

Press release

Alerion Clean Power:

The Board of Directors approves the consolidated financial statements and the draft individual financial statements as at 31 December 2023

Net Profit of €68 million. Proposed dividend of €0.61 per share (for a total amount of approximately €33 million)

Economic and financial Results:

- **Revenues** of €201.7 million (€273.7 million in 2022)
- **EBITDA** of €152.2 million (€232.8 million in 2022)
- The **Net Profit** was €68 million (€73.2 million in 2022)
- **Net Financial Indebtedness** of €458.7 million (€385.5 million at 31 December 2022)

Milan, 12 March 2024 – The Board of Directors of Alerion Clean Power S.p.A., which met today, has examined and approved the consolidated financial statements and the draft individual financial statements of the Company as at 31 December 2023, which were 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 2023

Statement of profit or loss (€m)	2023	2022
Revenue	201.7	273.7
Gross operating profit (EBITDA)	152.2	232.8
Profit for the year	68,0	73.2
Profit attributable to the owners of the parent	66.8	71.0
Statement of financial position (€m)	31.12.2023	31.12.2022
Equity	326.7	305.0
Net Financial indebtedness*	458.7	385.5
Financial indebtedness* (excluding derivatives)	467.8	387.6
Operating figures	2023	2022
Gross capacity (MW)	876.2	892.6
Electricity production (GWh) (1)	1,409	1,190
Electricity production (GWh) - Consolidated plants	1,335	1,074

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

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

The 2023 financial year was influenced by a complex geopolitical and economic environment. The energy market remains volatile and uncertain, albeit gradually stabilising from the exceptionally complex situation that occurred during 2022, with electricity selling prices falling compared to the same period of the previous year, but at much higher levels than before the pandemic and the start of the war in Ukraine. In 2023, the average National Single Price (PUN) was €127.2/MWh, compared with €304/MWh in the same period of 2022.

Operating performance in 2023 was characterised by electricity production by the fully consolidated plants of 1,335 GWh, an increase of 24.3% compared with production in the previous year (1,074 GWh), mainly due to the full operation of the Orta Nova plant (which entered into operation at the end of the first half of 2022), the entry into operation in 2023

of the photovoltaic plants in Romania and the contribution deriving from the asset swap transaction performed during the year.

Consolidated results for 2023

2023 **Revenues** amounted to €201.7 million (compared to €273.7 million in 2022). In particular, **operating revenues** came to €163.9 million, down from €263.3 million, mainly due to the marked decline in electricity prices.

In particular, the reduction in operating revenues reflects both the decline in prices linked to the sale of electricity and the decrease in the unit value of incentives for incentivised wind farms, which on the basis of the mechanism provided for in the incentive tariff (FIP), formerly the “green certificates,” is 0 for 2023, compared with €42.9 per MWh in 2022.

EBITDA for 2023 amounted to €152.2 million, with a reduction of €34.6% from the €232.8 million for the corresponding period in 2022, reflecting the increase in electricity production volumes by approximately 261 GWh compared to 2022 and the positive effects of the sale of the minority stake in Andromeda Wind S.r.l., in addition, as mentioned above, to the decrease in electricity sales prices.

It should also be noted that the growth of the organisational structure continued in 2023, in accordance with the Group's business plan. Specifically, the Group's workforce at 31 December 2023 consisted of 169 employees, of whom approximately 14% were employed by Group companies based abroad, a net increase of 38 compared with 31 December 2022.

The **2023 Operating Profit** was €75.8 million, down from the figure for 2022 (€189.8 million in 2022), after depreciations, amortisations and impairment losses of €76.4 million, mainly due, as described above, to the reduction in electricity selling prices.

2023 **Profit Before Tax** was €82.5 million (compared with €171.5 million in 2022) and includes the effects of the asset swap transaction performed with RWE in the first quarter of 2023. The **Profit Before Tax** also includes higher financial expenses relating to the 2022-2028 Bond and the greater weight in 2023 of the depreciation of the wind farms located in the Municipality of Ortanova.

The **Net Profit** for 2023 amounted to €68 million (compared to €73.2 million in 2022), after taxes for the period of approximately €14.5 million (compared with €98.3 million in 2022). The tax item included in 2022, in addition to current taxes for the year, the effects of the adoption of measures supported by the Government to combat “caro energia”, in particular the contribution by way of an extraordinary solidarity levy (also known as the “Levy on excess profits”) and the temporary solidarity contribution.

The **Group Net Profit** in 2023 was €66,8 million (compared with €71 million in 2022).

The **Net Profit Attributable to Non-Controlling Interests** in 2023 was €1.2 million (down from the 2022 figure of €2.2 million).

Group Shareholders’ Equity at 31 December 2023 was €320.8 million, up by €22 million compared with 31 December 2022, when it stood at €298.8 million. The change is mainly due to: i) the Group’s share of the net profit for the period of €66.8 million; ii) the negative change of €5.4 million in the fair value of derivatives on bank project financing and commodity swaps on electricity selling prices, after tax; iii) the positive change of in the fair value of the bonds after tax for €3 million; iv) share buybacks of €7.8 million; and v) the distribution of dividends of €35 million, as per the resolution of 20 April 2023.

Net Financial Indebtedness at 31 December 2023 amounted to €458.7 million, an increase of €73.2 million compared with 31 December 2022, when it stood at €385.5 million. The change reflects investment spending mainly in Romania and Italy, despite the positive performance in terms of operating cash flow generated during the year.

The change in **Net Financial Indebtedness** mainly reflects cash flows generated by operations of approximately €73.9 million, cash flows absorbed by investments totalling approximately €86.4 million and dividends paid during the period of €35.5 million.

Economic and financial performance of Alerion Clean Power S.p.A. (Parent Company Financial Statements)

Net Income from Equity Investments in 2023 totalled €84.2 million (€92.5 million in 2022) and mainly consists of dividends resolved by subsidiaries in 2023 amounting to approximately €62.8 million, the capital gain earned on the sale of the minority interest in

Andromeda Wind S.r.l., amounting to approximately €14 million, as well as net interest income accrued during the year to investee companies of approximately €11.7 million.

The **Operating Result** for 2023 was positive at €69 million (€105.1 million in 2022), after operating costs of approximately €21.6 million (€7.8 million in 2022).

The **Net Profit** for 2023 was approximately €67 million, down from the figure for last year by approximately €27.4 million. The Net Profit includes net financial expenses of €2.2 million. The decrease, compared with €4.5 million in 2022, is attributable to i) higher financial income due to the remuneration of cash commitments in time deposit contracts and in bonds receivable of €5.6 million ii) income of €7.4 million for positions in commodity swap derivative contracts entered into by the Company in 2023 and not yet due iii) income of €2.9 million from commodity derivatives settled during the year iv) net of higher interest on outstanding bonds of €16 million in 2023 compared with €14 million in 2022, following the issue, on 12 December 2023, of the new “2023-2029 bond” and the full-year contribution from the previous issue on 17 May 2022, the “2022-2028 bond”.

The Company’s **Shareholders’ Equity** at 31 December 2023 stood at €314.2 million, up from €286.7 million at 31 December 2022, mainly due to the combined effect of the positive net result for the year of €67 million, the distribution of the dividend of €35 million, net of the purchase of treasury shares for €7.8 million.

Dividends

It should be noted that the Board of Directors resolved to propose to the Shareholders’ Meeting the distribution of a dividend of €0.61 per share, amounting to approximately €33 million.

SIGNIFICANT EVENTS DURING 2023 AND AFTER THE CLOSE OF THE FINANCIAL YEAR

Agreement with RWE Renewables Italia S.r.l.

On 21 April 2023, Alerion Clean Power S.p.A. finalised an agreement with RWE Renewables Italia S.r.l. that entails the acquisition of 51% of the share capital of Fri-El Anzi S.r.l. and Fri-El Guardionara S.r.l., of which Alerion itself already holds the remaining 49% stake.

Fri-el Anzi and Fri-el Guardionara are the owners of two wind farms, located respectively in the municipality of Anzi (Province of Potenza), with an installed capacity of 16 MW, and in the municipality of San Basilio (Province of Cagliari) with an installed capacity of 24.7 MW. The agreement also provided for the sale by Alerion of a 49% minority stake in the company Andromeda Wind S.r.l. (RWE already holds the remaining 51% stake). Andromeda Wind is the owner of a wind farm in the municipality of Ururi (Province of Campobasso) with an installed capacity of 26 MW.

Acquisition of two authorised wind power projects with a total capacity of approximately 60 MW and amendment of the framework agreement with Fri-el S.p.A. for the development of photovoltaic projects

On 20 October 2023, Alerion Clean Power S.p.A. resolved to sign two preliminary agreements for the purchase from Fri-el S.p.A., a company wholly owned by Fri-el Green Power S.p.A., of 100% of the share capital of two companies holding two authorised wind projects, located respectively in the municipalities of Arlena di Castro and Castelfranco di Miscano, each with a capacity of 29.4 MW.

In addition, on 23 October, Alerion Clean Power resolved to purchase 100% of the share capital of Fri-el Solar S.r.l., a wholly owned subsidiary of Fri-el S.p.A., which holds a portfolio of photovoltaic development projects in Italy. In particular, Fri-el Solar owns, through wholly owned companies, two photovoltaic projects authorised in the municipalities of Licodia Eubea and Grottole, respectively with a capacity of 11.3 MW and 16.4 MW.

Resolved issue of a senior Green Bond, not convertible

On 3 November 2023, Alerion began preparatory activities for the issue of an unsecured, non-convertible and unsubordinated senior bond for a maximum value of €170 million to be classed as a Green Bond, with a maturity set at 6 years, intended for both the general public in Italy and eligible investors in Italy and abroad. The financial resources deriving from the Bond's issue will be allocated, inter alia, to the financing of the Group's new projects in the wind and photovoltaic sector, in Italy and abroad, as well as to the refinancing of existing projects in the wind and photovoltaic sector.

On 17 November 2023, the Central Bank of Ireland approved the prospectus for the public offer for the subscription of the bond named "Alerion Clean Power S.p.A. Senior Unsecured Fixed Rate Notes due 2029". By order dated 14 November 2023, Borsa Italiana S.p.A. has admitted the Bonds to listing on Borsa Italiana's Electronic Bond Trading Market.

On 1st December 2023, Alerion Clean Power S.p.A., with regard to the public offer for subscription to the green bond named "Alerion Clean Power S.p.A. Senior Unsecured Fixed Rate Notes due 2029", announced the results of the Offer, which closed early on the morning of 30 November 2023.

The total par value of the transaction amounts to €170,000,000, at an issue price equal to 100% of the par value, corresponding to 170,000 bonds, each with a minimum denomination of €1,000. As announced on 29 November 2023, the annual interest rate of the Bonds is 6.75% gross per annum.

Acquisition of a 35 MW licensed wind project in Wales

On 23 November 2023, Alerion, through its subsidiary Alerion UK Ltd, entered into an agreement with a group of companies specialising in the development of renewable energy plants in the UK – including Penant Walters (Holdings) Limited – to acquire 100% of the company Wind Farm Penant Walters (Foelt) Limited, which owns an authorised project to build a wind farm located in Neath Port Talbot in Wales, with an installed capacity of 35 MW and an estimated annual production of approximately 100 GWh.

BUSINESS OUTLOOK

During 2024, 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 and the recent crisis in the Middle East to have a negative impact on its operations.

SHAREHOLDERS' MEETING

The Board of Directors granted a mandate to the Chairman of the Board of Directors to convene an Ordinary and Extraordinary Shareholders' Meeting for 22 April 2024, in a single call.

The Ordinary Shareholders' Meeting will be called to resolve, inter alia, on the appointment of the Board of Statutory Auditors for the 2024-2026 period and the determination of the related compensation, as well as on the Remuneration Report, remuneration policy and remuneration paid.

The Board of Directors will also propose to the Ordinary Shareholders' Meeting the approval of the 2023 individual financial statements and the distribution of a dividend of €0.61 gross per ordinary share (net of treasury shares) in circulation on the day the dividend is paid, with payment as of 8 May 2024 (detachment date of coupon no. 13 on 6 May 2024).

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 20 April 2023 authorised the current purchase and disposal of treasury shares, which will expire in October 2024.

As of today's date, the Company holds 669,207 treasury shares.

Amendment of the Articles of Association

The Shareholders' Meeting is also convened in an extraordinary session in order to supplement Article 11 of the Articles of Association, mainly concerning the procedures for attending and representing at shareholders' meetings.

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

As required by current legislation, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of financial position are attached to this press release, together with the income statement, statement of comprehensive income and statement of financial position 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 2023, 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.

info@alerion.it

Tel. +39 02 7788901

Federica Menichino

Axelcomm

federica.menichino@axel-comm.it

Tel: +39 02 87071882

CONSOLIDATED INCOME STATEMENT

(€'000)	2023	2022
Electricity sales	159,615	234,431
Feed-in tariff	4,306	28,877
Revenue	163,921	263,308
Other revenue and income	37,784	10,437
Total revenue and income	201,705	273,745
Operating costs		
Personnel expenses	10,248	6,190
Other operating costs	42,151	41,885
Accruals to provisions for risks	145	550
Total operating costs	52,544	48,625
Share of profits of equity-accounted investees	3,045	7,691
Amortisation and depreciation	51,382	42,985
Impairment losses/reversals of impairment losses	25,052	0
Total amortisation, depreciation and impairment losses	76,434	42,985
OPERATING PROFIT	75,772	189,826
Financial income	11,770	2,379
Financial expense	(28,749)	(20,861)
Net financial expense	(16,979)	(18,482)
Net gains on equity investments and other financial assets	23,686	107
PROFIT BEFORE TAX	82,479	171,451
Current	(24,070)	(98,158)
Deferred	9,589	(100)
Income taxes	(14,481)	(98,258)
PROFIT FOR THE YEAR	67,998	73,193
Attributable to:		
Owners of the parent	66,820	71,040
Non-controlling interests	1,178	2,153
EARNINGS PER SHARE		
(€ per share)		
- Basic, considering the profit for the period attributable to the owners of the parent	1.24	1.32
EARNINGS PER SHARE FROM CONTINUING OPERATIONS		
- Basic, considering the profit from continuing operations attributable to the owners of the parent	1.24	1.32

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€'000)	2023	2022
PROFIT FOR THE YEAR (A)	67,998	73,193
Net hedging gains (losses)	(7,154)	40,096
<i>Related tax</i>	1,771	(10,564)
Net fair value gains on cash flows hedges relating to equity-accounted investees	(163)	1,108
<i>Related tax</i>	39	(266)
Net gains (losses) from fair value measurement of financial assets measured at fair value through other comprehensive income	4,137	(1,236)
<i>Related tax</i>	(1,154)	345
Post-tax other comprehensive income (expense) that can be reclassified subsequently to profit or loss (b1)	(2,524)	29,483
<i>Net actuarial gains (losses) on defined benefit plans (IAS 19)</i>	(3)	(92)
<i>Related tax</i>	1	26
Post-tax other comprehensive income (expense) that will not be reclassified to profit or loss (b2)	(2)	(66)
Total post-tax other comprehensive income (expense) (b1) + (b2) = (B)	(2,526)	29,417
COMPREHENSIVE INCOME (A) + (B)	65,472	102,610
Attributable to owners of the parent	64,294	100,457
Attributable to non-controlling interests	1,178	2,153
COMPREHENSIVE INCOME	65,472	102,610

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(€'000)	31.12.2023	31.12.2022
NON CURRENT ASSETS:		
Intangible assets	265,019	197,791
Property, plant and equipment	591,771	543,380
Equity-accounted investments	33,246	56,599
Loans and other non-current financial assets	14,994	8,005
Derivatives	3,812	9,643
Other non-current assets	1,246	1,215
Deferred tax assets	31,651	34,505
TOTAL NON-CURRENT ASSETS	941,739	851,138
CURRENT ASSETS		
Inventories	10,561	8,284
Trade receivables	22,575	27,405
Tax assets	6,092	3,089
Other current assets	33,087	31,702
Loans and other current financial assets	68,218	73,885
Derivatives	9,439	2,164
Cash and cash equivalents	343,162	226,609
TOTAL CURRENT ASSETS	493,134	373,138
TOTAL ASSETS	1,434,873	1,224,276

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Liabilities and Shareholders' Equity

(€'000)	31.12.2023	31.12.2022
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	320,840	298,786
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	5,885	6,212
NON-CURRENT LIABILITIES		
Financial liabilities	844,191	649,526
Derivatives	352	0
Post-employment benefits and other employee benefits	1,390	1,180
Deferred tax liabilities	50,909	41,140
Provisions for future risks and charges	13,839	55,679
Other non-current liabilities	15,849	15,879
TOTAL NON-CURRENT LIABILITIES	926,530	763,404
CURRENT LIABILITIES		
Financial liabilities	35,006	38,598
Derivatives	0	0
Trade payables	95,689	45,571
Tax liabilities	34,446	59,060
Other current liabilities	16,477	12,645
TOTAL CURRENT LIABILITIES	181,618	155,874
TOTAL LIABILITIES	1,108,148	919,278
TOTAL EQUITY AND LIABILITIES	1,434,873	1,224,276

INCOME STATEMENT

ALERION CLEAN POWER S.p.A.

<i>(Euro)</i>	2023	2022
Net gains on equity investments	84,229,252	92,452,555
Other revenue and income	6,781,753	20,673,217
TOTAL REVENUE AND INCOME	91,011,005	113,125,772
Operating costs		
Personnel expenses	2,964,425	2,451,067
Other operating costs	17,652,610	5,277,164
Accruals to provisions for risks	998,811	20,284
Total operating costs	21,615,846	7,748,515
Amortisation, depreciation and impairment losses		
Amortisation and depreciation	386,943	280,868
Total amortisation, depreciation and impairment losses	386,943	280,868
OPERATING PROFIT	69,008,216	105,096,389
Financial income	15,879,649	18,116,743
Financial expense	(18,093,996)	(22,579,886)
Net financial expense	(2,214,347)	(4,463,143)
PROFIT (LOSS) BEFORE TAX	66,793,869	100,633,246
Income taxes		
Current	919,765	(6,611,487)
Deferred	(683,315)	343,924
Total income taxes	236,450	(6,267,563)
PROFIT FOR THE YEAR	67,030,319	94,365,683

STATEMENT OF COMPREHENSIVE INCOME

ALERION CLEAN POWER S.p.A.

<i>(Euro)</i>	2023	2022
PROFIT FOR THE YEAR (A)	67,030,319	94,365,683
Net gains (losses) from fair value measurement of financial assets measured at fair value through other comprehensive income	4,137,938	(1,235,209)
Related tax	<i>(1,154,485)</i>	<i>344,623</i>
Post-tax other comprehensive income (expense) that can be reclassified subsequently to profit or loss	2,983,453	(890,586)
Net actuarial gains (losses) on defined benefit plans (IAS 19)	(51,993)	10,387
Related tax	<i>14,506</i>	<i>(2,898)</i>
Post-tax other comprehensive income (expense) that will not be reclassified to profit or loss	(37,487)	7,489
COMPREHENSIVE INCOME (A) + (B)	69,976,285	93,482,586

STATEMENT OF FINANCIAL POSITION

ALERION CLEAN POWER S.p.A.

Assets

<i>(Euro)</i>	31.12.2023	31.12.2022
NON-CURRENT ASSETS		
Intangible assets:		
Intangible assets	23,633	29,552
Property, plant and equipment	3,631,393	3,961,540
Investments in subsidiaries	387,366,726	307,610,492
Investments in joint ventures and associates	17,505,854	45,646,134
Loans and other non-current financial assets	418,296,608	236,140,582
Deferred tax assets	9,433,976	10,060,973
TOTAL NON CURRENT ASSETS	836,258,190	603,449,273
CURRENT ASSETS		
Trade receivables	7,611,465	22,889,427
Tax assets	4,060,199	-
Other current assets	67,768,289	46,168,782
Loans and other current financial assets	77,227,742	106,018,549
Cash and cash equivalents	127,302,770	96,421,137
Derivatives	7,373,383	-
TOTAL CURRENT ASSETS	291,343,848	271,497,895
TOTAL ASSETS	1,127,602,038	874,947,168

STATEMENT OF FINANCIAL POSITION

ALERION CLEAN POWER S.p.A.

Liabilities and Shareholders' Equity

<i>(Euro)</i>	31.12.2023	31.12.2022
EQUITY	314,229,269	286,722,780
NON CURRENT LIABILITIES:		
Non-current financial liabilities	690,252,629	501,592,356
Derivatives	351,568	
Post-employment benefits and other employee benefits	786,873	654,086
Deferred tax liabilities	1,379,189	277,688
Provisions for future risks and charges	151,761	37,725,338
Other non-current liabilities	2,249,100	2,570,400
TOTAL NON-CURRENT LIABILITIES	695,171,120	542,819,868
CURRENT LIABILITIES		
Financial liabilities	54,585,426	6,265,073
Trade payables	49,909,927	2,948,598
Tax liabilities	-	23,849,198
Other current liabilities	13,706,296	12,341,651
TOTAL CURRENT LIABILITIES	118,201,649	45,404,520
TOTAL LIABILITIES	813,372,769	588,224,388
TOTAL EQUITY AND LIABILITIES	1,127,602,038	874,947,168