

Bozen / Bolzano, 5 December 2022

## BUSINESS PLAN 2027 and VISION 2031

### Alperia's New Strategic Plan

**Alperia's Management and Supervisory Boards have approved the Business Plan 2023-27 and Vision 2031, the Alperia Strategic Plan that embodies the visions of management, the boards and shareholders and that will usher the Group to 2027 and 2031, combining sustainability objectives with significant growth in all business units. Alperia's Vision is based on two objectives: sustainability and integrated positioning throughout the energy value chain.**

In short, the 2023-27 Business Plan provides for:

- Total investments of 1 billion euros as at 2027 with a particular focus on economic and social impacts at local level
- EBITDA rising to over 300 million euros in 2027
- Growth focused on the energy transition and customers with over 450 million euros in building energy-efficiency measures and the activation of over 400 energy communities by the end of the Plan
- A reduction of 46% in CO<sub>2</sub>e emissions (Scope 1, 2 and 3) by 2027, compared to 2021
- Investment and growth also in the Group's traditional sectors: Hydroelectric energy generation, Distribution and District Heating that will absorb a total of about 650 million euros in investments
- The planned investments include major investments in Distribution, District Heating and Hydrogen, drawing on possible grants from the National Recovery and Resilience Plan (NRRP)
- Successfully negotiating the current financial situation, driven by the sharp rise in electricity prices with the goal of achieving and maintaining a net debt guidance of no more than 2x EBITDA over the plan period, while maintaining high liquidity profiles.
- Talent management and generational turnover to foster growth and nurture internal resources
- The strong push for digitisation of the entire Group continues

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02858310218

Gesellschaftskapital

Capitale sociale

Euro 750.000.000,00 v.e. / i.v.

*wir sind  
südtiroler  
energie*

*siamo  
l'energia  
dell'alto adige*



ISO 9001  
ISO 14001  
ISO 27001  
ISO 45001



- Attention to local aggregation initiatives to develop strategic partnerships
- Dividend growth trend confirmed

Alperia aims to turn its territories into virtuous examples of the energy transition through three main lines of action: sustainability, consolidation and innovation. In the area of **Sustainability**, the priority will be to reduce emissions, create value for the territory and build integrated governance by transforming the main Group companies into “Società Benefit” under Italian law (Benefit Corporations) and obtaining an ESG rating.

Through its **Consolidation** initiatives, Alperia intends to strengthen its business in South Tyrol and in all territories currently served, including consolidating its financial exposure. This also includes the consolidation of the product and service portfolio.

In terms of **Innovation**, Alperia intends to transform its business in line with the energy transition. It will be crucial to transform the value proposition on the sale of commodities and services with a view to sustainability and customer centricity. In general, Alperia intends to continue with widespread innovation in core businesses and the development of new businesses for decarbonisation.

In detail, the individual BUs have the following growth priorities and initiatives:

#### **Generation BU**

This is the Group's leading business unit in terms of margins and invested capital and is the strong point of the current business portfolio. Alperia is one of Italy's biggest hydroelectric energy producers (after Enel and A2A) with 39 power plants for over 1400 MW of power. In 2024, eight concessions for a total of 440 MW will come to an end.

The Plan provides for the following activities and strategic priorities:

- A task force for the renewal of the eight expiring concessions
- Investment in the reconstruction of the Lasa and S. Pancrazio penstocks
- The complete refurbishment of the power stations in Cardano, Bressanone, Lasa and Lana
- *Capacity Market* confirmed also for 2024
- Growth for new hydropower plants following the new tenders for the large derivation concession in 2024 (+60 MW)
- Total investments of 320 million euros by 2027 including hydrogen production and distribution, as well as the construction of new photovoltaic plants

#### **Networks BU**

Alperia's electricity distribution grid is over 8,700 km (high, medium and low voltage) with a total of over 2.5 TWh distributed. Edyna, the Group's distribution

company, is one of the largest distributors in Italy and one of the first operators to have introduced the new generation meter in Italy.

For this BU specifically, the Business Plan provides for:

- Installation of more than 260,000 new generation meters, completing the release plan for all areas served
- Conclusion of the voltage standardisation process
- Continued investment drive to ensure network resilience and increase the quality and continuity of the electricity service
- Expansion and integration of the Bolzano and Merano network
- Maintenance of the gas network for possible future participation in ATEM tenders
- Reducing CO2 emissions by lowering grid losses, increasing hosting capacity and standardising the medium-voltage grid
- Network enhancement in connection with the 2026 Olympic and Paralympic Games
- Focus on water-related products and services
- Investments of over 245 million euros

### **Sales and Trading BU**

Alperia is enabling new business models in order to communicate with customers through digital channels and is revisiting the role of physical channels.

Specifically, the Business Plan provides for:

- Significant growth in the customer base (+270k), both through organic growth and through acquisitions
- Development of an omnichannel network continuing local consolidation
- Development of the Asset Management portfolio for third-party plants
- Development of additional trading and Demand Response services
- Introduction of new, 100% green “off-the-shelf” power and gas services
- Investments of over 50 million euros

### **Heat and Services BU**

Alperia operates seven district heating plants in South Tyrol, including plants in the cities of Bolzano and Merano. The development of a network of more than 125 km guarantees the supply of a quarter of the thermal energy produced in South Tyrol. Alperia Ecoplus is the fifth largest national operator with approximately 217 GWh<sub>t</sub> generated and distributed.

The strategic priorities for the BU will focus on:

- Continuing the development of district heating in Bolzano

- Improving the energy mix in Merano
- Building six new plants, including three biomass plants
- Consolidating other district heating plant operators
- Building a cooling plant in Bolzano
- Investments of about 77 million euros

### **Smart Region BU**

Smart Region is Group's BU that promotes the energy transition through high-tech solutions and applications for businesses, towns and citizens, consolidating its positioning with industries, SMEs, condominiums, the public administration, healthcare and smart services for people and cities. Interesting initiatives are being developed to provide an offer at the cutting edge of market trends. The incentives to household energy efficiency (e.g., 110% superbonus) have already yielded important market returns with a significant growth in the portfolio of opportunities. Neogy, a major national operator in electric mobility through public charging points, and Care4u, which operates in Smart Health solutions, also have an important role to play.

In particular, the BU will focus on the following initiatives:

- Building efficiency improvements (including thermal insulation)
- Growing the business with the public administration through the PPP model (hospitals, airports and trade fairs, municipalities, retirement homes, homebuilding agencies)
- Innovative energy efficiency solutions based on algorithms, data analysis and artificial intelligence
- Continuing the development of Smart Health and Smart City solutions
- Becoming a key player in the Italian market for photovoltaic management, ranging from residential to industrial
- Continuing the development of sustainable mobility (electric and hydrogen) both for local infrastructure and for the creation of innovative commercial solutions
- Key local operator for the development of distributed self-consumption solutions – Energy Communities
- Supporting the construction of biomethane production plants
- Total investments of over 160 million euros

**Luis Amort**, General Manager of the Alperia Group, stated: “This is Alperia’s third business plan, taking us to 2027. In addition, we have set out a Vision for 2031 in which we outlined our medium- to long-term pathway in accordance with national and local strategic plans. In particular, our aim with this plan is to make South Tyrol a leading example in sustainability and innovation, while not ruling ourselves out of national opportunities in the energy sector.”

**Flora Kröss**, Chairman of the Management Board: “The new plan provides a challenge because it came about in such complicated times. But it is also a great opportunity and acknowledges the responsibility that operators like Alperia have towards their local territory in being a partner in the energy transition for citizens, business and the public administration. Therefore, we believe in investing in businesses/services that facilitate the energy transition such as hydrogen, energy communities, photovoltaics and electric mobility. We absolutely feel the responsibility to invest, innovate and foster talent. You can find all this *both in the Business Plan and in Vision 2031.*”

**Maurizio Peluso**, Chairman of the Supervisory Board: “Alperia aims to make a substantial contribution to the sustainability goals of the Autonomous Province of Bolzano and its municipalities by integrating them into the core components of its strategy. I am proud to be able to present shareholders with a Group that knows how to combine growth in value and financial returns with ambitious and far-sighted ESG goals, and which will be a powerful driver of the energy transition across its territory in the coming years.”

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