

Press release

Alerion Clean Power: Board of Directors approves Half-year Financial Report as at 30 June 2021

Strong growth in all results compared with the first half of 2020:

- **Revenues of €71.1 million (€55.2 million in H1 2020), up 28.8% compared with the previous period**
- **EBITDA of €58.8 million (€40.4 million in H1 2020), up 45.5% compared with the previous period**
- **Net profit of €20.2 million (€5.3 million in H1 2020), almost quadrupling compared with the first half of 2020**
- **Financial indebtedness (excluding derivatives) of €476.9 million (€475.9 million at 31 December 2020), following approximately €24.4 million of investments made in the first half of 2021**
- **Electricity production of 634 GWh, up 11.2% compared with the first half of 2020 (570 GWh)**
- **Gross installed capacity at 30 June 2021 of 750.8 MW, up 9.7% compared with 30 June 2020 (684.1 MW)**

Milan, 30 July 2021 - The Board of Directors of Alerion Clean Power S.p.A. today examined and approved the Consolidated Half-year Financial Report as at 30 June 2021, prepared using the valuation and measurement principles established by the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS).

Economic data (millions of euros)	I Half 2021	I Half 2020
Revenues	71.1	55.2
Gross operating margin (EBITDA)	58.8	40.4
Net result	20.2	5.3
Net result attributable to the Group	19.6	4.9
Statement of financial position data (millions of euros)	30.06.2021	31.12.2020
Shareholders' Equity	202.9	207.0
Financial indebtedness*	499.0	491.0
Financial indebtedness* (excluding derivatives)	476.9	475.9
Operating data	I Half 2021	I Half 2020
Gross Power (MW)	750.8	684.1
Electricity production (GWh) ⁽¹⁾	634	570
Electricity production (GWh) - Fully consolidated plants	568	537

⁽¹⁾ Plants fully consolidated and plants of Equity investments measured using the equity method

* Financial Indebtness according to ESMA Guidelines 32-382-1138

GROUP OPERATING PERFORMANCE IN THE FIRST HALF OF 2021

Electricity production in the first half of 2021

The Group's operating performance in the first half of 2021 was characterised by **electricity production from the fully consolidated plants of 568 GWh, up from the 537 GWh recorded in the first half of 2020.**

The increase in gross capacity from 684.1 MW to 750.8 MW compared with the same period of 2020 is entirely due to the change in the scope of only companies consolidated using the equity method.

Economic and financial results for the first half of 2021

Revenues for the first half of 2021 came in at €71.1 million (€55.2 million in the first half of 2020). Specifically, operating revenues amounted to €66 million, up by approximately 25.2% compared with €52.7 million in the same period of 2020, reflecting the growth in electricity production and above all the sharp increase in electricity selling prices recorded in the period under review.

As already mentioned, the above growth in operating revenues is a direct consequence of i) the sharp rise in prices related to electricity sales, and ii) the increase in the unit value of incentives for wind farms incentivised under the Feed-in Premiums (FIP) scheme (formerly "green certificates") to €109.4 per MWh from €99.1 per MWh in 2020, as well as the increase in electricity production recorded by the plants in the first half of 2021 compared with 2020.

Other revenues came to €5.1 million (€2.5 million in the first half of 2020) and mainly relate to administrative and technical advisory services provided to third companies and companies consolidated using the equity method, and to the recognition of the effects of a change in the estimates used to account for risk provisions for the future costs of dismantling operating plants, which resulted in the recognition of income totalling €2.8 million in the income statement.

EBITDA amounted to €58.8 million in the first half of 2021, up 45.5% on the same period of the previous year (€40.4 million), reflecting the increase in consolidated revenues compared with the first half of 2020, as indicated above, due to higher electricity production levels in the period compared with 2020 and the increase in average prices in 2021, partially offset by costs arising from the derivative entered into on the electricity price for 2021. Operating costs amounted to €16.9 million, an increase on the €15.8 million recorded in the first half of 2020. It should also be noted that the EBITDA figure includes €4.6 million for the results of companies consolidated using the equity method and associates. This represents an increase on the first half of 2020, due to the acquisition, completed on 15 December 2020, of 49% of the share capital of three companies, Andromeda Wind S.r.l., Fri-El Anzi Holding S.r.l. and Fri-El Guardionara S.r.l., each of which owns a wind farm, with total gross installed capacity of 66.65 MW.

The **operating result** for the first half of 2021 was €38.2 million (€19.8 million in the first half of 2020), after depreciation, amortisation and write-downs of €20.6 million.

Net profit for the first half of 2021 was €20.2 million, a marked increase on the €5.3 million recorded in the first half of 2020. The figure includes net financial expenses and income from equity investments and other financial assets of approximately €9.1

million (€11.8 million in the first half of 2020). The change compared with the first half of 2020 is mainly due to the lower financial expenses paid by Callari S.r.l. and Ordonia Energia S.r.l. as a result of the early repayment of their respective project financing loans. It also includes taxes for the period of approximately €8.9 million (€2.7 million in the first half of 2020).

Shareholders' equity was €202.9 million at 30 June 2021, down by €4.1 million compared with 31 December 2020. The change is mainly due to: i) the net profit of €20.2 million recorded for the period; ii) the negative change of €7.9 million in the fair value of derivatives on bank project financing and commodity swaps on the electricity selling price, after tax; iii) the repurchasing of shares for €1.2 million, as per the resolution of 26 April 2021; and iv) the distribution of dividends of €15.2 million, as per the resolution of 26 April 2021.

Financial indebtedness amounted to €499 million at 30 June 2021, increasing by €8 million compared with 31 December 2020, partly to support the investment plan in Romania and Italy, scheduled and announced to the market in early 2021.

Financial indebtedness (excluding derivatives) amounted to €476.9 million at 30 June 2021 (€475.9 million at 31 December 2020).

SIGNIFICANT EVENTS AFTER 30 JUNE 2021 AND BUSINESS OUTLOOK

Significant events after 30 June 2021

On 9 July 2021, following up on its announcement in May 2021 of its intention to carry out the capital increase without option rights approved on 26 March 2021, in order to support the investments planned to achieve the growth objectives identified in the Business Plan and to increase the free float through the entry into the shareholding structure of Italian and foreign institutional investors, the Board of Directors of Alerion resolved to update the capital structure set out in the Business Plan in order to change the relationship between own funds and third-party funds, reducing the equity requirement from the maximum €300 million initially planned to €200 million.

The Board of Directors of the Company consequently resolved to set at €200 million the amount of the capital increase arising from the execution of the mandate for a capital increase for payment without option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code, granted by the shareholders' meeting of 26 March 2021, up to a maximum total amount of €300 million, to be carried out by 31 December 2021.

Business outlook

During the second half of 2021, Alerion will continue to implement actions to improve operating and financial efficiency, expanding the Group's organisational structure to support the programme of growth abroad in Spain and Romania.

Development activity will therefore also continue through the pursuit of targeted organic and external growth opportunities, in order to increase the installed capacity of the plant portfolio both in Italy and abroad.

In accordance with applicable legislation, the consolidated income statement, statement of comprehensive income and statement of financial position are attached to this press release.

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.

Please note that the Consolidated Half-year Financial Report as at 30 June 2021, approved by the Board of Directors today, together with the Independent Auditors' report, will be available on request 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.

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