

## Press release

### Alerion Clean Power:

**The Board of Directors approves the consolidated financial statements and the draft individual financial statements as at 31 December 2022.**

**2022 results rose sharply compared to 2021, despite the government's "caro energia" measures to combat high energy prices, which had a significant impact on the Group's accounts.**

**Proposed dividend of €0.65 per share (up 48% on the previous year), totalling around €35 million**

### Economic and financial results:

- **Revenues** of €273.7 million (€153.8 million in 2021), **up 78.0%** compared with FY 2021
- **EBITDA** of €232.8 million (€131.9 million in 2021), **up 76.5%** compared with FY 2021
- **Net profit** of €73.2 million (€50.2 million in 2021), **up 45.8%** compared with FY 2021
- **Financial Indebtedness** of €385.5 million (€502.5 million at 31 December 2021)

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**Milan, 9 March 2023** - 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 2022, 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 2022**

<b>Statement of profit or loss (€m)</b>	<b>2022</b>	<b>2021</b>
Revenue	273.7	153.8
Gross operating profit	232.8	131.9
Profit for the year	73.2	50.2
Profit attributable to the owners of the parent	71.0	48.7
<b>Statement of financial position (€m)</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Equity	305.0	231.6
Financial indebtedness*	385.5	502.5
Financial indebtedness* (excluding derivatives)	387.6	482.6
<b>Operating figures</b>	<b>2022</b>	<b>2021</b>
Gross capacity (MW)	892.6	750.8
Electricity production (GWh) (1)	1,190	1,205
Electricity production (GWh) - Consolidated plants	1,074	1,077

(1) Consolidated plants and plants owned by equity-accounted investees

(\*) Financial indebtedness calculated as per the ESMA32-382-1138 Guidelines

**Operating performance** in 2022 was characterised by electricity production by the fully consolidated plants of 1,074 Gwh, which was in line with the 1,077 Gwh recorded in the preceding year (2021), despite the increase in installed capacity compared with 31 December 2021 resulting from the completion of two wind farms in Cerignola in the province of Foggia and new photovoltaic plants in Romania. Production was affected by less favourable wind conditions at the sites compared with the preceding year (2021).

## Consolidated results for 2022

2022 **Revenues** amounted to €273.7 million (compared to €153.8 million in 2021). In particular, operating revenues totalled €263.3 million, up from €148.6 million in the previous year as a result of the sharp increase in electricity sale prices during the period under review.

The sharp increase in operating revenues is wholly attributable to the rising tide of electricity prices that began in the final months of 2021. Increased electricity prices more than offset the fall in the unit value of incentives for wind farms established by the incentive rates (FIP) formerly known as “green certificates,” which stood at €42.9 per MWh compared to €109.4 per MWh in 2021.

**EBITDA** in 2022 amounted to €232.8 million, up 76.5% compared to the same period in 2021 (€131.9 million), again reflecting the sharp increase in electricity sale prices. It should be noted that the 2022 EBITDA includes an estimated additional charge of around €36.9 million due to the application during 2022 of the Italian authorities’ “caro energia” extraordinary measures to deal with high energy prices.

It should also be noted that the organisational structure of the Group expanded significantly during 2022, with a consequent increase in staff costs. Specifically, the Group’s workforce at 31 December 2022 consisted of 131 employees, of whom approximately 15% were employed by Group companies based abroad, a net increase of 85 compared with 31 December 2021. The strong growth in the organisational structure during the year was mainly due to the insourcing of management and maintenance capacities for the operating plants, through the acquisition of Alerion Service S.r.l., and the ongoing process of expansion of the Group’s operations in Italy and abroad.

Other operating costs of €41.8 million were substantially higher than in 2021, firstly due to the inclusion of Alerion Service in the scope of consolidation as a result of the acquisition that was finalised in April 2022, and secondly to the increase in variable costs associated with electricity sales.

It should also be noted that as at 31 December 2022, the **Result for companies consolidated using the equity method**, included in **EBITDA**, amounted to €7.7 million, down from €14.1 million in 2021. The decrease compared to 2021 is attributable to the Italian government measures mentioned above. In particular, this item reflects the extraordinary contribution established for 2022 in Article 37 of Decree-Law No. 21/2022 as amended (the "Contributo Extra Profitti") of €3.4 million and the temporary solidarity contribution provided for in the 2023 Budget Law of €6.4 million.

The **2022 Operating Profit** was €189.8 million, up sharply compared to the figure for 2021 (€90.9 million in 2021), after depreciation, amortisation and write-downs of €43 million.

**2022 Profit Before Tax** amounted to €171.5 million, a significant increase compared to the value recognised in 2021 when it amounted to €68.5 million, and includes financial expenses and income from equity investments, together with other financial assets of approximately €18.3 million, down sharply from €22.4 million in 2021. This decrease was as a result of the full contribution of the early repayments completed in late 2021 and in the first part of 2022. In particular, the early repayment led to the recognition in 2021 of additional charges of €2.8 million as a penalty for early repayment, in addition to the residual accessory charges of €1.5 million incurred at the time of the bond issue, which had not yet been fully amortised.

The **Net Profit** for 2022 is €73.2 million, up from €50.2 million in 2021, after taxes for the period of approximately €98.3 million (€18.3 million in 2021). The tax item reflects the effects of the adoption of the Government's "caro energia" measures to combat high energy prices, which amounted to €54.8 million.

The **Net Result Attributable to the Group** in 2022 was €71 million (€48.7 million in 2021). The **Net Result Attributable to Non-Controlling Interests** in 2022 amounted to €2.2 million (up from the 2021 figure of €1.5 million).

**Group shareholders' equity** at 31 December 2022 was €298.8 million, up by €71.7 million compared with 31 December 2021, when it stood at €227.1 million. The change is mainly due to: i) the Group's share of the net profit for the period of €71 million; ii) the positive change of €29.4 million in the fair value of derivatives on bank project

financing, bond instruments and derivative instruments in commodity swaps on the electricity selling price, after tax; iii) other changes of €3.4 million mainly related to the recent acquisition of Alerion service S.r.l. directly from the majority shareholder, iv) to purchases of treasury shares for €2.2 million, and v) to the distribution of dividends for €23.8 million, as per the resolution of 22 April 2022.

**Financial Indebtedness** at 31 December 2022 was €385.5 million, down €117 million compared with 31 December 2021, when it stood at €502.5 million. The positive change, despite capital expenditure mainly in Romania and Italy, is attributable to the more than positive performance in terms of operating cash flow generated by the sharp increase in electricity prices during the year.

The reduction in **Financial Indebtedness** mainly reflects: i) cash flows from operations of approximately €218.6 million; ii) cash flows absorbed by investment activities of a total of approximately €96.7 million, mainly relating to the investments made in Romania and Italy; iii) net financial expenses for the period and the positive change in the fair value of derivatives totalling €9.9 million; iv) dividends received from investee companies, valued by the equity method, amounting to €10.3 million, and v) dividends paid in the period of €23.8 million, as per the resolution of 22 April 2022.

## **Economic and financial performance of Alerion Clean Power S.p.A.**

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**Net Income from Equity Investments** in 2022 amounted to €92.5 million (€78.3 million in 2021) and mainly consists of dividends resolved by subsidiaries in 2022 of approximately €81 million, as well as net interest income accrued during the year from investee companies of approximately €11.5 million.

**Other Revenues** in 2022 amounted to €20.7 million (€4 million in 2021) and mainly consist of services rendered to subsidiaries. The change from the previous year was mainly attributable to certain services provided on an *ad hoc* basis by Alerion in the capacity of corporate office for subsidiaries, such as the recharging of income and expenses arising in 2022 from derivatives contacts entered into by the Parent

Company to guarantee the sale price of energy generated and sold to the grid by subsidiaries.

The **Operating Result** for 2022 was positive at €105.1 million (€72.9 million in 2021), after operating costs of approximately €7.8 million (€9.4 million in 2021).

The **Net Profit** for 2022 was approximately €94.4 million, a sharp increase of around €83.4 million compared to last year. Net Profit includes net financial expenses of €4.5 million. The sharp decrease compared with €79.4 million in 2021 is attributable to: i) higher financial income due to remuneration of cash investments in time deposit contracts and bonds, ii) income realised during the year from the settlement of positions at maturity of commodity swap derivatives entered into by the Company in 2022, iii) lower charges from commodity derivatives settled during the year, and iv) net of higher interest on bonds following subscription of the new 2022-2028 bond.

The Company's **Shareholders' Equity** at 31 December 2022 stood at €286.7 million, up from €218.7 million at 31 December 2021, mainly due to the combined effect of the positive net result for the year of €94.4 million, the distribution of the dividend of €24.2 million, net of the purchase of treasury shares for €2.2 million.

### **Dividends**

It should be noted that the Board of Directors resolved to propose to the Shareholders' Meeting the distribution of a dividend of €0.65 per share, amounting to approximately €35 million.

### **SIGNIFICANT EVENTS AFTER YEAR-END**

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During the first quarter of 2023, the procedure for the selection of equity investments was initiated by the shareholders of the companies Andromeda WIND S.r.l., Fri-el Anzi S.r.l. and Fri-el Guardionara S.r.l. as provided for in the disclosure document published on 20 November 2020. This procedure establishes the option for shareholders to acquire the entire capital of each of the said companies at a fair value determined by an independent expert.

## **BUSINESS OUTLOOK**

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During 2023, the investment programme for the construction of new wind and photovoltaic plants will continue, particularly in Romania and Italy. The development of new renewable capacity will also continue, in order to increase the pipeline of projects in the Group's various geographic areas of interest, not only in Italy and Romania, but also in Spain and the UK.

It should also be noted that the Group does not expect the current conflict in Ukraine to have a negative impact on its operations.

## **SHAREHOLDERS' MEETING**

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The Board of Directors granted a mandate to the Chairman of the Board of Directors to convene the Ordinary Shareholders' Meeting for 20 April 2023, in a single call.

The Ordinary Shareholders' Meeting will be called on to adopt resolutions on the renewal of members of the Board of Directors for the three-year period 2023-2025, after determining their number and establishing their remuneration, on an authorisation to take out an insurance policy covering the civil liability of members of company bodies, on the Remuneration Report, the remuneration policy, emoluments paid, and the approval of an incentive scheme.

The Board of Directors will also propose to the Ordinary Shareholders' Meeting the approval of the 2022 individual financial statements and the distribution of a dividend of €0.65 gross per ordinary share (net of treasury shares) in circulation on the day the dividend is paid, with payment as of 10 May 2023 (detachment date of coupon No. 12 on 8 May 2023).

The Ordinary Shareholders' Meeting will also be called on to resolve on the renewal of the authorisation to purchase and dispose of treasury shares, in view of the fact that the deadline for implementation of the resolution by which the shareholders' meeting of 22 April 2022 authorised the current purchase and disposal of treasury shares will expire on 23 October 2023.

As of the date hereof, the Company holds 349,911 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 2022, 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](http://www.emarketstorage.com), on the Company's website at [www.alerion.it](http://www.alerion.it) and from Borsa Italiana S.p.A. within the time limits established by applicable legislation.*

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## **Contacts**

### **Alerion Clean Power S.p.A.**

info@alerion.it

Tel. +39 02 7788901

### **Federica Menichino**

#### **Axelcomm**

federica.menichino@axel-comm.it

Tel: +39 02 87071882



## CONSOLIDATED INCOME STATEMENT

(€'000)	2022	2021
Electricity sales	234,431	78,482
Feed-in tariff	28,877	70,070
<b>Revenue</b>	<b>263,308</b>	<b>148,552</b>
<b>Other revenue and income</b>	<b>10,437</b>	<b>5,172</b>
<b>Total revenue and income</b>	<b>273,745</b>	<b>153,724</b>
<b>Operating costs</b>		
Personnel expenses	6,190	2,940
Other operating costs	41,885	32,883
Accruals to provisions for risks	550	168
<b>Total operating costs</b>	<b>48,625</b>	<b>35,991</b>
<b>Share of profits of equity-accounted investees</b>	<b>7,691</b>	<b>14,128</b>
Amortisation and depreciation	42,985	40,966
<b>Total amortisation, depreciation and impairment losses</b>	<b>42,985</b>	<b>40,966</b>
<b>OPERATING PROFIT</b>	<b>189,826</b>	<b>90,895</b>
Financial income	2,379	492
Financial expense	(20,861)	(22,811)
<b>Net financial expense</b>	<b>(18,482)</b>	<b>(22,319)</b>
<b>Net gains on equity investments and other financial assets</b>	<b>107</b>	<b>(72)</b>
<b>Profit before tax</b>	<b>171,451</b>	<b>68,504</b>
Current	(98,158)	(14,868)
Deferred	(100)	(3,417)
<b>Income taxes</b>	<b>( 98,258 )</b>	<b>( 18,285 )</b>
<b>PROFIT FOR THE YEAR</b>	<b>73,193</b>	<b>50,219</b>
Attributable to:		
<b>Owners of the parent</b>	<b>71,040</b>	<b>48,738</b>
<b>Non-controlling interests</b>	<b>2,153</b>	<b>1,481</b>
<b>EARNINGS PER SHARE</b>		
<b>(€ per share)</b>		
- Basic, considering the profit for the period attributable to the owners of the parent	1.32	0.90
<b>EARNINGS PER SHARE FROM CONTINUING OPERATIONS</b>		
- Basic, considering the profit from continuing operations attributable to the owners of the parent	1.32	0.90

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€'000)	2022	2021
<b>PROFIT FOR THE YEAR (A)</b>	<b>73,193</b>	<b>50,219</b>
Net hedging gains (losses)	40,096	(9,347)
<i>Related tax</i>	<i>(10,564)</i>	<i>2,745</i>
Net fair value gains on cash flows hedges relating to equity-accounted investees	1,108	742
<i>Related tax</i>	<i>(266)</i>	<i>(178)</i>
Net gains (losses) from fair value measurement of financial assets measured at fair value through other comprehensive income	(1,236)	-
<i>Related tax</i>	<i>345</i>	<i>-</i>
<b>Post-tax other comprehensive income (expense) that can be reclassified subsequently to profit or loss (b1)</b>	<b>29,483</b>	<b>( 6,038 )</b>
<i>Net actuarial gains (losses) on defined benefit plans (IAS 19)</i>	<i>(92)</i>	<i>28</i>
<i>Related tax</i>	<i>26</i>	<i>(8)</i>
<b>Post-tax other comprehensive income (expense) that will not be reclassified to profit or loss (b2)</b>	<b>( 66 )</b>	<b>20</b>
<b>Total post-tax other comprehensive income (expense) (b1) + (b2) = (B)</b>	<b>29,417</b>	<b>( 6,018 )</b>
<b>COMPREHENSIVE INCOME (A) + (B)</b>	<b>102,610</b>	<b>44,201</b>
Attributable to owners of the parent	100,457	42,720
Attributable to non-controlling interests	2,153	1,481
<b>COMPREHENSIVE INCOME</b>	<b>102,610</b>	<b>44,201</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Assets

(€'000)	31.12.2022	31.12.2021
<b>NON CURRENT ASSETS:</b>		
Intangible assets	197,791	201,266
Property, plant and equipment	543,380	490,523
Equity-accounted investments	56,599	61,646
Loans and other non-current financial assets	8,005	7,176
Derivatives	9,643	-
Other non-current assets	1,215	947
Deferred tax assets	34,505	46,291
<b>TOTAL NON-CURRENT ASSETS</b>	<b>851,138</b>	<b>807,849</b>
<b>CURRENT ASSETS</b>		
Inventories	8,284	-
Trade receivables	27,405	38,263
Tax assets	3,089	2,989
Other current assets	31,702	35,192
Loans and other current financial assets	73,885	457
Derivatives	2,164	-
Cash and cash equivalents	226,609	123,652
<b>TOTAL CURRENT ASSETS</b>	<b>373,138</b>	<b>200,553</b>
<b>TOTAL ASSETS</b>	<b>1,224,276</b>	<b>1,008,402</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## Liabilities and shareholders' equity

(€'000)	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>	<b>298,786</b>	<b>227,098</b>
<b>EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>6,212</b>	<b>4,525</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial liabilities	649,526	553,986
Derivatives	-	3,041
Post-employment benefits and other employee benefits	1,180	631
Deferred tax liabilities	41,140	42,654
Provisions for future risks and charges	55,679	55,941
Other non-current liabilities	15,879	14,409
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>763,404</b>	<b>670,662</b>
<b>CURRENT LIABILITIES</b>		
Financial liabilities	38,598	52,709
Derivatives	-	16,902
Trade payables	45,571	14,175
Tax liabilities	59,060	8,670
Other current liabilities	12,645	13,661
<b>TOTAL CURRENT LIABILITIES</b>	<b>155,874</b>	<b>106,117</b>
<b>TOTAL LIABILITIES</b>	<b>919,278</b>	<b>776,779</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,224,276</b>	<b>1,008,402</b>

# INCOME STATEMENT

## ALERION CLEAN POWER S.p.A.

<i>(Euro)</i>	<b>2022</b>	<b>2021</b>
Net gains on equity investments	92,452,555	78,292,471
Other revenue and income	20,673,217	3,999,161
<b>TOTAL REVENUE AND INCOME</b>	<b>113,125,772</b>	<b>82,291,632</b>
<b>Operating costs</b>		
Personnel expenses	2,451,067	2,032,068
Other operating costs	5,277,164	7,236,089
Accruals to provisions for risks	20,284	65,168
<b>Total operating costs</b>	<b>7,748,515</b>	<b>9,333,325</b>
<b>Amortisation, depreciation and impairment losses</b>		
Amortisation and depreciation	280,868	13,072
<b>Total amortisation, depreciation and impairment losses</b>	<b>280,868</b>	<b>13,072</b>
<b>OPERATING PROFIT</b>	<b>105,096,389</b>	<b>72,945,235</b>
Financial income	18,116,743	41,186
Financial expense	(22,579,886)	(79,467,257)
<b>Net financial expense</b>	<b>(4,463,143)</b>	<b>(79,426,071)</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>100,633,246</b>	<b>(6,480,836)</b>
<b>Income taxes</b>		
Current	(6,611,487)	9,550,445
Deferred	343,924	7,938,931
<b>Total income taxes</b>	<b>(6,267,563)</b>	<b>17,489,376</b>
<b>PROFIT FOR THE YEAR</b>	<b>94,365,683</b>	<b>11,008,540</b>

# STATEMENT OF COMPREHENSIVE INCOME

## ALERION CLEAN POWER S.p.A.

<i>(Euro)</i>	<b>2022</b>	<b>2021</b>
<b>PROFIT FOR THE YEAR (A)</b>	<b>94,365,683</b>	<b>11,008,540</b>
Net gains (losses) from fair value measurement of financial assets measured at fair value through other comprehensive income	(1,235,209)	-
Related tax	344,623	-
<b>Post-tax other comprehensive income (expense) that can be reclassified subsequently to profit or loss</b>	<b>( 890,586 )</b>	<b>-</b>
Net actuarial gains (losses) on defined benefit plans (IAS 19)	10,387	13,853
Related tax	(2,898)	(3,865)
<b>Post-tax other comprehensive income (expense) that will not be reclassified to profit or loss</b>	<b>7,489</b>	<b>9,988</b>
<b>Total post-tax other comprehensive income (expense) (B)</b>	<b>7,489</b>	<b>9,988</b>
<b>COMPREHENSIVE INCOME (A) + (B)</b>	<b>93,482,586</b>	<b>11,018,528</b>

# STATEMENT OF FINANCIAL POSITION

## ALERION CLEAN POWER S.p.A.

### Assets

<i>(Euro)</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets:</b>		
Intangible assets	29,552	-
Property, plant and equipment	3,961,540	66,493
Investments in subsidiaries	307,610,492	297,787,491
Investments in joint ventures and associates	45,646,134	45,646,134
Loans and other non-current financial assets	236,140,582	211,675,463
Deferred tax assets	10,060,973	9,589,647
<b>TOTAL NON CURRENT ASSETS</b>	<b>603,449,273</b>	<b>564,765,228</b>
<b>CURRENT ASSETS</b>		
Trade receivables	22,889,427	4,561,547
Tax assets	-	43,582
Other current assets	46,168,782	62,701,888
Loans and other current financial assets	106,018,549	27,623,074
Cash and cash equivalents	96,421,137	48,081,249
<b>TOTAL CURRENT ASSETS</b>	<b>271,497,895</b>	<b>143,011,340</b>
<b>TOTAL ASSETS</b>	<b>874,947,168</b>	<b>707,776,568</b>

## STATEMENT OF FINANCIAL POSITION

### ALERION CLEAN POWER S.p.A.

#### Liabilities and shareholders' equity

<i>(Euro)</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>EQUITY</b>	<b>286,722,780</b>	<b>218,661,774</b>
<b>NON CURRENT LIABILITIES:</b>		
Non-current financial liabilities	501,592,356	400,204,710
Post-employment benefits and other employee benefits	654,086	549,326
Deferred tax liabilities	277,688	492,006
Provisions for future risks and charges	37,725,338	37,785,126
Other non-current liabilities	2,570,400	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>542,819,868</b>	<b>439,031,168</b>
<b>CURRENT LIABILITIES</b>		
Financial liabilities	6,265,073	22,606,867
Derivatives	-	15,760,186
Trade payables	2,948,598	1,736,215
Tax liabilities	23,849,198	3,551,767
Other current liabilities	12,341,651	6,428,591
<b>TOTAL CURRENT LIABILITIES</b>	<b>45,404,520</b>	<b>50,083,626</b>
<b>TOTAL LIABILITIES</b>	<b>588,224,388</b>	<b>489,114,794</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>874,947,168</b>	<b>707,776,568</b>