

W APRIL 28<sup>th</sup> 2022

INDUSTRIAL PLAN 2022-2024  
ANALYST AND INVESTOR DAY

LEADING THE CLEAN  
ENERGY TRANSITION

algowATT  
GREEN TECH SOLUTIONS



TSIM  
INTEGRÆ





## AGENDA



Stefano Neri  
CHAIRMAN



Paolo Piccini  
CEO



Idilio Ciuffarella  
GENERAL MANAGER



Filippo Calisti  
CFO & IR



MARCH 29<sup>th</sup> 2022

# INDUSTRIAL PLAN 2022-2024



- ✓ BACKGROUND AND OVERVIEW
- BUSINESS MODEL & STRATEGY
- FINANCIAL PLAN TO 2024



**CONSOLIDATED AND EMERGING TECHNOLOGIES, SUCH AS THOSE OF DEMAND RESPONSE, UVAM AND FAST RESERVE, MEET AND OPEN UP NEW INTERESTING SCENARIOS**

Virtual power plant market to be worth \$ 4.5 billion by 2024  
**Bis Research**

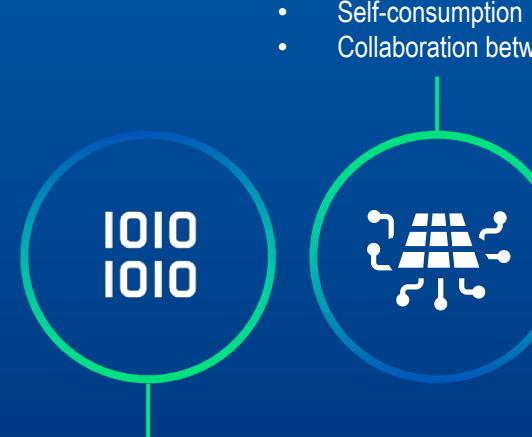


**AS ENERGY USE FALLS, ELECTRIFICATION AND RENEWABLE ENERGY WILL KEEP EXPANDING**

1,200 GW of additions seen by 2024 (60% new PV plants)  
**S&P Global Commodities Insight**

**DIGITAL TRANSFORMATION IS CRITICAL TO THE SUCCESS OF THIS NEW MODEL**

Market for Digitalization in Energy Sector to Grow to \$ 64 billion by 2025  
 «Italy is one of the global leaders in utility and small-scale PV, has almost 100% high speed network coverage, and supportive regulation for digital technologies»  
**Bloomberg New Energy Finance**



**A DISTRIBUTED ENERGY NETWORK WILL REPLACE THE TRADITIONAL UTILITY BUSINESS MODEL AND DEMAND PROFILE**

Financial analysts predict that microgrids' share of the market will increase by 19% to 2024 (\$ 19 billion)

**Global Market Insights**

- Renewable energy community
- Minigrid & Microgrid
- Self-consumption
- Collaboration between utility, prosumer, citizens



**GROWTH IN DEMAND FOR ENERGY EFFICIENCY SMART CITIES AND SMART BUILDINGS**

The integrated building management systems (IBMS) market is expected to grow by \$ 328.6 billion to 2029, CAGR of over 22.2%.  
 Smart City Market to grow at a CAGR of 23% by 2024, with an incremental growth of \$ 2118.14 billion

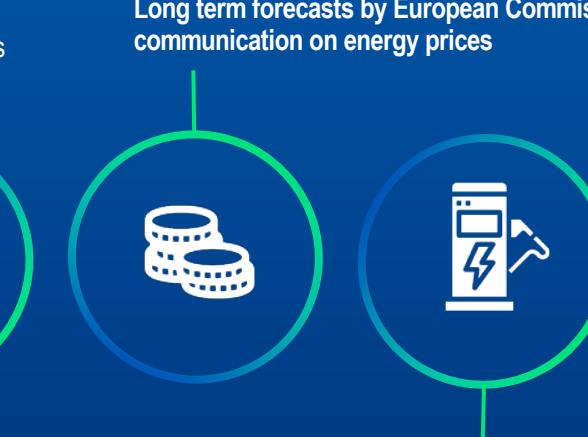
**Fortune Business and Technavio Research**

**EUROPE'S ENERGY PRICES ARE EXTREMELY VOLATILE AFFECTED BY POST COVID-19 AND UKRAINE WAR**

Wholesale gas prices are around 400% higher than a year ago and wholesale electricity prices have followed the same pattern, increasing by 260%

«Gas and electricity prices will remain high and volatile until at least 2023»

**Long term forecasts by European Commission's communication on energy prices**



**STORAGE AND EV-CHARGES RISE UP**

EV charging points in Europe is forecast to grow at a compound annual growth rate (CAGR) of 31.1%, to 5.2 billion in 2024.

**Berg Insight**

Residential storage in Europe to grow 500% by 2024 (6.6 GW)

**Wood Mackenzie forecasts**

PROPOSAL FOR NEW BIOENERGY PLANTS (12 GIGAWATTS) WITH ENERGY THUS PRODUCED AT A FIXED PRICE OF 65 EUROS PER MWH (COMPARED TO A PRICE THAT HAS NOW REACHED 280 EUROS) FOR 20 YEARS, WITHOUT INDEXATION

Energia Futura



PLANT DEFICIT TO 2035 OF 3.2 MILLION TONNES FOR ORGANIC TREATMENT AND 2.7 MILLION TONNES FOR ENERGY RECOVERY

Utilitalia

OPPORTUNITIES OF PARTNERSHIP BETWEEN DIGITAL, WASTE MANAGEMENT AND CLEANTECH COMPANIES AIMED AT THE ESTABLISHMENT, MANAGEMENT AND IMPLEMENTATION OF A COMMON PROJECT WITH THE STEWARDSHIP MODEL

BIOMETHANE DERIVED FROM THE ORGANIC FRACTION OF MUNICIPAL WASTE (1.5 BILLION CUBIC METRES), TOTALLING 8 BILLION CUBIC METRES TO 2030

Consorzio Italiano Biogas



WASTE TO ENERGY (WTE) MARKET SIZE TO REACH \$ 35.5 BILLION BY 2024, WITH A PROJECTED CAGR OF 6.5%

Global Market insights

THE GLOBAL WASTE RECYCLING SERVICES MARKET IS VALUED AT 66.9 BILLION TO 2024, REGISTERING A CAGR OF 4.8 %

Statista

BIOMETHANE CAN COVER 10% OF CURRENT DEMAND, BUT WITH MEASURES TO REDUCE CONSUMPTION ITS CONTRIBUTION COULD RISE TO 15%, IN LINE WITH THE TARGET SET BY THE EU COMMISSION'S PLAN

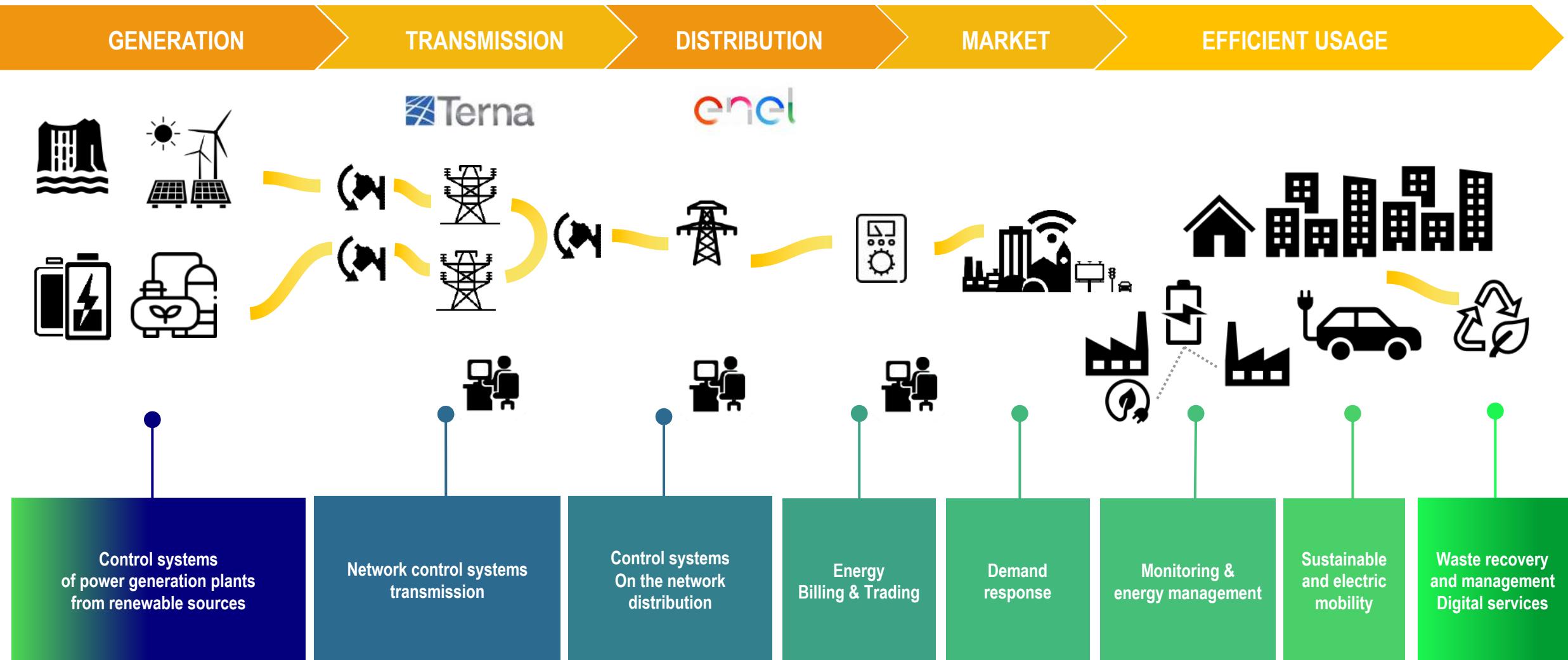
Consorzio Italiano Biogas



DIGITAL TECHNOLOGIES WILL DELIVER MORE EFFICIENT WASTE MANAGEMENT IN EUROPE WITH AN EXPECTED GROWTH AT A CAGR OF 10.87% TO REACH NEARLY \$ 4.3 BILLION BY 2027

EMR Global smart waste management market

**NEXT GENERATION EU****PNRR****PNIEC 2030****EMISSIONS REDUCTION STRATEGY TO 2050****NEW MITE DECREES****SUPERBONUS 110% AND ECOBONUS**



 MARCH 29<sup>th</sup> 2022

## INDUSTRIAL PLAN 2022-2024

# algoWatt at-a-glance



\*BALANCE SHEET CLOSED AS AT 31/12/2021

APRIL 28<sup>th</sup> 2022

## GREENTECH Solutions for a SUSTAINABLE Development

algowATT designs, develops and integrates solutions for the sustainability for the responsible social management of energy and natural resources, generating a competitive advantage



**40+ YEARS**  
IN THE DIGITAL MARKET



**100+ CLIENTS**  
LEADER IN THE ENERGY, UTILITY, MOBILITY, TECHNOLOGY, SOFTWARE



**22 ML EURO\***  
REVENUES



**10%+**  
PERCENTAGE OF TURNOVER INVESTED IN INNOVATION AND RESEARCH



**73 PLANTS**  
**60+ MW**  
OPERATION AND MAINTENANCE MANAGEMENT ON PV PLANTS



**200+**  
EMPLOYEES

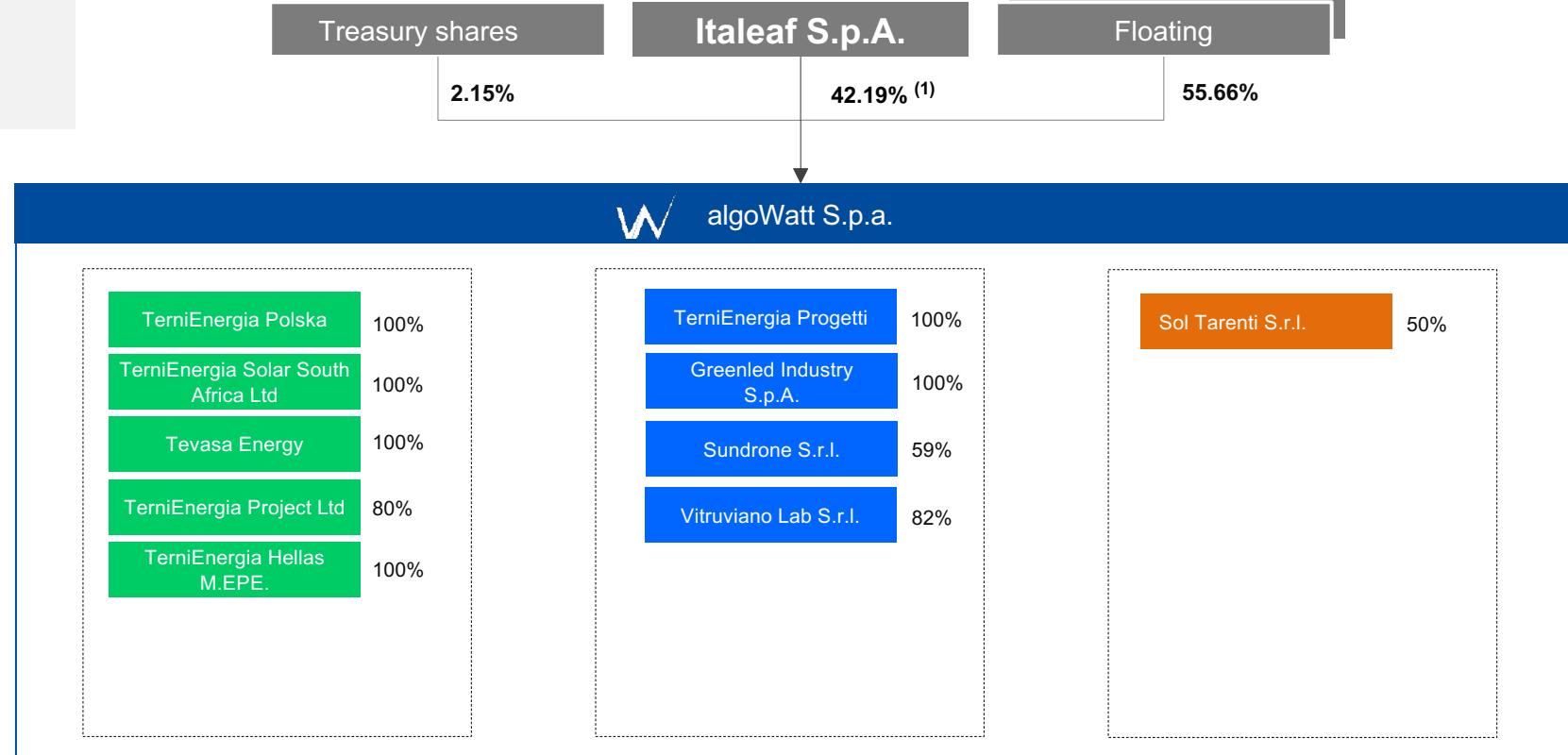


**10**  
7 ITALIAN OFFICES  
1 SOUTH AFRICAN OFFICE  
1 GREEK OFFICE  
1 POLAND OFFICE

LISTED ON BORSA ITALIANA SINCE 2008

CAPTION:

- █ Abroad Subsidiaries
- █ Italian Subsidiaries
- █ SPV plant owners  
on divesting



Source: Company information

1) The percentage relating to the Italeaf's voting rights at the shareholders' meeting is 58.38%

\*Represents a simplified structure of the Group, with subsidiaries abroad, those operating in the core sectors and those holding assets that are being sold as part of the Recovery plan.



## MISSION

We enable digital transformation and the energy and ecological transition through smart technologies, empowering customers and consumers to use resources in a more sustainable way.



## VISION

We want to foster the culture of energy, representing the Italian technological edge and anticipating the future sustainable solutions.



**WITH OUR SOLUTIONS ECOSYSTEM  
AND OUR PARTNERSHIP FOCUS,  
WE ENSURE ALWAYS  
THE BROADEST WAY TO INNOVATION**

# WHERE WE ARE – OUR HEADQUARTERS AND OFFICES





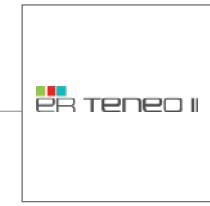
## TURNKEY SOLUTIONS

- Distribution Grid Solutions
- Solutions for Transport Networks
- Billing-Invoicing & Metering
- Smart & Micro Grid
- O&M and aerial imaging analysis

- Industrial Automation
- Supervision and Process Control
- Scada System
- Building Automation
- Energy Saving
- Superbonus General Contractor

- Local Public Transport
- Flexible Transport
- Infomobility
- Traffic & Safety
- Logistics
- Railways & Subways
- Electric mobility
- Routing and Ticketing of multi-modal hubs EPC solutions and O&M

## SOFTWARE AND TECH PRODUCTS



MOBILITY



ENERGY&amp;ENV



BIOMED



EWORK



MEDIA



~30  
YEARS OF ACTIVITY  
IN RESEARCH

**105+**  
RESEARCH  
PROJECTS

**25+**  
COORDINATED  
RESEARCH  
PROJECTS

**1000+**  
RESEARCH  
PARTNERSHIP

**11**  
H2020 RESEARCH  
PROJECTS  
**4**  
4 COORDINATED  
PROJECTS

**4.2M€**  
H2020  
CONTRIBUTIONS  
FROM EU

ANASTACIA  
INCLUSION  
IMOVE  
TRUSTONOMY  
VPP4ISLANDS  
CHOREVOLUTION

ELVITEN  
FALCON  
ZDMP  
PROSFET  
WInSiC4AP



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# INDUSTRIAL PLAN 2022-2024



- BACKGROUND AND OVERVIEW
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MARCH 29<sup>th</sup> 2022

## INDUSTRIAL PLAN 2022-2024

A new governance to boost execution

INCREASING OUR FOOTPRINT  
THROUGH ALLIANCES FOR EE  
AND RENEWABLES, SMART CITY  
AND SMART BUILDING

PLANNING OF DEALS  
FOR INTERNAL AND  
EXTERNAL GROWTH

INVESTING IN HUMAN  
RESOURCES TO INCREASE  
SKILLS AND GROWTH  
OPPORTUNITIES

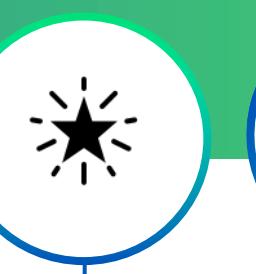
SOLID FINANCIAL FRAMEWORK:  
IMPLEMENTING AND VALORIZING  
THE RECOVERY PLAN AND THE  
FINANCIAL AGREEMENT



BECOME A LEADER OF ENERGY  
TRANSITION DELIVERING PROVEN  
BENEFITS TO CUSTOMERS



INTEGRATION OF BUSINESS AS  
USUAL ACTIVITIES AND  
DEVELOPMENT OF NEW HW/SW  
AND PLANT TURNKEY SOLUTIONS



DRIVE AN ORGANISATIONAL  
FOCUS TO ENHANCE VALUE  
CREATION



STRENGTHENING RESEARCH AS  
A DRIVER TO DEVELOP NEW  
SOLUTIONS AND TO OVERSEE  
INNOVATION FRONTIERS



# Enabling New Organisational Solutions to strengthen our core skills

Simplification of the corporate structure by eliminating business units to increase efficiency and optimise costs

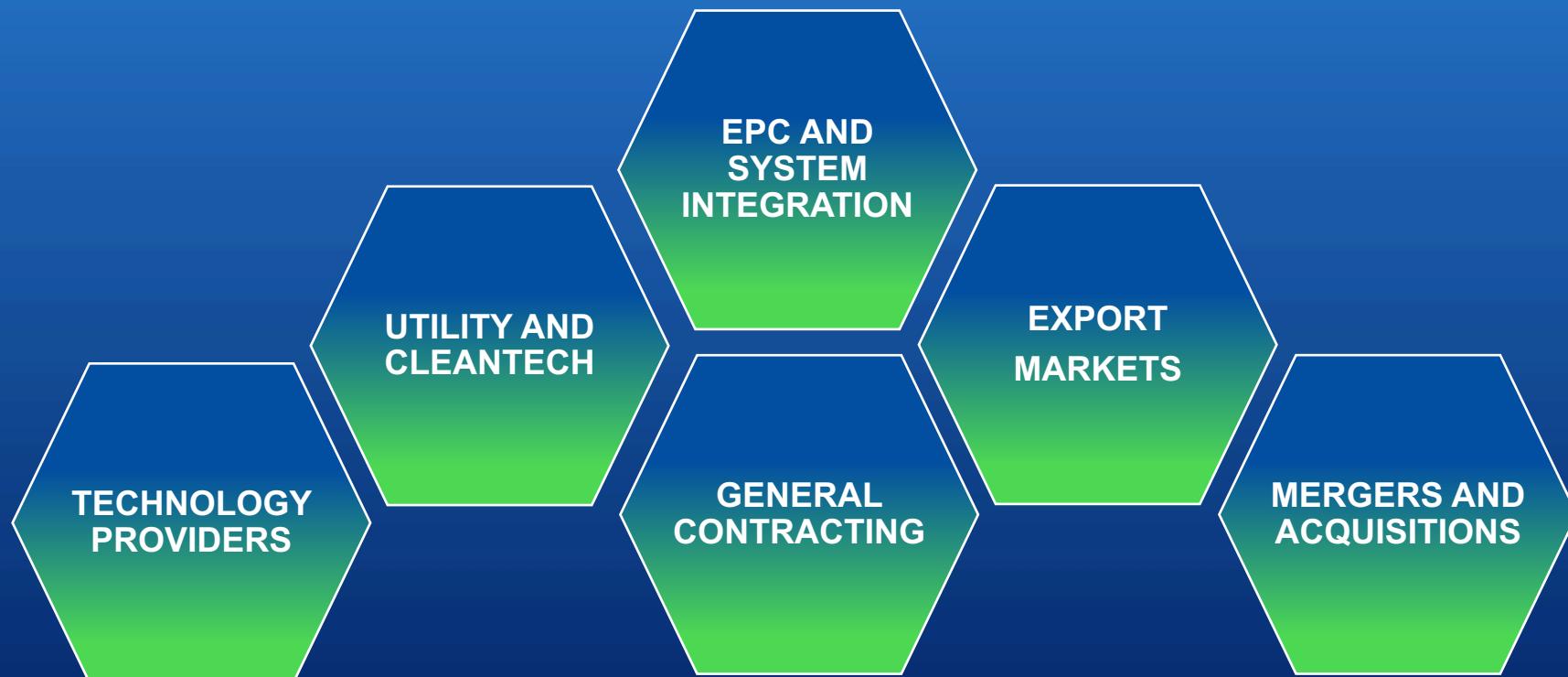
  
READY FOR CHALLENGE

Managed change with strong leadership to be close to the customer with new structures (software factory, centralised project management, solution delivery) and improved business processes.

  
FIT TO GROW  
TECHNOLOGICAL  
ENABLER  
FASTER AND SMARTER  
Review of strategic options to accelerate transformation and address structural issues

We want to combine our strong technological core with the recovery of system integration expertise and know-how, to provide turnkey solutions to meet the demand for widespread digitalisation and new solutions for sustainable energy and resource management

# The 6 strategic layers





EXPANSION OF VIRTUAL  
PRODUCT PORTFOLIO  
FOCUSED ON ENERGY  
INTENSIVE SECTOR



Energy saving of Datacenters with HW components such as UPS and Cooling Systems that, integrated with the Supervision and Monitoring System (BEMS, Building Energy Management System) allow to offer a package of energy efficiency solutions extended

Value Added Reselling (VAR) of key components of Photovoltaic (inverter and storage) enabled by the expertise, history and references of TerniEnergia

Industrial support in the realisation of the complete system from high-tech battery charging modules to the entire product range (power conversion, microcontrollers, security, auxiliary power supply, operating service and communication solution).

## IN ADDITION TO ALGOWATT'S MAINSTREAM BUSINESS

UTILITY

RENEWABLE ENERGY COMMUNITIES  
(PA, INDUSTRIAL, RESIDENTIAL)

- Technical/financial/legal advice
- Business model promotion
- SW platform
- Supply of full EPC and micro-grid



## VIRTUAL POWER PLANT

VPP is a cloud-based distributed power plant that aggregates the capacities of heterogeneous distributed energy resources (DER) for the purposes of enhancing power generation, as well as trading or selling power on the electricity market.

***Enabling digital transformation and new energy and sustainable resources management paradigms***

CLEANTECH

CLEANTECH INDUSTRY DIGITALISATION  
SERVICES FOR ECOLOGICAL TRANSITION

Introduction of digital technologies for the development and adoption of smart solutions for the environmental industry and the management of waste and marginal resources. New services: e.g. smart waste bins, robotics, apps, analytical tools and decision support software

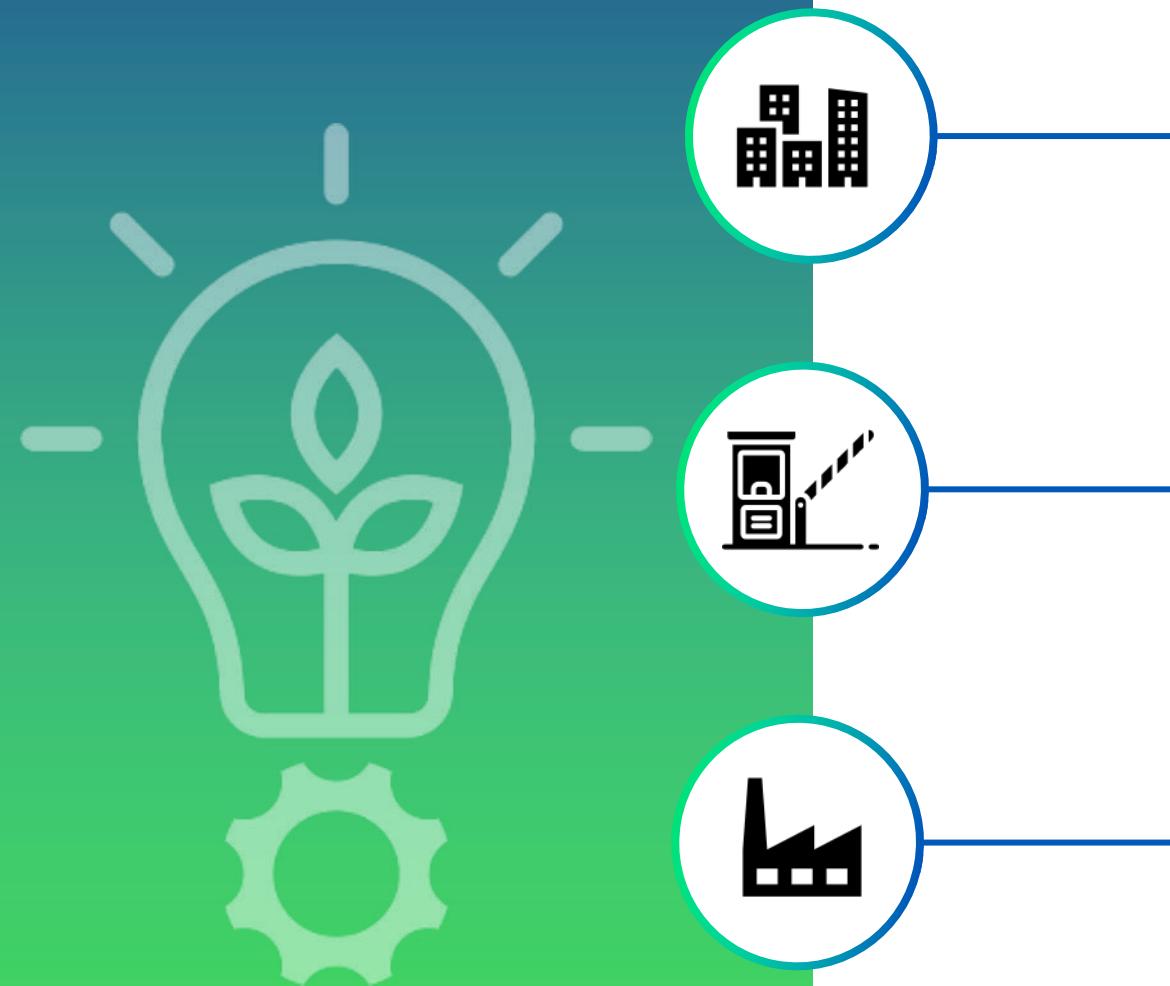
PARTNERSHIP WITH THE STEWARDSHIP  
MODEL

Subscription of at least 3 Stewardships with companies in the sector for:

- propose existing products for customisation;
- development of new products and services with the costs covered by the partners on favourable terms;
- potential extraordinary transactions

LAUNCH OF ESG REPORTING TO STEER  
INVESTMENT DECISIONS

We want to disclosure our environmental, social and governance criteria to be evaluated beyond the balance sheet by impact investors



Revamping and relaunch of the PV business counting on the solid national and international references of TerniEnergia (over 400MW installed since 2005) and on the value of the brand, through the subsidiary TerniEnergia Progetti, which will be put back on track.



Enhancement of the hi-tech O&M activities (including PAM/PV Inspector and Sundrone)



Managing co-development and EPC for plants <4MW with simplified authorisations and Agrivoltaic formula



**Internationalisation of AlgoWatt** through its abroad subsidiaries using their commercial presence and high-level project capabilities as differentiation



MAIN TARGETS



### Greece

(strong development process of renewable energy)  
5542 licences are available for renewable energy projects involving all type of power generation and market value of 5 GW



### South Africa

(TerniEnergia's historic market) expected as electricity system reform 6 GW of new solar photovoltaic capacity and 14 GW of new wind power capacity



## SMART BUILDING / SMART CITY

SYSTEM INTEGRATION FOR THE EFFICIENCY OF THE BUILDINGS OF HIGHLY ENERGY-INTENSIVE CUSTOMERS (PREFERRED OPTION)

## DIGITALISATION OF ENVIRONMENTAL SYSTEMS

TARGET COMPANIES WITH STRONG GROWTH POTENTIAL ACTIVE IN THE DECARBONISATION, WASTE MANAGEMENT, RECOVERY AND RECYCLING, SUSTAINABLE RESOURCE MANAGEMENT SECTORS

## BILLING

RECOVERY OF THE HISTORIC ITALIAN LEADERSHIP OF EX-SOFTECO IN THIS SECTOR

The current evaluations are focused on different realities consistent with the Restructuring Plan by using the treasury shares available to the Company.

In the event that the assessments will be not successful, the merger transactions will be converted into Partnerships/Stewardship for the provision of services.



MARCH 29th 2022

## INDUSTRIAL PLAN 2022-2024

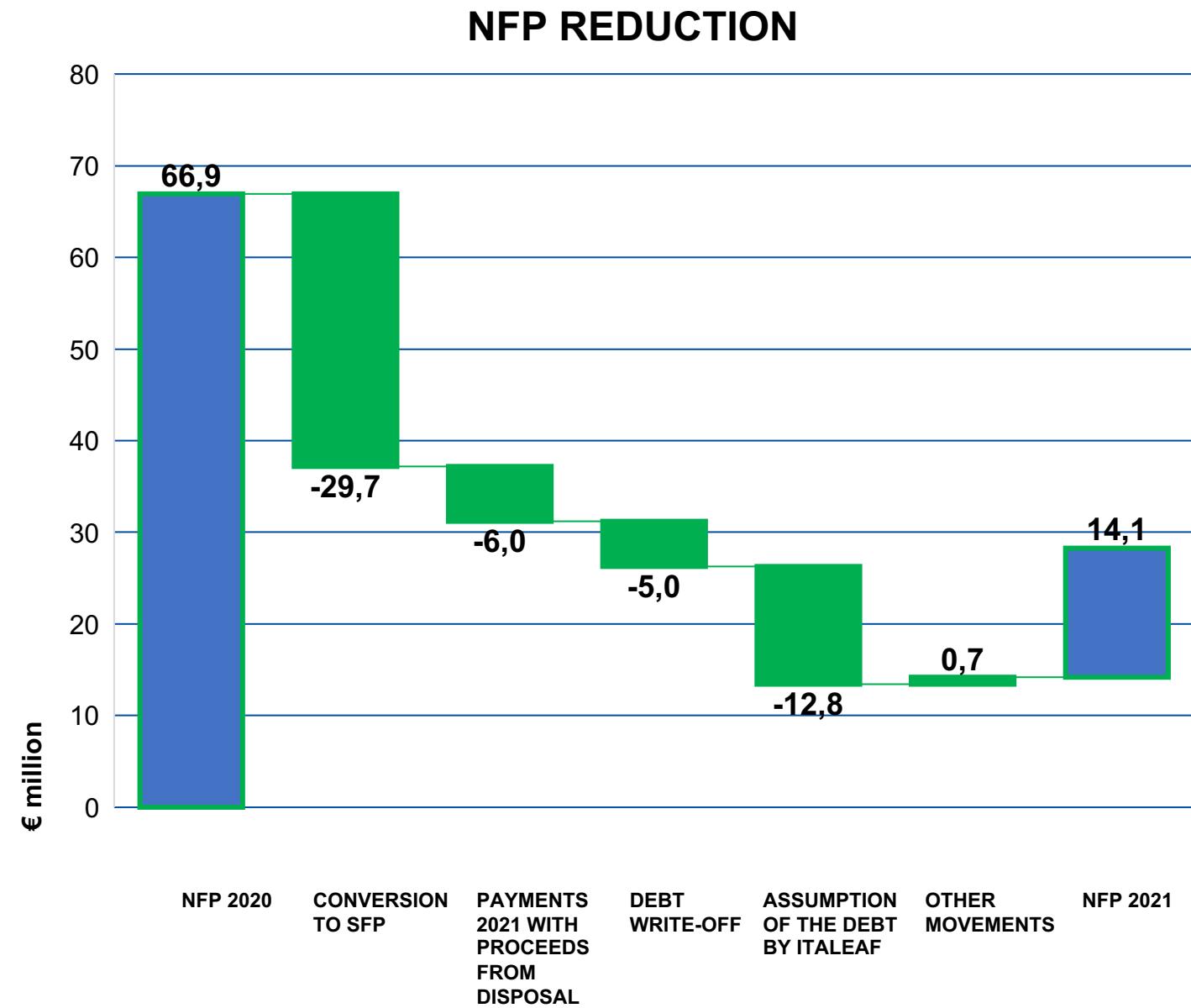
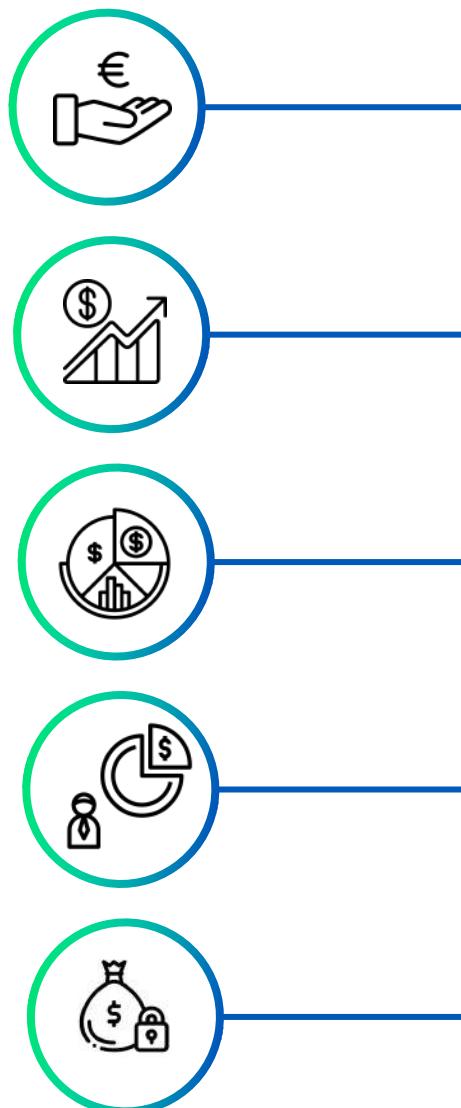


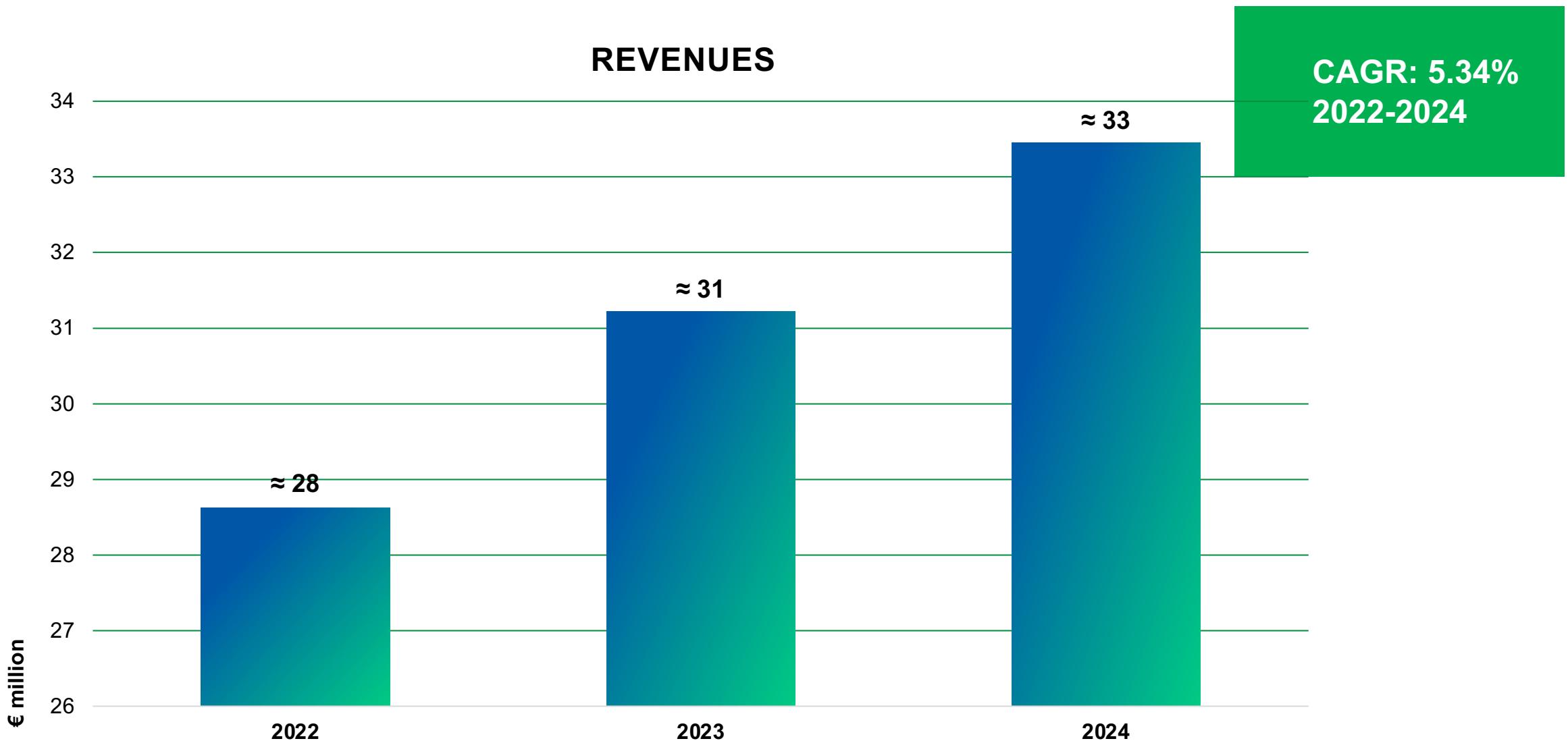
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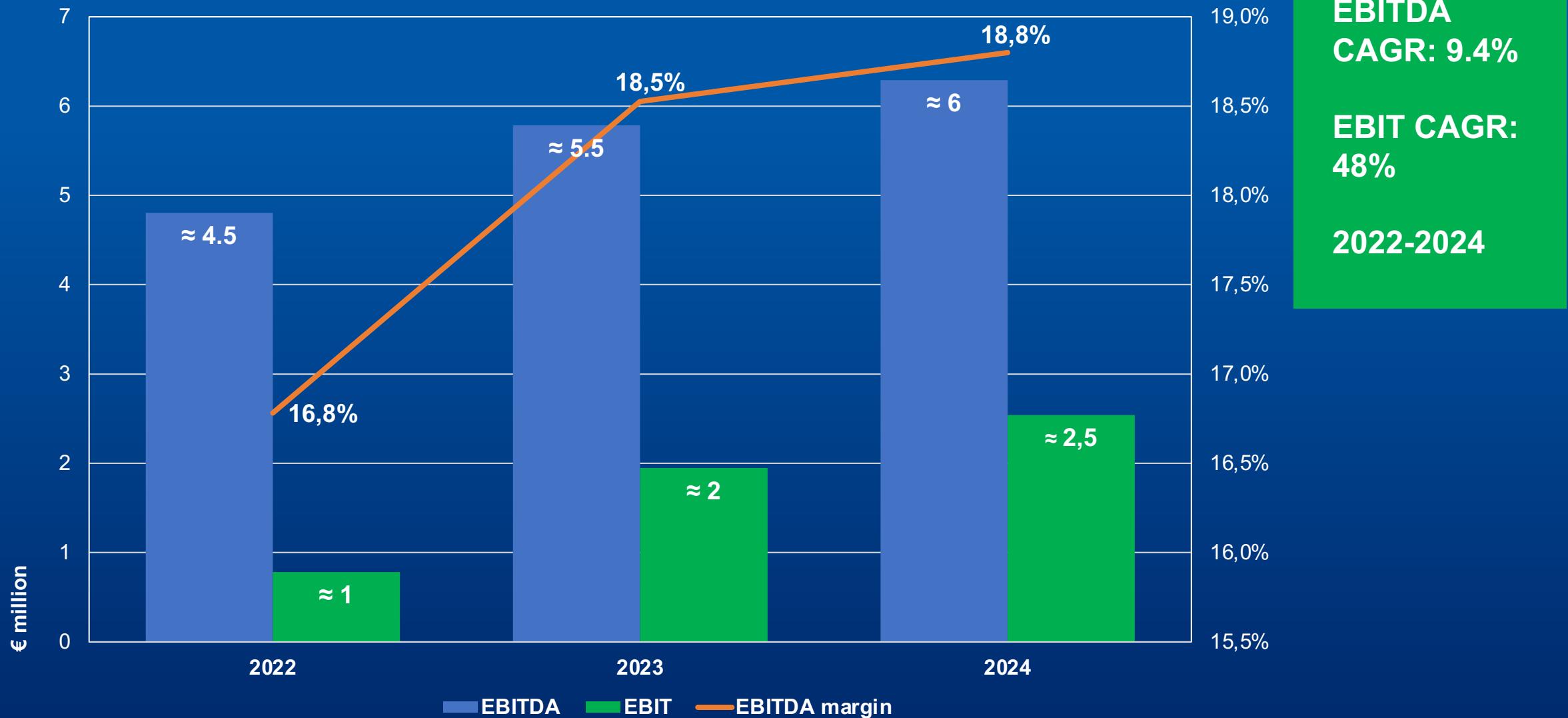


- Powerful and decisive Financial Agreement
- Conditions for a return to value creation
- Industrial turnaround and positioning in GreenTech sector

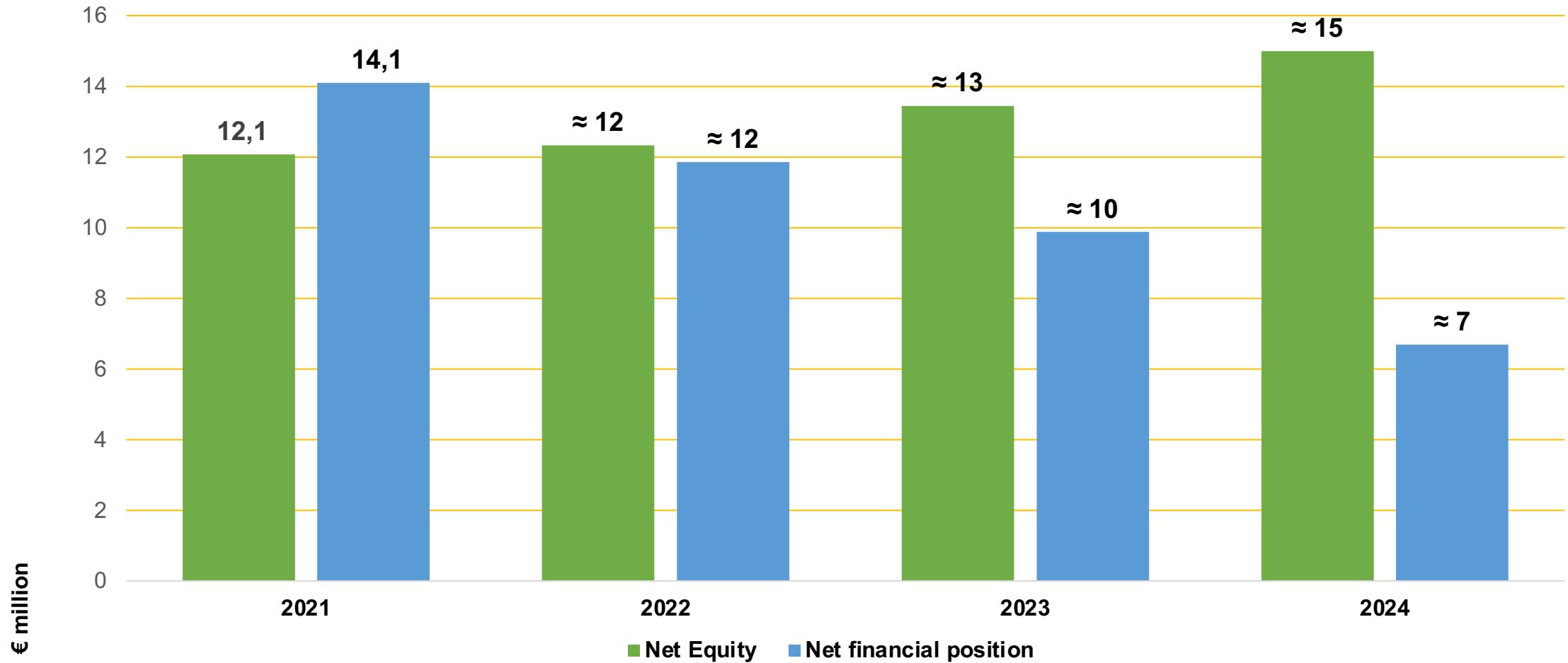








## NET EQUITY vs NFP



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