Press Release
21 February 2023

ENGIE steps up its sustainable growth
High renewables ambitions to support energy transition
Four countries to become Net Zero Carbon by 2030

- Refocused and streamlined, ENGIE is moving to the second stage of its strategic plan, **stepping up growth in energy transition**
- **€22-25bn growth Capex** in 2023-2025**, up 50%** compared to 2021-2023 with a disciplined capital allocation
- Confirmation of renewables targets driven by a solid and diversified pipeline of 80 GW
  - Annual growth of **4 GW** in 2022-25 and **6 GW** in 2026-30
  - **50 GW** installed capacity in 2025 and **80 GW** in 2030
- Focusing the growth of distributed infrastructure to support the decarbonisation of clients
  - **8 GW** of additional distributed energy infrastructure by 2025 vs. 2020
- Ramping up in **flexible capacities** and **renewable gases** with ambitious targets in 2030
  - **c.10 GW** of battery capacity
  - **c.10 TWh** biomethane production per year
  - **c. 4 GW** hydrogen production capacity
- Guidance: NRIgs to grow throughout 2023-25, to reach **€3.4-4.0bn in 2023** and **€4.1-4.7bn in 2025**
- Dividend policy reiterated: **pay-out ratio 65-75%** of NRIgs with annual floor of €0.65
- **Four Net Zero countries in 2030**, a first milestone to Net Zero Carbon by 2045 on all scopes

Catherine MacGregor, CEO, said: *"Over the last two years, ENGIE has carried out a major strategic refocus and strengthened its industrial base. Backed up by a strong financial structure, we now move to the second stage of our strategic plan. We are stepping up our growth investments by a sizeable 50% for the 2023-2025 period, targeting ambitious expansion in renewables, both power and gas, and decarbonization solutions with a selective approach to foster significant value creation for the benefit of our shareholders and all our stakeholders. We believe in a balanced mix, at the heart of which gas* *plays and will continue to play a key role in providing flexibility to the system, demonstrating the relevance of ENGIE's integrated business model. ENGIE teams are fully engaged in implementing our strategy, moving forward to our target of Net Zero carbon by 2045, and in four countries as soon as 2030".*

Jean-Pierre Clamadieu, Chairman of the Board of Directors, added: *"The Board approved the plan presented by Catherine MacGregor and her team. The climate emergency, the energy crisis and the geopolitical situation leave no choice but to accelerate the transition to a low-carbon economy, which confirms the relevance of the strategy to which ENGIE has been committed since 2020."*

A more industrial ENGIE, focusing on the second stage of its strategic plan: stepping up growth

Successful execution of the 2021-23 strategic plan. The Group has successfully achieved its refocus with €11 billion of disposals closed or signed at end-2022 and its geographic footprint now down to 31[1] countries, from 70 in 2018. The Group also simplified its organization structure, from 25 business units to 4 Global Business Units (GBU) to become more integrated and industrial. Alongside operational excellence, ENGIE is increasing the efficiency of support functions, notably through the streamlining of its corporate center by c.33%[2].

Stepping up growth while leveraging its unique and flexible asset mix. Strengthened by its simplification and its strong balance sheet, ENGIE will realise its purpose of accelerating carbon neutrality, alongside driving sustainable returns for shareholders. The Group will ramp up its growth in Renewables, both in power and gas, and distributed infrastructure, to support the decarbonisation of its clients. In addition, ENGIE's networks and flexible assets will contribute to security of supply and flexibility to respond to a more volatile energy market context.
To support this growth, ENGIE will leverage its efficient integrated business model. All the Group's activities, combined with its unique global energy management expertise and its local reach, will help ENGIE building and rolling out best-in-class solutions to the energy transition commitments of its customers.

Four countries at Net Zero in 2030, a first milestone to "Net Zero Carbon" target in 2045

ENGIE is strongly committed to its "Net Zero Carbon" target on all three scopes by 2045 following on a "well below 2°C" trajectory and is pleased to announced today it has received its certification from SBTi. To pave the way to this ambition, ENGIE intends to reach Net Zero in four countries by 2030, including notably Brazil. The Group has also raised its ambition on carbon intensity of its energy production[3] and energy consumption[4] to reach 110gCO_2/kWh by 2030.

[1] once closing of the signed deals is effective
[2] in FTE's
[3] Scope 1
[4] On its consolidated assets

Nature is a key component of ENGIE's strategy. Convinced that climate mobilization and nature preservation go together, ENGIE launched in 2022 its label TED[5], certified by Bureau Veritas, (or "Sustainable Energy Transition" in English) that covers three main themes: territories, nature, and climate. All ENGIE's new renewables projects, in France and soon in five additional countries, will follow this label. ENGIE has also new commitments on nature notably the 70% reduction, between 2019 and 2030, of the quantity of fresh water consumed in relation to the energy produced.

ENGIE is committed to being a leader in social responsibility. ENGIE is proud of the engagement from its close to 100,000 people, who make energy transition a reality through unique expertise and engagement. ENGIE is committed to diversity, equity and inclusion, and continuously focuses on apprenticeship and training, that are key to gaining expertise. The Group also prides itself in its ability to attract the best talent, a competitive edge over the coming years.

Accelerating growth in Renewables

Ramp-up in Renewables underpinned by a growing and well-balanced pipeline. The Group commissioned 7 GW of renewable capacity over the last two years, leading to 38 GW total installed capacity. Despite the supply chain challenges, ENGIE continues to accelerate its average annual renewable capacity additions to 4 GW until 2025, stepping-up to 6 GW from 2026 to 2030. This will bring total the installed capacity to 50 GW by 2025 and 80 GW by 2030.

This ambition is fuelled by a growing pipeline of 80 GW at end-2022 (vs. 56 GW at end-2020), which enjoys a good balance across onshore wind, offshore wind and solar. More than half of this pipeline includes projects already under construction, secured or at an advanced stage of development.
To support these targets, ENGIE will also leverage its strong development platform, its global Industrial expertise and its best-in-class energy management.

The geographic priorities remain Europe, North America, and Latin America, with offshore wind across a wider geographic footprint.

In total, ENGIE will invest between €13 billion and €14 billion over 2023-2025 in Renewables in a balanced portfolio with limited exposure to merchant risk.

The alliance between the molecule and the electron at the heart of ENGIE model to ensure flexibility and security of supply

As gas infrastructure owner, operator, and supplier, ENGIE has a critical role to play in Europe. Gas infrastructure (networks, storage capacities, LNG terminals) played a major role in the energy crisis and will continue to do so in the energy transition, ensuring security of supply and overall system resilience. Gas networks are also facilitators of the development of renewable gases and thus contribute to decarbonisation.

[5] TED stands for Transition Energétique Durable

ENGIE's gas networks business is largely regulated bringing stability and visibility. ENGIE's networks have consistently demonstrated strong operational performance and respect the highest safety standards. They generate strong cash-flow, enabling the Group to maintain safety and reliability, and finance growth Capex such renewable gases expansion.
Overall our regulated asset base (RAB), in France and international, is expected to reach €39bn in 2025, compared to €36bn in 2022.

A balanced portfolio is key to ensuring the energy system's flexibility and efficiency. In a context of strong growth in Renewables, ENGIE benefits from its large portfolio of flexible generation assets and energy storage, including CCGTs (51 GW) and pumped storage plants (c. 4 GW), which are absolutely key to absorbing the intermittency associated with these Renewables.

ENGIE will continue to adapt its fleet to bring more flexibility and optionality to the grid and to its own generation portfolio, make it leaner, nimbler, more efficient and less CO_2 intensive. The business model of CCGTs will increasingly be shifting to capacity remuneration mechanism and ancillary services.

The Group intends to strongly accelerate in battery storage to complement its gas-fired generation and pumped storage fleet, and has an ambitious target of c.10 GW of battery capacity by 2030, mainly in Europe and the US.

Ramping up in renewable gases

The development of renewable gases will capitalize on existing infrastructure, contributing to security of supply. The Group will leverage on its existing networks to develop renewable gases and will invest €3.5 billion in decarbonized gases by 2030.

The renewable and low-carbon gas market is set to grow rapidly in the coming decade, driven by the decarbonization commitments of governments and corporate offtakers.

ENGIE has a target of c.10 TWh of biomethane production per year by 2030.

ENGIE will focus on ramping up in low carbon hydrogen, which is key for hard-to-abate sectors for which electricity is an unrealistic option for decarbonization.

ENGIE is in a strong position to benefit from the buoyant growth in green hydrogen by leveraging on its world-leading capabilities in renewable power generation and its expertise in managing complex industrial processes. ENGIE has also global energy management capabilities to trade hydrogen and e-molecules.

ENGIE has set an ambitious target by 2030 to:

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

Total Capex for hydrogen is earmarked at c.€4 billion over 2023-2030.

Playing a major role in the decarbonization of ENGIE's customers through distributed infrastructure

Energy Solutions is ideally positioned to capture the growth of the market driven by strong demand from clients for decarbonized solutions and energy independence as well as increasingly support from public authorities.

Energy Solutions has streamlined its organization through three activities: local energy networks, on-site energy production, and energy performance services.

In the first two platforms, which benefit from long-term infrastructure-like contracts with stable and recurring revenues as well as long-term contracted cash flows, ENGIE invests in infrastructure and operates them as part as an asset-based business model. Capturing the long-term growth opportunities, using greater selectivity in targeting contracts, and with a more efficient base, EBIT annual growth from distributed energy infrastructure should be high-single digit on average over 2022-2025.

In energy management services, the EBIT margin is expected to increase more than 200bps over 2022-2025 to reach 5%.

ENGIE remains committed to adding 8 GW of distributed energy infrastructure by 2025 (vs 2020), translating into around €3 billion Capex growth over 2023-2025.

Leveraging ENGIE extensive market knowledge through GEMS

GEMS is at the heart of ENGIE's integrated business model. On the upstream side, GEMS' mandate is to add value from technical differences, complementarity, flexibility and optionality within ENGIE's and partners' portfolio of assets. On the downstream side, GEMS provides ENGIE clients with risk management services and tailor-made energy supply contracts.

GEMS EBIT is likely to be lower over 2023-2025 compared to the exceptional level of 2022, but it should remain above the historical level of 2020-2021 due mainly to commercial growth and continuing challenging energy markets, bringing optionality and volatility as well as increased customers demand for risk management.

Capital allocation and medium-term financial outlook

ENGIE targets growth Capex of €22-25 billion between 2023 and 25, an increase of 50% versus the previous 2021-23 plan, with 40% being already committed. These will be split 55-65% for Renewables, 10-15% for Networks, and 10-15% for Energy Solutions. Around 10% will be dedicated to ramping up in renewable gas and batteries. Capital allocation is based on a strict discipline of financial and ESG-related criteria. The contribution to 2023-25 EBIT of new capacities commissioned should amount to €1.5bn.

Return On Average Capital Employed excluding nuclear should benefit from this rigorous process to drive value creation: Group ROACE excluding nuclear is expected to increase to between 7% and 9% in a sustainable way from 6%[6] in 2021.

Maintenance Capex should amount to €7 to 8 billion between 2023 and 2025, of which around 50% in French regulated infrastructure activities.

Around €9bn will go towards the funding of Belgian nuclear provisions over 2023-2025.

ENGIE will continue to drive efficiency by strong control of general and administrative costs, increasing support functions efficiency, and turning around underperforming businesses. The Group is aiming for a positive net impact on EBIT of €0.6 billion in 2023-25.

Commitment to 'strong investment grade' credit rating. ENGIE maintains its financial balance sheet targets, with net economic debt no higher than 4x EBITDA over the long term. Thus, ENGIE maintains its commitment to "strong investment grade" rating.

Financial guidance for 2023-25

The updated strategic plan strengthens ENGIE's foundations towards delivering long-term growth while achieving its purpose Net Zero Carbon.

For 2023-2025, ENGIE expects:

In € billion	2023		2024	2025
EBIT excluding Nuclear	€6.6 to 7.6bn		€7.2 to €8.2bn	€7.5 to €8.5bn
NRIgs guidance	**€3.4 to 4.0bn**		**€3.8 to 4.4bn**	**€4.1 to 4.7bn**

Nuclear contribution, due to the ongoing phase-out capacity plan in Belgium, has been excluded from the EBIT indication. European commodity price assumption used in the guidance for 2023-2025 is based on the European forward prices as of 30 December 2022. All other assumptions used in the guidance are detailed in the appendix 2 to this press release.

Dividend policy confirmed. ENGIE's Board of Directors has reaffirmed the Group's dividend policy for 2023-25, with a pay-out ratio of 65-75% of recurring net income Group share and a floor of €0.65 per share.

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[6] 9.1% published. The Group has changed the definition of Capital Employed as of 1 January 2023 in order to include financial assets dedicated to the coverage of nuclear provisions as well as the initial margins required by certain market activities

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

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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) Universal Registration Document filed with the AMF on March 9, 2022 (under number D.22-079). 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 96 000 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 2022: 93.9 billion Euros. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, Euronext 100, FTSE Euro 100, MSCI Europe) and non-financial indices (DJSI World, Euronext Vigeo Eiris - Europe 120/ France 20, MSCI EMU ESG screened, MSCI EUROPE ESG Universal Select, Stoxx Europe 600 ESG-X).

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APPENDIX 1: 2025 indicative EBIT evolution from 2022 by activity

2022-25 EBIT MAIN DRIVERS

Performance contributing positively across each activity
Significant price headwinds embedded

2021 – EBIT excl. Nuclear **€5.2bn**

2022 – EBIT excl. Nuclear **€8.0bn**

Activity	Expectations for main EBIT evolution drivers	vs. 2021	vs. 2022
RENEWABLES	Investments contribution, higher prices	+ + +	+ +
NETWORKS	Inflation, temperature normalization, investments and portfolio management, regulatory reviews in France	=	= -
ENERGY SOLUTIONS	Investments contribution, EVBox contribution improvement and continued improvement of performance	+	= +
FLEX GEN	Dilution, normalization of spreads, higher fleet availability	+	=
RETAIL	Temperature normalization, margin increase, growth in B2C services and power customer portfolio	=	=+
GEMS	Decrease of prices and volatility but still high	+	- - -
NUCLEAR	Higher prices, lower volumes	+	= +

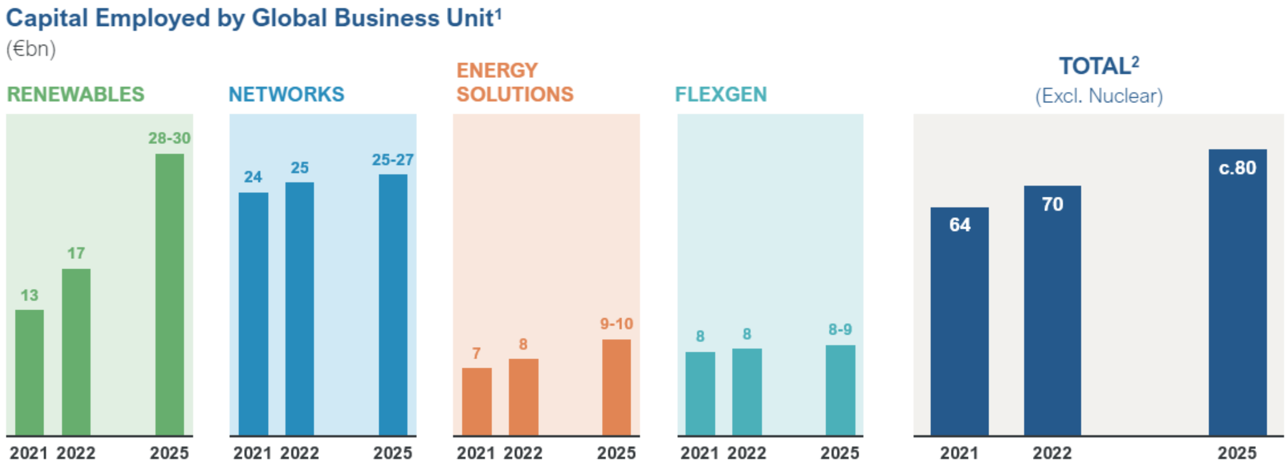
2025[1] – **EBIT excl. Nuclear** indication **€7.5bn** to **€8.5bn**

1. Convention: each “+” sign amounts to c. €+500m, each “-” sign amounts to c. €-500m, “=+” sign amounts to a variation between 0 and +250, “=-” sign amounts to a variation between -250 to 0.

APPENDIX 2: 2023-2025 targets: key assumptions & indications

- Guidance and indications based on continuing operations
- No change in accounting policies
- No major regulatory or macro-economic changes
- Regulatory review on French networks in 2024-25
- Inframarginal rent caps based on current legal texts and additional contingencies
- Full pass through of supply costs in French B2C retail tariffs
- Average temperature in France
- Average hydro, wind, and solar productions
- Average forex:
    - €/USD: 1.08 for 2023, 1.09 for 2024 and 1.10 for 2025
    - €/BRL: 5.56 over 2023-25
- Belgian nuclear availability: c. 90% in 2023, 92% in 2024 and 94% in 2025 – based on availabilities as published on REMIT as of 01/01/2023
- Contingencies on Belgian operations of €0.5 billion in 2023, €0.5 billion in 2024 and €0.2 billion in 2025
- Market commodity prices as at 30 December 2022
- Recurring net financial costs of €(2.2)-(2.6) billion over 2023-25
- Recurring effective tax rate: 23-26% over 2023-25

APPENDIX 3: Capital employed and ROACE by GBU in 2025



ROACE[1] by Global Business Unit

	2021	2022	2025
RENEWABLES	6%	8%	**7-8%**
NETWORKS	7%	7%	**c.7%**
ENERGY SOLUTIONS	4%	5%	**6-7%**
FLEXGEN	12%	17%	**10-15%**
TOTAL (excl. Nuclear)	**6%**	**9%**	**7-9%**

1. Applying the new Group definition of capital employed (details of the calculation in additional materials). The Group has changed its definition of capital employed as of 1 January 2023 in order to include financial assets dedicated to the coverage of nuclear provisions as well as the initial margins required by certain market activities
2. Capital employed (new definition) of all activities excluding Nuclear