



# SPAFID CONNECT

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Oggetto : The Board of Directors has approved the  
results of the first quarter of 2020

*Testo del comunicato*

Vedi allegato.



## **PRESS RELEASE**

**ASCOPIAVE: The Board of Directors has approved the results of the first quarter of 2020.**

**Gross Operating Margin: Euro 15.6 million (Euro 9.0 million in the first quarter of 2019)**

**Operating Result: Euro 7.2 million (Euro 3.5 million in the first quarter of 2019)**

**Net Consolidated Profit: Euro 13.0 million**

**The change in the Net Consolidated Profit (down Euro 8.8 million compared to the first quarter of 2019) is mainly explained by the change in the scope of consolidated activities and their different seasonality and therefore will be more than offset during the financial year**

**Net Financial Position: Euro 218.2 million, an increase compared to 31<sup>st</sup> December 2019 (Euro 213.0 million).**

The Board of Directors of Ascopiave S.p.A., which had a meeting chaired by Mr Nicola Ceconato today, acknowledged and approved the interim report of the Ascopiave Group as of 31<sup>st</sup> March 2020, drafted in compliance with the International Accounting Standards IAS/IFRS.

Nicola Ceconato, Ascopiave, Chairman, commented: “The Group closes the first quarter of the year with results in line with expectations. The economic performance achieved, in comparison with the data of the same period of the previous year, immediately shows the effects of the strategic repositioning of the Group implemented thanks to the operation recently concluded with Hera. The strengthening of Ascopiave in the gas distribution business and the improvements achieved thanks to greater managerial efficiency have in fact enabled the operating result to double. On the other hand, the consolidation of the minority stake in Estenergy has reduced the contribution of the sales activity to the comprehensive net result, also due to the seasonality of the gas sale business, i.e. the concentration of consumption in winter. The impacts of seasonality, which affect the results of the quarter, will naturally be cancelled out during the year, because the differences that will be recorded in each fraction of the year will offset each other. In the last part of the quarter, in a difficult general situation caused by the spread of Covid 19 and the consequent stoppage of many businesses, the Group embraced the provisions issued by the public authorities aimed at containing the epidemic, reorganising its activities, some of which recorded a physiological decrease. During this difficult period, Ascopiave fulfilled its essential service commitments, ensuring continuity and safety as required by the authorities in the emergency. The economic and financial impacts on the results of the closing quarter were modest; those recorded in April were more significant. Due to the reduction in activities and in order to comply with social distancing measures, the Group has activated agile work for a significant part of the employees, asking inactive workers to use accumulated holidays. The Group has not applied for redundancy schemes for its employees nor plans to do so in the coming months; the Group has also signed an agreement that envisages the establishment of an hour bank to support the income of temporarily inactive staff. In the hope of returning to a normal situation soon, the Group is operating in the current unprecedented scenario in order to best meet the needs of all its stakeholders, primarily the shareholders, workers and users of our services”.

### **Change in the scope of consolidation subsequent to extraordinary operations performed in 2019**

On 19<sup>th</sup> December 2019, Ascopiave and Hera completed a complex operation which led to the acquisition by Ascopiave S.p.A. of AP Reti Gas Nord Est, a company operating in the distribution of gas in the provinces of Padua, Udine and Pordenone, and the establishment, through the company Estenergy, of the leading energy player in North-Eastern Italy, boasting over one million customers.

As a result, the Hera Group sold to Estenergy S.p.A. its gas and electricity sales activities in the Triveneto area and acquired a 52% stake in the company's share capital and, consequently, control of the company, while Ascopiave sold to Estenergy the stakes previously held in Sinergie Italiane, Ascotrade, Ascopiave Energie, Blue Meta, Etra Energia and ASM Set, acquiring a 48% minority stake in the company, with a put option exercisable within the seventh year from the operation closing.

Finally, the company Amgas Blu was sold by Ascopiave to the Hera Group, which in turn sold a 3% stake in Hera Comm S.p.A. to Ascopiave.



Such operation represents an important step in the evolution of the business portfolios of the Hera and Ascopiave Groups, fully consistent with the development lines approved by the respective Boards of Directors. Ascopiave, specifically, has implemented its strategic repositioning plan, through the commercial agreement with a primary player and the consolidation of its position in the core business of gas distribution, reaching a portfolio of 775,000 customers and becoming the leading operator in the region of Veneto.

Subsequent to the operation, the Ascopiave Group recognises the operating and financial data of the year 2019 ascribable to the companies sold as discontinued/divested operations, pursuant to the provisions of the international accounting standard IFRS 5.

On 1<sup>st</sup> July 2019, the company Unigas Distribuzione S.r.l. was merged through acquisition into Ascopiave S.p.A. and, on the same date, Ascopiave S.p.A. transferred the merged unit to Edigas Distribuzione Gas S.p.A.. As a result of this operation, the profit and loss figures of the activities previously held by Unigas Distribuzione S.r.l. were consolidated using the equity method until 30<sup>th</sup> June 2019, and subsequently on a line-by-line basis.

### **Revenue from sales**

The Ascopiave Group closed the first quarter of 2020 with consolidated revenues amounting to Euro 44.7 million, compared to Euro 27.9 million recorded in the first quarter of 2019 (+60.1%). The increase in turnover is mainly due to the extension of the scope of consolidation explained by the merger through acquisition of Unigas Distribuzione S.r.l. and the consequent recognition of the revenues achieved by the merged unit in the context of natural gas distribution services and contributions for white certificates related to the energy efficiency objectives applying to the company, and the consolidation of the company AP Reti Gas Nord-Est S.r.l.

### **Gross operating margin**

Gross operating margin in the first quarter of 2020 amounted to Euro 15.6 million, an increase compared to Euro 9.0 million in the same period of the previous year (+72.2%).

The tariff revenues from distribution and metering, totalling Euro 27.7 million, increased by Euro 9.8 million, mainly due to the effect of line-by-line consolidation, commencing 1<sup>st</sup> July 2019, of the results of the activities previously held by the company Unigas Distribuzione S.r.l. and the consolidation of the company AP Reti Gas Nord-Est S.r.l.

The margin achieved on energy efficiency certificates increased by Euro 0.5 million.

The change in the balance of the item “residual costs and revenues” negatively affected the gross operating margin (-Euro 6.6 million) partly explained by the extension of the scope of consolidation. Among the most remarkable variations, there were higher amortisation and depreciation (Euro 2.8 million), higher costs for materials, services and other charges for Euro 2.7 million and higher staff costs for Euro 1.8 million, only partially offset by higher revenues for Euro 0.7 million.

### **Operating Result**

The operating result in the first quarter of 2020 amounted to Euro 7.2 million, compared to Euro 3.5 million in the same period of the previous year (+107.7%).

The growth recorded is mainly explained by the increase in gross operating margin and in amortisation and depreciation (+Euro 2.8 million), also influenced by the extension of the scope of consolidation.

### **Net Profit**

The consolidated net profit amounted to Euro 13.0 million, marking a decrease of Euro 8.8 million compared to the first quarter of 2019 (-40.4%).

The results achieved in the first quarter of 2019 by the companies involved in the operation completed on 19<sup>th</sup> December 2019 with the Hera Group amounted to Euro 19.2 million and were entered in the item “Net result of discontinued/divested operations”.

Most of the aforementioned activities, with the sole exception of the stake in Amgas Blu, were transferred to Estenergy, thus contributing to the result of the Ascopiave Group in the first quarter of 2020 no longer in full, but in proportion to the minority stake held in the company.

On the other hand, the lower contribution of the scope of the assets sold could not be compensated by the consolidation of the portion of the result generated by the activities transferred to Estenergy by the Hera Group, given their lesser importance as compared to the activities acquired by Ascopiave.

Overall, Estenergy contributed to the net result of the first quarter of 2020 for Euro 8.2 million, thus determining a reduction of Euro 11.0 million in the contribution of the sales activities to the Group's net result.

The effect of this decrease is amplified because the sales activity has a seasonal nature and therefore most of the gas consumption and, consequently, the net results, is concentrated in the first quarter of the year.

This reduction was partially offset by the expansion of the scope of consolidation which resulted in the full recognition of the results achieved by Ap Reti Gas Nord Est S.r.l., acquired as part of the same transaction described above (Euro +3.1 million), a company whose performance is constant during the year, as its results are not affected by seasonality, and by the merger through acquisition of Unigas Distribuzione Gas S.r.l., effective 1<sup>st</sup> July 2019.

Commenting specifically on the other economic cost items not resulting from usual operations, please be aware that the net financial charges, equal to Euro 0.4 million, increased by Euro 0.1 million compared to the same period of the previous year.

Taxes, as regards solely the scope of the activities consolidated on a line-by-line basis, amounted to Euro 2.1 million, and therefore the tax rate, calculated by normalising the pre-tax result of the companies consolidated with the equity method, increased from 27.4% to 30.2%.

### **Operating performance in the first three months of 2020**

The volumes of gas distributed through the networks managed by the fully-consolidated companies were 628.1 million cubic metres, up 44.2% compared to the first quarter of the previous year, thanks especially to the extension of the scope of consolidation.

In the first quarter of 2019, the company Unigas Distribuzione S.r.l., consolidated with the equity method until 30<sup>th</sup> June 2019, had distributed 68.8 million cubic metres *pro-rata*.

### **Investments**

Investments by the fully-consolidated companies in intangible and tangible fixed assets in the first quarter of 2020 amounted to Euro 7.7 million and mainly concerned the development, maintenance and upgrade of gas distribution networks and systems.

Specifically, investments in networks and systems amounted to Euro 4.6 million, of which Euro 2.0 million in connections, Euro 2.2 million in enlargements and upgrades of the network and Euro 0.4 million in maintenance, mainly relating to reduction and pre-heating systems. Investments in metres and adjusters amounted to Euro 2.0 million.

In the first quarter of 2020, the Group made investments in shareholdings amounting to Euro 26.7 million, due to the purchase of 4.99% of the share capital of Acsm Agam S.p.A., a multi-utility company based in the region of Lombardy and active in gas, electricity, water and environmental services.

### **Indebtedness and financial ratios**

The Group's net financial position as of 31<sup>st</sup> March 2020 amounted to Euro 218.2 million, an increase of Euro 5.2 million as compared to 31<sup>st</sup> December 2019.

The negative financial flow was determined mainly by the following operations:

- The cash flow, net of the result of the discontinued companies, generated financial resources totalling Euro 21.3 million;
- Net investments in tangible and intangible fixed assets caused the expenditure of Euro 34.3 million;
- The management of net operating working capital and net fiscal capital generated resources totalling Euro 14.3 million;
- Purchases of treasury shares led to financial expenditures totalling Euro 6.5 million.

### **Significant events during the first quarter of 2020**

#### **Publication of information document**



On 1<sup>st</sup> January 2020, Ascopiave S.p.A. announced that the information document prepared pursuant to Article 71, Consob Regulation no. 11971/99, relating to the partnership between Ascopiave S.p.A. and the Hera Group, whose completion was communicated to the stock market on 19<sup>th</sup> December 2019, is available to the public at the premises of Borsa Italiana S.p.A., at the registered office of the Company, its website [www.gruppoascopiave.it](http://www.gruppoascopiave.it), and also on the authorised storage mechanism “eMarket Storage” ([www.emarketstorage.com](http://www.emarketstorage.com)) managed by Spafid Connect S.p.A..

#### **Ascopiave, territorial investments on the rise: over Euro 40 million envisaged in 2020**

On 16<sup>th</sup> January 2020, Ascopiave S.p.A. announced that Ascopiave’s Investment Plan, for the expansion and upgrade of its distribution network and enhancement of energy efficiency, underscores the sturdy connection between the Group and its catchment area.

In 2020, the economic commitment of the Group – listed under the Star segment of Borsa Italiana, among the leading operators in the natural gas sector in the country – will be over Euro 40 million, against Euro 31 million in 2019. Disbursements will focus on the creation of new distribution infrastructure, extraordinary maintenance works and new allotments, in addition to the installation of smart metres, designed to help customers save by making their homes as energy sustainable as possible.

In the year just ended, the gas distribution works performed by the Ascopiave Group in Municipalities where it holds assignments involved 93 km of network, up +25% compared to 2018. Of these, over 52 km were in the Province of Treviso alone, where the subsidiary AP Reti Gas performed the works.

Again as regards this Province alone, investments already implemented or planned over the 2019–2021 three-year period concern 120 km of network, worth about Euro 16 million. The works include those in progress in Nervesa della Battaglia for approximately Euro 2.3 million, Castelfranco Veneto (about Euro 2 million), Fontanelle (approximately Euro 1.5 million), San Biagio di Callalta (approximately Euro 1.5 million) and Pederobba (little over Euro 1 million), as well as those planned in 18 Municipalities in the Marca Trevigiana Area.

#### **Guidelines of Ascopiave S.p.A.’s Board of Directors for the Shareholders on the future composition of the Board of Directors**

On 24<sup>th</sup> January 2020, Ascopiave S.p.A. announced that the document “Guidelines of Ascopiave S.p.A.’s Board of Directors for the Shareholders on the future composition of the Board of Directors” is available on the website ([www.gruppoascopiave.it](http://www.gruppoascopiave.it) “Investor Relations” – “Shareholders’ Meetings”) and on the website of the authorised storage mechanism “eMarket Storage” ([www.emarketstorage.com](http://www.emarketstorage.com)) of Spafid Connect S.p.A..

#### **Purchase of Hera S.p.A. shares**

Subsequent to the press release issued on 31<sup>st</sup> January 2020 by Hera S.p.A., informing that the latter had acquired a 2.5% stake in Ascopiave S.p.A., with a view to strengthening the partnership between the two companies, the Board of Directors of Ascopiave S.p.A. has approved the purchase of Hera S.p.A. shares, corresponding to approximately 0.4% of its share capital. Ascopiave will inform the market when the purchase is completed.

#### **Resignation of Mr Giorgio Martorelli from the Board of Directors of Ascopiave S.p.A.**

On 3<sup>rd</sup> February 2020, Ascopiave S.p.A. informed that it received the resignation of Mr Giorgio Martorelli, an independent and non-executive member of the Board of Directors of Ascopiave S.p.A., as well as a member of the Control and Risks Committee. The resignation was submitted for personal reasons.

Mr Martorelli had been elected by the Shareholders’ Meeting on 28<sup>th</sup> April 2017 and was presented as a candidate jointly by Amber Capital Italia SGR S.p.A., being him the manager of the Alpha Ucits Sicav-Amber Equity Fund, and by ASM Rovigo S.p.A., a company controlled by the Municipality of Rovigo, both minority shareholders of Ascopiave S.p.A..

To the knowledge of the Company, Mr Martorelli does not hold any shares in Ascopiave S.p.A..

Subsequent to the resignation, the Board of Directors has taken appropriate action under the law and the Articles of Association.

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

Ascopiave S.p.A. announced that on 7<sup>th</sup> February 2020 it purchased 7,241,661 shares of Acsm Agam S.p.A., a multi-utility company based in the Region of Lombardy and active in gas, water, electricity and environmental services, representing 3.67% of the share capital.

Subsequently, Ascopiave purchased additional shares, and now holds a stake equal to 4.99% of the share capital.

This investment is aligned with the strategic goals of the Group, since the activities and services managed by Acsm Agam S.p.A. are consistent with the development lines pursued by the Ascopiave Group.

### **Shareholders' agreements**

Pursuant to current legal and regulatory provisions, Ascopiave disseminated to the public the extract of the shareholders' agreement between the shareholders sent to Ascopiave pursuant to art. 122, par. 1 of Italian Legislative Decree dated 24<sup>th</sup> February 1998, no. 58 and published by the signatories of the agreement in the national newspaper "Italia Oggi" on 18<sup>th</sup> March 2020.

### **Information on Covid 19**

During the first months of 2020, the whole world, starting with the Asian countries and then continuing with several other nations, including Italy, has been progressively struck by the international health emergency caused by the Covid 19 virus, the so-called Coronavirus, which developed rapidly in our peninsula especially in the northern regions, greatly affecting our country.

The Group has carefully and constantly monitored the evolution of the situation in the area where its activities are located, but also the development of the pandemic at an international level. In order to deal with the emergency, the Group is 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 Group's Management is assessing the potential impacts in terms of performance in order to be able to make any decisions aimed at mitigating any effects on the execution of the business.

However, due to Ascopiave Group's focus on the distribution business, subsequent to the sale of the stakes held in the sales companies, the Group currently expects limited impacts on its future profitability, as adequate credit risk hedging mechanisms are contained in the Grid Code, which governs the activity of distributors.

Nevertheless, a more thorough assessment of the effects of the emergency can only be made on the basis of the future evolution of the general situation, being strictly connected to the duration of the emergency itself and the possible restart of the various activities.

### **Disclosure on the purchase of treasury shares**

Ascopiave announces the purchase on the electronic share market, in compliance with the authorisation to purchase treasury shares resolved by the Shareholders' Meeting held on 23<sup>rd</sup> April 2019, in the period between 1<sup>st</sup> January 2020 and 31<sup>st</sup> March 2020, of 1,538,580 ordinary shares at the average unit price of Euro 4.223, for a total value of Euro 6,497,910.18.

As a result of the purchases made, Ascopiave holds 11,994,605 ordinary shares, equal to 5.1169% of the share capital.

### **Information on the purchase and sale of own shares following the cancellation of the previous authorisation as resolved by the Shareholders' Meeting on 23<sup>rd</sup> April 2019**

On 20<sup>th</sup> March 2020, the Board of Directors resolved on the proposal of the Shareholders' Meeting of Ascopiave S.p.A., convened in ordinary and extraordinary session on 29<sup>th</sup> April 2020, on first call, and on 29<sup>th</sup> May 2020, on second call, on (i) the authorisation of a new plan to purchase and sell own shares, subject to cancellation, for the non-executed portions, of the current authorisation to purchase own shares that was issued on 23<sup>rd</sup> April 2019; and (ii) the approval of the implementation of the new plan to purchase and sell own shares stated in the aforementioned authorisation, granting the Board of Directors, with express power of delegation, all necessary or appropriate powers to perform the shareholders' resolution, also approving any and all executive provisions of the purchase programme. The Board also approved the explanatory report prepared by the Directors pursuant to article 73 of the Regulation adopted through Consob resolution dated 14<sup>th</sup> May 1999, no. 11971 (the "Issuers Regulation").

The Shareholders will be called to authorise the Board of Directors to purchase and sell, once or on several occasions, on a revolving basis, a maximum number of ordinary shares corresponding, as of today, to 46,882,315 shares, bearing a nominal value of Euro 1.00 each, in such a way that the Company does not hold, at any given time, a stake exceeding 20% of its share capital, in compliance with the terms and conditions determined by the Shareholders' Meeting, and pursuant to applicable laws and regulations.

The Board of Directors intends to ask the Shareholders to authorise the Board to purchase own shares in order to provide the Company with a valid instrument that enables the latter to acquire such shares to be used, by way of example, in compliance with the provisions in force, for the execution of investment operations consistent with the Company strategies, also through the exchange, swap, transfer, sale or other act of disposal of own shares, for the acquisition of equity investments or shareholdings or for other capital transactions involving the assignment or sale of own shares (including, but not limited to, mergers, demergers, issues of convertible bonds or warrants, etc.).

## Significant events subsequent to the end of the first quarter of 2020

### **Filing of the lists for the appointment of the Board of Directors and the Board of Auditors**

On 8<sup>th</sup> April 2020, with reference to the Shareholders' Meeting of Ascopiave S.p.A., convened for the day 29<sup>th</sup> April 2020 in first call and for the day 29<sup>th</sup> May 2020 in second call, to resolve among other things on the appointment of the members of the Board of Directors and the Board of Auditors, Ascopiave communicated that the following lists for the renewal of the corporate bodies have been submitted in due time.

#### Appointment of Board of Directors

List 1 submitted by Asco Holding S.p.A (owner of a shareholding equal to 52,043% of the share capital): Greta Pietrobon, Nicola Ceconato, Roberto Bet, Mariachiara Geronazzo, Enrico Quarello, Luisa Vecchiato;  
List 2 presented by ASM Rovigo S.p.A. (owner of a shareholding equal to 4,399% of the share capital), Cristian Novello and Edoardo Gaffeo;

List 3 filed by the Municipality of Spresiano, owner of 1.6254% of the share capital, on its own behalf and as a proxy of the following municipalities: Municipality of Trevignano, owner of 0.1476% of the share capital, Municipality of Giavera del Montello, owner of 0.9752% of the share capital, Municipality of Mareno di Piave, owner of 1.4757% of the share capital, Municipality of Pieve di Soligo, owner of 0.0738% of the share capital; Municipality of Segusino, owner of 0.8127% of the share capital, Municipality of Follina, owner of 0.8127% of the share capital, Municipality of Riese Pio X, owner of 0.0105% of the share capital: Gloria Paulon and Mario Collet.

#### Appointment of Board of Auditors

List 1 submitted by Asco Holding S.p.A. (owner of a shareholding equal to 52,043% of the share capital): Luca Biancolin, Barbara Moro and Matteo Cipriano (Alternate auditor);

List 2 submitted by ASM Rovigo S.p.A. (owner of a shareholding equal to 4,399% of the share capital): Giovanni Salvaggio and Marco Bosco (Alternate auditor).

The above lists of candidates as well as the documentation attached to them, in accordance with the current legislation, are available to the public, pursuant to the applicable regulations, at the registered office, at Borsa Italiana S.p.A., on the authorised storage mechanism "eMarket STORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)) of Spafid Connect S.p.A. and on the website [www.gruppoascopiave.it](http://www.gruppoascopiave.it).

### **Notice of integration of the agenda, amendment of the procedures for convening the Ordinary and Extraordinary Shareholders' Meeting and filing of the Reports of the Board of Directors**

On 8<sup>th</sup> April 2020, with reference to the Shareholders' Meeting of Ascopiave S.p.A., convened in ordinary and extraordinary session on 29<sup>th</sup> April 2020, on first call, and on 29<sup>th</sup> May 2020, on second call, Ascopiave announced that the Notice of integration of the agenda and the Notice of amendment of the procedures for convening the Shareholders' Meeting are available to the public at the registered office, at Borsa Italiana S.p.A., on the authorised storage mechanism "e Market STORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)) of Spafid Connect S.p.A. and on the website [www.gruppoascopiave.it](http://www.gruppoascopiave.it) and published in the newspaper "Il Giornale".

Furthermore, Ascopiave announced that the Reports of the Board of Directors pursuant to art. 125-ter of Italian Legislative Decree dated 24<sup>th</sup> February 1998, no. 58, and subsequent amendments and integrations, relating to the points in the extraordinary portion 1 (with reference to the proposal to amend article 3 of the Articles of Association, at the request of the shareholder Asco Holding S.p.A.) and 2 (as concerns the proposal to amend articles 6, 14, and 15 of the Articles of Association and addition of the new article 6-bis), as well as relating to the points in the ordinary portion 2 and 3 (as regards the remuneration policy and the emoluments paid) and 7 (with regards to the authorisation to purchase and sell treasury shares, subsequent to the revocation of the previous authorisation approved by the Shareholders' Meeting on 23<sup>rd</sup> April 2019) are available to the public, pursuant to the applicable regulations, at the registered office, at Borsa Italiana S.p.A., on the authorised storage mechanism "e Market STORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)) of Spafid Connect S.p.A., and on the website [www.gruppoascopiave.it](http://www.gruppoascopiave.it).

#### **Shareholders' agreements**

Pursuant to current legal and regulatory provisions, Ascopiave disseminated to the public the extract of the shareholders' agreement between the shareholders sent to Ascopiave pursuant to art. 122, par. 1 of Italian Legislative Decree dated 24<sup>th</sup> February 1998, no. 58 and published by the signatories of the agreement in the national newspaper "Italia Oggi" on 8<sup>th</sup> April 2020.

### **Shareholders' Meeting – Clarifications on organisation of the Extraordinary and Ordinary Shareholders' Meeting**

On 17<sup>th</sup> April 2020, with reference to the Shareholders' Meeting of Ascopiave S.p.A., convened in extraordinary and ordinary session on first call on 29<sup>th</sup> April 2020 and in second call on 29<sup>th</sup> May 2020, also in view of Consob Communication no. 3 dated 10<sup>th</sup> April 2020, and the fact that, as announced to the public on 8<sup>th</sup> April 2020, the Company opted for a participation method in the Meeting of those entitled to vote exclusively through the Designated Representative, the following is clarified.

It is herein confirmed that the Shareholders' Meeting will be held in extraordinary and ordinary session on 29<sup>th</sup> May 2020 at 15.00 hours at the Office of the Notary Federico Tassinari, in Imola (BO), via Quarto n. 4.

Therefore, please be reminded that the deadline for granting or revoking proxies and voting instructions pursuant to Article 135-*undecies* TUF (Consolidated Finance Law) is at the end of the second day of stock market trading prior to the afore-stated date (i.e. within 23:59 hours on 27<sup>th</sup> May 2020).

To the end of allowing all the Shareholders to be acquainted in due time with all the proposals of resolution on the subjects in the agenda of the Shareholders' Meeting submitted by the Shareholders pursuant to Article 126-*bis*, paragraph 1, third section of TUF, it is herein recommended to send any proposals to the registered office or via certified e-mail to [ascopiave@pec.ascocert.it](mailto:ascopiave@pec.ascocert.it) within 15 days prior to the Shareholders' Meeting (i.e. within 14<sup>th</sup> May 2020). The Company will publish on its website [www.gruppoascopiave.it](http://www.gruppoascopiave.it) such proposals in due time prior to the expiry of the deadline for granting or revoking proxies and voting instructions to the Designated Representative.

Please be reminded that pursuant to Article 127-*ter* of TUF, those entitled to vote can submit enquiries on the subjects stated in the agenda, even prior to the Shareholders' Meeting. To this end, in accordance with Consob Communication no. 3 dated 10<sup>th</sup> April 2020, such enquiries should be submitted to the Company within the end of the seventh day of stock market trading prior to the date scheduled for the Shareholders' Meeting (i.e. within 20<sup>th</sup> May 2020). The Company, in order to enable the entitled persons to exercise the vote in an informed and responsible manner, to the extent possible, will publish on its website [www.gruppoascopiave.it](http://www.gruppoascopiave.it) the related replies in due time prior to the expiry of the deadline for granting or revoking proxies and voting instructions to the Designated Representative, so as to allow the Shareholders to vote by proxy through the Designated Representative on each proposal of resolution that has been published. All other information is herein confirmed as featured in the Notice of Summons and subsequent Notices of rectification and integration published by the Company, respectively on 20<sup>th</sup> March 2020 and 8<sup>th</sup> April 2020, in accordance with the methods and provisions of law as duly applicable.

The press release herein is available to the public at the Company's registered office and published on its website [www.gruppoascopiave.it](http://www.gruppoascopiave.it), on the authorised storage mechanism "eMarket STORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)), at Borsa Italiana S.p.A., and in the newspaper "Il Giornale".

### **Outlook for 2020**

As far as the gas distribution activities are concerned, in 2020 the Group will continue its normal operations and service management and perform preparatory activities for the invitations to tender, which involve, among other things, updating the estimates of the reimbursement values of the plants currently managed and sharing them with the local authorities, as well as providing the contracting authorities with the data and information required by law.

The Group could also prepare bids for participation in the tenders which will be invited for the award of the Minimum Territorial Areas in which it is interested. To date, however, it is not possible to predict which tender procedures will actually be launched. Most Municipalities currently managed belong to Minimum Territorial Areas for which the maximum deadline to issue the call for tenders has expired. Only the contracting authorities in the Territorial areas of Vicenza 3 and Vicenza 4 have published the call, for which the application for participation should be submitted in 2020. If other tender authorities issue calls for tenders in 2020, in the light of the time required to submit bids and evaluate and select them, it is reasonable to assume that possible transfers of management to potential new operators may be executed only after the end of 2020.

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. Due to this resolution, the results of the distribution company are expected to decline in 2020.

In this regard, the Group has appealed to the Regional Administrative Court of Lombardy – Milan together with other leading distribution operators. As regards energy efficiency obligations, it is presumable that the economic margin achievable in 2020 will be consistent with that achieved in 2019, due to the effect of the current regulations that control the purchase prices of the certificates and contributions granted.

As for the effects of the health emergency caused by the Covid 19 virus, which, in the first months of the year, gradually affected the world and all the territories where the Group operates, in light of the Ascopiave Group's focus on the distribution business, limited impacts are currently expected on future profitability, since adequate credit risk hedging mechanisms are contained in the Grid Code, which governs the activity of distributors.



Nevertheless, a more thorough assessment of the effects of the emergency can only be made on the basis of the future evolution of the general situation, being strictly connected to the duration of the emergency itself and the possible restart of the various production activities.

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 2020 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, the 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 Management Report as of 31<sup>st</sup> March 2020**

The Interim Management Report for the period ended 31<sup>st</sup> March 2020 was made available to the public at the registered office and at the stock management company Borsa Italiana S.p.A. (Italian Stock Exchange), stored in the “eMarket SDIR-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, not subject to 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 marketing of gas and electric power, 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 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> May 2020



# **Ascopiave Group**

Interim Report

as of 31<sup>st</sup> March 2020

## Consolidated statement of financial position

(Thousands of Euro)	31.03.2020	31.12.2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	47,914	47,914
Other intangible assets	566,731	567,194
Tangible assets	34,426	34,694
Shareholdings	484,916	449,945
Other non-current assets	3,408	3,296
Non current financial assets	2,490	2,478
Advance tax receivables	19,677	19,390
<b>Non-current assets</b>	<b>1,159,561</b>	<b>1,124,910</b>
<b>Current assets</b>		
Inventories	12,263	8,132
Trade receivables	50,797	43,124
Other current assets	56,026	46,830
Current financial assets	702	6,993
Tax receivables	1,281	1,263
Cash and cash equivalents	48,707	67,031
<b>Current assets</b>	<b>169,775</b>	<b>173,373</b>
<b>ASSETS</b>	<b>1,329,336</b>	<b>1,298,283</b>
<b>Net equity and liabilities</b>		
<b>Total Net equity</b>		
Share capital	234,412	234,412
Own shares	(33,271)	(26,774)
Reserves	678,782	665,854
<b>Net equity of the Group</b>	<b>879,922</b>	<b>873,492</b>
<b>Net equity of Others</b>	<b>0</b>	<b>0</b>
<b>Total Net equity</b>	<b>879,922</b>	<b>873,492</b>
<b>Non-current liabilities</b>		
Provisions for risks and charges	1,448	1,344
Severance indemnity	5,047	4,931
Medium- and long-term bank loans	125,261	135,083
Other non-current liabilities	25,227	24,553
Non-current financial liabilities	441	441
Deferred tax payables	21,829	22,021
<b>Passività non correnti</b>	<b>179,253</b>	<b>188,374</b>
<b>Current liabilities</b>		
Payables due to banks and financing institutions	143,485	136,803
Trade payables	60,533	52,082
Tax payables	7,209	4,728
Other current liabilities	57,875	25,549
Current financial liabilities	881	17,156
Current liabilities from derivative financial instruments	177	98
<b>Current liabilities</b>	<b>270,161</b>	<b>236,417</b>
<b>Liabilities</b>	<b>449,414</b>	<b>424,791</b>
<b>Net equity and liabilities</b>	<b>1,329,336</b>	<b>1,298,283</b>

## Consolidated statement of comprehensive income

(Thousands of Euro)	First Quarter	
	2019	2018
<b>Revenues</b>	<b>44,662</b>	<b>27,893</b>
<b>Total operating costs</b>	<b>29,107</b>	<b>18,860</b>
Purchase costs for other raw materials	862	435
Costs for services	9,596	7,271
Costs for personnel	5,382	3,541
Other management costs	13,288	7,645
Other income	21	32
Amortization and depreciation	8,330	5,555
<b>Operating result</b>	<b>7,224</b>	<b>3,479</b>
Financial income	169	10
Financial charges	584	282
Evaluation of subsidiary companies with the net equity method	8,242	217
<b>Earnings before tax</b>	<b>15,051</b>	<b>3,423</b>
Taxes for the period	2,055	879
<b>Result of the period</b>	<b>12,995</b>	<b>2,544</b>
Net result from transfer assets	0	19,214
<b>Net result for the period</b>	<b>12,995</b>	<b>21,758</b>
Group's Net Result	12,995	20,562
Third parties Net Result	0	1,195
<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	(68)	(0)
Fair value of derivatives, changes in the period net of tax of the companies held for sale	(0)	(177)
<b>Total comprehensive income</b>	<b>12,927</b>	<b>21,581</b>
Group's overall net result	12,927	20,430
Third parties' overall net result	0	1,151
Base income per share	0.058	0.092
Diluted net income per share	0.058	0.092

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	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>	234,412	46,882	(26,774)	(51)	125,807	493,216	873,492	(0)	873,492
Result for the period						12,995	12,995		12,995
Other operations					(68)		(68)		(68)
<b>Total result of overall income statement</b>				(0)	(68)	12,995	12,927	0	12,927
Allocation of 2019 result					493,216	(493,216)			(0)
Purchase of own shares			(6,498)		(0)		(6,497)		(6,497)
<b>Balance as of 31th March 2020</b>	234,412	46,882	(33,271)	(51)	618,956	12,995	879,922	0	879,922

	Share capital	Legal reserve	Own shares	Reserves IAS 19 actuarial differences	Other reserves	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 2019</b>	234,412	46,882	(16,981)	(35)	134,664	44,625	443,567	4,303	447,869
Result for the period						20,562	20,562	1,195	21,758
<i>of which:</i>									
<i>Result of continuing operations</i>						2,544	2,544		2,543
<i>Result of discontinuing operations</i>						18,018	18,018	1,195	19,214
Other operations					(133)		(133)	(45)	(177)
<i>of which:</i>									
<i>Other movements of discontinuing operations</i>					(133)		(133)	(45)	(178)
<b>Total result of overall income statement</b>				(0)	(133)	20,562	20,430	1,151	21,581
Allocation of 2018 result					44,625	(44,625)			
Other movements					(1)		(1)		(1)
<b>Balance as of 31th March 2019</b>	234,412	46,882	(16,981)	(35)	179,155	20,562	463,996	5,453	469,448

**Consolidated statement of cash flows**

(Thousands of Euro)	First quarter	
	2020	2019
<b>Net income of the Group</b>	<b>12,995</b>	<b>2,544</b>
<b>Cash flows generated (used) by operating activities</b>		
<b>Adjustments to reconcile net income to net cash</b>		
Third-parties operating result	0	1,195
Companies held for sale operating result	0	18,018
Amortization	8,330	5,554
Variations in severance indemnity	116	95
Current assets / liabilities on financial instruments and forward purchasee and sales	11	0
Net variation of other funds	103	(3)
Evaluation of subsidiaries with the net equity method	(8,242)	(217)
Interests paid	(526)	(394)
Interest expense for the year	542	262
Taxes for the year	2,055	879
<b>Variations in assets and liabilities</b>		
Inventories	(4,131)	(539)
Accounts payable	(7,673)	(8,526)
Other current assets	(9,195)	(2,530)
Trade payables	8,451	5,640
Other current liabilities	32,237	15,225
Other non-current assets	(111)	(8)
Other non-current liabilities	673	576
Operating flows from discontinued assets / liabilities	0	23,922
<b>Total adjustments and variations</b>	<b>22,642</b>	<b>59,153</b>
<b>Cash flows generated (used) by operating activities</b>	<b>35,638</b>	<b>61,696</b>
<b>Cash flows generated (used) by investments</b>		
Investments in intangible assets	(7,237)	(7,031)
Realisable value of intangible assets	0	213
Investments in tangible assets	(362)	(237)
Investment flows for business aggregations	(26,730)	0
Investment flows from discontinued assets / liabilities	0	54
<b>Cash flows generated/(used) by investments</b>	<b>(34,329)</b>	<b>(7,001)</b>
<b>Cash flows generated (used) by financial activities</b>		
Net changes in debts due to other financers	0	(277)
Net changes in short-term bank borrowings	(9,839)	(3,752)
Net variation in current financial assets and liabilities	(9,995)	1,835
Purchase of own shares	(6,498)	0
Ignitions loans and mortgages	48,700	35,000
Redemptions loans and mortgages	(42,000)	(43,000)
Cash flows from discontinued assets / liabilities	0	(6,946)
<b>Cash flows generated (used) by financial activities</b>	<b>(19,633)</b>	<b>(17,140)</b>
<b>Variations in cash</b>	<b>(18,324)</b>	<b>37,556</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>67,031</b>	<b>53,129</b>
<b>Cash and cash equivalents at the beginning of the period of the Companies held for sale</b>	<b>0</b>	<b>7,297</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>48,707</b>	<b>97,982</b>

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