Presse release
May 18th, 2021

Re-positioning ENGIE for long-term sustainable growth
Accelerating in Renewables, committing to Net Zero Carbon by 2045

- Renewables annual growth to step-up to 4 GW in 2022-25 and 6 GW in 2026-30
- Group simplification from 25 BUs to 4 GBUs with rigour in execution
- Creation of "BRIGHT"[1], a new leader in multi-technical services, on track
- Post-"BRIGHT", ambition to deliver high single digit earnings growth
- Disciplined capital allocation and ambitious performance plan
- €9-10 billion of disposals and €15-16 billion of growth investment by 2023
- Guidance: NRIgs to grow throughout 2021-23, to €2.7-2.9 billion in 2023, assuming no contribution from "BRIGHT"
- Commitment to Net Zero Carbon by 2045 on all scopes

Catherine MacGregor, CEO, said: *"We are repositioning ENGIE to capture significant growth opportunities. The Group is committed today to embracing its role of industrial leader, with clear priorities, focused on operational excellence and delivery.*
A simpler ENGIE will be uniquely positioned to drive an affordable, reliable, and sustainable energy transition. With a stronger focus on renewable power, distributed energy infrastructure and renewable gases, ENGIE is building today the low carbon energy system of tomorrow."

Jean-Pierre Clamadieu, Chairman of the Board of Directors, added: "*The Board has approved the decisions announced today by Catherine MacGregor and her team, which are in line with the strategic orientation adopted by the Board in July 2020. I am delighted to note that ENGIE is today engaged in a major transformation with clear objectives and teams mobilized to make the Group a leader in the energy transition to meet the expectations of its stakeholders."*

A simpler ENGIE well positioned for a buoyant energy market

Business mix aligned to industry mega-trends. The global energy sector is undergoing a profound change: a major growth cycle driven by the acceleration of decarbonisation coupled with robust demand. ENGIE is uniquely positioned to capture this growth through complementary activities that are aligned to these global mega-trends.

Simplifying the Group at pace. The Group is concentrating on core activities with a focused geographic footprint and strong local stakeholder relations. By 2023, its geographic footprint will be reduced to less than 30 countries compared to 70 in 2018. To align its long-term industrial purpose with its strategic goals, the Group has streamlined its organisation from 25 Business Units to 4 GBUs. The

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N.B. Footnotes are on page 5.

Group will drive growth through Renewables and Energy Solutions, whereas Networks and Thermal offer a yield profile. These four GBUs will be fully responsible for their P&Ls to improve delivery of targets and align them with commitments.

On track with the creation of a new leader in multi-technical services. The employee representatives' consultation is progressing, and current focus is on ensuring that “BRIGHT” will be managed independently within ENGIE by 1st July 2021. The marketing phase is expected to start immediately after. In the 2023 guidance provided today, ENGIE assumes no contribution from “BRIGHT” to earnings.
ENGIE's ambition post-“BRIGHT” is to deliver high single digit earnings growth.

ENGIE is building today, the low carbon energy systems of tomorrow, focusing on Renewables and Infrastructure supporting its customers' decarbonization

A strong commitment to Net Zero Carbon by 2045 across all scopes

ENGIE is strengthening its commitment to decarbonization with the ambitious target to reach Net Zero Carbon on all three scopes by 2045, following a “well below 2°C” trajectory. On the road to Net Zero Carbon, the Group is planning to reduce the carbon intensity of its power generation to 158g/kWh in 2030 from 348g/kWh in 2017, in line with the Science Based Targets objectives.

ENGIE has again demonstrated its commitment to coal exit through the recent announcement in Chile of a comprehensive transformation plan, which includes the development of 2 GW of renewables capacity and the end of its coal fired power generation activities by 2025. The overall objective remains to exit coal in Europe by 2025, and globally by 2027. To achieve the coal-phase out that supports a just transition, ENGIE is prioritizing coal exit options in the following order: closure, conversion, and disposal only when necessary.

ENGIE is committed to be a leader in social responsibility. Being a more efficient company also means being a company committed to the development of people. This attention remains at the heart of the new streamlined organisation with a strong focus on diversity, gender equality, apprenticeship, and training. The Group is proud of its employees' commitment as measured by its annual global engagement survey, and also prides itself in its ability to attract the best talent which is a key differentiator of the Group.

ENGIE also contributes to the decarbonization of its customers. ENGIE has measured that in 2020 the use of its products and services has enabled its customers to avoid 20Mt CO_2e. The methodology of this measure has been made public in order to contribute to the definition of an open and objective standard that will boost the decarbonization market. The Group plans to enable its customers to avoid 45Mt CO_2e per year by 2030.

Focus on growth for Renewables and Energy Solutions

A proven track record and a focused approach to capture Renewables growth. Significant renewables capacity additions of over 300 GW are expected between 2020 and 2025 in ENGIE's markets and this trend is set to continue over the long-term. ENGIE has built a strong Renewables platform of 31 GW (at 100%). By leveraging its expertise in business development, energy management and operational excellence, ENGIE will accelerate its average annual renewables growth from 3 GW currently to 4 GW from 2022 to 2025, and a further step-up to 6 GW from 2026 to 2030, primarily organically. Overall, this will lead to total installed capacity of 50 GW by 2025 and 80 GW by 2030.

This ambition is supported by a solid pipeline totalling 56 GW, which benefits from a balance of projects across onshore wind, offshore wind and solar.
The key geographic priorities will be Europe, North America, and Latin America, with offshore wind across a wider geographic footprint.
The Group will be retaining more projects on its balance sheet, particularly in priority markets for onshore wind and solar.

Energy Solutions, a leader in low carbon distributed energy infrastructures, covering DHC networks, distributed generation and low carbon mobility, as well as related services. Around 75% of the EBIT of this new GBU is expected to come from low carbon distributed energy infrastructures and 25% from energy efficiency services.

Energy Solutions activities will be based on long-term, infrastructure-like contracts where ENGIE can leverage its competitive advantages such as its unique depth and breadth of expertise, as well as its historical relationship with key energy transition promoters. These activities benefit from global decarbonisation, with policy makers, cities and corporates all adopting ambitious carbon neutrality goals, translating into solid growth prospects.

The Group has set up an ambitious target of adding 8 GW of capacity to reach 32 GW of low carbon distributed energy infrastructure by 2025.

Focus on Yield for Networks and Thermal

Networks have a critical role in the energy transition. Gas networks play an integral role in supporting affordability and reliability of this transition. They will also enable the long-term development of renewable gases.
ENGIE has a significant position in French gas networks that brings stability, visibility, and strong cash-flow generation. As previously communicated in July last year, ENGIE will look to rebalance its exposure from centralized French gas networks to low carbon distributed infrastructures and international networks.
In international networks, ENGIE will remain focused on gas and power networks, primarily in Latin America, where these activities benefit from stable regulatory or long-term contractual frameworks.

Thermal, a balanced portfolio combining largely contracted earnings with merchant optionality. With major growth in renewables, which are intermittent by nature, thermal capacity is key in providing flexibility and security to the energy system. ENGIE's thermal activities enjoy solid contracted visibility with over 10 years of remaining PPA duration, on average, across the portfolio of plants, while retaining merchant optionality to capture opportunities provided by market spreads, capacity remuneration mechanisms and ancillary services. Overall, contracted EBIT represented 69% of total EBIT for Thermal in 2020.

ENGIE, a front runner for energy systems of the future

An integrated approach to energy systems combining renewable energy with renewable gases will be key to ensure resilience, reliability and decarbonization. Through its deep experience in both power and gas, ENGIE is an early mover in the development of these future solutions where it enjoys solid market positions. Biomethane is one of these strategic markets with attractive short-term growth potential. It is already a reality in France and is expected to reach 10% of gas mix in France by 2030 with ENGIE targeting 4 TWh of production by 2030.

Building a strong position in hydrogen. Hydrogen is a fast-emerging technology gaining global momentum and where ENGIE benefits from first mover advantages. Hydrogen is a strategic gas for decarbonization as it enables better integration of Renewables, helps reduce emissions for hard-to-abate sectors and its associated technologies are becoming increasingly competitive. In this compelling environment, ENGIE has ambitious targets for the long-term development of hydrogen. By 2030, the Group expects:

- to develop green hydrogen capacity of 4 GW,
- to have 700 km dedicated hydrogen networks and 1 TWh of storage capacity,
- to operate more than 100 refuelling stations.

Medium-term financial plan and Outlook

€9-10 billion disposals executed at pace to simplify the Group and the investor proposition. ENGIE's business mix will evolve through strategic reviews of non-core activities, further country exits, alignment with Net Zero Carbon commitment and rebalancing of exposure from French gas networks. These €9-10 billion of disposals over 2021-23 will be executed at pace, taking into account the Group's stakeholders with the goal to maximise value for all.

€15-16 billion acceleration of growth investments. ENGIE plans to invest between €15-16 billion of growth Capex over 2021-2023 with 55% being already committed. Growth Capex is expected to be split 40-45% towards Renewables, 30-35% Networks and 15-20% Energy Solutions, with respective CO_2 budgets. In addition, approximately 80% of these investments are expected to be compatible with draft EU taxonomy. Capex allocation will follow an improved investment process with strict financial and ESG criteria. Overall this growth investment is expected to contribute an additional €1 billion of EBIT over the three year period.

Return on Capital Employed should benefit from this rigorous process to drive value creation: Group ROCE is expected to increase to over 7.5% in 2023 from 6.8% in 2019.

Optimized maintenance Capex of €7-8 billion over 2021-23, of which 50% is expected to be allocated to regulated Networks and remunerated through the regulatory framework, and €4 billion Belgian nuclear provisions funding.

ENGIE is stepping-up performance improvement through an increased focus on execution with a performance plan designed to enhance efficiencies across businesses and support functions. This plan will deliver a net EBIT contribution of €600m during the period 2021 to 2023. This net EBIT increase is supported by a €1+ billion gross improvement.

Digital and IT will be important enablers of this new performance plan, which will rely on the deployment of efficient digital tools: digital platforms, data hubs and convergence between ERPs and CRMs.

ENGIE will also increase its focus on cash, primarily through optimized maintenance investments and closer monitoring of operational working capital with improving EBITDA to Free Cash Flow conversion.

"Strong investment grade" balance sheet maintained over 2021-23. Whilst CFFO[2] and disposals will fund investments and dividends, ENGIE aims at maintaining a balance sheet with economic net debt to EBITDA ratio expected to remain below or equal to 4x over the long term. Thus ENGIE maintains its commitment to "strong investment grade" rating.

Financial outlook. For 2023, the Group anticipates a net recurring income Group share to be between €2.7 billion and €2.9 billion, based on an indicative EBITDA range of €10.3 billion to €10.7 billion and EBIT range of €5.7 billion to €6.1 billion.
In this guidance, ENGIE assumes no contribution from "BRIGHT" to earnings. In addition, these targets and indications rely on key assumptions presented in appendices.

Committed to a sustainable dividend policy. The Board has re-affirmed the Group's payout policy of 65% to 75% of net recurring income Group share. Through the three-year plan announced today, ENGIE expects the dividend per share to grow driven by earnings growth. Separately, ENGIE is also introducing a dividend floor of €0.65 per share for the period 2021 to 2023.

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The presentation of the Group's strategic update used during the investor video conference is available to download from ENGIE's website.

Footnotes

[1] Temporary name for the new leader in multi-technical services
[2] Cash Flow From Operations = Free Cash Flow before maintenance Capex

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Important notice

The figures presented here are those customarily used and communicated to the markets by ENGIE. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although ENGIE management believes that these forward-looking statements are reasonable, investors and ENGIE shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of ENGIE and may cause results and developments to differ significantly from those expressed, implied, or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by ENGIE with the French Financial Markets Authority (AMF), including those listed in the "Risk Factors" section of the ENGIE (ex GDF SUEZ) reference document filed with the AMF on March 17, 2021 (under number D.21-142). Investors and ENGIE shareholders should note that if some or all of these risks are realized they may have a significant unfavourable impact on ENGIE.

About ENGIE

Our group is a global reference in low-carbon energy and services. Together with our 170,000 employees, our customers, partners, and stakeholders, we are committed to accelerate the transition towards a carbon-neutral world, through reduced energy consumption and more environmentally-friendly solutions. Inspired by our purpose ("raison d'être"), we reconcile economic performance with a positive impact on people and the planet, building on our key businesses (gas, renewable energy, services) to offer competitive solutions to our customers.
Turnover in 2020: 55.8 billion Euros. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe, Euronext Vigeo Eiris - Eurozone 120/ Europe 120/ France 20, MSCI EMU ESG, MSCI Europe ESG, Euro Stoxx 50 ESG, Stoxx Europe 600 ESG, and Stoxx Global 1800 ESG).

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APPENDIX 1: 2023 indicative EBIT evolution from 2020 by activity

EBIT growth driven by Renewables

Overall drivers include FX evolution across each activity, as well as Covid recovery (mainly Supply and Energy Solutions)

Activity	2020-23 Drivers		2020-23 EBIT evolution[2]
Renewables	↗ Contribution of growth investments ↗ Higher achieved power prices in France ↘ 2020 One-off (Brazilian hydro ruling)	Performance improvement plan benefit expected across activities	++
Networks	↘ Progressive impact of lower French remuneration rates ↗ Contribution of growth investments ↗ Assumed average temperature in 2023		Flat
Energy Solutions	↗ Contribution of growth investments ↘ Disposals driving simplification, mainly 'BRIGHT'[1]		+
Thermal & Supply	↘ Decarbonization through coal exit / PPAs termination		-
	↗ Increasing volumes		+
Nuclear	↗ Higher achieved power prices ↘ Lower volumes due to Belgian phase-out		+

1. As per guidance assumptions, no contribution from 'BRIGHT' in 2023
2. Convention: each + amounts to c. €+200 to €+300m, flat -> from €-200m to €+200m, each – amounts to c. €-200 to €-300m

APPENDIX 2: 2021-2023 targets: key assumptions & indications

- no additional stringent lockdowns and a gradual easing of restrictions over 2021
- normalized hydro, wind, and solar productions
- normalized temperature in France (gas distribution and energy supply)
- full pass through of supply costs in French regulated gas tariffs
- no major regulatory or macro-economic changes
- no change in Group accounting policies
- market commodity prices as of 12/31/2020
- average forex:
  - €/USD: 1.23 for 2021, 1.25 for 2022 and 1.26 for 2023
  - €/BRL: 6.27 over 2021-23
- hedged volumes and prices for outright power production as of March 31, 2021:
  - 90% at 46€/MWh in 2021
  - 57% at 47€/MWh in 2022
  - 38% at 47€/MWh in 2023
- nuclear phase-out starting with Doel 3 in October 2022 and Tihange 2 in February 2023
- contingencies on Belgian operations of €0.15 billion in 2021, €0.15 billion in 2022 and €0.12 billion in 2023
- recurring net financial costs of €1.5-1.6 billion over 2021-23
- recurring effective tax rate: 25% for 2021, 25% for 2022, 26% for 2023