

Bozen/Bolzano, 15 April 2022

Alperia Group: draft 2021 financial statements approved with strong growth results

- **Total revenues of over €2.1 billion (+ 45% compared to 2020)**
- **EBITDA up by approximately €251 million (+ 9% compared to 2020)**
- **Group net profit particularly good at around €80 million (60 million in 2020)**
- **Hydroelectric production volumes of around 4 TWh, down 20% from 2020**
- **Proposed dividends of €30.0 million, in line with the business plan**
- **Strong growth in investments of around €180 million (€127 million in 2020)**
- **Support for the region thanks to a number of targeted customer initiatives**

On 14 April 2022, the Management Board of Alperia SpA examined and approved the Company and Group results for the 2021 financial year.

Total Group revenues amounted to approximately €2.1 billion, up sharply from last year (+ €645 million), impacted by the exceptional increase in energy commodity prices in 2021, particularly in the last quarter of the year. 2021 saw a fair amount of rain and snow fall. Hydroelectric production was significantly lower than in the previous year (-20%), with heavy snowfall in winter and regular rainfall in summer. The average price of electricity recorded on the Power Exchange was approximately €125/MWh compared to approximately €39/MWh recorded in 2020 (it should be noted that the latter value, which had been negatively impacted by the spread of COVID - 19, was the lowest level recorded since the launch of the Power Exchange); increasing by 222% compared to 2020.

EBITDA growing

Group EBITDA amounted to €250.7 million, compared to €229.0 million in 2020. It should be noted that the 2021 figure also includes a reversal of the residual

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impairment losses on intangible and tangible assets relating to certain hydroelectric plants, as the reasons for the impairment losses no longer exist, as confirmed by the results of impairment tests carried out at the end of the year.

Group net profit of €79.5 million was particularly positive (+ €19.5 million compared to 2020), thanks in part to the capital gains generated by the sale of shares in PVB Power Bulgaria AD and Ottana Solar Power Srl.

Due to its production hedging policies, the group is only partially benefiting from the recorded price increase. Like all sector operators, in order to mitigate price volatility risk, a strategy is adopted to sell a large part of the volumes of its own hydroelectric production in advance and purchase in advance part of the volumes intended for sale to end customers.

Investment record

Investments relating to the ordinary management of the Group in 2021 amounted to approximately €180 million (approximately €127 million in 2020). They were aimed in particular at electricity distribution to strengthen the quality and continuity of service and at generation for the modernisation of hydroelectric plants.

Financial indebtedness - calculated in accordance with the new guidelines published in 2021 by the European Securities and Markets Authority (ESMA) - stood at €813 million at the end of 2021 (€413 million at 31 December 2020); The significant increase is mainly attributable to (i) the particular reference energy scenario in 2021, with extraordinarily high price levels generating a temporary significant cash absorption (ii) the purchase from customers of credits for tax deductions deriving from energy efficiency measures carried out by the Group (so-called Ecobonus, Superbonus, etc.) and (iii) the significant investments made.

Dividend proposed by the Management Board

With regard to the parent company Alperia SpA, against a net profit of approx €31.4 million (in 2020, profit amounted to approximately €30.5 million), the Management Board has proposed distribution to shareholders of €29.8 million as a dividend for 2021, allocation of €1.6 million to the legal reserve (as required by current legislation).

The Management Board has also proposed an extraordinary distribution of a further €0.2 million of retained earnings generated in previous years.

The proposed amount of dividends therefore amounts to a total of €30.0 million.

Relevant factors for 2021 in the individual Business Units

Generation Business Unit

- Electricity generation, mainly concentrated in hydroelectric production in South Tyrol, reached 3,942 GWh, a significant decrease compared to 2020 (-20%)

Sales and Trading Business Unit

- The amount of electricity sold to customers was 6,636 GWh, a significant increase (+24%) on the previous year.
- Wholesale electricity sold totalled 1,834 GWh, a significant decrease compared to 2020 (- 42%)
- Volumes of natural gas to customers reached 498 million cubic metres, up (+ 18%) compared to 2020

Grids Business Unit

- Electricity distributed in the region was 2,591 GWh (2,515 GWh in 2020) at around 237,000 withdrawal points
- The electricity grid extends for 9,090 km with related plants and infrastructure
- About 74% of power lines laid underground to minimise environmental and landscape impact
- Edyna Srl's commissioning plan for the 2G smart metering system continues. During 2021 more than 40,000 2G meters were installed in 22 municipalities in South Tyrol

Heat and Services Business Unit

- Electricity production from cogeneration and biomass fell slightly from 317 GWh in 2020 to 313 GWh in 2021
- Thermal energy production was 248 GWht, up +12% on 2020.

Smart Region Business Unit

- The Unit includes Alperia Fiber, which operates in the Smart Land and Dark Fiber areas, as well as Alperia Bartucci and Gruppo Green Power, active in the energy efficiency sector. After acquiring the remaining 40% of the share capital of Alperia Bartucci in mid-June 2021, work continued on reorganising the entire area to create synergy and efficiency: as of 1 January 2022, there was (i) the transfer of the "IoT" business unit from Alperia Fiber to Green Power Group (ii) the merger by incorporation of Alperia Fiber into Alperia Greenpower (iii) the transfer of the "Smart Region" business unit from Alperia Bartucci to Green Power Group, which changed its name to Alperia Green Future Srl (iv) the merger by incorporation of Alperia Bartucci into Alperia SpA.

Group

- On 25 November 2021, the competent corporate bodies approved the update of One Vision 2020-2024, the Group's industrial plan that summarises the strategic and sustainability objectives with significant growth for all Business Units. 80% of the investments included in the Plan are intended to meet at least 10 UN sustainability objectives. The Alperia

Group, which has been Carbon Neutral since 2020, will further improve its Scope 3 emissions to accelerate its path to Net Zero.

- Innovation, research and development are increasingly at the centre of Group-wide activities. The work of the Innovation Board continued and, at the start of November 2021, after the success of the first three editions, Alperia launched the fourth edition of Alperia Startup Factory. The goal of these initiatives is to strengthen Alperia's innovative strength, giving new impetus to the renewable energy sector through innovative business ideas by working with startups from all over the world, in partnership with the Free University of Bolzano.
- Activities for the Group's digitisation continued, as did those to integrate sustainability in a structured way, combining the principles of economic efficiency and social and ecological responsibility.

Pursuant to the Civil Code and the bylaws of Alperia, the financial statements and the consolidated financial statements will be submitted to the approval of the Supervisory Board scheduled for May 9 next.

General Manager Johann Wohlfarter had this to say about the results of the Alperia Group:

"Despite the ongoing pandemic situation in 2021, although now in a context of recovery, the Group recorded more than positive results, confirming the economic-financial, managerial and industrial stability achieved in recent years and the validity of the organisational and managerial decisions taken during this difficult period. The Alperia Group has proven to be solid even in the face of sudden changes in the market scenario, with unprecedented price volatility. Alperia was able to quickly adapt its capital structure to these rapid price increases and continue to provide tangible and significant support to the region and its customers. 2021 was also a year of record investments, amounting to around €180 million, a significant increase on the previous year (+42%), that saw all the Group's BUs committed to investing in and updating their assets in the region to support the energy transition.

The **Chairman of the Management Board, Flora Emma Kröss**, said:

"The Management Board also approved the consolidated non-financial statement referring to 2021. The Alperia Group demonstrated its role as a leader in supporting the province's development, generating added value of more €950 million for South Tyrol in the past 5 years.

To demonstrate the Group's focus on its local area during a period of extraordinarily high energy prices, every family that signed up to the "Alperia Smile Bonus" offer until December 2021 (around 40 thousand customers) will be on a fixed tariff valid for 12 months from the date of activation. The offer applies to domestic customers' main residence in the Province of Bolzano.

For small and medium-sized companies, Alperia already guarantees very competitive prices thanks to the existing framework agreement with the "Südtiroler Wirtschaftsring - Economia Alto Adige" grouping of associations. This agreement, which applies to around 10,000 South Tyrolean companies, provides for a certain

percentage discount on the energy component, which - during a period of rising prices - automatically leads to higher discounts in absolute terms.

Finally, for large Assoimprenditori (Employers' Association) member industrial companies, the Group has always offered contracts with fixed electricity prices, which are lower than current market prices and staggered, with around 60 large customers in South Tyrol falling into this category.

I would like to thank all our collaborators for their efforts and the results achieved during this complex period. A heartfelt thank you also goes to the members of the Management Board and the Supervisory Board, whose mandate expires with the approval of these financial statements".

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Alternative Performance Indicators

In this press release, some "alternative performance indicators" are used that are not envisaged by the international accounting standards as adopted by the European Union (IFRS-EU), but that the management of Alperia SpA deems useful for better evaluation and monitoring of the performance of the economic and financial management of Alperia SpA and of the Group. In line with the recommendations of the Guidelines published on 5 October 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation (EU) No. 1095/2010 and incorporated by Consob in its supervisory practices with communication No. 3 December 2015, as well as in the Guidelines published on 4 March 2021 by the same Authority pursuant to Regulation (EU) No. 2017/1129 and the subject of Consob's Warning Notice No. 5/21 of 29 April 2021, the meaning, content and calculation basis of these alternative performance indicators are indicated below:

- **EBITDA** is an alternative indicator of operating performance, defined as earnings before interest, taxes, depreciation and amortisation;

- **Financial indebtedness** is an indicator of the financial structure. This indicator is determined as the result of financial payables net of cash and cash equivalents and of current and non-current financial assets.

The financial statements were drawn up applying the IAS/IFRS international accounting standards, as required following the listing of Alperia Green Bonds on a regulated market.

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