



Company Profile

February 2021



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Incorporated in 2003 following the electricity market deregulation (Bersani Decree 79/99) to become **the energy partner of residential & business customers**

Main activities

Power & Gas Sales

2019*
results

{ Power 10,5 TWh
Gas 372,3 Msmc

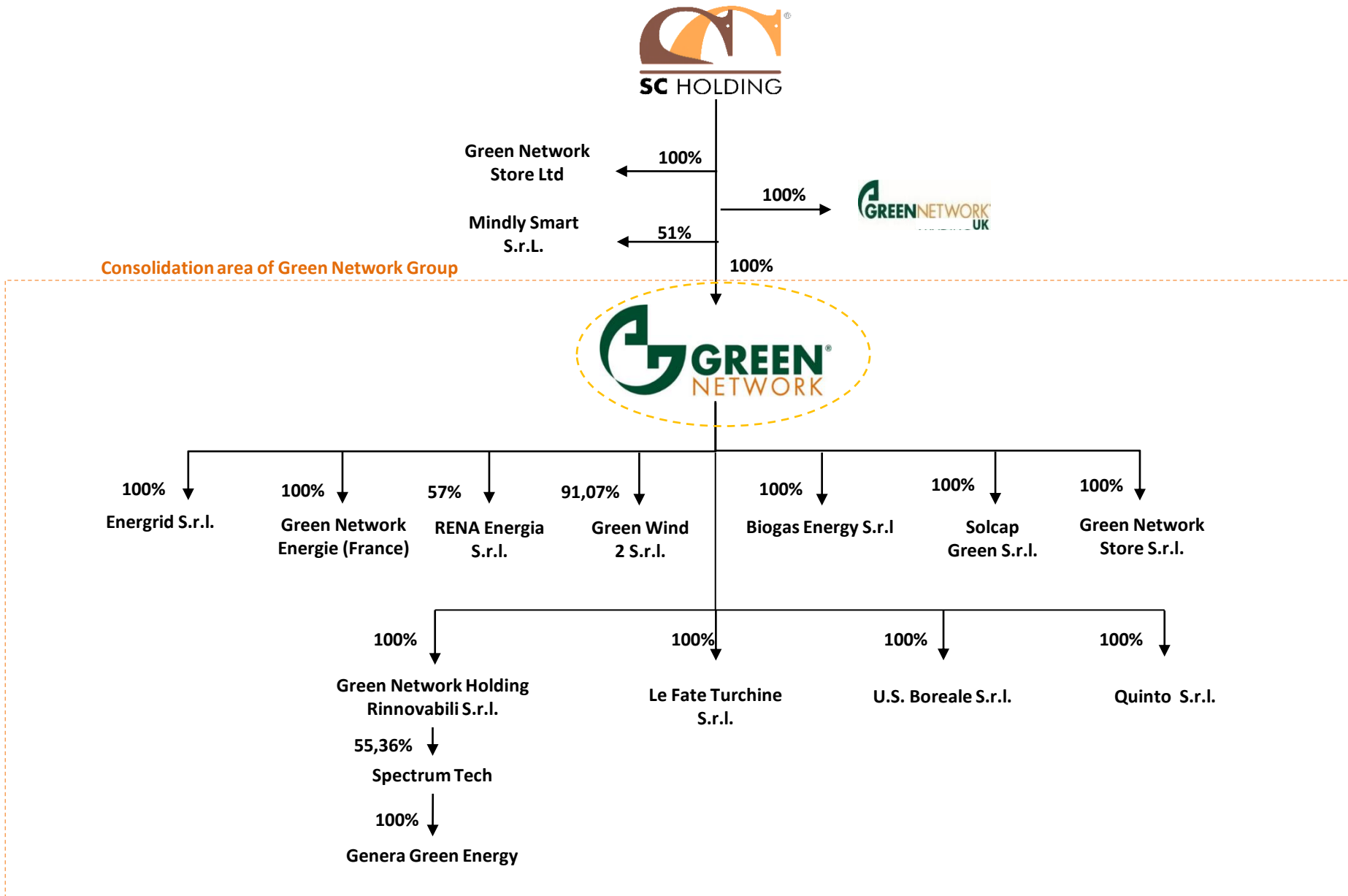


ITALY

- **Major independent player** in the Italian energy market
- Active in the **Sme and Retail market since 2013**
- Current Portfolio is about **330.000 customers**



Company structure



Management team & Key figures

Management Team



Founder

Piero Saulli
CEO & Chairman

- **Founder** of Green Network S.p.A.
- Former **top manager at Enel S.p.A.**



Founder

Sabrina Corbo
Vice-President

- **Founder** of Green Network S.p.A.
- **10+ year of legal advisory** for energy sector players



Giovanni Barberis
General Manager

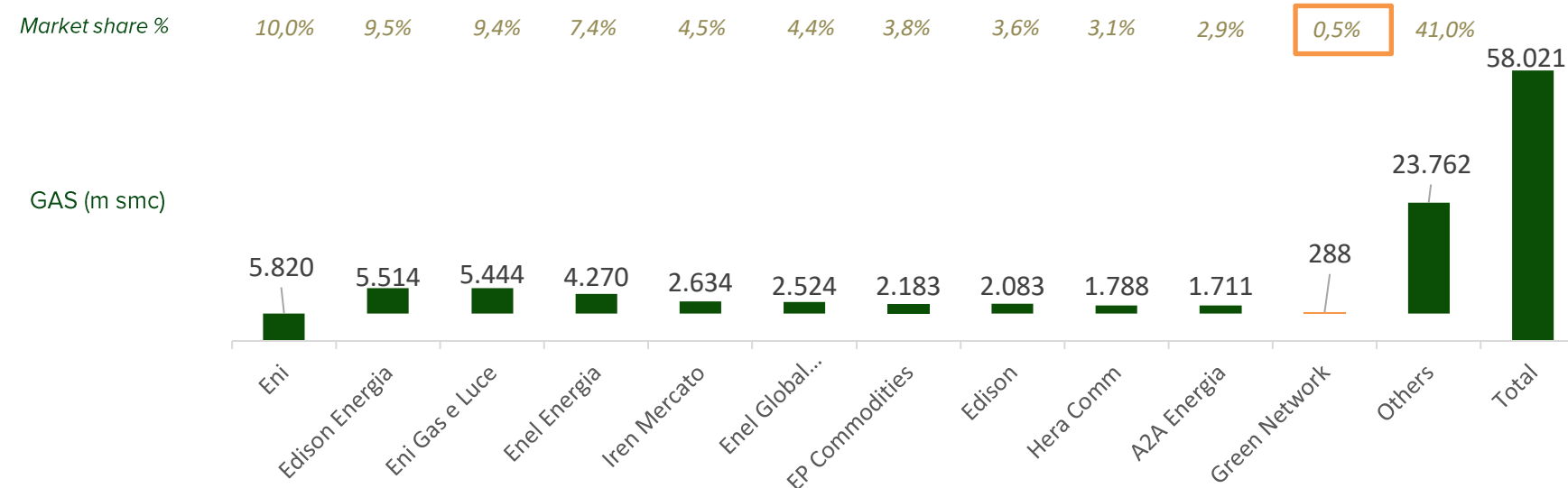
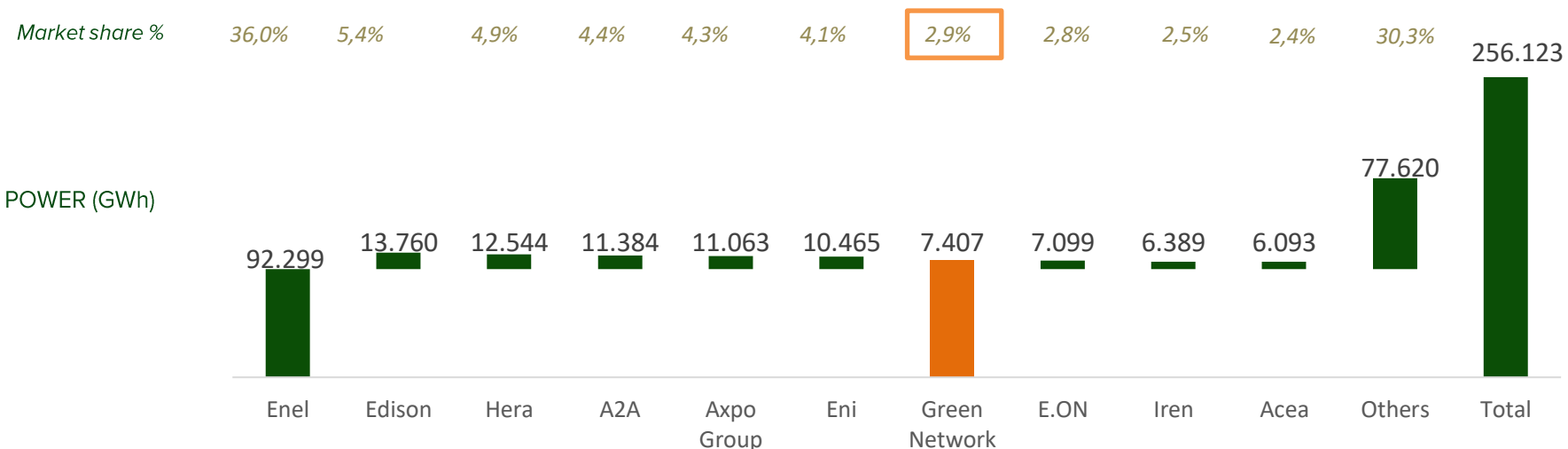
- Former **CFO** at **ACEA**
- Former **CFO** at **Hera**
- Former **CFO** at **Cremonini Group**
- Former **CFO** at **Simint (Armani Group)**
- Former **Audit Manager** at **Exxon**

Green Network Spa Key figures	2019*	6M 2020
Revenues	2.080 M€	584 M€
EBITDA	124 M€	27 M€
EBIT	58 M€	9 M€
NFP	+27 M€	+0,1 M€
Employees	206	206

Since 2003, Green Network has grown to become a major independent player in the Italian energy market



ITALIAN MARKET – MARKET POSITIONING 2019



Green Network is the 7th player in the Italian market for volumes in power sold



KEY MARKET TRENDS



27 million "new" clients on free market due to the phase-out of the regulated market by 2022



Strong financial pressure and crisis of small players due to the terms of payment to the gme and the charges for guarantees (in case of lack of di rating)



Big opportunities for private players with a solid and robust organization, financial structure and business management



ITALIAN MARKET

MARKET TRENDS

IMPACT ON SMALL PLAYERS

EXPECTED EVOLUTION OF NUMBER OF SMALL PLAYERS

Financial



Reduction Terms
of Payments to
GME (to 7 days)



LIMITED FINANCIAL
CAPABILITIES to
MANAGE CASH FLOW
in situation with a
reduction in the days
payable



Guarantees



FINANCIAL STRESS due
to LACK OF RATING or
extension of
guarantees

Business Related



Market
liberalization and
Price
Competition



LIMITED SIZE and LACK
OF ECONOMIES OF
SCALE for Sourcing and
Business Management



New Consumer
Needs



LIMITED CROSS-SELLING
OPPORTUNITIES and
additional services



Digitalization



LACK OF INVESTMENT
POSSIBILITIES ON
Digital-oriented
Customer Experience

Potential squeeze
out of smaller
players with a
portfolio of 3m
customers
potentially coming
to the market

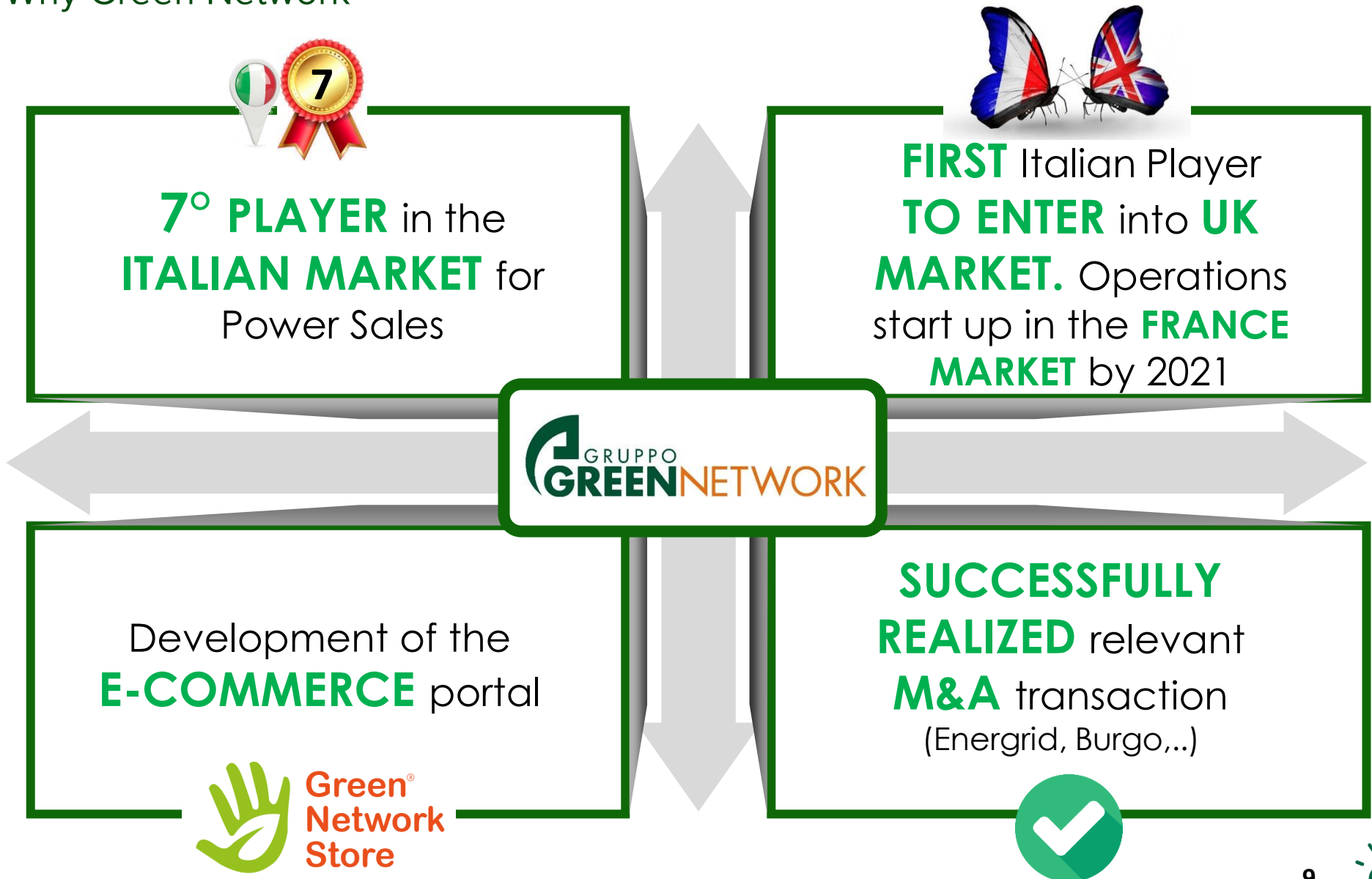
Small Players going out of the
market since unable to sustain
new competitive and financial
pressure in the market

Small players progressively exiting the market since unable to sustain the new competitive environment and the increasing financial pressure.



STRATEGIC GUIDELINES

Why Green Network



STRATEGIC GUIDELINES

Strategy Key Pillars



KEY PILLARS



- Focus on **QUALITY, TRANSPARENCY AND RELIABILITY** to improve retention and create **SOLID CUSTOMER BASE** with loyal customers. Increased loyalty also through a strong loyalty program and a new **E-Commerce channel** (Green Network Store)



- **BE GREEN!** Green Network Store offers only of eco-sustainable products that respect the environment



- Focus on **HIGH QUALITY SALES CHANNELS** including creation of selected partnerships for **CROSS-SELLING** and development of **NEW DIGITAL CHANNELS**



- Improvement in financial Stability through **LOWEST FINANCIAL DEBT** among Italian independent utility players



- **COMPETITIVE COMMODITY SUPPLY** approach with adequate risk management



- Boost In **BRAND AWARENESS** through ad-hoc advertising campaigns (e.g. Christian De Sica spot)

Green Network will be able to exploit energy market trends given its capabilities from a financial, operational, business standpoint



BUSINESS MODEL

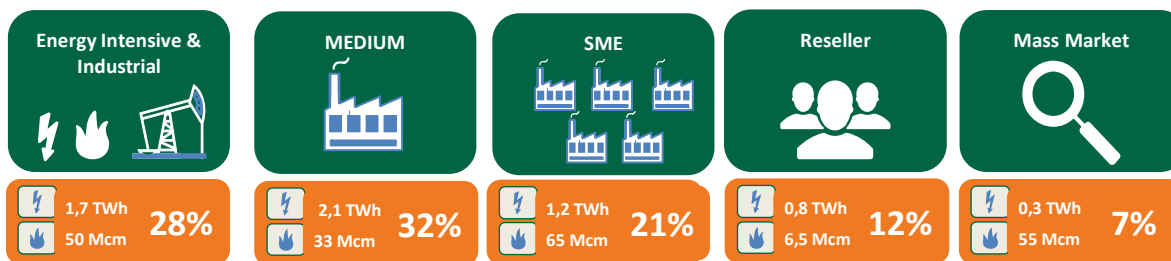
Energy Efficiency Projects

Green Network is an Energy Service Company (ESCO).
Dedicated projects for industrial customers and partnership with indirect sales counterparties to reach SME customers.

Digitalisation & Customer Experience

Integrated Customer Experience: enable a consistent and intuitive customer journey across all touchpoints. Enhance and simplify processes to achieve operational time

Strategic presence in all commercial segments B2B & B2C



TOTAL*

6.2TWh
210 Mcm

331,993 PoD
(Power+Gas)

PPA & Demand Response

Consolidated relationships with large industrial customers provide significant competitive advantage to Green Network to grow in the PPA market

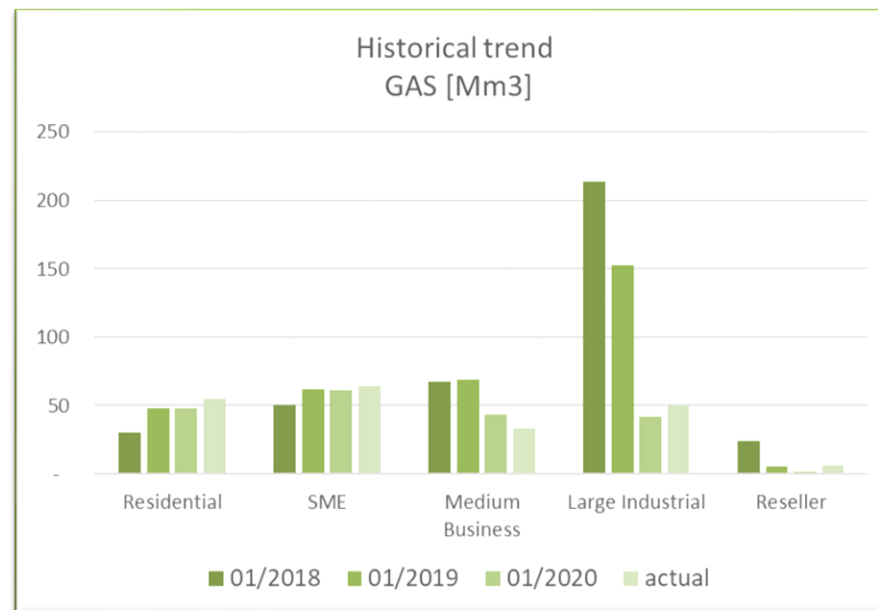
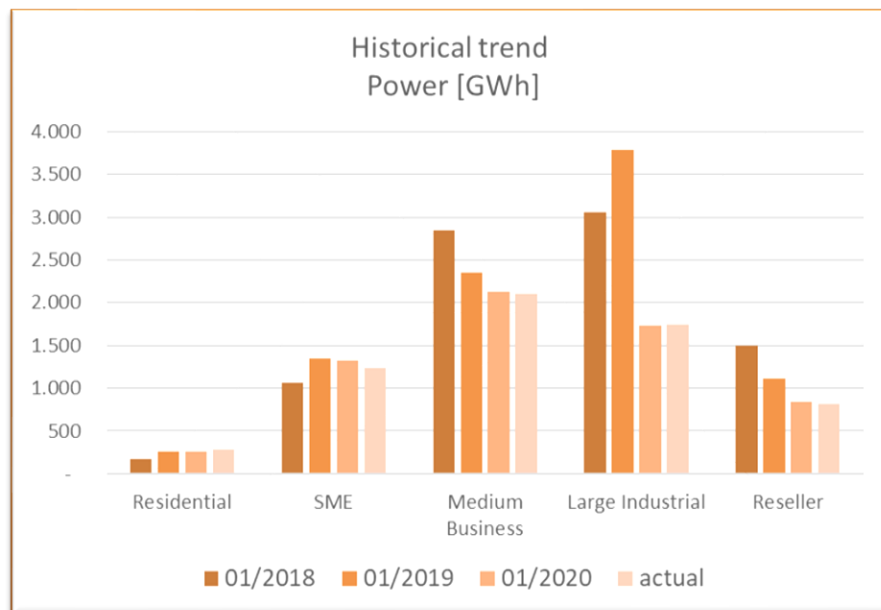
Portfolio Management & Hedging

Dedicated team of professionals focused on short-term optimisation and forecasting, with a deep knowledge of the physical market fundamentals

Fully integrated downstream business model from procurement to final consumption.



GREEN NETWORK – Portfolio Hystorical Trends 2018-2020



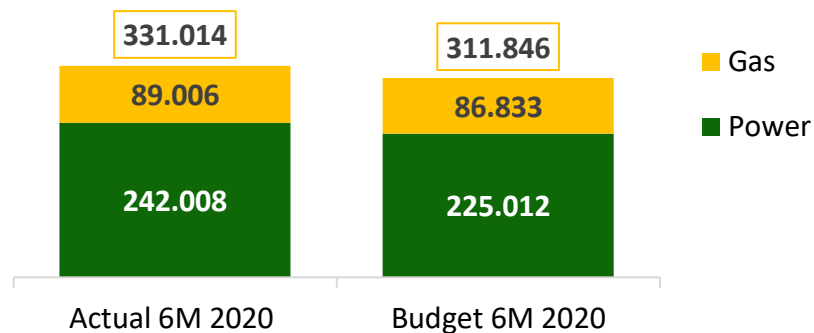
Highlights TREND 2018 - 2020

	POWER	GAS
Residential	+62%	+83%
SME	+16%	+28%
Large Industrial	-77%	-76%
Reseller	-46%	-73%

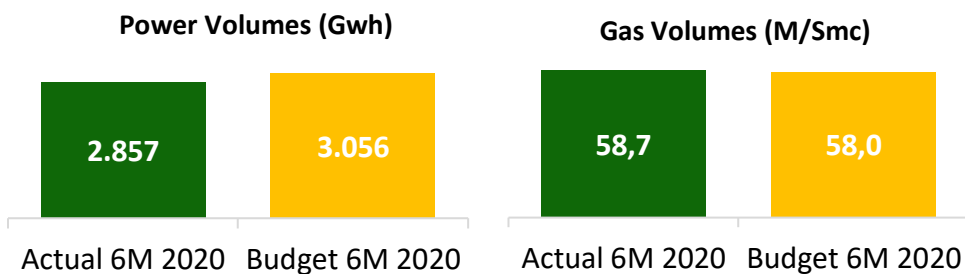


FINANCIAL HIGHLIGHTS 6M 2020 - Green Network at a glance

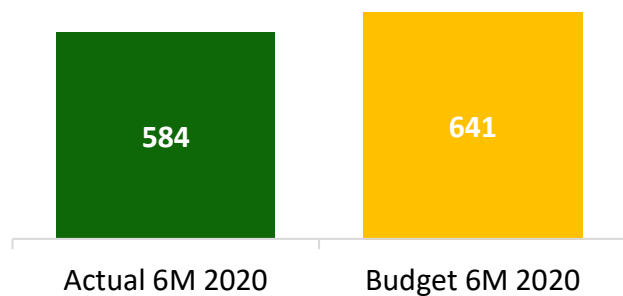
CLIENTS (# / end of period clients)



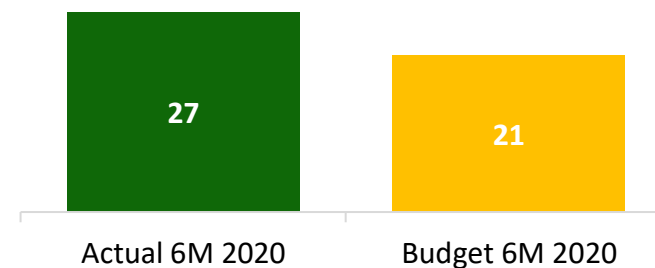
POWER&GAS VOLUMES



REVENUES (€m)



EBITDA (€m)



BUSINESS PLAN GREEN NETWORK Spa









Introduction

- **Gross Margin Growth in Power & Gas Commercial Business Unit and Energy Management from €39m FY19/20 to €110m in BP 26/27 through a strategy focusing on:**
 - *Mass Market segment instead of Large clients characterized by low Gross Margin (e.g. Energivori, Reseller, etc...)*
 - *Improvement of the average churn rate*
 - *Increase of acquisition of new customers in Retail segment*
 - *Hedging e Trading process optimization*
- **Working Capital Normalization:** the changes in working capital, reflects the business evolution, the partial recovery of current overdue receivables and the renewal of the securitization program throughout the period of the Plan
- **Capex:** investment of 6m (FY 20-22) are expected mainly related to Digital Transformation to offer customers increasingly better service
- **Net Financial Position:** reflects the full reimbursement of medium term loans by 2022, the use of factoring / self-liquidating lines to support the financial needs of working capital and the use of guarantees to support the purchase of physical energy as well as the purchase of hedging derivatives.



BUSINESS PLAN GREEN NETWORK Spa

BP Highlights | Trend and Rationales

ITEM	TREND	MAIN RATIONALES
 Clients		<ul style="list-style-type: none">• Solid Organic Growth focused on Mass Market based on high-quality customer base• Increase in Small Business Segment
 Revenues		<ul style="list-style-type: none">• Driven by Business Segment evolutions• Low impact by Mass Market growth
 EBITDA		<ul style="list-style-type: none">• Increase of Customer Base• Gross Margin per client stable over the 2020-2027 period but with a better mix• Efficiency on Cost to Serve and Cost to Acquire
 NFP		<ul style="list-style-type: none">• Disposal of real estate property over 2026-2027 period• Positive Cash impact generated by disposal of equity investments in company operating in renewable energy business



BUSINESS PLAN GREEN NETWORK Spa-ASSUMPTIONS 1/2

ITEM

DELTA 20-27

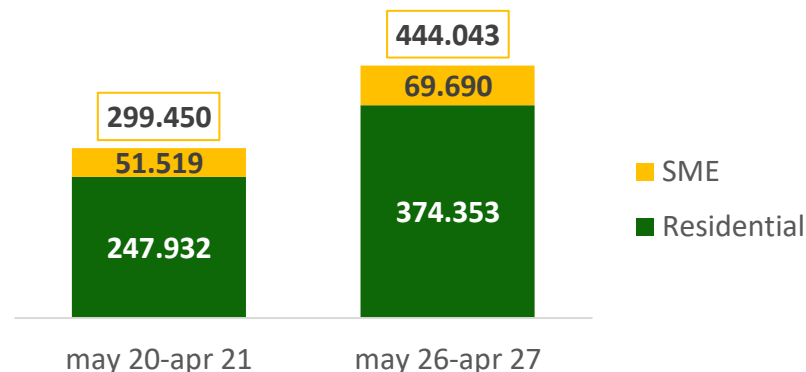
ASSUMPTIONS



Clients (#)

Cagr+5%

+13k net average
new acquisitions
per year in
Residential
segment with
significant
reduction of
churn rate

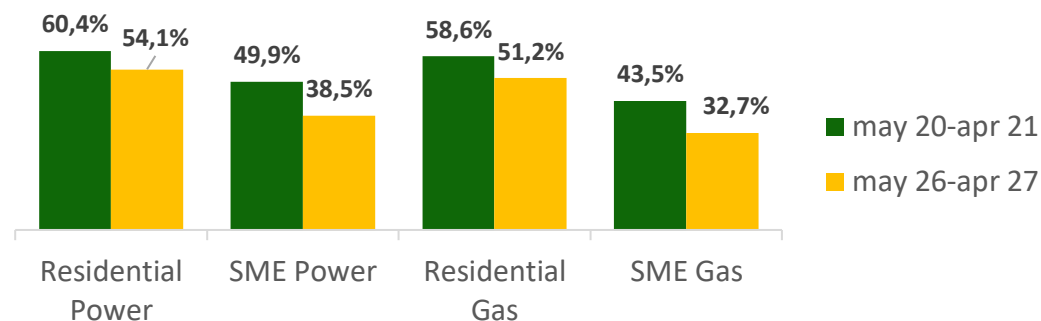


Churn Rate (%)

-6%

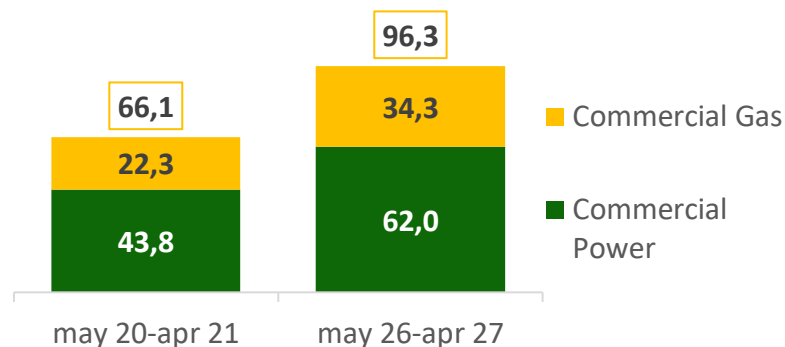
Residential
-11% SME

Reduction of churn
rate on Residential
and SME segment



Commercial
Gross Margins
(€m)

Cagr+4%
Power
Cagr+6%
Gas

The average
yearly growth is
mainly driven by
Residential GM
and Sme GM



BUSINESS PLAN GREEN NETWORK Spa-ASSUMPTIONS 2/2

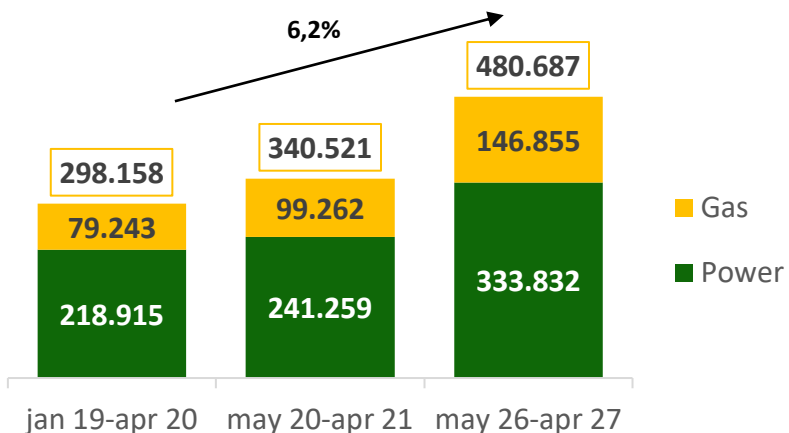
ITEM	DELTA 20-27	ASSUMPTIONS	
<div></div> <div>Cost to acquire (Cta) (€/average contract)</div>	<div>-6€</div> <div>Cta variable expenses mainly include (i) costs related to external acquisitions (agencies fees) and (ii) advertising expenditure</div>	<div>43,7</div> <div>may 20-apr 21</div>	<div>38,0</div> <div>may 26-apr 27</div>
<div></div> <div>Cost to serve (Cts) (€/average contract)</div>	<div>-2,5€</div> <div>Cts variable expenses mainly include (i) call center costs (ii) postal costs (iii) credit costs and (iv) costs related to commercial and direct marketing activities</div>	<div>26,4</div> <div>may 20-apr 21</div>	<div>23,9</div> <div>may 26-apr 27</div>
<div>Overheads (€m)</div>	<div>Overheads mainly include (i) service costs and (ii) personnel costs</div>	<div>20,1</div> <div>may 20-apr 21</div>	<div>20,1</div> <div>may 26-apr 27</div>

17

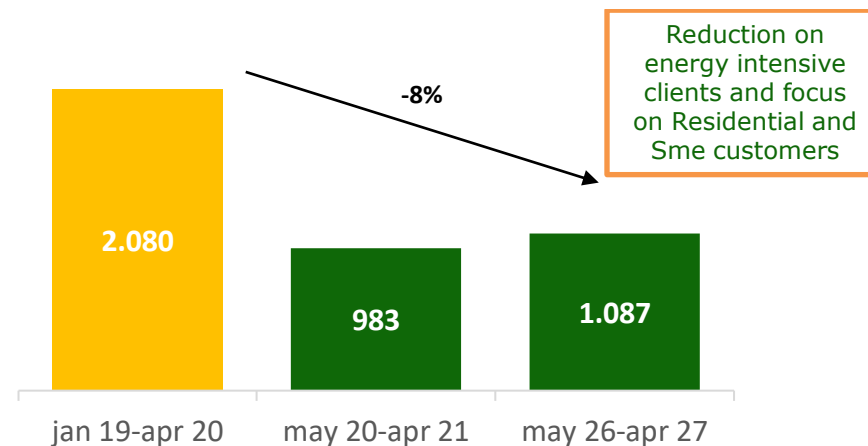


BUSINESS PLAN GREEN NETWORK Spa- Highlights 1/3

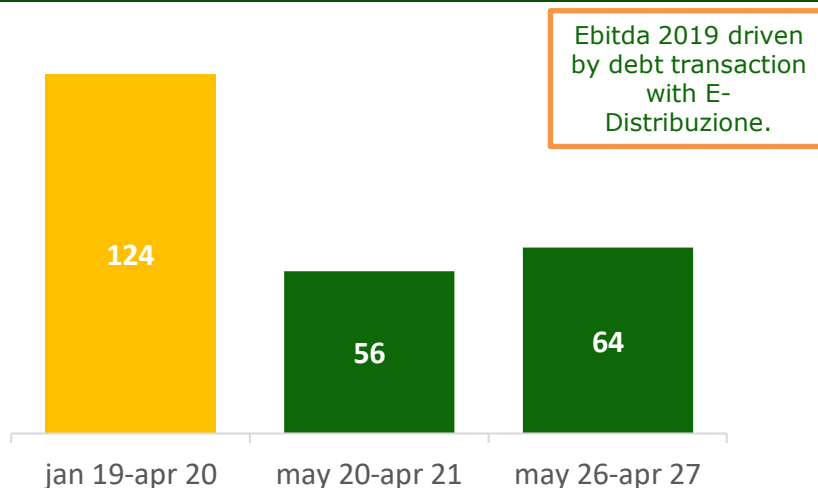
CLIENTS (# / end of period clients)



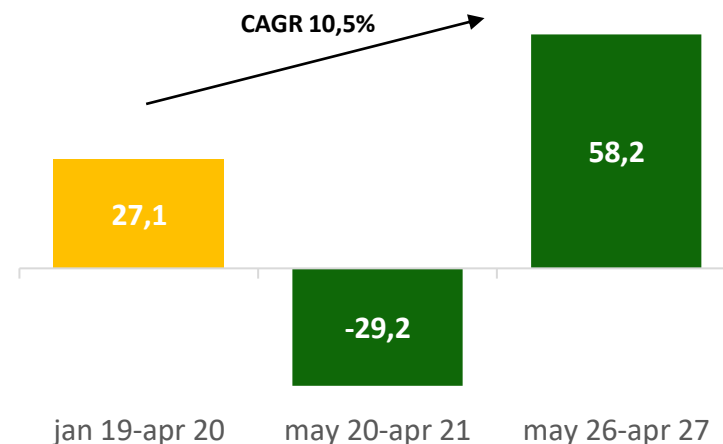
REVENUES (€m)



EBITDA (€m)



NET FINANCIAL POSITION



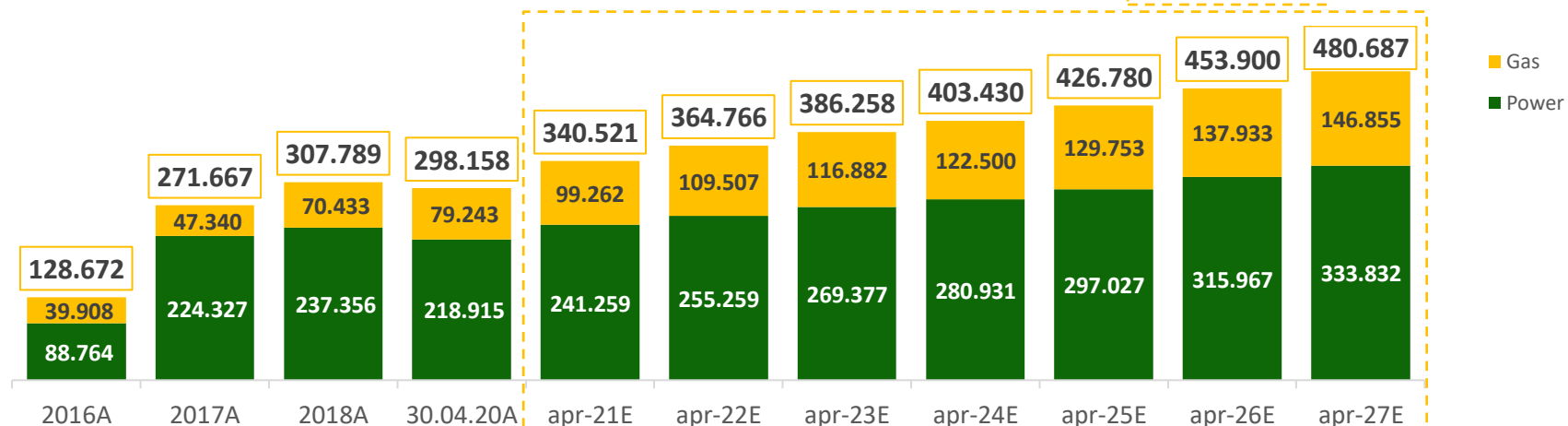
Increase customer base up to ~0,5 M clients and EBITDA growth in the Plan horizon.



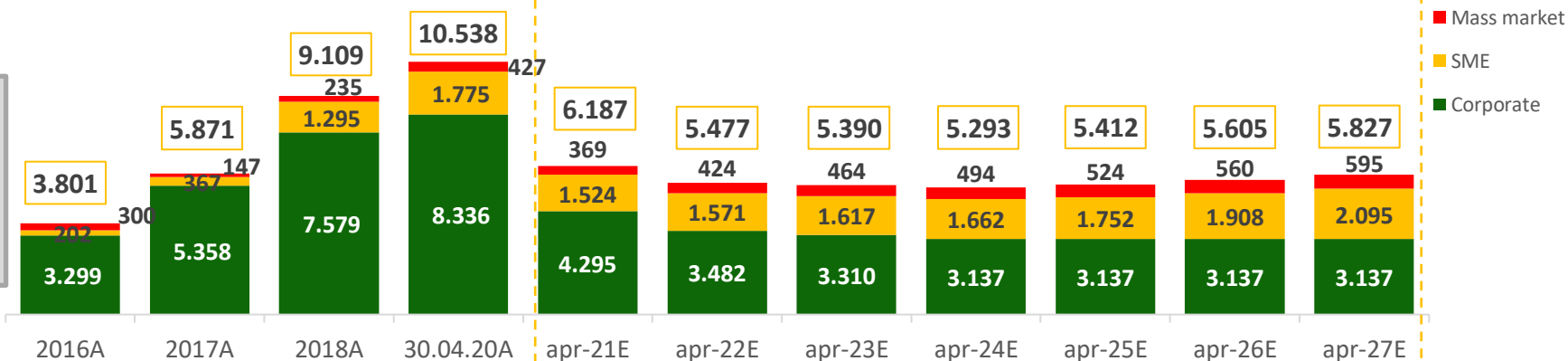
BUSINESS PLAN GREEN NETWORK Spa- Highlights 2/3

BP 21-27

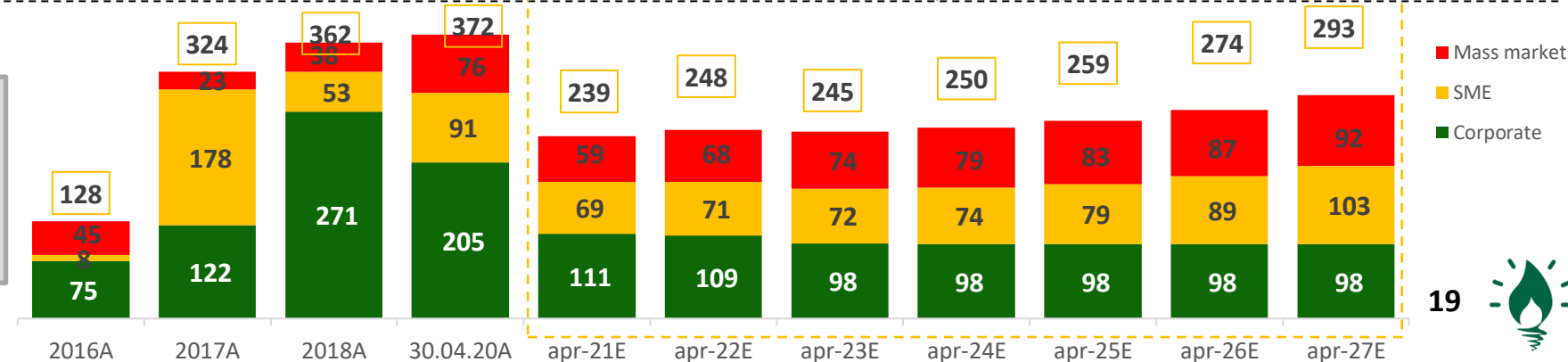
CLIENTS
(#)



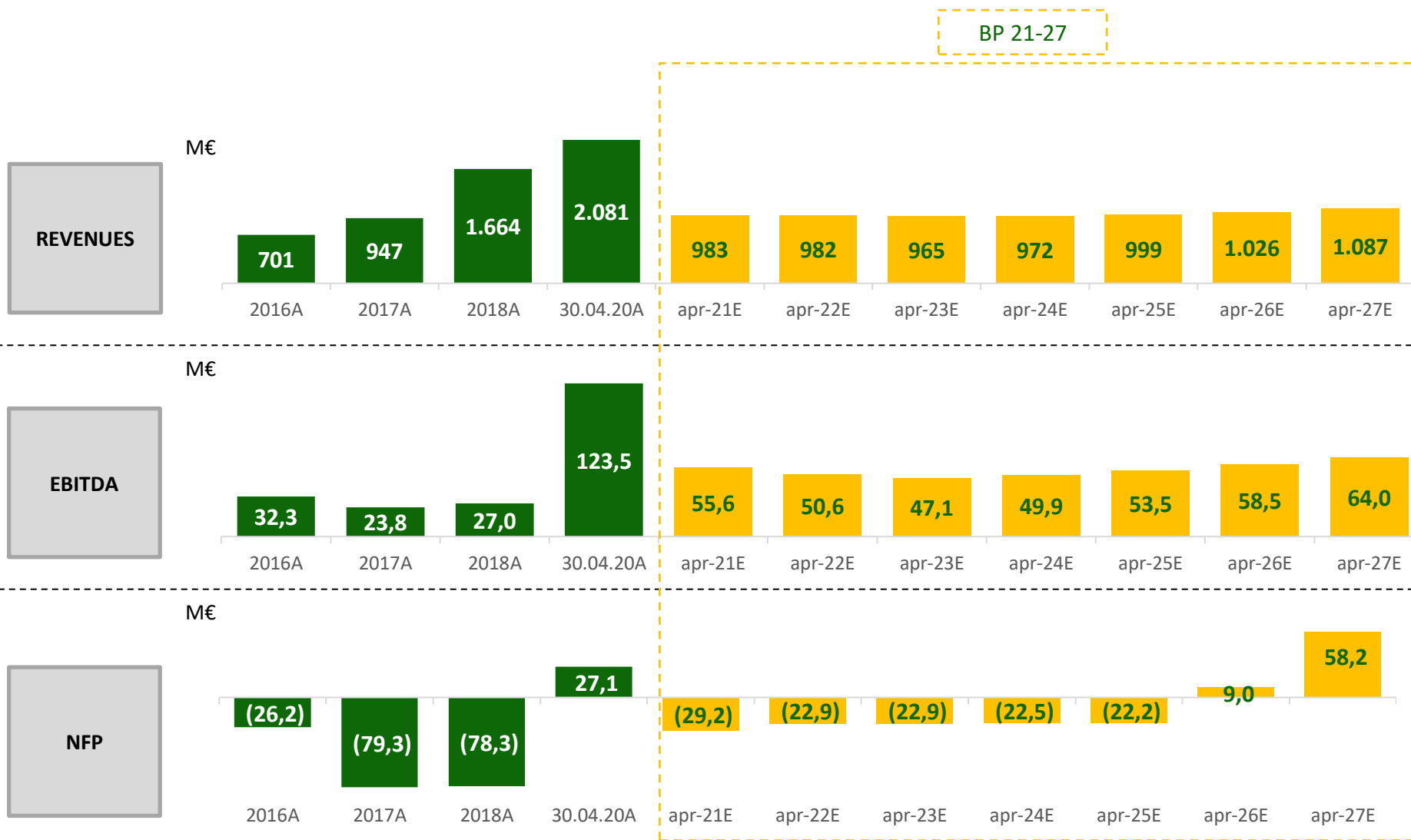
POWER
VOLUMES
(Gwh)



GAS VOLUMES
(m smc)



BUSINESS PLAN GREEN NETWORK Spa- Highlights 3/3



From 2016 top management has focused on higher profitability clients acquisition and customer base optimization.



BUSINESS PLAN GREEN NETWORK Spa

Profit & Loss and Cash flow

Profit & Loss €m	May-20 Apr-21	May-21 Apr-22	May-22 Apr-23	May-23 Mar-24	May-24 Apr-25	May-25 Apr-26	May-26 Apr-27
Revenues	983,1	982,1	965,5	972,3	998,5	1.025,7	1.087,5
Raw materials	885,1	888,4	874,7	878,3	900,3	921,4	976,6
Gross margin	98,1	93,6	90,7	94,0	98,2	104,2	110,9
Overheads	42,5	43,0	43,7	44,1	44,7	45,7	46,9
EBITDA	55,6	50,6	47,1	49,9	53,5	58,5	64,0
D&A	(34,1)	(32,5)	(33,5)	(34,9)	(31,1)	(32,4)	(31,2)
EBIT	21,5	18,1	13,5	15,1	22,4	26,1	32,7
Financial expenses	(9,1)	(9,0)	(8,8)	(8,7)	(8,4)	(8,2)	(8,0)
Tax	(1,3)	(1,1)	(0,9)	(1,2)	(4,7)	(5,9)	(7,9)
Net Profit	11,2	7,9	3,8	5,2	9,3	12,0	16,9

Conservative volume growth focused on high margin clusters

Ebitda-ebitda margin on average around 6%

Cash Flow M€	May-20 Apr-21	May-21 Apr-22	May-22 Apr-23	May-23 Mar-24	May-24 Apr-25	May-25 Apr-26	May-26 Apr-27
EBIT	21,5	18,1	13,5	15,1	22,4	26,1	32,7
Taxes	(1,3)	(1,1)	(0,9)	(1,2)	(4,7)	(5,9)	(7,9)
D&A	29,8	28,1	29,0	30,2	26,2	27,1	25,5
Capex	(18,9)	(19,1)	(19,5)	(17,9)	(18,7)	0,1	(19,8)
Repayment plan	(7,0)	(22,1)	(20,7)	(28,5)	(27,6)	(27,3)	-
Change in Net working capital	(33,4)	11,4	7,44	11,3	11,1	19,3	26,7
Operating FCF	(9,1)	15,2	8,9	9,0	8,7	39,4	57,2
Change in Financial debts	(3,6)	(3,9)	0,0	0,4	0,3	0,8	1,4
Interest payments	(9,1)	(9,0)	(8,8)	(8,7)	(8,4)	(8,2)	(8,0)
Cash flow hedge variation	3,4	-	-	-	0,0	-	(0,0)
FCF from financing + interest	(9,3)	(12,9)	(8,8)	(8,3)	(8,1)	(7,5)	(6,6)
Cash and cash equivalents beginning of fiscal ye	73,7	55,3	57,6	57,7	58,5	59,1	91,1
Change of cash and cash equivalents	(18,4)	2,4	0,1	0,8	0,6	32,0	50,7
Cash and cash equivalents end of fiscal year	55,3	57,6	57,7	58,5	59,1	91,1	141,7
PFN	(29,2)	(22,9)	(22,9)	(22,5)	(22,2)	9,0	58,2

Strong cash generation that allows to cover the repayment plan with ED and generate additional 85M of cash



BUSINESS PLAN GREEN NETWORK Spa

Balance Sheet

	Actual	BP						
Balance Sheet €m	Jan-19 Apr-20	May-20 Apr-21	May-21 Apr-22	May-22 Apr-23	May-23 Mar-24	May-24 Apr-25	May-25 Apr-26	May-26 Apr-27
Asset								
PPE & Goodwill	101,6	90,7	81,7	72,2	59,9	52,3	37,8	32,1
Financial assets	15,9	13,8	13,8	13,8	13,8	13,8	1,1	1,1
Intercompany receivables	119,6	110,2	103,6	97,0	88,4	78,8	69,3	61,8
Other assets	179,8	107,9	110,7	112,3	114,8	117,2	120,2	120,4
Inventories	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0,5
Commercial receivables	237,6	195,4	187,0	182,0	181,1	184,1	177,9	173,1
Cash & cash equivalent	108,9	55,3	57,6	57,7	58,5	59,1	91,1	141,7
Total assets	763,8	573,7	555,0	535,6	517,0	505,8	497,8	530,6
Share capital	15,6	15,6	15,6	15,6	15,6	15,6	15,6	15,6
Reserves	4,6	43,4	54,6	62,6	66,4	71,6	80,8	92,8
Net income	35,2	11,2	7,9	3,8	5,2	9,3	12,0	16,9
Equity	55,4	70,3	78,2	82,0	87,2	96,5	108,5	125,4
Financial debts	81,9	84,4	80,6	80,6	81,0	81,3	82,1	83,5
Intercompany debts	12,2	6,1	1,5	1,5	1,5	1,5	1,5	1,5
Employees benefit	3,1	3,2	3,2	3,2	3,2	3,2	3,2	3,2
Provisions for risk and charges	11,7	11,0	11,0	11,0	11,0	11,0	11,0	11,0
Other liabilities	243,8	125,1	133,7	135,7	138,7	141,5	144,8	148,4
Commercial payables	355,7	273,5	246,9	221,5	194,4	170,9	146,7	157,6
Liabilities	708,4	503,5	476,8	453,6	429,8	409,4	389,3	405,3
Total liabilities	763,8	573,7	555,0	535,6	517,0	505,8	497,8	530,6

Fixed assted
coverage ratio
from 0,3 on Apr-20
to >3 on Apr 27

141M of cash
& cash equivalent
at the ends of the
period

Strong increase in
equity (no foreseen
dividends)





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