

PRESS RELEASE

Strategic-Industrial plan 2023-2027: 1.6 billion euros of investment to consolidate the position as Italian renewable player and primary competitor in the energy transition scenario.

In an ever-changing market, CVA will achieve a sustainable and lasting competitive advantage through the implementation of new industrial capacity, the strengthening of technological know-how, the positioning on the entire renewable 'value chain', and the path of technological and geographical differentiation through the further development of the wind and photovoltaic sectors. By the end of the Plan, the achievement of 2 GW of installed power entirely from renewable sources is expected.

Châtillon, June 27th 2023

The CVA Group's Strategic-Industrial Plan 2023-2027 was presented.

Economic and Financial Highlights @2027

- **Revenues:** 1.855 million euros
- **Expected EBITDA:** 504.9 million euros (2.3 billion euros over the period covered by the plan)
- **Expected profit:** 249.5 million euros (1.2 billion euros over the period covered by the plan)
- **Total investments over the period covered by the plan:** 1.6 billion euros
- **Cumulative dividends over the period covered by the plan:** 471.3 million euros

Industrial Highlights @2027

- **Completion of the diversification strategy:**
 - **production capacity to 2027:** +804 MW of new renewable capacity throughout Italy
 - **installed capacity to 2027:** 48% Hydroelectric, 35% Photovoltaic, 12% Onshore Wind, 5% Agrivoltaic
- **2 GW of installed renewable capacity by 2027** (from actual 1.2 GW)

ESG Highlights

- When fully operational, **approximately 2 million tonnes of CO₂ emissions avoided** due to the increase in new renewable capacity
- **Zero scope 1 and 2 emissions** (active emissions) by 2030
- **100%** of waterways monitored
- **100%** plants with automation solutions
- **100%** relevant areas monitored with satellite technologies

Business Unit Highlights @2027

- **Hydroelectric:** 8% increase in average annual hydroelectric production after completion following the revamping of the Chavonne and Hône II hydroelectric plants and the construction of the new Morgex plant
- **Wind and Solar:** 1 GW installed capacity to 2027 (+804 MW compared to the present installed capacity)
- **DSO:** 134 million euros for the upgrading and improvement of the network and the installation of meters with second-generation smart metering
- **Sale:** dynamic management of the commercial portfolio with a focus on the Business segment
- **Energy Efficiency:** establishing and developing a new business unit through M&A

CVA Chairman **Marco Cantamessa** said: *"The Strategic-Industrial Plan to 2027 will allow CVA to operate as a leading player in the energy transition, interpreting the main trends through a strengthening of its industrial competencies. This will lay the foundations to ensure a sustainable and lasting competitive advantage for the Group and generate a strong impact in terms of sustainability".*

CVA's CEO **Giuseppe Argirò** commented: *"The industrial strategy designed by the Group will allow CVA to consolidate its position as Italy's leading renewable energy operator with 2 GW of pure green installed capacity by the end of 2027 and to significantly enhance the Group's competitiveness in the market, bringing to fruition the technological diversification strategy that will ensure its significant resilience in the medium to long term while making a significant contribution to the energy transition and national energy security."*

STRATEGY

CVA's growth strategy to 2027 is fully in line with the main national trends in the sector, which foresee a sharp increase in installed wind and photovoltaic capacity, the need for significant interventions to adapt the electricity system and the implementation of multiple energy efficiency measures.

In this context, the 2023-2027 Strategic-Industrial Plan provides for a consolidation of **CVA's position as a leading Italian renewable operator and a protagonist in the ecological transition** thanks to the implementation of an **investment plan of 1.6 billion euros** over the period covered by the plan.

The addition of several acquisitions expected by the Strategic Industrial Plan 2023-2027, will **reinforce the Group's industrial know-how**, the achievement of industrial synergies among the business lines and the optimisation of operative costs.

Industrial capacity and positioning on the entire 'Value Chain' will become the **differentiating element** to meet the needs of a changing market, creating a sustainable and lasting **competitive advantage**.

As part of the 2023-2027 Strategic-Industrial Plan, CVA will continue along the path of **industrial and technological diversification** it has already started, through the development and construction of photovoltaic, wind and agrivoltaic ('Other RES') plants, thus significantly strengthening the Group's resilience profile. In fact, in the plan arc, CVA foresees a **significant growth in pure green installed capacity from the current 1.2 GW to 1,951 MW** in all Italian regions. From a technological point of view, 48% of installed capacity will be in hydroelectric (up from 79% in 2023), 35% in photovoltaic, 5% in agrivoltaic and 12% in onshore wind.

The CVA Group has defined an integrated strategy to combine the Strategic-Industrial Plan with environmental and social sustainability, aimed at long-term value creation. The Plan contains initiatives that incorporate ESG criteria in the industrial strategy, as well as specific sustainability objectives, developed by three cross-functional working groups covering all Group companies and for each of the material themes, which express CVA's commitment as a Community Company: Future Proof, Empowering Communities, Positive Impact.

The Plan's incremental contribution to the country's energy transition is estimated at around 2 million tonnes of CO₂ avoided when fully operational, and direct emissions are expected to be zero by 2030. The Group plans to monitor 100% of its waterways, make its assets safe and resilient by reaching 100% of plants with automation solutions and 4.0 maintenance projects, and 100% of relevant areas monitored with satellite technologies. Finally, a strong commitment will be dedicated to people with listening processes, dedicated projects for schools, and corporate volunteering and training initiatives.

ECONOMIC AND FINANCIAL OBJECTIVES AND DIVIDEND POLICY

At the end of the Plan, CVA expects an **EBITDA** of 504.9 million euros, and a **Net Profit** of 249.5 million euros.

The **Net Financial Position** at 2027 is expected to be 396 million euros with a NFP/EBITDA ratio of 0.8x.

In the period 2023-2027, the Group, 100% public owned by the Valle d'Aosta Region through the regional finance company Finaosta SpA, estimates to distribute **cumulative dividends of 471.3 million euros, incur cumulative tax charges of 540.6 million euros and 217.3 million euros for water derivation concession charges for hydroelectric use.**

BUSINESS UNITS

The Strategic Plan 2023-2028 envisages deployment lines for each of the Group's **Business Units**. In particular:

Hydroelectric

The Plan envisages the **revamping of the Hône II and Chavonne plants and the design and construction of a new plant in Morgex** with a total investment of 330 million euros. The interventions will increase the average annual production of CVA in the hydroelectric sector by 8% (+225 GWh).

With the aim of preparing concrete investment proposals in view of the expiry of the concessions, the Plan also calls for the development of planning for the upgrading, extraordinary maintenance, conservation and environmental improvement of the Group's

entire plant fleet. The objective is to introduce innovative solutions that will allow increased energy production while also managing the effects of climate change.

Other RES

In a favourable national context for the development of RES and the capacity growth targets for photovoltaic and wind power plants set out in the National Energy and Climate Plan (PNIEC), CVA intends to pursue a **diversification strategy** through its subsidiary CVA EOS, for the **development of photovoltaic, agrivoltaic and wind power plants**, in line with the strategic choice that led to the acquisition of Sistema Rinnovabili, finalised in February 2023.

In detail, the Strategic-Industrial Plan sets the target for **installed capacity** to 2027 at **1,016 MW**. Thanks to more than 1,082 million euros in investments, 804 MW are expected to be installed, in addition to the 212 MW currently in operation, deriving from the development of the CVA EOS pipeline and the integration of the Sistema Rinnovabili pipeline. The plan also includes the development of additional net new capacity, in addition to the 1,016 MW operated by the Group, conservatively expected to be 409 MW, which will be valued on the market when ready-to-build status is reached.

Distribution

The increasing importance of not programmable renewable sources and the decommissioning of conventional plants determine critical conditions for the electric grid system. With the aim of satisfying such new system needs, also linked to the development of distributed generation and the increase of electric demand as part of the National Energy Plan's electrification objectives, CVA Group through its subsidiary DEVAL has planned **investments for 134 million euros**.

Interventions are focused on **enhancing the grid and improving the service quality** (79 million euros), the **replacement of meters with second generation smart metering** (17 million euros) and an intervention programme to meet **clients' demands** (38 million euros).

Sale

The commercial development plan is focused on the **dynamic management of the commercial portfolio with a particular focus on Business customers**, in order to respond to the increased demands from this segment following the energy shock. It is also planned to exploit **cross-selling opportunities and synergies with other Business Units of the Group**. As far as the **Retail** segment is concerned, CVA has planned to consolidate its **leadership position at territorial level in Valle d'Aosta**.

Energy Efficiency

The Plan calls for the **consolidation and development of the Energy Efficiency Business Unit** and its growth through the acquisition of a portfolio of complementary businesses operating in the sector.

Lastly, the Group plans to invest in **Open Innovation** activities with proof of concept, feasibility studies, pilot projects and corporate venturing operations. In addition to the **development of green hydrogen production projects, energy communities and storage systems**.

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The CVA Group, with headquarters in Valle d'Aosta and facilities throughout Italy, was founded in 2001. It is the only Italian integrated operator on the entire pure green energy chain and also operates in the energy efficiency sector. The current plant fleet consists of 934 MW of power from hydroelectric plants, 54 MW from photovoltaic plants and 157 MW from wind power plants. A protagonist of the energy transition, the Group envisages a strategic investment plan to 2027 that will lead to 804 MW of new photovoltaic and wind power plants, for an additional production of 1,440 GWh of renewable energy.

For further information www.cvaspa.it.