately € 49.6 million for the greater volume of energy sold by Falck Next Energy Srl, and approximately € 7.8 million for the increased revenues of the consortia tasked with managing the interruptibility service on the Italian energy market; (iii) approximately € 10.4 million for the increase in electricity sales prices, especially in Italy, but also in Norway and the United Kingdom, including the differential attributable to the ROC Recycle component; (iv) approximately € 24 million due to the lower wind production in the United Kingdom, France and the Nordic countries (Sweden and Norway), which was partially offset by the greater production in Spain and Italy; (v) approximately € 2.7 million for the increased energy production of the biomass plant, which was during the first nine months of 2020 was stopped due to scheduled bi-annual maintenance, and the WtE plant in Trezzo; (vi) € 4.8 million due to increased revenues following the acquisition of SAET group (as of 1 August); (vii) € 3.3 million due to increased revenues from the Services segment; (viii) € 0.6 million due to greater energy production from the solar plants; and (ix) € 1.1 million due to the greater amount of waste processed by the WtE plant in Trezzo. Furthermore, with reference to revenues in the United Kingdom, in the first nine months of 2021, the pound Sterling's average revaluation against the Euro was 2.5% compared to the same period of the previous year. On the other hand, with regard to revenues in the United States of America, in the first nine months of 2021, the average devaluation of the Dollar against the Euro was 6.0% compared to the same period of the previous year. The increase in revenues due to exchange rate fluctuations amounted to € 1.3 million.

During the first nine months of 2021, the GWh produced by the wind segment amounted to 1,562, compared to 1,689 during the same period of 2020 (-8% compared to the same period of 2020), mainly due to decreased windiness in the United Kingdom, France, Sweden and Norway, which was partially offset by the greater installed capacity.

The overall GWh generated globally by all of the Group's technologies totalled 1,963 compared to 1,977 in the first nine months of 2020 (-1% compared to the same period in 2020).

As anticipated, compared to the same period of 2020, there was an increase in electricity sale prices during the first nine months of 2021, including the incentive component and the hedging of the price risk: (i) for wind plants in Italy by 15.1%, in Norway by 1.5%, and in the UK by 1.2%; (ii) for solar plants in Italy by 15.5%; and (iii) for biomass plants by 5.3%, due to the incentive component. There was a reduction in prices, on the other hand, including price risk hedging activities, for wind farms in Sweden (by 16.3%) and Spain (by 20%), while in France the Feed in tariff mechanism led to general price stability with respect to the previous period.

The reference exchange rates in conversion transactions between the Euro and the Pound and between the Euro and the Dollar are as follows:

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	EUR/GBP	EUR/USD
End of period exchange rate 30 September 2021	0.8605	1.1579
End of period exchange rate 30 September 2020	0.9124	1.1708
End of period exchange rate 31 December 2020	0.8990	1.2271
Average exchange rate 30 September 2021	0.8636	1.1962
Average exchange rate 30 September 2020	0.8851	1.1250
Average exchange rate 31 December 2020	0.8897	1.1422

A breakdown of revenues by category of activity is shown below:

	(€ thousands)			
	Third quarter 2021	Third quarter 2020	30.09.2021	30.09.2020
Sale of electricity	96,272	68,603	298,530	237,843
Waste disposal and treatment	5,491	4,003	15,387	14,293
Renewable energy plant services and management	11,131	7,195	32,493	22,100
Other services	1,075	749	1,745	1,603
Total	113,969	80,550	348,155	275,839

Against an increase in revenues of approximately € 72.3 million, costs increased by approximately € 80 million and other income decreased by approximately € 3.0 million, while the net margin from trading activities decreased by approximately € 4.2 million, resulting in a reduction in operating income of approximately € 14.9 million, due to the following trends:

Other income decreased by € 3,015 thousand. During the first nine months of 2020, this item included a gain of € 3.9 million realised on the sale by the Group of its 50% interest in Novis Renewables LLC. Compared to the same previous period, there was also a decrease in insurance indemnities, for € 0.5 million, a further decrease in capital gains, for € 0.2 million, and a decrease in contractual penalties, for € 0.3 million. This effect was partially offset by an increase in operating and capital grants of € 1.4 million with respect to the previous period, mainly due to the acquisition of the wind farm located in the state of Iowa (United States) and the € 0.7 million increase in income from services.

Direct costs increased by € 76,001 thousand, mainly due to: (i) the purchase of energy from the market by Falck Next Energy Srl and the higher costs of the consortia tasked with managing the interruptibility service on the Italian energy market, for € 59.4 million; (ii) the higher costs and depreciation due to the higher installed capacity; (iii) the allocation to the environmental restoration fund, and the increased management costs partially offset by lower maintenance costs of the Rende plant, which underwent its bi-annual shutdown for maintenance during the first nine months of 2020; and (iv) the reclassification of several cost items from Administrative expenses.

Personnel costs, which totalled € 39,076 thousand, increased by € 5,038 thousand, mainly due to the average increase in the workforce (+60 units) and salary increases compared to the same period of 2020. The increase in the number of employees compared to 30 September 2020 is mainly due to the Services segment, the acquisition in November 2020 of Building Energy Holding US LLC (5 employees) and internal growth as the main functions, in continuity with what occurred in 2020, are being structured to cope with the development of the new initiatives envisaged in the Business Plan.

Administrative expenses, which totalled € 23,631 thousand, decreased by € 974 thousand with respect to the same period in 2020, mainly due to the decreased allocations risk provisions and the decreased service costs, reclassified for better exposure among the direct Costs and expenses, which were partially offset by increased depreciation and by a penalty paid to an offtaker by the company Brattmyrlyden due to the delay of the plant's entry into operation, for which a request for compensation will be submitted to the plant's builder.

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The **Net margin from trading activities** decreased by € 4,156 thousand compared to the same period of 2020, mainly as a result of the partial overhedging of the energy price hedges, due to the overestimation of production in the UK and Spain, for an amount of € 4,107 thousand.

Due to the above trends, in the first nine months of 2021, **EBITDA** reached € 128,559 thousand (€ 137,403 thousand in the first nine months of 2020), which as a percentage of revenues was 36.9% (49.8% in the period prior to 2020), and **Operating income** amounted to € 57,881 thousand (€ 72,801 thousand in 2020) or 16.6% of revenues (26.4% in the same period of 2020).

The **EBITDA** for the first nine months of 2021 decreased compared to the same period of 2020 mainly due to significantly lower wind power production in the United Kingdom (-26%), France (-13%), and Sweden and Norway (-13%), and was partially offset by: (i) the Group's higher power production due to new installed capacity; (ii) the increase in electricity sale prices mainly in Italy and Norway; (iii) the higher energy production of the biomass plant, which was shut down for scheduled bi-annual maintenance during the first nine months of 2020; and (iv) the increased margins of the Services segment following the acquisition of SAET Group. As described above, the first nine months of 2020 also benefited from the gain realised following the Group's sale of its 50% interest in Novis Renewables LLC to Eni New Energy US Inc. for € 3.9 million.

Net financial expenses increased by € 141 thousand compared to the same period of 2020. This increase is due to the notional charges on the convertible bond loan, valued on the financial statements according to the amortised cost criterion, equal to € 3,532 thousand (Special item), and the increased change in Royalty Instruments, measured at fair value, equal to € 665 thousand, and was partially offset by the effect of the increase in net foreign exchange gains, the measures taken by management to streamline financial costs through debt renegotiations, releases and decreased allocations to provisions for doubtful accounts, for a total of € 761 thousand, and the positive change in the Fair Value of the Energy Team's Put option, for € 695 thousand (Special item). The net financial expenses as of September 2020 benefited from the positive change in the Fair Value of the conversion option of the senior unsecured equity-linked green bond, issued on 23 September 2020, for a value, net of contractual costs and the effect of amortised cost as required by IFRS 9, of € 1,489 thousand ("**Non-recurring event**").

In the first nine months of 2021, Falck Renewables Group recorded a **profit before tax and non controlling interests** of € 30,454 thousand, for a decrease of € 12,089 thousand compared to 2020.

The **net financial position including the fair value of derivatives** totalled € 943,911 thousand compared to € 705,529 thousand at 31 December 2020, and comprised:

- non-recourse financing of € 601,571 thousand, down € 4,961 thousand on the balance at 31 December 2020;
- the liability for operating leases, which in accordance with IFRS 16 is classified under financial liabilities, amounting to € 98,383 million. Net of this amount, the net financial position would be € 845,528 thousand;
- net financial debt of € 82,547 thousand relating to projects under construction and development which, at 30 September 2021, had not yet generated full year revenue; net of this amount, the fair value of derivatives (€ 203,753 thousand at 30 September 2021 compared with € 46,150 thousand at 31 December 2020) and financial debt under operating leases, the net financial position would have been € 559,228 thousand.

The increase in the net financial position is mainly due to the change in the negative fair value of the commodity risk hedging derivatives, which, due to the exceptional increase in electricity prices on the forward markets (which was particularly high for the fourth quarter of 2021 and 2022 prices), recorded an increase of € 171.7 million since 31 December 2020 (from -€ 10.2 million to -€ 181.9 million), and was especially concentrated after 30 June 2021, with a change of -€ 141.7 million during the third quarter of 2021 alone. The relative effect will be partially absorbed during the fourth quarter of 2021, and mainly during the course of 2022, based on the volumes delivered on the derivative contracts.

Furthermore, during the third quarter of 2021, investments increased by € 48.9 million compared to the total investments as of 30 June 2021.

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The following components that led to the change in the net financial position with respect to 31 December 2020 are indicated below: cash generated from operating activities amounted to approximately € 99.1 million and was more than offset by net investments and the increase in the consolidation perimeter made during the first nine months of the year, for a total of approximately € 147.5 million. The revaluation of Sterling and the Dollar against the Euro had a negative effect on net financial debt of € 16.5 million, and the change in the fair value of derivatives had a positive effect on the net financial position of € 139.7 million. The adjustment of existing rights of use in accordance with IFRS 16 resulted in an increase in the net financial position of approximately € 2.9 million. Capital increases in companies accounted for using the equity method amounted to approximately € 7.4 million and dividend payments amounted to € 25.5 million. Finally, additional minority movements were positive by about € 2 million.

Moreover, 80% of Gross debt, amounting to € 852,749 thousand excluding the fair value of derivatives and the debt under operating leases, is hedged against interest rate fluctuations using interest rate swaps and by fixed-rate loans for a total amount of € 683,105 thousand.

The net financial position (excluding the fair value of derivatives and the debt under operating leases, amounting to € 641,775 thousand) is also hedged against interest rate fluctuations by fixed-rate loans and interest rate swaps for an amount equal to 106% of financial debt.

In order to provide a better understanding of the economic and income figures before tax for the first nine months of 2021 and their comparison to the same period of 2020, and the net financial position as of 30 September 2021 and its comparison to 31 December 2020, the effects of **Non-recurring events** and *Special items* on the adjusted results are set out below.

The following “**Non-recurring Events**” took place:

30 September 2021

No non-recurring events

30 September 2020

- the positive change in the fair value of the conversion option of the senior unsecured equity-linked green bond, issued on 23 September 2020, for a value, net of contractual costs and the effect of amortised cost, of € 1.5 million, which increases the reported financial income, and entails a decrease of € 1.5 million in the net financial position reported as of 30 September 2020.

The “special items” are as follows:

30 September 2021

- the notional charges of the amortised cost of the convertible bond loan, for € 3.5 million, which increased the reported financial expenses, and led to a € 3.5 million increase in the net financial position reported as of 30 September 2021;
- the positive change in the Fair Value of the Energy Team Put option, for € 0.7 million, which increased the reported financial income, and led to a € 0.7 million decrease in the net financial position reported as of 30 September 2021.

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30 September 2020

- the costs of the Long Term Incentive Plan, for € 1 million in relation to the 2017-2019 Share Plan, which increased the reported costs and led to a € 0.7 million increase in the net financial position reported as of 30 September 2020;
- the costs in favour of the local communities and territories in which the Group is conducting operations in support of the “Covid-19” emergency, for € 0.8 million, which increased the reported operating costs and led to a € 0.6 million increase in the net financial position reported as of 30 September 2020.

	(€ thousands)		
	30.09.2021 Adjusted	30.09.2020 Adjusted	Change
Revenues	348,155	275,839	72,316
Expenses net of other income	(219,596)	(136,682)	(82,914)
EBITDA	128,559	139,157	(10,598)
Amortisation and depreciation, charges to provisions, impairment (revaluations)	(70,678)	(64,602)	(6,076)
Operating profit/(loss)	57,881	74,555	(16,674)
Financial income/(expenses)	(24,387)	(28,572)	4,185
Investment income/(expenses)	(203)	(3,175)	2,972
Profit/(loss) before tax	33,291	42,808	(9,517)

	(€ thousands)			
	30.09.2021 Reported	Non-recurring events 2021	Special items 2021	30.09.2021 Adjusted
Revenues	348,155			348,155
Expenses net of other income	(219,596)			(219,596)
EBITDA	128,559			128,559
Amortisation and depreciation, charges to provisions, impairment (revaluations)	(70,678)			(70,678)
Operating profit/(loss)	57,881			57,881
Financial income/(expenses)	(27,224)		2,837	(24,387)
Investment income/(expenses)	(203)			(203)
Profit/(loss) before tax	30,454		2,837	33,291

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	(€ thousands)			
	30.09.2020 Reported	Non-recurring events 2020	Special items 2020	30.09.2020 Adjusted
Revenues	275,839			275,839
Expenses net of other income	(138,436)		1,754	(136,682)
EBITDA	137,403		1,754	139,157
Amortisation and depreciation, charges to provisions, impairment (revaluations)	(64,602)			(64,602)
Operating profit/(loss)	72,801		1,754	74,555
Financial income/(expenses)	(27,083)	(1,489)		(28,572)
Investment income/(expenses)	(3,175)			(3,175)
Profit/(loss) before tax	42,543	(1,489)	1,754	42,808

	(€ thousands)				
	30.09.2021 Reported	Prior year adjustments	Non- recurring events 2021	Special items 2021	30.09.2021 Adjusted
Net financial position - liabilities/(assets)	943,911	23,190		(2,837)	964,264

	(€ thousands)				
	31.12.2020 Reported	Non- recurring Events	31.12.2020 net of non- recurring events	Special items	31.12.2020 Adjusted
Net financial position - liabilities/(assets)	705,529	22,622	728,151	568	728,719

During the first nine months of 2021, total investments amounted to € 95,108 thousand.

Investments in property, plant and equipment amounted to € 76,271 thousand, mainly relating to the construction of the wind farms of Brattmyrliden in Sweden (€ 13,147 thousand), Falck Renewables Vind in Norway (€ 12,868 thousand), and Parc Eolien d'Illois in France (€ 4,457 thousand), the construction of the Westmoreland County Solar Project's solar farms (€ 18,356 thousand) and the 5 solar plants in the state of New York, in the United States (€ 22,652 thousand), and of Falck Next in Italy (€ 107 thousand), the construction of a Falck Next storage plant (€ 391 thousand), the maintenance of Ecosesto SpA's plants (€ 361 thousand), the capitalisation of usage rights (€ 1,880 thousand), and the purchase of office furniture and equipment (€ 730 thousand).

Investments in intangible assets amounted to € 18,837 thousand, and mainly comprise operating software and licensing costs of € 3,867 thousand, development costs of € 7,112 thousand, the goodwill of € 7,702 thousand arising from the temporary Purchase Price Allocation generated by the acquisition of SAET Group, and rights of use amounting to € 156 thousand.

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Other investments (change in consolidation perimeter)

In April 2021 Falck Renewables SpA completed the acquisition of 100% of the share capital of Desafio Solar SL, owner of a solar plant operating in Spain with an installed capacity of 50 MW.

Moreover, during July of 2021, the agreement was finalised for the acquisition of 60% of the shares of SAET SpA, a Padua based company that's a leader in the design and construction of high voltage electrical systems and energy storage plants.

The investment in acquisitions, recorded as a change in the consolidation perimeter, amounted to € 52,419 thousand (including the net financial position acquired), which must be added to the investments in tangible and intangible assets described above for a total of € 147,527 thousand.

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The table below shows the **installed capacity** compared to previous periods:

Technology	(MW)		
	30.09.2021	30.09.2020	31.12.2020
Wind	1,036.7	932.7	962.7
WtE	20.0	20.0	20.0
Biomass	15.0	15.0	15.0
Solar	211.2	129.5	161.1
Total	1,282.9	1,097.2	1,158.8

The installed capacity increased by 185.7 MW with respect to 30 September 2020.

In November 2020, the Group increased its installed capacity by 61.6 MW following the acquisition of Building Energy Holdings US LLC. Specifically, 30 MW relate to the Building Energy Wind Iowa LLC wind farm operating in the United States of America, while the remaining 31.6 MW relate to the following solar plants also located in the United States:

- Annapolis Solar Park LLC, with an installed capacity of 18.1 MW;
- Calypso Solar 1 (Snyder Road) LLC, with an installed capacity of 2.1 MW;
- Odyssey Solar 2 LLC (Geneva), with an installed capacity of 2.8 MW;
- Calypso Solar 3 LLC (Harford & Musgrave), with an installed capacity of 8.6 MW.

In April 2021, Falck Renewables SpA completed the acquisition of 100% of the share capital of Desafio Solar SL, the owner of a solar plant operating in Spain with an installed capacity of 50 MW. In June 2021, the Swedish plant of Brattmyrlyden also entered into operation, increasing the Group's installed capacity by an additional 74.1 MW.

On 22 October 2021, the entry into operation of the Westmoreland County Solar Project’s plant, in Virginia (United States), added 29.6 MW of new solar capacity, which had not been counted as of 30 September 2021.

Non-financial performance indicators

	Unit of measurement	30.09.2021	30.09.2020
Gross electricity generated	GWh	1,963	1,977
Total waste handled	Ton	110,121	102,439

The “Total waste treated” figure also includes intermediate waste.

The decrease in electricity produced has been illustrated above.

The increase in total waste managed is due to the improved operational performance of the WtE plant in Trezzo, thanks to the overall reduction in accidental stoppage times compared to 2020.

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The profits before tax, compared to 30 September 2020, are shown in the following table:

	(€ thousands)			
	Third quarter 2021	Third quarter 2020	30.09.2021	30.09.2020
WtE, biomass and solar segments	8,609	3,846	19,635	15,274
Wind segment	6,816	8,475	62,513	54,409
Services segment	140	(694)	223	(2,057)
Other Businesses	(21,687)	(9,741)	(48,210)	(5,318)
Consolidation adjustments	(146)	(16)	(3,707)	(19,765)
Total	(6,268)	1,870	30,454	42,543

4.3 Performance of the operating segments

This paragraph sets out, with a brief commentary, the main economic and financial data of the operating segments that make up the Group.

❖ WtE, biomass and photovoltaic segment

The key financial highlights of this segment can be summarised as follows:

	(€ thousands)			
	30.09.2021	30.09.2020	31.12.2020	
Sales revenues	62,548	49,016	64,884	
EBITDA	33,766	28,459	37,291	
Operating profit/(loss)	19,956	17,230	22,911	
Profit/(loss) before tax	19,635	15,274	20,994	
Intangible assets	884	391	240	
Property, plant and equipment	365,253	228,599	273,143	
Net financial position - liabilities/(assets)	188,618	88,959	129,640	
of which non-recourse loans	97,786	57,774	78,089	
Investments in fixed assets	42,150	2,051	15,798	
Employees at the period-end	(no.)	72	65	72

This segment focuses on electricity production from renewable sources, in particular through the conversion of urban waste to energy (WtE) and from biomass and solar power.

The strategy is developed through the management of operating power plants and the development of new projects, either directly or through joint ventures with leading industrial enterprises.

In November 2020, the segment increased its installed capacity by 31.6 MW following the acquisition of Building Energy Holding US LLC. In addition, during the month of April 2021, following the acquisition of Desafio Solar SL, it increased its installed capacity by an additional 50 MW.

This segment showed a € 13,532 thousand increase in revenues compared to the data for the first nine months of 2020 (increase of 27.6%), which was mainly due to the increase in the consolidation perimeter following the entry of the company Desafio (€ 5,075 thousand), and the consolidation of the Building Energy businesses (€ 3,530 thousand) for all 9 months. This segment also benefited from the increased volumes of the Rende plant, which had carried out its scheduled bi-annual maintenance in 2020, the Trezzo plant, and the operational solar plants, which also recorded an increase in volumes and prices with respect to the previous year.

The EBITDA amounted to € 33,766 thousand, for an increase of € 5,307 thousand with respect to the figure for 2020: as a percentage of revenues it stood at 54.0% (as opposed to 58.1% in 2020).

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As of 30 September 2020, this operating segment included the gain realised following the Group's sale of its 50% interest in Novis Renewables LLC in the United States, for € 3.9 million.

As a result of the above trends, which were partially offset by the greater amounts set aside for provisions and the increased depreciation due to the greater installed capacity, the operating income increased by € 2,726 thousand to € 19,956 thousand.

During the first nine months of 2021, investments in tangible and intangible assets amounted to € 42,150 thousand, and mainly related to the construction of the Westmoreland County Solar Project's solar farm in the US (€ 18,356 thousand), the 5 solar plants in the state of New York in the United States (€ 22,652 thousand), maintenance work on the Ecosesto plants (€ 361 thousand), and technological renewal costs (€ 100 thousand).

The net financial position, showing a debit balance of € 188,618 thousand, increased compared to 30 September 2020 by € 99,659 thousand, mainly due to the acquisition of Building Energy Holding US LLC and Desafio Solar SL, and the investments made during the period since 30 September 2020.

The net financial position included non-recourse project financing of € 97,786 thousand (€ 57,774 thousand at 30 September 2020), which increased due to the consolidation of the Building Energy US LLC and Desafio Solar SL solar plants, and the negative fair value of the interest rate risk hedging derivatives of € 265 thousand.

❖ Wind segment

The key financial highlights of this segment can be summarised as follows:

	(€ thousands)		
	30.09.2021	30.09.2020	31.12.2020
Sales revenues	184,036	175,642	246,702
EBITDA	133,320	127,689	181,143
Operating profit/(loss)	82,591	79,594	116,948
Profit/(loss) before tax	62,513	54,409	83,778
Intangible assets	101,533	98,366	99,487
Property, plant and equipment	1,062,520	1,006,875	1,052,543
Net financial position - liabilities/(assets)	337,304	428,405	431,503
of which non-recourse loans	503,785	553,425	528,443
Investments in fixed assets	32,679	56,438	60,852
Employees at the period-end	(no.)	28	27
		27	26

This segment focuses on electricity production through the construction and management of plants that generate electricity using wind power and the development of new plants.

In November 2020, the segment increased its installed capacity by 30 MW following the acquisition of Building Energy Holding US LLC. In June 2021, the Swedish plant of Brattmyrliden also entered into operation, increasing the segment's installed capacity by an additional 74.1 MW.

Revenues increased by € 8,394 thousand, mainly due to: (i) the change in the consolidation perimeter due to the acquisition of the Building Energy Holding US plants (November 2020) and the entry into operation of the Brattmyrliden plant (June 2021), for approximately € 5.3 million; (ii) the increase in electricity sales prices in Italy, Spain, Norway, and the United Kingdom, partially offset by the differential attributable to the ROC Recycle component and the lower prices recorded in Sweden, for approximately € 24.7 million; and (iii) the exchange rate effect resulting from the average revaluation of the British pound, for approximately € 1.8 million. The increase in revenues was partially offset by approximately € 24.0 million

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due to the decreased wind power production in the United Kingdom, France, and the Nordic countries (Sweden and Norway). In Spain and Italy, production increased compared to the same period last year.

During the first nine months of 2021, the GWh produced by the wind segment amounted to 1,562, compared to 1,689 during the same period of 2020 (-8% compared to the same period of 2020), mainly due to decreased windiness in the United Kingdom, France, Sweden and Norway, which was partially offset by the greater installed capacity.

Furthermore, with reference to revenues in the United Kingdom, in the first nine months of 2021, the pound Sterling's average revaluation against the Euro was 2.5% compared to the same period of the previous year.

EBITDA amounted to € 133,320 thousand, an increase of € 5,631 thousand over the same period last year and equal to 72.4% of revenues (2020: 72.7%). The increase in Ebitda was mainly due to the dynamics described above regarding the revenues.

Consequently, the operating income, which was partially offset by greater depreciation due to the increased installed capacity, improved by € 2,997 thousand compared to 2020, and was equal to 44.9% of revenues (45.3% in 2020).

Investments in tangible and intangible assets in the first nine months of 2021 amounted to € 32,679 thousand, and mainly related to the construction of the wind farms of Brattmyrliden in Sweden (€ 13,451 thousand), Falck Renewables Vind in Norway (€ 12,913 thousand), Energia Eolica de Castilla in Spain (€ 96 thousand), and Parc Eolien d'Illois (€ 5,233 thousand), as well as development costs (€ 194 thousand) and software licenses (€ 86 thousand).

The net financial position amounted to € 337,304 thousand, including non-recourse project financing of € 503,785 thousand and the negative fair value of derivatives hedging interest rate, exchange rate and commodity risk for € 26,631 thousand, a decrease of € 91,101 thousand compared with 30 September 2020 due to the cash generated by operating plants net of investments made after 30 September 2020.

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❖ Services segment

The key financial highlights of this segment can be summarised as follows:

	(€ thousands)		
	30.09.2021	30.09.2020	31.12.2020
Sales revenues	44,185	30,074	42,901
EBITDA	4,653	2,197	4,506
Operating profit/(loss)	538	(1,530)	(835)
Profit/(loss) before tax	223	(2,057)	(1,392)
Intangible assets	51,846	45,043	44,992
Property, plant and equipment	7,360	5,256	6,609
Net financial position - liabilities/(assets)	3,368	6,249	3,487
of which non-recourse loans			
Investments in fixed assets	10,379	7,679	10,204
Employees at the period-end	(no.) 435	334	334

The segment mainly consists of the Spanish group Vector Renewables, Energy Team SpA, Falck Next Srl and Nuo Srl.

This segment is active in the services and management of renewable energy production facilities, with a strong and extensive international presence with offices in Spain, Italy, France, Chile, Japan, Mexico, and the United Kingdom.

Vector Renewables also offers engineering and consulting services in the development of projects to generate electricity principally using solar and wind power.

Energy Team SpA and Falck Next Srl work side by side with producers and consumers (Public Administration, Industry and Tertiary Sector, Local Communities) for a sustainable energy development, implementing efficient, transparent and intelligent measurement, management and local energy production systems.

Nuo Srl offers digital asset management solutions in order to optimise asset management and performance thanks to the support of digital technology.

During July of 2021, the agreement was finalised for the acquisition of 60% of the shares of SAET SpA, a Padua based company that's a leader in the design and construction of high voltage electrical systems and energy storage plants.

This operating segment showed an increase in revenues of € 14,111 million. This increase was mainly driven by the increase in the interruptibility volumes managed by the Consortia, consolidation of SAET Group, Falck Next, and the intragroup revenues resulting from the sale of NUO licenses to the other Group companies.

The EBITDA for this segment increased significantly compared to the same period of 2020 due to the change in the consolidation perimeter, following the consolidation of the photovoltaic plant acquired by Falck Next in August 2020 and the consolidation of SAET group in July 2021, as well as the post-pandemic resumption of activities by Energy Team and Vector Renewables group.

Based on the above dynamics, the EBITDA is up by € 2,456 thousand, equal to 10.5% of revenues (7.3% in 2020), while the Operating Income is up by € 2,068 thousand.

The net financial position was in the negative for € 3,368 thousand, for an improvement of € 2,881 thousand compared to 30 September 2020, due to the cash generated by the operating segment.

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❖ Other Businesses

The key financial highlights of this segment can be summarised as follows:

	(€ thousands)		
	30.09.2021	30.09.2020	31.12.2020
Sales revenues	121,883	51,165	81,359
EBITDA	(42,977)	(19,245)	(23,082)
Operating profit/(loss)	(45,391)	(21,097)	(25,587)
Profit/(loss) before tax	(48,210)	(5,318)	26,704
Intangible assets	30,193	14,082	21,516
Property, plant and equipment	5,531	5,464	5,579
Net financial position - liabilities/(assets)	495,477	241,835	221,775
of which non-recourse project financing			
Investments in fixed assets	10,173	9,212	17,328
Employees at the period-end	(no.) 136	118	121

Revenues increased by € 70,718 thousand, mainly due to the higher volume of energy sold by Falck Next Energy Srl, for approximately € 69.6 million.

Operating income decreased by € 24,294 thousand. This decrease is mainly attributable to the commodity risk hedging activities carried out on the production of the Group's plants and the third party electricity brokerage activities carried out by Falck Next Energy Srl.

The company Falck Next Energy also carries out hedging activities on the production of the Group's plants that is not directly dispatched, with the change in the fair value of the commodity derivatives being recorded on the income statement. On the consolidated financial statements, on the other hand, this hedging activity is designated under Hedge accounting, therefore, the changes in the fair value of the derivatives is initially recognised in the shareholders' equity reserve, and is subsequently recognised on the income statement consistently with the economic effects generated by the production subject to commodity risk hedging.

Investments for the period amounted to € 10,173 thousand, of which € 9,344 thousand related to intangible assets (software, licences and development costs).

	(€ thousands)			
	FKR	Other companies	Eliminations	Operating segment
Sales revenues	1,344	121,130	(591)	121,883
EBITDA	(20,731)	(22,246)		(42,977)
Operating profit/(loss)	(22,806)	(22,585)		(45,391)
Profit/(loss) before tax	(165,861)	(26,126)	143,777	(48,210)
Intangible assets	13,725	16,468		30,193
Property, plant and equipment	5,213	318		5,531
Net financial position - liabilities/(assets)	329,987	165,490		495,477
of which non-recourse project financing				
Investments in fixed assets	2,963	7,210		10,173
Employees at the period-end	(no.) 123	13		136

Note: FKR is Falck Renewables SpA; Other companies includes Falck Next Energy Srl, Falck Next Energy Uk Limited, and the development companies.

The financial position (mainly attributable to Falck Renewables SpA) showed a net debt of € 495,477 thousand, compared to a net debt of € 241,835 thousand as of 30 September 2020.

The net financial position includes the negative fair value of foreign exchange and commodity hedging derivatives for € 176,858 thousand (negative for € 23,464 thousand as of 30 September 2020).

The increase in the financial position compared to previous period is mainly due to the increase in the negative fair value of the commodity hedging derivatives, which increased by € 178.4 million compared to 30 September 2020, and the capital increases in the companies in Italy, Norway, Sweden and Spain to

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support the development and construction of new plants, and the distribution of dividends to shareholders net of dividends received and the net effect of the convertible bond.

4.4 *Performance of the parent company Falck Renewables SpA*

The Falck Renewables SpA income statement for the third quarter of 2021 was closed with a loss before tax of € 152,028 thousand (as opposed to the loss of € 6,498 as of 30 September 2020).

The results for the third quarter were mainly influenced by increased provisions for the write-down of the investment held in Falck Next Energy Srl (€ 143,646 thousand), relating to the purely accounting and non-cash effect of the fair value of the derivatives, and the increased financial expenses, for € 2,449 thousand, mainly due to the notional charges for the amortised cost of the convertible bond loan, for € 1,199 thousand. It should be noted that, during the third quarter of 2020, the net financial expenses benefited from the positive change in the fair value of the bond loan's conversion option, for € 1,489 thousand (**“Non-recurring event”**).

The cumulative income statement at 30 September 2021 shows a loss before tax of € 165,861 thousand, for a decrease compared to the same period of 2020, which showed a profit of € 1,688 thousand.

The results for 2021 have mainly been influenced by the decreased dividends collected (€ 15,350 thousand) and the increased provisions for the write-down of the investment held in Falck Next Energy Srl (€ 143,222 thousand), the increased costs for direct services (€ 3,369 thousand), increased personnel costs due to the bolstering of certain business line and staff structures (€ 1,937 thousand), a decrease in Other income of € 871 thousand, mainly due to the capital gain for the sale of the Nuo software to Nuo Srl accounted for in the previous period, which was partially offset by an increase in revenues for services of € 1,283 thousand, and an increase in financial expenses of € 5,100 thousand, mainly due to the notional charges for the amortised cost of the convertible bond loan, for € 3,532 thousand. It should be noted that, as of September 2020, the net financial expenses benefited from the positive change in the fair value of the bond loan's conversion option, for € 1,489 thousand (**“Non-recurring event”**).

The write-down of the investment held in Falck Next Energy Srl is mainly due to the loss recorded by the investee company (although not at the level of consolidated results) due to the change in the negative fair value of the Group's commodity risk hedging derivatives following the exceptional increase in electricity prices during the third quarter of 2021.

As previously mentioned, the company Falck Next Energy also carries out hedging activities on the production of the Group's plants that is not directly dispatched, with the change in the fair value of the commodity derivatives being recorded on the income statement. If the energy prices for future deliveries were to be in-line with the levels forecast as of 30 September 2021, and the production values were to be in-line with the hedges, the write-down of Falck Next Energy would be offset by the future greater dividends received by Falck Renewables from the companies that generate electricity production, which would therefore benefit from the increase in prices.

The financial position showed a debit balance of € 329,987 thousand, compared with a debit balance of € 218,021 thousand as of 31 December 2020.

The increase in the financial position compared to the previous period is due to capital increases in companies in Italy, Norway, Sweden and Spain mainly to support the development and construction of new plants and the distribution of dividends to shareholders net of dividends received.

It should be noted that, on 12 June 2015, Falck Renewables SpA entered into a new Corporate Loan contract, subsequently modified on 30 July 2018, for € 325 million maturing on 31 December 2023; as of 30 September 2021 the loan had not been used.

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In September 2020 Falck Renewables SpA issued an equity-linked Green Bond for a nominal amount of Euro 200 million, which is repayable at par on maturity (23 September 2025). As it was issued at 101.25% with a zero coupon, it generates a yield for the investor of -0.25%. The Green Bond equity-linked bond became a Green Convertible Bond as a result of the approval, on 17 November 2020, of the convertibility by the Extraordinary Shareholders' Meeting of the Company. The initial conversion price has been set at € 7.22 per share and is subject to adjustment as per the regulations, in line with current market practice for this type of financial instrument.

The net financial position also includes the positive fair value of the derivatives to hedge interest rate and foreign exchange risks for € 581 thousand.

The investments for the period amounted to € 2,963 thousand, of which € 2,270 thousand relating to software licences and management system developments, € 272 thousand relating to hardware components and € 421 thousand relating to the capitalisation of rights of use.

4.5 Workforce

As at 30 September 2021, the Group's workforce increased by 118 units compared to 31 December 2020 and is composed as follows:

	30.09.2021	31.12.2020	30.09.2020
Managers	67	58	57
Employees and special categories	553	464	456
Blue-collar staff	51	31	31
Total	671	553	544

The workforce by operating segment is broken down as follows:

	30.09.2021	31.12.2020	(Number) Delta
WtE, biomass and solar segments	72	72	
Wind segment	28	26	2
Services segment	435	334	101
Other Businesses	136	121	15
Total	671	553	118

The increase was mainly due to the acquisition of SAET Group (+73) and internal growth, as, in continuity with 2020, the main business lines and staff functions are being structured to cope with the development of the new initiatives envisaged in the business plan.

4.6 Business outlook for the current year

With respect to the same period of the previous year, the Group's industrial results for the last quarter of 2021 will benefit from the production of the Brattmyrliden wind farm (74.1 MW) in Sweden and the Desafio Solar SL solar plant (50 MW) in Spain, and the production in the United States of the wind farm in Iowa (30 MW) and the four solar plants (three in New York State and one in Maryland, for a total capacity of 31.6 MW), operated by Building Energy, 51% owned by Falck Renewables North America, which only contributed for one month the previous year, as well as the results of SAET Group.

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During the course of 2021, the Company began accelerating the growth of its pipeline of projects under development by launching new project initiatives in onshore wind, onshore solar, and storage, and by increasing its human resources in the areas of development, engineering, construction, procurement, energy management, and finance. The number of dedicated resources in these areas has increased from 60, as of 31 December 2020, to a total of 87, as of 30 September 2021. The number of initiatives in the offshore segment was also expanded, and at the end of the third quarter of 2021 will include active development projects in both Italy and Scotland. The company is continuing its scouting activities in other countries. The accelerated pipeline expansion plan has exceeded the development objectives of the business plan published in March of 2020, and this trend is expected to continue into 2022 and beyond.

In March of 2021, the company set (i) a gross pipeline target of 4 GW to be achieved by 2021, which has already been exceeded with the results of the third quarter of 2021, with the gross pipeline having already reached 4.8 GW even without including offshore, and (ii) a pipeline target of 15 GW by 2025, which, considering the acceleration of the company's presence in the offshore wind segment, was further increased to 20 GW.

Combined with the commitment to ensuring that the projects obtain everything necessary to begin construction, these pipeline growth targets represent the cornerstone of the company strategy for the coming years.

In addition to setting these industrial goals, the company also sought to determine how it could recover the capital necessary for the future growth underlying an accelerated investment in the pipeline, which in turn should lead to a greater number of projects to be built and owned in the future, and consequently increased financial needs. To this end, it launched a search for a new industrial partner, which culminated in the signing of the share purchase agreement between Falck SpA and Infrastructure Investments Fund ("IIF"), an investment vehicle for which J.P. Morgan Investment Management Inc. is an advisor. The closing of the transaction, which is subject to obtaining the relevant regulatory authorisations, among others, is expected to take place in the first quarter of 2022.

At closing, IIF will launch a mandatory public offer on the entire free float, and intends to pursue the de-listing of the Company. IIF has announced that it will support Falck Renewables SpA in accelerating its growth, with the aim of strengthening its leadership position in the renewable energy sector.

The management outlook illustrated above does not take into account the effects and costs resulting from the transaction above, namely the change of control for Falck Renewables SpA Group, subject to the Closing.

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5.1 Review of business

Risks relating to the British referendum on remaining in the European Union (“Brexit”)

Please refer to that which has already been indicated in the Half-Year Report as of 30 June 2021, as there have been no significant changes in the risk.

Risks associated with the "Coronavirus (Covid-19)" emergency

Given that the Group operates in a sector whose market dynamics are often linked to unpredictable external variables, we are cautiously optimistic about the prospect of a gradual wind down of the Covid-19 pandemic and the emergency health situation that has affected most countries worldwide since the end of 2019, causing an unprecedented upheaval in the approach to the management of personal and social relations, even in terms of life at the company itself, as well as global macro-economic effects.

During the first phase, the directives and measures issued by the countries involved in the crisis to contain the spread of contagion imposed increasingly restrictive regulations on the mobility of people and goods, and on the reduction/suspension of production activities in areas at greater risk of contagion (so-called lockdowns), with consequent negative impacts on production activities in all industrial sectors and on trade at the national and international levels. Faced with these scenarios, the Group has implemented all the analysis activities and continuity strategies set out in its operational plans since the very beginning of the pandemic, in order to better manage the effects described above, as well as reduce the risk of contagion among staff in the workplace. On this last point, it is important to point out that, from the very onset of the crisis in 2020, over 90% of the staff at all the Italian and foreign offices were widely encouraged to use remote work methods for a prolonged period of time (“Working from Home”), which is still allowing the Group to significantly reduce its exposure to many of the related risk factors, including staff mobility, while still ensuring an excellent level of service.

As of the first few months of 2021, in conjunction with the launch of increasingly widespread vaccination campaigns, significant improvements were being recorded from a public health and economic perspective, also thanks to the gradual relaxing of government-imposed safety measures, with the clear aim of promoting a progressive return to normality.

However, there is some residual uncertainty regarding future developments in the pandemic, also due to the variants of the virus that have emerged globally during the course of 2021, the containment of which has not yet been clearly measured.

For these reasons, even if the vaccination campaigns are expected to generate significant improvements, new increases in infection rates and the consequent launch of new and more restrictive lockdown measures cannot be excluded, which could have a negative impact on the Group's markets, activities and future results. This potential impact remains difficult to quantify, as it is strictly connected to the continuation of the pandemic and the constantly changing macroeconomic context, the dynamics of which cannot be easily foreseen.

While the pandemic had several negative impacts on the Group's business activities, especially during the first part of 2020, signs of recovery were able to be seen by the end of 2020 and during the first three quarters of 2021. In particular, the main pandemic effects suffered by the Group have been limited to the following areas:

- a sharp initial decline in the sale prices of the energy produced on the markets in which the Group operates during the nine months of 2020 (with regard to the produced component exposed to spot price volatility on the electricity markets), which was in part able to be neutralised by the Group thanks to hedging activities under the 2020 Portfolio. Since the end of last year, however, there has been a strongly upward trend in electricity prices, mainly driven by a push for decarbonisation on the part of the European

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institutions, but also by other factors linked to the global natural gas market and the demand/supply dynamics that are driving the price upwards, even affecting the power market

- a reduction of the services carried out by the Group's companies during the nine months of 2020 (e.g. Energy Team) directly at the customers' plants (e.g. Auditing and energy monitoring services, sale and installation of components for energy efficiency, asset management and technical services), mainly as a result of the reduced domestic and international mobility due to the lockdowns, and the subsequent economic crisis, which was followed by a gradual recovery and a return to near-normal during the first three quarters of 2021;

- initial delay in the progress of projects under development, both in Italy and in other countries (e.g. in the United States), due to the considerable attention that public structures had to devote to the health crisis, the shortages of personnel due to illness, and the lockdown situations, which was followed by a return to near-normal conditions during the course of 2021.

To date, these impacts have not resulted in any uncertainties that would adversely affect the going concern assumption.

To date, further areas of the Group that are believed to be potentially impacted by new crises include:

- potential delays in the development, construction and commissioning of the plants (with regard to the timing and methods of management of the administrative procedures for the issuance of the necessary authorisations of the plants under development by the public bodies concerned, or the methods of procurement and supply of the various components, both wind and solar), with regard to the availability of contractors and components related to the new plants, and with regard to the availability of labour for contractors for the purpose of commissioning the plants under construction (currently in Sweden, Norway and the United States);

- the management of continuity of operations in continuous cycle thermal plants with regard to issues related to a forced absence of personnel, internal and external, from the workplace where a physical presence is required, or to operational limitations related to biomass supply, waste disposal and waste disposal activities, or in maintenance activities, planned or not, however managed through the activation of the applicable business continuity plans.

Other review of business

On 27 January 2021, Falck Renewables Power 2 SL and Falck Renewables Power 3 SL were awarded two lots for a total of 40 MW relating to their own solar projects as part of the tender process carried out by the Spanish government. This award ensures a fixed price for the sale of energy for a period of 12 years.

On 27 January 2021, Falck Renewables SpA was included in Bloomberg's Gender-Equality Index (GEI) for the first time. The index, which includes 380 companies in 44 countries, tracks the performance of companies worldwide that are committed to disclosing their efforts and achievements in the area of gender equality through transparency, increased representation in management positions and the creation of specific policies.

Specifically, companies are included in the index mainly based on an assessment of their performance in five areas: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies and pro-women brand.

On 29 January 2021 Falck Renewables SpA, in accordance with article 2-ter of the regulation adopted by CONSOB resolution 11971 of 14 May 1999 (the "Issuers' Regulation"), lost its status as an "SME" pursuant to article 1, paragraph 1, letter w-quater 1) of Legislative Decree 58 dated 24 February 1998, ("TUF"), as its capitalisation exceeded the reference threshold during the three-year period 2018-2020.

On 11 February 2021, Falck Renewables SpA announced that it was among the 30 European energy players that, after two years of research and preparation, had officially launched "HyDeal Ambition", an initiative

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aiming at supplying green hydrogen in Europe at € 1.5/kg (including transmission and storage) by 2030. The production of green hydrogen, through electrolysis from solar sources, will start in 2022 from the Iberian Peninsula.

Our goal is to reach 95 GW of solar and 67 GW of electrolysis capacity by 2030 to produce 3.6 million tonnes of green hydrogen per year for use in the energy, industry and mobility sectors, through the gas infrastructure or storage network, equivalent to one and a half months of oil consumption in France. A phased approach will be anticipated with the first deliveries in Spain and south-west France, to be followed by an extension through eastern France and Germany.

On 12 February 2021, Falck Renewables Sicilia Srl, owner of a solar project under development in Sicily, and Illumia Trend, a trading company of the Tremagi group, an Italian energy and gas supplier operating throughout Italy with approximately 350,000 domestic, business and industrial customers, signed a long-term Power Purchase Agreement (PPA).

The project (10.5 MW) is located in the province of Ragusa. Once in operation, the solar plant will produce up to 20 GWh of electricity per year, equivalent to the amount of energy needed to cover the needs of around 7,400 households. Falck Renewables Group, through its subsidiary Falck Next Energy Srl, will also take care of the dispatching of the solar plant, enabling a correct match between the supply profile requested by Illumia and the clean energy produced.

The multi-year contract is characterised by an innovative pricing structure that will allow both companies to balance risks and strategic objectives. Moreover, long-term PPAs are a key factor in the energy transition by adding new renewable capacity to the energy market, in line with national and international climate change objectives.

On 19 April 2021, the company was included in the S&P Global Clean Energy index, which includes 82 international companies that stand out for their strong commitment to ESG issues related to sustainability and sustainable development: an acknowledgement of the commitment dedicated to the development of ESG issues in support of the company's core business.

On 20 April 2021 Falck Renewables SpA finalised the acquisition of 100% of the share capital of Desafio Solar SL, owner of a solar plant operating in Spain. The signing of the Share Purchase Agreement with Caicos Directorship SL, a company owned by Fund IV, managed by Everwood Capital SGEIC SA, was announced on 29 March 2021. The price was approximately € 22 million, plus the assumption of the project's residual debt. The solar plant (50 MW), located in the municipality of Escatrón, in the region of Aragon, has been in operation since June 2020. Annual electricity production is estimated at around 88.7 GWh. The plant has a Power Purchase Agreement (PPA) covering about 70% of the energy produced.

On 6 May 2021, the Sicily Region's energy department issued Falck Renewables Sicilia Srl with Decree no. 497 relating to the Single Authorisation pursuant to Legislative Decree no. 387/03 for an agri-voltaic plant in Sicily in the municipality of Scicli (RG) with a capacity of 9.67 MW.

On 24 May 2021, Falck Renewables SpA announced the signing of a ten-year Corporate Power Purchase Agreement (PPA) with the Ferrero Group, which operates in the food sector, namely as a producer of sweets and beverages. The contract concerns two projects owned by Falck Renewables Group that integrate photovoltaics and agriculture, being developed in Sicily in the provinces of Ragusa and Trapani.

It is estimated that, once in operation, the plants (totalling 17.5 MW) will produce up to 35 GWh of electricity per year, sufficient to meet the energy needs of about 13 thousand households.

On 27 May 2021, Falck Renewables Sviluppo Srl, owner of a solar project under development in Apulia, announced the signing of a Corporate Power Purchase Agreement (PPA) with Solvay, a leading international group in the field of advanced materials and specialty chemicals.

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The contract, which has a duration of 10 years, will cover about 70% of the electricity produced by the solar system, and represents a quantity equal to the electricity needs of the four Italian Solvay sites in: Bollate, Ospiate, Livorno and Rosignano.

This will reduce Solvay's emissions by over 15,000 tonnes of CO₂ per year, in line with the Solvay One Planet sustainability strategy.

Once in operation, the project (41.1 MW), in the province of Foggia, will generate about 70 GWh of energy per year, sufficient to meet the annual needs of about 26,000 families.

The project, which currently also includes a 10 MW/20 MWh storage system, is designed to allow renewable electricity production and agricultural exploitation to be integrated into the site. The current design provides for the alternation of rows of solar panels and rows of olive trees of different varieties, including the Fs-17 variety, which is resistant to the Xylella bacterium. The plan provides for the management of the olive grove to be entrusted to local specialised operators, even organised into social enterprises, who will benefit from the agricultural activity, resulting in new revenues and jobs for the region of Apulia.

On 16 June 2021 Falck Renewables SpA signed an agreement to acquire 60% of the shares of SAET SpA, a Padua based company that is a leader in the design and construction of high voltage electrical systems and the construction of energy storage plants. The acquisition was completed on 20 July 2021.

The agreed price, which amounted to approximately € 5.7 million, was financed entirely using in-house resources, and will undergo the usual adjustment mechanisms. The transaction also entailed the signature of a shareholders' agreement at closing, and the possibility of acquiring the remaining 40% of SAET within four years.

On 30 June 2021 Falck Renewables SpA added a further 74.1 MW of new wind capacity with the commissioning of the Brattmyrliden plant in Sweden. It is estimated that the plant will generate up to 263.5 GWh of electricity per year.

The plant holds a 10-year Virtual Corporate Power Purchase Agreement, signed on 22 July 2020 with Ball Corporation, a leading multinational in the supply of aluminium packaging, which covers approximately 70% of the electricity produced by the wind farm.

On 8 July 2021 Falck Renewables SpA announced a partnership with Ørsted, a world leader in offshore wind and BlueFloat Energy, an expert in offshore wind power.

On 15 July 2021, the partnership participated in Crown Estate Scotland's ScotWind auction, for the award of seabed leases for the development of large-scale offshore wind farms.

Having pioneered offshore wind technology with its first farm in 1991, Ørsted has carried out more offshore projects than any other company in the world. Thanks to Ørsted's unique experience, combined with that of BlueFloat Energy in the development, financing and execution of offshore wind projects, and that of Falck Renewables in carrying out global projects dedicated to local communities, and Scottish ones in particular, the partnership has proven to be well-positioned to carry out first-rate offshore projects.

On 28 September 2021, the partnership established in July 2021 between Falck Renewables SpA, Ørsted, and BlueFloat Energy, which attended the latest ScotWind auction, joined the cooperative social enterprise Energy4All, an expert in community ownership, in order to promote inclusive opportunities for Scottish communities with the acquisition of a share of the offshore wind farms to be developed by the partnership.

On 30 September 2021, Falck Renewables SpA announced a joint partnership with BlueFloat Energy for the development of offshore wind farms off the Italian coast and the launch of the first project in the Apulia region, off the coast of Brindisi, called Kailia Energia.

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Significant events after the end of the period

On 12 October 2021, Falck Renewables SpA won first place in the Top 100 - 2021 ESG Sustainability Award promoted by Credit Suisse and Kon. The company was included among the 100 finalists for the Award (which consisted of 100 Italian companies that have distinguished themselves in the field of sustainable development by combining innovation and sustainability), and placed first in the final ranking.

On 13 October 2021, in order to participate in the construction and development of the Landolina farm in Scicli (province of Ragusa, Sicily) and allow the citizens of Scicli and Sicily to benefit from a safe, profitable, and sustainable investment, Falck Renewables SpA launched the “Coltiviamo energia” program’s first lending crowdfunding initiative. The campaign is based on the experience of the Group, which has been successfully conducting similar value sharing initiatives in the UK for over fifteen years. The initiative launched in Scicli will be carried out by way of a remunerated loan, guaranteed by Falck Renewables, in crowdfunding mode. Through the platform www.coltiviamoenergia.it, individual citizens will be able to participate in the construction and operation of the farm, with amounts ranging from € 200 to € 10 thousand, and will receive an annual remuneration on their loans for a duration of 10 years, even with the possibility of fully recuperating the capital paid-up in the event of early withdrawal.

The inhabitants of Scicli benefit from a gross annual yield of 6% for subscriptions made within the first ten days of the campaign, a value which subsequently decreased to 5%. For the remaining inhabitants of the Region, the fixed value is set at 5% for the first ten days of the campaign, which subsequently decreased to 4%. The financing opportunity was also open to the Italian employees of Falck Renewables, key figures in the Group’s green calling, who will receive a gross annual return of 3%.

Like that which is already practice in many countries where the company has a presence, Falck Renewables has also arranged for the creation of a collective benefit scheme, with the establishment of an annual fund to support local initiatives in the Municipality of Scicli, and the funding of a scholarship program to train new professionals in the fields of renewable technologies, energy sustainability, and development.

On 18 October 2021, Falck Renewables SpA was included in the MIB® ESG index launched by Euronext and Borsa Italiana. This is the first ESG (Environmental, Social and Governance) index dedicated to Italian blue-chip leaders. The index includes large listed Italian issuers that comply with ESG best practices, in keeping with the principles of the United Nations Global Compact.

On 20 October 2021, Falck Renewables SpA announced that Infrastructure Investments Fund (“IIF”), an investment vehicle for which J.P. Morgan Investment Management Inc. is an advisor, had reached an agreement for the purchase of a 60% stake of the capital in Falck Renewables SpA, owned by Falck SpA, which will be followed up by a mandatory takeover bid. IIF will collaborate with Falck Renewables SpA to accelerate its pathway of growth, and to strengthen its leadership position in the renewable energy sector.

The agreement stipulated provides for the purchase of the stake that Falck SpA holds in the share capital of Falck Renewables SpA at a price per share of € 8.81, which represents a premium of:

29.2% compared to the weighted average market price over the last 3 months

40.5 % compared to the weighted average market price over the last 6 months

45.2 % compared to the weighted average market price over the last 12 months

The Price per Share will not be subject to further changes due to the possible conversion of the Falck Renewables SpA convertible bonds into Falck Renewables SpA shares. As per usual, the agreement provides for specific contractual mechanisms for the reduction of the consideration, which will only come in to play if any distributions are made to the Falck Renewables SpA shareholders prior to closing.

The closing of the transaction, which is subject to obtaining the relevant regulatory authorisations, among others, is expected to take place in the first quarter of 2022.

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After the Closing of the Transaction, IIF will promote the mandatory takeover bid on the remaining share capital of Falck Renewables SpA at the same Price per Share offered to Falck SpA, with the intention of delisting Falck Renewables SpA. Subject to the Closing of the Transaction, IIF also intends to promote a cash takeover offer on the Falck Renewables SpA convertible bonds, under the same terms and conditions, intended exclusively for qualified investors.

On 26 October 2021, on behalf of the company Odra Energia, Falck Renewables and BlueFloat Energy announced that they were about to file the documentation needed to begin the authorisation process associated with the project for the construction of an offshore wind farm off the southern coast of the province of Lecce. Like for the first Kailia Energia project off the coast of Brindisi, announced on 30 September, the proponents for Odra Energia have opted for a preliminary consultation, an optional phase aimed at best addressing the contents of the environmental impact study for the subsequent VIA procedure. At the same time, the request for a maritime state property concession will be filed with the Ministry of Infrastructure and the Port System Authority of the Southern Adriatic Sea. The maximum installed capacity envisaged for this project is approximately 1.3 GW. The estimated annual production is approximately 4 TWh, equivalent to the consumption of over one million Italian households, with over two million tonnes of atmospheric carbon dioxide emissions being prevented.

On 22 October 2021, Falck Renewables SpA added an additional 29.6 MW of new solar capacity with the entry into operation of the Westmoreland County Solar Project in the state of Virginia (USA), which had not been counted as of 30 September 2021. On 2 November 2021 Westmoreland County Solar Project, LLC closed a tax equity funding of 44.55 million dollars.

On 3 November, Falck Renewables Finland Oy signed an agreement for the purchase of two ready-to-build wind farms in Finland, owned by the Danish group European Energy. Once in operation, it is estimated that these projects, both of which located in the municipality of Karstula, with a total installed capacity of 55 MW, will produce approximately 160 GWh of electricity annually, enough to meet the needs of approximately 19,500 households each year. The value of the transaction is based on an Enterprise Value of approximately € 7.3 million, funded entirely with the company's own resources, and subject to price adjustment based on certain conditions relating to the closing.

*6. Statement by the Manager assigned to prepare the accounting documents in compliance with art.
154-bis paragraph 2 of Legislative Decree no. 58/1998*

6. Statement by the Director responsible for drafting corporate accounting documents in compliance with art. 154-bis paragraph 2 of Legislative Decree no. 58/1998

The Manager assigned to prepare the accounting documents, Paolo Rundeddu, states, in compliance with art. 154-bis, paragraph 2 of the Unified Finance Law (Legislative Decree no. 58/1998), that the accounting information contained in this Interim Financial Report at 30 September 2021 corresponds to the accounting documents, books and records.

Paolo Rundeddu

(Manager assigned to prepare
the accounting documents)

Milan, 10 November 2021