

W MAY 5<sup>th</sup> 2022

FINANCE **gala** by **SIM**  
**NTEGRÆ**

# FINANCE GALA 2022

## INVESTOR PRESENTATION

algowATT  eureka!  
GREEN TECH SOLUTIONS

This document, prepared by algoWatt S.p.A., is for information purposes only.

This document contains forward-looking data, projections, targets, estimates and forecasts that reflect the Company's management's current estimates of future events. Such forecasts include, but are not limited to, all information other than factual information, including, without limitation, information regarding operating results, strategy, plans, objectives and future developments in the markets in which the Group operates or intends to operate. The Group, its advisers, representatives, directors, officers or employees shall not be liable (negligently or otherwise) for any loss arising from the use of or reliance on this document and its contents.

All forward-looking information contained herein has been prepared on the basis of certain assumptions which may prove to be incorrect and, accordingly, the results presented herein may vary. The Group's ability to achieve its intended results and objectives is dependent on external factors. Actual results may differ from those projected or implied in the forward-looking statements.

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W  
AGENDA



Stefano Neri  
CHAIRMAN



Paolo Piccini  
CEO



Idilio Ciuffarella  
GENERAL MANAGER



Filippo Calisti  
CFO & IR

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# algoWatt at-a-glance





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

**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



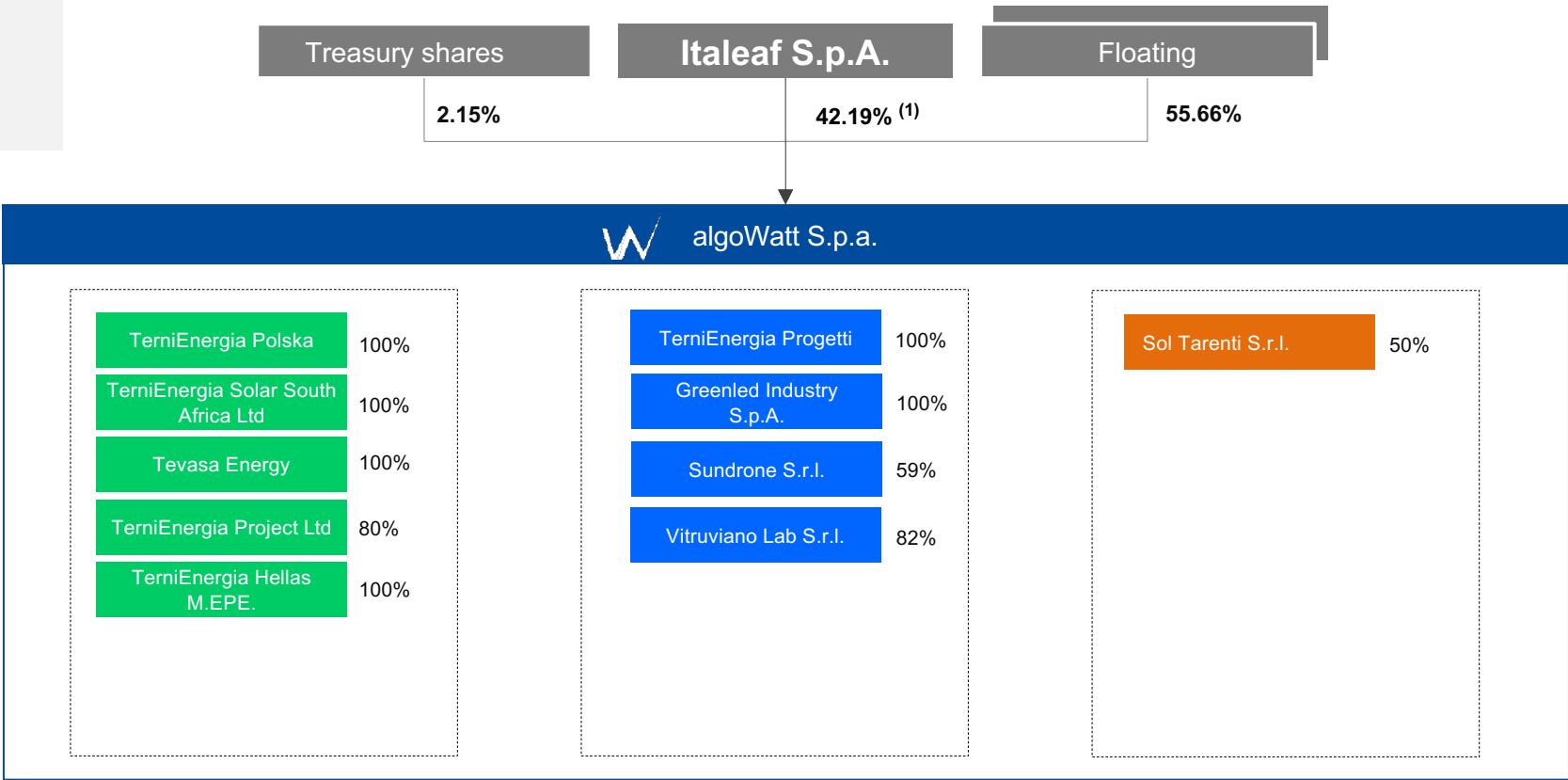
**200+**  
EMPLOYEES



**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**

# W WHERE WE ARE – OUR HEADQUARTERS AND OFFICES



**Milano**  
Headquarter  
Corso Magenta, 85  
20123 MILANO

**Genova**  
Operational Headquarters  
Via Sampierdarena,71  
16149 GENOVA

**Athens**  
**GREECE**  
Kentrikos Tomeas  
Athinon

**Roma**  
Via Giacomo Peroni 130  
00131 ROMA

**Terni**  
Nera Montoro  
Strada dello Stabilimento,1  
05035 Narni (TERNI)

**Lecce**  
Via Colonnello A. Costadura, 3,  
73100 LECCE















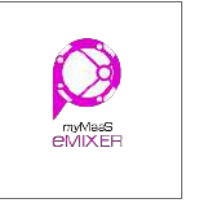


**Warsaw**  
**POLAND**  
Królewska 16,  
Warszawa 00-103

**Napoli**  
Centro Direzionale  
Isola F/3  
4° piano interno 10  
80143 NAPOLI

**Cape Town**  
**SOUTH AFRICA**  
Boulevard office Park, 2nd  
floor, Block D, Searle.  
District of Woodstock

**Catania**  
Via Leucatia, 9  
95125 CATANIA




	TURNKEY SOLUTIONS	SOFTWARE AND TECH PRODUCTS					
SMART UTILITY	<ul style="list-style-type: none"> <li>▪ Distribution Grid Solutions</li> <li>▪ Solutions for Transport Networks</li> <li>▪ Billing-Invoicing &amp; Metering</li> <li>▪ Smart &amp; Micro Grid</li> <li>▪ O&amp;M and aerial imaging analysis</li> </ul>						
SMART CITY	<ul style="list-style-type: none"> <li>▪ Industrial Automation</li> <li>▪ Supervision and Process Control</li> <li>▪ Scada System</li> <li>▪ Building Automation</li> <li>▪ Energy Saving</li> <li>▪ Superbonus General Contractor</li> </ul>						
SMART MOBILITY	<ul style="list-style-type: none"> <li>▪ Local Public Transport</li> <li>▪ Flexible Transport</li> <li>▪ Infomobility</li> <li>▪ Traffic &amp; Safety</li> <li>▪ Logistics</li> <li>▪ Railways &amp; Subways</li> <li>▪ Electric mobility</li> <li>▪ Routing and Ticketing of multi-modal hubs EPC solutions and O&amp;M</li> </ul>						



ANASTACIA  
INCLUSION  
IMOVE  
TRUSTONOMY  
VPP4ISLANDS  
CHOReVOLUTION

ELVITEN  
FALCON  
ZDMP  
PROSFET  
WInSiC4AP



**~30**  
YEARS OF ACTIVITY  
IN RESEARCH

**105+**  
RESEARCH  
PROJECTS

**25+**  
COORDINATED  
RESEARCH  
PROJECTS

**1000+**  
RESEARCH  
PARTNERSHIP

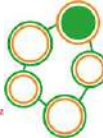
**11**  
H2020 RESEARCH  
PROJECTS  
  
**4**  
COORDINATED  
PROJECTS

**4.2M€**  
H2020  
CONTRIBUTIONS  
FROM EU

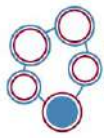
AFFILIATIONS



Associazione Italiana  
della Telematica  
per i Trasporti e la Sicurezza



Polo EASS  
Energia, Ambiente  
Sviluppo Sostenibile



Polo SOSIA  
Automazione  
e Sicurezza

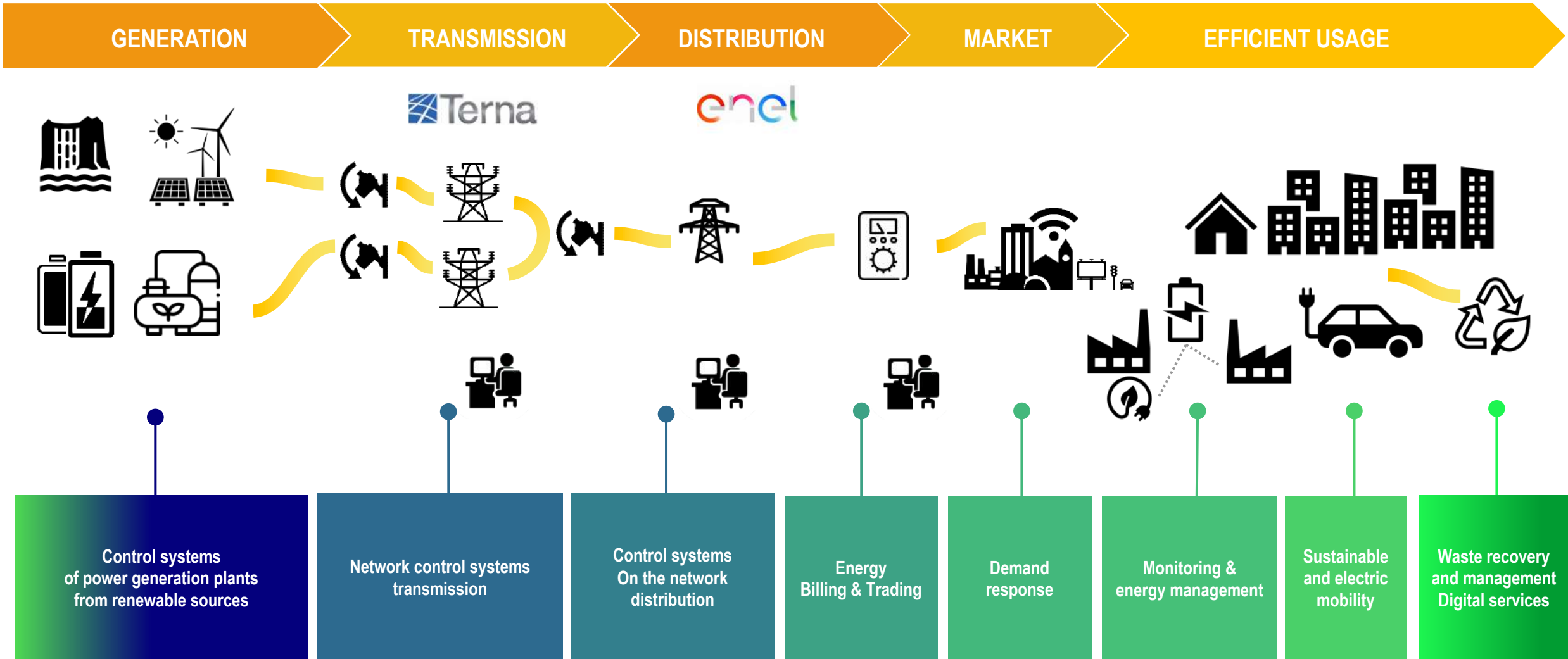


Polo TRANSIT  
Logistica e Trasporti



Polo PLSV  
Polo Ligure  
Scienze della Vita





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# A new governance to boost execution

# Enabling **New Organisational Solutions** to strengthen our core skills

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



Review of strategic options to accelerate transformation and address structural issues

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.

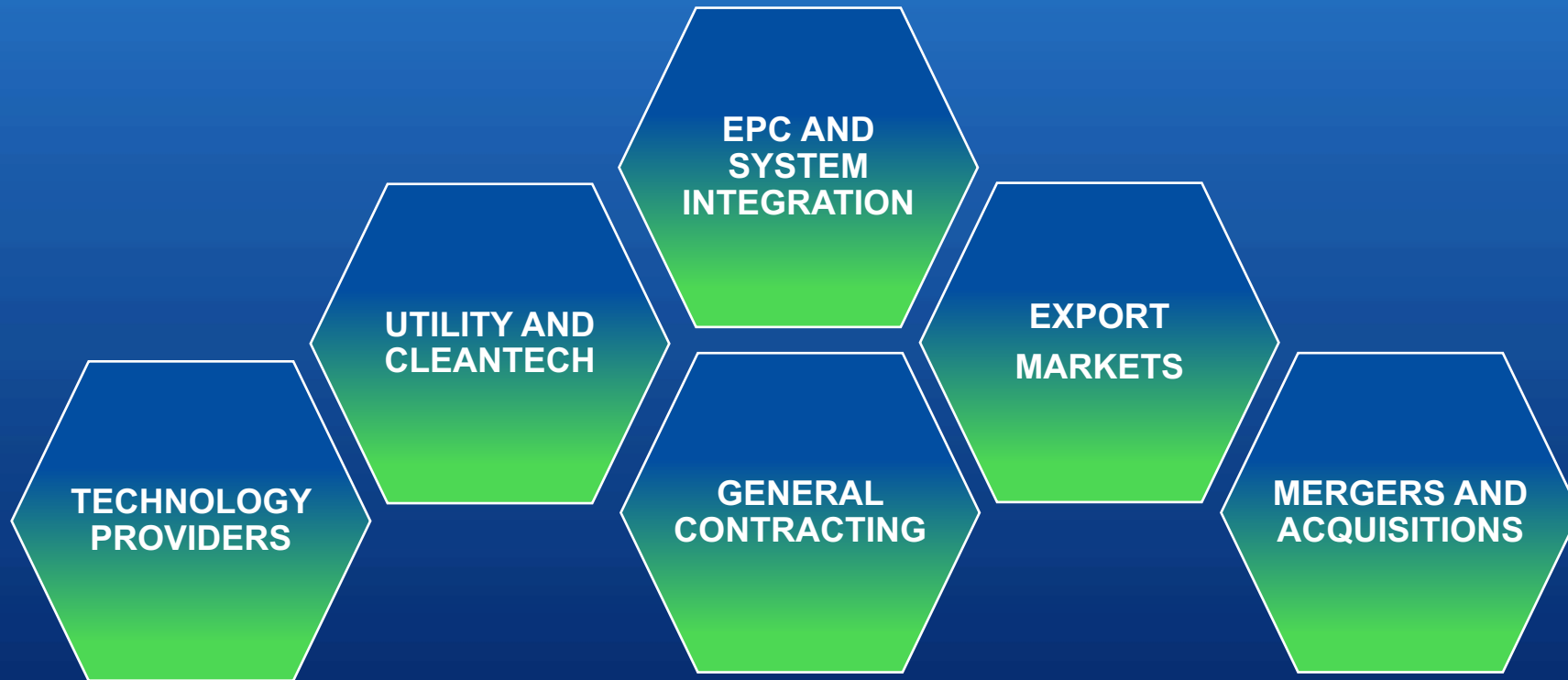


We want to combine our strong technological core with the recovery of system integration expertise and know-how, to provide turnkey solutions to meet the demand for widespread digitalisation and new solutions for sustainable energy and resource management





# The 6 strategic layers



# W ALLIANCE PARTNERSHIPS WITH TOP CLASS TECHNOLOGY PROVIDERS



## VALUE ADDED RESELLING

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



## EV CHARGERS

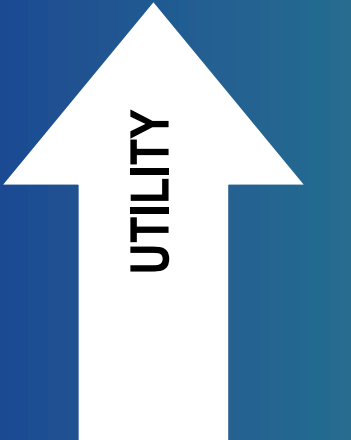
Industrial support in the realisation of the complete system from high-tech battery charging modules to the entire product range (power conversion, microcontrollers, security, auxiliary power supply, operating service and communication solution).



## 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

IN ADDITION TO ALGOWATT'S MAINSTREAM BUSINESS



**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.



**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**

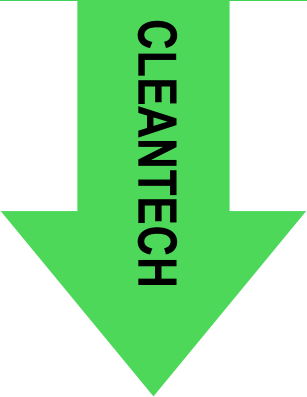
Subscription of at least 3 Stewardships with companies in the sector for:

- 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 disclose our environmental, social and governance criteria to be evaluated beyond the balance sheet by impact investors



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





# GENERAL CONTRACTING AND TURNKEY BUSINESS



EXPANSION OF THE PIPELINE DEDICATED TO ACTIVITIES RELATED TO THE BUILDING ENERGY EFFICIENCY WITH THE 110% SUPERBONUS AND FAST-TRACKING OF CONSTRUCTION SITES THANKS TO THE AGREEMENT WITH A COMMERCIAL/FINANCIAL PARTNER

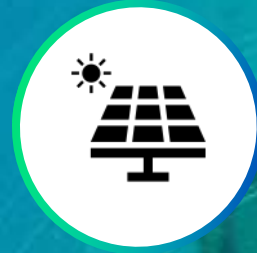


INSTALLATION OF CRITICAL INFRASTRUCTURES WITH IMPLEMENTATION OF HW AND SW DEDICATED TO DIGITALISATION, BASED ON THE COMPANY'S TRACK RECORD (E.G. TICKETING TERMINAL FOR CARONTE & TOURIST)



CONSTRUCTION OF TURNKEY SYSTEMS FOR THE REDUCTION AND MANAGEMENT OF ENERGY CONSUMPTION OF ENERGY-INTENSIVE COMPANIES OR COMPLEX STRUCTURES WITH INNOVATIVE FORMULAS SUCH AS PPA (E.G. INDUSTRIAL SITES, BUILDINGS, PUBLIC ADMINISTRATION)

**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.**



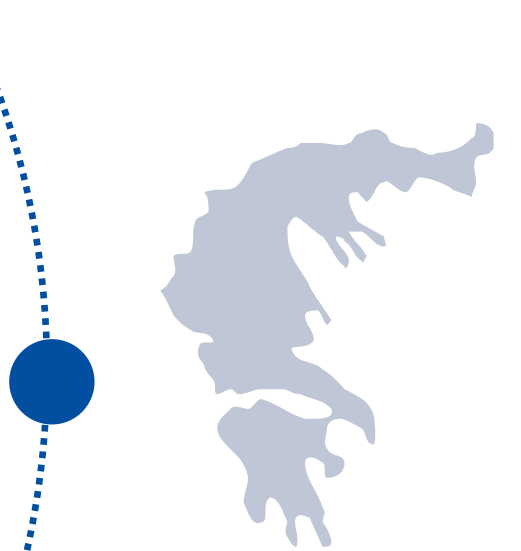
**Enhancement of the hi-tech O&M activities (including PAM/PV Inspector and Sundrone)**



**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.



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# Financial plan to 2024

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

**RECOVERY PLAN AND FINANCIAL AGREEMENT**

**A NEW GOVERNANCE SET UP TO STRENGTHEN GLOBAL POSITION**

- New management with successful track record for plan execution
- Strengthened governance with CEO and General Managers strongly committed to accelerating order intake and business growth

- Corporate structure more suitable to achieve targets by eliminating the 3 BUs and strengthening the commercial area
- Presence in a sexy business, highly committed to a unique and unrepeatable regulatory framework and to digital transformation path

**A LEANER STRUCTURE TO SECURE THE ACHIEVEMENT OF THE GROUP'S TARGETS**

**FORECASTING M&A TRANSACTIONS IN HIGH GROWTH SECTORS TO LEAD THE ENERGY AND ECOLOGICAL TRANSITION**

- Targeting potential deals for M&A transactions in integrated or complementary sectors
- Strategic transactions during the Plan period will be carried out with the use of treasury shares and in line and in full compliance with the targets of the Recovery Plan

- Clarity of goals and focus on 6 strategic layers to strengthen opportunities for adding value-added growth to business as usual
- Alliance partnership with top class provider, alliance partnership with cleantech players, general contracting, renewal of PV and renewables EPC and O&M business, potential M&A

**THE CLEAR DEFINITION OF 6 STRATEGIC LAYERS TO SUPPORT SOLID GROWTH**



REVENUES  
€ 22 ML



EBITDA  
€ 3.2 ML



NET RESULT  
€ 8.6 ML

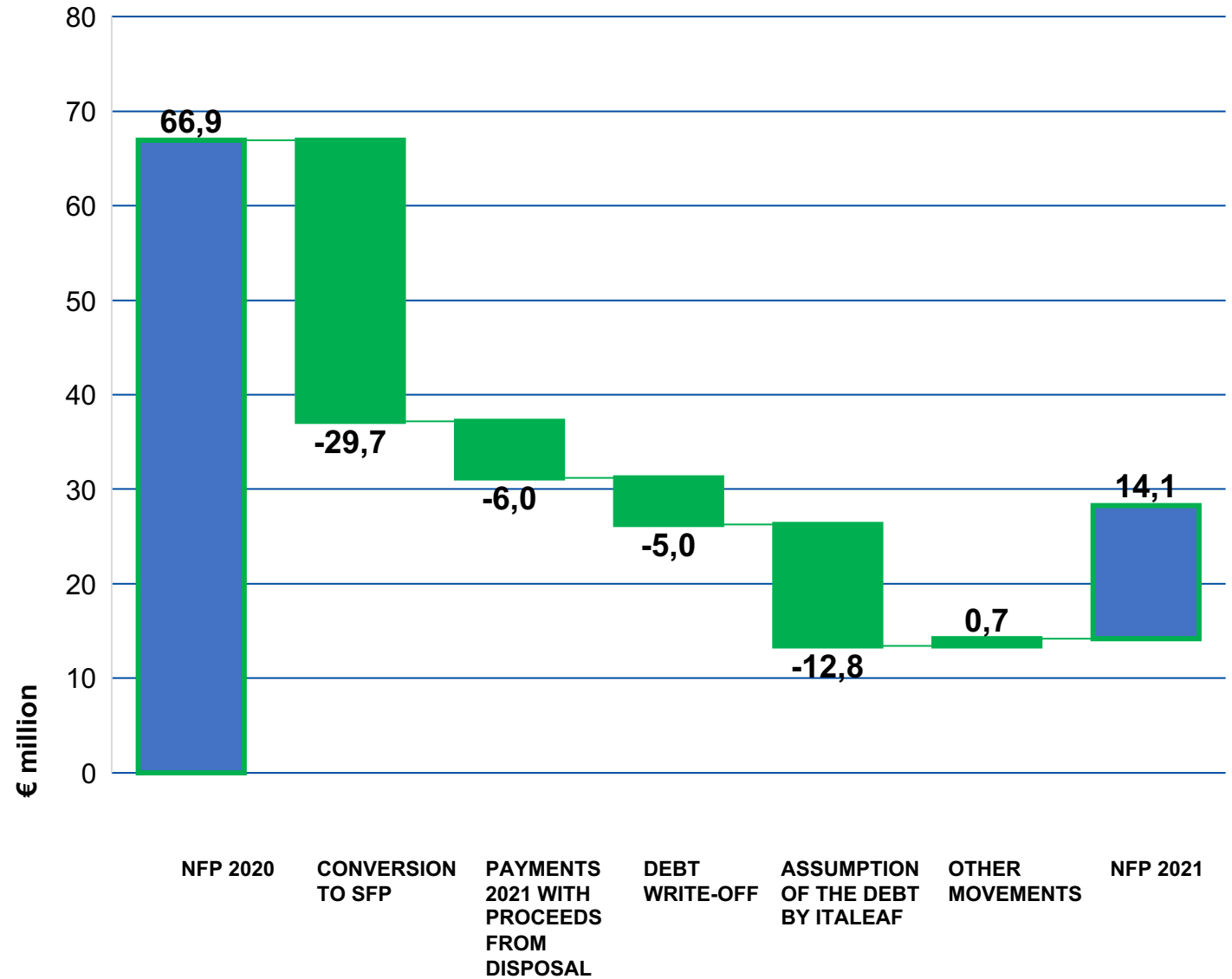


NET EQUITY  
€ 12,1 ML

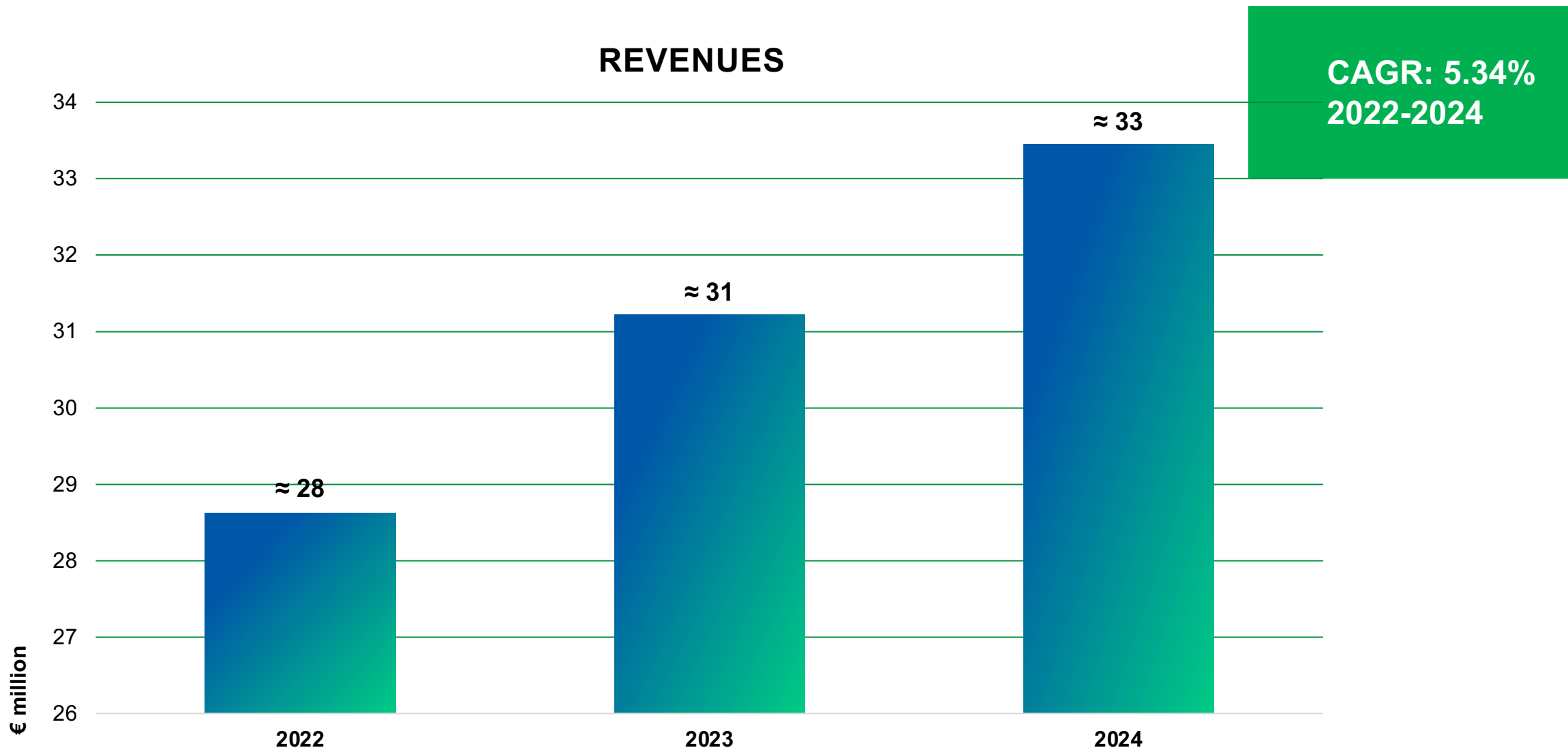


NFP  
€ 14.1 ML

### NFP REDUCTION

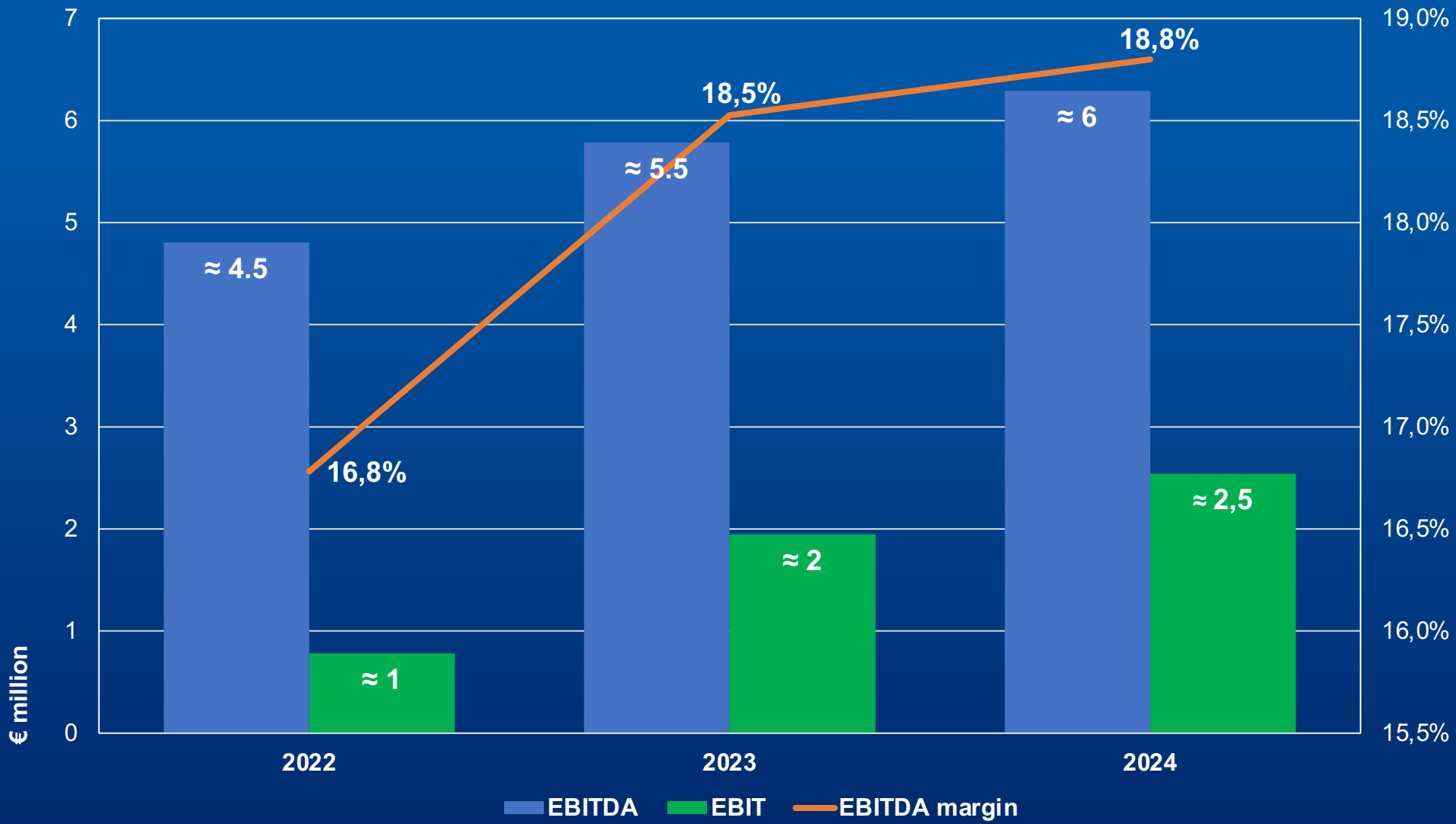


## REVENUES





# EBITDA AND EBIT BOOST WITH A BALANCED MIX

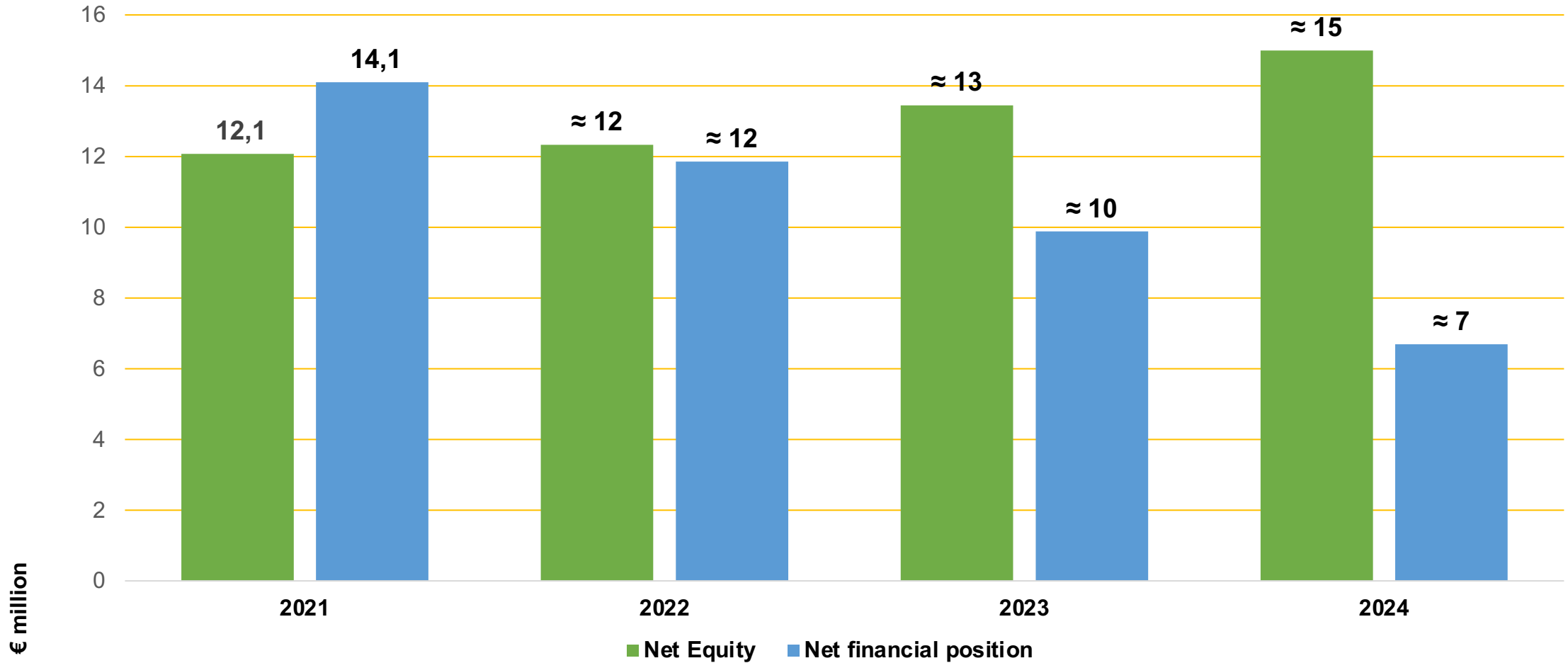


**EBITDA  
CAGR: 9.4%**

**EBIT CAGR:  
48%**

**2022-2024**

### NET EQUITY vs NFP





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**INFO**

[www.algowatt.com](http://www.algowatt.com)

[info@algowatt.com](mailto:info@algowatt.com)

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# Annexes







**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**

**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**

**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**

**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

**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**

**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

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



**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**



**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 GROW AT A CAGR OF 10.87% TO REACH NEARLY \$ 4.3 BILLION BY 2027**  
 EMR Global smart waste management market



## MORE THAN A RECOVERY PLAN

Single market, innovation and digital € 11.5 billion  
Natural resources and environment € 18.9 billion  
Horizon Europe € 95.5 billion

## LARGEST STIMULUS PACKAGE EVER

Digitalisation, innovation, competitiveness and culture € 40.32 billion  
Green revolution and ecological transition € 59.47 billion  
Infrastructure for sustainable mobility € 25.40 billion

## ECOLOGICAL AND ENERGY TRANSITION

Sets a target of a 30% share of renewable energy in final energy consumption by 2030, and 21.6% in transport, which is higher than the 14% set by the EU

## DECARBONISATION OF THE EUROPEAN ECONOMY

The European Climate Law sets a legally binding target of net zero greenhouse gas emissions by 2050, taking into account an indicative greenhouse gas budget for 2030-2050 to be published by the Commission

## MODERNISING TRADITIONAL POLICIES

Building a stronger economic base", starting with "Reducing strategic dependencies". The measures include circular economy and sustainable agriculture; renewable energy, hydrogen, grid and sustainable mobility; energy efficiency and building renovation

## FINANCING BUILDING ENERGY EFFICIENCY

A 110% deduction of the expenses for interventions aimed at energy efficiency and static consolidation or reduction of seismic risk in buildings. Include the installation of PV plants and EV-charge.  
The Superbonus is available until 31 December 2025, in the following measures:  
110% for expenses incurred until 31 December 2023; 70% in 2024; 65% in 2025

## NEXT GENERATION EU

## PNRR

## PNIEC 2030

## EMISSIONS REDUCTION STRATEGY TO 2050

## NEW MITE DECREES

## SUPERBONUS 110% AND ECOBONUS