



PRESS RELEASE

Genova, 1 August 2022

The Company announces that its Board of Directors met today.

The Board analysed the unpredictable effects of the continuation of the Russian-Ukraine war and its serious impact on propensity to invest in gas power generation, along with extension of the use of coal-fired power plants; it then acknowledged the wider-ranging context of inflation of the cost of materials used in production, energy and gas prices. For all these reasons, and in view of the prospective market scenarios, the Board notes:

- a) that it has become impossible to achieve the financial targets set for the 2022 budget, announced in the 16 February 2022 press release (available at the link <https://www.ansaldoenergia.com/Pages/Budget-2022.aspx>);
- b) the resulting situation of financial tension and the impossibility of implementing the current industrial plan.

In this scenario, to ensure the industrial and financial relaunching of the Group, the Board of Directors has discussed and approved a series of guidelines for a New Industrial Plan, in relation to which preliminary discussions have begun with the majority shareholder, and the priority goals of which are:

- Rationalisation of the work of the “New Units” Business Unit aimed at recovering profit margins;
- Increase in the proportion of revenues coming from the “Service” Business Unit;
- Development of Ansaldo Green Tech and Ansaldo Nucleare, also through potential joint ventures and industrial partnerships on the domestic and international markets;
- Focus on cash dynamics.

The Board of Directors then appointed the CEO to discuss and negotiate a financial manoeuvre to support implementation of the final New Industrial Plan with the Company’s shareholders and principal stakeholders.

At the same time, the Company will ask the financing banks to suspend, as of 30 June 2022, calculation of compliance with one or more of the financial covenants applicable to the medium- to long-term loans granted to the Company.

In view of these prospects, the Board considers it correct to approve the half-yearly report as of 30 June 2022 on the basis of the assumption of business continuity. The principal quantities appearing in this report are summed up below:

- Despite an order intake of 440 million euro, as compared to 290 million euro in the first six months of 2021, led by the Service sector, the New Units sector registered shrinkage in expected orders: the negative result of the Italian Capacity Market is the greatest factor in determining this, as it has not assigned capacity to the plants with which Ansaldo Energia already had agreements in place;

The Ansaldo Energia Group, a world leader in electricity generation and key player in the energy transition, is a company 88% owned by CDP Equity (Gruppo Cassa Depositi e Prestiti) and 12% owned by Shanghai Electric.

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- Revision of expectations for the future has required assessment of the values of the assets appearing in the financial statements through an impairment test. This analysis has led to writedowns totalling 390 million euro. The Group's financial performance is therefore negative by 442 million euro (390 million euro of which determined by this writedown, the remaining 52 million euro being determined by -13 million in non-recurrent charges, -15 million in amortisation of intangible assets due to PPA, -23 million in financial charges and -2 million in taxes);
- Net indebtedness to others equals 787 million euro, compared to 619 million euro in December 2021. To this figure we may add 242 million euro in shareholder loans, compared to 236 million euro in December 2021. This increase is the result of an operative cash flow of -143 million euro (primarily working capital), financial charges (included interest on shareholder loans) totalling -23 million euro and -10 million euro in strategic investments.

The Board of Directors also acknowledged that, partly as a result of the events described above, the Company's financial position meets the conditions of art. 2446 of the Italian civil code. The Board has therefore summoned a shareholders' meeting for 31 October 2022, first summons, second summons on a date to be determined, if necessary, in order to make the decisions legally required in these circumstances.

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