Perceived Risk Index©

Sectors Analysis

29/05/2026

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:

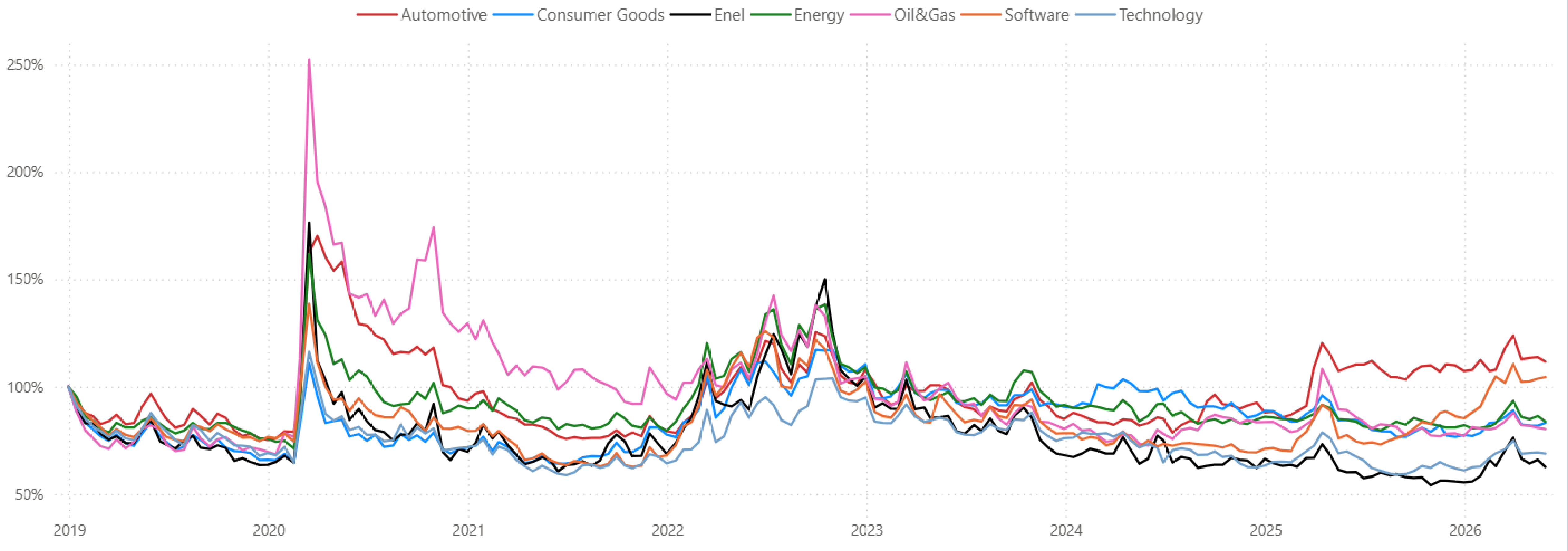
- **Inverse Stock Price**: the stock price reflects the level of investors' trust towards the company. Thus, the lower is the stock price, the higher is the perceived risk;
- **Option Implied Volatility (3 months):** gives the indication of the perceived risk of the underlying asset implied in listed 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

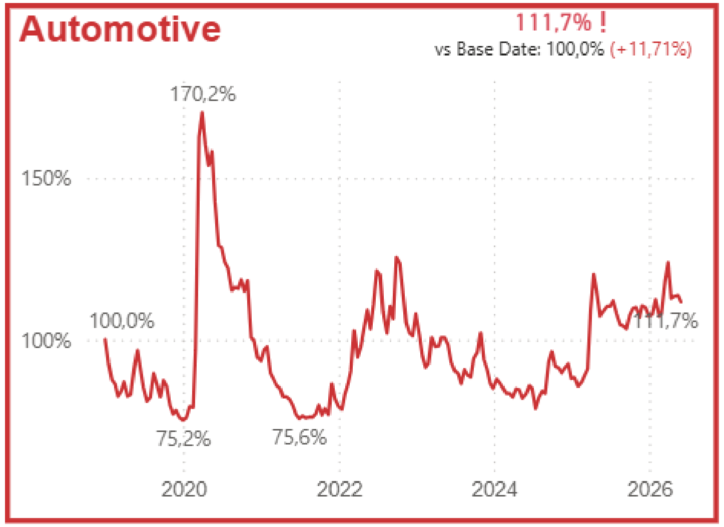


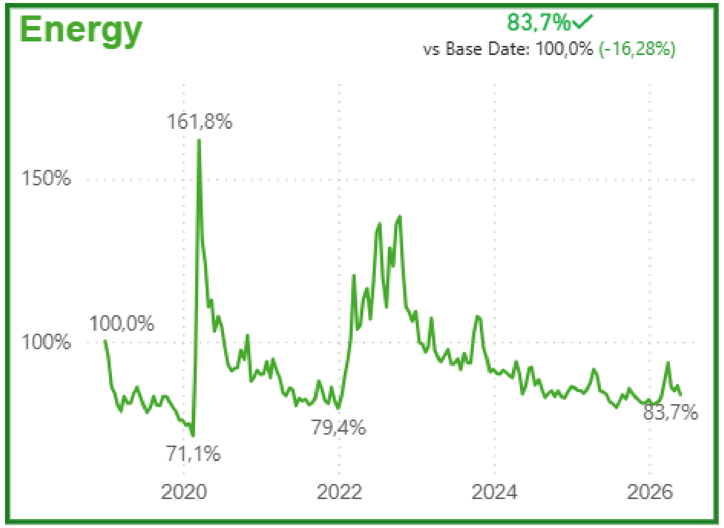
Automotive	Consumer Goods	Energy	Oil & Gas	Software	Technology	Enel
111,7% !	83,1%✓	83,7%✓	80,3%✓	104,4% !	68,9%✓	62,6%✓
vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%	vs Base Date: 100,0%
(+11,71%)	(-16,88%)	(-16,28%)	(-19,7%)	(+4,43%)	(-31,15%)	(-37,4%)

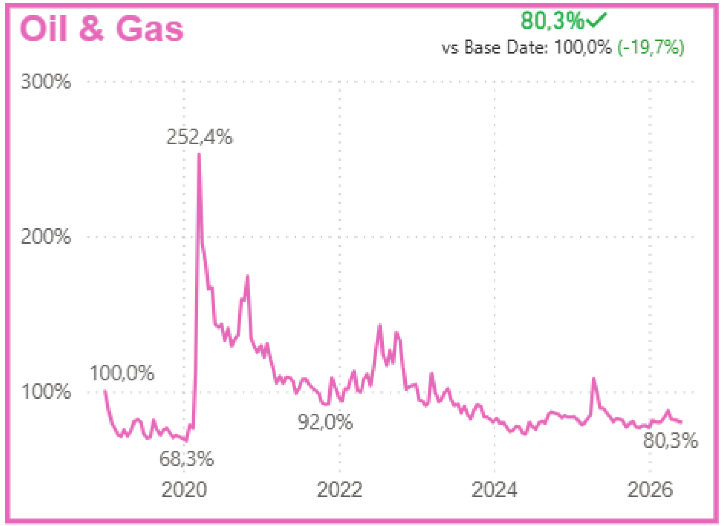
Foundation

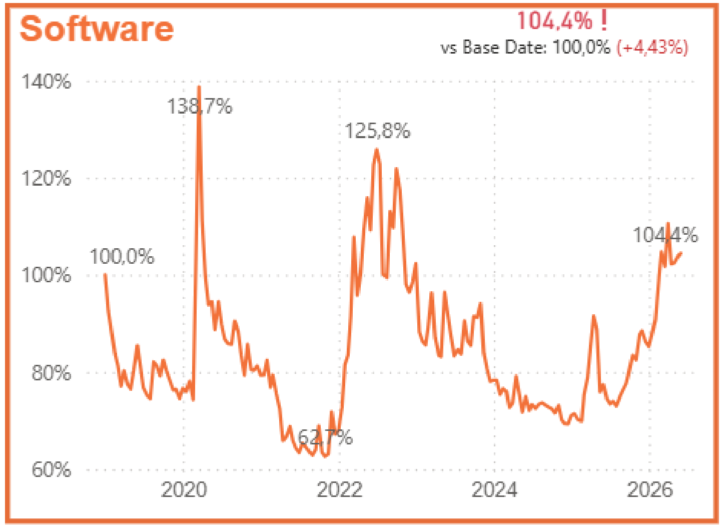
Perceived Risk Index©

Measuring the risk as perceived by financial markets – by Sector @ 29 May 2026









Perceived Risk Index©

Energy Sector trend

Full month trend

During May 2026, the Perceived Risk Index© (PRI) for the energy sector **improved overall** (-1.1 p.p.), as the reduction in market-implied risk during the second half of the month more than offset the moderate deterioration (+1,5 p.p.) observed in early May.

At the beginning of the month, perceived risk increased amid heightened **geopolitical tensions** in the Middle East, elevated **oil price volatility** and uncertainty surrounding global energy supply. Market sentiment was further affected by diverging signals from key industry institutions, with **OPEC maintaining a relatively constructive demand** outlook while the **IEA highlighted tightening supply conditions**, declining inventories and significant disruptions to global oil flows.

As the month progressed, however, **investor concerns gradually eased**. While geopolitical risks remained elevated, markets increasingly recognized the energy sector's capacity to **absorb supply disruptions** through higher production and exports from non-Middle Eastern producers, strategic inventory releases and demand-side adjustments. These factors helped mitigate fears of a prolonged supply shock and reduced the likelihood of a severe deterioration in sector fundamentals.

At the same time, **oil market conditions became more balanced** as weaker demand expectations and lower refining activity partially offset supply constraints. The resulting moderation in price volatility improved earnings visibility across the sector and supported a decline in risk premia.

From a market perspective, the improvement in the PRI reflected a gradual **normalization of investor sentiment** toward the sector, with reduced concerns over near-term supply disruptions and a reassessment of the resilience of global energy markets.

Perceived Risk Index©

Trend Comparative Analysis – **May 2026 vs Apr 2026**

Summary

Between 30/04/2026 and 31/05/2026, the energy sector recorded a moderate improvement in the Perceived Risk Index© (PRI©), driven by a gradual normalization of market sentiment and a reduction in risk premia during the second half of the month.
Although geopolitical tensions in the Middle East and concerns over global energy supply remained elevated, investors increasingly viewed these risks as manageable, supported by the resilience of global energy markets, greater supply flexibility from non-Middle Eastern producers, and moderating oil price volatility. As a result, perceived risk declined despite the persistence of underlying geopolitical and structural vulnerabilities.

Key Differences

- **May 2026**: Moderate improvement supported by easing investor concerns, lower market-implied risk, and a reassessment of the sector's resilience to supply disruptions. Geopolitical uncertainty remained elevated but increasingly perceived as manageable.
- **Apr 2026**: Moderate improvement supported by fragile geopolitical de-escalation, stronger EU policy execution, and acceleration of infrastructure and investment frameworks. Nevertheless, volatility and supply risks remained elevated.

Overall Trend

- **May 26**: Recovery, driven by declining risk premia, improving earnings visibility, and a gradual normalization of market sentiment despite persistent geopolitical uncertainty.
- **Apr 26**: Partial recovery, driven by improved policy coordination and temporary easing of geopolitical pressure, offset by persistent market tightness.

Drivers of Risk / Stability

May 2026 (Moderate improvement driven by normalization of market-implied risk)

Stabilizing factors

- Growing confidence in the energy sector's ability to absorb supply disruptions
- Increased production and exports from non-Middle Eastern producers
- More balanced oil market conditions and moderation in price volatility
- Gradual normalization of investor sentiment toward energy markets

Increasing constraints

- Persistent geopolitical tensions in the Middle East
- Ongoing uncertainty surrounding global energy supply routes
- Tight supply conditions and declining inventories highlighted by the IEA
- Diverging demand and supply outlooks contributing to market uncertainty
- Continued exposure to external shocks and commodity market volatility

Apr 2026 (Significant worsening with systemic & geopolitical pressure)

Stabilizing factors

- Fragile truce in the Middle East
- EU coordination on gas security and storage management
- Launch of PCI/PMI framework and CEF Energy 2026 funding
- Strengthened long-term infrastructure and grid investment pipeline

Increasing constraints

- Persistently elevated geopolitical risk (Middle East instability, supply route risks such as Strait of Hormuz)
- Structural tightness in global oil and LNG markets (reduced supply flexibility, declining inventories)
- High market volatility despite policy intervention
- Ongoing vulnerability of European energy system to external supply disruptions

Market Sentiment

- **May 26:** Improving; investor caution eased during the second half of the month as fears of prolonged supply disruptions diminished and volatility moderated.
- **Apr 26:** Still cautious but improving in the second half, supported by EU policy clarity and infrastructure investment signals.

Enel's PRI©

- **May 26:** Improved moderately (-1.6 pp, 64.2% → 62.6%), 2nd-best performer; improvement driven by CDS, implied volatility.
- **Apr 26:** Improved significantly (-12 pp, 76.2% → 64.2%), now 2nd-best performer; improvement driven by CDS, implied volatility, and inverse stock price.