PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022 EVIDENCING AN INCREASE IN EBITDA (+6%) AND INVESTMENTS (+20%)

*In an extraordinary scenario influenced both by an unprecedented volatility in energy commodities and a significant rise in interest rates during the second half of the fiscal year, AGSM AIM S.p.A. ("**AGSM AIM**" or the "**Company**") recorded positive results thanks, in particular, to the robustness of the multi-business model and the balancing of the portfolio of different activities. All business units bring positive margins to the Group's results, testifying the strategic importance of integration and the virtuous path of the improvement in the corporate structure's operating efficiency, which accelerated the increase in investments, equal to €101 million.*

Verona, 22 May 2023 – The Board of Directors of AGSM AIM held on the date hereof approved the consolidated results as at 31 December 2022.

2022 was the second year of business for AGSM AIM and has been characterised by the continuing effects of the Covid-19 pandemic and, in particular, by the outbreak of the conflict between Russia and Ukraine with the consequent increase and high volatility in the price of raw materials, which profoundly influenced the scenario in which AGSM AIM had to operate. A context even more challenging due to the increase in interest rates during the second half of the fiscal year.

In this 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 positive results.

AGSM AIM closes 2022 with **revenues** of €3.3 billion, +74% compared to 2021 mainly due to the increase in commodity prices.

EBITDA is equal to €185.4 million, +6% compared to 2021 (€175.7 million) and +53.5% compared to 2020 (€120.8 million). The main contribution derives from energy generation (Power and Heat business unit, with €75 million contribution to EBITDA) and power grids (€48.6 million contribution to EBITDA). The result once again testifies the strategic importance of corporate integration, which created a multi-business model particularly balanced among the different activities in which the Group is active.

Consolidated net profit is equal to €49.4 million, decreasing from the €57.1 million of last year but higher than the €35.8 million recorded in 2020. The decrease compared to last year is caused by the effect of an increase in reserves (€10 million), financial expenses and taxes (€7 million). Regulatory interventions had a significant impact, including the so called *Decreto Sostegni Ter*, which led to a reduction in revenues deriving from renewable photovoltaic and hydroelectric sources, the *Contributo di Solidarietà* borne by energy companies by way of extraordinary solidarity levy, and the tax credit related to the energy and gas consumption in relation to the fourth quarter of 2022 provided by the so called *Decreto Aiuti bis*.

The energy crisis has especially penalised the Market business unit, whose contribution to the

Group profit is 25% lower than the one generated in the pre-merger scenario.

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 €101 million in 2022, compared to €84 million in 2021 (+20,2%) and doubled compared to the average investment in the 6 years (2015-2020) prior to the perfection of the merger (€53 million).

The Group's **Net Financial Position** in 2022 is equal to €633 million compared to €402 million in 2021, as a result of both higher necessity of working capital due to the sudden increases in electricity and gas prices and increase in interest rates during the second half of the fiscal year.

The Board of Directors of AGSM AIM approved today, together with the financial statement results, also the **Sustainability Report** of the 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.

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 2022 (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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