

## **PRESS RELEASE**

**ASCOPIAVE: The Board of Directors has approved the results for the first nine months of 2021 and appointed of the General Manager.**

**Gross Operating Margin: Euro 49.5 million (Euro 45.1 million in the first nine months of 2020)**

**Operating Result: Euro 22.9 million (Euro 20.0 million in the first nine months of 2020)**

**Net Consolidated Profit: Euro 29.7 million (Euro 28.8 million in the first nine months of 2020)**

**Net Financial Position: Euro 334.0 million, a decrease compared to 31<sup>st</sup> December 2020 (Euro 338.4 million)**

The Board of Directors of Ascopiave S.p.A., which had a meeting chaired by Mr Nicola Cecconato today, acknowledged and approved the interim report of the Ascopiave Group as of 30<sup>th</sup> September 2021, drafted in compliance with the International Accounting Standards IAS/IFR.

Nicola Cecconato, Ascopiave's Chairman, commented: "Ascopiave closed the first nine months of 2021 with very satisfactory results, thanks to the growing contribution of the subsidiaries and the confirmation of the excellent results of the shareholdings. Investments recovered markedly compared to last year, unfortunately affected by the pandemic. In October, we signed a USD 200 million "Shelf" private placement programme with Pricoa Capital Group Limited which, in addition to demonstrating the appreciation of our Group by a major company operating in international financial markets, will strengthen Ascopiave's ability to act quickly to seize the best investment opportunities. The results achieved and the solidity of the financial position confirm our expectations and encourage us to continue our process of development and economic growth."

### **Revenue from sales**

The Ascopiave Group closed the first nine months of 2021 with consolidated revenues amounting to Euro 99.7 million, compared to Euro 129.3 million recorded in the first nine months of 2020 (-23%). The decrease in turnover, which had no negative impact on profit margins, is mainly explained by the decline in revenues from energy efficiency certificates due to the decrease in the obligations expected for 2021.

### **Gross operating margin**

Gross operating margin in the first nine months of 2021 amounted to Euro 49.5 million, an increase compared to Euro 45.1 million in the same period of the previous year (+10%).

Tariff revenues, totalling Euro 81.6 million, are in line with those recorded in the first nine months of 2020, while the margin obtained from the management of energy efficiency obligations improved by Euro 2.1 million. Finally, the change in the balance of the item "residual costs and revenues" positively contributed for Euro 2.3 million. The change is due, among others, to higher revenues for services provided to end users and associated companies and to the positive effects of the regulatory measures relating to the 2020 energy efficiency obligations.

### **Operating Result**

The operating result in the first nine months of 2021 amounted to Euro 22.9 million, compared to Euro 20.0 million in the same period of the previous year (+14%). The growth is explained by the increase in gross operating margin, only partially offset by the rise in amortisation and depreciation and write-downs recorded in the period (+Euro 1.4 million).

## Net Profit

The consolidated net profit amounted to Euro 29.7 million, marking an increase of Euro 0.9 million compared to the same period in the previous year (+3%).

Net financial income, equal to Euro 2.0 million, decreased by Euro 0.3 million compared to the first nine months of 2020, due to the higher financial charges accrued. In each period, the income from the investee companies Acsm-Agam and Hera Comm is recorded for Euro 3.5 million.

The results of the EstEnergy Group in the first nine months of 2021 contributed to the net profit of the Ascopiave Group in proportion to the stake held, i.e. to the tune of Euro 10.3 million, down Euro 0.9 million compared to the first nine months of 2020. The measurement using the equity method also includes, in proportion to the investment held, the results achieved by Cogeide S.p.A. to the tune of Euro 0.2 million.

Taxes allocated in the first nine months of 2021 are recorded in the income statement for Euro 5.7 million, and therefore the tax rate, calculated by normalising the pre-tax result of the effects of the consolidation of the companies consolidated with the equity method and the income of the investees, is 26.8%.

## Operating performance in the first nine months of 2021

The volumes of gas distributed through the networks managed by the Group companies were 1.1 billion cubic metres, up 13% compared to the first nine months of 2020.

As of 30<sup>th</sup> September 2021, the network managed by the Group has an extension of 12,967 kilometres and connects 776,390 users.

In the first nine months of 2021, the Group adopted Picarro Surveyor, one of the most innovative systems for preventive pipeline monitoring and leak detection, based on CRDS (Cavity Ring-Down Spectroscopy). The system consists of a series of apparatuses and devices installed on a special vehicle which, combined with the use of cutting-edge analysis software, guarantee a sensitivity in the detection of the presence of gas in the air which is at least three orders of magnitude higher than traditional systems (parts per billion versus parts per million). The vehicle, already active in the experimental stage, will be used to inspect the network managed, over 12,000 kilometres long.

With the adoption of this system, Ascopiave aims to: improve the safety of the distribution service thanks to the greater effectiveness of the inspection system; improve the criteria for planning network remediation and implementing a predictive system for replacing pipelines; contribute to reducing gas emissions into the atmosphere, in accordance with the energy efficiency and security objectives set by the European Union and the 2030 Integrated National Plan for Energy and the Climate.

## Investments

In the first nine months of 2021, the Group made investments in intangible and tangible fixed assets for Euro 33.7 million, up Euro 7.6 million compared to the same period of the previous year. They mainly concerned the development, maintenance and upgrade of gas distribution networks and systems.

Specifically, investments in networks and systems amounted to Euro 24.2 million, of which Euro 9.2 million in connections, Euro 14.4 million in enlargements, maintenance and upgrades of the network and Euro 0.6 million in reduction and pre-heating systems. Investments in metres and adjusters amounted to Euro 8.3 million.

## Indebtedness

The Group's net financial position as of 30<sup>th</sup> September 2021 amounted to Euro 334.0 million, a decrease of Euro 4.4 million as compared to 31<sup>st</sup> December 2020.

The overall positive financial flow was determined mainly by the following operations:

- The cash flow generated financial resources totalling Euro 56.2 million;
- Net investments in fixed assets caused the expenditure of Euro 33.4 million;
- The management of net operating working capital and net fiscal capital absorbed resources totalling Euro 4.8 million;
- The management of equity (distribution of dividends to shareholders, dividends collected from investees and purchase/sale of treasury shares), caused the financial expenditure of Euro 13.6 million.

## Significant events during the first nine months of 2021

### **The Board of Directors approved the Ascopiave Group's 2020-2024 strategic plan**

On 15<sup>th</sup> January 2021, the Board of Directors of Ascopiave S.p.A, in a meeting chaired by Mr Nicola Cecconato, approved the 2020-2024 strategic plan of the Ascopiave Group.

The plan envisages a sustainable growth process that will improve corporate profitability while maintaining a balanced financial structure and a stable and advantageous distribution of dividends. Economic and financial highlights:

- ✓ EBITDA in 2024: Euro 87 million (+Euro 25 million compared to 2020 preliminary financial statements)
- ✓ Net profit in 2024: Euro 51 million (+Euro 11 million compared to 2020 preliminary financial statements)
- ✓ Investments in 2020-2024: Euro 497 million
- ✓ Net debt in 2024: Euro 500 million
- ✓ Financial leverage (Net financial position / Shareholder's equity) in 2024: 0.57
- ✓ Forecast of dividends distributed: 16 cents per share in 2020, with an increase of 0.5 cents per share in subsequent years until 2024. The dividends approved and distributed in 2021 (relating to 2020) were in line with the indications of the Plan

The plan develops a scenario that leverages the tenders won by the Group, if any, for the gas distribution service. This opportunity, which depends, among other things, on the actual publication schedule of the calls for tenders, involves a further estimated growth in EBITDA of Euro 20 million by 2024 and an increase in investments of Euro 188 million.

### **AP Reti Gas S.p.A., a company of the Ascopiave group, was chosen by Aemme Linea Distribuzione S.r.l. and NED Reti Distribuzione Gas S.r.l. as an industrial partner for joint participation in tenders for the gas distribution service in the Milano 2 and Milano 3 Territorial Areas**

On 26<sup>th</sup> February 2021, AP Reti Gas S.p.A., a company of the Ascopiave Group, was informed by Aemme Linea Distribuzione S.r.l. and NED Reti Distribuzione Gas S.r.l., state-owned companies active in the management of the gas distribution service in 20 municipalities of the province of Milan, that it was selected as an industrial partner for joint participation in each of the two future tenders for the assignment of the service in the Milano 2 and Milano 3 Territorial Areas (the "Territorial Tenders"). The company was chosen by means of a competitive procedure where AP Reti Gas submitted an economic-industrial bid (the "Tender for the Selection of the Industrial Partner").

Based on the partnership agreement with Aemme Linea Distribuzione and NED Reti Distribuzione Gas, a company will be incorporated upon winning a Territorial Tender: 51% of the share capital of such company will be held by the two state-owned companies and the remaining 49% by AP Reti Gas, with the possibility of establishing two companies at most if both Territorial Tenders are won. The governance of the companies to be incorporated will enable the Ascopiave Group to fully consolidate their accounting values.

AP Reti Gas will capitalise such companies through a capital contribution in proportion to the value of the assets that will be transferred by the state-owned partners, in addition to a premium. The values of the contributions by the state-owned partners will be commensurate with the actual reimbursement value of the plants currently managed by the same state-owned partners updated on the date of the transfer of these plants to the companies to be incorporated, net of the capital value of the loans taken out in relation to the investments made.

If the partnership obtains the management of both concessions, assigned through the Territorial Tenders in 2023, Ascopiave, on the basis of the information currently available, estimates an equity investment in both companies of approximately Euro 82 million.

The parties have agreed to define the details of the partnership, the shareholders' agreements and the articles of association of the companies to be established in October.

The Ascopiave Group expects to be able to meet the financial commitments related directly and indirectly to participation in the future Territorial Tenders covered by the partnership agreement with Aemme Linea Distribuzione and NED Reti Distribuzione Gas by resorting to financial debt. The firm BonelliErede was the legal advisor of AP Reti Gas upon participating in the Tender for the Selection of the Industrial Partner.

### **Purchase of Acsm Agam S.p.A. shares**

On 27<sup>th</sup> April 2021, Ascopiave S.p.A. announced the increase in its stake in Acsm Agam S.p.A., a multi-utility company based in the region of Lombardy and active in gas, electricity, water and environmental services, which amounts to 5.0000047% of the share capital with voting rights. This investment is aligned with the strategic goals of the company, since the activities and services managed by Acsm Agam S.p.A are consistent with the development lines pursued by the Ascopiave Group.

### **Extraordinary and ordinary Shareholders' Meeting of 29<sup>th</sup> April 2021**

The Shareholders' Meeting of Ascopiave S.p.A. convened on 29<sup>th</sup> April 2021, chaired by Mr Nicola Ceconato, in extraordinary and ordinary session. In extraordinary session, the Shareholders' Meeting resolved to approve the amendment of art. 4 of the Articles of Association, according to the proposal of the Board of Directors, expanding the scope of the activities that constitute Ascopiave's corporate purpose. Specifically, the amendment mainly aims to expressly include in the corporate purpose some businesses concerning the so-called "Energy transition", which are intended to complement the core businesses currently conducted by the Company, directly or indirectly, also through subsidiaries and/or investees (i.e. gas distribution businesses and gas and electricity sales businesses), consistent with the objectives set out in the Group's strategic plan approved by the Board of Directors on 15<sup>th</sup> January 2021.

The Shareholders' meeting resolution amending art. 4 (Corporate purpose) of the Articles of Association attributed to the shareholders who did not participate in its adoption (and, therefore, to shareholders which abstained, were absent or voted against) the right of withdrawal pursuant to article 2437, paragraph 1, lett. a), of the Italian civil code (the "Right of Withdrawal") as this is a significant change in the corporate purpose. The terms and conditions for exercising the Right of Withdrawal were communicated to Ascopiave's shareholders on 1<sup>st</sup> June 2021 within the deadlines and with the methods set out in the law.

Furthermore, the extraordinary Shareholders' Meeting approved the amendment to some other articles of the Articles of Association aimed at aligning their content with the best practice of listed companies as proposed by the Board of Directors.

The Ordinary Shareholders' Meeting approved the financial statements for the year and acknowledged the Group's consolidated financial statements as at 31<sup>st</sup> December 2020, and resolved to distribute an ordinary dividend of Euro 0.16 per share, for a total of Euro 34.7 million. The residual part of the undistributed profit, equal to Euro 1,270,130.86 was allocated to the extraordinary reserve.

The dividend was paid with dividend date (coupon identified with no. 17) on 3<sup>rd</sup> May 2021, record date on 4<sup>th</sup> May 2021 and payment date on 5<sup>th</sup> May 2021.

The ordinary Shareholders' Meeting (i) approved with binding vote the first section of the Report on the remuneration policy and on the fees paid prepared pursuant to article 123-*ter* of Italian Legislative Decree dated 24<sup>th</sup> February 1998, no. 58 (i.e. the remuneration policy for the year 2021); and (ii) expressed a favourable advisory vote - pursuant to article 123-*ter*, paragraph 6, TUF - on the second section of the Report on the remuneration policy and on the fees paid prepared pursuant to article 123-*ter* of TUF (i.e. the report on the fees paid in 2020).

The Ordinary Shareholders' Meeting also resolved to approve a long-term share-based incentive plan for the period 2021-2023, reserved for the executive directors of Ascopiave S.p.A. and certain resources with managerial functions of Ascopiave S.p.A. and its subsidiaries.

The Shareholders' Meeting of Ascopiave S.p.A., in ordinary session, also approved the renewal of the authorisation, pursuant to articles 2357 and 2357-*ter* of the Italian Civil Code, to purchase and sell own shares, subject to revocation of the previous authorisation granted by the Shareholders' Meeting on 29<sup>th</sup> May 2020, which, for the portion relating to the purchase of treasury shares, would have expired on 29<sup>th</sup> November 2021.

#### **Final results of the exercise of the right of withdrawal**

On 16<sup>th</sup> June 2021, with reference to the resolution passed by the Extraordinary Shareholders' Meeting of Ascopiave S.p.A. ("Ascopiave" or the "Company") held on 29<sup>th</sup> April 2021 which approved an amendment to art. 4 (Corporate purpose) of the Articles of Association expanding the scope of the activities that constitute Ascopiave's corporate purpose (the "Resolution"), the period for exercising the right of withdrawal applicable, pursuant to art. 2437, par. 1, lett. (a) of the Italian Civil Code, to Ascopiave ordinary shareholders who did not participate (for reasons of absence, abstention or dissent) in the approval of the Resolution, expired.

The Company communicated that, eight days after the deadline for exercising the right of withdrawal, no statement for exercising the right of withdrawal had been received and, therefore, that the Company did not initiate the liquidation procedure stated in art. 2437-*quater* of the Italian Civil Code.

Finally, please remember that the effectiveness of the Resolution was subject to the condition that the number of shares subject to the Right of Withdrawal that had to be purchased by the Company subsequent to the liquidation procedure was less than 2% of the share capital (corresponding to a disbursement under the scope of the Company of less than Euro 16,352,553.22) (the "Maximum Disbursement Condition"). As no statement for exercising the right of withdrawal was received, the Maximum Disbursement Condition was fulfilled and the Resolution took effect. As a result of the validity of the Resolution, the new text of art. 4 (Corporate purpose) of the Articles of Association took effect.

### Information on Covid 19

The health emergency caused by the spread of the SarsCov2 virus, begun in the first months of 2020 and which affected the entire world, starting with the Asian countries and then continuing with several other nations, including severely Italy, is still underway.

The Group has carefully and constantly monitored, since the outbreak in 2020 and throughout the emergency, the evolution of the situation in the area where its activities are located, but also the development of the pandemic at an international level, operating in absolute compliance with the decrees issued by the bodies in charge, both at national and local level, prioritising the health and safety of workers to such an extent that, a few days after the establishment of the lockdown by the Government, the necessary measures were quickly activated in order to enable almost all employees to work remotely in agile method, while guaranteeing business continuity in all permitted activities. The same level of attention and prevention adopted in 2020 has been implemented in 2021, a period in which the pandemic has continued to strike heavily, specifically in the initial winter months. Likewise, the Group's Management continues to monitor, by using external indicators and internally processed values, the impacts of the epidemic in terms of performance, in order to be able to introduce any corrective measures aimed at mitigating any effects on the execution of the business. Thanks to the remedies already implemented in the previous financial year, the negative economic and financial effects did not affect the final results of the Group, as they were offset by the positive effects deriving from the remedies implemented. Although in the industry where the Group operates the emergency is less critical, the Management continues to constantly monitor the above-mentioned indicators, not only at the local but also at the national and/or international level, so as to be able to promptly respond if the crisis flares up.

### Significant events subsequent to the end of the first nine months of 2021

#### Update on the industrial partnership for joint participation in tenders for the gas distribution service in the Milano 2 and Milano 3 Territorial Areas

In October 2021, AP Reti Gas S.p.A., Aemme Linea Distribuzione S.r.l. and NED Reti Distribuzione Gas S.r.l. defined the details of the partnership aimed at joint participation in the tenders for the assignment of the natural gas distribution service in the Milano 2 and Milano 3 territorial areas, the shareholders' agreements and the articles of association of the companies to be established in accordance with the partnership itself.

#### Announcement of the total amount of voting rights pursuant to art. 85-*bis*, paragraph 4-*bis*, of Consob Regulation 11971 dated 14<sup>th</sup> May 1999

On 7<sup>th</sup> October 2021 Ascopiave S.p.A. announced that the increase in the voting rights in relation to 129,205,648 ordinary shares of the Company became effective pursuant to art. 127-*quinquies* of Italian Legislative Decree 98/1998 and art. 6 of the Articles of Association of Ascopiave. In this regard, please remember that article art. 6 of the Articles of Association of Ascopiave attributes two votes to each share which has belonged to the same shareholder for an uninterrupted period of at least twenty-four months from the date of registration in the Special List established pursuant to art. 6.8 of the Articles of Association (the "Special List").

For the sake of completeness, Ascopiave also announced that – pursuant to art. 6.11 of the Articles of Association of Ascopiave – on 9<sup>th</sup> September 2021, 2,032,339 ordinary shares were cancelled from the Special List, subsequent to a communication from the intermediary of the shareholder Asco Holding S.p.A. stating the loss of the right *in rem* legitimising the registration in the Special List. Such shares had been registered in the Special List on 26<sup>th</sup> March 2020.

Subsequently, on 5<sup>th</sup> November 2021, the Company announced the effectiveness of the increase in voting rights for 14,467,371 ordinary shares of the Company, pursuant to art. 127-*quinquies* of Italian Legislative Decree 98/1998 and art. 6 of Ascopiave's Articles of Association. Therefore, as of today, Ascopiave ordinary shares with increased voting rights amount to 143,673,019 shares.

The Company has published, on the basis of the information in its possession, the data relating to the outstanding shares and the number of voting rights that can be exercised.

#### Ascopiave S.p.A. closes USD 200 million private placement Shelf programme with Pricoa Capital Group Limited, part of the Prudential Financial Inc. insurance group. Ascopiave also issued senior unsecured notes off such programme for Euro 25 million and started the refinancing of bank debt

On 14<sup>th</sup> October 2021 Ascopiave ("Ascopiave" or the "Company") announced that it finalised a USD 200 million Private Placement "Shelf" uncommitted programme (the "Shelf Programme") as well as the concurrent issue and placement of unsecured senior non-convertible bond notes (the "Notes") for Euro 25 million with Pricoa Capital Group ("Pricoa"), part of the US group Prudential Financial, Inc. (NYSE:PRU ) and one of the



main players in the Italian private placement market. The Notes were issued in a single *tranche* and have a 10-year maturity, with an average life of 8 years and at a very attractive fixed interest rate.

The bond notes issued have no rating and will not be listed on regulated markets. The issue was not backed by collateral guarantees. Ascopiave is required to comply with certain financial covenants, in line with standard market practice. Ascopiave was assisted in the issue by Mediobanca (Sole Arranger), BonelliErede e Lombardi (special Italian legal and tax counsel), and Cadwalader, Wickersham & Taft LLP (special U.S. and English counsel), while Pricoa was assisted by Ashurst LLP (legal counsel).

Proceeds will be used by Ascopiave for general corporate purposes, including the refinancing of drawn bank debt while leaving sufficient firepower for additional capex and/or potential M&A opportunities.

The Shelf Programme will also allow (but not obligate) Ascopiave to quickly issue additional private placements to be subscribed by Pricoa for the next three years.

Such partnership with Pricoa adds a well-known, highly expert and long-term institutional investor to Ascopiave's financial structure, while significantly increasing the diversification of its funding sources.

### **Appointment of the General Manager**

Today the Board of Directors, on proposal and after obtaining the favorable opinion of the remuneration committee, acting also as a related party transaction committee, resolved to appoint the Chairman and Chief Executive Officer Mr Nicola Ceconato as General Manager of Ascopiave. The appointment responds to the interest of the company in securing stability to the role of Mr Ceconato as key manager of the group for the implementation of the strategic plan, currently in progress, which is partly focused on the so-called "energy transition" activities. Details on the terms and conditions of the related employment relationship will be illustrated in Section II of the 2021 Remuneration Report, which will be published in accordance with the terms and conditions of the law.

### **Seasonal nature of operations**

Since the execution of the partnership agreement with the Hera Group, finalised on 19<sup>th</sup> December 2019 with the transfer of the sales companies, the activity of the Ascopiave Group is not significantly affected by seasonality. The natural gas distribution business is in fact less influenced by the thermal trend recorded during the year, except for some minor items.

The Group is exposed to the effects of seasonality in relation to investments in associates which will be valued using the equity method and which are significantly exposed to seasonality, as they work in the natural gas sales sector. Gas consumption changes considerably on a seasonal basis, with a greater demand in winter in relation to higher consumptions for heating. This seasonality influences the trend of revenues from gas sales and of procurement costs, while other operating costs are fixed and incurred by the Group in a uniform manner throughout the year. Therefore, the data and the information contained in the interim financial statements do not allow for immediate indications to be drawn regarding the overall performance for the year.

### **Outlook for 2021**

As far as the gas distribution activities are concerned, in 2021 the Group will continue its normal operations and service management and perform preparatory activities for the next invitations to tender for awarding concessions. Should the tender procedures of the Territorial Areas in which the Ascopiave Group is interested progress in 2021, in light of the time normally required for participants to submit bids and for the contracting authorities to evaluate and select them and announce a winner, the new managements, if any, are expected to start subsequent to the end of the current year, therefore without changes in the scope of the activities currently managed.

As regards the economic results, in 2019 the Authority adopted the new tariff regulation for the 2020-2025 five-year period. The new provisions envisage a significant reduction in the revenue components intended to cover operating costs. In this regard, the Group has appealed to the Regional Administrative Court of Lombardy – Milan together with other leading distribution operators; the judgement is pending.

With regard to energy efficiency obligations, the Decree dated 21<sup>st</sup> May 2021 of the Minister of Ecological Transition determined the national energy saving objectives for the years 2021-2024 and reduced the obligations of distributors for the year 2020. The objectives estimated for 2021 for the Group's distribution companies are significantly lower than the annual obligations envisaged in the previous four-year period.

The health emergency caused by the Covid 19 virus, in light of the Ascopiave Group's focus on the distribution business, had a minor effect on profitability in the first half of 2021 and, as the peak of the emergency is behind us, limited impacts are currently expected also on future profitability, since adequate credit risk hedging mechanisms are contained in the Grid Code, which governs the activity of distributors. Although the industry

where the Group operates is less critical, the Management will continue to monitor the pandemic at the national and international level so as to promptly respond if the crisis flares up.

As regards electricity and gas sales, Ascopiave will obtain the benefits of the consolidation of its quota of the result of the minority stake in EstEnergy and the dividends distributed by Hera Comm – both companies are controlled by the Hera Group. Ascopiave has put options on these investments and it is possible that they will be exercised, in whole or in part, with a consequent impact on the Group's income statement and financial structure.

The actual results of 2021 could differ from those outlined above depending on various factors amongst which: the general macroeconomic conditions, the impact of regulations in the energy and environmental fields, the evolution of the on-going health emergency, success in the development and application of new technologies, changes in stakeholder expectations and other changes in business conditions.

#### **Statement by the manager in charge**

The manager in charge of preparing the company accounting documents, Mr Riccardo Paggiaro, hereby states, under the terms of paragraph 2, article 154 *bis*, Consolidated Finance Law, that the accounting information note contained in this press release corresponds to the official documents, accounting books and records.

#### **Notice of filing of the Interim Financial Report as of 30<sup>th</sup> September 2021**

The Interim Financial Report for the period ended 30<sup>th</sup> September 2021 was made available to the public at the registered office, at the stock management company Borsa Italiana S.p.A. (Italian Stock Exchange), stored and disseminated in the “eMarket Storage” system provided by Spafid Connect S.p.A. and published on the website [www.gruppoascopiave.it](http://www.gruppoascopiave.it) within the time prescribed by law.

#### **Annexes**

Consolidated financial statements subject to limited audit.

*The Ascopiave Group is one of the leading operators in natural gas distribution in the country.*

*The Group owns concessions and direct assignments for the management of activities in 268 towns, supplying services to about 775,000 inhabitants, through a network which spreads over 12,000 kilometres.*

*Ascopiave is also a partner of the Hera Group in the sale of gas and electricity, through a 48% stake in EstEnergy, a leading operator in the field holding a portfolio of over 1 million sales contracts to end users, mainly in Veneto, Friuli Venezia-Giulia and Lombardy regions.*

*Ascopiave is also present in the water sector, being a shareholder and technological partner of the company Cogeide, operating in integrated urban water management in 15 Municipalities of the Province of Bergamo, serving a catchment area of over 100,000 inhabitants through a network of 880 km.*

*Ascopiave has been listed under the Star segment of Borsa Italiana since 12<sup>th</sup> December 2006.*

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Pieve di Soligo, 11<sup>th</sup> November 2021

# **Ascopiave Group**

**Interim report**

**as of 30<sup>th</sup> September 2021**



## Consolidated statement of financial position

(Thousands of Euro)	30.09.2021	31.12.2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	49,272	49,272
Other intangible assets	585,023	577,413
Tangible assets	34,036	33,443
Shareholdings in Controlled and Affiliated companies	432,097	436,805
Shareholdings in other companies	78,925	78,925
Other non-current assets	3,502	4,154
Non current financial assets	3,248	2,226
Advance tax receivables	30,894	30,122
<b>Non-current assets</b>	<b>1,216,997</b>	<b>1,212,359</b>
<b>Current assets</b>		
Inventories	14,923	14,912
Trade receivables	18,879	33,587
Other current assets	50,990	75,964
Current financial assets	913	798
Tax receivables	2,049	3,583
Cash and cash equivalents	10,080	21,902
Current assets from derivative financial instruments	32	0
<b>Current assets</b>	<b>97,866</b>	<b>150,747</b>
<b>ASSETS</b>	<b>1,314,863</b>	<b>1,363,106</b>
<b>Net equity and liabilities</b>		
<b>Total Net equity</b>		
Share capital	234,412	234,412
Own shares	(55,423)	(55,628)
Reserves	672,601	675,119
<b>Net equity of the Group</b>	<b>851,589</b>	<b>853,903</b>
<b>Net equity of the Minorities</b>	<b>0</b>	<b>0</b>
<b>Total Net equity</b>	<b>851,589</b>	<b>853,903</b>
<b>Non-current liabilities</b>		
Provisions for risks and charges	741	2,412
Severance indemnity	4,831	4,770
Medium- and long-term bank loans	164,474	195,999
Other non-current liabilities	28,603	26,905
Non-current financial liabilities	1,854	563
Deferred tax liabilities	12,780	12,984
<b>Non-Current liabilities</b>	<b>213,283</b>	<b>243,632</b>
<b>Current liabilities</b>		
Payables due to banks and financing institutions	180,386	165,747
Trade payables	44,009	66,774
Tax payables	3,906	5,174
Other current liabilities	20,131	26,263
Current financial liabilities	1,368	1,065
Current liabilities from derivative financial instruments	190	548
<b>Current liabilities</b>	<b>249,991</b>	<b>265,570</b>
<b>Liabilities</b>	<b>463,273</b>	<b>509,203</b>
<b>Net equity and liabilities</b>	<b>1,314,863</b>	<b>1,363,106</b>

## Consolidated statement of comprehensive income

(Thousands of Euro)	First nine month	
	2021	2020
<b>Revenues</b>	<b>99,686</b>	<b>129,347</b>
<b>Total operating costs</b>	<b>50,232</b>	<b>84,229</b>
Purchase costs for other raw materials	1,195	1,312
Costs for services	28,508	27,585
Costs for personnel	13,619	13,748
Other management costs	7,436	41,622
Other income	527	39
<b>Amortization and depreciation</b>	<b>26,539</b>	<b>25,105</b>
<b>Operating result</b>	<b>22,916</b>	<b>20,014</b>
Financial income	3,527	3,554
Financial charges	1,479	1,256
Evaluation of subsidiary companies with the net equity method	10,482	11,250
<b>Earnings before tax</b>	<b>35,445</b>	<b>33,562</b>
Taxes for the period	(5,747)	(4,756)
<b>Result of the period</b>	<b>29,698</b>	<b>28,805</b>
Group's Net Result	29,698	28,805
Minorities' Net Result	0	0
<b>Consolidated statement of comprehensive income</b>		
1. Components that can be reclassified to the income statement		
Fair value of derivatives, changes in the period net of tax	369	(229)
Fair value of derivatives Affiliated companies, changes in the period net of tax of the companies held for sale	11,697	0
2. Components that can not be reclassified to the income statement		
Actuarial (losses)/gains from remeasurement on defined-benefit obligations net of tax	42	387
<b>Total comprehensive income</b>	<b>41,806</b>	<b>28,964</b>
Group's overall net result	41,806	28,964
Minorities' overall net result	0	0
Base income per share	0.193	0.130
Diluted net income per share	0.193	0.130

Earnings per share are calculated by dividing the net income for the period attributable to the Company's shareholders by the weighted average number of shares net of own shares. For the purposes of the calculation of the basic earnings per share, we specify that the numerator is the economic result for the period less the share attributable to third parties. There are no preference dividends, conversions of preferred shares or similar effects that would adjust the results attributable to the holders of ordinary shares in the Company. Diluted profits for shares result as equal to those for shares in that ordinary shares that could have a dilutive effect do not exist and no shares or warrants exist that could have the same effect.

## Consolidated statement of changes in shareholders' equity

	Share capital	Legal reserve	Own shares	Reserves IAS 19 actuarial differences	Other reserves	Profit/(loss) carried forward	Net result for the period	Group's net equity	Net result and net equity of others	Total net equity
<b>(migliaia di Euro)</b>										
<b>Balance as of 1st January 2021</b>	<b>234.412</b>	<b>46.882</b>	<b>(55.628)</b>	<b>(527)</b>	<b>433.301</b>	<b>136.762</b>	<b>58.701</b>	<b>853.903</b>	<b>0</b>	<b>853.903</b>
Result for the period							29.698	29.698		29.698
Other operations					369			369		369
Fair value Shareholdings in other companies other companies					11.697			11.697		11.697
Severance indemnity IAS 19 discounting of the financial period				42				42		42
<b>Total result of overall income statement</b>				<b>42</b>	<b>12.066</b>	<b>(0)</b>	<b>29.698</b>	<b>41.806</b>	<b>0</b>	<b>41.806</b>
Allocation of 2020 result						58.701	(58.701)	(0)		(0)
Dividends distributed to Ascopiave S.p.A. shareholders						(34.663)		(34.663)		(34.663)
Long-term incentive plans			204		(201)	53		57		57
Variation Affiliated companies' shareholdings					(9.514)			(9.514)		(9.514)
<b>Balance as of 30th September 2021</b>	<b>234.412</b>	<b>46.882</b>	<b>(55.424)</b>	<b>(485)</b>	<b>435.653</b>	<b>160.853</b>	<b>29.698</b>	<b>851.589</b>	<b>0</b>	<b>851.589</b>

	Share capital	Legal reserve	Own shares	Reserves IAS 19 actuarial differences	Other reserves	Profit/(loss) carried forward	Net result for the period	Group's net equity	Net result and net equity of others	Total net equity
<b>(Thousands of Euro)</b>										
<b>Balance as of 1st January 2020</b>	<b>234,412</b>	<b>46,882</b>	<b>(26,774)</b>	<b>(535)</b>	<b>(10,470)</b>	<b>136,762</b>	<b>493,216</b>	<b>873,492</b>	<b>0</b>	<b>873,492</b>
Result for the period							28,805	28,805		28,805
Other operations					(229)			(229)		(229)
Severance indemnity IAS 19 discounting of the financial period				387				387		387
<b>Total result of overall income statement</b>				<b>387</b>	<b>(229)</b>	<b>(0)</b>	<b>28,805</b>	<b>28,964</b>	<b>0</b>	<b>28,964</b>
Allocation of 2019 result					493,216		(493,216)	(0)		(0)
Dividends distributed to Ascopiave S.p.A. shareholders					(47,442)			(47,442)		(47,442)
Purchase of own shares			(8,047)		37			(8,011)		(8,011)
<b>Balance as of 30th September 2020</b>	<b>234,412</b>	<b>46,882</b>	<b>(34,821)</b>	<b>(148)</b>	<b>435,113</b>	<b>136,762</b>	<b>28,805</b>	<b>847,004</b>	<b>0</b>	<b>847,004</b>

## Consolidated statement of cash flow

	First nine month	
	2021	2020
<b>Total comprehensive income</b>	<b>30.109</b>	<b>28.964</b>
<b>Cash flows generated (used) by operating activities</b>		
<b>Adjustments to reconcile net income to net cash</b>		
Fair value of derivatives, changes in the period	(369)	229
Companies held for sale operating result	(42)	(387)
Amortization	26.539	25.105
Svaluation of assets	584	0
Variations in severance indemnity	104	(116)
Current assets / liabilities on financial instruments	(20)	10
Net variation of other funds	(1.336)	324
Evaluation of subsidiaries with the net equity method	(10.482)	(11.250)
Dividends from equity investments	(3.489)	0
Other variations of net income without financial effect	(1.325)	0
Interests paid	(1.373)	(1.227)
Taxes paid	(11.845)	(9.335)
Interest expense for the period	1.249	1.143
Taxes for the period	5.747	4.756
<b>Total adjustments</b>	<b>3.940</b>	<b>9.251</b>
<b>Variations in assets and liabilities</b>		
Inventories	(10)	(24.256)
Accounts payable	14.707	26.479
Other current assets	1.633	(51.289)
Trade payables	1.145	40.643
Other current liabilities	(621)	(13.764)
Other non-current assets	(96)	(859)
Other non-current liabilities	1.508	1.793
<b>Total variations in assets and liabilities</b>	<b>18.267</b>	<b>(21.253)</b>
<b>Cash flows generated (used) by operating activities</b>	<b>52.317</b>	<b>16.962</b>
<b>Cash flows generated (used) by investments</b>		
Investments in intangible assets	(32.976)	(25.026)
Realisable value of intangible assets	0	291
Investments in tangible assets	(450)	(686)
Realisable value of tangible assets	(0)	6
Disposal/(acquisitions) in investments and avances	0	(60.598)
Dividends distributed from subsidiary companies	20.862	21.254
<b>Cash flows generated/(used) by investments</b>	<b>(12.564)</b>	<b>(64.759)</b>
<b>Cash flows generated (used) by financial activities</b>		
Net changes in debts due to other financers	0	(88)
Net changes in short-term bank borrowings	(38.185)	(20.978)
Net variation in current financial assets and liabilities	(231)	(10.092)
Purchase of own shares	204	(8.048)
Ignitions loans and mortgages	198.000	194.700
Redemptions loans and mortgages	(176.700)	(125.000)
Dividends distributed to Ascopiave S.p.A. shareholders'	(34.663)	(47.442)
<b>Cash flows generated (used) by financial activities</b>	<b>(51.575)</b>	<b>(16.947)</b>
<b>Variations in cash</b>	<b>(11.823)</b>	<b>(64.744)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>21.902</b>	<b>67.031</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>10.080</b>	<b>2.286</b>