

Gruppo Ascopiave

3M 2020

CONSOLIDATED RESULTS

Conference Call

Pieve di Soligo, 12th May 2020

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Preliminary remark

→ Ascopiave - Hera partnership

Financial highlights

Companies consolidated with full and with net equity consolidation method

Estenergy

Disclaimer

On 19th December 2019 Ascopiave S.p.A. and Hera S.p.A. have finalized the transaction that marks the birth of the largest energy operator in North-Eastern Italy, with over one million customers, and the simultaneous reorganization of the respective gas distribution activities.

The closing carried out involved the exchange of assets of equal value between the Hera Group and Ascopiave, concerning the energy commercial activities and in the gas distribution.

ENERGY SECTOR

The commercial companies formerly held by the Ascopiave Group (Ascotrade, Ascopiave Energie, Blue Meta and the joint ventures Asm Set and Etra Energia), including the shareholdings in Sinergie Italiane, and the commercial activities of the Hera Group (Hera Comm Nord-Est) were assigned to Estenergy. 52% of the capitale stake of Estenergy is held by the Hera Group and the remaining 48% by Ascopiave.

Ascopiave acquired a 3% capital stake in Hera Comm while Hera Comm acquired the entire capital of Amgas Blu.

GAS DISTRIBUTION

Ascopiave acquired from Hera Group gas distribution concessions in Veneto and Friuli-Venezia Giulia regions that, as of 31st December 2019, were contributed to a newly established company called AP Reti Gas Nord-Est. Thanks to this operation, the Ascopiave Group consolidated its position in the national ranking, becoming the leading operator in Veneto.

Preliminary remark

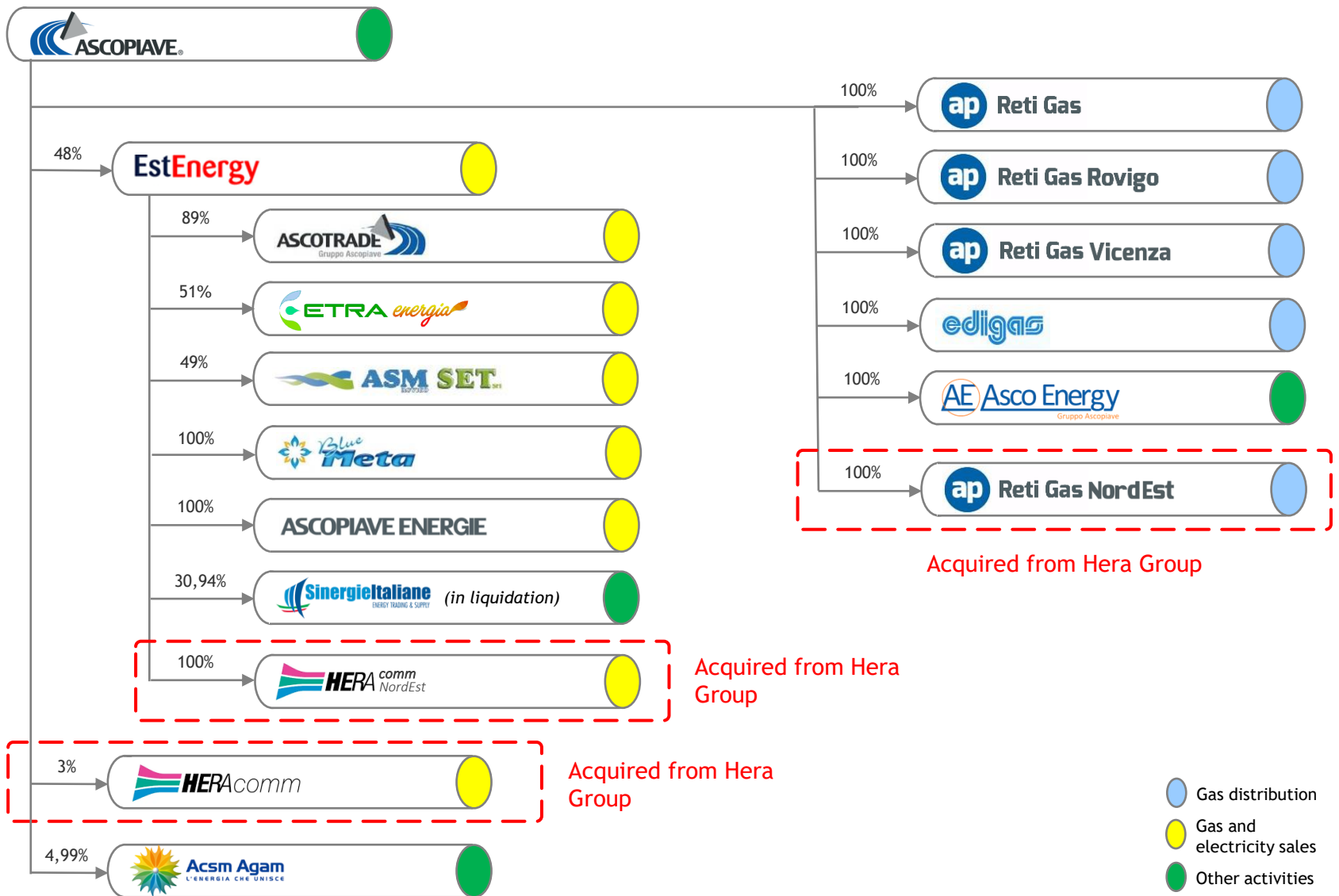
Financial highlights

- Ascopiave Group structure as of 31st March 2020
- 3M 2020 consolidated income statement
- Consolidated balance sheet as of 31st March 2020

Companies consolidated with full and with net equity consolidation method

Estenergy

Disclaimer



(Thousand of Euro)	3M 2020	3M 2019	Chg	Chg %
Revenues	44.662	27.893	16.769	+60%
(Cost of raw materials and consumables)	(862)	(435)	(427)	+98%
(Cost of services)	(9.596)	(7.271)	(2.324)	+32%
(Cost of personnel)	(5.382)	(3.541)	(1.841)	+52%
(Other operating costs)	(13.288)	(7.645)	(5.643)	+74%
Other operating income	21	32	(11)	-35%
EBITDA	15.554	9.033	6.521	+72%
(Depreciations and amortizations)	(8.330)	(5.555)	(2.776)	+50%
(Provisions)	-	-	-	n.a.
EBIT	7.224	3.479	3.746	+108%
Financial income / (expenses)	(415)	(272)	(143)	+53%
Evaluation of companies with net assets method (*)	8.242	217	8.025	+3706%
EBT	15.051	3.423	11.627	+340%
(Income taxes)	(2.055)	(879)	(1.176)	+134%
Earnings after taxes	12.995	2.544	10.451	+411%
Net result from discontinued operations	-	19.214	(19.214)	-100%
Net income	12.995	21.758	(8.762)	-40%
(Net income of minorities)	-	(1.195)	1.195	-100%
Net income of the Group	12.995	20.562	(7.567)	-37%

(*) Result of the company consolidated with net equity consolidation method (pro-rata): Estenergy, Euro 8,2 mln (Euro 0,0 mln in 3M 2019); Unigas Distribuzione Gas, Euro 0,0 mln (Euro 0,2 mln in 3M 2019).

(Thousand of Euro)	31/03/2020	31/12/2019	Chg	Chg %
Tangible assets (*)	34.426	34.694	(268)	-1%
Non tangible assets (*)	614.645	615.108	(463)	-0%
Investments in associates (**)	484.916	449.945	34.971	+8%
Other fixed assets	23.085	22.687	398	+2%
Fixed assets	1.157.072	1.122.433	34.639	+3%
Operating current assets	120.366	99.349	21.017	+21%
(Operating current liabilities)	(125.795)	(82.458)	(43.336)	+53%
(Operating non current liabilities)	(53.550)	(52.850)	(700)	+1%
Net working capital	(58.978)	(35.959)	(23.020)	+64%
Total capital employed	1.098.093	1.086.474	11.619	+1%
Group shareholders equity	879.922	873.492	6.430	+1%
Minorities	-	-	-	n.a.
Net financial position	218.171	212.981	5.189	+2%
Total sources	1.098.093	1.086.474	11.619	+1%

(*) Applying IFRIC 12 involves categorising the infrastructures under concession from tangible to intangible assets;

(**) Value of the associated companies consolidated with net equity consolidation method (pro-rata): Estenergy, Euro 404,2 mln (Euro 395,9 mln as of 31st December 2019); Hera Comm, Euro 54,0 mln (Euro 54,0 mln as of 31st December 2019); Acsm-Agam, Euro 26,7 mln (Euro 0,0 mln as of 31st December 2019).

Preliminary remark

Financial highlights

Companies consolidated with full and with net equity consolidation method

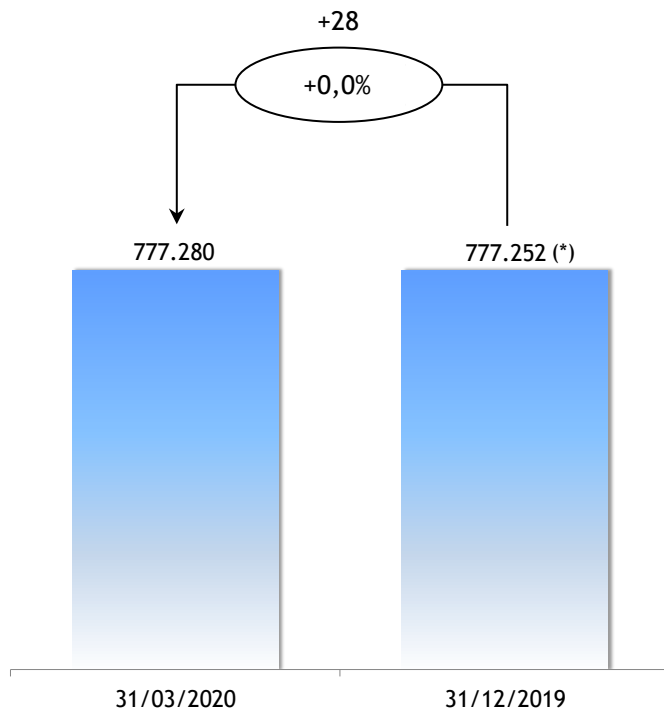
- Operating data
- Economic data
- Revenues bridge
- EBIT bridge
- Gas distribution tariff revenues
- Other net operating costs
- Personnel
- Capex
- Net financial position and cash flow

Estenergy

Disclaimer

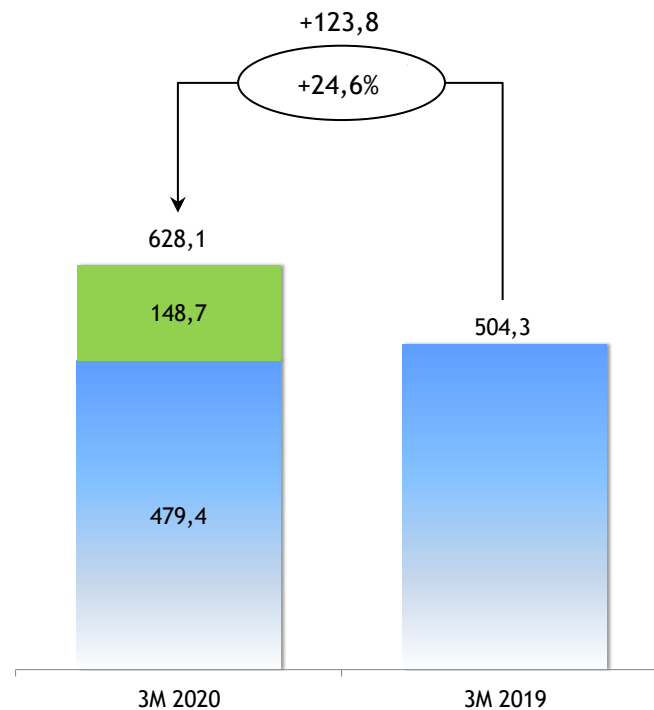


Number of gas distribution users



Volumes of gas distributed

(Million of standard cubic meters)



■ New consolidation area (**)
■ Old consolidation area

(*) Unigas Distribuzione Gas operating data are included. The company was merged by incorporation in Ascopiave on 1st July 2019. On the same date the operating activities in the gas distribution sector were transferred to Edigas Distribuzione Gas;

(**) AP Reti Gas Nord Est, consolidated as of 31st December 2019.

Companies consolidated with full consolidation method

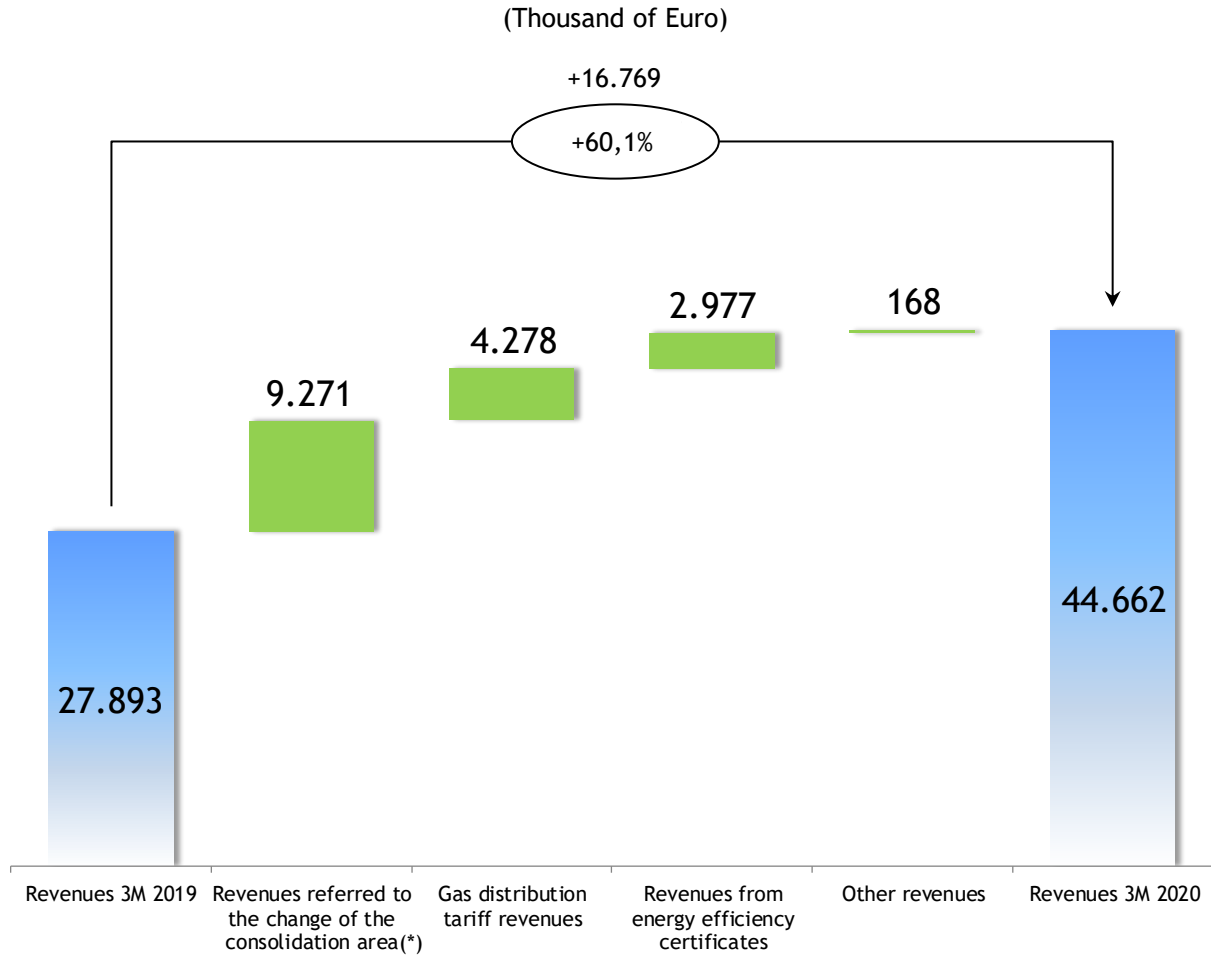
(Thousand of Euro)	3M 2020	3M 2019	Chg	Chg %
Revenues	44.662	27.893	16.769	+60,1%
EBITDA	15.554	9.033	6.521	+72,2%
% on revenues	+34,8%	+32,4%		
EBIT	7.224	3.479	3.746	+107,7%
% on revenues	+16,2%	+12,5%		

Companies consolidated with net equity consolidation method (*)

(Thousand of Euro)	3M 2020	3M 2019	Chg	Chg %
Revenues	-	1.520	(1.520)	-100,0%
EBITDA	0	614	(614)	-100,0%
% on revenues	n.a.	+40,4%		
EBIT	0	308	(308)	-100,0%
% on revenues	n.a.	+20,3%		

(*) Data are considered pro-rata. They refer only to Unigas Distribuzione Gas and do not include Estenergy figures.

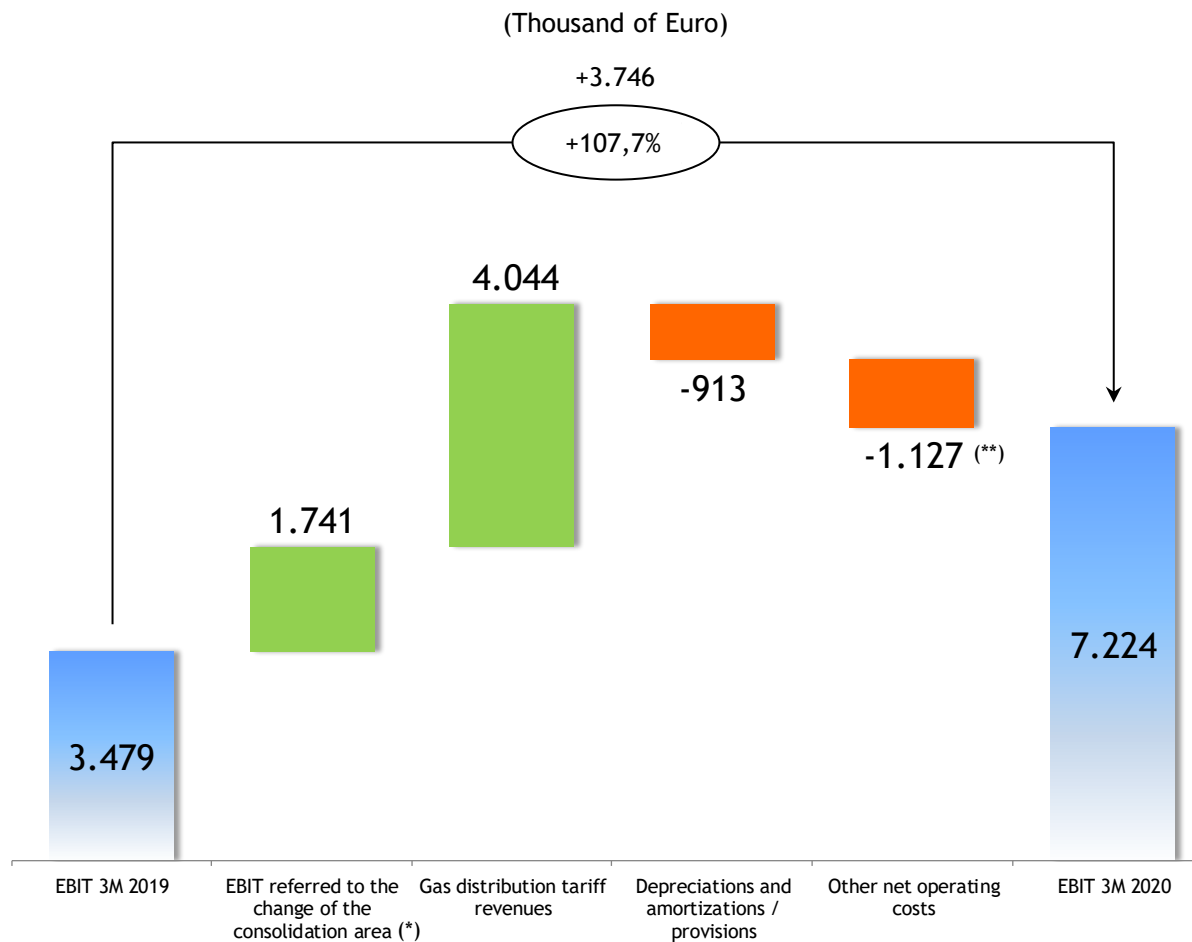
Revenues bridge
Companies consolidated with full consolidation method



(*) Change of the consolidation area refers only to the activities carried out by AP Reti Gas Nord Est. It does not include the contribution of the activities formerly carried out by Unigas Distribuzione Gas and currently operated by Edigas Esercizio Distribuzione Gas

EBIT bridge

Companies consolidated with full consolidation method



(*) Change of the consolidation area refers only to the activities carried out by AP Reti Gas Nord Est. It does not include the contribution of the activities formerly carried out by Unigas Distribuzione Gas and currently operated by Edigas Esercizio Distribuzione Gas

(**) Further details on page 15 of the current presentation.

(Thousand of Euro) (*)	3M 2020	3M 2019	Chg	Chg %
Gas distribution tariff revenues	27.718	17.873	9.845	+55,1%
Gas distribution tariff revenues (A) <i>Companies consolidated with full consolidation method</i>	27.718	17.873	9.845	+55,1%

The increase of the gas distribution tariff revenues of the companies consolidated with full consolidation method (+ Euro 9,8 mln) is due to:

- 1) new consolidation area (AP Reti Gas Nord Est): + Euro 5,8 mln;
- 2) gas distribution revenues of the concession formerly held by Unigas Distrib.: + Euro 2,9 mln
- 3) other changes: + Euro 1,1 mln.

(Thousand of Euro) (*)	3M 2020	3M 2019	Chg	Chg %
Gas distribution tariff revenues (B) <i>Companies consolidated with net equity consolidation method (**)</i>	-	1.431	(1.431)	-100,0%
Gas distribution tariff revenues (A+B)	27.718	19.304	8.414	+43,6%

(*) Economic data before elisions;

(**) Data are considered pro-rata.

(Thousand of Euro)	3M 2020	3M 2019	Chg	Chg %
Other revenues	16.460	9.845	6.615	+67,2%
Other costs of raw materials and services	(23.242)	(15.144)	(8.098)	+53,5%
Cost of personnel	(5.382)	(3.541)	(1.841)	+52,0%
Other net operating costs (A) <i>Companies consolidated with full consolidation method</i>	(12.164)	(8.840)	(3.324)	+37,6%
Other net operating costs (B) <i>Companies consolidated with net equity consolidation method (*)</i>	-	(817)	817	-100,0%
Other net operating costs (A+B)	(12.164)	(9.657)	(2.507)	+26,0%

Other net operating costs due to the change of the consolidation area(): - Euro 2,2 mln**

Increase of other net operating costs: - Euro 1,1 mln

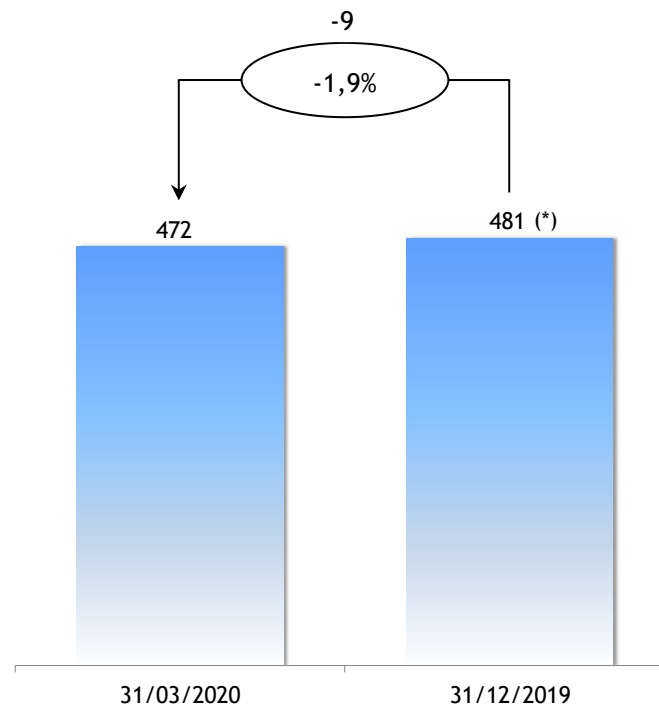
of which:

- *increase of cost of personnel: - Euro 0,5 mln;*
- *increase of margin on energy efficiency tasks management: + Euro 0,4 mln;*
- *increase of gas distribution concession fees: - Euro 0,8 mln;*
- *other variations: - Euro 0,2 mln.*

(*) Data are considered pro-rata.

(**) Change of the consolidation area refers only to the activities carried out by AP Reti Gas Nord Est. It does not include the contribution of the activities formerly carried out by Unigas Distribuzione Gas and currently operated by Edigas Esercizio Distribuzione Gas

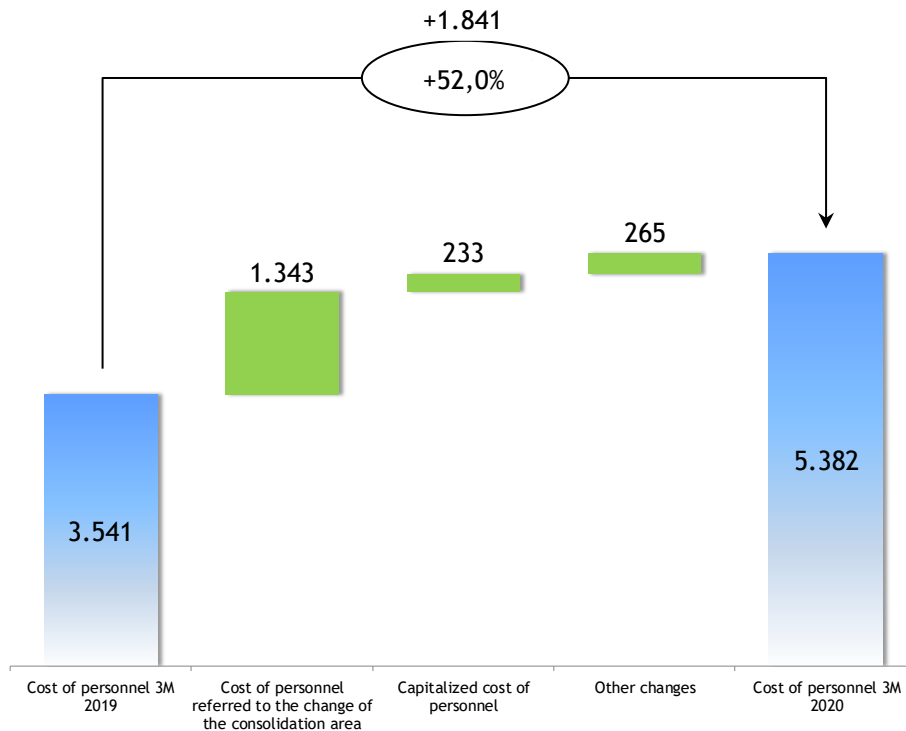
Number of employees



(*) Unigas Distribuzione Gas employees are included. The company was merged by incorporation in Ascopiave on 1st July 2019. On the same date the operating activities in the gas distribution sector were transferred to Edigas Esercizio Distribuzione Gas.

Cost of personnel

(Thousand of Euro)



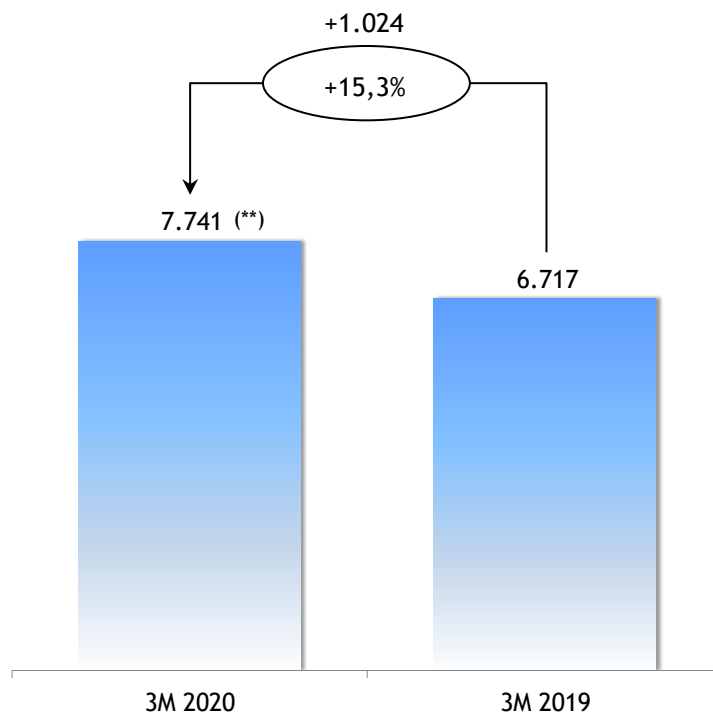
Cost of personnel changes:

- new consolidation area: + Euro 1,3 mln
- capitalized cost of personnel: + Euro 0,2 mln
- other: + Euro 0,3 mln

3M 2019 cost of personnel of Unigas Distribuzione Gas, company consolidated with net equity consolidation method: Euro 0,8 mln.

Capex (*)

(Thousand of Euro)



- New consolidation area: Euro 0,5 mln (***)
- Gas distribution systems: Euro 4,5 mln
- Gas meters: Euro 1,9 mln
- Investments in hardware and software: Euro 0,6 mln
- Other: Euro 0,2 mln

3M 2019 investments of Unigas Distribuzione Gas, company consolidated with net equity consolidation method: Euro 1,1 mln.

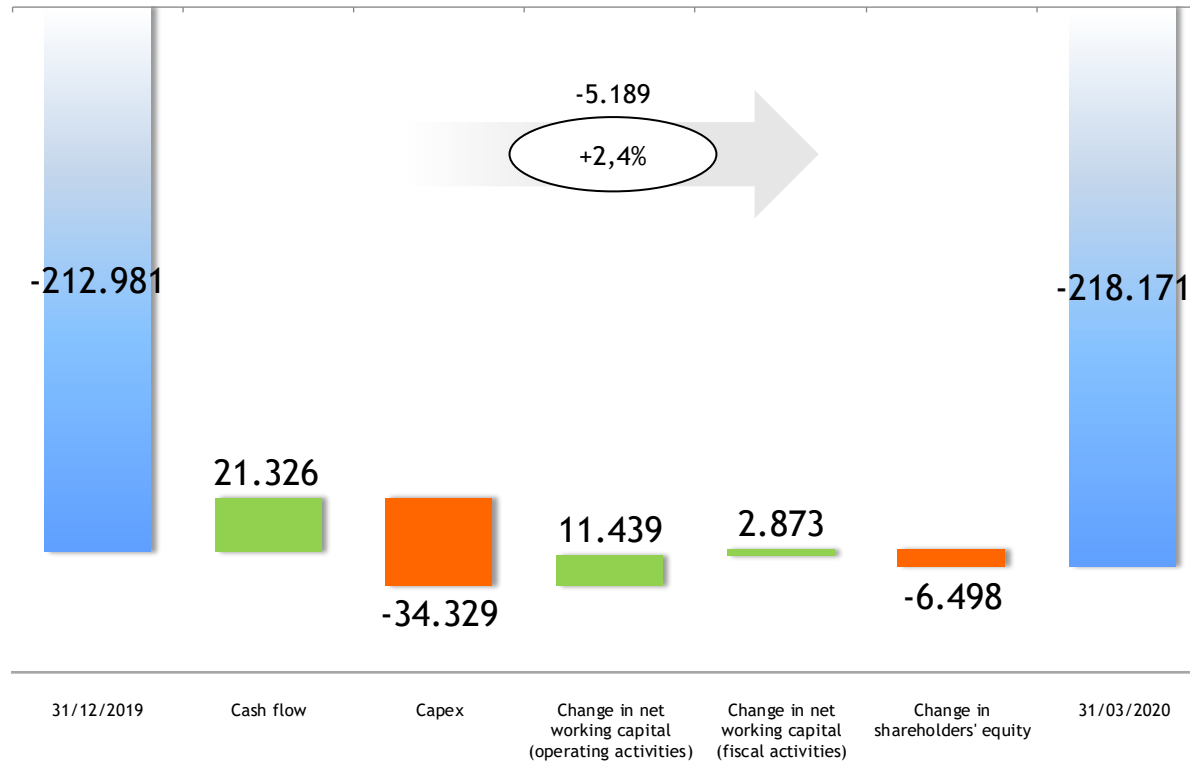
(*) Excluding network extension in new urbanized areas that according to IAS are considered as operating costs and not capital expenditures;

(**) Investments in intangible assets and in tangible assets (excluded realizations, investments in associated and investments relative to the application of IFRS 16 accounting principle).

(***) New consolidation area refers only to the activities carried out by AP Reti Gas Nord Est. It does not include the contribution of the activities formerly carried out by Unigas Distribuzione Gas and currently operated by Edigas Esercizio Distribuzione Gas

Net financial position and cash flow
Companies consolidated with full consolidation method

(Thousand of Euro)



(Migliaia di Euro) (*)	31/03/2020	31/12/2019	Chg	Chg %
Long term financial borrowings (>12 months)	125.261	135.083	(9.822)	-7,3%
Current position of long term financial borrowings	30.781	30.778	3	+0,0%
Short term financial borrowings (<12 months)	63.997	38.994	25.003	+64,1%
Total financial debt	220.039	204.855	15.184	+7,4%
Fixed rate borrowings	136.167	143.611	(7.444)	-5,2%
Floating rate borrowings	83.872	61.244	22.628	+36,9%

3M 2020 average cost of debt: 0,31% (vs 2019 rate: 0,35%)

(*) Data refers to only companies consolidated with full consolidation method.

Preliminary remark

Financial highlights

Companies consolidated with full and with net equity consolidation method

Estenergy

→ Financial highlights

Disclaimer

Income statement (*)

(Thousand of Euro)	3M 2020
Revenues	130.617
(Cost of raw materials and consumables)	(70.171)
(Cost of services)	(42.478)
(Cost of personnel)	(1.957)
(Other operating costs)	(108)
Other operating income	-
EBITDA	15.903
(Depreciations and amortizations) + (provisions)	(3.294)
EBIT	12.608
Financial income / (expenses)	348
EBT	12.956
(Income taxes)	(3.537)
Net income	9.419

Balance sheet (*)

(Thousand of Euro)	31/03/2020
Tangible assets	1.552
Non tangible assets	309.541
Investments in associates	9.640
Other fixed assets	1.564
Fixed assets	322.297
Operating current assets	126.131
(Operating current liabilities)	(117.599)
(Operating non current liabilities)	(43.603)
Net working capital	(35.071)
Total capital employed	287.226
Shareholders equity	324.495
Net financial position	(37.269)
Total sources	287.226

(*) Pro-rata amounts, i.e. proportional to the Ascopiave's capitale stake in Estenergy (48%).

Preliminary remark

Financial highlights

Companies consolidated with full and with net equity consolidation method

Estenergy

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