

Press release

The Board of Directors approves the consolidated financial statements and the draft individual financial statements as at 31 December 2020.

2020 results show strong growth compared with 2019.

Gross installed capacity of around 751 MW (564 MW as at 31 December 2019) and electricity production of more than 1 TWh (0.7 TWh in 2019)

Proposed dividend of 28 euro cents per share

Economic and financial results:

- **Revenues** of €109.3 million (€71.8 million in 2019), **+52%** compared with FY 2019
-
- **EBITDA** of €81.1 million (€53.9 million in 2019), **+50%** compared with FY 2019
-
- **Net result** of €31.6 million (€21.4 million in 2019), **+48%** compared with FY 2019
-
- **Net financial indebtedness** of €491 million (€407.2 million at 31 December 2019)

Milan, 11 March 2021 - The Board of Directors of Alerion Clean Power S.p.A., which met today, examined and approved the consolidated financial statements and the draft individual financial statements of the Company as at 31 December 2020, prepared using the valuation and measurement principles established by the

International Accounting Standards/International Financial Reporting Standards (IAS/IFRS).

OPERATING PERFORMANCE AND CONSOLIDATED RESULTS FOR 2020

Economic data (millions of euros)	2020	2019
Revenues	109,3	71,8
Gross operating margin (EBITDA)	81,1	53,9
Net result	31,6	21,4
Net result attributable to the Group	31,0	21,1
Statement of financial position data (millions of euros)	31.12.2020	31.12.2019
Shareholders' equity attributable to the Group	202,5	158,1
Net financial indebtedness*	491,0	407,2
Net financial indebtedness (excluding derivatives)	475,9	395,8
Operating data	2020	2019
Gross power (MW)	750,8	564,3
Electricity production (GWh) ⁽¹⁾	1 051	695
Electricity production (GWh) - Fully consolidated plants	990	627

⁽¹⁾ Fully consolidated plants and in equity investments measured using the equity method

(*) Consob Communication dem/6064293/2006

The operating performance in 2020 was characterised by an increase in installed capacity from 564.3 MW to 750.8 MW compared with 2019, mainly reflecting the following transactions carried out during the year:

- The acquisition of FW Holding S.r.l. (hereinafter also "FW"), the owner of two operating wind farms with total installed capacity of 90 MW in the municipalities of Ricigliano (SA) and Grottole (MT), and the acquisition of Fri-El Nulvi Holding S.r.l. (hereinafter also "Nulvi"), the owner of one operating wind farm with total installed capacity of 29.75 MW in the municipalities of Nulvi and Tergu (SS).
- The acquisition of the entire equity investment held by Fri-El Green Power S.p.A., equal to 49% of the share capital, of Andromeda Wind S.r.l., Fri-El Anzi

Holding S.r.l. and Fri-El Guardionara S.r.l., which own three operating wind farms with total gross installed capacity of 66.65 MW. The acquisition took place through the signing with Fri-El Green Power S.p.A. of the deed of contribution of 35.7% of the share capital of the above companies, with the issue of 3,019,630 new ordinary shares, and the acquisition of a further 13.3% of the share capital of the target companies in exchange for 1,123,227 treasury shares held in the portfolio.

The increase in installed capacity also resulted in a sharp increase in electricity production by the fully consolidated plants (amounting to around 990 GWh), an increase on production in 2019 (around 627 GWh), despite the fact that 2020, and in particular the first half of the year, was characterised by wind conditions that were significantly lower than the seasonal average. By contrast, 2019 was characterised by particularly high winds.

The Covid-19 emergency

In response to the state of emergency caused by Covid-19, the Group has issued guidelines designed to prevent the spread of the virus in the workplace while ensuring business continuity. Thanks to its business model and solid financial structure, there is no evidence that the Covid-19 crisis has had any material impact on the Group. We also began constantly monitoring the impact that the state of emergency might have on economic and business variables so that action plans can be rapidly implemented.

In this context, it should be noted that the main economic effect suffered by the Group due to the Covid-19 crisis relates to the fall in electricity selling prices. Specifically, the average selling price of electricity from plants still benefiting from the incentive scheme in 2020 was €36.7 per MWh, compared with €48.5 per MWh in 2019.

Consolidated results for 2020

Revenues for the year totalled €109.3 million (€71.8 million in 2019).

Specifically, **Operating revenues** came to €100.6 million, up €30.6 million, or 43.7%, compared with the €70 million recognised in the previous year, mainly as a result of the growth in electricity production described above, despite wind levels significantly below the seasonal average in the period in question and a fall in electricity selling prices, mainly due to the Covid-19 health crisis.

EBITDA was €81.1 million, up 50.5% or €53.9 million year-on-year, reflecting the increase in revenues compared with the previous year due to the contribution of new plants in operation, as well as the increase due to the higher unit value of the incentive in Italy (€92.1 to €99.1 per MWh), which partially offset the effect of the lower wind levels recorded in 2020 and the effect of the fall in electricity selling prices.

The **Operating result** was €40.5 million (€27.7 million in 2019), after depreciation, amortisation and write-downs of €40.6 million (€26.2 million in 2019), up by 46.2% compared with the previous year, mainly due to the aforementioned change in the scope of the operating plants. It should be noted that the change in depreciation and amortisation is due to the increase in operating installed capacity in 2020 and the full contribution of both the plants acquired during 2019 and those which began production in the second part of the previous year.

Profit before tax was €12.3 million, down by comparison with the €25.5 million recorded in 2019. The figure includes net financial expenses and income from equity investments and other financial assets of approximately €28.2 million (€2.2 million in 2019). It should be noted that the change compared with the previous year is mainly due to the item "Net income from equity investments", which in 2019 included €13.5 million due to the acquisition of control of Anemos Wind S.r.l. at a price lower than the fair value of the net assets acquired and the resulting accounting in accordance with IFRS 3 – Business Combinations. The result before tax also includes expenses of approximately €4.4 million, due to the release to the income statement of the cash flow hedge reserve to hedge project financing for Ordonà and Callari, due to the exercise of the option of early repayment of these loans.

The **Net result** for 2020 was €31.6 million in 2020 (€21.4 million in 2019).

It should be noted that this reflects the tax benefit relating to the effects of the revaluation of the company's assets provided for in Article 110 of the "August Decree", opted for by the Group in 2020, for an amount of €24.1 million included in the tax item.

The **Net result attributable to the Group** was €31 million (€21.1 million in 2019). The **Net result attributable to non-controlling interests** was a profit of €0.6 million (profit of €0.3 million in 2019).

Group shareholders' equity was €202.5 million at 31 December 2020, up by €44.4 million compared with 31 December 2019. The change is mainly due to: i) the already described capital increase of €21 million and the exchange of treasury shares of €7.9 million; ii) the portion attributable to the Group of the result for the year of €31 million; iii) the positive change in the fair value of derivatives, net of the tax effect, of €1 million; iv) the distribution of dividends of €10.1 million, as per the resolution of 27 April 2020; v) share buybacks during the year of €1.8 million; and vi) the effects of the consolidation of the equity investment in Fri-el Nulvi Holding S.r.l. of €4.5 million.

Net financial indebtedness was €491 million at 31 December 2020, up €83.8 million compared with 31 December 2019.

The negative change in net financial indebtedness mainly reflects: i) cash flows from operations of approximately €66.2 million; ii) cash flows absorbed by investment activities of a total of approximately €77.8 million, mainly relating to the aforementioned recent acquisitions of "Nulvi" and "FW", already net of cash acquired; iii) the effects of the change in scope of €27.7 million; iv) net financial expenses for the period and the change in the fair value of derivatives of €31.9 million; and v) dividends paid of €10.1 million.

Economic and financial performance of Alerion Cleanpower S.p.A.

Net income from equity investments came to €34.1 million for 2020 (€30.1 million as at 31 December 2019) and mainly consists of dividends received from

subsidiaries of approximately €26.4 million, as well as net interest income accrued during the year from investee companies of approximately €7.6 million.

The **Net result** for 2020 was a profit of approximately €18.8 million, down compared with the profit of approximately €2.6 million recorded in the previous year. The net result includes net financial expenses of €16 million. The increase from €7.1 million in 2019 is attributable to the financial expenses accrued on the green bond issued by the Company in December 2019. Taxes for the year were positive for €2.4 million, while in 2019 they were negative for €0.4 million.

The Company's **Shareholders' equity** at 31 December 2020 stood at €225.9 million, up from €190.2 million at 31 December 2019, mainly due to the capital increase of €21 million described in the section on significant events, the exchange of treasury shares of €7.9 million and the result for the year of €18.8 million. The above increase was partially offset by both the distribution of the dividend of €10.1 million paid out in 2020 and share buybacks for €1.8 million.

Dividends

The Board of Directors resolved to propose to the Shareholders' Meeting the distribution of a dividend of 28 euro cents per share, amounting to approximately €15 million.

SIGNIFICANT EVENTS AFTER YEAR-END

On 3 February 2021, the Board of Directors of Alerion Clean Power S.p.A. approved the 2021-2023 Business Plan.

For the three-year period 2021-2023, the plan includes an investment programme designed to make the Group one of the main operators in the renewable energy sector in Europe, with the aim of exceeding 3 TWh of power generated at the end of 2023.

On 19 February 2021, the Board of Directors of Alerion granted a mandate to the Chairman of the Board of Directors to convene an Extraordinary Shareholders'

Meeting for 26 March 2021, in a single call, in order to resolve on the proposal to grant a mandate to increase the share capital, excluding option rights, by 31 December 2021, up to a maximum amount of €300 million. On 23 February 2021, the Board of Directors convened the Extraordinary Shareholders' Meeting of the Company for 26 March 2021 to approve the granting of this mandate.

This capital increase will enable the company to pursue the growth objectives set in the 2021-2023 Business Plan, to expand its free float, and to facilitate the entry of Italian and foreign institutional investors.

BUSINESS OUTLOOK

In 2021, Alerion will continue to implement the development plan set out in the 2021-2023 Business Plan, through the pursuit of targeted organic and external growth opportunities, with the aim of increasing the installed power of the plant portfolio both in Italy and abroad, particularly in Romania and Spain.

SHAREHOLDERS' MEETING

The Board of Directors granted a mandate to the Chairman of the Board of Directors to convene the Ordinary Shareholders' Meeting for 26 April 2021, in a single call.

The Ordinary Shareholders' Meeting will be asked to resolve, *inter alia*, on the appointment of the Board of Statutory Auditors and the determination of its remuneration for the period 2021-2023, on the Remuneration Report, the Remuneration Policy and the approval of an incentive plan.

The Board of Directors will also propose to the Ordinary Shareholders' Meeting the approval of the 2020 individual financial statements and the distribution of a dividend of 28 euro cents gross per ordinary share (net of treasury shares), with payment as of 5 May 2021 (detachment date of coupon no. 10 on 3 May 2021).

Finally, the Ordinary Shareholders' Meeting will be called on to resolve on the renewal of the authorisation to purchase and dispose of treasury shares, in order to:

- increase the liquidity of trading in securities issued by the Company, intervening on the market in compliance with current provisions and without prejudice to the equal treatment of shareholders;

- potentially use the purchased shares as consideration in extraordinary transactions and in strategic transactions in general;
- establish the funds necessary to implement any share incentive plans approved by the Company;
- have the investment opportunity of purchasing Alerion shares, under conditions that make this appropriate.

The proposal provides that the Company may purchase own shares, within 18 months of the date of the shareholders' resolution, until - taking into account the treasury shares already held - a level of one-fifth of the outstanding shares is reached (without prejudice to the limit on distributable profits and available reserves). Own shares may be purchased on the market at a unit price not less than 20% lower or more than 20% higher than the weighted average share price in the three stock exchange sessions prior to the performance of each individual transaction and, in any case, in accordance with the legislative and regulatory provisions in force.

As of the date hereof, the Company holds 4,500 treasury shares.

Stefano Francavilla, the Financial Reporting Officer, hereby declares, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the company documents, books and accounting records.

As required by current legislation, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows are attached to this press release, together with the income statement, statement of comprehensive income, statement of financial position and statement of cash flows of Parent Company Alerion Clean Power S.p.A. It should be noted that the data contained therein have not yet been audited by the Board of Statutory Auditors and that the final phase of their examination by the Independent Auditors is under way.

Please note that the consolidated financial statements and the draft individual financial statements as at 31 December 2020, approved by the Board of Directors today, together with the Independent Auditors' report, will be available to anyone requesting them from the registered office, the NIS-Storage authorised storage mechanism at www.emarketstorage.com, on the Company's website at www.alerion.it and from Borsa Italiana S.p.A. within the time limits established by applicable legislation.

Contacts

Alerion Clean Power S.p.A.:
Stefano Francavilla

stefano.francavilla@alerion.it
Tel. +39 02 7788901

True Relazioni Pubbliche

Federica Menichino

f.menichino@true-rp.it

Tel: +39 02 76341410

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)	2020	2019
Electricity sales	37 236	31 531
Revenues from incentive tariff	63 389	38 501
Operating revenues	100 625	70 032
Other sundry revenues and income	8 724	1 797
Total revenues	109 349	71 829
Operating costs		
Staff costs	2 492	2 230
Other operating costs	29 882	18 132
Provisions for risks	465	-
Total operating costs	32 839	20 362
Change in equity investments measured using the equity method	4 614	2 422
Depreciation and amortisation	41 642	24 384
Write-downs and value adjustments	(990)	1 805
Total depreciation, amortisation and write-downs	40 652	26 189
OPERATING RESULT	40 472	27 700
Financial income	195	217
Financial expenses	(28 511)	(15 972)
Financial income (expenses)	(28 316)	(15 755)
Income (expenses) from equity investments and other financial assets	85	13 555
PROFIT BEFORE TAX	12 241	25 500
Current	(9 785)	(5 670)
Deferred	29 112	1 522
Taxes for the year	19 327	(4 148)
NET RESULT FOR THE YEAR	31 568	21 352
Attributable to:		
Owners of the parent	30 945	21 055
Non-controlling interests	623	297
EARNINGS PER SHARE		
- Basic, for net result for the period attributable to the ordinary shareholders of the Parent Company	0,60	0,42
EPS FROM OPERATING ASSETS		
- Basic, for net result for the period from operating assets attributable to the ordinary shareholders of the Parent Company	0,60	0,42

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euro)	2020	2019
NET RESULT FOR THE PERIOD (A)	31 568	21 352
Gains/(losses) on the fair value measurement of cash flow hedge instruments	862	(1 944)
<i>Tax effect relating to gains/(losses) from cash flow hedges</i>	(207)	469
Gains/(losses) on the fair value measurement of cash flow hedge instruments relating to equity investments measured using the equity method	517	558
<i>Tax effect relating to gains/(losses) from cash flow hedges relating to equity investments measured using the equity method</i>	(124)	(137)
Total other comprehensive gains/(losses) that could be reclassified to profit or loss, net of tax effect (b1)	1 048	(1 054)
<i>Actuarial gains/(losses) on defined benefit plans recognised in accordance with</i>	(12)	(53)
<i>Tax effect relating to actuarial gains/(losses) (IAS 19)</i>	3	15
Total other comprehensive gains/(losses) that will not be subsequently reclassified to profit or loss, net of tax effect (b2)	(9)	(38)
Total other comprehensive gains/(losses) net of tax effect (b1) + (b2) = (B)	1 039	(1 092)
TOTAL COMPREHENSIVE PROFIT/(LOSS) (A) + (B)	32 607	20 260
Attributable to the owners of the parent	31 984	19 963
Attributable to non-controlling interests	623	297
TOTAL COMPREHENSIVE PROFIT/(LOSS)	32 607	20 260

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in thousands of euro)	31.12.2020	31.12.2019
NON-CURRENT ASSETS:		
Intangible assets with a finite useful life	198 100	148 504
Total intangible assets	198 100	148 504
Tangible assets (property, plant and equipment)	455 637	415 325
Equity investments measured using the equity method	50 026	18 447
Financial receivables and other non-current financial assets	4 358	4 079
Sundry receivables and other non-current assets	875	10
Prepaid tax assets	43 805	19 885
TOTAL NON-CURRENT ASSETS	752 801	606 250
CURRENT ASSETS:		
Trade receivables	9 113	4 815
Tax receivables	5 096	2 352
Sundry receivables and other current assets	28 539	28 577
Financial receivables and other current financial assets	1 003	548
Cash and cash equivalents	147 706	238 348
TOTAL CURRENT ASSETS	191 457	274 640
TOTAL ASSETS	944 258	880 890

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Liabilities and shareholders' equity

(in thousands of euro)	31.12.2020	31.12.2019
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	202 528	158 064
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	4 473	2 752
NON-CURRENT LIABILITIES:		
Non-current financial liabilities	534 883	578 756
Non-current payables for derivatives	6 452	8 113
Post-employment benefits and other staff-related provisions	602	690
Deferred tax provision	38 649	29 506
Provisions for future risks and charges	21 975	16 531
Sundry payables and other non-current liabilities	13 970	8 549
TOTAL NON-CURRENT LIABILITIES	616 531	642 145
CURRENT LIABILITIES:		
Current financial liabilities	89 751	55 875
Current payables for derivatives	8 573	3 309
Current trade payables	8 313	9 819
Tax payables	4 559	3 971
Sundry payables and other current liabilities	9 530	4 955
TOTAL CURRENT LIABILITIES	120 726	77 929
TOTAL LIABILITIES	737 257	720 074
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	944 258	880 890

INCOME STATEMENT

ALERION CLEAN POWER S.p.A.

<i>(in euro)</i>	2020	2019
Income (expenses) from equity investments	34 068 105	30 120 655
Other revenues	3 265 773	3 374 895
TOTAL OPERATING INCOME AND REVENUES	37 333 878	33 495 550
Operating costs		
Staff costs	1 853 865	1 712 787
Other operating costs	3 055 083	2 944 908
Provisions for risks	13 267	-
Total operating costs	4 922 215	4 657 695
Depreciation, amortisation and write-downs		
Depreciation and amortisation	12 803	12 351
Total depreciation, amortisation and write-downs	12 803	12 351
OPERATING RESULT	32 398 860	28 825 504
Financial income	78 876	13 814
Financial expenses	(16 107 288)	(7 103 829)
Total financial income (expenses)	(16 028 412)	(7 090 015)
PROFIT BEFORE TAX	16 370 448	21 735 489
Taxes for the year		
Current	1 771 969	(385 970)
Deferred	651 815	31 351
Total taxes for the year	2 423 784	(354 619)
NET RESULT FOR THE YEAR	18 794 232	21 380 870

STATEMENT OF COMPREHENSIVE INCOME

ALERION CLEAN POWER S.p.A.

<i>(in euro)</i>	2020	2019
NET RESULT FOR THE YEAR (A)	18 794 232	21 380 870
<i>Actuarial gains/(losses) on defined benefit plans recognised in accordance with IAS 19</i>	<i>(12 155)</i>	<i>(46 752)</i>
<i>Tax effect relating to actuarial gains/(losses) (IAS 19)</i>	<i>3 391</i>	<i>13 044</i>
Total other comprehensive gains/(losses) that will not be subsequently reclassified to profit or loss, net of tax effect	(8 764)	(33 708)
Total other comprehensive gains/(losses) net of tax effect (B)	(8 764)	(33 708)
TOTAL COMPREHENSIVE PROFIT/(LOSS) (A) + (B)	18 785 468	21 347 162

STATEMENT OF FINANCIAL POSITION

ALERION CLEAN POWER S.p.A.

Assets

<i>(in euro)</i>	31.12.2020	31.12.2019
NON-CURRENT ASSETS:		
Intangible assets:		
Intangible assets with a finite useful life	748	5 043
Total intangible assets	748	5 043
Tangible assets (property, plant and equipment)		
Equity investments in subsidiaries	290 445 251	161 591 265
Equity investments measured using the equity method	45 646 134	16 646 134
Financial receivables and other non-current financial assets	144 680 175	176 202 959
Prepaid tax assets	1 260 917	561 825
TOTAL NON-CURRENT ASSETS	482 110 265	355 053 601
CURRENT ASSETS:		
Trade receivables	7 269 794	6 451 623
Tax receivables	2 610 420	171 708
Sundry receivables and other current assets	15 407 629	11 337 974
Financial receivables and other current financial assets	16 457 843	15 159 512
Cash and cash equivalents	85 267 696	177 732 356
TOTAL CURRENT ASSETS	127 013 382	210 853 173
TOTAL ASSETS	609 123 647	565 906 774

STATEMENT OF FINANCIAL POSITION

ALERION CLEAN POWER S.p.A.

Liabilities and shareholders' equity

<i>(in euro)</i>	31.12.2020	31.12.2019
SHAREHOLDERS' EQUITY	225 920 027	190 177 630
NON-CURRENT LIABILITIES:		
Non-current financial liabilities	351 654 173	347 810 651
Post-employment benefits and other staff-related provisi	534 998	628 022
Deferred tax provision	98 342	54 457
Provisions for future risks and charges	584 132	615 792
TOTAL NON-CURRENT LIABILITIES	352 871 645	349 108 922
CURRENT LIABILITIES:		
Current financial liabilities	17 662 816	20 354 399
Payables for current derivatives	2 893 307	-
Current trade payables	824 733	1 286 865
Tax payables	-	834 339
Sundry payables and other current liabilities	8 951 119	4 144 619
TOTAL CURRENT LIABILITIES	30 331 975	26 620 222
TOTAL LIABILITIES	383 203 620	375 729 144
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	609 123 647	565 906 774