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# **EARNINGS RELEASE**

**Results for the 1st quarter of 2023  
(unaudited information)**

# EARNINGS RELEASE – RESULTS FOR THE 1ST QUARTER 2023

(Unaudited information<sup>1</sup>)

This document is a translation of a document originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

## 1. HIGHLIGHTS

Main indicators for the first quarter of fiscal year 2023 (1Q23):

- Total revenues reach 67.7 million Euros (around +20% compared to 1Q22);
- EBITDA excluding transaction costs amounts to approximately 22.0 million Euros (in line with the 1Q22);
- Net Profit attributable to Greenvolt of 0.3 million Euros (around -800 thousand Euros compared to the 1Q22).

Greenvolt Group's financial performance in the first quarter of 2023 was impacted by the biomass segment, whose EBITDA was less positive than in the 1Q22, a consequence of a decrease in the UK electricity selling price, after reaching record prices in the year 2022. The Utility-Scale segment continued to contribute positively to the Group's EBITDA, as in the last quarters of 2022. As expected, there were no asset sales in this segment during the quarter, with Greenvolt currently having projects under construction in 6 countries.

Thus, Greenvolt Group's EBITDA remained in line with the 1Q22, especially considering that the results of the first quarter of 2022 did not yet incorporate the effects of MaxSolar (Germany), Actualize (United States), Greenvolt Next España, Greenvolt Next Polska, Perfecta Industrial and Greenvolt Comunidades, companies that started to contribute to the Group's results only in the 2Q22 and which are undergoing an acceleration of growth.

The average cost of debt remained below 4% and a solid liquidity position of over 800<sup>2</sup> million Euros was maintained, allowing for a faster execution of projects in the pipeline, from RtB to COD.

The first quarter of 2023 was marked by the following operational and financial milestones:

- Acquisition of 51% of Greenvolt Next Greece, a company incorporated during this quarter, in partnership with Globalsat-Teleunicom Group, allowing the Group to enter the distributed generation segment in Greece.
- Issue of 200 million Euros in convertible bonds subscribed by KKR's global infrastructure fund, which strengthened Greenvolt's capital structure and liquidity for future projects and introduced a new strategic partner with proven experience and relevance in the energy sector.

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<sup>1</sup> There might be differences due to rounding.

<sup>2</sup> Includes cash and cash equivalents and unused credit lines.

- Continued business development of distributed generation, supported by a backlog of 150.8 MWp, in multiple European countries, until 31 March 2023. Greenvolt Comunidades also continued to consolidate its business model, having signed approximately 80 energy communities since its incorporation in 2022 until the end of the first quarter of 2023.

By the end of the year, the Group expects to complete asset rotation operations of at least 200 MW and achieve a positive result in the Distributed Generation (DG) segment. In the light of these objectives, the Group should obtain results compatible with the current business plan.

Already during the second quarter of 2023, the following milestones occurred:

- Acquisition of 37.3% of the share capital of Solarelit, with a call option for a majority position in 2027. Solarelit is an Italian DG company based in Milan with more than 15 MWp awarded during 2022.
- Signature of the memorandum of understanding regarding the sale of a wind power generation project with a capacity of 8 MW in Poland, whose energy will be consumed directly by the buyer ("behind the meter" solution), and with an indicative price per MW that amounts to 2.35 million Euros.
- Partnership with Bluefloat Energy, a world reference developer of offshore wind power generation, marking Greenvolt's entry into the development of floating wind power in Portugal, contributing to the national target of 10 GW of installed offshore wind power capacity by 2030. This partnership does not represent a change in Greenvolt's business plan, but rather reinforces its strategy, allowing it to leverage its specific development and local licensing skills in the offshore segment in Portugal.

### **Market context**

In the markets where Greenvolt operates, the evolution of electricity prices continues to be determinant, which in the first quarter of 2023 saw a reversal of the 2022 trend, decreasing throughout Europe, but remaining well above the prices observed until mid 2021. At the same time, a slowdown in market inflationary trends was also observed, however, interest rates remain high compared to recent years and central banks have not yet signaled their decrease, only the slowdown of the increases.

Regarding regulatory trends, of note is the entry into force of Council Regulation (EU) 2022/2577, adopted in the context of the energy emergency plan and aimed at accelerating the implementation of renewable energy. This diploma introduces important measures to simplify the licensing of renewable projects, such as the establishment of the prevalence of public interest of renewable projects, as well as maximum time limits of three months for the approval of solar energy projects located on artificial structures. Also of note is the proposal presented by the European Commission for the reformulation of the electricity market, which reinforces the role of forward contracting of renewable projects, either through PPAs or through contracts for difference promoted by the Member States. The proposal also includes the establishment of the right to share energy, which should allow the expansion of Greenvolt Comunidades model throughout Europe.

According to João Manso Neto, CEO of Greenvolt:

*"The results for first quarter of 2023 reflect the reduction in biomass EBITDA mainly due to lower spot prices in the UK, already expected, as well as the fact that no asset sale transaction, planned for the next quarters of the year, has been completed.*

*This was a transition period, in which we reinforced Greenvolt's operational and human skills, by consolidating a structure that will allow the Group to develop, execute and surpass the Business Plan.*

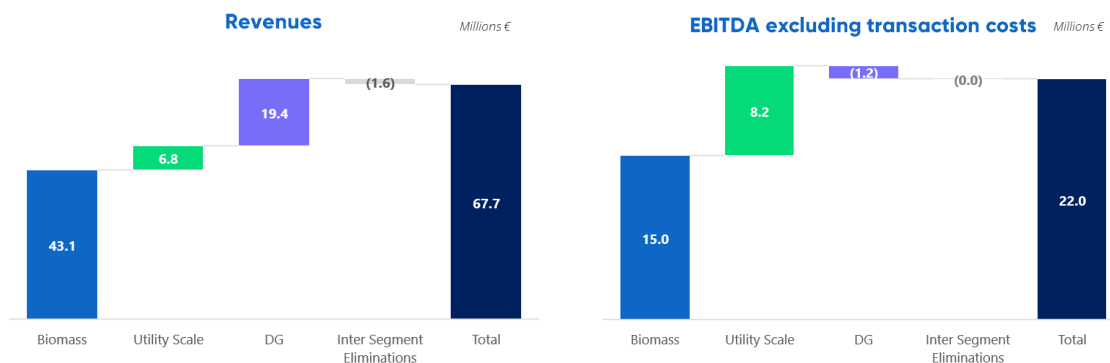
*In this context, we progressed with the construction of 460 MW in 6 countries and with the preparation processes for the next asset rotation operations of at least 200 MW.*

*In DG we have entered 3 more countries in recent months, with installations in this quarter equivalent to 40% of the whole year 2022.*

*In the Biomass segment, operational excellence was maintained, as a result of the continuous investment made by Greenvolt.*

*At the same time, we contracted new financing totaling 315 million Euros, including 200 million Euros of convertible bonds fully subscribed by KKR as part of the strategic partnership."*

## 2. ANALYSIS OF BUSINESS AREAS



### 2.1 Residual biomass and Greenvolt structure: Lower prices in the UK put negative pressure on the segment's results

#### Main financial and operating indicators Q1 2023 - Biomass and Structure

(GWh and million euros)	1Q23	1Q22	1Q23/1Q22 Var%
<b>GWh injected</b>	253.6	261.6	-3%
<b>Total Revenues</b>	43.1	48.7	-12%
<b>EBITDA excluding transaction costs</b>	15.0	25.3	-41%

The results of the residual biomass segment in the first quarter of 2023 were impacted by lower electricity selling prices in the UK, a very relevant market for the Group, with the total energy injected into the grid remaining relatively stable when compared to the first quarter of the previous year. It should be noted that in the UK, although prices recorded during the 1Q23 were lower than in the same period last year, they are still significantly above the initial business plan.

The biomass power plants in Portugal observed a strong operating performance, with the load factor improving from 81.9% in the 1Q22 to 82.4% in the current quarter and availability increasing from 91.9% to 96.1%. The tariffs of these plants are updated with inflation of the period, which guarantees a stable and balanced business model.

Important to note that expenses with salaries increased by around half a million Euros vs. 1Q22, which reflects the reinforcement of the structure occurred in recent quarters, to guarantee the execution of the business plan and to ensure the sustainability of operations, namely in terms of continuous and sustainable growth of the pipeline.



The impact of the 45% temporary tax in the UK on electricity generating companies, which is levied on extraordinary income, amounted to approximately 600 thousand Euros and is reflected together with the other contributions on the energy sector below EBITDA.

Finally, already during the second quarter and following the investment plan for operational improvement, the TGP plant in the UK had a scheduled outage of approximately one month, previously announced, between the months of May and June, which will impact the accounts for the second quarter of 2023.

## 2.2 Development of wind and solar utility-scale projects: Revenues more than triple driven by operating assets

### Main financial indicators Q1 2023 - Utility-Scale

(million euros)	1Q23	1Q22
<b>Total Revenues</b>	6.8	2.1
<b>EBITDA excluding transaction costs</b>	8.2	(2.9)

In the first quarter of 2023, total revenues of this segment amounted to around 6.8 million Euros, an increase of more than 200% vs. 1Q22, reflecting sales of energy and green certificates from assets in operation, which did not exist in the 1Q22, and the asset management services. The EBITDA excluding transaction costs amounted to 8.2 million Euros.

During this quarter, two solar projects reached the COD phase, starting to inject electricity into the grid: an 8 MW asset in Poland and another 12 MW asset in Portugal (the latter is 50% owned by Greenvolt).

Thus, at the end of the first quarter of 2023, Greenvolt had 8 parks in operation, with a total of 119 MW installed, which injected about 22.6 GWh of electricity into the grid, and whose aggregate EBITDA amounts to about 4.2<sup>3</sup> million Euros.

The variation in EBITDA was also impacted by the following factors:

- (1) Positive net contribution of 5.4 million Euros from the 3 solar assets held by the Augusta Energy joint venture (48 MW valued at their value in use), which resulted from the positive mark-to-market valuation in this quarter referring to the PPAs with T-Mobile, valued at fair value since inception, under IFRS 9;
- (2) Positive impact of 3.4 million Euros arising from the determination of the fair value of the company Actualize - a company in the United States 51% owned by Greenvolt - following the amendment of the partnership agreement, the company started to be consolidated by Greenvolt in the 1Q23;
- (3) Recognition of 1.5 million Euros from the margin associated with the first sale of wind assets (50 MW), initiated in 2022;

<sup>3</sup> Considers 100% of the EBITDA generated by the parks, i.e., without applying the equity method

(4) Contrary to the effects described above, the impact of MaxSolar on EBITDA was negative by around 1.3 million Euros.

Regarding project development, Greenvolt is consolidating its strategy in the United States, through a focus on niche markets, namely through the subsidiary Actualize, mentioned above, focused on small projects, mostly in the state of Virginia.

In parallel with the success of project development, Greenvolt continues to focus on its asset rotation strategy, reinforcing the goal of selling at least 200 MW by the end of the year.

Following this strategy, a memorandum of understanding was signed during the second quarter of 2023, regarding the sale of a wind power generation project with a capacity of 8 MW in Poland, whose energy will be consumed directly by the buyer ("behind the meter" solution), and which assumes a price per MW that amounts to 2.35 million Euros, estimating that the asset will reach the RtB phase during the third quarter of 2023 and COD at the end of 2024.

The pipeline of projects, measured by their total capacity ("gross capacity"), amounts to 11.6 GW, and their probability-weighted capacity amounts to 6.9 GW in 13 geographies. Of this total, about 2.9 GW are expected to be under RtB, in construction or COD by the end of 2023. Greenvolt currently holds 691 MW, at least in RtB, tripling capacity compared to the same period last year.

#### Operational Indicators Q1 2023<sup>4</sup> - Projects at least in RtB

(MWp)	1Q23 *	1Q22 *
<b>COD / In Operation</b> <sup>4</sup>	169	45
<b>In Construction</b>	460	184
<b>Ready to Build</b>	62	-
<b>TOTAL</b>	<b>691</b>	<b>229</b>

\* Data as of Earnings Release date

Already during the second quarter of 2023 a partnership was also established with Bluefloat Energy, a world reference promoter of offshore wind power generation, marking Greenvolt's entry into the development of floating wind power in Portugal, contributing to the national target of 10 GW of installed capacity of offshore wind power by 2030. Through this partnership, Greenvolt maintains its strategic positioning, expanding its specific skills in development and local licensing, in Portugal, to the country's offshore segment.

Additionally, MaxSolar in Germany continues to see growth in its activities, with 95 MWp under construction in Germany as of the date of this earnings release, with part of the assets under construction as of the previous earnings release having already reached COD. During the first quarter of 2023, MaxSolar acquired the SEAC Group in Germany, a company that holds a PV pipeline of around 3.1 GW. Additionally, in April 2023, MaxSolar reinforced its solar power generation capacity in the first

<sup>4</sup> Considers 50 MW of wind assets in operation in Poland (agreement for sale), which are not considered in the 119 MW in operation for energy sales.

auction held this year by Germany, acquiring the right to the development of about 100 MW in large-scale solar projects, in a reference market in renewable energies.

### 2.3 Distributed generation: Segment revenues reach 19.4 million Euros, a growth of around 130% compared to the 1Q22

In the Distributed Generation segment, as a result of the effort to expand and accelerate the segment since the IPO, Greenvolt is currently present in 6 European geographies, differentiating itself by its unique strategy in the entire renewables panorama, which is based on cooperation between the various companies and geographic reach.

#### Main operational indicators Q1 2023 - Distributed Generation

(MWp)	EPC	PPA	TOTAL
<b>Backlog</b>	101.6	49.2	<b>150.8</b>
<b>Installations</b>	12.4	3.5	<b>16.0</b>

During the first quarter of 2023, self-consumption installations amounted to 16.0 MWp in Portugal, Spain and Poland, which amounts to 40% of the total installed in the whole year 2022 and represents a growth of 146% vs. 1Q22. At the end of the quarter under review, Greenvolt had a total backlog of 150.8 MWp to install, of which 49.2 MWp through PPAs.

#### Main financial indicators Q1 2023 - Distributed Generation

(million euros)	1Q23	1Q22
<b>Total Revenues</b>	19.4	8.4
<b>EBITDA excluding transaction costs</b>	(1.2)	(0.3)

Total accumulated revenues of the first quarter of 2023 amounted to around 19.4 million Euros, an increase of about 130% when compared to the same period of the previous year, and the EBITDA was negative in about 1.2 million Euros, still reflecting the accelerating cost of the segment observed in the last 12 months, however, it is estimated that at the end of 2023, the contribution to the EBITDA of this segment will be positive, as a consequence of the measures being implemented to increase the pace of installations.

During the first quarter of 2023, Greenvolt maintained a geographic expansion effort in the segment, entering Greece through the acquisition of 51% of Greenvolt Next Greece, a company that will focus on self-consumption for B2B clients. Greenvolt Next Greece was incorporated during the first quarter, in partnership with Globalsat, a leading telecommunications company in the distribution of technological products in the Greek market.



During April 2023, Greenvolt acquired 37.3% of Solarelit, an Italian DG company based in Milan, over which it holds a call option for a majority position, exercisable in 2027. During the year of 2022, Solarelit has awarded more than 15 MWp of self-consumption projects.

Greenvolt Comunidades consolidated its business model in Portugal in the collective self-consumption segment, currently having around 80 energy communities or collective self-consumption projects and aiming to export this model to other European countries.

Greenvolt remains attentive to various opportunities for geographical expansion, both in individual and collective self-consumption, as it considers this segment to be a fundamental pillar of the future of the energy sector and one with exponential growth potential.

### 3. MAIN FINANCIAL INDICATORS FOR THE 1ST QUARTER OF 2023

In the first quarter of 2023, total revenues reached 67.7 million Euros (approximately +20%) and EBITDA excluding transaction costs reached 22.0 million Euros. The Net Profit attributable to Greenvolt was 0.3 million Euros, which represents a negative change of about 800 thousand Euros compared to the Net Profit attributable to Greenvolt in the same period of 2022.

Income statement (millions of Euros)	1Q23	1Q22	1Q23 / 1Q22 Δ Abs.	1Q23 / 1Q22 Δ %
<b>Total revenues</b>	<b>67.7</b>	<b>56.6</b>	<b>11.1</b>	<b>19.7%</b>
Cost of sales	(28.1)	(16.0)	(12.1)	75.8%
External supplies and services	(18.9)	(13.4)	(5.5)	41.3%
Payroll expenses	(8.0)	(4.7)	(3.2)	67.9%
Results related to investments	9.8	(0.2)	10.0	(5,894.5%)
Provisions and impairment reversals / (losses)	(0.0)	(0.0)	0.0	(69.8%)
Other expenses	(0.5)	(0.2)	(0.3)	152.3%
<b>Total expenses (excl. transaction costs)</b>	<b>(45.8)</b>	<b>(34.6)</b>	<b>(11.2)</b>	<b>32.5%</b>
<b>EBITDA excl. transact. costs</b>	<b>22.0</b>	<b>22.0</b>	<b>(0.1)</b>	<b>(0.4%)</b>
<i>EBITDA margin excl. transaction costs</i>	32.4%	38.9%	<i>n.a.</i>	(6.52) pp
Transaction costs	(0.3)	(0.1)	(0.2)	115.7%
<b>EBITDA</b>	<b>21.7</b>	<b>21.9</b>	<b>(0.2)</b>	<b>(1.1%)</b>
<i>EBITDA margin</i>	32.0%	38.7%	<i>n.a.</i>	(6.73) pp
Amortisation and depreciation	(11.7)	(9.2)	(2.5)	26.9%
Impairment reversals /(losses) in non-current assets	-	-	-	-
<b>EBIT</b>	<b>9.9</b>	<b>12.7</b>	<b>(2.7)</b>	<b>(21.5%)</b>
<i>EBIT margin</i>	14.7%	22.4%	<i>n.a.</i>	(7.70) pp
Financial results	(9.3)	(4.4)	(4.8)	109.1%
<b>EBT</b>	<b>0.7</b>	<b>8.2</b>	<b>(7.6)</b>	<b>(92.1%)</b>
<i>EBT margin</i>	1.0%	14.5%	<i>n.a.</i>	(13.57) pp
Income tax	1.3	(1.9)	3.1	(167.4%)
Other contributions on the energy sector	(1.5)	(1.0)	(0.5)	52.6%
<b>Consolidated net profit / (loss)</b>	<b>0.5</b>	<b>5.4</b>	<b>(4.9)</b>	<b>(91.5%)</b>
Attributable to:				
Equity holders of the parent	0.3	1.1	(0.8)	(74.0%)
Non-controlling interests	0.2	4.3	(4.1)	(96.2%)

The growth of the contribution of Utility-Scale and distributed generation segments for the Group is remarkable in this quarter, as a result of Greenvolt's focus on segments other than biomass. This can be seen in the breakdown of total revenues and EBITDA:

- Biomass revenues represent around 65% of revenues in 1Q23 vs. approximately 85% in the 1Q22;
- Distributed generation revenues increased from around 15% in 1Q22 to around 30% in the 1Q23;
- The greatest variation in EBITDA was in the Utility-Scale segment, which now represents a third of the Group's EBITDA vs. a negative contribution in the 1Q22.

The increase in depreciation, when compared to the same period of the previous year, is associated with the increase in the number of assets in operation.

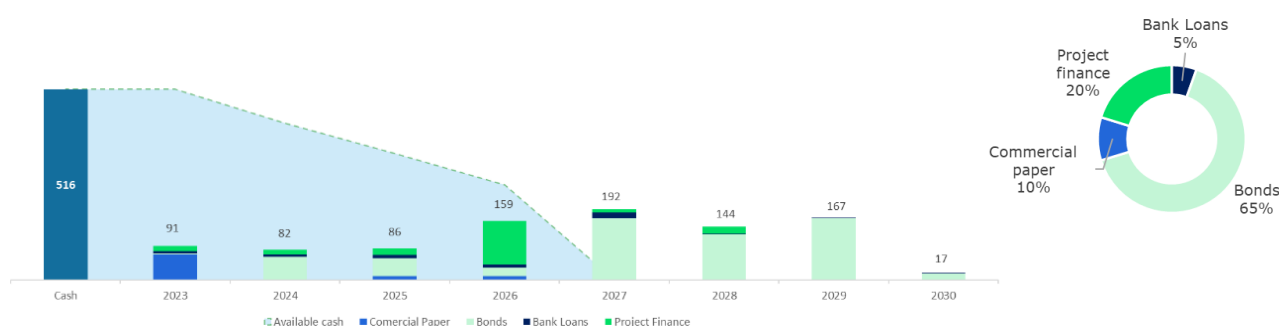
Financial results doubled when compared to 1Q22, as a result of the increase in the debt stock and the increase of its average cost to 3.9%, which incorporates the effect of the issue in the last quarter of 2022 of green bonds and, already in this first quarter of 2023, of the KKR convertible bonds, with a coupon rate of 4.75%.

The temporary 45% tax in the United Kingdom on electricity generating companies, which is levied on extraordinary revenues, and directly affects the residual Biomass segment, totaled around 600 thousand Euros and is reflected together with the other contributions on the energy sector.

Greenvolt's net financial debt at the end of March 2023 amounted to 421.9 million Euros, and the amount in Cash and Cash equivalents was 515.6 million Euros. The net financial debt to EBITDA ratio for the last 12 months is 4.6x, a value that reflects the growth phase in which the company finds itself, however, with the success of the ongoing sales processes, this ratio is expected to converge back to the range defined in the long-term business plan, between 3.5x and 4x.

During the first quarter of 2023, Greenvolt raised 315.0 million Euros of debt, with particular emphasis on the issue of 200 million Euros in convertible bonds subscribed by KKR's global infrastructure fund, with a coupon of 4.75%, a maturity of 7 years with the possibility of conversion into shares from the third year at a price of 10.0 Euros per share, and with a put option in the fifth year.

As of March 31 2023, the average cost of debt is 3.9%, 78% of debt has fixed rate, the liquidity, measured as cash and unused credit lines, totals 803.6 million Euros and the structure of debt maturity and its breakdown by type, is as follows:



## 4. OUTLOOK

Greenvolt reaffirms the commitments made with its various stakeholders, namely the execution of the business plan presented in 2022, with special emphasis in 2023 on the goal of executing a greater asset rotation in large-scale generation and achieving positive operating results in all business segments.

In the Biomass segment, the Group will continue to make every effort to improve the operational performance of the assets, following the investment plan defined with the technical teams.

In the Utility-Scale segment, Greenvolt expects to sell at least 200 MW of assets, currently having sales processes underway and expecting the first one to be closed in the third quarter of 2023. In parallel, it will continue to develop its pipeline with the target of having 2.9 GW of capacity developed to at least Ready to Build by the end of this year, with more than 300 MW in COD.

Regarding the distributed generation segment, international expansion is expected to continue, with the foreseeable entry in new geographical areas, the consolidation of current business and a move towards positive results.

## 5. ANNEXES

### 5.1 PRESENTATION OF THE BUSINESS AREAS

#### 5.1.1 Residual biomass and Greenvolt corporate structure:

Greenvolt operates in the segment of electricity generation through biomass exclusively from waste, being currently present in two countries: Portugal and the United Kingdom. In Portugal, Greenvolt owns 5 residual forest biomass power plants, with an installed capacity of around 100 MW. In the United Kingdom, since July 2021, it holds a majority stake (51%) in the TGP plant with around 42 MW, which uses exclusively urban wood waste. This segment also includes Greenvolt's holding structure costs.

#### 5.1.2 Development of wind and solar utility-scale projects:

Greenvolt is present in the renewable solar photovoltaic and wind energy segment through its subsidiaries Greenvolt Power, Sustainable Energy One (SEO) and its associates MaxSolar (35% owned) and companies in partnership with Infraventus.

Greenvolt's strategic positioning focuses mainly on the beginning of the value chain, i.e. the phase of development and promotion of projects up to the beginning of their construction (RtB), where comparative advantage is greater. However, Greenvolt may also extend its participation in projects up to their commissioning (COD) and operation of assets, in order to maximize the value generated in the initial development of projects.

From the current pipeline under development, it is expected that most of the projects will be sold, with Greenvolt holding only 20% to 30% of the total assets. Thus, in addition to the activities associated with development, the large-scale electricity generation operations through solar photovoltaic and wind power sources maintained in the Balance Sheet are also consolidated in this segment.

#### 5.1.3 Distributed generation:

In the distributed renewable generation segment, Greenvolt is present through the following subsidiaries:

- In Portugal, with Greenvolt Next Portugal, which focuses on individual self-consumption in B2B, and with Greenvolt Comunidades, which focuses on collective self-consumption.
- In Spain, focusing on both individual and collective self-consumption, through Perfecta Energía, which operates in the B2C and B2B segments, and Greenvolt Next España which operates in the B2B segment.
- In Poland, through Greenvolt Next Polska, focused on self-consumption and operating in the B2B segment.
- Since the first quarter of 2023, in Greece, through Greenvolt Next Greece, in partnership with Globalsat, also focusing on self-consumption and operating in the B2B segment.

- And since April 2023, in Italy, through Solarelit, based in Milan, being also focused on the segment of self-consumption for B2B clients.

## 5.2 GLOSSARY

- COD = Commercial Operations Date
- EBIT = Earnings before interest, taxes and Other contributions on the energy sector
- EBIT Margin =  $EBIT / Total\ Revenues$
- EBITDA margin excluding transactions costs =  $EBITDA\ excluding\ transaction\ costs / Total\ revenues$
- EBITDA = Earnings before interest, taxes and Other contributions on the energy sector, amortisation and depreciation and impairment reversals/(losses) on non-current assets
- Net financial debt: Bank loans (nominal values) + Bond loans (nominal values) + Other loans (nominal values) - Cash and cash equivalents
- PPA = Power Purchase Agreement
- RtB = Ready to Build
- TGP = Tilbury power plant in UK
- Total revenues = Sales + Services rendered + Other revenues
- Transaction costs = Non-recurring transaction costs, mainly related to business combinations

Oporto, 21<sup>st</sup> June 2023