

EEMI BAUHAUS WEEK 



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ESG FINANCE | PROVINCIA AUTONOMA DI TRENTO

AN APPROACH FOR THE PAT CONGLOMERATE

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INTRODUCING CASSA DEL TRENINO S.p.A.

As an autonomous province, PAT has an enhanced degree of political and financial autonomy from the Italian central government.

KEY FIGURES ⁽¹⁾

115/116 mln €

Cassa del Trentino's Equity

1.70 bln €

The total assets

839 mln €

The net debt

528 mln €

Annual disbursed to Local entities

CONTEXT



- Owned, directed and coordinated by the Autonomous Province of Trento ("**PAT**"), incorporated as a share-based company in 2007.
- Both PAT and the autonomous province of Bolzano carry out:
 - Normal duties of non-autonomous provinces/regions.
 - Broad legislative, administrative and financial functions, defined at a constitutional level implemented based on international agreements between Austria and Italy.
 - As an autonomous province, PAT has an enhanced degree of political and financial autonomy from the Italian central government.

RATINGS

		AGENCY	
		FitchRatings	MOODY'S INVESTORS SERVICE
ENTITY	Italy	BBB	Baa3
	Cassa del Trentino	A-	Baa1

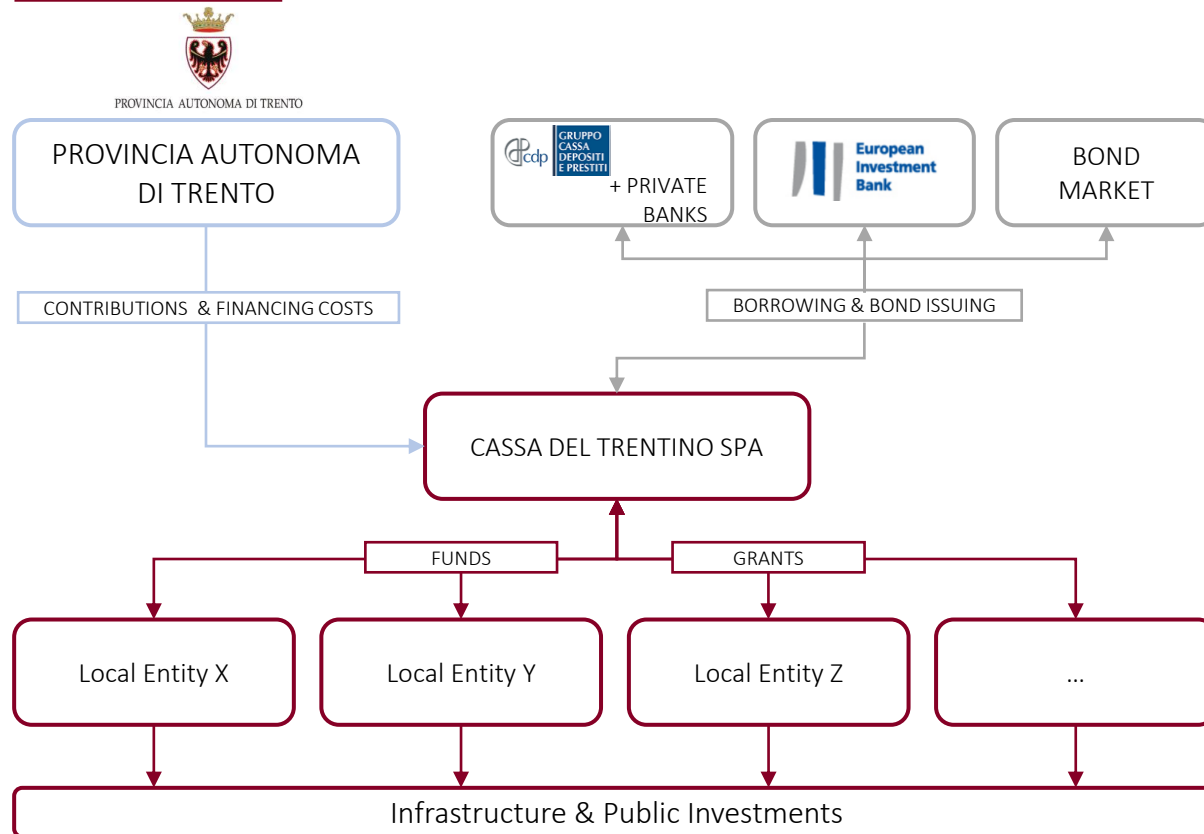


(1.) Data from 31° of December 2022 *provisional*

CDT AS A SINGLE POINT OF CONTACT FOR ALL PUBLIC FINANCING OF THE PAT

CdT acts as the financing arm of the PAT, a province with a special status in the Autonomous Region of Trentino-Alto Adige.

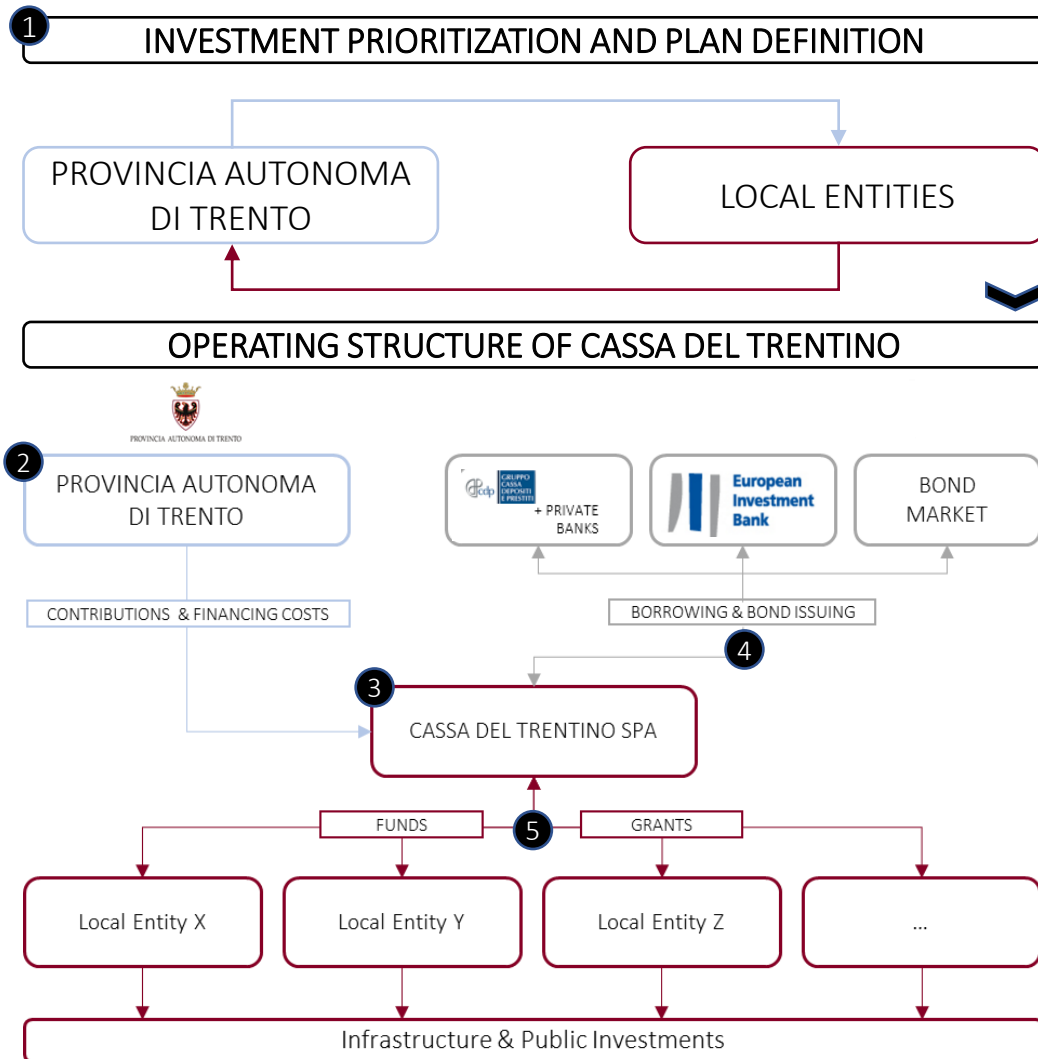
OUR MISSION



- **Manages funds and contributions** provided by PAT to Local Entities:
 - CdT procures funding by **issuing bonds or borrowing by EIB or banks**
- Instead of municipalities issuing individual bonds to meet financing needs, CdT issues a **single financing act** (e.g. bonds, loans) to finance **all public infrastructure**
- **Interest rates paid by CdT are lower** due to a **high rating degree**
- **From 2012:** partnering with the **European Investment Bank**, achieving **840 €/mln in infrastructure financing**
- The **Key advantages** of CdT's financing capabilities are:
 - **Low interest rates**
 - **Zero operating costs for local authorities**
 - **Optimization of liquidity management**

CASSA DEL TRENINO'S RELATIONSHIP WITH THE REGION'S INVESTMENT PLANS


CdT operates in symbiosis with the PAT's investment decision and execution processes.



- 1** Strategic **planning and investment prioritization is carried out by local entities**, in collaboration with PAT.
- 2** PAT and local authorities **co-finance the prioritized initiatives**.
- 3** **CdT ensures the collection of funds** for the above defined investments.
- 4** **CdT issues funds**, serviced by the PAT's multi-annual contributions.
- 5** **CdT disburses funds and grants** in favor of local Entities in order to implement infrastructure projects.

CASSA DEL TRENINO'S FINANCIAL ADVISORY AND CONSULTING SERVICES

CdT employs its financing expertise and knowledge of best practices by offering advisory on public debt monitoring, project finance and eco-finance.

 Focus on next slide

01. PUBLIC DEBT MONITORING

Monitoring of the provincial public debt system as a whole:

- Advisory on debt authorization gates for initiatives presented by local entities
- During the 2020-21 pandemic, CdT supported the province through the postponement of the annual contribution it receives from PAT covering its debt service by 1 year.

Tab. 4 "Sistema territoriale provinciale integrato - Evoluzione e confronto debito netto nel trentino" - dati di Euro

Debitore	31.12.04*	31.12.20	31.12.21
PRZ	111,26	309,67	49,28
Cassa del Trentino S.p.A.	972,20	974,50	990,09
ITSA S.p.A.	166,51	523,54	119,72
Patrimonio del Trentino S.p.A.	200,33	200,50	200,26
Trentino Trasporti S.p.A.	240,50	227,80	146,54
Trentino Digitale S.p.A.	10,50	10,50	10,50
Trentino Sviluppo S.p.A.	82,20	110,11	100,60
Comuni e Comunità di Valle	27,25	34,47	29,74
Università degli Studi di Trento	14,76	14,07	7,78
Set Distribuzione	110,00	110,00	110,00
A.R.S.P.	3,80	3,81	4,00
Milazzanetto	-	-	-
Fondazione Museo storico del Trentino	-	-	-
Fondazione Educazione Mach	0,79	0,79	0,80
Altri	1,17	1,17	1,17
T.P. provinciale	9,31	9,15	8,71
Debiti non classificati in categorie	1.001,23	1.123,53	1.271,20
T.P. provinciale	0,00	0,00	0,00

Evoluzione dell'outstanding debt garantito da fidejussioni (*)

Dati in €/mil	31-dic-22	31-dic-25
Cassa del Trentino S.p.A.	715,7	705,2
Patrimonio del Trentino S.p.A.	150,1	102,0
Trentino Trasporti S.p.A.	92,7	58,3
Università di Trento	5,2	0,0
SET	110,0	110,0
TOTALE	1.073,7	1.015,5

02. PROJECT FINANCING

CdT can deploy its project financing capabilities.

- The estimated value of 2022 project financing activities is of € 2 bln.
- Main sectors: transport, public health and facilities, energy.



03. STRUCTURED FINANCE

CdT serves as an eco-finance advisor to the province and public administrations.

- Fondo di Housing Sociale del Trentino
- Fondo Strategico del Trentino Alto-Adige.



STEERING TOWARDS ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

CASSA DEL TRENINO'S STRUCTURED FINANCE | CASE STUDIES

CdT also co-finances asset management projects bringing both its funding and management capabilities to the table.

THE FUNDS

TRENTINO SOCIAL HOUSING FUND

Alternative investment fund aimed at affordable real estate development.

Anchor Investor

TRENTINO ALTO ADIGE STRATEGIC FUND

Alternative investment fund aimed at reducing «credit-crunch» pressures and promoting local growth.

OUR INVOLVEMENT



KEY OUTCOMES

113,4 mln €

The fund's final size

516

Housing units built
(of which 122 wooden houses)

500

Of which currently in use

113,5 mln €

The funds final size

30

Bonds & Obligation secured

5

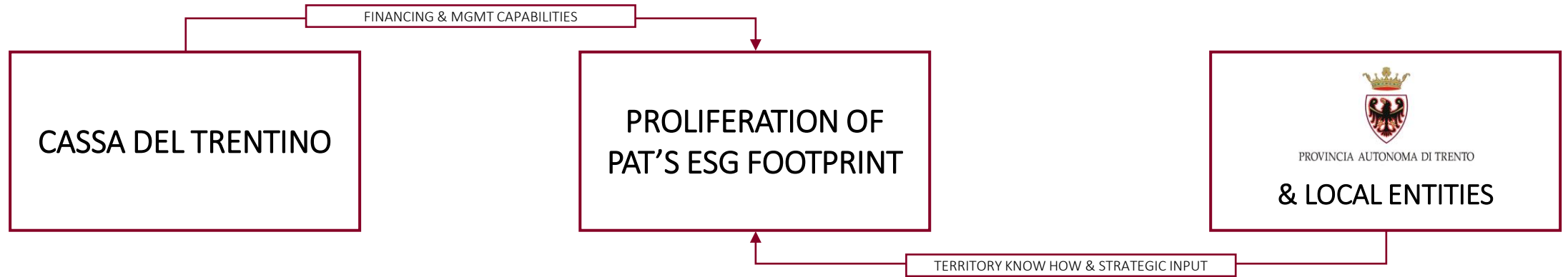
Conventions for SMEs

14

Direct lending projects executed

OUR APPROACH TO ESG PROJECT PROLIFERATION IN SYMBIOSIS WITH PAT

CdT positions itself as a key enabler in the ecological transition, offering its financing capabilities and project development know-how to PAT and its local entities.



Provincia autonoma di Trento
Umst per l'innovazione nei settori energia e telecomunicazioni



In the execution of its **2023-25 strategic plan**, Cassa del Trentino will target **investments providing a substantial contribution** to the territory's **ecological transition** and its **sustainable development**.

THE REGULATORY CONTEXT AND THE KEY ENABLERS FOR OUR STRATEGIC VISION

Three key enablers will serve CdT in fulfilling its strategic objectives regarding environmental, social and governance issues, in the medium and long term.

DEMAND

320.000 MWh

The **estimated** annual energy expenditure by Trentino's public system.

- 33% Municipalities and Communities
- 25% Province
- 13% APSS – Hospitals
- 7% TN University

SUPPLY KEY ENABLERS

01. LAW 2.05.22 no. 4

Facilitates the **permit-granting process** for the installation of **solar energy equipment** and other renewable energy projects.

Will act as a **tailwind in the renewable energy project design** and execution of CdT and PAT.



02. RENEWABLES INCENTIVES

Subsidies **aimed at the proliferation of self-consumption** renewable energy projects, are granted with two methods:

2.1 ENERGY COMMUNITIES ("C.E.R.")

Curtaiment on transmission rates	8 €/MWh
Direct incentive	110 €/MWh

2.2. SELF CONSUMPTION "AT DISTANCE"

Curtaiment on transmission rates	8 €/MWh
Direct incentive	100 €/MWh

03. PLANNING & INTELLIGENCE

The **Bruno Kessler foundation** has mapped out **strategic spots on the P.A.T. territory with optimal solar radiation** for the most effective placement of solar farms, ensuring optimal R.O.I.s while reducing risks.



OUR PROCESS DRIVEN APPROACH TO ESG PROJECT EXECUTION OF PAT

Constant iteration of planning and execution phases aimed at delivering value early on, while simultaneously optimizing our approach.

THE PROCESS

01. PLANNING PHASE

The focus will be on scanning the territory for the best development opportunities, designing a medium- and long-term plan for PAT's ecological transition



DELIVERED VALUE

- **Seizing opportunities** more efficiently, while
 - Reducing **operational costs**
 - Reducing **investment risks**
 - Increasing the **frequency of «quick win» scenarios**
- Acting as a think tank **aimed at optimizing the process of increasing PAT's ESG footprint**

EXAMPLE

Area di intervento	caping	ultima realizzazione fotovoltaico	ultima produzione energia annua
1. Ottimizzazione di Cuneo	1.000 MW	1.000 MW	1.200 MWh
2. Ottimizzazione di Biadene	1.000 MW	1.000 MW	1.200 MWh
3. Ottimizzazione di Cuneo	1.000 MW	1.000 MW	1.200 MWh
Totale	3.000 MW	3.000 MW	3.600 MWh

Piccoli impianti:

4. Impianti su Tetti Piani PAT	1.000 MW	1.000 MW	1.200 MWh
5. Impianti su Tetti	1.000 MW	1.000 MW	1.200 MWh
Totale	2.000 MW	2.000 MW	2.400 MWh

A tutti i impianti si applicano quote benefiche del 20% di ammortamento dell'investimento.

Per gli impianti CER (1, 2, e 3) si ipotizzano le seguenti importanti assunzioni per le analisi eco-fin:

- Tributazione di Comunità energetiche;
- la Comunità beneficia di un incentivo per almeno 15 anni;
- una quota dell'incentivo pari al 80% viene destinata a CER, mentre il restante 20% viene ripartito tra gli altri aderenti (specie regionale) in caso di maggior della costituzione della Comunità da parte della PAT.

A partire dal 1° anno si assume che una quota del 20% dell'efficacia di CER per la creazione di energia venga ceduta a TP per l'impianto (n. 3) di Valle, ed ai beneficiari (n. 4 e 5) dei piccoli impianti (1,4 Cuneo su 15 anni).

Preliminary business case analyses related to the feasibility of converting unused industrial areas for the development of solar farms.



An iterative approach to ESG, characterized by constant planning and execution phases

02. EXECUTION PHASE

The focus will be on executing the strategic plan efficiently, in conformity to projects plans, aiming at delivering value in the short term, to fulfil our long-term mission



- Acting as a **strategic advisor with proven know-how** in project execution and financing
- **Delivering technical knowledge to achieve seamless execution** of the financial engineering component of the project
- **Facilitating the procurement of financing** through already established channels



Our goal is to allocate funds for “zero km” investments, with direct effects on the provincial territory.

THANK YOU

