

Azimut invests with a club deal in the Italian excellence of Alps Blockchain S.p.A.

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Azimut, an independent, global group in asset management, wealth management, investment banking and fintech, has promoted a **club deal to invest in Alps Blockchain**, a leading company in Italy developing the infrastructure behind blockchain.

Azimut's **€40 million** investment was made through Azimut Enterprises S.r.l and Azimut Direct Investment Alps Blockchain SCSp, a dedicated Luxembourg vehicle that enabled about 600 customers served by the Group's network of financial advisors and wealth managers in Italy to **take exposure to the growth of the sustainable blockchain sector**. The deal includes an equity component, through the purchase of a stake of approx. 45 percent, and a bond component with a convertible loan.

Alps Blockchain is a Trentino-based company specialized in mining research and development, with the goal of **producing computing power for the blockchain technology** through the creation and management of state-of-the-art **data centers powered by renewable energy sources**. Founded in 2018, the company introduced an innovative system in Italy that involves installing data centers inside hydroelectric power plants to directly convert water power into computing power, complementing the traditional power generation system.

To date, **Alps Blockchain has built more than 20 data centers** hosting a total of about **3,950** miners, hardware dedicated to mining. In addition to the data centers located within Italian hydroelectric power plants and coordinated as a provider, there are also those managed directly and located abroad, both under construction and already operational.

In just over four years, the company has experienced exponential growth and now aims to consolidate and implement its business model. The new capital, in fact, will allow the company to invest in expansion and internationalization projects, with the goal of increasing the current fleet of miners to about 12,000 latest-generation devices by 2023, equal to 1.5 exahash of capacity.

The operation also aims to promote the development of services to spread a sustainable culture related to blockchain and mining. Blockchain, which is set to be used more and more extensively in different sectors, from finance to logistics or from healthcare to food, is an energy-intensive technology, as it requires high computing power to validate transactions. According to the Cambridge Bitcoin Electricity Consumption Index (Cbeci) the Bitcoin blockchain uses 14 gigawatts of electricity, which corresponds to a total annual electricity consumption of 122 terawatt-hours.

Giorgio Medda, CEO and Global Head of Asset Management & Fintech of the Azimut Group, comments, "*We are thrilled to have realized this transaction through which Azimut invests directly and with our clients, not only in an all-Italian excellence of sustainable technological development, but also in the digital future and young talents of our country. With Alps Blockchain we further strengthen our positioning and view on blockchain, digital assets and decentralized finance as the new frontiers of investment and operational capabilities towards which digital transformation is pushing the Asset Management industry.*"

Francesco Buffa, CEO Alps Blockchain, says, "*At Alps Blockchain, we firmly believe in the potential of this technology and the need to develop increasingly efficient and sustainable approaches. Thus we have taken the initiative to unite the world of blockchain and mining with the world of renewable energy sources, developing in Italy a solution aimed at supporting the hydropower sector and offering a new business opportunity to power producers that will help keep their historical plants profitable once government incentives end. The new synergy with Azimut represents a significant milestone that will allow us to continue the strategic path we have taken,*"

consolidating our presence at the national level and accelerating growth in international markets, such as South America."

Francesca Failoni, CFO Alps Blockchain, adds, *"The increase in resources will allow us to participate in and contribute more substantially to the operation of the blockchain network, fostering the development of robust and sustainable projects over time. Thanks to this financial transaction, we will not only be able to increase and make our existing data centers more efficient, but also invest in the construction of new facilities, aiming to quadruple the production capacity of computing power in the service of this technology by the end of the year."*

Azimut was assisted by the law firm Gianni & Origoni, Alps Blockchain was assisted by Deloitte STS as tax advisor and Deloitte Legal as legal advisor.

Glossary

Blockchain: a digital ledger based on a decentralized data structure consisting of a series of concatenated blocks containing transactions. The blockchain is designed to be secure, transparent and tamper-resistant through the use of cryptography and the participation of a network of nodes that validate and store information in a distributed manner.

Mining: Process by which transactions are verified, grouped into blocks, validated, and added to the blockchain. Fundamental to some types of blockchain such as Bitcoin's, this process is carried out by miners using computing power to solve complex cryptographic functions and receiving rewards in return through fees and the issuance of new cryptocurrency value.

Mining farm: A mining farm is a data center intended to generate computing power to serve the blockchain. It is an infrastructure that houses a group of specialized computers designed to solve cryptographic functions, called ASICs (Application-Specific Integrated Circuit), that work in a coordinated manner to perform the mining process.

Azimut is an independent, global group in asset management, wealth management, investment banking and fintech, serving individuals and businesses. A public company listed on the Milan Stock Exchange (AZIM.IM), it is a leader in Italy and present in 18 countries worldwide, with a focus on emerging markets. The shareholder base has more than 1,900 managers, financial advisors and employees united in a syndicate pact that controls about 21 percent of the company. The remainder is free float. The Group includes several companies active in the promotion, management, and distribution of financial and insurance products, based mainly in Italy, Australia, Brazil, Chile, China (Hong Kong and Shanghai), Egypt, the United Arab Emirates, Ireland, Luxembourg, Mexico, Monaco, Portugal, Singapore, Switzerland, Taiwan, Turkey, and the USA. In Italy, Azimut Capital Management Sgr is active in the promotion and management of mutual funds under Italian law, in alternative investment funds under Italian law, and in the management on an individual basis of investment portfolios on behalf of third parties. In addition, Azimut Capital Management handles the distribution of Group and third-party products through its own network of financial advisors while Azimut Libera Impresa Sgr handles alternative products. The main foreign companies are Azimut Investments SA (founded in Luxembourg in 1999), which manages the AZ FUND1 and AZ Multi Asset multi-fund funds, and the Irish company Azimut Life DAC, which offers life insurance products.

Alps Blockchain is an innovative Italian company specializing in research and development in blockchain and mining. Founded in 2018 with the aim of contributing to the development of blockchain by paying attention to the sustainability and efficiency of its infrastructure, the company is dedicated to the creation of new systems capable of uniting the world of new technologies with that of renewables. It currently operates more than 20 data centers for blockchain powered by clean energy located in Italy and abroad.

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