



Innovation Fund

The ICIS analyst view on monetisation scenarios

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Three distribution scenarios for the Innovation Fund

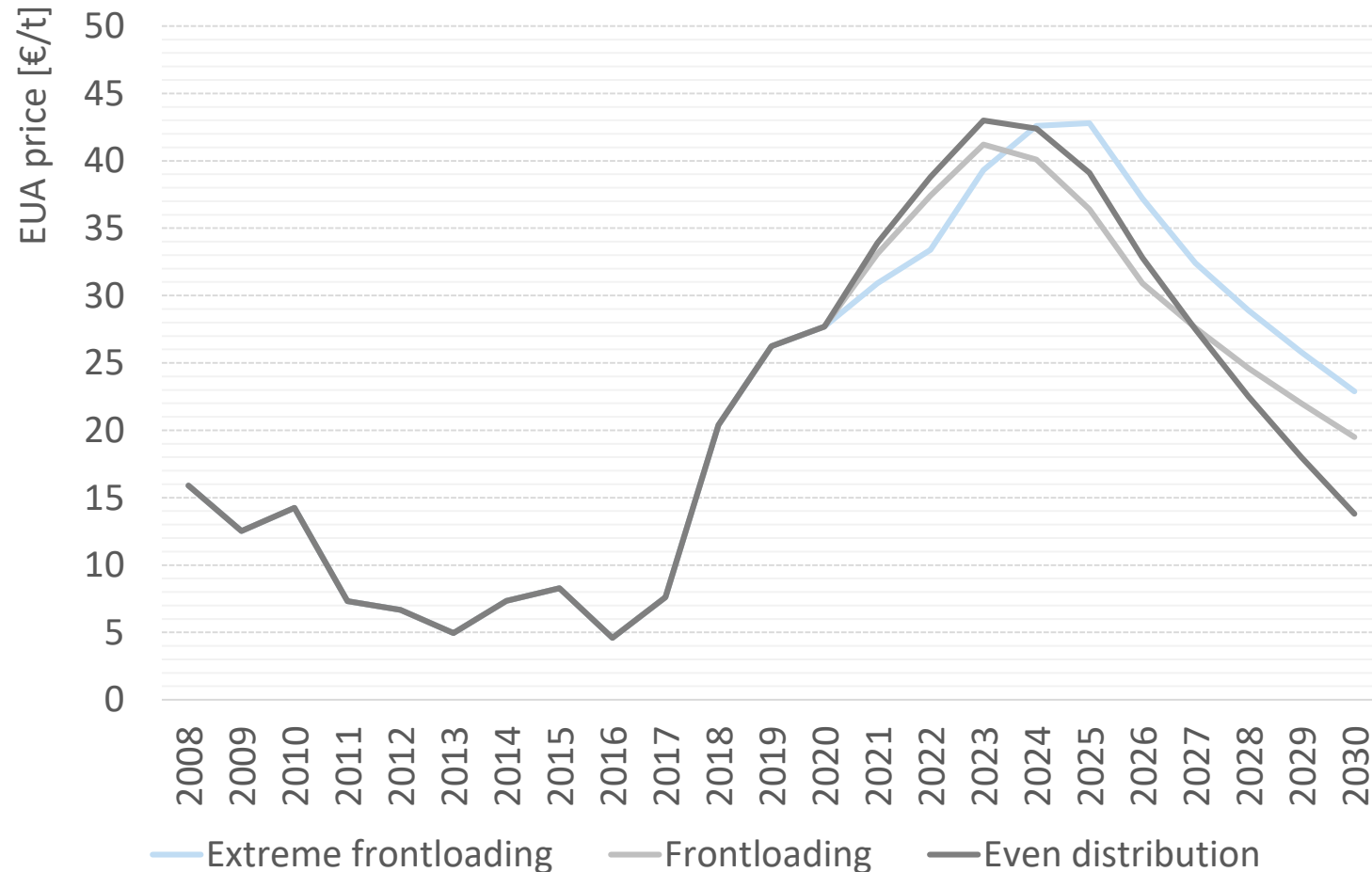
- ▶ Three scenarios for monetising the Innovation Fund
- ▶ Accounting for „early action“ and flexibility element as of 2026 (in case of no CSCF)

| [Mt] | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Extreme frontloading | 25 | 25 | 200 | 200 | | | | 50 | | | | |
| Frontloading | 25 | 25 | 80 | 80 | 80 | 80 | 80 | 50 | | | | |
| Even distribution | 25 | 25 | 40 | 40 | 40 | 40 | 40 | 50 | 50 | 50 | 50 | 50 |

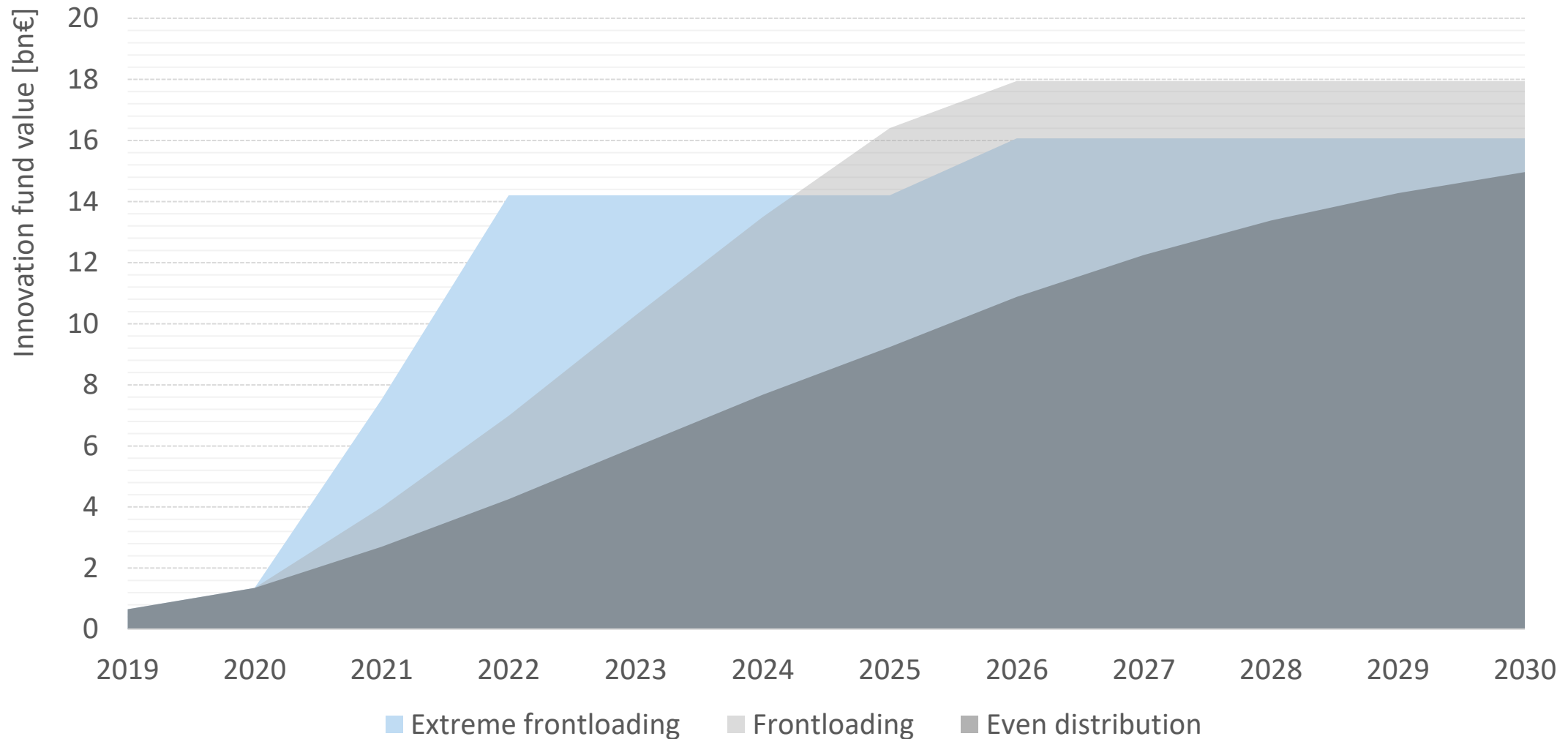


EUA price development – monetisation scenarios matter

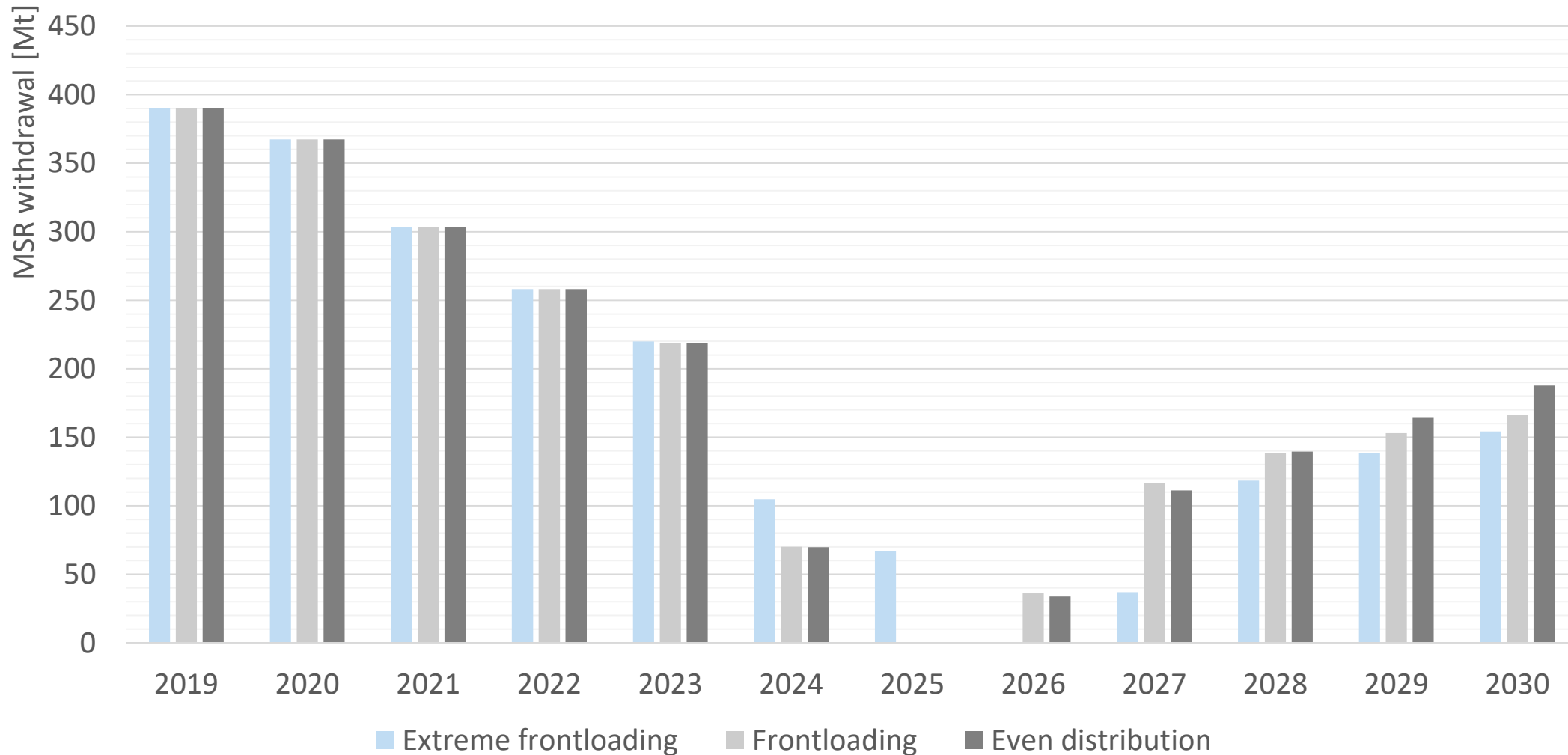
- ▶ Monetisation has significant price impact
- ▶ Shape of the curve remains similar
- ▶ Curve shifted depending on timing of sales



Development of Innovation fund value



Impact on the market stability reserve



Conclusions

- ▶ Impact of the different monetisation timeframes on EUA price is significant
- ▶ Parameters such as MSR withdrawal volume less impacted
- ▶ Frontloaded monetisation (first half of TP4) seems to balance price risk and fund value best
- ▶ Key risk to the analysis: price forecast!



ICIS Power and carbon analytics

The background of the slide features a photograph of several wind turbines in a field, silhouetted against a vibrant sunset sky with shades of orange, red, and purple. The turbines are positioned on the right side of the frame, with their blades slightly blurred, suggesting they are in motion. The overall atmosphere is serene and modern, representing clean energy.

Translating market developments and regulatory changes into their price impact

- ▶ Pan-European power and carbon price forecasts
- ▶ Ad-hoc scenario analysis whenever market conditions change.

Foresee risks and spot profitable opportunities. Fast.

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