

PRESS RELEASE

Dolomiti Energia Holding SpA: the Board of Directors has approved the draft 2022 consolidated financial statements and the strategic lines of its 2023-2027 Business Plan

Results have exceeded expectations, in a year, 2022, that will be remembered as an *annus horribilis* both for the untimely death of its Chairman, Massimo de Alessandri, to whom the Group extends its gratitude and thoughts at this time, and for the storm that hit energy markets, due to low hydroelectric production and the strong impact of tax regulations that pushed the Group's tax rate to a record 77.7%, as a result of total taxes of €85 million, €54 million euro of which owing to a "windfall tax".

Strong growth in consolidated revenues (+54.1%) due to prices, but with a gross operating margin (EBITDA), which is substantially in line with the previous year, despite extraordinary costs (expense to GSE) equal to €35 million, and a Net Financial Position that improved by 7.7% compared to the end of 2021.

Good results compared to the overall energy scenario but below the performance the Dolomiti Energia Group had become accustomed to in recent years.

The Group is working on a new Business Plan (2023-2027) and today the Board passed a resolution on the strategic lines for future development: growth in regulated businesses (gas distribution, electricity distribution and the environment), diversification of renewable energy production sources, strong approach to the promotion of the energy transition (Renewable Energy Communities), digitalisation, innovation and focus on persons, such as customers, employees and the community as a whole.

1. Total consolidated revenue and income at €3,354 million (€2,182 million in 2021, +53.7%)
2. Consolidated gross operating margin (EBITDA) at €196.5 million compared to €206.9 million in 2021 (-5%)
3. Consolidated operating result (EBIT) at 118.5 million (€144.7 million in 2021, -18.1%);
4. Consolidated result for the year at €8.7 million (€90 million in 2021, -90.3%)
5. Net financial indebtedness at €642.8 million (696.2 million in 2021, -7.7%);
6. Tax burden rises to €84,9 million (€9 million in 2021). Tax Rate at 77.7%
7. The Company's Shareholders' Meeting is called for 28 April 2023

Rovereto, 29 March 2023 – Dolomiti Energia Holding's Board of Directors, chaired by Silvia Arlanch, today approved the 2022 results of the Dolomiti Energia Group.

The Group's results were affected by the **very strong rise and volatility of prices on the energy commodities markets**, which began during the last part of 2021 and further escalated following the outbreak of the Russia-Ukraine war, to an extent and at a rate of change never recorded in the past. In August, the price of natural gas on the European markets, and as a result also in Italy, and the price of electricity reached all-time highs, totally off the scale not only compared to historical trends but practically double even compared to the very high prices recorded in the last quarter of 2021. Subsequently, starting from September, a phase of price decrease began, and is still ongoing, driven not only by the measures put in place by national and European authorities (gas price cap, diversification of supply sources, etc.) but also by a sharp downturn in consumption, which contributed to a major shift in the supply and demand balance. To fill out this landscape of external factors, it should be emphasized that 2022 features a considerable reduction in available water resources which has meant that hydroelectric production was significantly lower than the average values recorded by plants (lower by between 40-50%), with many

plants recording an all-time low. And this was compounded by the above-mentioned effects of the emergency regulatory measures introduced during the year.

Despite the sharp rise in turnover (+54.1%), as a direct consequence of higher electricity and gas prices on international markets, **the consolidated EBITDA amounted to €196.5 million, down slightly by 5% compared to the results of 2021, net profit attributable to the Group amounted to €8,7 million, a sharp decrease compared to €90 million in the previous year** mainly due to a tax rate which, due to the overlapping of the aforementioned regulatory measures reached 77.7%, impossible to compare with the previous year, which had benefited from the effects of the tax revaluation introduced following the Covid pandemic. This result was due to the worsening of commercial performance, not fully offset by the Hydroelectric Production Division due to both the dramatic reduction in output and the regulatory measures issued. **The Group's net financial position amounted to €642.8 million**, a significant recovery compared to the 2021 figure (€696.2 million). This result, despite a significant increase in working capital linked to the increase in commodity prices, was made possible by careful cash flow management and a significant reduction in margin calls. The actions undertaken, in addition to the physiological return of the margin calls once contracts had reached maturity, has therefore made it possible to maintain net financial position/EBITDA at 3.3x, slightly better than the previous year despite the decline in EBITDA, which is in line with the market benchmarks and such as to allow for a safety margin to face the current market environment and the development prospects that will be outlined by the new business plan that the Board of Directors is completing.

In addition to the major uncertainties in the current environment, the results of the commercial activities and the sale of electricity and gas were hindered by the trend in market prices, which also saw a steep increase in all costs associated with commercial activities still shouldered by the company. Given this extremely volatile and critical backdrop one should note the positive progress achieved in sales development, which despite extremely challenging circumstances, once again this year recorded an increase in clients served, rising to over **731,000 supply points**, with a net increase of about 5,000 points.

Group consolidated financial statements as at 31 December 2022: main economic and financial highlights (in millions of euro)

	2022	2021	change
Total revenue and income	3,354	2,182	+54.1%
Gross operating margin (EBITDA)	196.5	206.9	-5%
Operating result (EBIT)	118.5	144.7	18.1%
Result for the year	9	90	90.3%
Net financial indebtedness	642.7	696.2	+7,7%

These are the key financial statements figures for 2022 at a glance. The Group's scope of consolidation includes both the Parent Company Dolomiti Energia Holding and the subsidiaries Dolomiti Energia Solutions srl, Novareti SpA, Dolomiti Ambiente srl, Dolomiti Energia Trading SpA, Dolomiti Energia S.p.A., SET Distribuzione S.p.A., Hydro Dolomiti Energia srl, Dolomiti GNL srl, Dolomiti Energia Hydro Power srl and Dolomiti Edison Energy srl, in addition to investee companies that are accounted for in the financial statements using the equity method in line with accounting standard prescriptions.

With regard to the industrial aspect, with reference to the main sectors of activities, the following should be noted:

ELECTRICITY PRODUCTION

Hydroelectric production: the hydroelectric production of Dolomiti Energia Holding, Dolomiti Edison Energy, Hydro Dolomiti Energia, SF Energy and Dolomiti Energia Hydro Power stands at **2.3 billion kWh**, a sharp

decrease compared to the 3.9 billion kWh in 2021 (100% DEH, HDE, SFE, DEE, DEHP) and historical averages due to the ongoing drought.

Thermoelectric production: thermoelectric production generated **83 million kWh** (74 million kWh in 2021).

DISTRIBUTION GRIDS

Electricity: the Group **distributed 2.6 billion kWh** (2.6 billion kWh in 2021). As at 31 December the electricity distribution grid covers 12,620 km (12,383 Km in 2021).

Natural gas: in 2022 **291.4 million** cubic metres of gas were distributed, compared to the 341.8 million cubic metres in 2021. The network covers 2,696 km compared with 2,652 km in 2021.

Integrated Water Cycle: in 2022 the quantities of **water introduced into the network**, extending 1,467 km (1,111 in 2021), amounted to **27.4 million cubic metres compared with 30.8 in 2021. Water was distributed to a total of 76,967 customers.**

SALES

Electricity: the Group **sold to end customers 4.1 billion kWh**, compared to 3.9 billion kWh in 2021.

Electricity **customers** rose to almost **492,000**, compared with 490,000 in 2021.

Natural gas: in the gas sector **489.2 million** cubic metres of gas were sold to end customers in 2022, compared with 531.9 million in 2021. **Customers** today number **239,000** (237,000 in 2021).

As a result of commercial activities, as already stated, the number of customers served for energy and gas increased further, taking their number to over **731,000** (726,000 in 2021).

OTHER ACTIVITIES

Laboratories: the laboratory examined 11,829 samples in 2022, in line with 12,691 in 2021; of which 55% (58.5% in 2021) on behalf of third parties.

Co-generation and district heating: during 2022 **101.1 GWh of heat and cooling were supplied (96.6 GWh in 2021).**

Waste Management: the percentage of separate waste collection in 2022 was equal to 82.1% in Trento (83.8% in 2021) and 81.1% in Rovereto (82.7% in 2021), consolidating the excellent values for cities of this size. Overall, 69,707 tonnes of waste were collected during the year, both separate and mixed (71,781 in 2021), while 132,295 clients were served (130,063 in 2021).

The Board of Directors of the Company resolved to postpone the decision regarding the amount of the **dividend** to be distributed until the Ordinary Shareholders' Meeting.

CONSOLIDATED NON-FINANCIAL STATEMENT

The Board of Directors has also approved the Consolidated Non-financial Statement, provided in accordance with Italian Legislative Decree No. 254/2016.

Shareholders' Meeting

The Board of Directors resolved to call **the Ordinary Shareholders' Meeting** for the approval of the Financial Statements **on 28 April 2023**, ensuring the identification of the participants and voting procedures.

The administrative manager responsible for drawing up the corporate accounting documents, Michele Pedrini, declares - taking into account the matters envisaged by current legislation - that the accounting disclosure contained in this press release corresponds to the documented results, books and accounting records.

Alternative Performance Indicators

A number of "alternative performance indicators" are used in this press release, not envisaged by the international accounting standards as adopted by the European Union (IFRS-EU), but which Dolomiti Energia Holding SpA's management considers useful for a clearer assessment and monitoring of the trend of the economic and financial operations of Dolomiti Energia Holding SpA and the Group. In line with the matters recommended in the Guidelines

published on 5 October 2015 by the European Securities and Markets Authority (ESMA) in accordance with Regulation No. 1095/2010/EU and incorporated by Consob in its supervisory policies by means of communication No. 92543 dated 3 December 2015, the meaning, content and calculation basis of these alternative performance indicators are set out below:

- **EBITDA** (or Gross operating margin) is an operational alternative performance indicator, calculated as the sum of the "Net operating result" plus "Amortisation, Depreciation, provisions and write-downs";
- **Net financial indebtedness** is an indicator of the financial structure. This indicator is determined as the result of financial payables net of cash and cash equivalents and current and non-current financial assets (financial receivables and securities other than equity investments).

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This press release is also available care of the headquarters and on the website of the Dolomiti Energia Group:

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