

The Enel logo, consisting of the word "enel" in a white, lowercase, sans-serif font with a slight shadow effect, centered on a blue background with a circuit-like pattern.

Perceived Risk Index©
Sectors Analysis

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.

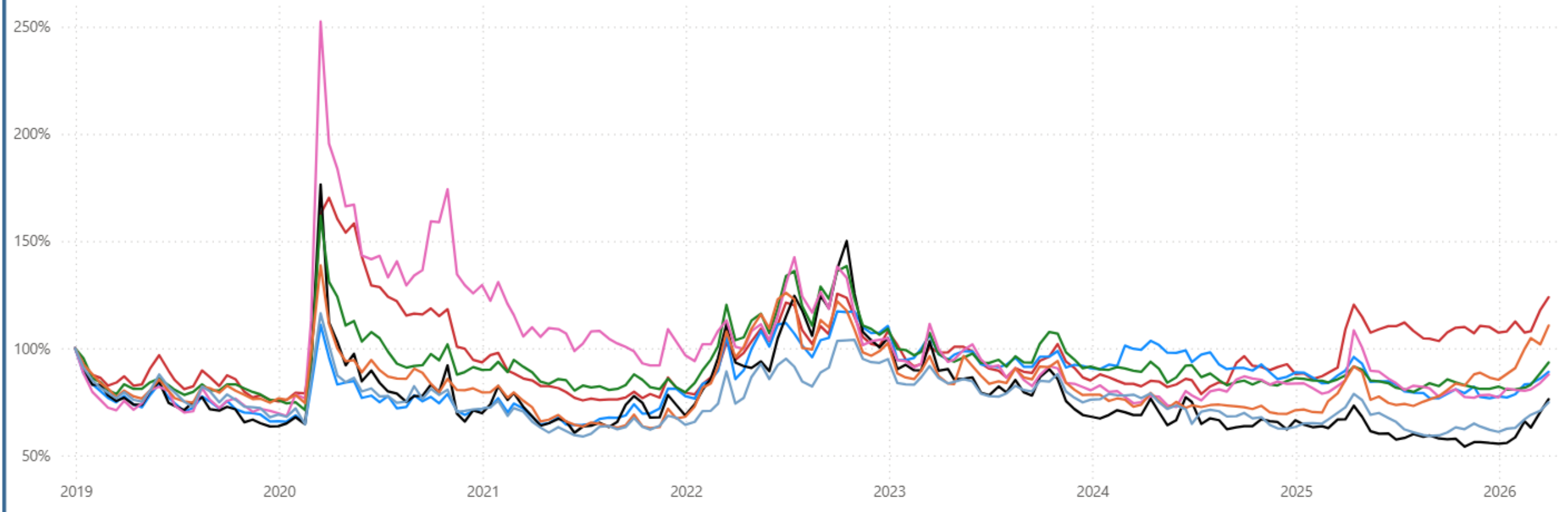
31/12/2018 is the starting point of the monitoring activity, with a baseline value of 100%, across six key sectors: Energy, Oil & Gas, Consumer Goods, Software, Technology, and Automotive.

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PRI Perceived Risk Index©

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

Automotive Consumer Goods Enel Energy Oil&Gas Software Technology



Automotive

123,8% !

vs Base Date: 100,0%

(+23,78%)

Consumer Goods

88,9%✓

vs Base Date: 100,0%

(-11,06%)

Energy

93,3%✓

vs Base Date: 100,0%

(-6,66%)

Oil & Gas

87,8%✓

vs Base Date: 100,0%

(-12,23%)

Software

110,6% !

vs Base Date: 100,0%

(+10,58%)

Technology

74,8%✓

vs Base Date: 100,0%

(-25,19%)

Enel

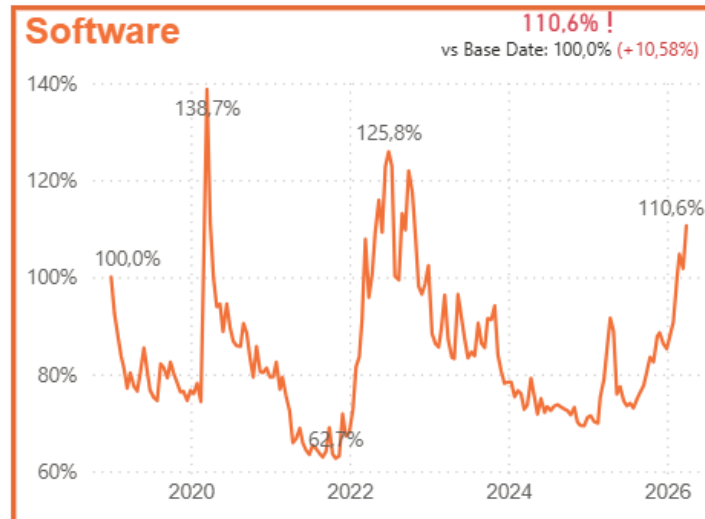
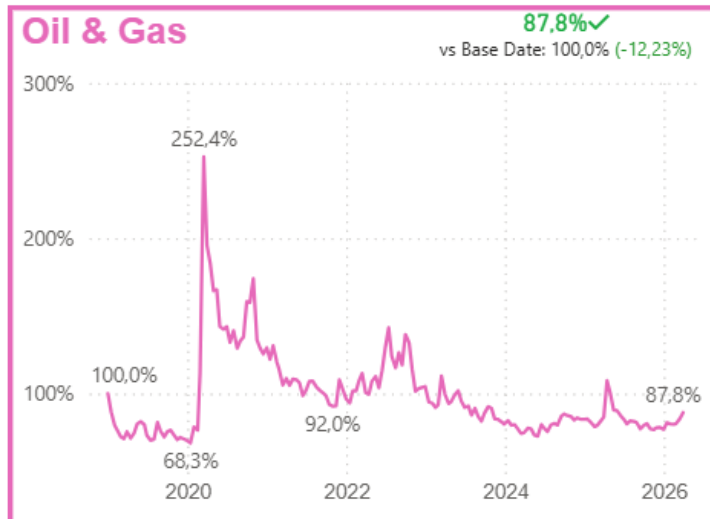
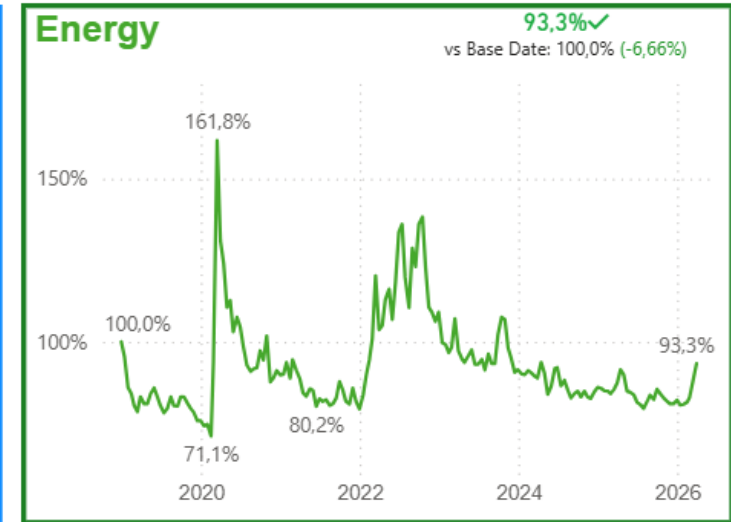
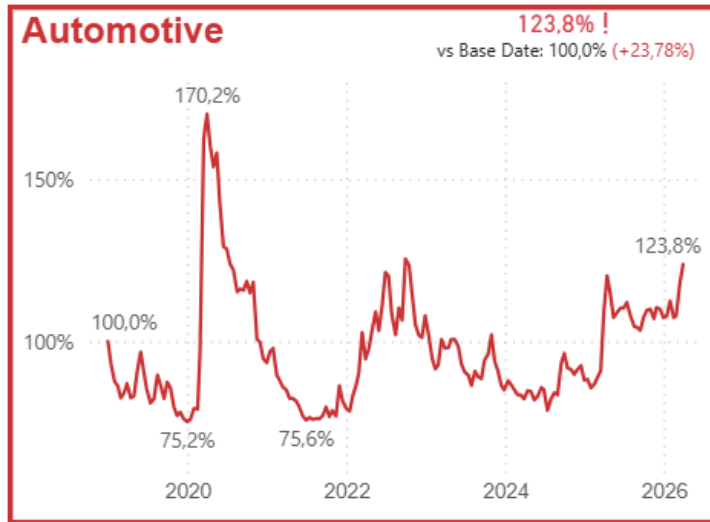
76,2%✓

vs Base Date: 100,0%

(-23,8%)

Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 31 March 2026



Perceived Risk Index©

Energy Sector trend

Full month trend:

During March 2026, the **Perceived Risk Index© (PRI)** for the energy sector recorded a **significant deterioration** (+10,3 p.p.), reflecting a context characterized by increasing geopolitical instability, high commodity price volatility, and renewed pressure on the European energy system.

In the first part of the month, the sector was impacted by a **shock in the gas market**, linked to tensions in the Middle East and disruptions in LNG supply, resulting in sharp increases in gas prices (TTF) and **low storage levels** across Europe, highlighting the persistent vulnerability of the system.

During the month, the situation further deteriorated, with a strong **increase in global energy prices**, particularly oil, and rising market volatility. In response to these dynamics, the **G7** (30 March) declared its readiness to take all necessary **measures to stabilize energy markets**, including the potential release of strategic reserves in coordination with the IEA and a commitment to avoid export restrictions.

At the same time, on 16 March the **European Commission** announced a package of **measures to contain energy costs**, confirming that in the short term the priority remains price stability and security of supply.

In this context, Europe is seeing a growing push towards renewable energy, not only to meet decarbonization targets but also as a strategic lever to strengthen **energy security** and **reduce dependence** on external suppliers. However, this acceleration is facing a “*renewables paradox*”: despite strong political support and increasing demand, **project development remains constrained** by structural barriers, including lengthy permitting processes (up to four years), high financing costs, and increasing investor uncertainty. In response, international organizations are calling for urgent targeted actions, including faster permitting, the expansion of grid and storage infrastructure, and greater capital mobilization, key elements to translate transition targets into actual implementation.

In the short term, however, several countries are adopting a more **pragmatic approach to the transition**: across Europe and Asia, some regulatory requirements are being relaxed to ensure continuity of supply (particularly for gas and LNG), alongside a **temporary return to traditional energy sources**, including coal, nuclear, and gas.

Perceived Risk Index©

Trend Comparative Analysis – Mar 2026 vs Feb 2026

Summary

Between 28/02/2026 and 31/03/2026, the energy sector recorded a sharp deterioration in the Perceived Risk Index© (PRI©) (+10.3 pp vs February), driven by escalating geopolitical tensions, energy price shocks, and renewed pressure on the European energy system. The month was marked by a gas market shock, rising oil prices, and increased volatility, with policy responses from the European Commission and G7 aimed at stabilizing markets. While renewable energy remains a structural support, short-term energy security concerns and implementation constraints continue to weigh on the sector. Enel's PRI© worsened significantly (+13.2 pp, 63.0% → 76.2%), moving to third-best performer, driven by higher CDS, increased implied volatility, and weaker stock performance.



Key Differences

- **Mar 2026:** Significant worsening, due to commodity price shocks, Middle East tensions, and systemic pressure on European energy markets; renewable support persists but is limited by structural and short-term security constraints.
- **Feb 2026:** Worsening, driven by European regulatory uncertainty, Italian policy interventions, and heightened geopolitical tensions; structural support from renewables persists but is offset by increased risk premiums and market volatility



Overall Trend

- **Mar 26:** Momentum deteriorated sharply; systemic risk increased due to price spikes, geopolitical escalation, structural vulnerabilities, partially mitigated by policy intervention.
- **Feb 26:** Momentum weakened; regulatory and geopolitical pressures amplified systemic risks, partially offset by improved communication and strategic clarity from Enel in the second half of the month.

Market Sentiment

- **Mar 26:** Negative; sentiment deteriorated due to price shocks, geopolitical escalation, and increased volatility, with limited offset from policy support measures.
- **Feb 26:** Negative in first half; sentiment improved in second half after Enel's Capital Markets Day reassured investors.



Drivers of Risk / Stability

Mar 2026 (Significant worsening with systemic & geopolitical pressure)

Stabilizing factors

- EU and G7 policy interventions to contain prices and stabilize supply;
- Long-term support from renewable energy as a strategic lever for security

Increasing constraints

- Sharp rise in energy prices (gas and oil).
- Gas market shocks and low storage levels, stressing system resilience;
- Escalating Middle East tensions driving higher risk premiums.
- Structural barriers to renewable deployment (permitting, financing).
- Short-term reliance on fossil fuels (coal, gas, nuclear) due to energy security priorities.

Feb 2026 (Worsening with regulatory & geopolitical pressure)

Stabilizing factors

- Ongoing growth in renewable capacity and EU strategic energy planning.
- Second-half improvement in Enel's PRI© driven by Capital Markets Day, clarifying growth strategy and medium-term targets.
- Continued EU focus on supply diversification and clean energy infrastructure.

Increasing constraints

- Rising regulatory uncertainty in Europe and Italy, including measures affecting energy company taxation and electricity pricing.
- Escalating geopolitical tensions, driving higher risk premiums.
- Volatility in gas and electricity prices, impacting financial performance and investor sentiment.
- Potential margin compression for large operators such as Enel, due to regulatory and fiscal measures.



Enel's PRI©

- **Mar 26:** Worsened significantly (+13.2 pp, 63.0% → 76.2%), now 3rd-best performer; deterioration driven by CDS, implied volatility, and inverse stock price.
- **Feb 26:** Worsened (+4,6 pp, 58,4% → 63,0%), reflecting higher implied volatility, regulatory pressures in Italy, geopolitical risk, with partial recovery supported by investor reassurance following Enel's Capital Markets Day; still 2nd-best performer.

