

## NHOA Masterplan10x and Strategic Ambitions €230 million new financial resources contemplated

**Coupling the Storage and eMobility technology play with the ambition to own and operate the preferred EV Fast Charging network of Stellantis**

**Paris, 23 July 2021** – NHOA’s Chief Executive Officer, Carlalberto Guglielminotti, presented to the Board of Directors the outcome of a comprehensive strategic review of NHOA, started by the management after the signing of the agreement between the new majority shareholder TCC (TWSE: 1101) and ENGIE, aimed at updating short and long-term objectives and setting a layout to guide future growth and development in the context of the new horizons ahead with TCC.

NHOA’s chairman, Mr. Nelson Chang stated that *“The recent natural catastrophes of massive floods in Western Europe and central China and the scorching wildfires in Northern America clearly demonstrate that global warming is a real threat to humanity’s survival. NHOA sees the urgency and will be fully engaged in helping our world decarbonise to reduce such threat of climate change.”*

The outcome of such strategic review resulted in new short-term targets and long-term outlook, namely **“Masterplan10x”** and new strategic ambitions of NHOA (**“Strategic Ambitions”**) prepared by the Executive Committee of NHOA and unanimously approved by the Board of Directors.

In this context, NHOA has already presented in April 2021 the new simplified operating model, structured around two Global Business Lines (**“GBL”**):

- GBL Storage, led by Giuseppe Artizzu as General Manager, operating across 3 geographies: Americas, EMEA and Asia-Pacific; and
- GBL eMobility, represented Free2Move eSolutions, the joint venture with Stellantis led by Roberto di Stefano as Chief Executive Officer, operating by eMobility brands.

Mr. Guglielminotti presented the Masterplan 10x and the Strategic Ambitions as a way to enhance the growth of the company by 10x by 2025.

More specifically, the Masterplan 10x has the ambition to:

- set short-term targets for NHOA for 2021 and 2022, announcing the revised guidance; and
- define NHOA’s long-term outlook for 2025 and 2030.

In addition, NHOA announces, following the signature of a Memorandum of Understanding with Free2Move eSolutions and Stellantis, the creation of a new Global Business Line named **“Atlante”**. The Atlante Project is timely in the context of the adoption by the European Commission, on July 14 2021, of the Fit for 55 package whose aims are, among others, having 100% zero-emission cars registered as of 2035 and installing charging and fueling points at regular intervals on major highways: every 60 kilometres for electric charging and every 150 kilometres for hydrogen refueling. Through the Atlante GBL, NHOA has the **Strategic Ambitions** to own and operate a fastcharging network for electric vehicles in Southern Europe, that, as announced during the Stellantis EV Day 2021 on July 8, 2021, will become the preferred fastcharging network of Stellantis and its customers. Furthermore, in due course when the opportunity avails, GBL Atlante plans to deploy its fastcharging network also in Taiwan and other selected Asian countries, and along with GBL eMobility it has the ambition, as announced during the Stellantis EV Day 2021 on July 8, 2021, to mimic its business model in the North American market.

NHOA’s management expects that the strengthening of the capital structure of the company in the context of the Masterplan 10x and the initial financing of the Strategic Ambitions will entail over 230 million euro of new financial resources.

As of today, thanks to the support TCC, NHOA has approved and secured 50 million dollar credit lines and is further negotiating with multiple financial institutions to secure up to additional 60 million euro facilities, totaling over 100 million euro new credit lines (the “**New Financing**”).

In addition, c.130 million euro rights issue is expected be launched after the completion of the simplified tender offer expected to take place in September (the “**Potential Capital Increase**”). TCC will, as majority shareholder and subject to internal and regulatory approvals, subscribe for its proportion of its entitlement and, if necessary, such amount to achieve a successful Potential Capital Increase.

## Masterplan10x Short-Term Financial Targets and Long Term Outlook

	REVENUES TARGET AND LONG-TERM OUTLOOK	TARGET EBITDA MARGIN
2021	€26 to €40 million, depending on eMobility ramp-up and storage supply chain delivery schedules	N.A.
2022	€100 (10x 2020 revenues) to €150 million, depending on eMobility ramp-up and storage projects execution schedule	EBITDA Breakeven
2025	over €600 million, representing 150% of the 2025 management ambition announced in 2019	Low-double digit (over 10%)
2030	over 15x NHOA’s 2022 revenues	Mid-double digit (c.15%)

## Strategic Ambitions: preliminary assumptions and potential impact on Masterplan 10x

	Preliminary Assumptions	
2021-2030	Additional <b>capital expenditures</b> over the 2021-2030 period ranging between 100 and 140 thousands euros per VGI fastcharger integrated with storage and solar	Assuming NHOA maintains control over AtlanteCo and consolidates its financial statements on a line by line (as defined below)
	Installed Base Strategic Ambitions	Masterplan 10x potential impact
2022	c.100 fastchargers installed in 50 different locations, expected to be secured with the support of Stellantis and its partners, plus 500+ fastcharging points at the Mirafiori Plant Vehicle-to-Grid project	
2025	c.5,000 fastchargers installed in over 1,500 different locations, of which c.300 in microgrid configuration (coupled with solar panels, storage systems, and additional space for 10MW storage system)	<ul style="list-style-type: none"> <li>over €100m additional revenues potential</li> <li>mid-double digit EBITDA margin for NHOA</li> </ul>
2030	Over 35,000 fastchargers installed in c.9,000 locations, representing 15% market share in Southern Europe	<ul style="list-style-type: none"> <li>2x 2030 revenues targeted by the Masterplan 10x</li> <li>approx. 50% EBITDA margin for the Atlante GBL</li> </ul>

## Masterplan10x: multiplying by 10 key performance indicators and industrial results

Masterplan10x is a plan that NHOA’s management has put together with a view to enhance NHOA’s growth by 10 by 2025. To realize this plan, there are key performance indicators and industrial results NHOA will need to multiply by 10:

- **Storage installed base:** Following completion of the Potential Capital Increase and thereby re-capitalizing NHOA, NHOA will be in a position to tender for meaningful projects which NHOA believes will help its target to install, in 2025 10 times the whole energy storage installed base realized between 2015 and 2021, i.e. over 170MW. This in turn means that, in 2025 NHOA is targeting 1.7GWh of new storage capacity additions, coming from projects that would have to be secured by the end of 2023.
- **Production Expansion:** NHOA planning, through its GBL eMobility, to expand its production by 10 and increasing its production of 1,500 EV charging devices a week, to 15,000 by 2025. This target can

only be achieved through further enhancing our relationship with our partners such as leveraging on the industrial footprint of Stellantis and TCC's access to a unique world-class supply chain.

- **Life-Time-Value of eMobility customers:** NHOA is planning, through its GBL eMobility, to multiply by 10 the Life-Time-Value (LTV) of its eMobility customers. Indeed, when the wallbox is bundled into a subscription including the energy to charge the EV with a long-term contract, the value of the wallbox is virtually multiplied by 10.
- **Women Engineers:** 29% of NHOA's employees are women, NHOA intends to shatter the glass ceiling and disrupt the structural gender gap of female students in engineering (e.g. in Italy only 20% of engineering students are women), targeting by 2025 to multiply by 10 the number of women engineers it employs.
- **HSEQ:** NHOA anticipates carrying out, by 2025, more than 10 times the investments in Health, Safety and Quality to support the Masterplan10x while minimizing its execution risk.
- **Pipeline:** to facilitate a continuous growth through 2030 in line with the objectives of the Masterplan, NHOA also sets a target in terms of pipeline of projects for 2025. NHOA has the ambition to multiply by 10 the €1.0 billion pipeline achieved in 2020 to €10 billion in 2025, whereby a material contribution to this pipeline is expected to be made by the GBL Atlante with the rest from GBL eMobility and GBL Storage.

## Strategic Ambitions: ATLANTE as cornerstone

Atlante is at the center stage of NHOA's Strategic Ambitions: which represent the structural transformation of Engie EPS from a pure technology player to NHOA, an infrastructure developer, owner and operator that fully leverages on a complete product portfolio and vertically integrated technology in both storage and eMobility.

The Southern European public fastcharging market, namely Italy, France, Spain and Portugal, is still nascent with rapid growth expected towards 2030. Around 90% of 2030 Southern European on-the-go fastcharging network is yet to be built and developed and this constitutes a great potential business opportunity.

In particular, according to the analysis carried out by the GBL eMobility with the support of McKinsey & Co: (i) the battery electric vehicle (BEV) and plug-in hybrid electric vehicle (PHEV) penetration in Southern Europe is expected to grow 26 times to 13 million BEVs by 2030, reaching 3 million by 2025, and (ii) the on-the-go fast charging demand is expected to grow 46 times to 9 TWh by 2030, and up to 1.9 TWh by 2025. Charging System Operators and Charging Point Operators will take center stage in this market, and the role of owner and operator would represent the most attractive long-term opportunity in public fast charging market.

Given the potential size of this market, GBL Atlante has the ambition of creating, over the next 10 years, one of the largest Southern European vehicle-grid-integrated ("**VGI**") fastcharging network, to cater for the demands of the varied customers of Stellantis (the "**Atlante Network**"), with the ambition to develop, in line with what was announced by Stellantis at the EV Day 2021 held on July 8, 2021:

- by 2025: charging stations in over 1,500 sites (of which 300 in Microgrid Setup, as defined below), with c.5,000 VGI Fastchargers integrated with storage and solar in Southern Europe ("**Phase 1**"); and
- by 2030: charging stations in c.9,000 sites, with over 35,000 VGI Fastchargers integrated with storage and solar in Southern Europe ("**Phase 2**").

All details about the Atlante Network perimeter and the Strategic Ambitions developed with the support of McKinsey & Co, are described in the dedicated Press Release issued on the date hereof.

In addition, NHOA will leverage on the 1,500 sites to be developed in Phase 1 to target, by 2025, 10 times the whole microgrid installed-base commissioned between 2015 and 2021, i.e. 30 microgrids. Therefore, by 2025 approx. 300 microgrids, representing 20% of the 1,500 locations in which fastchargers will be

installed, will be equipped with solar power and storage. This technical configuration will constitute real microgrids delivering not only Vehicle-to-Grid services, but also behind-the-meter and business continuity services to Commercial & Industrial customers. In addition, NHOA is planning to secure the installation of up to 10MW of storage power for each of such microgrids, embedding the 300 microgrids with the potential of up to 3GW of storage services, that will constitute one of the largest Virtual-Power Plant ever developed thanks to the NHOA innovative PROPHET Energy Management System ("**Microgrid Setup**").

## Funding plan

The strengthening of the capital structure of NHOA in the context of the Masterplan 10x and the initial financing of the Strategic Ambitions will require approx. €130 million that are expected to be funded with the Potential Capital Increase in context of which TCC will, as majority shareholder and subject to internal and regulatory approvals, subscribe for its proportion of its entitlement and, if necessary, such amount to achieve a successful Potential Capital Increase.

In this respect, following completion of the tender offer, NHOA is planning to convene an Extraordinary General Meeting to consider, resolve, and approve the Potential Capital Increase. NHOA intends to appoint Société Générale to act as Sole Global Coordinator for the Potential Capital Increase.

Use of proceeds of the Potential Capital Increase will serve (i) the re-capitalization of NHOA, plus (ii) funding the first phase of GBL Atlante's capital expenditures and the related Strategic Ambitions. The progress of the Strategic Ambitions will depend on the successful execution of the Potential Capital Increase.

Indeed, the development of the Atlante Network would require significant additional resources for NHOA, and the deployment of material capital expenditures. In this respect, NHOA's Board of Directors requested the management to prepare a detailed business and funding plan for GBL Atlante before the Potential Capital Increase.

At this stage, current analysis and preliminary assumptions of NHOA's management are as follows:

- over the period capital expenditures ranging between 100 and 140 thousand euros per VGI Fastcharger integrated with storage and solar;
- utilization rate of the Atlante Network between 4% in 2022 to 15% in 2030;
- in Phase 1, the development of the Atlante Network to be funded by NHOA's resources, including (i) the ones arising from the New Financing and the Potential Capital Increase which *per se* will cover AtlanteCo's 2022-2024 cash needs; and (ii) additional resources from other potential investors including, among others, TCC's as key founding investor in the Atlante Network, and other forms of debt or equity financing to be structured in line with NHOA's planned EBITDA growth trajectory (from EBITDA breakeven in 2022 to up to low double-digit EBITDA margin in 2025);
- in Phase 2, funding plan for the development of the Atlante Network to benefit from expected strong cashflow generation allowing optimized debt to equity ratio capital structures with the potential involvement of strategic partners with equity or equity-like instruments.

## Execution strictly monitored with quarterly Trading and Operational Updates

The new strategy implies a high level of execution risk. For this reason, NHOA is planning to release regularly a "*Trading and Operational Update*" containing a series of performance indicators that will transparently outline the level of execution of the Masterplan10x and Strategic Ambitions.

The first Trading and Operational Update will be released before the Potential Capital Increase, and then regularly on quarterly basis.

Quarterly performance indicators (unaudited) will be set for:

- NHOA, e.g. sales, backlog and order intake, all by Global Business Lines

- GBL Storage, e.g. shortlisted projects in pipeline, MW online and under development
- GBL eMobility, e.g. conversion rate of wallbox and subscriptions over the quarterly Stellantis EVs sales, total wallbox and subscriptions outside Stellantis and manufacturing capacity update
- GBL Atlante, e.g. utilization rate of the Atlante network, number of sites, fastchargers and microgrids online, site pipeline update and conversion rate.

\* \* \*

## NHOA

NHOA develops technologies enabling the global transition towards clean energy and sustainable mobility, shaping the future of a next generation living in harmony with our planet.

Listed on Euronext Paris regulated market (NHOA:PA), NHOA forms part of the CAC® Mid & Small and CAC® All-Tradable financial indices. Its registered office is in Paris, with research, development and production located in Italy.

For further information, go to [www.nhoa.energy](http://www.nhoa.energy)

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