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Diffusione presunta
Oggetto : The Board of Directors has approved the
results for the first nine months of 2020

Testo del comunicato

Vedi allegato.

PRESS RELEASE

ASCOPIAVE: The Board of Directors has approved the results for the first nine months of 2020.

Gross Operating Margin: Euro 45.1 million (Euro 30.5 million in the first nine months of 2019)

Operating Result: Euro 20.0 million (Euro 13.0 million in the first nine months of 2019)

Net Consolidated Profit: Euro 28.8 million (Euro 38.2 million in the first nine months of 2019)

The change in the Net Consolidated Profit (down Euro 9.4 million compared to the first nine months of 2019) is mainly explained, in addition to the inapplicability of non-recurring income components which had positively influenced the result in the first nine months of 2019 for Euro 5.9 million, by the change in the scope of consolidated activities and their different seasonality.

Therefore, this change will be offset during the financial year.

Net Financial Position: Euro 316.6 million, an increase compared to 31st December 2019 (Euro 213.0 million), mainly due to investments in shareholdings made in the first nine months of 2020 (Euro 60.6 million), the deferral of the terms for delivering energy efficiency certificates from May to November 2020 and for settling the relevant contribution (Euro 23.4 million) and the purchase of treasury shares (Euro 8.1 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 30th September 2020, drafted in compliance with the International Accounting Standards IAS/IFR.

Nicola Ceconato, Ascopiave's Chairman, commented: "The results approved today confirm the excellent performance of the activities controlled by the Group. Operating margins are increasing significantly compared to last year, thanks to the expansion of the scope of consolidation and efficient cost management. The Covid crisis, despite involving a reorganisation of activities for a few months, has not prevented the Group from implementing its investment programme, up 20% compared to last year. The consolidated results of the partnership with EstEnergy were satisfactory and in line with our expectations, confirming the soundness of the strategic choice made by the Group with regard to the assets held in the sales sector. In the coming months, Ascopiave will continue to operate in the difficult economic context we are experiencing, pursuing with dedication its objectives of operational excellence, growth and profitability".

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

On 19th 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 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 restates 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 1st July 2019, the company Unigas Distribuzione was merged through acquisition into the Parent Company Ascopiave and, on the same date, Ascopiave transferred the merged unit to Edigas Distribuzione Gas. As a result of this operation, the profit and loss figures of the activities previously held by Unigas Distribuzione were consolidated using the equity method until 30th June 2019, and subsequently on a line-by-line basis.

Revenue from sales

The Ascopiave Group closed the first nine months of 2020 with consolidated revenues amounting to Euro 129.3 million, compared to Euro 90.0 million recorded in the same period in 2019 (+43.7%). The increase in turnover is mainly due to the extension of the scope of consolidation explained by the merger through acquisition of Unigas Distribuzione 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.

Gross operating margin

Gross operating margin in the first nine months of 2020 amounted to Euro 45.1 million, an increase compared to Euro 30.5 million in the same period of the previous year (+48.0%).

The expansion of the scope of consolidation contributed for Euro 14.1 million.

Considering the same scope of consolidation, and net of the effect of the capital gain recorded in 2019 subsequent to the definition of the settlement agreement on the reimbursement value of the gas distribution plant in the municipality of Costabissara (Euro 1.2 million), the gross operating margin improved by Euro 1.8 million, almost entirely attributable to the reduction in net operating costs. Such decrease was in part limited by the effects of the Covid-19 health emergency which, especially in the lockdown period in early 2020, caused a contraction, albeit insignificant, in metre activities and investments. These effects were partially offset by the remedial activities implemented during the same period and in the following months.

Operating Result

The operating result in the first nine months of 2020 amounted to Euro 20.0 million, compared to Euro 13.0 million in the same period of the previous year (+53.0%).

The growth recorded is mainly explained by the increase in gross operating margin and in amortisation and depreciation (Euro 7.7 million), also influenced by the extension of the scope of consolidation.

Net Profit

The consolidated net profit amounted to Euro 28.8 million, marking a decrease of Euro 9.4 million compared to the same period in the previous year (-24.7%).

The results achieved in the first nine months of 2019 by the companies involved in the operation completed on 19th December 2019 with the Hera Group amounted to Euro 30.1 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 nine months 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 nine months of 2020 for Euro 11.2 million, thus determining a reduction of Euro 18.9 million in the contribution of the sales activities to the Group's net result.

The effect of this decrease was also influenced by the entry in the first nine months of 2019 of non-recurring components to the tune of Euro 5.9 million, relating to the recognition of the amounts deriving from the

recalculation of the de-multiplication coefficient “K” which had been modified by resolution 89/10 of the Authority.

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, acquired as part of the same transaction described above (+Euro 4.1 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, effective 1st July 2019.

Commenting specifically on the other economic cost items not resulting from usual operations, please be aware that net financial income, equal to Euro 2.3 million, increased by Euro 3.1 million compared to the same period of the previous year, when financial charges amounted to Euro 0.8 million.

Taxes, as regards solely the scope of the activities consolidated on a line-by-line basis, amounted to Euro 4.8 million, and therefore the tax rate, calculated by normalising the pre-tax result of the companies consolidated with the equity method, decreased from 39.1% to 25.3%.

Operating performance in the first nine months of 2020

The volumes of gas distributed through the networks managed by the fully-consolidated companies were 948.2 million cubic metres, up 18.4% compared to the first nine months of the previous year, thanks especially to the extension of the scope of consolidation.

In the first nine months of 2019, the company Unigas Distribuzione, consolidated with the equity method until 30th June 2019, had distributed 42.6 million cubic metres *pro-rata*.

Investments

Investments by the fully-consolidated companies in intangible and tangible fixed assets in the first nine months of 2020 amounted to Euro 26.2 million and mainly concerned the development, maintenance and upgrade of gas distribution networks and systems.

Specifically, investments in networks and systems amounted to Euro 17.7 million, of which Euro 6.9 million in connections, Euro 9.7 million in enlargements and upgrades of the network and Euro 1.1 million in maintenance, mainly relating to reduction and pre-heating systems. Investments in metres and adjusters amounted to Euro 6.5 million.

In the first nine months of 2020 the Group made investments in shareholdings amounting to Euro 60.6 million, due to the purchase of 4.99% of the share capital of Acsm Agam (Euro 26.7 million), a multi-utility company based in the region of Lombardy and active in gas, electricity, water and environmental services, the subscription of a capital increase in EstEnergy (Euro 32.5 million) and the payment of the contractual adjustment for the purchase of AP Reti Gas Nord Est (Euro 1.4 million).

Indebtedness

The Group’s net financial position as of 30th September 2020 amounted to Euro 316.6 million, an increase of Euro 103.7 million as compared to 31st 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 53.9 million;
- Net investments in fixed assets caused the expenditure of Euro 86.0 million;
- The management of net operating working capital and net fiscal capital absorbed resources totalling Euro 37.3 million;
- The management of equity (distribution of dividends net of dividends collected from the companies consolidated with the equity method and purchase of treasury shares), caused the financial expenditure of Euro 34.2 million.

Significant events during the first nine months of 2020

Publication of information document

On 1st 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 19th 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, and also on the authorised storage mechanism “eMarket Storage” (www.emarketstorage.com) managed by Spafid Connect S.p.A..

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

On 16th 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.

Purchase of Hera S.p.A. shares

Subsequent to the press release issued on 31st 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. 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 3rd 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 28th April 2017 and was presented as a candidate jointly by Amber Capital Italia SGR S.p.A., as 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 7th 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.

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 spread rapidly throughout 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 has operated and 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, by using external indicators and internally processed values, has assessed 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.

During the peak of the emergency, the negative economic and financial effects did not affect the results at the reporting date, 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 has continued to monitor the pandemic both nationally and internationally in order to promptly deal with the crisis which, after an improvement in the summer, showed a new significant recrudescence in October, with a considerable increase in infection rates throughout the national territory. In order to counteract the recent developments, the Group has decided to take preventive action by rescheduling all work activities based on a solution which is less rigid than in spring 2020, ensuring staff presence in the company headquarters, but largely resorting to work from home.

Shareholders' agreements

Pursuant to current legal and regulatory provisions, Ascopiave disseminated to the public the extract of the shareholders' agreements sent to Ascopiave pursuant to art. 122, par. 1 of Italian Legislative Decree dated 24th February 1998, no. 58 and published by the signatories of the agreements in the national newspaper *Italia Oggi* on 18th March 2020, 8th April 2020 and 27th May 2020.

Extraordinary and ordinary Shareholders' meeting of 29th May 2020

The Shareholders' Meeting of Ascopiave S.p.A. convened on 29th May 2020, chaired by Mr Nicola Ceconato, in extraordinary and ordinary session.

In extraordinary session, the Shareholders' Meeting resolved to amend art. 3 (Duration) of the Articles of Association as suggested by the shareholder Asco Holding S.p.A., thus extending the duration of the Company from 2030 to 2060. In accordance with the provisions of the Articles of Association, the shareholders which have not participated in the approval of such resolution are not entitled to the right of withdrawal.

The Shareholders' Meeting also approved the proposal of the Board of Directors to amend art. 6 (Shares) of the Articles of Association, adding a clarification on the mechanism for attributing increased voting rights already envisaged in the Articles of Association. Again, shareholders which have not participated in the approval are not entitled to the right of withdrawal.

Also in extraordinary session, the Shareholders' Meeting resolved to introduce, consistent with the suggestion of the Board of Directors, a new article *6-bis* of the Articles of Association, concerning the addition of a limit to the exercise of the right to vote for shareholders which qualify (or belong to a group in which there is a subject which qualifies) as operators in the sector of production and/or distribution and/or transport and/or purchase and/or sale of natural gas and/or electricity and/or the sector of energy efficiency and/or water supply and/or network services in general. Such resolution attributes to shareholders which did not contribute to its adoption (and, therefore, to shareholders which abstained, were absent or voted against) the right of withdrawal pursuant to article 2437, paragraph 1, *lett. g*), of the Italian civil code (the "Right of Withdrawal").

The terms and conditions for exercising the Right of Withdrawal were communicated to Ascopiave's shareholders within the deadlines and with the methods set out in the law.

As resolved by the Shareholders' Meeting, the effectiveness of the resolution introducing art. *6-bis* in the Articles of Association is subject to the condition that the number of shares subject to the Right of Withdrawal that have not been purchased by shareholders or third parties in the context of (i) the process of the right of subscription of the shares of the withdrawing shareholders offered to the other shareholders (the "Right of subscription"), (ii) the exercise of the right of first refusal by Ascopiave's shareholders on any unsubscribed shares (the "Right of first refusal") and (iii) a Public Offering, if any, and which therefore must be purchased by the Company, is less than 5% of the share capital (corresponding to a disbursement under the scope of the Company of less than Euro 45,771,201,21). It is understood that the Company may waive this condition within 20 working days from the closing date of the Right of subscription period (or, if the Company opts for a Public Offering, within 20 working days from the closing date of the Public Offering period).

Please note that, on 1st July 2020, Ascopiave S.p.A. announced that the aforementioned conditions of validity of the Shareholders' resolution were fulfilled as regards the introduction of article *6-bis* of the Articles of Association.

Finally, the extraordinary Shareholders' Meeting of the Company resolved to amend articles 14 and 15 of the Articles of Association by increasing the number of members of the Board of Directors from 6 (six) to 7

(seven) and thereby aligning the relevant provisions of the Articles of Association concerning the appointment of 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 31st December 2019, and resolved to distribute an ordinary dividend of Euro 0.2133 per share.

The ordinary Shareholders' Meeting (i) approved with binding vote - pursuant to article 123-*ter*, paragraphs 3-*bis* and 3-*ter*, of TUF (Consolidated Finance Law) - the first section of the Report on the remuneration policy and on the fees paid prepared pursuant to article 123-*ter* of TUF (i.e. the remuneration policy for the year 2020); and (ii) expressed a favourable advisory vote - pursuant to article 123-*ter*, paragraph 6, of 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 2019).

The ordinary Shareholders' Meeting resolved on the appointment of the members of the Company's Board of Directors and Board of Auditors, who will remain in office for three years and therefore until the approval of the financial statements for the year to end on 31st December 2022.

The Board of Directors appointed by the Shareholders' Meeting - which took office on 4th June 2020 upon the registration of the approved amendments to the Articles of Association in the Treviso-Belluno Companies Register - is composed of 7 directors elected from the lists of candidates submitted by the Shareholders.

Given the outcome of the votes, out of 177,301,187 shares attending the Shareholders' Meeting, list no. 1 presented by Asco Holding S.p.A. obtained 121,994,222 votes equal to 68.806% of the shares represented at the Shareholders' Meeting and 52.043% of the share capital; list no. 2 presented by ASM Rovigo S.p.A. obtained 41,101,839 votes equal to 23.182% of the shares represented at the Shareholders' Meeting and 17.534% of the share capital; list no. 3 presented by the Municipality of Spresiano together with 7 Municipalities obtained 14,205,126 votes equal to 8.012% of the shares represented at the Shareholders' Meeting and 6.060% of the share capital.

Therefore, in accordance with article 15.12 of the Articles of Association, from the list presented by the majority shareholder Asco Holding S.p.A., holding 52.043% of the share capital, Greta Pietrobon, Nicola Ceconato, Roberto Bet, Mariachiara Geronazzo, Enrico Quarello and Luisa Vecchiato were elected directors. From the list presented by ASM Rovigo S.p.A., second in terms of number of votes obtained, Cristian Novello was elected director, the first candidate of the same list. The Shareholders' Meeting also appointed Mr Nicola Ceconato as the Chairman of the Board of Directors.

Furthermore, the Shareholders' Meeting resolved on the total annual remuneration of the Board of Directors, to the tune of Euro 380,000, to be paid, in compliance with the current legislation, for Euro 80,000 to the Chairman and for Euro 50,000 to each of the other directors, with effect from the date of taking office and until the expiry of the mandate, without prejudice to the faculty of the Board to determine a further compensation for directors holding particular offices in accordance with the Articles of Association pursuant to article 2389, paragraph 3, Italian civil code.

Given the outcome of the votes for the appointment of the Board of Auditors, out of 177,301,187 shares attending the Shareholders' Meeting, list no. 1 presented by Asco Holding S.p.A. obtained 121,994,222 votes equal to 68.806% of the shares represented at the Shareholders' Meeting and 52.043% of the share capital; list no. 2 presented by ASM Rovigo S.p.A. obtained 41,308,493 votes equal to 23.298% of the shares represented at the Shareholders' Meeting and 17.622% of the share capital.

Therefore, the Board of Auditors appointed by the Shareholders' Meeting was elected from the lists of candidates presented by the Shareholders. Pursuant to article 22.5 of the Articles of Association, from the list submitted by the majority shareholder Asco Holding S.p.A., holding 52.043%% of the share capital, which obtained the highest number of votes, Luca Biancolin and Barbara Moro were elected standing auditors, and Matteo Cipriano as alternate auditor. From the list presented by the shareholder ASM Rovigo S.p.A., holding 4.399% of the share capital, Giovanni Salvaggio was elected standing auditor and Chairman of the Board of Auditors and Marco Bosso as alternate auditor.

The Shareholders' Meeting also determined the remuneration of the Board of Auditors, pursuant to article 2402 of the Italian civil code, in the amount of Euro 40,000 gross per year for the Chairman of the Board of Auditors and Euro 27,000 gross per year for each standing auditor.

Furthermore, the ordinary Shareholders' Meeting resolved to approve certain changes to the regulation of the "Share-based long-term incentive plan - 2018-2020 LTP", as regards specifically the existing procedures for the review of the Plan and the possible technical methods for paying the bonus to terminated beneficiaries, mainly aimed at ensuring the correct operation of the Plan subsequent to any extraordinary transactions and/or events having a significant impact.

The Shareholders' Meeting of Ascopiave S.p.A., in ordinary session, approved a new plan to purchase and sell own shares, replacing the authorisation to purchase and sell own shares issued by the Shareholders' Meeting on 23rd April 2019, which is therefore to be considered revoked, for the non-executed portions.

Methods and terms for exercising the right of withdrawal for the shareholders of Ascopiave S.p.A.

On 4th June 2020, Ascopiave S.p.A. published clarifications regarding the methods and terms for exercising the right of withdrawal granted to the entitled shareholders in accordance with the terms and methods set out in the law.

Appointment of the Managing Director and Internal Committees

The Board of Directors of Ascopiave S.p.A., convened on 8th June 2020, appointed the Chairman Nicola Ceconato as the Company's Managing Director, conferring on him the appropriate powers. Furthermore, on the basis of the statements received from the persons concerned and the information in its possession, the Board ascertained, pursuant to the provisions of the Consolidated Finance Law and Implementation Criterion 3.C of the Code of Self-conduct for Listed Companies, that the directors Greta Pietrobon, Mariachiara Geronazzo, Cristian Novello and Enrico Quarello fulfil the independence requirements set out in art. 148, paragraph 3 of the Consolidated Finance Law and art. 3 of the Code of Self-conduct for Listed Companies and that therefore the composition of the Board of Directors complies with the provisions of art. 147-*ter* of the Consolidated Finance Law and art. IA.2.10.6 of the Instructions to the Regulations of Borsa Italiana regarding STAR issuers.

The Board of Auditors verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members.

Furthermore, on the same date, the Board of Auditors ascertained that its members fulfil the independence requirements set out in art. 148, paragraph 3 of the Consolidated Finance Law on the basis of the information received from the persons concerned. The composition of the Board of Auditors therefore complies with the provisions of article 148 of the Consolidated Finance Law.

The Board of Directors has also set up the Control and Risk Committee, appointing:

- Cristian Novello (Chairman), independent director;
- Roberto Bet, non-executive director;
- Mariachiara Geronazzo, independent director.

In addition, the Board of Directors has established the Remuneration Committee, appointing:

- Greta Pietrobon (Chairwoman), independent director;
- Enrico Quarello, independent director;
- Luisa Vecchiato, non-executive director.

The CV of each director and auditor, as well as the information relating to the lists of origin, can be consulted on Ascopiave's website, at www.gruppoascopiave.it.

Information on the purchase of own shares and launch of the programme for purchasing and selling treasury share approved by the Shareholders' Meeting held on 29th May 2020

Ascopiave announces the purchase on the electronic share market, in accordance with the authorisation to purchase treasury shares approved by the Shareholders' Meeting of 23rd April 2019 in the period between 1st January 2020 and 11th 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.

On 17th June 2020, Ascopiave S.p.A. resumed the purchases in implementation of the programme for purchasing and selling treasury shares approved by Ascopiave S.p.A.'s Shareholders' Meeting on 29th May 2020, and purchased on the electronic share market, in accordance with the same authorisation to purchase treasury shares, in the period between 29th May 2020 and 30th September 2020, 444,440 ordinary shares at the average unit price of Euro 3.488, for a total value of Euro 1,550,036.87.

As a result of the purchases made, Ascopiave S.p.A. holds 12,439,045 ordinary shares, equal to 5.306% of the share capital.

Final results of the exercise of the right of withdrawal

On 1st July 2020, Ascopiave S.p.A. announced that on 19th June 2020 the period for exercising the right of withdrawal granted to holders of Ascopiave S.p.A. shares who did not participate in the approval of the resolution introducing art. 6-*bis* of the Articles of Association of Ascopiave S.p.A. terminated.

The number of shares for which the withdrawal was exercised is less than 5% of the share capital, and therefore the resolution of the Shareholders' meeting concerning the introduction of the new art. 6-*bis* in the Articles of Association of Ascopiave S.p.A. is fully effective.

Notice to the Shareholders – Rights issue pursuant to article 2437-*quater*, Italian Civil Code

On 3rd July 2020, within the terms and in compliance with the methods set out in the law, Ascopiave S.p.A. published the notice to the shareholders pursuant to article 84 of Consob Regulation no. 11971/1999

announcing that the rights issue of 5,334,329 ordinary shares for which the right of withdrawal was exercised was filed with the Treviso Company Register, pursuant to art. 2437-*quater*, paragraph 2, Italian Civil Code.

Significant events subsequent to the end of the first nine months of 2020

Results of the Rights issue of 5,334,329 ordinary shares for which the right of withdrawal was exercised pursuant to art. 2437-*quater*, paragraph 2, Italian civil code

On 6th October 2020, Ascopiave S.p.A. (“Ascopiave” or the “Company”) announced the expiration on 30th September 2020 of the period to join the Rights Issue (hereinafter, “Rights Issue” or “Offer”) of 5,334,329 Ascopiave ordinary shares addressed to holders of ordinary shares of the Company, listed on Mercato Telematico Azionario (MTA), for which the right of withdrawal was not exercised.

Ascopiave announced that, at the end of the subscription period, which started on 3rd July 2020 and ended on 30th September 2020 (both dates included), as 147,844 Subscription Right were exercised in total, 3,621 Shares were subscribed, representing 0.068% of the Shares, for a total value of Euro 14,140.73.

The Right of First Refusal was exercised for 2,895 Shares, equal to 0.054% of the Shares and for a total value of Euro 11,305.55.

Therefore, in light of the rights exercised by Ascopiave’s shareholders, 3,621 Shares are subscribed and the Right of First Refusal was exercised for 2,895 Shares, totalling 6,516 Shares, representing 0.122% of the Shares, for a total value of Euro 25,446.29.

Ascopiave announced that 5,327,813 Shares, equal to 2.273% of the Company’s share capital for a total value of Euro 20,806,175.33, remain unsubscribed.

Procedure for liquidating the remaining shares relating to the Rights Issue

With reference to the rights issue promoted by Ascopiave S.p.A. (“Ascopiave” or the “Company”) on 3rd July 2020 of 5,334,329 Ascopiave ordinary shares (the “Rights Issue”), with reference to the announcement dated 6th October 2020 subsequent to the termination of the period for joining the Rights Issue, today Ascopiave’s Board of Directors, also considering the share trend, resolved not to offer to the public the remaining 5,327,813 withdrawal shares.

Ascopiave’s Board of Directors therefore approved the purchase by the Company of the 5,327,813 residual withdrawal shares, equal to 2.273% of the Company’s share capital for a total value of Euro 20,806,175.33, using the Company’s available reserves.

Please note that the withdrawal settlement (and, therefore, the payment of the liquidation value by, as the case may be, the Company and the shareholders who have exercised the right of subscription and right of first refusal) will take place on 10th December 2020 through the Monte Titoli system via the custodian banks, without any action being required on the part of the shareholders who have exercised the right of withdrawal, as well as on the part of the shareholders who have exercised the right of subscription and first refusal (provided that they have previously made available to their custodian bank the funds needed to pay the price of the shares purchased upon exercising the right of subscription and first refusal).

Seasonal nature of operations

Since the execution of the partnership agreement with the Hera Group, finalised on 19th 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 valued using the equity method, 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. 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 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 next invitations to tender for awarding concessions, 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.

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 respectively within 31st December 2020 and 31st March 2021. In the light of the time required to submit bids and evaluate and select them, it is believed that possible transfers of management to potential new operators may be executed only in subsequent years.

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. 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.

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 nine months of 2020 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 has continued to monitor the pandemic at the national and international level so as to promptly respond to the emergency which, after an improvement in the summer, showed a new significant recrudescence in October, with a considerable increase in infection rates throughout the national territory.

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, 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 30th September 2020

The Interim Financial Report for the period ended 30th September 2020 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 SDIR-eMarket Storage" system provided by Spafid Connect S.p.A. and published on the website 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 has been listed under the Star segment of Borsa Italiana since 12th December 2006.

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Pieve di Soligo, 9th November 2020



Ascopiave Group

Interim Report

as of 30th September 2020

Consolidated statement of financial position

(Thousands of Euro)	30.09.2020	31.12.2019
ASSETS		
Non-current assets		
Goodwill	49,272	47,914
Other intangible assets	568,716	567,194
Tangible assets	33,951	34,694
Shareholdings	502,670	449,945
Other non-current assets	4,155	3,296
Non current financial assets	2,513	2,478
Advance tax receivables	20,192	19,390
Non-current assets	1,181,467	1,124,910
Current assets		
Inventories	32,388	8,132
Trade receivables	16,645	43,124
Other current assets	97,286	46,830
Current financial assets	803	6,993
Tax receivables	2,231	1,263
Cash and cash equivalents	2,286	67,031
Current assets	151,640	173,373
ASSETS	1,333,107	1,298,283
Net equity and liabilities		
Total Net equity		
Share capital	234,412	234,412
Own shares	(34,821)	(26,774)
Reserves	647,414	665,854
Net equity of the Group	847,004	873,492
Net equity of Others	0	0
Total Net equity	847,004	873,492
Non-current liabilities		
Provisions for risks and charges	1,668	1,344
Severance indemnity	4,428	4,931
Medium- and long-term bank loans	127,860	135,083
Other non-current liabilities	26,347	24,553
Non-current financial liabilities	709	441
Deferred tax payables	21,579	22,021
Passività non correnti	182,591	188,374
Current liabilities		
Payables due to banks and financing institutions	192,749	136,803
Trade payables	92,777	52,082
Tax payables	2,353	4,728
Other current liabilities	14,370	25,549
Current financial liabilities	927	17,156
Current liabilities from derivative financial instruments	337	98
Current liabilities	303,512	236,417
Liabilities	486,103	424,791
Net equity and liabilities	1,333,107	1,298,283

Consolidated statement of comprehensive income

(Thousands of Euro)	First nine month	
	2020	2019
Revenues	129,347	90,017
Total operating costs	84,229	59,557
Purchase costs for other raw materials	1,313	1,712
Costs for services	27,585	23,831
Costs for personnel	13,748	10,979
Other management costs	41,622	24,477
Other income	39	1,443
Amortization and depreciation	25,105	17,412
Operating result	20,014	13,048
Financial income	3,554	107
Financial charges	1,256	878
Evaluation of subsidiary companies with the net equity method	11,250	648
Earnings before tax	33,562	12,926
Taxes for the period	4,756	4,797
Result of the period	28,805	8,129
Net result from transfer assets	0	30,109
Net result for the period	28,805	38,238
Group's Net Result	28,805	36,415
Third parties Net Result	0	1,823
Consolidated statement of comprehensive income		
1. Components that can be reclassified to the income statement		
Fair value of derivatives, changes in the period net of tax	(229)	(395)
Fair value of derivatives, changes in the period net of tax of the companies held for sale	(0)	785
2. Components that can not be reclassified to the income statement		
Actuarial (losses)/gains from remeasurement on defined-benefit obligations net of tax	387	308
Actuarial (losses)/gains from remeasurement on defined-benefit obligations net of tax of the companies held for sale	(0)	77
Total comprehensive income	28,964	39,012
Group's overall net result	28,964	37,098
Third parties' overall net result	0	1,914
Base income per share	0.130	0.162
Diluted net income per share	0.130	0.162

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
(Thousands of Euro)									
Balance as of 1st January 2020	234,412	46,882	(26,774)	(51)	125,807	493,216	873,492	(0)	873,492
Result for the period						28,805	28,805		28,805
Other operations					(229)		(229)		(229)
Severance indemnity IAS 19 discounting of the financial year				387			387		387
Total result of overall income statement				387	(229)	27,859	28,018	(0)	28,964
Allocation of 2019 result					493,216	(493,216)			(0)
Dividends distributed to Ascopiave S.p.A. shareholders					(47,442)		(47,442)		(47,442)
Purchase of own shares			(8,048)		37		(8,011)		(8,011)
Balance as of 30th September 2020	234,412	46,882	(34,821)	336	571,391	27,859	846,058	(0)	847,004

	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
(Thousands of Euro)									
Balance as of 1st January 2019	234,412	46,882	(16,981)	(35)	134,664	44,625	443,567	4,303	447,869
Result for the period						36,415	36,415	1,823	38,238
<i>of which:</i>									
<i>Result of continuing operations</i>						8,129	8,129		8,129
<i>Result of discontinuing operations</i>						28,286	28,286	1,823	30,109
Other operations					299		299	92	391
<i>of which:</i>									
<i>Other movements of continuing operations</i>					(395)		(395)	(0)	(395)
<i>Other movements of discontinuing operations</i>					694		694	92	786
Severance indemnity IAS 19 discounting of the financial year				386			386	(0)	385
<i>of which:</i>									
<i>Discounting of continuing operations</i>				308			308		308
<i>Discounting of discontinuing operations</i>				77			77	0	77
Total result of overall income statement				386	299	36,415	37,099	1,914	39,012
Allocation of 2018 result					44,625	(44,625)	(0)		(0)
Dividends distributed to Ascopiave S.p.A. shareholders					(75,163)		(75,163)		(75,163)
Dividends distributed to minorities of discontinuing operations								(1,761)	(1,761)
Other movements of discontinuing operations					33		33		33
Purchase of own shares			(16,463)				(16,463)		(16,463)
Business aggregations			12,583	(377)	15,586		27,793		27,793
Balance as of 30th September 2019	234,412	46,882	(20,861)	(26)	120,044	36,415	416,864	4,456	421,321

Consolidated statement of cash flows

	First nine month	
	2020	2019
Net income of the Group	28,805	8,129
Cash flows generated (used) by operating activities		
Adjustments to reconcile net income to net cash		
Third-parties operating result	0	1,823
Companies held for sale operating result	0	28,286
Amortization	25,105	17,412
Variations in severance indemnity	(116)	38
Current assets / liabilities on financial instruments and forward purchasee and sales	10	395
Net variation of other funds	324	71
Evaluation of subsidiaries with the net equity method	(11,250)	(648)
Gains on disposal of investments net income discontinued assets	0	(1,247)
Interests paid	(1,227)	(971)
Taxes paid	(9,335)	(888)
Interest expense for the year	1,143	828
Taxes for the year	4,756	4,797
Variations in assets and liabilities		
Inventories	(24,256)	(3,170)
Accounts payable	26,479	12,599
Other current assets	(51,289)	(7,837)
Attività finanziarie correnti e non correnti	(0)	(209)
Trade payables	40,643	5,700
Other current liabilities	(13,764)	(57)
Other non-current assets	(859)	2,768
Other non-current liabilities	1,793	1,832
Operating flows from discontinued assets / liabilities	0	16,108
Total adjustments and variations	(11,843)	77,629
Cash flows generated (used) by operating activities	16,962	85,758
Cash flows generated (used) by investments		
Investments in intangible assets	(25,026)	(19,127)
Realisable value of intangible assets	291	457
Investments in tangible assets	(686)	(1,581)
Realisable value of tangible assets	6	0
Disposal/(acquisitions) in investments and avances	(60,598)	(11,546)
Investment flows from discontinued assets / liabilities	0	(105)
Cash flows generated/(used) by investments	(86,013)	(31,902)
Cash flows generated (used) by financial activities		
Net changes in debts due to other financers	(88)	558
Net changes in short-term bank borrowings	(20,978)	(2,332)
Net variation in current financial assets and liabilities	(9,980)	15,553
Purchase of own shares	(8,048)	(3,880)
Ignitions loans and mortgages	194,700	292,000
Redemptions loans and mortgages	(125,000)	(229,000)
Payments for right of use	(112)	(356)
Dividends distributed to Ascopiave S.p.A. shareholders?	(47,442)	(75,163)
Dividends distributed to other shareholders	0	(1,761)
Dividends distributed from subsidiary companies	21,254	2,311
Cash flows from discontinued assets / liabilities	0	(35,636)
Cash flows generated (used) by financial activities	4,306	(37,706)
Variations in cash	(64,745)	16,150
Cash and cash equivalents at the beginning of the year	67,031	59,353
Cash and cash equivalents at the beginning of the year of the Companies held for sale	0	7,297
Cash and cash equivalents at the end of the period	2,286	82,800

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