

27 MAY 2022

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# BUSINESS PLAN 2022-2024

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Stefano Neri  
**CHAIRMAN**

# Why sustainability and digitization go hand-in-hand

## 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**

## 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**

ENERGY BACKGROUND



## 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**





# DYNAMIC FORCES IMPACTING OUR INDUSTRY

SUSTAINABILITY RESOURCES BACKGROUND

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 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

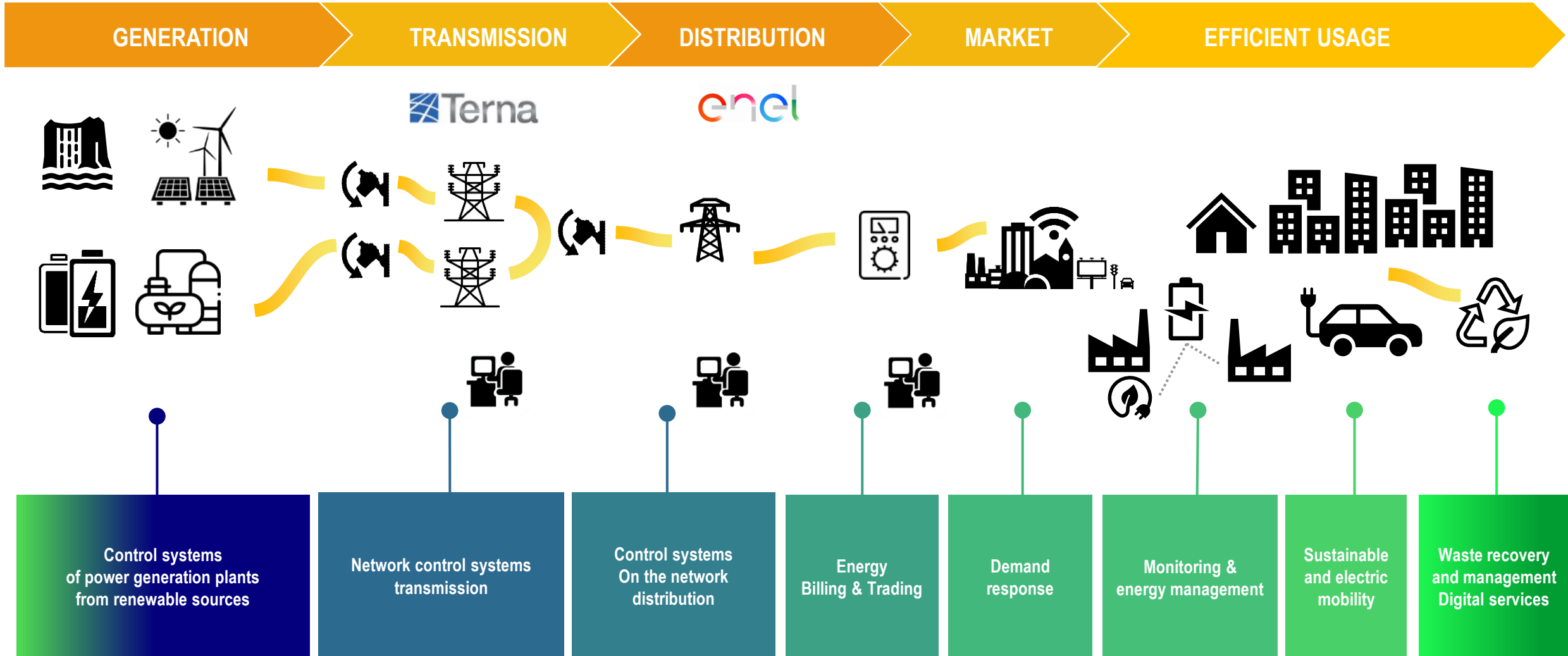
## PNIEC 2030

## EMISSIONS REDUCTION STRATEGY TO 2050

## NEW MITE DECREES

## SUPERBONUS 110% AND ECOBONUS





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Paolo Piccini  
CEO

# alگوWatt at a glance





**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

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



## 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

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	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>						

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Idilio Ciuffarella  
**GENERAL MANAGER**

# Leading Clean Energy Transition

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 VALORISING THE RECOVERY PLAN AND THE FINANCIAL AGREEMENT



BECOME A LEADER OF ENERGY TRANSITION DELIVERING PROVEN BENEFITS TO CUSTOMERS



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



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



PLANNING OF DEALS FOR INTERNAL AND EXTERNAL GROWTH



DRIVE AN ORGANISATIONAL FOCUS TO ENHANCE VALUE CREATION



INVESTING IN HUMAN RESOURCES TO INCREASE SKILLS AND GROWTH OPPORTUNITIES



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



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

# 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**



Review of strategic options to accelerate transformation and address structural issues

**FASTER AND SMARTER**



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**



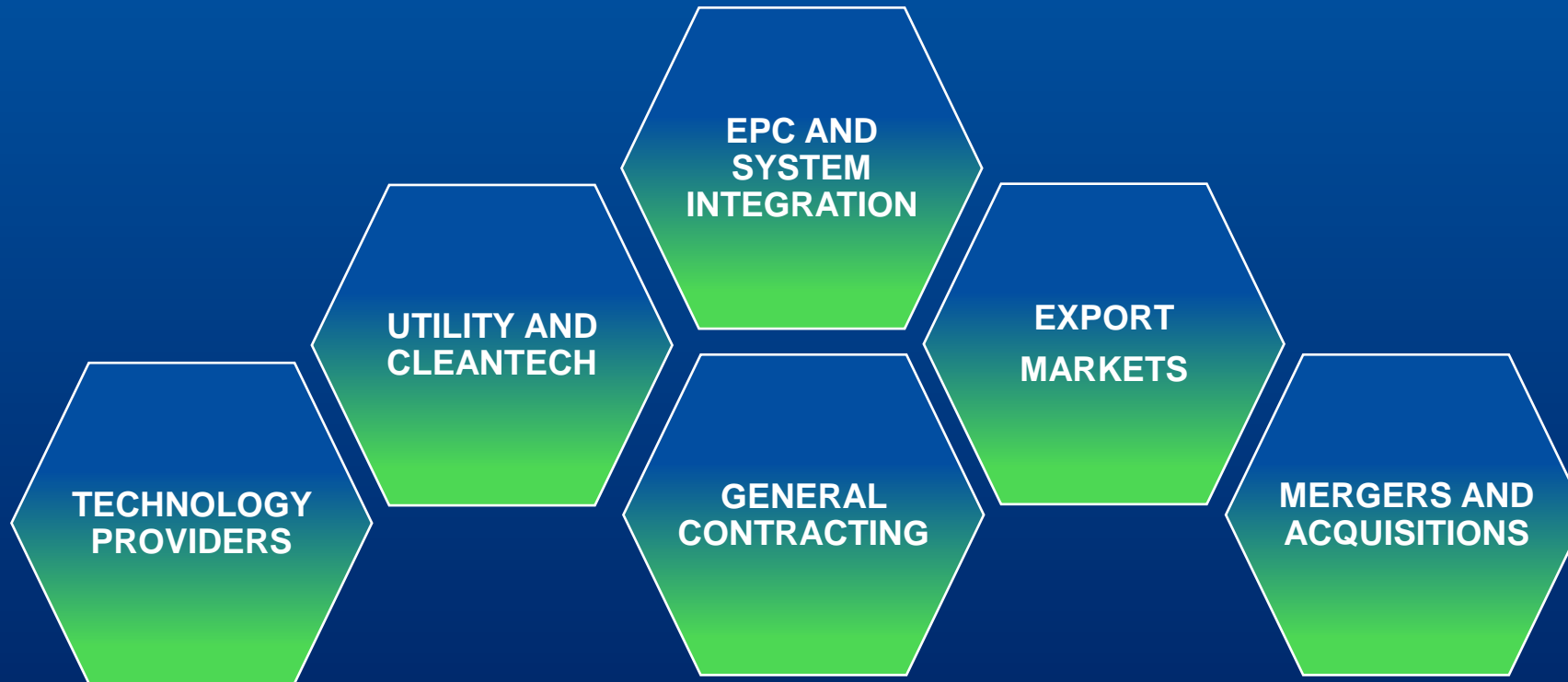
We want to combine our strong technological core with the recovery of system integration expertise and know-how, to provide turnkey solutions to meet the demand for widespread digitalisation and new solutions for sustainable energy and resource management

**TECHNOLOGICAL ENABLER**





# The 6 strategic layers





## 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

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.



### 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

CLEANTECH

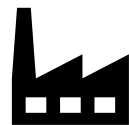
*Enabling digital transformation and new energy and sustainable resources management paradigms*



**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**



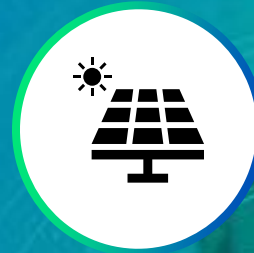
**INSTALLATION OF CRITICAL INFRASTRUCTURES WITH IMPLEMENTATION OF HW AND SW DEDICATED TO DIGITALISATION, BASED ON THE COMPANY'S TRACK RECORD (E.G. TICKETING TERMINAL FOR CARONTE & TOURIST)**



**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.



A close-up of a person's face, focusing on the eye. The eye is replaced by a futuristic, glowing blue and white digital graphic. Overlaid on the face are various white digital elements: glowing lines, circles, and arrows, suggesting a complex network or data flow. The background is a soft, out-of-focus light blue.

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