

ALERION **CLEAN** POWER

Investor presentation

31.12.2022



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ALERION**CLEAN**POWER

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**Executive
summary**





















Alerion at a glance

Background

- **Alerion is an industry leader in wind and solar with a high quality asset base and an important pipeline in Italy, Romania and Spain**
- Alerion is listed on the Milan Stock Exchange with a **market cap of ~€1.7bn (as of December 31st 2022)**
- **Alerion's majority shareholder is Fri-El Group** (owning 88% of Alerion's share capital and 94% of voting rights) **which is one of the pioneers, a main developer and assetholder in the RES sector**
- As of December 31st 2022, Alerion operates wind and photovoltaic plants for a **total installed gross capacity of 893 MW: 765 MW in Italy** (27 plants), **36 MW in Spain** (1 plant), **12 MW in Bulgaria** (4 plants) and **80 MW in Romania** (11 plants)
- The company is currently expanding its business activity into the **United Kingdom**

Alerion at a glance

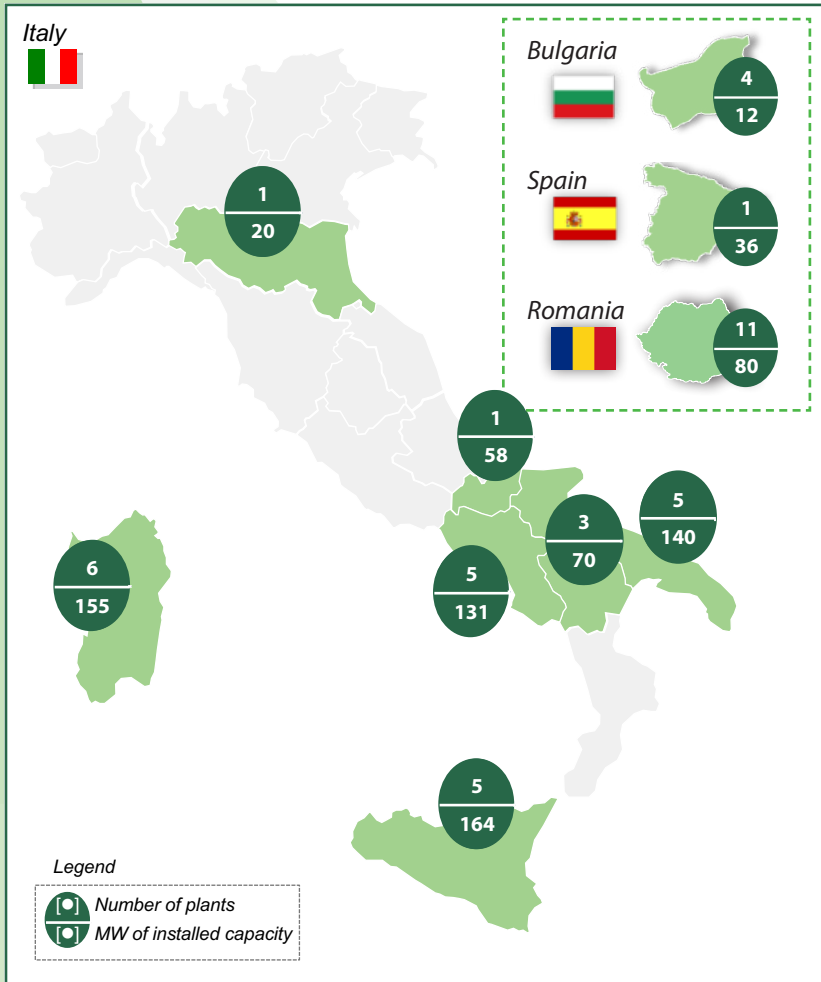
Leading Italian IPP and development renewable platform...

<p>Trophy RES IPP and growth platform</p>	 <p>Leading Italian RES platform and one of the largest in Europe Strong in-house development and asset management capabilities</p>	 <p>893 MW gross installed capacity 1.6 TWh annual P50 production</p>	 <p>Listed in the Milan stock exchange with a market cap of ~€1.7bn</p>
<p>High quality and strategically located asset portfolio</p>	 <p>43 state-of-the-art plants located in strategic regions with favorable conditions</p>	 <p>Recent EU geographic expansion:</p> <ul style="list-style-type: none"> • 765 MW in Italy • 36 MW in Spain • 12 MW in Bulgaria • 80 MW in Romania 	 <p>Superior quality equipment sourced from leading international suppliers (e.g. Vestas, Siemens Gamesa, Nordex)</p>
<p>Clear commitment to deliver growth beyond current targets</p>	 <p>Repowering opportunities already identified, to further accelerate growth</p>	 <p>Diversification into solar PV technology, mainly located in Italy, Romania and Spain</p>	 <p>Further geographical diversification in selected attractive market such as Spain and Romania amid new projects roll-out</p>
<p>Unique integrated business model</p>	 <p>Strong track record and experience in RES asset development, being true precursor and innovator in the Italian RES space</p>	 <p>Solid know-how along the entire RES energy value chain Scalable and centralised asset management system</p>	 <p>Strong in-house O&M capabilities with avg. O&M costs lower than national benchmarks</p>
<p>Stable and highly predictable cash generation</p>	 <p>€233m EBITDA in 2022</p>	 <p>Leveraging on ~6y years avg. remaining incentives life on ~90% of the gross capacity</p>	 <p>€386m net debt as of 31 Dec. 2022, with room for fire-power to grow Strong deleverage potential due to high cash conversion profile</p>
<p>Experienced management team</p>	 <p>Management team with proven track record in delivering growth</p>	 <p>Growing organic development team and internalization of key technical and operating activities</p>	 <p>131 employees</p>

Alerion at a glance

...benefitting from a highly resilient yield portfolio with strong fundamentals and attractive geographical presence...

Geographical footprint in the wind sector

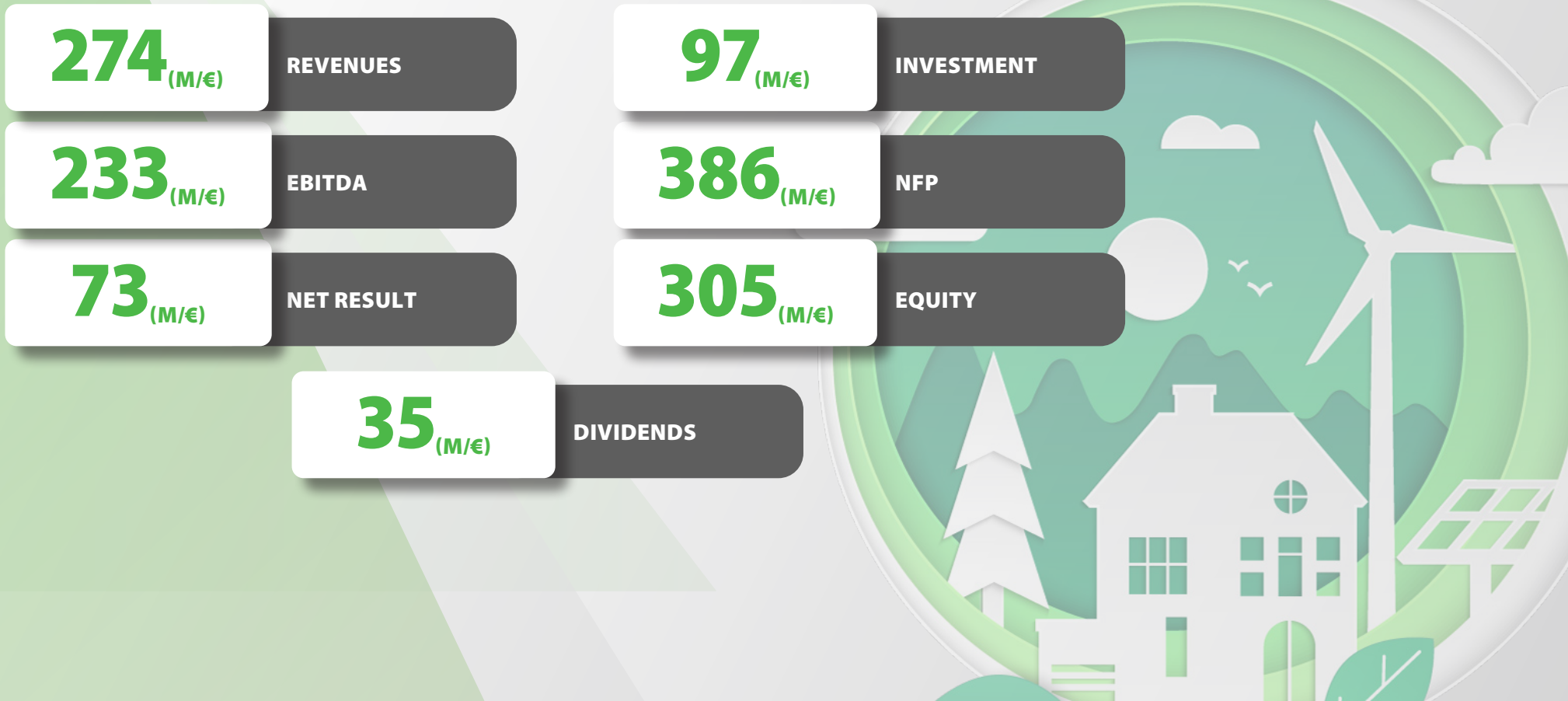


Operating plant by region

Plant Location	Number of operating plants	Gross capacity (MW)	P50 net (GWh)
Apulia	5	140	285
Basilicata	3	70	140
Campania	5	131	253
Emilia Romagna	1	20	47
Molise	1	58	109
Sardinia	6	155	289
Sicily	5	164	240
Italy	26	739	1,363
Spain	1	36	95
Bulgaria	4	12	25
Romania	11	80	113
Total	42	867	1,596

Alerion at a glance

FY 2022 Key Financial Figures & KPIs

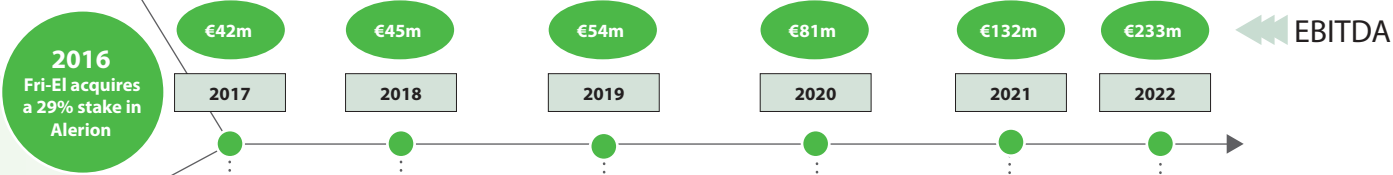


Alerion at a glance

... leveraging a significant track-record of growth since Fri-El's acquisition in 2017, with current management transforming Alerion into a leading Italian IPP and development renewable platform...

FRI-EL GREENPOWER
THE CLEAN ENERGY COMPANY

1994	2002-2008	2010-2011
Gostner family founded Ener.CO S.r.l., specializing in production, purchase and distribution of electricity	Fri-El Green Power signs a joint venture partnership with EDF Énergies Nouvelles (2002) Fri-El Green Power signs a joint venture partnership with RWE Innogy Italia (2008)	Construction of the first solid biomass site in Sicily, in collaboration with RWE (2010) GAR Group acquires a 50% stake of the liquid biomass plant in Acerra, granting raw material supply (2011)



ALERION CLEANPOWER
THE WIND ENERGY COMPANY

1992	2003	2004	2006-2008
Fincasa 44 S.p.A. shares listed on the Italian Stock exchange (financial, tax and commercial consultancy firm)	Alerion is established by means of the contribution of IBI International Business Advisors Investment NV into Fincasa 44 S.p.A.	Alerion began investing in the renewable energy sector	The Group disposed all its interests in businesses other than the ones operating in the renewable energy sector

<p>Fri-El acquires control of Alerion through a tender offer, reaching an 84% stake</p>	<p>Contribution of 3 project companies (102 MW) by Fri-El, then developed by the Group in the following years, allowing Fri-El to reach 86% stake in Alerion</p> <p>Repayment of the existing bond and issuance of a €150m retail bond</p>	<p>Acquisition of 36MW Spanish wind farm Comiolica (June 2019)</p> <p>Development & construction of 142MW Italian wind farms¹</p> <p>Acquisition of 50MW Italian wind farm Regalbuto (November 2019)</p> <p>Issuance of a €200m green bond (December 2019)</p>	<p>Development & construction of 120MW Italian wind farms in Italy in Ricigliano, Grottole and Nulvi-Tergu²</p> <p>Acquisition of 49% of 67MW Italian wind farms Ururi, Anzi and San Basilio from Fri-El, that reached a stake of 88% in Alerion (December 2020)</p>	<p>Agreement for the development of wind and PV plants in Romania</p> <p>62MW wind farms awarded incentive tariff of 68.5 €/MWh for 20 years in GSE auction and now under construction</p> <p>Issuance of a second €200m green bond (October 2021)</p>	<p>Commissioning of 62MW Italian wind farms</p> <p>New installed capacity of 80MW Romanian photovoltaics</p> <p>Issuance of a €100m green bond (May 2022)</p>
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Main acquisitions refer to wind farms developed by Fri-El business development team. The development team will be transferred to Alerion in the context of the Potential Transaction

Notes
 1 Of which 70MW plant developed and constructed at Fri-El level (i.e. Campidano)
 2 Plants developed and constructed at Fri-El level

ALERION **CLEAN** POWER

02
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**Key investment
highlights**



Key investment highlights

Compelling opportunity to partner with one of the largest Italian IPP and development renewable platforms

- 1 Highly attractive and supportive market environment underpinned by clear renewables targets**
- 2 Consolidated and stable regulatory framework**
- 3 High quality portfolio ensuring industry-leading operational performance**
- 4 Scalable and centralized industry-leading business model**
- 5 Compelling growth targets and future pipeline, backed by strong development track record**
- 6 Stable, robust and predictable long-term cash flow generation**
- 7 Strong, well known and long-standing Management team leveraging pan-European experience, ideal to capture future growth and further consolidate the Italian market**

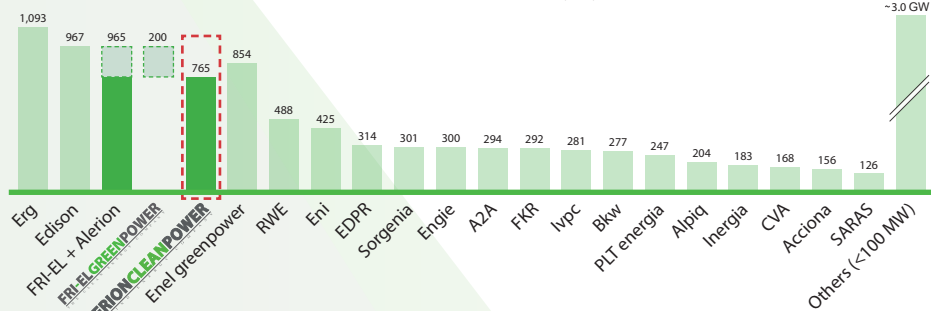
1

Highly attractive and supportive italian market environment underpinned by clear renewables targets

Room for consolidation as well as constructive and forward-looking regulation providing stability

1 **Fragmented wind onshore market with room for consolidation..**

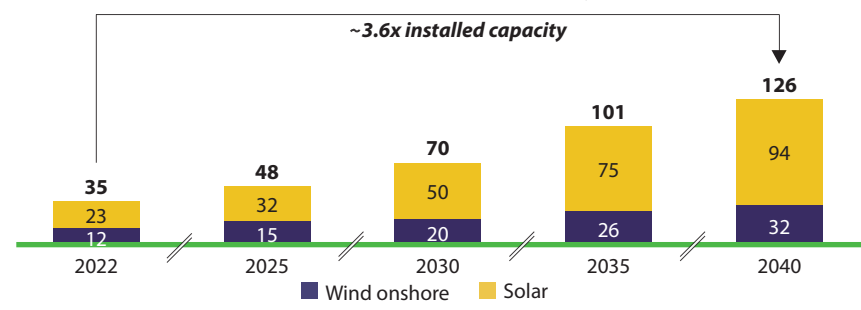
Italian onshore wind installed capacity by operator (GW)



- ~11 GW market leveraging strong fragmentation with ~3.0 GW on the market represented by portfolios with installed capacity below 100 MW
- Still significant presence of regional and local developers providing **opportunities for consolidation, boosting returns for main platforms**

2 **..fueled by a significant growth expected in the coming years..**

Italian onshore wind and solar PV installed capacity evolution (GW)



- Onshore wind and solar PV **installed capacity expected to grow by c.2.6x and c.4.1x**, respectively, between 2022-2040 in Italy
- Italian government targets **30% share of renewables** of electricity production by 2030, in line with EU targets, with both **onshore wind and solar PV well-placed to benefit from competitive LCOE¹**

3 **..with recent auctions dominated by wind plants..**

Market zone	MW Awarded by technology (last 10 auctions held in 2020-2022)		
	Onshore Wind	Solar PV	Hydro
North	88.5	1,029.3	242.1
Center - North	3.1	105.9	40.1
Center - South	606	376.3	44.2
South	936	217	21.9
Calabria	53.2	71.3	5.9
Sicily	747	287.6	1.2
Sardinia	150.8	675.8	0
Total	2,584.8	2,763.3	355.3

4 **..backed by a positive sentiment / "green" environment**

- ✓ **Renewables are increasingly relevant in the energy agenda of the Italian Government**
- ✓ **Renewables are increasingly cost-competitive vis-à-vis conventional generation sources**
- ✓ **Italian banks have significant balance sheet exposure to the renewables sector**
- ✓ **Large European utilities / Oil & Gas operators have started focusing strategy on renewables**

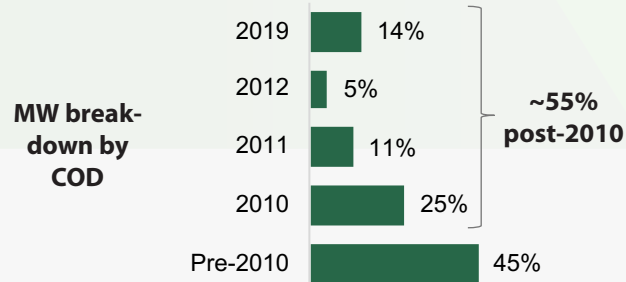
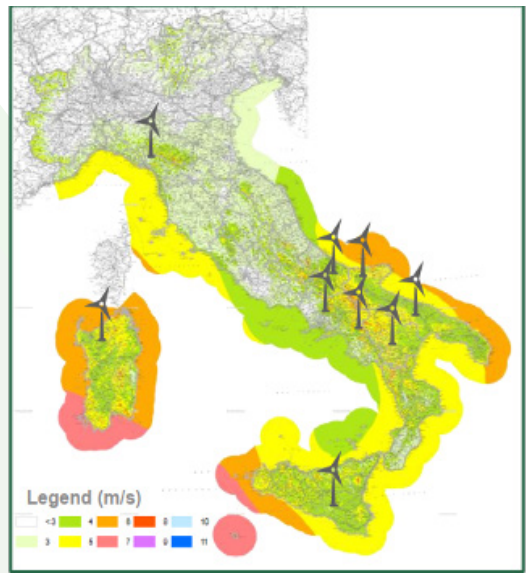
High quality portfolio ensuring industry-leading operational performance

A leading Italian IPP RES platform leveraging highly attractive operating performance

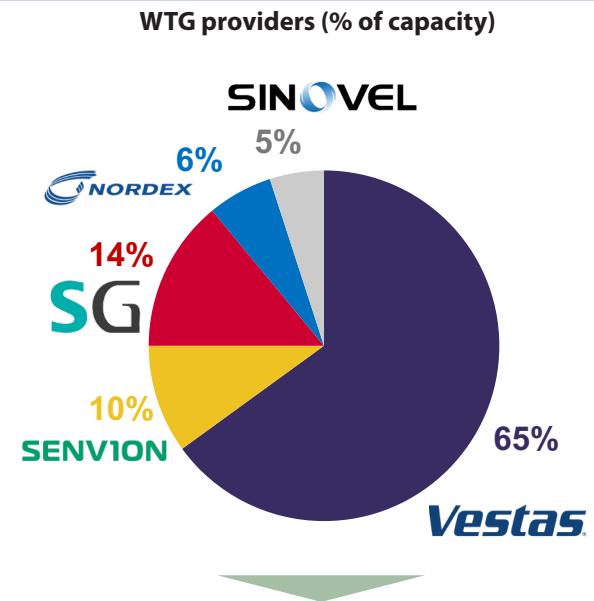
1 Strategically positioned with leading market position in the wind sector...

2 ...and superior quality equipment sourced from leading suppliers...

...with WTGs strategically located across several windy regions



Young asset base with >50% of the installed capacity entered in COD after 2010...



Diversified manufacturers base, whereas 5 different international leading players supplied the Group...

...backed by strong in-house O&M capabilities across the main components and control over all maintenance activities

...and complemented by cutting edge technologies used to constantly monitor performance in order to minimise power losses

Scalable and centralized industry-leading business model

Successful balancing of cost optimisation with the insourcing of high value-added activities

- 1

O&M and supervision activities

 - Highly effective internal O&M team** overseeing the whole maintenance process to ensure optimisation of plant performance, minimisation of downtime and spending rationalisation
 - Clearly defined planning** of supervision activities coupled with **tailored interventions** upon necessity
- 2

Performance monitoring

 - State-of-the art monitoring systems** boasting SCADA platform **allowing for a unified and customised reporting** of plant performance across the assets
 - Data analysis as a means to **redefine supervision strategy** and **evaluate** the implementation of potential **performance improvements**
- 3

Operational excellence

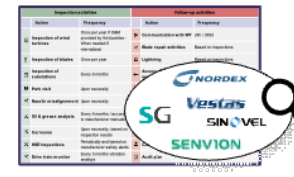
 - Implementation of a **comprehensive performance improvement strategy** over the years to maximise wind farms production and efficiency
 - Continuous innovation** in areas such as performance analysis and reporting, as well as **continuous screening** of new technologies aimed at **enhancing asset operational performance**
- 4

Energy management

 - Production forecasting** and **price monitoring** to optimise the merchant revenue streams and fully exploit incentives
 - Continuous active management of price risk** through hedging contracts / offtake agreements
- 5

HSE / ESG

 - Capillary system** based on structures, procedures and resources **tailored for the RES business** resulting in an outstanding workplace safety track record
 - Strong commitment on social and governance**, supporting local communities, diversity and work-life balance initiatives among employees and promoting gender equality as essential component of corporate identity and key drivers to improve performance



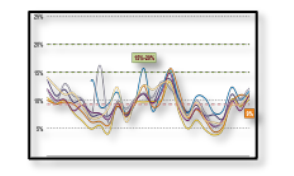
Well established supervision practices



Customised monitoring activities for informed decision making



Strong track record in performance improvement



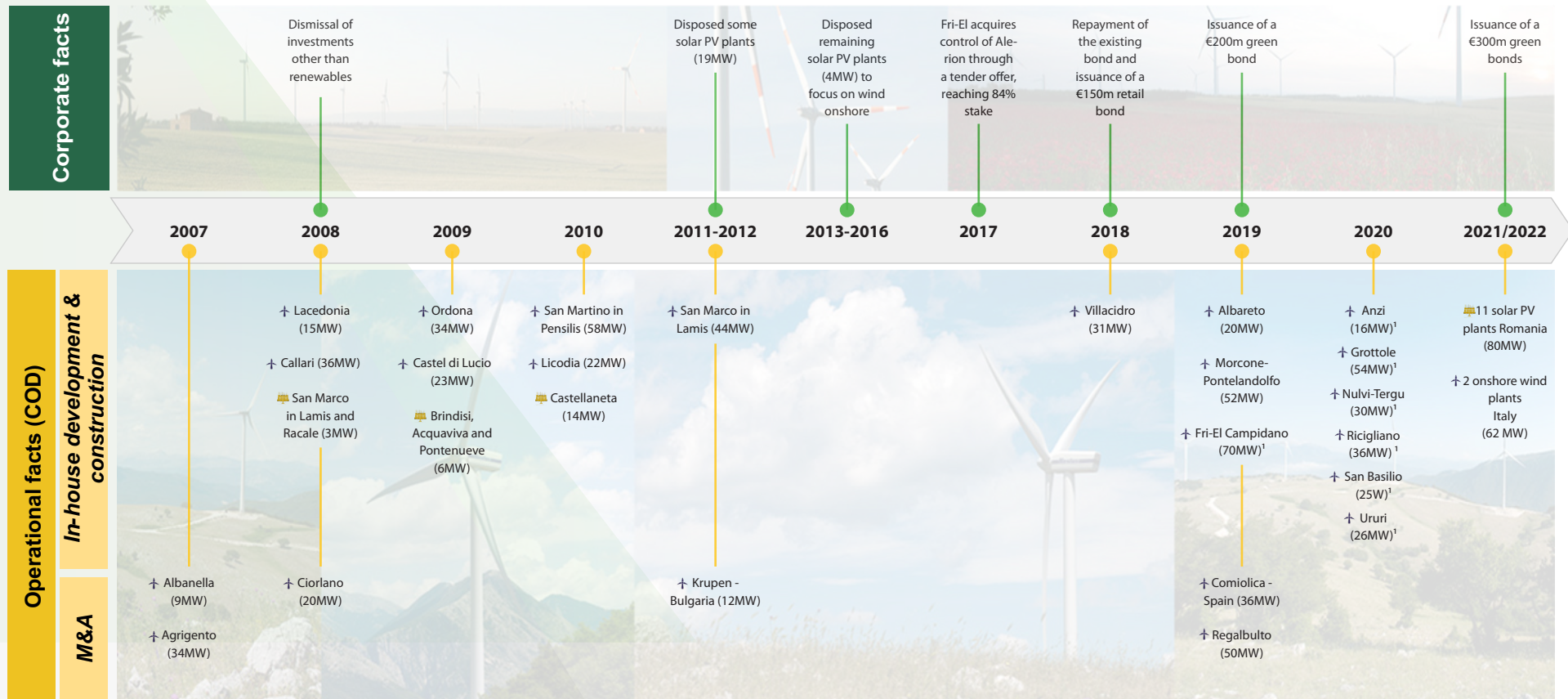
Continuous market monitoring for value accretive energy management



Integrated HSE/ ESG management system

Compelling growth targets and future pipeline, backed by strong development track record

...on the back of strong in-house development and M&A track-record as well as long-lasting relationship with energy regulators



Gross installed capacity (MW)



Experienced and long-standing Management team

Highly esteemed management team in the renewables space with proven track record in delivering long-term and sustainable growth to shareholders

1 Key management team



JOSEF GOSTNER
CHAIRMAN
& CEO



STEFANO FRANCAVILLA
DEPUTY CHAIRMAN AND
CHIEF FINANCIAL OFFICER

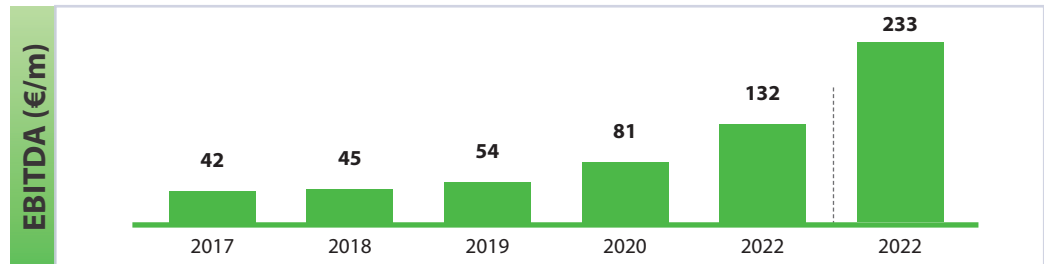
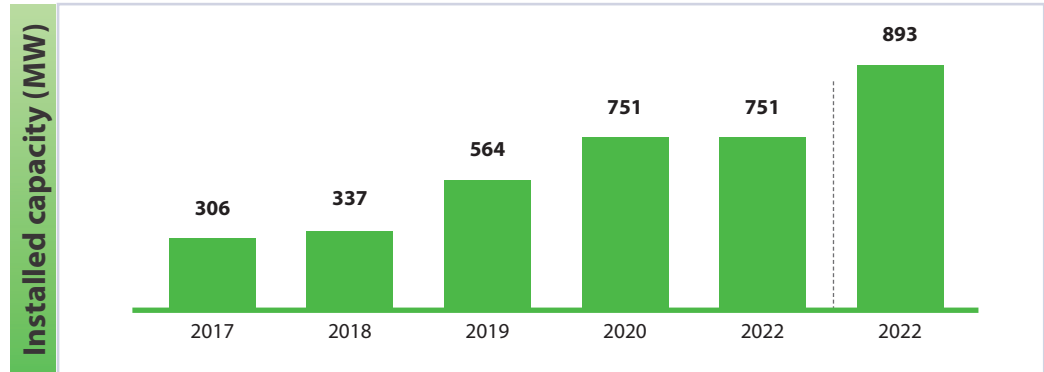


PIETRO MAURIELLO
COO



PATRICK PIRCHER
MANAGING DIRECTOR

2 Key achievements since Fri-El acquisition in 2017



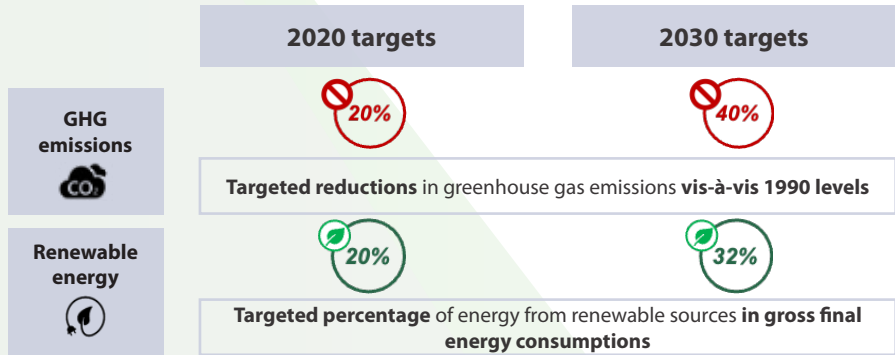
- **Highly reputed Management team** with proven capabilities in leading energy organizations and exploiting economies of scale
- **Close-knit team** leveraging an aggregated experience of almost 100 years in clean energy asset management activities
- **Full range of asset management services**, leveraging strong **development capabilities** (over 3x in installed capacity since Fri-El acquisition in 2017)
- **Efficient and focused platform** with process ownership and oversight of key O&M as well as monitoring functions
- **Establishment of strong relationship with the Energy Regulator and regional authorities / municipalities**, representing one of the most important renewable interlocutors in Italy
- **Clear and visible growth strategy** to pave the way for future growth, either through development or as consolidator of the RES fragmented market
- **Outstanding execution track record in M&A** (acquisitions, JVs and partnerships) and in **securing financing agreements**

6

Highly attractive and supportive market environment underpinned by clear renewables targets

Clean energy targets and continued technological improvement paving the way for growth

1 Clearly defined and ambitious EU targets...

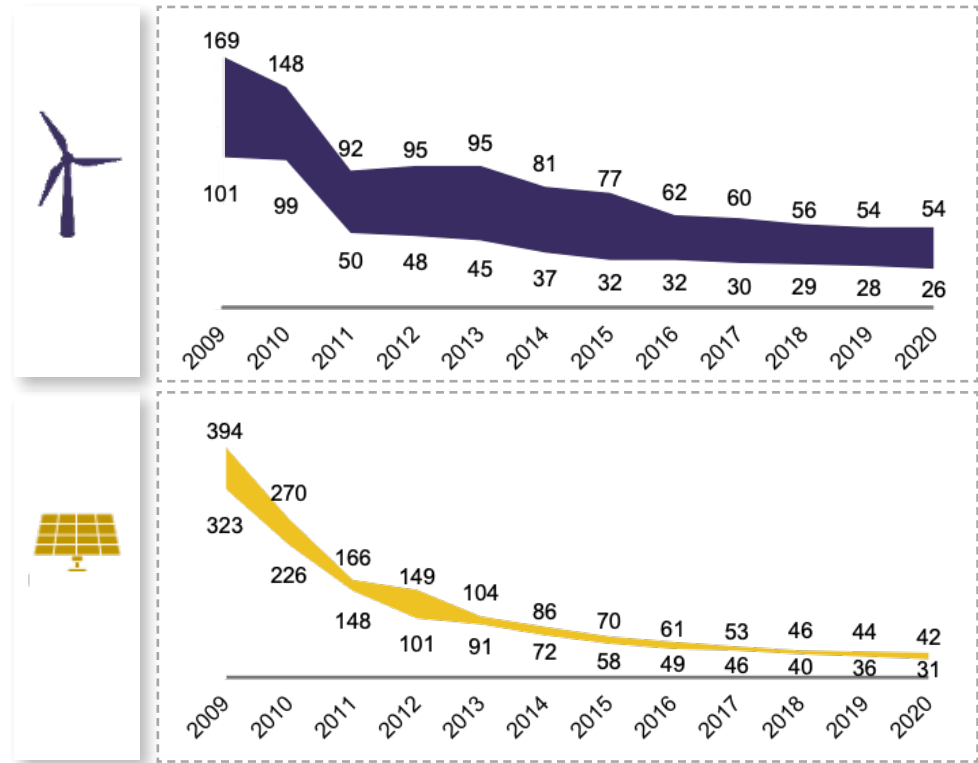


2 ...underpinning renewables growth...



3 ...coupled with increasing technological competitiveness

Levelized Cost of Energy (\$/MWh)



Renewable generation costs have consistently dropped in the last 5 years and still have additional decrease potentials in the medium term

Consolidated and stable regulatory framework

Constructive and forward-looking wind regulation in Italy providing stability and security for investors

1 Highly visible flow from incentive schemes...

- ~6 years average remaining incentive life for the Portfolio
- Incentive mechanism compensates volatility in power prices during that period, significantly reducing market risk

- ~523 MW benefits from the GRIN incentive scheme, calculated as follows:

$$\text{GC Purchase price}_{\text{year } t} = 78\% \times (180\text{€/MWh} - \text{Re}) \times K$$

- Where:
 - **GC Purchase price** year = GC price published by GSE
 - **Re** = arithmetic average of hourly zonal electricity price for year t-1
 - **K** = factor set equal to the technology coefficient granted under the previous GC scheme. Equal to 1 for onshore wind

- ~102 MW benefits from the FiP incentive, which is a variable top-up premium payment by GSE on the market wholesale electricity price and **guarantees a fixed amount of 66 €/MWh**

- The **FER 1 Decree**, enforced in August 2019 by the Italian Government, granted **new incentives to procure 8 GW of renewable energy** capacity during the years **2019-2021**
- The MiTe has expressed the intention to **extend the duration of FER1 incentive scheme beyond the conclusion scheduled for 2021**
- Together with the extension of FER 1, the **Government is planning to approve the FER 2 Decree**, an additional incentive mechanism aiming at supporting the **development of innovative RES like offshore wind**

2 ...underpinned by a supportive regulatory environment overtime...

1999-2012	Decree 16/3/1999 Decree 24/10/2005 Decree 18/12/2008	Green certificates mechanism resulting in superior profitability of onshore wind investments (IAFR Qualification)
2012-2019	Decree 6/7/2012 Decree 23/6/2016	Differentiated incentives according to power, category of intervention and the level of maturity of plants entering in operation after 31/12/2012
2019	Decree 9/8/2019 (FER1)	Extend the access to incentives through auctions and registers to 2021
2020	Decree 16/7/2020	Simplified administrative procedure for revamping Energy production after a revamping can be incentivized

3 ...coupled with a uniquely attractive incentive scheme



Assets regulated under a mixture of two schemes:

- **15-year GRIN convention scheme (former Green Certificate) where prices move with power prices providing strong hedging characteristic**
- **20-year Feed-in-Premium scheme with a CfD¹ mechanism**



Priority access to power grid for renewable energy projects and guaranteed off-take

Dedicated off-take / electricity withdrawal price by GSE



Incentive scheme funded by the end consumers through a surcharge on the electricity bill

03
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Business Plan Targets



7

2028 Business Plan Targets

	2028
Installed Capacity (GW)	3
EBITDA (M/€)	400
NFP (M/€)	1,200
Investment Δ (B/€)	2.3

- Growth is ensured by a project pipeline of about **7GW**, the result of the massive strengthening of development activities in recent years spreading across the countries where the Group is present.
- The company expects to maintain a solid financial structure throughout the plan period, supported by cash generation from operational plants and financial resources derived from the **equity recycling model**.



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