

MODICA, APRIL 2023

Focus on Energy

A.MONTAGNANI



The ENERGY MARKET has a big impact on our industrial costs.

We know that we are living in a very critical and changing period.

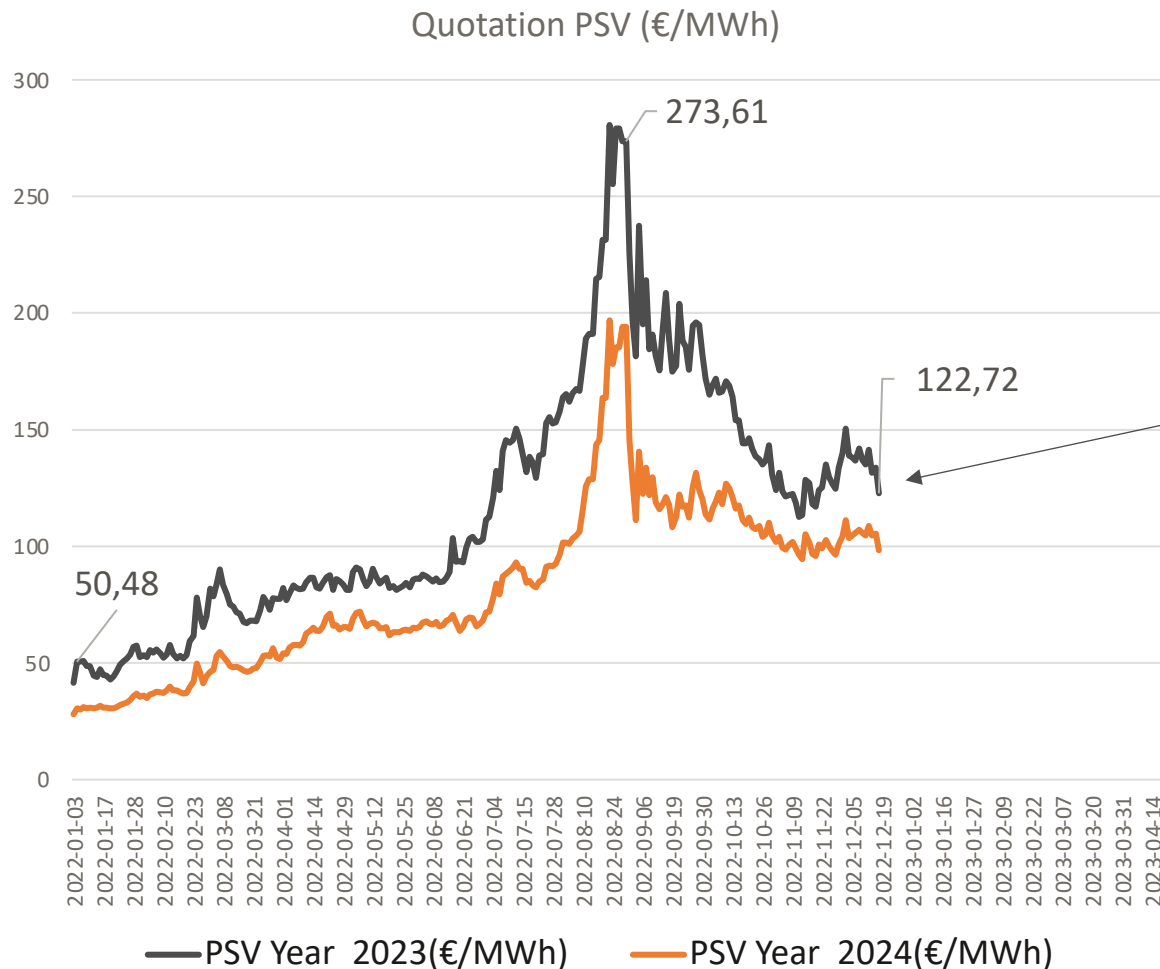


Today an update is necessary because the price scenario has changed profoundly from three months ago.



We will compare Q1 prices with the budget

It's interesting to analyze the Historical quotes chart.

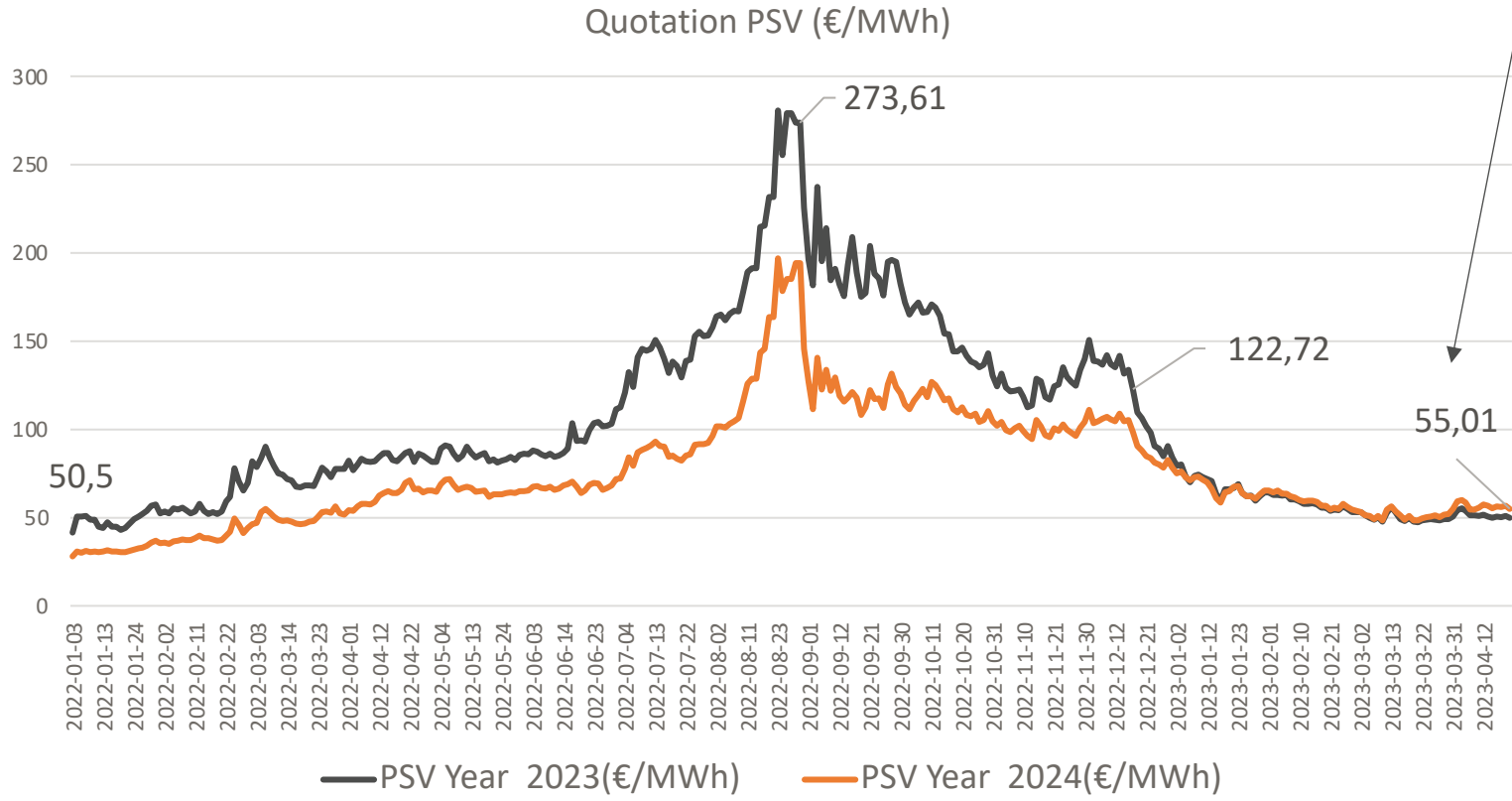


The diagram represents the natural gas price quotation expected in 2022 for the years 2023 and 2024.

We were left here...

and HERE we elaborated our budget plans

NOW we are here



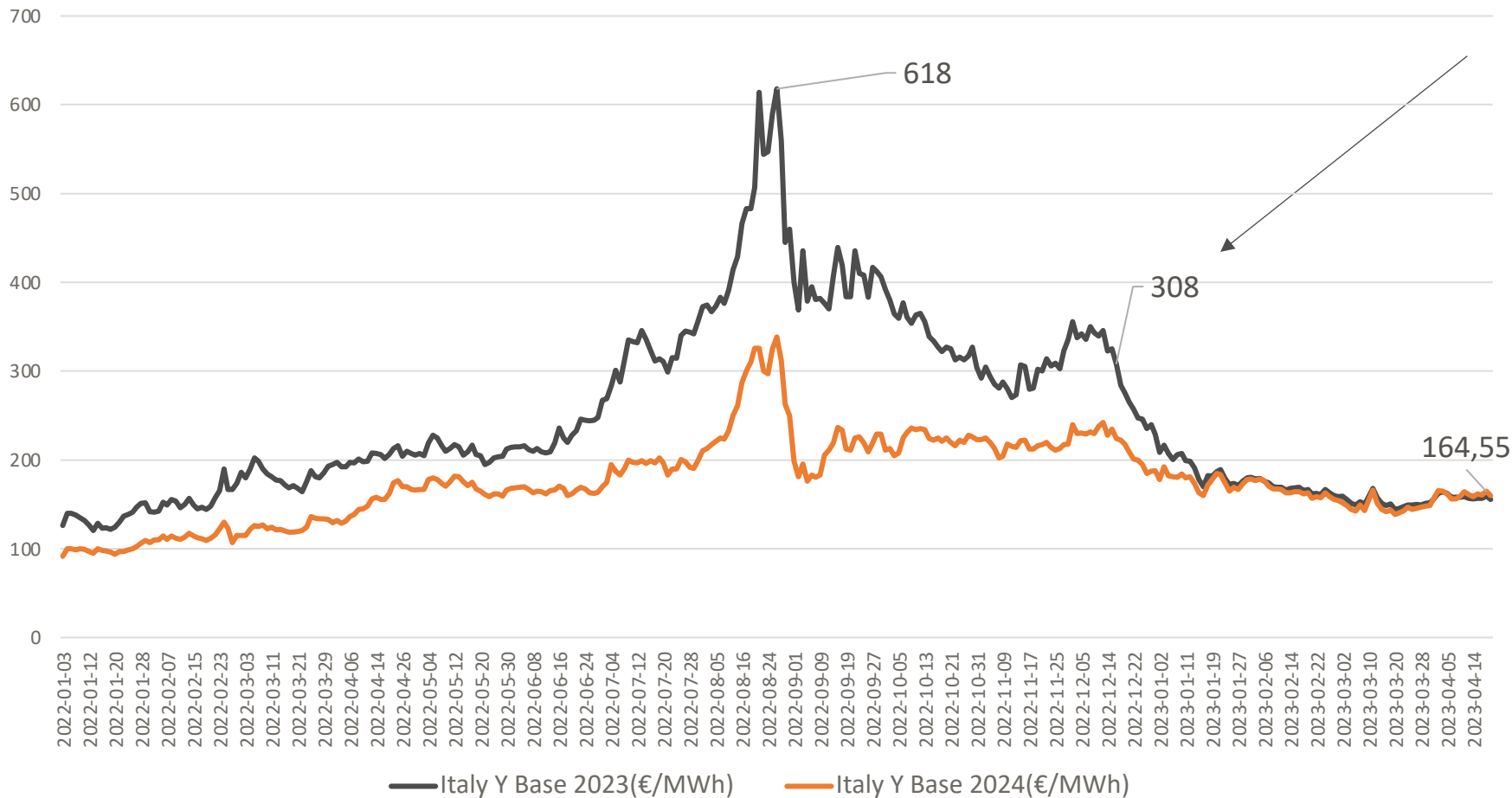
Why lower price?

- Consumption contraction in winter
- High level of natural gas in storage
- Mild winter
- Natural gas from alternative suppliers to Russia

ENERGY MARKET – POWER

POWER price is strictly connected with NATURAL GAS price, so we can observe the same trend on power price

Quotazoini EE ITA



Budget

Now

Can we be safe?
NOT



Analysts define this as a positive but delicate balance.

What are the risk factors?

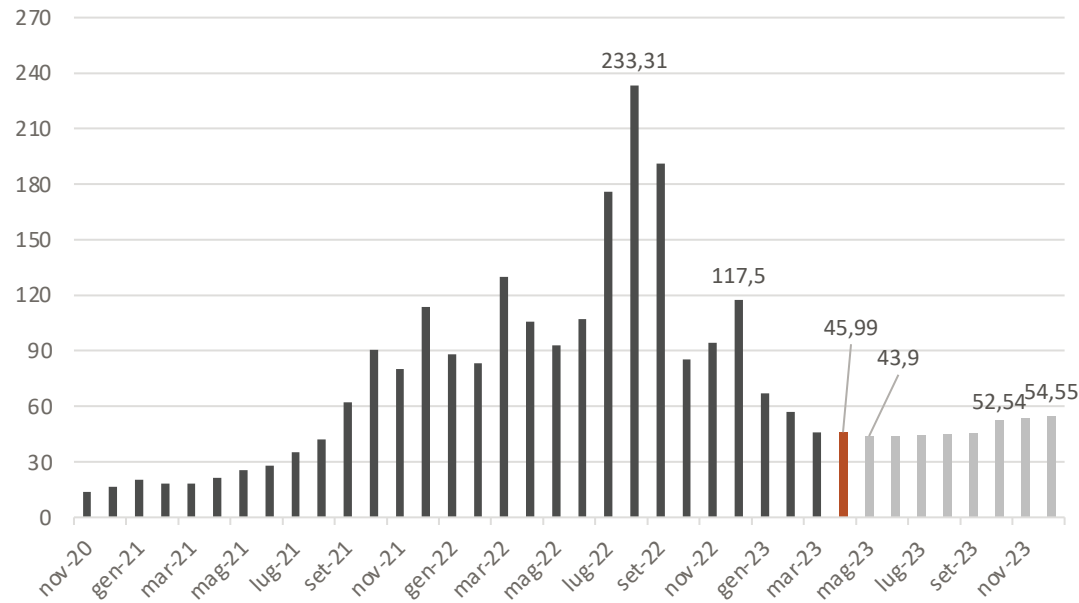
- Upswing of Asian consumption
- Geopolitical risk for Africa and the Middle East
- Reduction in French nuclear production
- Drought (impact on hydroelectric and thermoelectric production)
- Price rises in summer- storage fill-up period
- Gas as a key player in energy transition



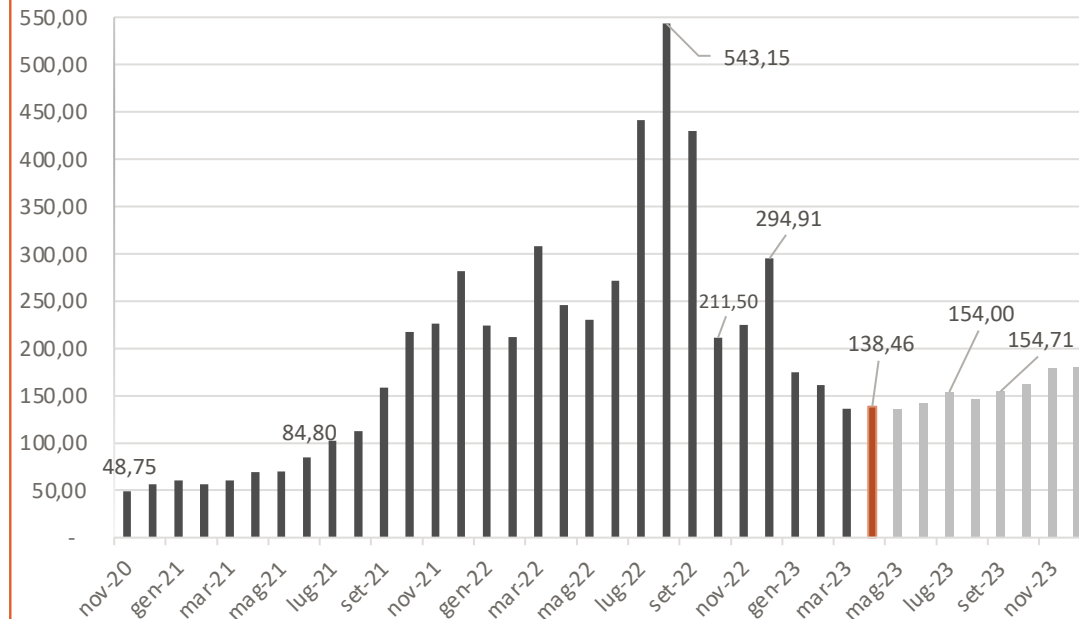
Now we can see the impact on INDUSTRIAL PRICE of:

- Actual energy market (in graph the effectives prices PSV PUN)

Prezzo GAS PSV €/MWh



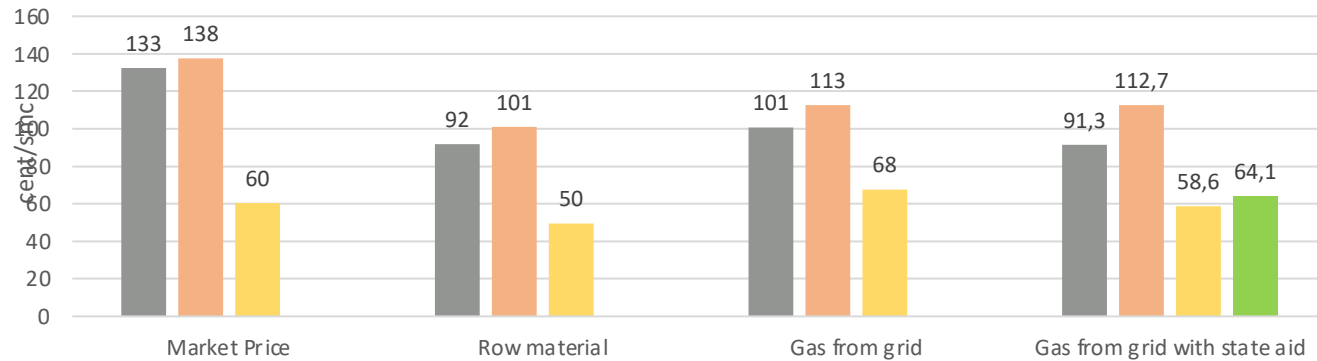
PREZZO EE (PUN) €/MWh



- State aid extended for Q1 -23 (max rate 45% of discount)

ENERGY MARKET – NATURAL GAS

Altair GAS

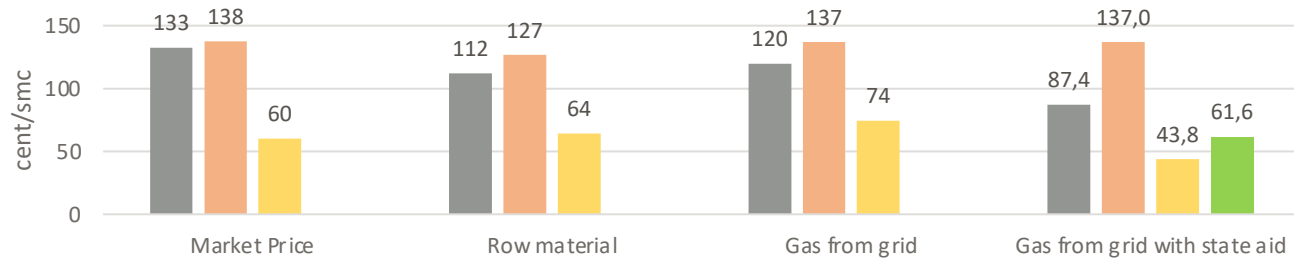


■ 2022 ■ BDG2023 ■ Q1 ■ 2023

Update 2023 costs with

- Today market scenario
- **STATE AID** from 45% to 20% in Q2
- **STATE AID NOT** confirmed (for the moment) in Q3 e Q4

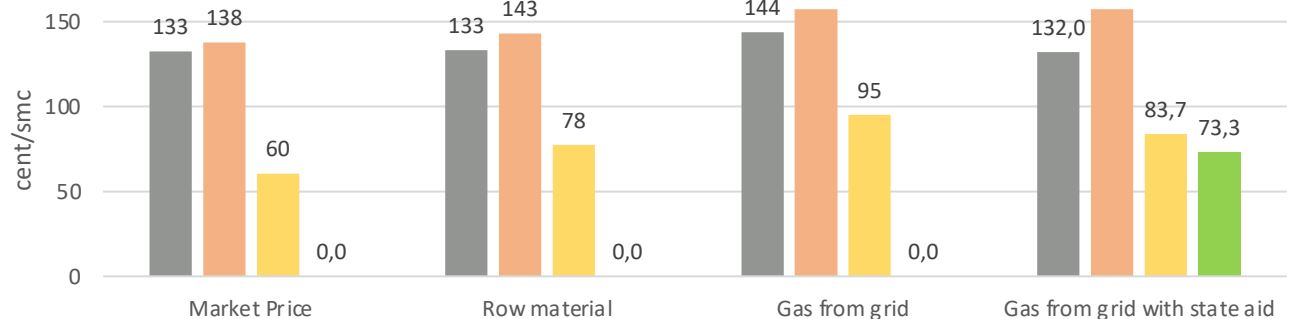
Hydrochem GAS



Altair lower fixing gas BUT

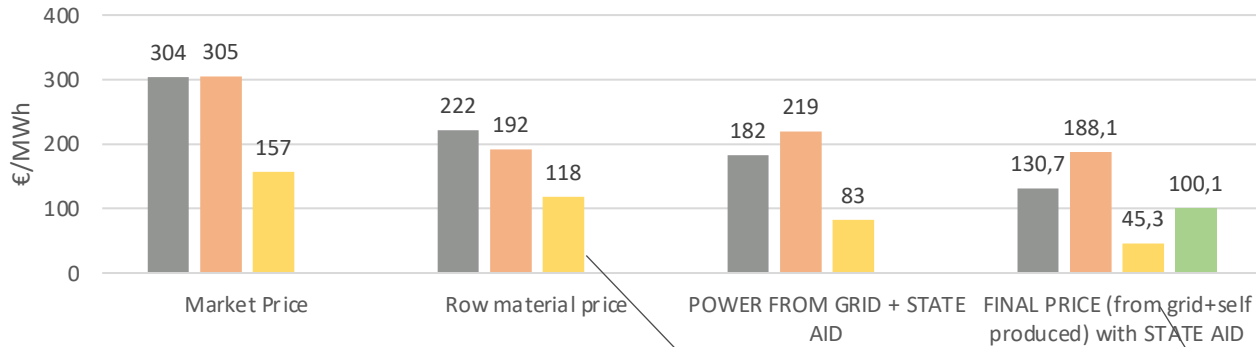
Hydrochem has lower extra row material cost being directly connected to grid

Esseco GAS

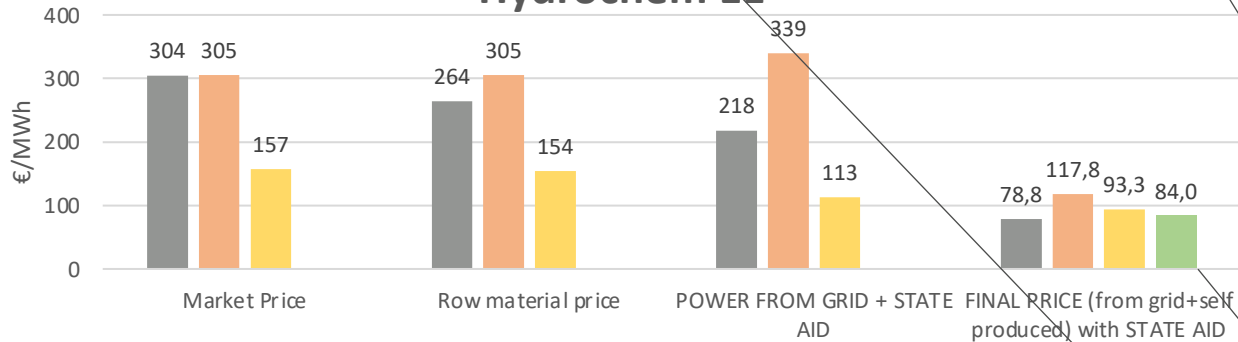


ENERGY MARKET – POWER

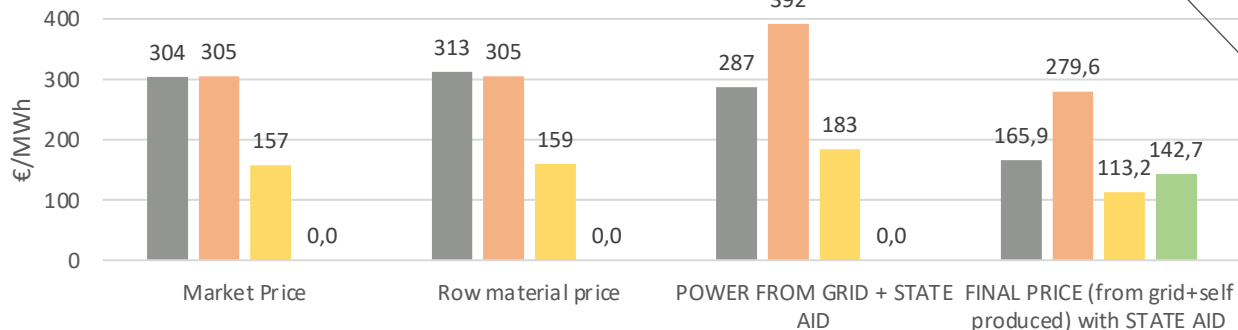
Altair EE



Hydrochem EE



Esseco EE



HERE WE CAN SEE

COMPARISON OF 2022-BUDGET 2023 AND Q1

- Market price (for orientation)
- Row material price (here are PPA, Renewability, interconnector...)
- Average finished price for grid electricity considering tax credit on this
- Average finished price for electricity consumed (average grid + self-generation) considering all tax credits

INTERESTING TO NOTE

that for Q1 Altair finished price is lower than Hydrochem...because we are in Winter (low hydroelectric production)

For 2023 the best price is in Hydrochem thanks to self-produce electricity 64 €/MWh medium price

Altair row material price (and Esseco from Q3) is lower than market price thanks to renewable energy agreement

ALTAIR PPA –power purchasement agreement

Jul .2022 - June 2033

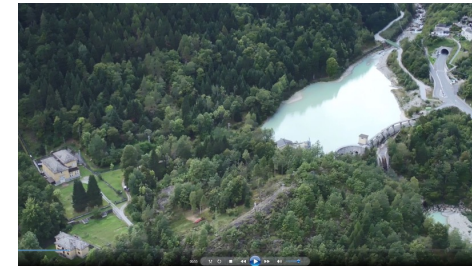
SAVING Update (to Mar 23): 5,7 mil €

(5,1 mil € 2022, 0,6mil Q1-23)



..With actual market forward price it will be like to have **free energy for the last 3 years**

Hydrochem–hydroelectric plant



Expected SAVING 2023: 7 mil €

(64 €/MWh production cost VS 157 market price + extra)