Foundation

Perceived Risk Index©
Sectors Analysis

31/10/2025

Perceived Risk Index©

Introduction

PRI Perceived Risk Index© is an innovative, forward-looking indicator developed by Enel SpA Risk Control Unit within AFC function that reflects corporate risk perceived by financial markets.

In an ever-evolving economic landscape, understanding how markets interpret risk is a key strategic lever for companies, investors, and stakeholders.

PRI Perceived Risk Index© is a forward-looking indicator since it considers three different variables with a prospective nature that reflects the premium at risk required by investors:

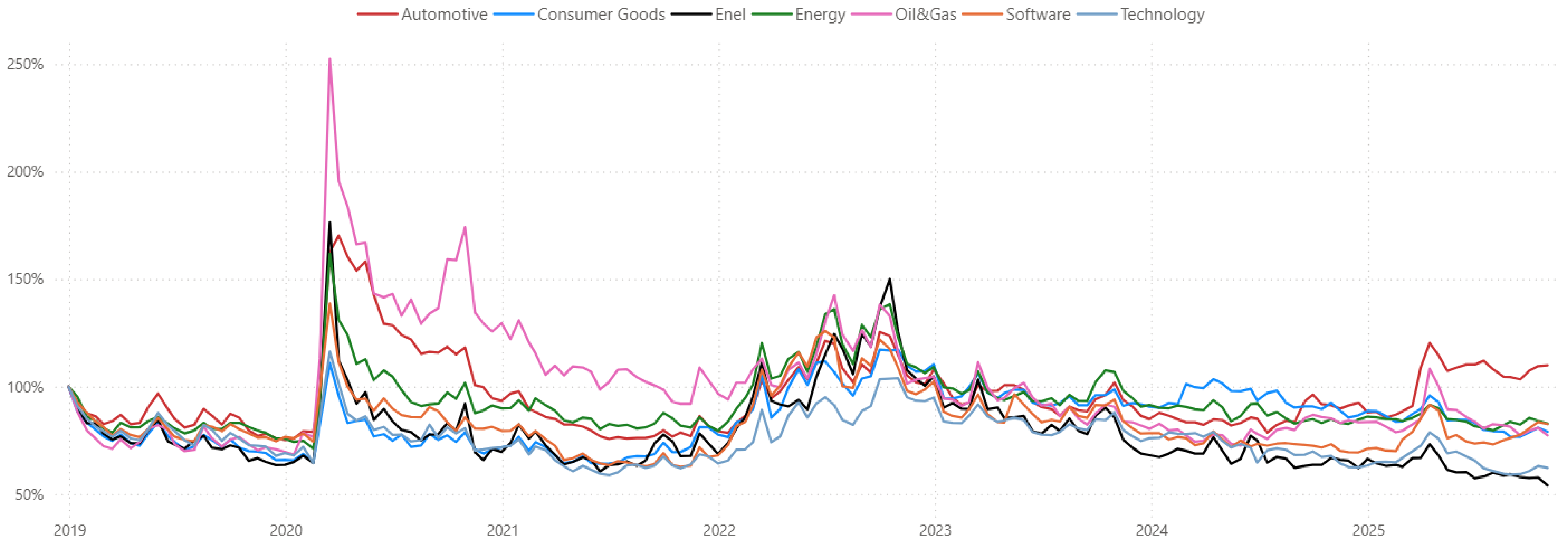
- **Inverse Stock Price**: the stock price reflects the level of investors' trust towards the company. Thus, the lower is the stock price, the higher is the perceived risk;
- **Option Implied Volatility (3 months):** gives the indication of the perceived risk of the underlying asset implied in listed option prices;
- **Credit Default Swap (5 years):** The CDS represents a credit risk premium and thus it has a direct relationship with the company perceived probability of default.

These above mentioned three variables are market data available on public sites.

31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

PRI Perceived Risk Index©

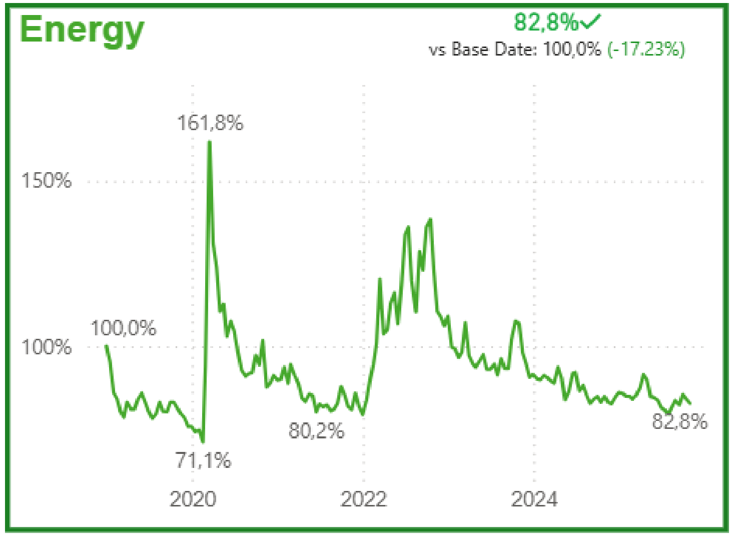
Measuring the risk as perceived by financial markets – Sectors & Enel

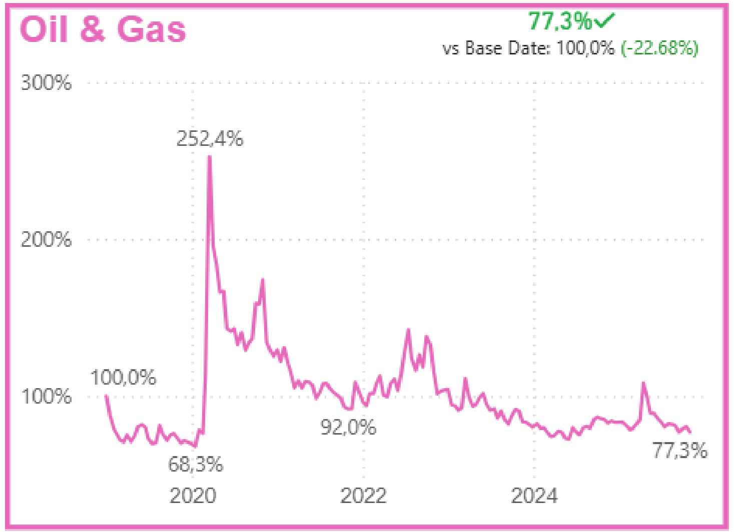


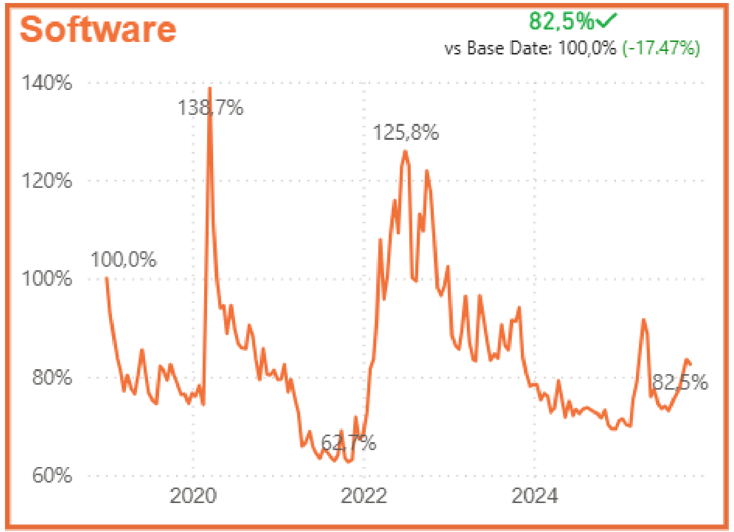
Automotive	Consumer Goods	Energy	Oil & Gas	Software	Technology	Enel
109,9% !	79,0%✓	82,8%✓	77,3%✓	82,5%✓	62,2%✓	54,0%✓
vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%
(+9.91%)	(-20.96%)	(-17.23%)	(-22.68%)	(-17.47%)	(-37.76%)	(-45.95%)

Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 31 October 2025







Perceived Risk Index©

Comments

Full month trend:

During October 2025, the **Perceived Risk Index© (PRI) improved** across the energy sector **(-2,6 pp vs September)**, driven mainly by the positive performance of European utilities. The improvement was broad-based, reflecting both a generally more supportive market environment and company-specific resilience within the renewable segments. In contrast, a few North American peers showed a mild deterioration in their risk perception, partially offsetting the overall sector trend and highlighting divergences in investor sentiment.

Key takeaways from international press coverage support this picture:

- **Sustained rally in European utilities**: The European utilities index has recorded its longest winning streak since 1998, supported by strong electricity demand driven by data centers, electric mobility, and the ongoing electrification of industrial processes.
- **Structural resilience of European utilities**: European utilities are benefiting from clearer regulation and stronger energy-independence policies, which have accelerated investment in grids and transmission infrastructure. Stable cash flows, long-term visibility and supportive regulation continue to strengthen the sector's resilience and attractiveness for investors.
  → Unlike US utilities (currently more exposed to volatility linked to data centers and private equity), European utilities offer more stable returns, supported by regulated growth and inflation-linked revenues, representing a "defensive yet profitable" alternative.
- **Emerging risks in the North American market**: US public power utilities are facing the impact of explosive demand from data centers, which creates opportunities but also operational and financial pressures within an increasingly stringent regulatory environment. In addition, the large-scale entry of **private equity** into the utilities sector amplifies perceived risk, adding further elements of volatility.
  → **This implies a new investment cycle in the United States**: US utilities are entering a major investment super-cycle to modernize the grid and support accelerating demand. However, the combination of **elevated costs**, **regulatory uncertainty**, **persistently high interest rates** and an **expansion increasingly driven by private investors,** limits the stability of the sector in US.

In this context, after reaching a historical low of 57,4% in June 2025, Enel recorded a new low of 54,05% (-3,5 p.p. vs September). Despite this positive development, Enel remains the **second best performer** within the peer group, as another peer registered an all-time sector low of 50,75%.

Perceived Risk Index©

Trend Comparative Analysis – **Oct 2025 vs Sep 2025**

Summary

Between 30/09/2025 and 31/10/2025, the energy sector shifted from stability to improvement, with the Perceived Risk Index© (PRI) falling 2.6 p.p. thanks to strong European utilities' performance. Supportive regulation, electrification demand, and resilient grid investments underpinned this progress, offsetting mild weakness in North America. The sector regained investor confidence amid easing costs and clearer policy signals. Enel's PRI© dropped 3.5 p.p. (from 57.55% to 54.05%), marking a new historical low and confirming its second-best performer position.

Key Differences

- **Oct 2025:** Broad-based improvement led by European utilities, supported by regulatory clarity, electrification trends, and grid investment momentum.
- **Sep 2025:** Stable conditions, driven by market consolidation and early regulatory reforms without major shifts in sector risk.

Overall Trend

- **Oct 25:** Sector outlook strengthened as utilities regained a defensive yet profitable status; regional divergence increased between EU resilience and U.S. volatility.
- **Sep 25:** Stable equilibrium; cautious sentiment persisted amid limited catalysts.

Drivers of Risk / Stability

Oct 25 (Stabilizing factors):

- Strong rally in European utilities, achieving the longest winning streak since 1998.
- Rising electricity demand driven by data centers, EV penetration, and industrial electrification.
- Stable and inflation-linked revenues supporting predictable cash flows.
- Accelerated investment in grids and transmission infrastructure under EU energy-independence policies.
- Supportive regulation enhancing visibility and investor confidence.
- Moderating input and financing costs across the euro area.

Sep 25 (Neutral):

- Implementation of 15-minute trading intervals, increasing flexibility and renewable integration.
- Industrial conversion toward biofuels and hydrogen in European refineries.
- Renewables' share at 57% of German electricity demand, reinforcing energy transition progress.
- Gas and LNG continuing as stabilizing elements amid falling prices and sufficient supply.

Market Sentiment

- **Oct 25:** Positive-to-stable — confidence returned to EU utilities; U.S. remained under mild pressure.
- **Sep 25:** Neutral-to-stable — balanced outlook pending clearer growth drivers.

Enel's PRI©

- **Oct 25:** Significant improvement (−3.5 p.p.), from 57.55% → 54.05% (new low. risk perception down sharply, second-best performer maintained).
- **Sep 25:** Marginal improvement (−0.25 p.p.), from 57.85% → 57.55% (indicating operational stability but limited change in market perception).