

Bolzano, 31 March 2023

Alperia Group: draft 2022 financial statements approved

- **Group investments in 2022 amounting to approximately €167 million**
- **Creation of added value for its region equal to € 277 million**
- **Significant support for the region through commercial activities aimed at customers**
- **Total revenues of around €3.6 billion, due to the exceptional increase in energy commodity prices**
- **EBITDA up by approximately €272 million (+ 8% compared to 2021)**

- **Group net profit of approximately €61 million, down from the 2021 figure of €80 million, also due to the one-off energy windfall tax**
- **Proposed dividends of €32.0 million, in line with the business plan (+ €2.0 million compared to the dividends declared in 2022)**

On 30 March 2023, the Management Board of Alperia SpA examined and approved the Company and Group results for the 2022 financial year. The separate and consolidated financial statements will be submitted to the approval of the Supervisory Board scheduled for 8 May next.

Total Group revenues amounted to approximately €3.6 billion, up sharply from last year (+ 75%, equal to €1.6 billion), impacted mainly by the exceptional increase in energy commodity prices in 2022.

In the year under review, hydroelectric production was significantly lower than in the previous year (-27%), due to low snowfall in the winter of 2021/2022 and very low rainfall in the summer months, which also led to the declaration of a state of emergency in the Adige River basin; on the other hand, the average price of energy recorded on the Power Exchange, impacted by geopolitical tensions at an international level following Russia's invasion of Ukraine, reached an exceptional level of approximately €304/MWh compared to approximately €125/MWh recorded in 2021 (+ 142%).

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



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It should be noted, however, that 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.

EBITDA and net profit

Group EBITDA amounted to €272.0 million, compared to €250.7 million in 2021. However comparison between the two years is not like-for-like, as the 2022 figure is affected by the change in the scope of consolidation, including for the first time the companies Solar Total Italia Srl, operating in the installation, maintenance and management of photovoltaic systems, as well as Fintel Gas e Luce Srl, active in the sale of gas and electricity.

The Group's net profit of €60.8 million, on the other hand, was lower than the 2021 figure (- €18.7 million), affected by (i) the significant increase in provisions, the write-down of trade receivables and financial expenses (ii) the application of the one-off energy windfall tax of €6.5 million provided for by the 2023 Budget Law. It should be noted, in any event, that the net result for 2021 was positively impacted by capital gains – amounting to €9.7 million – generated by the sale of shares in two investee companies.

Investments and financial indebtedness

Investments relating to the ordinary management of the Group in 2022 were approximately €167 million (approximately €180 million in 2021). 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 stood at €1,163 million at the end of 2022 (the figure at the end of 2021, subject to restatement, was €715.9 million); The significant increase is mainly attributable to (i) the unusual energy scenario in 2022, with extraordinarily high price levels generating temporarily significant cash absorption and (ii) the acquisition by customers of credits for tax deductions deriving from energy efficiency measures carried out by the Group (so-called Ecobonus, Superbonus, etc.).

Dividend proposed by the Management Board

With regard to the parent company Alperia SpA, against a net profit of approx €34.2 million (in 2021, profit amounted to approximately €31.4 million), the Management Board has proposed distribution to shareholders of €32.0 million as a dividend for 2022, allocation of €1.7 million to the legal reserve (as required by current legislation). The Management Board has also proposed the carry-forward of the remaining approximately 0.5 million.

Relevant factors for 2022 in the individual Business Units

Generation Business Unit

- Electricity generation, almost exclusively concentrated in hydroelectric generation in South Tyrol, reached 2.9 TWh, with a significant decrease compared to 2021 (-27%)

Sales and Trading Business Unit

- The amount of electricity sold to customers was 6.9 TWh, a slight increase (+3%) on the previous year.
- Wholesale electricity sold totalled 1.0 TWh, a significant decrease compared to 2021 (-47%)
- Volumes of natural gas to customers reached 503 million cubic metres, slightly decrease (-1%) compared to 2021

Grids Business Unit

- Electricity distributed in South Tyrol: 2.6 GWh at around 239.000 withdrawal points
- The electricity grid extends for 9,199 km with related plants and infrastructure
- About 75% of power lines laid underground to minimise environmental and landscape impact
- Edyna Srl's commissioning plan for the 2G smart metering system continues. During 2022 about 50,000 2G meters were installed in 7 municipalities in South Tyrol

Heat and Services Business Unit

- Electricity production from cogeneration and biomass fell slightly from 329 GWh in 2021 to 322 GWh in 2022
- Thermal energy production was 234 GWht, slightly down (-6%) on 2021.

Smart Region Business Unit

- With effect from 1 January 2022, the reorganisation of the entire Smart Region area took place and Alperia Green Future Srl became operational, with activities developed along four main lines: (i) energy retrofitting of buildings (ii) strategic business consulting (iii) energy performance contracts and (iv) artificial intelligence.

Group

- The Management Board and Supervisory Board of Alperia SpA approved – on 27 October 2022 and 2 December 2022, respectively – the 2023-27 Business Plan and Vision 2031: the new Alperia Group Strategic Plan that embodies the visions of the Management, 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 (with the goal of achieving Net Zero by 2040) and integrated positioning along the energy value chain.
- On 19 May 2022, the Management Board of Alperia SpA approved the Group's 2022-2027 sustainability plan. The approximately 160 goals in the new plan are linked to the following five relevant action areas, which bring together the Group's material topics and ten priority Sustainable Development Goals (SDGs): Governance & Resilience, Customers, Green Mission, Region, People.

General Manager Luis Amort had this to say about the results of the Alperia Group:

“Despite the difficult market context and the low water supply recorded in absolute terms in 2022, the Group has achieved positive results, confirming the managerial and industrial robustness built over recent years and the related measures taken. The Alperia Group has proven to be solid even in the face of sudden changes in the market scenario, with unprecedented price volatility. 2022 also saw the presentation and approval of the Group's new Business Plan up to 2027 and the new Vision that will take Alperia to 2031, combining ambitious business objectives for the entire energy services chain with important sustainability goals, also in line with European and national directives and the Climate Plan of the Autonomous Province of Bolzano.”

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

“The Management Board also approved the consolidated non-financial statement referring to 2022. The Alperia Group demonstrated its role as a leader in supporting the province's development, generating added value of € 277 million.

To demonstrate the Group's focus on its customers during a period of extraordinarily high energy prices, new particularly favourable commercial offers for South Tyrolean customers – both households and companies – were submitted in the course of 2022.

I would like to thank all our collaborators for their efforts and the results achieved. A heartfelt thank you also goes to the new members of the Management Board and the Supervisory Board appointed in June 2022 and to the new General Manager of the parent company, appointed with effect from 1. July 2022”.

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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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