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PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021 EVIDENCING A SIGNIFICANT INCREASE IN EBITDA (+45%), NET PROFIT (+60%) AND INVESTMENTS.

*In a scenario influenced both by the effects of the Covid-19 pandemic and the rise in raw material prices, which strongly affected the Group's business performance, AGSM AIM S.p.A. ("**AGSM AIM**" or the "**Company**"), the company resulting from the merger of AIM Vicenza S.p.A. ("**AIM Vicenza**") into AGSM Verona S.p.A. ("**AGSM Verona**") effective from January 2021 (the "**Merger**"), recorded particularly positive results. The integration process, which has involved the entire structure in 2021 leading to the establishment of the Business Units, has improved the Group's operating efficiency, reduced operating costs and accelerated the increase in investments, which were approximately 60% more compared to the average investments made in the six years prior to the Merger.*

Verona, 2 May 2022 – The Board of Directors of AGSM AIM held on 27 April 2022 under the chair of Stefano Casali, approved the consolidated results as at 31 December 2021.

2021 was the first year of business for the AGSM AIM following the perfection of the Merger and has been characterised by two worldwide exogenous factors, such as the continuing effects of the Covid-19 pandemic and the increase in the price of raw materials, which profoundly influenced the scenario in which AGSM AIM, already involved in the integration process between AGSM Verona and AIM Vicenza, had to operate.

In particular, the effects of the energy crisis which occurred during the second half of the year had a significant impact on the Group's commercial activity (the Market Business Unit), which recorded a reduction in EBITDA of approximately €13 million compared to 2020, which in turn was already affected by the pandemic.

Notwithstanding the particularly complex and challenging context, the resilience of the Group's multi-business model, the efficiency drive, the measures taken to reduce operating costs and the effectiveness of the management actions undertaken to deal with the volatile energy scenario, have enabled the Group to record very positive results.

AGSM AIM closes 2021 with **revenues** of €1.9 billion, +59% compared to 2020 mainly due to the increase in commodity prices.

EBITDA is equal to €175.7 million, +45% compared to 2020 (€121 million). The margin increase is mainly due to the production and cogeneration areas, which benefited from the optimisation of energy sales to *Borsa Elettrica* in favourable market windows, and to the grids area, which recorded an increase in EBITDA of €11 million compared to 2020, also due to the effects of the sale of the high voltage grids to Terna. Positive contributions to the margin were also carried out by the Environment area, which benefited from the enlarged scope resulting from the integration of EcoTirana, and the Smart Services area, which increased EBITDA by €1.5 million mainly due to the efficiencies resulting from the replacement of LED lamps.

The positive results achieved in all the business areas in which the Group operates allowed to offset the negative effects recorded by the commercial activity which, as described above, recorded a reduction in EBITDA of €13 million due to the high cost of raw materials, which had a strong impact on the results of electricity and gas sales. This reduction occurred despite the continued growth in the number of the Group's **customers**, which reached 861 thousand at the end of 2021 (+12% compared to 2020) and in the volumes of electricity and gas sold, which amounted to 4,756 GWh (+34% compared to 2020) and 511 million cubic metres (+3% compared to 2020) respectively.

Consolidated net profit is equal to €57.1 million, an increase of €21 million (+60%) compared to €35.8 million in 2020.

Together with the core activities, the Group completed the first important reorganisation of its corporate structure, which led to the establishment of the 6 Business Units envisaged in the integration project[1]. At the same time, important and demanding activities were completed to verify the Group skills, to adapt the information systems and to make procedures and tools for the prevention and management of corporate risks.

The integration process allowed to rationalise and make the corporate structure more efficient, achieving synergies and increasing the Group's critical mass. These elements have laid the basis for assuming as a strategic priority for AGSM AIM the growth of **investments**, equal to €84 million in 2021, +23% compared to 2020 and about +60% compared to the average investment in the 6 years (2015-2020) prior to the perfection of the Merger. These important results were achieved despite some slowdowns related to authorisation issues, such as the new wind farm at Monte Giogo di Villore (Florence).

The Group's **Net Financial Position** in 2021 is equal to €401 million compared to €312 million in 2020, with the NFP/EBITDA ratio improving from 2.6 to 2.3.

The Board of Directors of AGSM AIM approved today, together with the financial statement results, also the first **Sustainability Report** of the new Group in compliance with Legislative Decree 254/2016 in the form of a Consolidated Non-Financial Statement, with the aim to offer to all stakeholders a coordinated reading and accurate reporting of the results achieved and the improvement objectives that AGSM AIM intends to achieve in the economic, social and environmental areas.

The results described above allow the Board of Directors to propose to the Shareholders' Meeting the distribution of an **ordinary dividend of** €24.5 million, in line with the business plan. Moreover, taking into account the positive results and the particular macroeconomic context, the Board of Directors decided to allocate a further 10% as an **extraordinary dividend**, bringing the aggregate dividend to €27 million, +74% compared to 2020.

The consolidated financial statements of AGSM AIM as at 31 December 2021 have been prepared in accordance with the international financial reporting standards (IFRS) and represent the first annual financial statements of AGSM AIM following the perfection of the Merger.

In order to provide a meaningful comparison between 2021 and 2020, the 2020 financial information / data included in this press release have been calculated by AGSM AIM on a *pro-forma* basis as an aggregate of the 2020 financial information / data of the former AGSM

[1] *The *incorporation of the Environment Business Unit was temporarily delayed pending the definition of the process that will lead to the "in-house" assignment of the environmental hygiene service in Verona.*

Verona group and the 2020 financial information / data of the former AIM Vicenza group.

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Alternative Performance Measures

This press release uses certain "*alternative performance measures*" (**APMs**). Such APMs are not envisaged by the international financial reporting standards as adopted by the European Union (IFRS-EU) nor by the Italian accounting principles but are considered useful by the management of AGSM AIM for a better assessment and monitoring of their economic and financial performance of the company itself and the Group. In compliance with the Guidelines issued on 5 October 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation No. 1095/2010/EU and incorporated by Consob into its supervisory practices with Communication No. 92543 of 3 December 2015, the meaning, contents and calculation basis of these APMs are set out below.

- **EBITDA** is an alternative indicator of operating performance and is calculated as a profit or loss for the year, including the minority interest adjusted for the following items: (i) Income tax for the year, (ii) Adjustments to financial assets and liabilities, (iii) Total income and financial expense (iv) Amortisation and depreciation (v) Other provisions, deriving from the consolidated financial statements of AGSM AIM as at 31 December 2021 (prepared in accordance with IFRS);

- **Net Financial Position** is an alternative indicator of the financial structure, calculated by deducting consolidated cash and cash equivalents, financial receivables, financial receivables from associates from the sum of consolidated short-term financial payables and consolidated medium and long-term financial payables prepared in accordance with IFRS.

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