

INTERIM FINANCIAL STATEMENTS

2022

Ascopiave Group

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- Declaration by the Manager - Certification of the Interim Financial Statements in accordance with art. 81-ter of Consob regulation no. 11971;
- Independent Auditors' Report limited to the auditing of the interim financial statements as of 30th June 2022.

GENERAL INFORMATION

Directors, Officers and Company information

Board of Directors and Board of Auditors

| Name | Office | Duration of office | From | To |
|-----------------------|--|--------------------|------------|-------------------------|
| Cecconato Nicola | Chairman of the Board of Directors and CEO | 2020-2022 | 29/05/2020 | Approval of budget 2022 |
| Pietrobon Greta | Indipendet Director* | 2020-2022 | 29/05/2020 | Approval of budget 2022 |
| Quarello Enrico | Director** | 2020-2022 | 29/05/2020 | Approval of budget 2022 |
| Bet Roberto | Director | 2020-2022 | 29/05/2020 | Approval of budget 2022 |
| Geronazzo Mariachiara | Indipendet Director | 2020-2022 | 29/05/2020 | Approval of budget 2022 |
| Vecchiato Luisa | Indipendet Director*** | 2020-2022 | 29/05/2020 | Approval of budget 2022 |
| Novello Cristian | Indipendet Director | 2020-2022 | 29/05/2020 | Approval of budget 2022 |

The Board of Directors was appointed by the Ordinary Shareholders' Meeting held on 29th May 2020 and has been in office since 4th June 2020.

(*) Pietrobon Greta was appointed as the Lead Independent Director by the Board of Directors on 28th January 2021;

(**) Quarello Enrico was an independent director until 28th January 2021 and, subsequently, a non-independent director;

(***) Vecchiato Luisa was a non-independent director until 28th January 2021 and, subsequently, an independent director.

| Name | Office | Duration of office | From | To |
|--------------------|------------------------------------|--------------------|------------|-------------------------|
| Salvaggio Giovanni | President of the Board of Auditors | 2020-2022 | 29/05/2020 | Approval of budget 2022 |
| Moro Barbara | Statutory Auditor | 2020-2022 | 29/05/2020 | Approval of budget 2022 |
| Biancolin Luca | Statutory Auditor | 2020-2022 | 29/05/2020 | Approval of budget 2022 |

Internal committees

| In-Company Control Committee | From | To | In-Company Control Committee | From | To |
|------------------------------|------------|-------------------------|------------------------------|------------|-------------------------|
| Novello Cristian | 08/06/2020 | Approval of budget 2022 | Pietrobon Greta | 08/06/2020 | Approval of budget 2022 |
| Bet Roberto | 08/06/2020 | Approval of budget 2022 | Quarello Enrico | 08/06/2020 | Approval of budget 2022 |
| Geronazzo Mariachiara | 08/06/2020 | Approval of budget 2022 | Vecchiato Luisa | 08/06/2020 | Approval of budget 2022 |

Independent Auditors

PriceWaterhouseCoopers S.p.A.

Registered office and company data

Ascopiave S.p.A.
Via Verizzo, 1030
I-31053 Pieve di Soligo - TV Italy
Tel: +39 0438 980098
Fax: +39 0438 964778
Share Capital: Euro 234,411,575 fully paid up
VAT ID 03916270261

Investor relations

Tel. +39 0438 980098
Fax +39 0438 964778
e-mail: investor.relations@ascopiave.it

Main economic and financial data of the Ascopiave Group

Operating results

| (Thousands of Euro) | First half | | | |
|--|------------|---------------|--------|---------------|
| | 2022 | % of revenues | 2021 | % of revenues |
| Revenues | 81,420 | 100.0% | 66,085 | 100.0% |
| Gross operative margin | 35,963 | 44.2% | 31,585 | 47.8% |
| Operating result | 14,392 | 17.7% | 13,872 | 21.0% |
| Result for the period | 22,595 | 27.8% | 26,856 | 40.6% |
| Net result from transer/disposal of assets | 558 | 0.7% | 0 | 0.0% |
| Net result for the period | 23,153 | 28.4% | 26,856 | 40.6% |

The gross operating margin (EBITDA) is the result before amortisation/depreciation, use of bad debt provisions, financial management and taxes.

Balance sheet figures

| (Thousands of Euro) | 30.06.2022 | 30.06.2021 |
|---|--------------------|--------------------|
| Net working capital | 40,083 | 2,359 |
| Fixed assets and other non current assets (non-financial) | 1,436,462 | 1,261,819 |
| Non-current liabilities (excluding loans) | (56,683) | (48,187) |
| Net invested capital | 1,419,863 | 1,215,991 |
| Net financial position | (501,273) | (347,485) |
| Total Net equity | (918,590) | (868,505) |
| Total financing sources | (1,419,863) | (1,215,991) |

Please note that “Net working capital” means the sum of the inventories, trade receivables, tax receivables, other current assets, trade payable, tax payables (within 12 months), and other current liabilities.

Cash flow data

| (Thousands of Euro) | First half | |
|--|-----------------|----------------|
| | 2022 | 2021 |
| Net income of the Group | 43,046 | 27,195 |
| Cash flows generated (used) by operating activities | 29,279 | 57,726 |
| Cash flows generated/(used) by investments | (103,918) | (1,823) |
| Cash flows generated (used) by financial activities | 42,780 | (58,734) |
| Variations in cash | (31,859) | (2,830) |
| Cash and cash equivalents at the beginning of the period | 42,539 | 21,902 |
| Cash and cash equivalents at the end of the period | 10,680 | 19,072 |

REPORT ON OPERATIONS

Foreword

The Ascopiave Group closed the first half of 2022 with a net consolidated profit of Euro 23.2 million (Euro 26.9 million as of 30th June 2021), down Euro 3.7 million as compared to the same period in the previous year.

The consolidated net assets as of 30th June 2022 amounted to Euro 918.6 million (Euro 868.5 million as of 31st December 2021), and the net capital invested to Euro 1,419.9 million (Euro 1,216.0 million as of 31st December 2021). At the end of the first half of 2022, the Group accomplished investments for Euro 26.8 million (Euro 22.6 million in the first half of 2021), mainly for the installation of electronic metres and the development, maintenance and upgrade of gas distribution networks and plants for Euro 22.7 million (Euro 21.6 million in the first half of 2021).

The operating results achieved by the Estenergy Group and Cogeide S.p.A. are recorded for the quota attributable to the Group in the item “Profit (loss) quota of companies recorded using the equity method”.

Activities

Ascopiave mainly operates in the sector of natural gas distribution. The Group currently holds concessions and direct assignments for gas distribution in 306 municipalities and has a distribution network extending for over 14,600 km, providing services to a catchment area of approximately 891,000 users.

The Group is present, in addition to other sectors related to its core business, such as cogeneration and heat management, also in the water sector, being a shareholder and technological partner of Cogeide, a company operating in integrated urban water management in 15 Towns, serving a population of over 100 thousand with a network of 880 km.

The Group is also present in the renewable energy sector, with 28 hydro-electric and wind power stations.

Strategic objectives

Ascopiave aims to pursue a strategy focused on the creation of value for its stakeholders, by maintaining the level of excellence in the quality of services offered, respecting the environment and social groups, to increase the value of the field in which it operates.

The Group intends to consolidate its leadership position in the gas sector on a regional level and is looking to reach a prominent position also at the national level, taking advantage of the liberalisation process currently underway. In this respect, Ascopiave follows a development strategy whose main guiding principles are dimensional growth, diversification in other divisions of the energy sector in synergy with the core business and the improvement of operating processes.

Operating performance

The volumes of gas distributed through the networks managed by the Group were 885.5 million cubic metres, with a decrease of 3.6% compared to the first half of 2021.

The distribution network as of 30th June 2022 has an extension of 14,588 km, up 1,643 km as compared to the same period in the previous year, mainly due to the recent acquisitions.

The 28 plants for the production of electricity from renewable sources, with a total rated capacity of 62.5 MW, produced 43.1 GWh in the first half of the year, a figure heavily influenced by the severe drought suffered during the period in question.

Operating results and cash flows

In the first half of 2022, the consolidated revenues are equal to Euro 81.4 million, compared to Euro 66.1 million in the first half of 2021.

The Operating Result of the Group amounted to Euro 14.4 million, up Euro 0.5 million as compared to the same period in the previous year.

The Net Result, equalling Euro 23.2 million, marks a decrease of Euro 3.7 million as compared to the same period in the previous year.

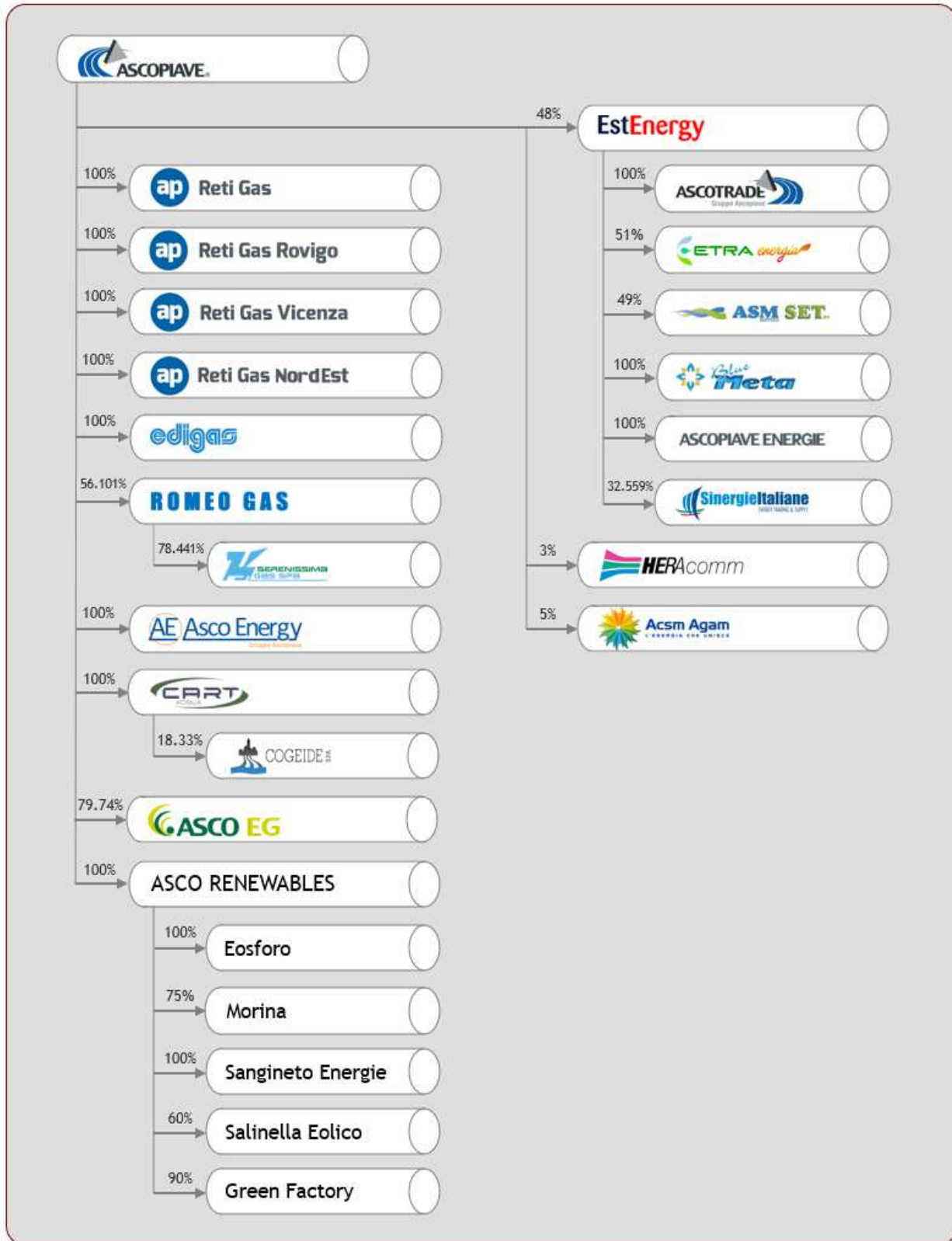
The Net Financial Position of the Group as of 30th June 2022 is equal to Euro 501.3 million, up Euro 153.8 million as compared to Euro 347.5 million as at 31st December 2021.

The increase in financial indebtedness is determined by the cash flow of the period (given by the sum of the net result and amortisation, depreciation and write-downs), which generated resources for Euro 44.8 million, the management of current assets, which absorbed financial resources for Euro 9.7 million, the investment activity which caused the expenditure of Euro 139.3 million, the management of equity (dividends and treasury shares) which absorbed resources for Euro 10.5 million and the company acquisitions which resulted in an increase in the net financial position of Euro 39.1 million.

The ratio Net financial position to Net equity as of 30th June 2022 is 0.55 (0.40 as of 31st December 2021).

The structure of the Ascopiave Group

The table below shows the company structure of the Ascopiave Group as of 30th June 2022.



Gas distribution

With the establishment of the partnership between Ascopiave S.p.A. and the Hera Group, completed on 19th December 2019, the distribution of natural gas is the Group's core business in terms of contribution to the formation of corporate income.

This activity is performed under a concession or direct assignment and, as such, is subject to strict regulation by the public authorities, with regards to both minimum management standards and quality, and tariffs.

As it is known, Legislative Decree no. 164/00 introduced the compulsory assignment of the gas distribution service through a call for tenders, assuming that a competition mechanism involving the selection of the provider would result in lower costs for the end customer, an efficient development of the facilities and an improvement in the quality of the service supplied.

Law Decree 159/2007 (Law 222/2007) has introduced, for the first time, the concept of Territorial Tender for the management of the service, subsequently definitely adopted as a basic rule for the sector with Legislative Decree 93/2011 which has forbidden, commencing June 2011, the launch of invitations to tender in the single Municipalities, ratifying the obligation to launch tenders exclusively in minimum territorial areas.

Therefore, the majority of analysts foresee, in the medium term, a strong concentration in the offer, with a reduction in the number of operators and an enlargement of the average size of the companies.

From 2011, the regulatory framework of the Territorial Areas was updated yet again through the issuance of a number of ministerial decrees.

In particular:

1. the Decree dated 19th January 2011 issued by the Ministry for Economic Development in agreement with the Ministry for the Relationship with Regions and Territorial Cohesion, the territorial areas for issuing calls for tenders to entrust the gas distribution service were identified;
2. with subsequent Decree dated 18th December 2011, the municipalities belonging to each territorial area were also identified (the so-called Territorial Areas Decree);
3. the Decree issued by the Ministry for Economic Development and the Ministry of Employment and Social Policies on 21st April 2011 contained provisions ruling the social effects connected to the assignment of the new gas distribution concessions, thus implementing paragraph 6 of art. 28 of Legislative Decree no. 164 issued on 23rd May 2000 (the so-called Workforce Protection Decree);
4. with the Decree issued by the Ministry for Economic Development on 12th November 2011, the regulations concerning the criteria to be applied to calls for tenders and the evaluation of the offer for assigning the gas distribution service were approved (the so-called Decree for Criteria).

The issuance of ministerial decrees played a major role in giving certainty to the competitive environment, thus laying the foundations for allowing the process of market opening - that started with the implementation of European directives - to produce the benefits hoped for.

The Ascopiave Group favourably welcomed the emerging regulatory framework, believing that it actually creates important opportunities for investments and development to qualified operators of medium size, going in the direction of a positive rationalisation of the offer.

At the end of 2013, with Law Decree 23/12/2013, no. 145, converted with amendments into Law 9/2014, art. 15, paragraph 5 of Legislative Decree 164/2000, which provides for the determination of the reimbursement value of the plants due to the outgoing operator at the end of the so-called "Transitional Period" was substantially modified.

In June 2014, the Decree of the Minister of Economic Development containing the "Guidelines for criteria and application procedures for the assessment of the reimbursement value of natural gas distribution networks" entered into force, which, although formally aimed at explaining the criteria to assess the value of plants pursuant to art. 5 of Ministerial Decree 226/2011, essentially establishes a peculiar framework, which implements only to a minimum extent art. 5 above (in its original version, in force upon the issuance of the Guidelines).

Subsequently, with Law Decree 91/2014, amended and converted into Law 116/2014, another substantial change was made to art. 15, paragraph 5 of Legislative Decree no. 164/2000. The contents of the revised text and its evolution are described in sections "National regulations" and "Goals and policies of the Group and description of risks" of this financial report.

Finally, in mid-2015, the Decree of the Ministry of Economic Development no. 106, dated 20th May 2015, amended the previous Ministerial Decree 226/2011, reformulating Article 5, concerning the criteria to calculate the value of the plants. The new Decree has basically “transferred” the content of the Guidelines (mentioned above) into its text. Concisely, this measure has made Article 5 compatible with the Guidelines, which would have been a specification/clarification.

The regulatory framework

Resolution dated 23rd December 2021 614/2021/R/com - Rate of return on invested capital for infrastructure services in the electricity and gas sectors for the period 2022-2027: criteria for calculation and updating. The document sets out the criteria for calculating the WACC for the second regulatory period.

Resolution dated 28th December 620/2021/R/gas - Update of tariffs for gas distribution and metering services, for the year 2022. The provision approves the mandatory tariffs for natural gas distribution, metering and sales services and the bimonthly equalisation payments on account relating to the natural gas distribution service for the year 2022.

Resolution dated 25th January 2022 24/2022/R/gas - Recognition of costs for remote reading/remote management and concentrators of natural gas metering systems, for the years 2017-2019. The provision sets the amounts of the annual operating costs incurred by some gas distribution companies for the years 2017-2019 relating to remote reading/management systems and concentrators.

Resolution dated 8th February 2022 44/2022/R/gas - Launch of a procedure for updating the conditions applicable to the last resort service and the default natural gas distribution service. The provision initiates a procedure aimed at adapting the conditions for providing the last resort supply service and the default natural gas distribution service.

Resolution dated 30th March 2022 141/2022/R/com - Update, from 1st April 2022, of the tariff components intended to cover general charges and additional components of the electricity and gas sectors. Provisions to the Cassa per i servizi energetici e ambientali. Provisions regarding the electricity and gas bonus. The measure determines the quarterly update of general charges and additional components of the electricity and gas sector. Provisions on social bonuses.

Resolution dated 5th April 2022 154/2022/R/gas - Determination of the final reference tariffs for gas distribution and metering services, for the year 2021. Amendments to the RTDG. The provision determines the final reference rates for the year 2021.

Resolution dated 12th April 2022 171/2022/R/gas - Advance payment on account of bonuses relating to the safety recoveries of the natural gas distribution service for the year 2019. The provision introduces, for the year 2019, an advance payment on the total net amount of the bonus for the year 2019.

Resolution dated 26th April 2022 179/2022/R/gas - Update of the directives for the connections of biomethane plants to the natural gas networks. The provision updates the directives for the connection of biomethane plants to the natural gas networks.

Resolution dated 3rd May 2022 194/2022/R/gas - Determination of the provisional reference tariffs for gas distribution and metering services and restatement of bimonthly equalisation amounts on account, relating to the natural gas distribution service, for 2022. The provision approves the temporary reference tariffs for gas distribution and metering services for the year 2022 and redefines the bimonthly equalisation amounts on account for 2022.

Resolution dated 31st May 2022 231/2022/R/com - Update of the methods for verifying data on the commercial quality of the distribution, metering and sale services for electricity and natural gas and the contractual quality of the integrated water service. This provision concludes the procedure for updating the methods for verifying data

on commercial and contractual quality by introducing the “statistical method” also in the “further control” and also extending it to the TIQV.

Resolution dated 21st June 2022 269/2022/R/gas - Review of the regulation of the metering service with adjustment of billing to end customers in the natural gas sector. The measure determines the outputs and performances of the metering service provided by means of smart metres in the natural gas sector (commissioning, collection frequency and temporal granularity of metering data, frequency of the delivery of metering data, compensation to end customers and sellers), as well as adjustments to billing obligations.

Resolution dated 28th June 2022 282/2022/R/gas - Update of the interest rate for the purpose of determining the reimbursement, to outgoing operators, of the amounts relating to the one-off fee to cover the tender costs for the assignment of the natural gas distribution service. The provision, applicable to the periods 2019-2021 and 2022-2025, updates the interest rate to be used to determine the reimbursement to outgoing operators of the amounts to cover the tender costs stated in Decree 226/11, pursuant to Resolution 10/2016/R/gas.

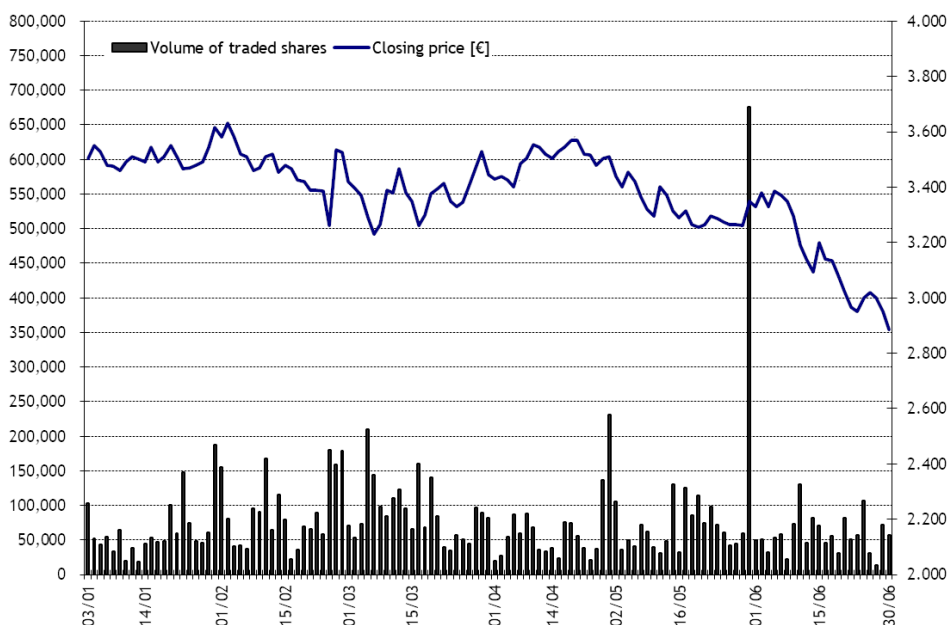
Resolution dated 28th June 2022 292/2022/R/efr - Determination of the tariff contribution to be paid to distributors under the energy efficiency certificates scheme for 2021. The provision determines, pursuant to Resolution 270/2020, the tariff contribution to be paid to distributors fulfilling their energy saving obligations under the EEC scheme for 2021.

Resolution dated 29th June 2022 295/2022/R/com - Update, from 1st July 2022, of the tariff components intended to cover general charges and additional components of the electricity and gas sectors. Provisions to Cassa per i servizi energetici e ambientali regarding the electricity and gas bonus and modification of the deadline for the conclusion of the procedure stated in the Authority’s Resolution 41/2022/R/gas. The provision updates, for the third quarter of 2022, the general system charges for the electricity and gas sectors.

Ascopiave S.p.A. share trend on the Stock Exchange

As of 30th June 2022 the Ascopiave share registered a quotation of Euro 2.885 per share, down 17.7 percentage points as compared to the listing at the beginning of 2022 (3.505 Euro per share, referred to the quotation of 3rd January 2022).

Capitalisation of the Stock Exchange as of 30th June 2022 was Euro 680.55 million¹ (Euro 814.80 million as of 30th December 2021).



During the first half of 2022, the quotation of the shares shows a decrease (-17.7%). In the same period, the FTSE Italia All Share and FTSE Italia Star indexes decreased by 23.2% and 29.1% respectively. The sectorial index FTSE Italia Utenze decreased by 21.6%.

In the following table, we report the main share and stock-exchange data as of 30th June 2022:

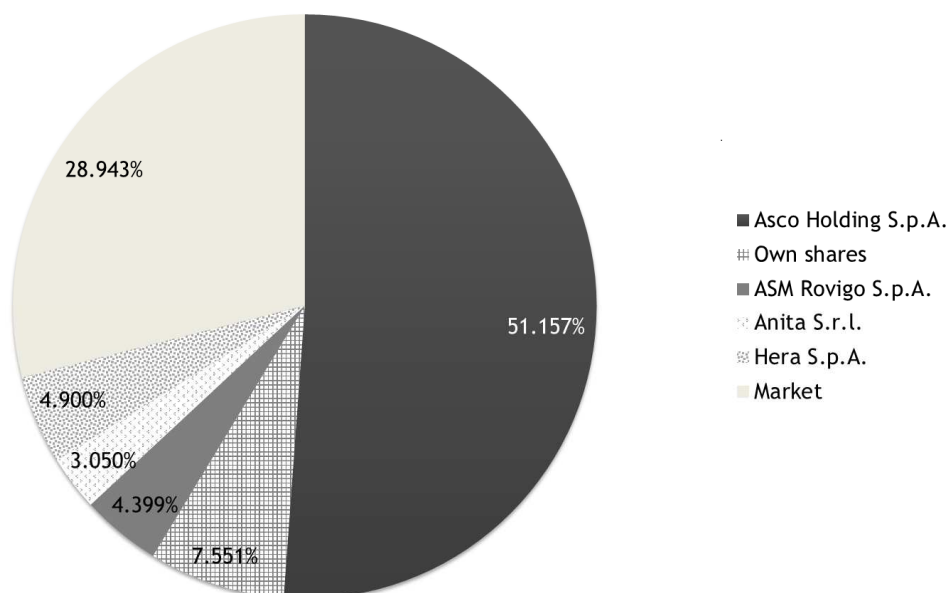
| Share and stock-exchange data | 30.06.2022 | 30.06.2021 |
|--|-------------|-------------|
| Earning per share (Euro) | 0.11 | 0.12 |
| Net equity per share (Euro) | 4.04 | 3.91 |
| Placement price (Euro) | 1.800 | 1.800 |
| Closing price (Euro) | 2.885 | 3.550 |
| Max. annual price (Euro) | 3.630 | 4.080 |
| Min. annual price (Euro) | 2.885 | 3.540 |
| Stock-exchange capitalization (Millions of Euro) | 680.55 | 826.18 |
| No. Of shares in circulation | 216,709,997 | 216,709,997 |
| No. Of shares in share capital | 234,411,575 | 234,411,575 |
| No. Of own share in portfolio | 17,701,578 | 17,701,578 |

¹ The Stock exchange capitalisation of the main listed companies active in the local public services (AZA, Acea, Acsm-Agam, Hera and Iren) as of 30th June 2022 was Euro 14.2 billion. Official data from Borsa Italiana (www.borsaitaliana.it).

Control of the Company

As of 30th June 2022, Asco Holding S.p.A. directly controls the majority of Ascopiave S.p.A. share capital as shown below.

The share composition of Ascopiave S.p.A., according to the number of shares held by the shareholders of the total shares forming the share capital, is as follows:



Internal processing based on information received from Ascopiave S.p.A. pursuant to art. 120, Consolidated Financial Law and on the basis of information in the possession of the Company.

Corporate Governance and Code of Ethics

During the first half of 2022, Ascopiave S.p.A. continued its development process of the corporate governance planned during past years, strengthening its risk management system, introducing further improvements to the tools in order to defend investors' benefits.

Internal audit

The activity plan of the Internal Audit structure is approved yearly by the Board of Directors of the Company. In particular, the audit activities included in the above-mentioned activity plan, based on a process for prioritising the main risks, concern both areas of compliance and business processes related to the business areas deemed highly strategic.

Appointed Manager

The Appointed Manager, helped by the Head of Internal Audit and the Compliance function, has reviewed the adequacy of the administrative and accounting procedures and has continued to monitor and update the important procedures for the drafting of financial information. To this end, the Company has adopted new tools of continuous auditing, enabling the automation of the control procedures.

Organisation, management, and control model pursuant to Italian Legislative Decree 231/2001

Ascopiave S.p.A. and all its Subsidiaries have adopted an Organisation, Management and Control Model, updated by the Board of Directors on 11th November 2021; they have also embraced the Code of Ethics of the Parent company Ascopiave. On 10th September 2021, the Board of Directors of Ascopiave S.p.A. approved an update of the Code of Ethics of the Ascopiave Group.

The Company, assisted by the Supervisory Board, constantly monitors the efficiency and adequacy of the Model adopted. Ascopiave S.p.A. approved the "Ascopiave Group Whistleblowing Procedure", adopted by all Group subsidiaries, an integral part of the 231 Model (annex 3 of 231 Model). Complaints are handled by an "Alert Committee". The Company has also continued promoting, disseminating and raising awareness of the Code of Ethics as concerns all its stakeholders, especially with business and institutional parties. The 231 Model and the Code of Ethics are available in the corporate governance section at www.gruppoascopiave.it.

Transactions with related and affiliate parties

The Group has the following transactions with related parties with the following types of operating costs:

- ✓ Purchase of IT services from the associate ASCO TLC S.p.A.;
- ✓ Administrative services from the Parent company Asco Holding S.p.A..

The Group has the following transactions with related parties with the following types of operating revenues:

- ✓ Lease of owned real properties to the associate ASCO TLC S.p.A.;
- ✓ Administrative and staff services from Ascopiave S.p.A. to the Parent company Asco Holding S.p.A..

During the first half of 2022, the transactions with affiliates produced revenues in relation to the following types of service:

- ✓ Natural gas transportation service on the local distribution network;
- ✓ Metering services performed as natural gas distributors and reading services;
- ✓ Administrative, IT, personnel and facility services.

We would like to point out that these relations are characterised by the highest transparency and are performed on an arm's length basis. As regards each relationship, please see the Explanatory Notes.

The table below shows the economic and financial nature of the transactions described above:

| (Thousands of Euro) | Trade receivables | Other receivables | Trade payables | Other payables | Costs | | | Revenues | | |
|-----------------------------------|-------------------|-------------------|----------------|----------------|----------|------------|----------|----------|---------------|----------|
| | | | | | Goods | Services | Other | Goods | Services | Other |
| <i>Parent company</i> | | | | | | | | | | |
| Asco Holding S.p.A. | 94 | 174 | 29 | 0 | 0 | 29 | 0 | 0 | 94 | 0 |
| Total parent company | 94 | 174 | 29 | 0 | 0 | 29 | 0 | 0 | 94 | 0 |
| <i>Affiliated companies</i> | | | | | | | | | | |
| Asco TLC S.p.A. | 43 | 0 | 62 | 0 | 0 | 374 | 0 | 0 | 24 | 0 |
| Total affiliated companies | 43 | 0 | 62 | 0 | 0 | 374 | 0 | 0 | 24 | 0 |
| <i>Subsidiary companies</i> | | | | | | | | | | |
| Estenergy S.p.A. | 364 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,189 | 0 |
| Ascotrade S.p.A. | 2,260 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,528 | 0 |
| Blue Meta S.p.A. | 528 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,278 | 0 |
| Etra Energia S.p.A. | 48 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 99 | 0 |
| Ascopiave Energie S.p.A. | 502 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,122 | 0 |
| ASM Set S.r.l. | 96 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 991 | 0 |
| Cogeide S.p.A. | 33 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 73 | 0 |
| Total subsidiary companies | 3,832 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 24,279 | 0 |
| Total | 3,969 | 174 | 94 | 0 | 0 | 403 | 0 | 0 | 24,398 | 0 |

Significant events during the first half of 2022

Shareholders' Agreements - amendment to voting rights

On 5th January 2022, pursuant to current laws and regulations, Ascopiave announced that an updated version of the essential information relating to the Shareholders' Agreement signed on 16th March 2020 was published in the Corporate Governance section of the website www.gruppoascopiave.it. Only the number of the voting rights held by some signatory shareholders was updated due to the introduction of increased voting rights, as notified by Ascopiave on 7th October 2021 and 5th November 2021. Pursuant to Articles 65-*quinquies*, 65-*sexies* and 65-*septies* of the Issuers' Regulation, the document was made available to the public at the registered office, at Borsa Italiana S.p.A., on the authorised storage mechanism "eMarket Storage" (www.emarketstorage.com) provided by Spafid Connect S.p.A., as well as in the Corporate Governance section of the website www.gruppoascopiave.it.

The Ascopiave Group enters the wind power generation sector

On 21st January 2022, the Ascopiave Group announced that it had acquired, through the subsidiary Asco Renewables S.p.A., a 60% stake in the capital of Salinella Eolico S.r.l., belonging to Renco S.p.A.. Salinella Eolico S.r.l., whose remaining 40% stake is held by Renco S.p.A., plans to build a wind farm in the Province of Catanzaro with a rated capacity of up to 21 MW; the competent authorities have already granted part of the authorisations, while the pending permits are well underway. The wind farm will be erected by Renco S.p.A. and entail a total investment of approximately Euro 30 million.

Acquisition of the majority stake in Eusebio Energia S.r.l., a company operating in the energy field

On 28th January 2022, Ascopiave S.p.A. announced the finalisation of an additional investment in the renewable energy sector, specifically in the hydroelectric and wind power segments, as stated in the 2020-2024 Strategic Plan.

The investment consisted in the acquisition by Ascopiave of the 79.74% majority stake held by Supermissile S.r.l. in the share capital of Eusebio Energia S.r.l. (now "Asco EG S.p.A."), a company operating in the energy sector.

The acquired company has 22 plants for the production of electricity from renewable sources, of which 21 hydroelectric plants, for a total capacity of 44 MW, located in Lombardy and Veneto, and a wind farm, consisting of 14 turbines of 1 MW each, located in Campania.

The price paid upon closing for the acquisition of the above-mentioned majority stake is Euro 44.8 million, featuring an earn-out clause. Eusebio's estimated net financial position at 31st December 2021 was Euro 18.5 million.

2021-2025 strategic plan

On 31st January 2022, the Board of Directors approved the Group's 2021-2025 strategic plan.

The plan confirms the strategic guidelines drawn up last year, outlining a process of sustainable growth both in the core business of gas distribution and in new areas, specifically in the renewable energy sector - which the Group has recently penetrated through the M&A operations finalised in the past two months - and in the green gas segment.

The Company announced that such development will not affect the balance of the financial structure, ensuring a stable and profitable distribution of dividends.

Economic and financial highlights:

- EBITDA in 2025: Euro 102 million (+Euro 36 million compared to 2021 preliminary figures)
- Net profit in 2025: Euro 46 million (+Euro 2 million compared to 2021 preliminary figures)
- Net investments in 2021-2025: Euro 599 million
- Net debt in 2025: Euro 608 million
- Financial leverage (Net financial position / Shareholder's equity) in 2025: 0.68
- Forecast of dividends distributed: 16.5 cents per share in 2021, with an increase of 0.5 cents per share in subsequent years until 2025.

The plan has developed a scenario that will leverage the tenders won by the Group, if any, for the gas distribution service in the relevant minimum territorial areas. This opportunity, which depends, among other things, on the actual publication schedule of the calls for tenders, has involved a further estimated growth in EBITDA of Euro 16 million by 2025 and an increase in investments of Euro 59 million.

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

On 7th March 2022, Ascopiave S.p.A. announced that the increase in the voting rights in relation to 7,149,505 ordinary shares of the Company became effective pursuant to art. 127-*quinquies* of Italian Legislative Decree 98/1998 and art. 6 of the Articles of Association of Ascopiave. For the sake of completeness, on the same date Ascopiave also announced that - pursuant to art. 6.11 of the Articles of Association of Ascopiave - in December 2021, 45,000 ordinary shares were cancelled from the Special List, subsequent to a communication from the intermediary of the shareholder Asco Holding S.p.A., received by the person in charge of managing the Special List, stating the loss of the right *in rem* legitimising the registration in the Special List. Such shares had been registered in the Special List on 26th March 2020. Subsequently, specifically on 7th April 2022 and 6th May 2022, Ascopiave S.p.A. announced that the increase in the voting rights of some additional ordinary shares of the Company became effective, pursuant to art. 127-*quinquies* of Legislative Decree 98/1998 and art. 6 of Ascopiave's Articles of Association. Therefore, as of today, Ascopiave ordinary shares with increased voting rights amount to 159,965,485 shares. Article 6 of the Articles of Association of Ascopiave attributes two votes to each share which has belonged to the same shareholder for an uninterrupted period of at least twenty-four months from the date of registration in the Special List established pursuant to art. 6.8 of the Articles of Association.

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

The consortium formed by Ascopiave, ACEA and Iren finalised the acquisition from A2A of some gas distribution concessions

On 1st April 2021, the Consortium made up of Ascopiave S.p.A., ACEA S.p.A. and Iren S.p.A. announced the closing of the agreement with the A2A Group for the acquisition of some assets relating to the natural gas distribution service, as mentioned in the press release dated 31st December 2021.

The business acquired through the operation boasts about 157,000 users, distributed in 8 Italian regions, belonging to 24 Territorial Areas, and over 2,800 km of network.

The assets of interest to Ascopiave S.p.A. consist of concessions in 15 Territorial Areas located in Veneto, Friuli Venezia Giulia and Lombardy, for a total of approximately 114,300 redelivery points. The value of the acquired assets in terms of enterprise value is Euro 73.2 million, including the 78.44% investment in Serenissima Gas S.p.A., the holder of a portion of the concessions involved (about 41,700 redelivery points).

The assets of interest to ACEA S.p.A. consist of concessions in 5 Territorial Areas: 2 in the Abruzzi, 2 in Molise and 1 in Campania, totalling approximately 30,700 redelivery points. The enterprise value is Euro 35.8 million.

The assets of interest to Iren S.p.A. consist of concessions in 4 Territorial Areas (1 in Lombardy and 3 in Emilia-Romagna) totalling approximately 12,000 redelivery points. The enterprise value is Euro 16.4 million; the condition precedent for the transfer of the business unit owned by Retragas was not met, therefore the unit is currently excluded from the scope of consolidation.

Shareholders' Agreements - amendment

On 25th April 2022, pursuant to current laws and regulations, Ascopiave S.p.A. announced that an updated version of the essential information relating to the Shareholders' Agreement signed on 16th March 2020 was published in the Corporate Governance section of the website www.gruppoascopiave.it. Only the number of the voting rights held by some signatory shareholders was updated due to the introduction of increased voting rights; furthermore, some signatory shareholders transferred to the agreement some additional Ascopiave S.p.A.'s shares.

Pursuant to Articles 65-*quinquies*, 65-*sexies* and 65-*septies* of the Issuers' Regulation, the document was made available to the public at the registered office, at Borsa Italiana S.p.A. (www.borsaitaliana.it), on the authorised storage mechanism "eMarket Storage" (www.emarketstorage.com) provided by Spafid Connect S.p.A., as well as in the Corporate Governance section of the website www.gruppoascopiave.it.

Ordinary Shareholders' meeting of 28th April 2022

The Ordinary Shareholders' Meeting of Ascopiave S.p.A. convened on 28th April 2022, chaired by Mr Nicola Cecconato. The ordinary Shareholders' Meeting approved the financial statements for the year and acknowledged the Group's consolidated financial statements as at 31st December 2021, and resolved to distribute an ordinary dividend of 0.165 Euro per share, totalling Euro 35.8 million, an amount calculated on the basis of the outstanding shares at the

reporting date of the year ended 2021. The ordinary dividend was paid on 4th May 2022, with dividend date (coupon identified with no. 18) on 2nd May 2022 and record date on 3rd May 2022.

The Shareholders' Meeting also approved with binding vote the first section of the Report on the remuneration policy and on the fees paid prepared pursuant to article 123-*ter* of Italian Legislative Decree dated 24th February 1998, no. 58 ("TUF" - Consolidated Finance Law) (i.e. the remuneration policy for the year 2022).

Furthermore, the Shareholders' Meeting expressed a favourable advisory vote 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 2021).

Finally, the Shareholders' Meeting approved the authorisation for the purchase and sale of treasury shares, subject to revocation of the previous authorisation granted by the Shareholders' Meeting on 29th April 2021, for the non-executed portion.

Approval of 2021 Sustainability Report

On 28th April 2022, Ascopiave S.p.A. announced the publication, in the "Sustainability" section of its website, of the 2021 Sustainability Report, approved by the Board of Directors of Ascopiave S.p.A. on 21st April 2022 after obtaining the favourable opinion of the Sustainability Committee. The Sustainability Report illustrates the Company's commitment to Environmental, Social and Governance aspects and outlines the actions taken by the Ascopiave Group in the field of corporate social responsibility.

International crisis

Between February and March 2022, a war broke out between Russia and Ukraine, and international geopolitical tension has been escalating since. NATO countries have condemned the Russian invasion of Ukraine and introduced increasingly stringent sanctions against Russia. The situation of uncertainty and the still persisting international crisis have significantly revived the inflationary trend which has resumed strongly, primarily affecting the price of natural gas and oil and, consequently, of the energy produced to a large extent by gas-turbine power plants. These dynamics in turn have impacted other consumer goods which, for their manufacture or transport, require the consumption of energy. The Government has initiated a process for replacing supplies in order to reduce dependence on Russia in the energy sector, and the agreements signed so far permit the partial replacement of the quantities of Russian gas with progressive growth in the coming years. The recent decrease in the cubic meters of natural gas delivered to Europe by Gazprom has once again inflated the prices of the raw material which have recorded significant increases and caused major concern in the markets. All this would seem to confirm a strong uncertainty in the economy, as well as the volatility of commodity prices, even in the remaining months of 2022.

Information on Covid-19

The health emergency caused by the spread of the SarsCov2 virus, begun in the first months of 2020 and which affected the entire world, including severely Italy, has also affected the first six months of 2022. The Group has carefully and constantly monitored throughout the emergency the evolution of the situation in the area where its activities are located, but also the development of the pandemic at an international level, operating in absolute compliance with the decrees issued by the bodies in charge, both at national and local level, prioritising the health and safety of workers to such an extent that, a few days after the establishment of the lockdown by the Government, the necessary measures were quickly activated in order to enable almost all employees to work remotely in agile method, while guaranteeing business continuity in all permitted activities. The same level of attention and prevention adopted in 2020 has been implemented in the first half of 2022, a period in which the pandemic has continued to strike heavily, in particular with the new variants that have tripled the number of infections, although, luckily, with very mild symptoms and a limited quarantine. Likewise, the Group's Management continues to monitor, by using external indicators and internally processed values, the impacts of the epidemic in terms of performance, in order to be able to introduce any corrective measures aimed at mitigating any effects on the execution of the business. Thanks to the remedies already implemented in the previous financial years, the negative economic and financial effects did not affect the final results of the Group, as they were offset by the positive effects deriving from the remedies implemented. Although in the industry where the Group operates the emergency is less critical, the Management continues to constantly monitor the above-mentioned indicators, not only at the local but also at the national and/or international level, so as to be able to promptly respond if the crisis flares up.

Significant events subsequent to the end of the first half of 2022

On 27th July 2022, the project for the partial spin-off of Romeo Gas S.p.A. was approved. The project involves the transfer of part of its assets to the pre-existing company, a shareholder of Romeo Gas, Adistribuzione S.p.A.. Subsequent to the spin-off, Ascopiave S.p.A. and Ireti S.p.A. will remain as the only shareholders of the company to be demerged. For the purposes of identifying the demerged complex and calculating the adjustments, the value of the shareholders' equity as of 1st April 2022 of the company to be demerged was taken as reference, to be compared to the value of the shareholders' equity of the demerged assets on the effective date of the demerger, defined by the algebraic sum of the accounting balances of the assets pertaining to the demerged complex. The statutory effects of the demerger will take effect from the first minute of 1st October 2022, subject to the registration of the demerger deed in the competent Business Register, or from a later date that may be established in the demerger deed.

Additional significant events

The Ascopiave Group manages concessions for the gas distribution service in 268 Municipalities in Veneto, Friuli, Lombardia, Emilia Romagna, Piedmont and Liguria through the companies AP Reti gas S.p.A., AP Reti gas Vicenza S.p.A., AP Reti Gas Rovigo S.r.l., Edigas Esercizio Distribuzione Gas S.p.A. and AP Reti Gas Nord Est S.r.l..

Natural gas distribution activity

Companies consolidated on a line-by-line basis

The Ascopiave Group manages concessions for the gas distribution service in 306 Municipalities in Veneto, Friuli, Lombardy, Emilia Romagna, Piedmont and Liguria.

Since 1st April 2022, the business scope of the Group also includes the companies Romeo Gas S.p.A. and Serenissima Gas S.p.A..

The following table summarises the data of the Group's gas distribution activity as of 30th June 2022 and provides a comparison with the first half of 2021:

| | First half | |
|---|------------|---------|
| | 2022 | 2021 |
| Volumes of gas distributed (cm/mln) | 895 | 918 |
| Length of distribution network (km) | 14,588 | 12,946 |
| Total new network laid / replaced | 42 | 48 |
| Total active meters (no.) | 933,631 | 776,397 |
| Total smart meters G4 / G6 (no.) | 734,220 | 567,427 |
| Average time of arrival on site (minutes) | 38.45 | 37.9 |

All safety indicators (time of arrival at the place of call for the emergency service, planned inspection of the network and measurement of the level of odouring) and continuity (service interruptions) have been maintained efficiently under control, with respect of the obligation of service set by ARERA.

The following table summarises compliance with the specific standards of the items to which commercial quality applies.

| | First half | |
|---|------------|--------|
| | 2022 | 2021 |
| Compliance with the time set for execution of the services subject to specific commercial standards | 99.18% | 99.33% |

In the first half of 2022, the company's emergency intervention service, active 365 days a year, 24/7, which can be contacted by means of the dedicated free-phone number, performed 4659 interventions, and the arrival time was on average 38.45 minutes, largely less than the 60 minutes envisaged by the Authority.

The correct odorization of gas was continuously monitored, performing a number of checks above those prescribed by the Authority.

The schedule of operation and maintenance activities was respected, and performed almost exclusively by internal staff.

During the period, the efficiency of the organisational structure was further enhanced, in order to optimise the use of resources and the synergy between the distribution companies of the group, pursuing improvements in all administrative, technical, process control and human resource management activities, and trying to optimise the use of resources, insourcing activities and increasing the possibility of making investments.

Energy efficiency and saving obligations

The Letta Decree, in article 16, paragraph 4, states that natural gas distribution companies must pursue energy saving objectives and the development of renewable energy sources.

The definition of the national quantitative objectives and the criteria for the assessment of the results obtained was requested from the Ministry for Economic Development, in agreement with the Ministry of the Environment and Land Protection, which led to the issue of the ministerial decree of 20th July 2004.

With the Decree dated 21st December 2007, the Ministry for Economic Development reviewed and updated the Decree dated 20th July 2004, on the following points:

- ✓ the 2008 and 2009 objectives were reviewed in the light of an excess of offer of energy efficiency equities recorded on the market;
- ✓ the objectives for the three-year period 2010 - 2012 were defined, taking into account the target of reduction of energy consumption fixed by the action plan as of 2016, equal to 10.86 MTOE;
- ✓ the energy efficiency and saving obligations for each year following 2007 were extended to distributors who, as of 31st December of two years prior to each year of obligation, connected more than 50,000 end customers to their distribution network.

The fulfilment of energy saving is attested through the distribution of energy efficiency certificates, the so-called "White Certificates". In order to fulfil the obligations as specified by the Decree dated 20th July 2004, integrated by the Decree of 21st December 2007, and to thus obtain White Certificates, distributors can:

- ✓ perform direct interventions to improve the Energy efficiency of technology installed or related methods of use;
- ✓ purchase the White Certificates directly from third parties, by means of bilateral contracting or through negotiation in an appropriate market set up at the Gestore del mercato elettrico (GME).

Decree dated 28th December 2012 defined objectives of annual primary energy savings for the period 2013-2016 for the relevant distributors and set a minimum quantity of certificates to be delivered at the natural end of the regulatory year equal to 50% of their annual obligation for the years 2013-2014 (that must be offset in the next two years in order to avoid penalties) and equal to 60% for the years 2015 and 2016, always with the possibility of offsetting in the next two years in order to avoid penalties.

In addition, Decree dated 28th December 2012 gave effect to the provisions of Decree 28/2011 which sets that the activities of management, evaluation and savings certification related to energy efficiency projects undertaken as part of the mechanism of white certificates are transferred to the GSE - Gestore dei Servizi Energetici.

The Decree also extended to parties other than distribution companies and the Energy Saving Company (so-called ESCO), the opportunity to present projects in order to obtain white certificates.

Decree dated 11th January 2017, published in the Official Gazette no. 78 dated 3rd April 2017, defined the new guidelines for presenting energy efficiency projects modifying the old mechanism by eliminating the “tau” coefficient, eliminating the standardised forms and extending the useful life of projects.

The Decree dated 10th May 2018 reviewed the tariff contribution for the subjects to which the obligation applies, introducing a ceiling of Euro 250 per TEE as a maximum reimbursement. Furthermore, given the scarcity of certificates with respect to demand, “unsecured” certificates were introduced, that is, certificates issued by the GSE at the request of the distributors to which the obligation applies, which have at least 30% of the certificates of the current objective in the portfolio. Unsecured certificates could cost up to a maximum of 15 Euros/TEE and could possibly be redeemed the following year by the distributor.

By resolution dated 14th July 2020, ARERA revised the calculation of the tariff contribution by adding, among other things, the additional contribution that takes into account the market price of the target year and the scarcity of certificates on the market.

During the year in question, Ministerial Decree dated 21st May 2021 was issued, establishing the national objectives for the period 2021-2024, with targets which are substantially lower than in the previous four-year period, and reducing the 2020 target which, for gas distributors, decreased from 3.17 to 1.57 million white certificates. The decree also reduced the threshold for accessing virtual certificates and introduced an auction system for the purchase of certificates, whose operation will be illustrated by a specific decree within 31st December 2021.

The companies of the Group Ap Reti Gas S.p.A., Ap reti Gas Vicenza S.p.A. and Edigas Distribuzione S.p.A. (subsequent to the merger of Unigas Distribuzione S.r.l. on 1st July and consequent transfer to Edigas), are subject to the obligations set out in Decrees dated 21st May 2021 and 11th January 2017, and are required to meet the energy saving requirements established annually by the GSE. As regards the new distribution company of the group, AP Reti Gas Nord Est S.r.l., in January 2020 a formal communication was sent to ARERA and the competent bodies for the assignment of the relevant obligations.

The GSE has the task of checking that each distributor is in possession of energy efficiency certificates that comply with the annual objective assigned to it (increased by any additional shares for compensation or updated following the introduction of new national quantity objectives) and of informing the Ministry for Economic Development, the Ministry for the Environment and the Protection of the Territory and Gestore del Mercato Elettrico (GME), of all certificates received and the outcome of the inspections.

If a distributor does not meet the agreed objective, it could incur an administrative penalty imposed by the Authority, implementing Law no. 481 dated 14th November 1995 and the indications of decree dated 28th December 2012.

For further information on energy efficiency and saving relating to the companies of the Group, please see paragraph “Energy efficiency and saving”.

Energy efficiency and saving

As regards the objectives applicable to the Group’s natural gas distribution companies in relation to energy efficiency certificates (EEC), with the publication of Ministerial Decree dated 21st May 2021, the 2020 target was considerably reduced, the quantities of certificates under the objectives for the four-year period 2021-2024 were determined, and the deadline for the delivery of certificates, normally set on 31st May, was postponed to 16th July (for the year 2021). As a result of the amendments introduced by the decree to the 2020 target, with the delivery on 16th July 2021 and with the down payment on 30th November 2021, all the group companies have completed the 2019 target, fulfilled the minimum share of the 2020 objective and delivered part of the 2021 target, the latter within the legal terms.

As regards the delivery scheduled for May 2022 (2021 target), about 9,200 certificates were delivered. Thanks to such certificates, plus the portion delivered in November 2021, all the relevant Group companies were able to comply with the minimum target, amounting to 60%. As of 30th June 2022, the 2022 target has not been published yet.

Subscription, with the Municipalities involved, of a convention for the adoption of a shared procedure aimed at the agreed quantification of the “Residual Industrial Value” of the networks

The regulatory amendments which have replaced each other over the past years and in particular the legislation which governed the selection of the operator of the distribution service through the so-called “territorial calls for tenders” tool, have led to, among other things, the need to determine the Residual Industrial Value (RIV) of the plants owned by the Operators.

In relation to this aspect, the concession agreements governed two “paradigmatic” situations, namely:

- the early redemption (normally governed regarding Royal Decree no. 2578/1925) and
- the reimbursement from the (natural) expiration of the concession.

The eventuality of a “force of law” expiration, preceding the effective date of the “contractual” expiration, (as a rule) was not envisaged (and therefore governed) in the concession deeds.

Substantially, the case in question (earlier termination imposed by law) represents a “third category”, in some ways similar to the exercise of early redemption (from which, however, it differs significantly for the lack of a will independently formed to that effect by the Body) and in other ways similar to the expiration of the concession term (which however has not expired).

At least until Ministerial Decree 226/2011, there were no legislative and/or regulations which precisely defined the methods and criteria to determine the R.I.V. of the plants and which could therefore complement the contractual clauses, often deficient.

Legislative Decree no. 164/2000 as well, until the recent amendment introduced in the first place with Law Decree 145/2013, and then Law 9/2015, merely referred to Royal Decree 2578/1925 which, however, ratified the method of the industrial estimate without setting precise assessment parameters.

The situation illustrated above entailed the necessity to define specific agreements with the Municipalities aimed at reaching a shared estimate of the R.I.V.. The lack of such agreements in the past has often led to administrative and civil/arbitral litigations.

The situation of the Municipalities partners of Asco Holding S.p.A. was even more peculiar in the sense that, with the latter, there is not a real concession deed in “canonical” form, but various deeds of assignment to Companies (“Azienda Speciale”, at the time). These deeds have ratified, at the same time, the continuation of the award of the service previously provided by the Bim Piave Consortium.

It is evident that, as deeds of assignment, a real regulation concerning the purchase and/or the termination of the management was not and could not be envisaged.

With the above-mentioned partner Municipalities, Ascopiave has signed a convention, which implied hiring a renowned independent competent professional in order for him to determine the fundamental criteria to apply to calculate the RIV of the gas distribution plants.

The related negotiated procedure performed adopting the criterion of the most economically advantageous tender ended on 29th August 2011.

The expert has written a report (made available on 15th November 2011) on the “Fundamental criteria to calculate the RIV of the natural gas distribution plants located in the Municipalities currently serviced by Ascopiave S.p.A.” which was approved on 2nd December 2011 by Ascopiave’s Board of Directors and then by all 92 Local Bodies by City Council Resolution.

In 2013 Ascopiave submitted the state of consistency and the appreciation of the plants determined applying the criteria set in the Report, offering at the same time its willingness to perform the cross-examination with the Municipalities, aimed at analysing the documents.

To date, following the outcome of the technical cross-examination, 86 Municipalities (unchanged since 31st December 2015) have approved the residual value.

As part of the above process, the reciprocal relations mostly connected to the management of the service were governed as well, since both the payment of “one-off” amounts (2010 - signature of supplementary deeds) for Euro 3,869, and (since 2011) real fees for variable amounts and equal to the difference, if positive, between 30% of the “restriction on revenues” recognised by the tariff regulation and the amount already received by the Municipality itself as a dividend in 2009 (financial statements 2008) are envisaged.

In particular:

- ✓ Euro 3,869 thousand in 2010;
- ✓ Euro 4,993 thousand in 2011;

- ✓ Euro 5,253 thousand in 2012;
- ✓ Euro 5,585 thousand in 2013;
- ✓ Euro 5,268 thousand in 2014;
- ✓ Euro 5,258 thousand in 2015.
- ✓ Euro 5,079 thousand in 2016;
- ✓ Euro 5,190 thousand in 2017;
- ✓ Euro 5,258 thousand in 2018;
- ✓ Euro 5,482 thousand in 2019;
- ✓ Euro 5,467 thousand in 2020;
- ✓ Euro 5,430 thousand in 2021;

were paid for a total amount of Euro 62,132 thousand.

During 2015, Ascopiave S.p.A. made available to the Municipalities belonging to the Minimum Territorial Areas of Treviso 2 - Nord and Venezia 2 - Entroterra and Veneto Orientale (69 municipalities out of 92), an update of the valuations of the plants as of 31st December 2014. Subsequently, in the two-year period 2016-2017, the municipalities belonging to the Treviso 2 - Nord and some municipalities belonging to the Treviso 1 - area were provided with an update as of 31st December 2015, by applying the valuation criteria agreed upon and by providing a calculation of the assessment of private contributions to be deducted from the residual industrial value pursuant to Law 9/2014.

The contracting authorities in the territorial areas of Treviso 2 - Nord and Venezia 2 - Entroterra and Veneto Orientale sent ARERA the assessments of the reimbursements of some municipalities for the purposes of the verifications provided for by the legislation. The Authority has made some observations (then forwarded by the same contracting authorities) against which AP Reti Gas filed its counterclaims.

Litigations

LITIGATIONS ON THE VALUE OF PLANTS - CIVIL LAW

As of 30th June 2022, no litigations are pending.

LITIGATIONS ON THE VALUE OF PLANTS - ARBITRATION

As of 30th June 2022, no litigations are pending.

ADMINISTRATIVE/CIVIL LITIGATIONS - CONCERNING CONCESSIONS

As of 30th June 2022, the following litigations are pending:

MUNICIPALITY OF SOVIZZO

The Municipality of Sovizzo initiated a civil Judgment with writ of summons served on AP Reti Gas S.p.A. on 21st February 2019. The Entity requires the payment of a concession fee amounting to Euro 65,000/year as from 1st January 2013.

The appearance hearing, initially scheduled for 19th June 2019, was postponed to 10th September.

The reply briefs were filed in February and March 2020.

With Sentence dated 10th December 2021, the single judge accepted the request of the Municipality and ordered AP Reti Gas to pay 65,000 Euro/year, from 2013 until the end of the current management.

The Company disagrees with the ruling and deems it illegitimate, and consequently filed an appeal within the applicable deadline (16th January 2022).

The first hearing was held on 16th May 2022.

MUNICIPALITIES OF CONCORDIA SAGITTARIA, FOSSALTA DI PORTOGRUARO AND TEGLIO VENETO

Three administrative proceedings, pending before the Regional Administrative Court of Veneto, initiated by AP Reti Gas S.p.A. for the cancellation of the Municipal Council Resolutions no. 92, 85 and 70 passed in 2020, by which the three Municipalities approved the respective estimates of the residual value of the plants, prepared by the technician

appointed by the Contracting Authority (Metropolitan City of Venice) in accordance with the ministerial guidelines, and not, as required by art. 15, paragraph 5 of Italian Legislative Decree 164/2000 and as done previously, in application of the duly and promptly shared contractual criteria, with a value recognised to AP Reti Gas S.p.A. which is lower, respectively, by approximately Euro 412 thousand, Euro 375 thousand and Euro 48 thousand.

The Municipality of Concordia Sagittaria (again at the request of the Local Contracting Authority) issued an additional City Council Resolution (No. 3/2022) approving another estimate (again in accordance with the ministerial guidelines) which, albeit marginally, further reduces the reimbursement value to be paid to AP Reti Gas. The Company, therefore, has filed an appeal with additional reasons.

At present, there are no further procedural documents.

MUNICIPALITIES OF ALBIGNASEGO AND CADONEGHE

Two administrative proceedings, pending before the Regional Administrative Court of Veneto, initiated by AcegasApsAmga (assignor of AP Reti Gas Nord Est), against the Municipalities of Albignasego and Cadoneghe, relating to the ownership of the networks in the parcelled areas.

At present there is no legal activity. AP Reti Gas Nord Est will probably drop the aforementioned disputes.

ADMINISTRATIVE LITIGATIONS - NOT CONCERNING CONCESSIONS

As of 30th June 2022, the following litigations are pending:

ARERA RESOLUTIONS ARG/GAS 310/2014 and ARG/GAS 414/2014 (now 905/2017)

An appeal to the Regional Administrative Court of Lombardy - Milan against the ARERA, for the cancellation of the Resolutions ARG/gas 310 and 414/2014 related to the methods for assessing the RAB RIV delta, pursuant to art. 15, paragraph 5 of Legislative Decree 164/2000 (current text) when the difference is higher than 10%. To date, there are no further procedural steps.

Resolutions 310 and 414 were formally repealed by Resolution 905/2017 which, however, essentially reiterated the same regulation. Ascopiave S.p.A., therefore, together with other appellants AP Reti Gas S.p.A. (as assignee of Ascopiave and passive subject of the legislation), in order to avoid the declaration stating that the appeal would in any case be of no benefit to the claimants, appealed Resolution 905/2017 with “additional grounds”.

On 3rd December 2019, the Company was notified of the imminent expiration of the proceedings. The Company has consequently filed the request for scheduling a hearing, within the deadlines set.

With Sentence no. 1502 dated 21st June 2022, the Regional Administrative Court, as expected (since, in the course of the proceedings, the unsuitability of the RIV was not raised by AP Reti Gas - or other Group distribution companies), stated that the provision challenged was not immediately injurious, specifying, however, that the applicants were entitled to act at a later stage to protect themselves. Specifically, we read: *“The alleged illegitimacy must therefore be raised by the companies concerned upon the actual (and not only hypothetical or potential) occurrence of the injury, that is to say at the time of the adoption of the enforcement documents with reference to specific tenders”*.

In this way, any subsequent appeals cannot be declared belated (in relation to the failure to challenge the regulatory act “upstream”).

Each party bore their respective legal costs.

ANAC GUIDELINES ON ART. 177 LEGISLATIVE DECREE 50/2016

AP Reti Gas S.p.A. (together with other primary operators of the gas and electricity distribution services, as well as with the intervention, *ad adiuvandum*, of Utilitalia) filed an appeal before the Regional Administrative Court for Lazio - Rome, for the cancellation of the ANAC Guidelines no. 11/2018, pursuant to art. 177 of Legislative Decree 50/2016.

Article 177 of Legislative Decree 50/2016 establishes that, from 18th April 2018, the holders of concessions whose amount is equal to or greater than Euro 150,000, if identified “without a tender procedure”, will have to assign a share equal to 80% of their contracts through public tender procedures, for the remaining portion being able to resort to in-house or subsidiary/affiliate companies.

ANAC is in charge of supervision in accordance with the methods set out in its own Guidelines (no. 11/2018).

Such Guidelines - even though formally they do not produce binding effects on the matter - establish that the concessionaire is required to put out to tender (as they are included in the percentage of 80%) all the activities performed during the concession, including those performed directly with own means and resources, thereby drawing

an outsourcing obligation from the regulation. The Special Committee of the Council of State considered this interpretation correct, but noted that, construed in this way, art. 177 could be unconstitutional.

When applied in this way, the regulation would have an extremely significant impact both on the business choices and employment levels of the Companies holding concessions with assignments without tenders (moreover, perfectly lawful at the time of their assignment).

Article 177, construed in this way, therefore, seems illegitimate both with regard to constitutional principles (e.g. free economic initiative pursuant to Article 42 of the Italian Constitution), and with regard to the “prohibition on worsening” sanctioned by Community law.

In this context, AP Reti Gas S.p.A., as the Group’s main distribution company, challenged the aforementioned Guidelines, also raising the question of constitutional and Community legitimacy with regard to the primary rule.

Furthermore, on 2nd November 2018, ANAC, subsequent to a simple collection of data related to all existing concessions in any sector, submitted a report to the Government and Parliament on the state of the concessions (focusing in particular on the gas sector) stating that the latter would not comply with the regulations in force. As a precaution, the Appeal was supplemented with additional grounds concerning the aforementioned Report.

The discussion hearing was held on 22nd May 2019.

The Regional Administrative Court, in line with previous rulings related to the proceedings brought by other operators, with Judgement no. 9326, published on 15th July, declared the appeal of AP Reti Gas S.p.A. inadmissible because the documents challenged are incapable of causing detriment.

The “positive” aspect of the ruling concerns the “disqualification” of the Guidelines no. 11 by the TAR. The Judges, in fact, considered the Guidelines as merely interpretative documents, as far as Part I is concerned, and not immediately detrimental documents, as far as Part II is concerned.

Specifically, Part I would not be suitable to identify the subjects required to apply art. 177 and/or the scope and methods of application of art. 177, but would only “outline principles of a general nature aimed at helping the administrations to which they are addressed to interpret the matter...”.

Part II, on the other hand, although self-qualified as “binding”, would not have an immediately detrimental nature because “... the economic operators who decide not to comply with the indications contained therein due to the peculiarity of the concession relationship do not immediately incur the penalty”.

Law Decree no. 32/2019, converted into Law no. 55/2019, extended the deadline contained in paragraph 2 of art. 177 which now reads: “The existing concessions stated in paragraph 1 must comply with the aforementioned provisions by 30th June 2022”.

AP Reti Gas S.p.A. filed an appeal.

Furthermore, as a merely prudential measure, essentially in order to avoid objections due to lack of interest, the Company also challenged ANAC Resolution 570/2019 (which approved the updated text of the Guidelines 11, although basically identical to the previous one).

The appeal trial is currently suspended because, in a similar appeal, the Council of State raised the issue of the constitutional legitimacy of art. 177 of Italian Legislative Decree 50/2016.

With Sentence no. 218/2021 dated 5th October 2021, the Constitutional Court declared the constitutional illegitimacy of art. 177 of Legislative Decree 50/2016 (as well as the corresponding delegated law). Consequently, the Council of State, once the proceedings are resumed, will have to declare the illegitimacy of the contested guidelines (as they derive from the (unconstitutional) legal provision stated in art. 177)).

In a similar appeal filed by another company, the Council of State has already confirmed the above (Sentence no. 2221/2022).

The hearing relating to the appeal of AP Reti Gas is scheduled for 7th July.

ANAC communicated to the Board that it enforced the sentence of the Constitutional Court and the aforementioned sentence and that, consequently, the Guidelines no. 11 are annulled and ineffective, as stated in ANAC’s website. It is therefore likely that the Council of State will drop the matter in dispute.

Press release of ANAC’s Chairman issued on 16th October 2019

An appeal before the Regional Administrative Court of Lazio - Rome was brought by AP Reti Gas S.p.A. (together with other primary operators of gas and electricity distribution services), for the cancellation of the Press Release of ANAC’s Chairman dated 16th October 2019. Such provision basically intended to extend the obligations of the contracts under Legislative Decree 50/2016 (e.g. acquisition of CIG - Contract Reference Number - and payment of ANAC contribution) also to those contracts which are excluded from and even unrelated to the application of the Code.

After consulting other leading operators belonging to Utilitalia, AP Reti Gas S.p.A., as the largest distribution company of the Ascopiave Group, for merely prudential reasons (as Press releases are not considered sources of mandatory rules), decided to file an appeal, notified on 24th December 2019.

With Sentence no. 2607/2022, the Regional Administrative Court of Lazio upheld the appeal brought by AP Reti Gas S.p.A. and revoked the challenged measure, on the grounds that the Chairman had no jurisdiction to issue such deed. ANAC, however, allegedly in order to fulfil the Sentence, substantially reproduced the content of the provisions repealed by the Regional Administrative Court in two resolutions (no. 214 and 215 of 2022).

ANAC RESOLUTIONS 214 and 215 of 2022

AP Reti Gas S.p.A. (together with other leading operators of gas and electricity distribution services) filed an appeal with the Regional Administrative Court of Lazio - Rome for the cancellation of ANAC Resolutions no. 214 and 215 of 2022, by means of which the Authority, allegedly in order to fulfil Sentence no. 2607/2022 of the Regional Administrative Court of Lazio, substantially reproduced the content of the Press Releases of the Chairman, cancelled due to the lack of jurisdiction of the same Court.

The measures were therefore challenged, for the most part, by re-raising the “merit” objections already prepared in relation to the aforementioned Communications and not examined by the Regional Administrative Court which, pursuant to the Code of Administrative Proceedings, considered the ruling of lack of jurisdiction to be all-embracing and exhaustive.

ARERA RESOLUTION ARG/GAS 570/2019 and related procedure to access the documents

AP Reti Gas S.p.A. (together with other primary operators of gas distribution services) filed an appeal with the Regional Administrative Court of Lombardy - Milan against ARERA, for the cancellation of Resolution 570/2019/R/gas, illustrating the “*tariff regulation of gas distribution and metering services for the 2020-2025 period*”. The new regulatory framework envisages a strong and unjustified reduction in the tariff items covering the operating costs recognised to distributors. The appeal was filed on 25th February 2020.

With an appeal for additional grounds, filed within the applicable terms (24th May 2021), ARERA Resolution no. 117/2021/R/gas published on 23rd March 2021, containing the “*Determination of the final reference tariffs for gas distribution and metering services, for the year 2020*”, was also appealed. The Company in fact considered that the provision, as a measure resulting from the tariff regulation stated in resolution no. 570/2019, may also be detrimental to AP Reti S.p.A..

Subsequent to the appeal by Italgas Reti, the Regional Administrative Court of Lombardy, with Judgement no. 1517 dated 4th August 2020, partially accepted the request of Italgas Reti, ordering ARERA to submit the documents used for determining the rate of return on invested capital (beta parameter).

Subsequently, Italgas initiated first a “compliance” procedure, aimed at enforcing the Judgement, then challenged it (obviously, for the non-accepted portions).

Both measures were notified to AP Reti S.p.A., as a mere Third-Party Counterparty.

The Company, in order to protect its legitimate interests, which only partially coincide with those of Italgas Reti, decided to intervene in the two judgments.

As regards the appeal pending before the Council of State, on 16th February 2022, Italgas filed a declaration stating that the company was no longer interested in continuing the proceedings.

AWARD OF THE “BELLUNO” TERRITORIAL TENDER and related procedure to access the documents

AP Reti Gas S.p.A. filed an appeal with the Regional Administrative Court of Veneto against the award to Italgas Reti of the “Belluno” territorial tender, notified on 29th June 2020.

The main reasons essentially concern anomalies, therefore the concrete sustainability of Italgas Reti’s bid. Certain irregularities of the procedure are also contested.

Subsequent to the outcome of the accesses to the procedure documents performed on two different occasions, two appeals were filed for additional grounds.

In turn, Italgas Reti filed a cross-appeal against AP Reti Gas S.p.A..

The appeal filed by AP Reti Gas S.p.A. pursuant to art. 116 of the Administrative Procedure Code, in order to access the parts of the tender indicated by Italgas as covered by secrecy, was accepted by order dated 16th October 2020. Italgas Reti lodged an appeal. With injunction published on 6th April 2021, the Council of State accepted the appeal and, overturning the ruling of the Regional Administrative Court, denied access to the tender documents covered by

secrecy.

With respect to the main appeal, on 2nd September 2020 the parties waived the discussion of the interim measure on the basis of the Municipality's commitment not to sign the Contract until the outcome of the dispute.

Finally, the Regional Administrative Court set the hearing on the merits for January 2021. The Parties, however, by mutual agreement, also in consideration of the pending appeal relating to the procedure to access the documents, requested and obtained the postponement of the hearing to 16th June 2021.

With Sentence no. 1202, published on 11th October 2021, the Regional Administrative Court rejected the appeal filed by AP Reti Gas S.p.A. and declared the cross-appeal of Italgas Reti inapplicable.

AP Reti Gas, upon the outcome of an in-depth reading of the reasons, appealed before the Council of State.

The discussion hearing was held on 16th June 2022. The parties are awaiting the publication of the sentence.

Please note that the entire administrative process that led to the territorial tender was appealed by the Municipalities belonging to the Area against the Contracting Authority. Specifically, the municipalities intend to reset the entire procedure.

With Judgement no. 1208 dated 7th December 2020, the Regional Administrative Court of Veneto declared the appeal inadmissible. The municipalities have appealed.

With Sentence no. 2313/2022, the Council of State, albeit with partially different reasons, confirmed the ruling of the Regional Administrative Court of Veneto, rejecting the appeal of the Municipalities.

CIVIL LITIGATIONS - NOT CONCERNING CONCESSIONS

As of 30th June 2022, the following litigations are pending:

REQUEST FOR DAMAGES DUE TO SUPPLY INTERRUPTION AGAINST AP RETI GAS VICENZA

Two cases before the Court of Vicenza, initiated against AP Reti Gas Vicenza for compensation for damages resulting from plant downtime, for the temporary interruption of the supply (which occurred during activities on the distribution network, entrusted to the contractor Costruire e Progettare in Lombardia), brought by Ariston Cavi S.p.A. and Microfilm S.r.l..

As part of the proceedings brought by Microfilm, the Judge prepared a settlement proposal pursuant to art. 185, Code of Civil Procedure, which orders the payment of the total amount of Euro 6,574.41 in favour of the injured party, without acknowledgment of responsibility, to be divided in three equal parts between AP Reti Gas Vicenza, CPL and Itas Mutua, with full compensation of the costs of the proceedings. The company, also in consideration of the indemnity guaranteed by its insurance company, decided to accept the proposal.

The other parties also accepted the proposal and therefore the relevant settlement agreement was formalised; as a consequence, the Microfilm case was dropped. On the other hand, the proceeding initiated by Ariston Cavi continues.

ASCOPIAVE - UNIT B

In order to obtain compensation for damages to the entrance floor of the "Unit B" (belonging to the headquarters in Pieve di Soligo), Ascopiave S.p.A., following the pre-trial technical investigation, filed a civil judgment before the Court of Treviso (RG 6941/2013) against: Bandiera Architetti S.r.l. (Progettisti), Mr Mario Bertazzon (Contract Manager) and Mr R. Paccagnella Lavori Speciali S.r.l. (Contractor).

The compensation request refers to an assessment of damage between approximately Euro 127 thousand (Expert witness estimate) and Euro 208 thousand (estimate of a Third-party firm).

All the Parties regularly appeared before the Court.

The Court, by Order dated 22nd December 2014, decided the complete renewal of the expert witness board. The "new" court-appointed expert witness assessed that the damage suffered by Ascopiave S.p.A. amounts to approximately Euro 120 thousand.

Based on the findings contained in the technical report, on 29th March 2016 an attempt was made to reach settlement in court. The attempt failed basically because an agreement was not reached regarding the subdivision of the amount between the debtors.

With Judgment no. 2007/2017, the Court accepted the application submitted by Ascopiave S.p.A., ordering the design firm (F.lli Bandiera), its insurance company (Groupama Assicurazioni) and the construction company (Ing. R. Paccagnella Lavori Speciali SRL) to pay damages, amounting to approximately Euro 208 thousand, and to reimburse

the costs of the proceedings (estimated at approximately Euro 17 thousand). Furthermore, the debtors' obligation to assume joint and several liability was ratified.

The project management (and consequently the insurance company, Unipol Sai) was found to be uninvolved in the damage, with a right to obtain compensation for the costs of the proceedings, amounting to about Euro 16 thousand. With two separate documents, Groupama Assicurazioni and Ing. R. Paccagnella Lavori Speciali notified the appeal against the First Instance Judgment.

Ascopiave S.p.A. entered an appearance in accordance with the legal terms.

By Provision dated 7th June 2018, the Court of Appeal partially accepted the suspension request, limiting the provisional enforceability of the First instance sentence to the amount of Euro 150 thousand, against which Ascopiave S.p.A. is entitled to pursue the enforcement.

However, the attempts at forcible recovery of the aforementioned sum have been unsuccessful so far.

At the hearing of 28th June 2018, the Court of Appeal unified the appeals.

With Sentence dated 13th May 2021, the Court of Appeal partially accepted the appeals of the adverse parties, relating to the *quantum* of the ruling, reduced from Euro 208 thousand to approximately Euro 120 thousand, as established by the expert witness at first instance, on the assumption that the additional sums are attributable to improvements.

Legal expenses, which the Judge ordered the losing parties to pay, and related charges must be added to the "capital" amount, for a total of approximately € 183,000.

The Sentence has become final.

Groupama Assicurazioni paid the amount due, approximately € 55,000.

The company Ing. R. Paccagnella Lavori Speciali S.R.L. (debtor of the residual amount to the tune of € 128,000) was admitted to composition with creditors. With communication dated 12th May 2022, Ascopiave informed the liquidator and the insolvency receiver that the sentence became final, and that therefore the consequent credit became due.

EDELWEISS ENERGIA S.P.A.

On 22nd February 2021, Edelweiss Energia S.p.A. communicated to Eusebio Energia (now Asco EG) its intention to commence an assisted negotiation in order to reach an agreement for the purchase of the electricity produced in 2018, on the grounds that the company breached the contractual obligations deriving from a tacit agreement covering the purchase by Edelweiss of the energy produced by certain plants of Eusebio. Edelweiss claimed to have suffered damage to the tune of Euro 485,000.

The Company rejected the proposal for assisted negotiation, contesting the legitimacy of the compensation claim.

Therefore, Edelweiss, by writ of summons served on 19th April 2021, initiated a proceeding before the Court of Bergamo. The first hearing was set for 20th July 2021. The hearing for the clarification of the conclusions is scheduled for 10th April 2024.

The parties are working to settle the dispute.

INTERNATIONAL FACTORS ITALIA S.P.A.

The dispute concerns the request, formulated by Epiù S.R.L. (a company subsequently merged into Eusebio Energia in November 2018) for the payment of an amount of approximately Euro 260,000 from International Factors Italia S.p.A. (IFI), by virtue of a factoring agreement signed by Epiù and IFI, under which Epiù had assigned to IFI some receivables of former customers arising from gas and electricity supplies.

With Sentence no. 1945/20 dated 2nd March 2020, the Court of Milan rejected the plaintiff's request.

Eusebio Energia challenged the ruling before the Court of Appeal of Milan, deeming it to be invalid in many parts. Among these, the violation of art. 112 Code of Civil Procedure, as the first instance judge decided on the basis of objections which could not be raised by the Court or by the counterparty (defaulted in appearance).

The first hearing was held on 24th March 2021.

FORCED ENTRY - DEFAULT SERVICE

Pursuant to the regulatory obligation (specifically Art. 40.2 letter A of the Integrated Text for the Sale of Gas - TIVG), normally pursuant to Art. 700 of the Italian Civil Procedural Code, the Group distribution companies obtain forced entry to private property in order to disconnect utilities of Default Service (SDD) customers that are in default.

Appeals are made against final customers (or utility users).

For this purpose (and to meet provisions of the regulations), the company has created a management procedure that starts with the activation of the Default Service and ends with the termination (for any reason) of the Default Service. The procedure also envisages to close any controversy via ordinary methods, collection of information, gathering of previous data and/or efforts to contact the involved final customers, notification of delays, past due notifications and, if all of the above prove unsuccessful (and only for utilities with annual consumption >500 Scm/year), the opening of an urgent judicial procedure.

Currently:

- 1 procedure has been filed (hearings already scheduled/under scrutiny);
- 3 procedures are in execution of judgment;
- 2 procedures have procedural issues (e.g. with a rejected complaint);
- 7 procedures are being managed (an appeal could be necessary);

Between 10 and 25 procedures for which legal action is likely to be taken in 2022 are expected for all Group companies.

The cases relating to Romeo Gas (Northern Area) and Serenissima Gas, recently acquired by the Group, will be considered in the next quarterly report.

Relationships with Agenzia delle Entrate (Italian Tax Authority)

ROBIN TAX

The additional IRES tax (Robin Tax) stated in Art. 81 of Law Decree 112/2008 applies to the Companies Ascopiave, Ap Reti Gas Rovigo, Edigas Esercizio Distribuzione Gas, Unigas Distribuzione (merged into Ascopiave) and Asco Energy (former Veritas Energia) since 2008. Subsequently, in 2015, the Constitutional Court declared that said tax was unconstitutional. In the wake of said sentence, the companies requested the reimbursement of the tax unjustly paid, filing the relevant claims based on a retroactive interpretation of said sentence, supported by the opinion formulated by a Constitutional Law Attorney.

After the negative rulings issued by the respective Regional Tax Commissions, the companies filed an appeal with the Supreme Court of Cassation.

In March 2022, the first negative injunctions were communicated, with the Constitutional Court rejecting the appeal brought by AP Reti Gas Rovigo and Edigas Esercizio Distribuzione Gas. The appeals lodged by the other companies are still pending.

The companies are appealing to the European Court of Human Rights.

AUDIT OF THE REGIONAL DIRECTION OF VENETO

In September 2019, the companies Ascopiave S.p.A. and Ascotrade S.p.A. were inspected by the Regional Direction of Agenzia delle Entrate as regards the Ires, Irap and VAT sectors for the years from 2013 to the date of the inspection. The first stage of the audit was completed on 29th October 2019 with the issuance of a Report on Findings containing remarks on the direct and indirect taxes related to the years 2013 and 2014 of the subsidiary Ascotrade S.p.A., a company sold on 19th December 2019 to the Hera Group, for which Ascopiave issued a specific guarantee; the company presented its briefs against the Report on Findings. Subsequent to the submission of the briefs, Agenzia delle Entrate issued the tax demands to Ascotrade relating to the disputed matters, following which the company filed an appeal with the Provincial Tax Commission of Venice, accepted with sentence dated 21st April 2021, which envisages the cancellation of the related challenged documents. On 15th November 2021, Agenzia delle Entrate appealed the ruling of the first instance judge before the Regional Tax Commission of Venice; the company entered an appearance on 30th December 2021 submitting its counter-claims and filing a cross-appeal. The judges of the appeal should schedule a hearing.

As regards the following years, the audit continued with the issuance on 29th September 2020, against Ascotrade S.p.A., of the Report on Findings referring to the year 2015, subsequent to which, after the presentation of specific briefs, Agenzia delle Entrate issued the notices of assessment on 23rd December 2020, then appealed by the company before the Provincial Tax Commission of Venice, accepted with sentence dated 23rd February 2022, which annuls the related challenged deeds.

Finally, on 23rd December 2021, the company was notified of the notices of assessment relating to Ires for the years 2016 and 2017, as well as to Irap and VAT for the years 2016, 2017 and 2018, for which an appeal was filed on 18th

February 2022. The parties are waiting for the Provincial Tax Commission of Venice to set the hearing for the discussion.

The company, aided by the tax advisor, considers the risk as “possible” or “remote” and therefore has not made any provision.

AUDIT OF THE REGIONAL DIRECTION OF VENETO

An audit of the company Ascopiave S.p.A. began on 28th July 2022, covering the 2019 tax period for IRES, IRAP and VAT purposes.

Territorial areas

In 2011, the issuance of a number of ministerial decrees further defined the regulatory framework of the sector, regarding in particular the territorial calls for tenders.

Specifically:

1. with the Decree dated 19th January 2011 issued by the Ministry for economic Development in agreement with the Ministry for the Relationship with Regions and Territorial Cohesion, the territorial areas for issuing calls for tenders to entrust the gas distribution service were identified; with subsequent Decree dated 18th December 2011, the municipalities belonging to each territorial area were also identified (the so-called Territorial Areas Decree);
2. the Decree issued by the Ministry for Economic Development and the Ministry of Employment and Social Policies on 21st April 2011 contained provisions ruling the social effects connected to the assignment of the new gas distribution concessions, thus implementing paragraph 6 of art. 28 of Legislative Decree no. 164 issued on 23rd May 2000 (the so-called Workforce Protection Decree);
3. with Decree no. 226 issued by the Ministry for Economic Development on 12th November 2011, the regulations concerning the criteria to be applied to calls for tenders and the evaluation of the bid for assigning the gas distribution service were approved (the so-called Decree for Criteria).

The issuance of ministerial decrees played a major role in giving certainty to the competitive environment that operators will face in the coming years, thus laying the foundations for the process of market opening - that started with the implementation of European directives - to produce the benefits hoped for.

The Ascopiave Group - as indeed many other operators - has substantially appreciated the new regulatory framework, believing that it can create important opportunities of investment and development for medium-sized qualified operators, rationalising the offer.

At the end of 2013, the Government issued Law Decree 23/12/2013, no. 145, amending the regulatory framework with regard to the determination of the reimbursement value of the plants due to the outgoing operator at the end of the so-called “Transitional Period”. The Decree was converted with amendments into Law no. 9/2014, which substantially changed the original provisions of the Decree on that aspect.

The conversion into Law of the Decree (Law no. 9/2014) made substantial changes to Article 15 of Legislative Decree no. 164/2000, stating that the new operators shall pay a reimbursement to the holders of assignments and concessions existing in the transitional period, calculated in compliance with the provisions of the agreements or contracts and, even if not inferable by the will of the Parties and for aspects which are not envisaged in those agreements or contracts, based on guidelines on operating criteria and methods for the assessment of the reimbursement value as per article 4, paragraph 6, of Law Decree dated 21st June 2013, no. 69, converted, with amendments, by Law dated 9th August 2013, no. 98. In any case, private contributions related to local assets (assessed in accordance with the methodology of tariff regulation in force) have to be deducted from the reimbursement value. If the reimbursement value is higher than 10% of the value of local assets calculated as per tariff regulation, net of public capital contributions and of private ones for local fixed assets, the granting local body submits the related evaluations detailing the reimbursement value to ARERA so that it can be checked before publishing the invitation to tender.

In addition, Law no. 9/2014 established that the deadlines envisaged in paragraph 3 of article 4 of Law Decree dated 21st June 2013, no. 69, converted, with amendments, by Law dated 9th August 2013, no. 98, are extended by four months and that the deadlines illustrated in Attachment 1 to the regulations of the Minister for Economic Development Decree dated 12th November 2011, no. 226 (so-called “Decree for Criteria”), related to provisions

contained in the third grouping of Attachment 1 itself, and the deadlines illustrated in article 3 of the regulations, are extended by four months.

On 6th June 2014 the Decree of the Minister of Economic Development dated 22nd May 2014 was published in the Official Gazette, which approved the “Guidelines for criteria and application procedures for the assessment of the reimbursement value of natural gas distribution networks” pursuant to Article 4, paragraph 6, of Law Decree no. 69/2013, converted with amendments by Law no. 98/2013 and article 1, paragraph 16, of Law Decree no. 145/2013, converted with amendments into Law no. 9/2014. Pursuant to Law no. 9/2014, the “Guidelines for criteria and application procedures for the assessment of the reimbursement value of natural gas distribution networks” define the criteria to be applied to the valuation of reimbursement of facilities in order to integrate those aspects that are not already stated in the agreements or contracts and what cannot be deduced from the will of the parties.

The “Guidelines” feature several critical issues not only as concerns the resulting valuations, but also in terms of application scope, extremely extended by the Ministry, to the extent that all the agreements regarding the valuations of the facilities entered into by the operators and the Municipalities after 12th February 2012 (effective date of Ministerial Decree 226/2011) are believed to be ineffective.

Furthermore, these Guidelines contrast with the provisions of art. 5 of Ministerial Decree 226/2011 itself. This is inconsistent with the provision of law which refers to art. 4, paragraph 6 of Law Decree 69/2013, which, in turn, makes explicit reference to Article 5 of Ministerial Decree 226/2011.

Considering such illegitimacies, Ascopiave S.p.A. has appealed the Ministerial Decree dated 21st May 2014 (and as a consequence the Guidelines) before the administrative court (Regional Administrative Court of Lazio). As part of said proceedings, the issue of constitutional legitimacy and/or preliminary ruling was raised relating to the interpretation (mainly retrospective) of the new rules on the deduction of private contributions set forth by Law 9/2014.

Lastly, by Resolution 310/2014/R/gas - “Provisions for determining the reimbursement value of natural gas distribution networks”, published on 27th June 2014, the Authority for Electricity, Gas and Water approved provisions for determining the reimbursement value of the gas distribution networks, implementing the provisions of Article 1, paragraph 16 of Law Decree dated 23rd December 2013, no. 145, converted with amendments by Law dated 21st February 2014, no. 9.

That provision states that the granting Local Entity shall send the Authority the verification documents containing a detailed calculation of the reimbursement value (RIV), if this value is 10% higher than the local RAB.

The Authority performs the checks set forth in Article 1, paragraph 16 of Law Decree no. 145/13 within 90 days from the date of receipt of the documentation by the Contracting Authorities, ensuring priority based on the deadlines for the publication of the calls for tender.

With Law no. 116/2014 dated 11th August 2014 (converted with amendments to law decree 24th June 2014 no. 91) the Legislator has envisaged a further extension of deadlines for the publication of invitations to tender. Specifically, for the areas belonging to the first group stated in Annex 1 of Ministerial Decree 226/2011, the time limit was extended by eight months; for the areas belonging to the second, third and fourth groups the deadline was postponed by six months and lastly for the areas of the fifth and sixth groups the extension is four months.

However, these postponements do not apply to those areas which, although they belong to the first six groups, are affected by earthquakes, because over 15% of the redelivery points are in the municipalities affected by the earthquakes of 20th and 29th May 2012, in compliance with the annex to the Decree of the Minister of economy and finance dated 1st June 2012.

The same law, further amending Article 15, paragraph 5 of Legislative Decree 2000, has finally determined that the redemption value is to be calculated in compliance with the provisions of the agreements or contracts, provided that the latter were entered into before the date of entry into force of Ministerial Decree dated 12th November 2011 no. 226, that is to say before 12th February 2012, thus affirming the principle of retroactive application of the Guidelines, which had already been appealed during the court action against the Guidelines.

On 14th July 2015, the Decree of the Minister of Economic Development and the Minister of Regional Affairs and Autonomies no. 106 dated 20th May 2015 was published in the Official Gazette, amending the decree dated 12th November 2011 no. 226 regarding the tender criteria for awarding the gas distribution service.

The most significant changes include:

- 1) the provisions concerning the value of the reimbursement of the plants to be applied in case of absence of specific agreements between the parties occurred before the entry into force of Decree no. 226/2011, which include to a large extent the provisions of the “Guidelines”.
- 2) a higher maximum threshold for the amount of the annual payments that may be offered in tenders to local

authorities. This threshold, previously equal to 5% of the portion of the restriction on tariff revenues to cover the local capital costs, was brought to 10%;

3) the treatment of a number of important technical and economic aspects related to the tendered energy efficiency investments, concerning the value of the amounts to be paid to local authorities and the payments to cover the costs of the operator which implements the interventions and gains the related energy efficiency certificates.

Finally, the conversion into Law of the so-called “Decreto Mille Proroghe” (Law no. 21 dated 25/02/2016) introduces a further extension of the deadlines for the publication of invitations to tender. Specifically, for the areas belonging to the first group as described in Annex 1 of Ministerial Decree 226/2011, the deadline is further postponed by 12 months; for the areas belonging to the second group, by 14 months; for those belonging to the third, fourth, and fifth group, by 13 months; for the areas belonging to the sixth and seventh group, 9 months; 5 months for the areas of the eighth group.

The same regulation establishes the deadlines within which the Regions, or, as a last resort, the Ministry of Economic Development, should intervene, and repeals the penalties previously incurred by the Municipalities for the delay.

In 2015-2016, a number of tenders were published for the award of the service with Territorial procedure. Many of them did not follow the procedures required by law, which envisages, among other things, the prior examination by the Authority of the reimbursement amounts of the plants due to outgoing operators as well as the review of the invitation to tender’s overall content and annexes before publication. Moreover, most calls are also inconsistent, even significantly, with the instructions contained in the ministerial regulations, also with regard to the criteria for evaluating bids; according to the current regulations, such inconsistencies should be specifically justified by the Awarding Entities.

In this context, the standardisation of the tender process envisaged by the law is encountering serious difficulties, to the extent that the procedures may freeze due to a major litigation.

The Law dated 4th August 2017 no. 124 (Annual Market and Competition Act) introduced some legislative innovations concerning the natural gas distribution sector.

Specifically, article 1, paragraph 93, amends the provisions of article 15, paragraph 5, of legislative decree 164/00, exempting local entities from the obligation to send detailed assessments to the Authority if all the following conditions are met jointly:

- the local tender authority can also certify through a suitable third party that the reimbursement value has been determined by applying the provisions contained in the Guidelines dated 7th April 2014;
- the aggregated territorial RIV-RAB gap does not exceed 8%;
- the RIV-RAB gap of the individual Municipality does not exceed 20%;

Article 1, paragraph 93 states that, if the value of the net fixed assets is not in line with the sector averages according to the definitions of the Authority, the value of the net fixed assets relevant to the calculation of the gap is determined by applying the parametric valuation criteria defined by the Authority (see article 23, paragraph 1, RTDG).

Finally, article 1, paragraph 94, states that the Authority, with its own resolutions, shall define simplified procedures for the evaluation of the invitations to tender, applicable in cases where such invitations have been compiled in compliance with the standard invitation to tender, the standard book of conditions and the standard service contract, specifying that in any case, the tender documentation cannot deviate from the maximum scores envisaged for the tender criteria and sub-criteria by articles 13, 14 and 15 of the aforementioned decree 226/11, except within the limits set by the same articles with regard to some sub-criteria.

The Authority has implemented the provisions of Law no. 124/2017 with Resolution 905/2017/R/gas dated 27th December 2017.

The Municipality of Belluno, Awarding Entity of the Minimum Territory Area of Belluno, regularly followed the procedure set out in the regulations and published a tender in December 2016. In September 2017 the Group company AP Reti Gas S.p.A. participated in the tender, submitting its bid.

The tender documents were challenged by an operator participating in the call for bids. With Judgement no. 886/2017, the Regional Administrative Court of Veneto rejected the appeal. The plaintiff appealed against the decision to the Council of State, submitting an application for the suspension of the first instance provision.

The Council of State, by Judgement published on 22nd January 2019, rejected the appeal.

In December 2018, the Municipality of Schio, the contracting authority of the Territorial Area Vicenza 3 - Valli Astico Leogra e Timonchio, issued the invitation to tender for the concession of the gas distribution service. The Ascopiave

Group currently manages the service in 28 municipalities in the Territorial Area, serving about 80,000 users. The Group companies AP Reti Gas S.p.A. and AP Reti Gas Vicenza S.p.A., holders of concessions in the Area, have challenged the call due to irregularities, filing an appeal before the Regional Administrative Court of Veneto. On 8th May 2019, the hearing for the discussion of the merits was held, without any novelties.

Distribution of dividends

On 28th April 2022, the Shareholders' meeting approved the financial statements and the distribution of the ordinary dividend, to the tune of Euro 0.165 per share, with ex-dividend date on 2nd May 2022, record date on 3rd May 2022 and payment on 4th May 2022.

Treasury shares

Pursuant to Article 40, Legislative Decree 127 2 d), as of 30th June 2022 the Company owns 17,701,578 own shares for a value of Euro 55,423 thousand, recognised as a reduction in other reserves as can be seen in the Net Equity changes.

Outlook for 2022

As far as the gas distribution activities are concerned, in 2022 the Group will continue its normal operations and service management and perform preparatory activities for the next invitations to tender for awarding concessions. Should the tender procedures of the Territorial Areas in which the Ascopiave Group is interested progress in 2022, in light of the time normally required for participants to submit bids and for the contracting authorities to evaluate and select them and announce a winner, the new managements, if any, are expected to start subsequent to the end of 2022 therefore without changes in the scope of the activities currently managed.

As regards the economic results, in 2019 the Authority adopted the new tariff regulation for the 2020-2025 five-year period. The new provisions envisage a significant reduction in the revenue components intended to cover operating costs.

Furthermore, at the end of 2021, the Authority redetermined the real pre-tax rate of return of the invested capital recognised for tariff purposes, which for the year 2022 will be equal to 5.6% (compared to 6.3% in 2021).

With regard to energy efficiency obligations, the Decree dated 21st May 2021 of the Minister of Ecological Transition determined the national energy saving objectives for the years 2021-2024. The 2022 objectives estimated for the Group distribution companies are higher than the annual obligations envisaged in 2021.

As regards the production and sale of electricity from renewable sources, the effects of the Decrees issued for the containment of energy prices will continue in 2022.

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 2021 and 2022 and, as the peak of the emergency is behind us, limited impacts are currently expected also on future profitability, since adequate credit risk hedging mechanisms are contained in the Grid Code, which governs the activity of distributors. Although the industry where the Group operates is less critical, the Management will continue to monitor the pandemic at the national and international level so as to promptly respond if the crisis flares up.

As regards electricity and gas sales, Ascopiave will obtain the benefits of the consolidation of its quota of the result of the minority stake in Est Energy 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 2022 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.

Evolution of the COVID-19 emergency

In early 2020, the health emergency caused by Covid-19 concretely involved the entire territory where the Ascopiave Group operates and entailed a full-scale review of work organisation in order to take all the necessary preventive measures to ensure employees' safety and operational continuity for all Group companies.

After the first case of infection in Italy, on 21st February 2020, which was followed by an urgent meeting of the Council of Ministers on 23rd February 2020 for the first important action by the government, on the same day, Sunday 23rd February 2020, at the Ascopiave Group headquarters in Pieve di Soligo, as requested and directed by the Chairman Nicola Ceconato, a specific Crisis Unit was set up to handle the emergency, composed of: Roberto Zava (HR Director and Operational Coordinator of the Crisis Unit), Antonio Vendraminelli (Distribution SBU Director), Alberto Tomasoni (Health and Safety Officer), Romeo Ghizzo (IT), Luisa Bedin (Assets), Gabriele Kaserer (Organisation), Manlio Boscheratto (Staff).

The task entrusted to the Crisis Unit was to provide operational instructions aimed at supporting the activities of the Group companies by ensuring all the necessary measures to protect workers' health.

As regards communication, informative posters concerning a series of obligations imposed on employees, visitors or guests were posted at the entrance and in the most visible places of the company premises, and frequent notifications were sent by email to all employees.

The company ensured the daily cleaning and periodic sanitation of the premises, environments, workstations and common areas. It also stressed the importance of personal hygiene, providing workers with suitable detergents for frequent hand cleaning. It also equipped each worker with masks as airways protection devices and PPE (masks, gloves, goggles, coveralls, caps, gowns, etc...) compliant with the indications of the Health Authority and the activity performed.

As regards the measures adopted for handling the biological risk in the workplace, in addition to observing the regulations issued through the various Prime Ministerial Decrees and other provisions of the health authorities, in compliance with art. 13 of the protocol signed on 15th March 2020 (later updated on 24th April 2020) by the Government and the social partners, the so-called Central Committee, that is, concerning the Ascopiave Group as a whole, was established in agreement and with the participation of the trade unions (with equal representation) with the task of assessing and drafting the "shared regulatory protocol of measures to fight against and contain the spread of Covid-19 in the workplace"; sub-committees were also set up for subsidiaries.

The aforementioned "protocol" was implemented by the Committee and the main actions consisted of: adoption of all of the safety protocols; posting of the behavioural rules issued by the Ministry and the Italian Institute of Health and their diffusion to all workers through specific communications; transmission to all employees of communications, ordinances and Prime Minister Decrees; implementation of measures for distancing and avoiding the simultaneous presence of staff in offices and in common areas; activation of shifts for accessing the canteen of the headquarters with tables and chairs arranged in order to respect distances, initially, then the canteen service was suspended and subsequently resumed for fewer guests and with adequate distancing; minimisation of meetings and use of audio- or videoconferences; cancellation of meetings with third parties, consultants and collaborators and exclusion of their presence on site; reduction of all business trips and travels; review of criteria for accessing Group offices (the entrances were closed and access was limited to couriers for deliveries); rescheduling of operations for all technical, administrative and secretarial areas; strengthening of cleaning services; frequent sanitisation of the premises; maximisation of agile work where possible with implementation of technological equipment; promotion of the use of holidays or other possibilities given by collective bargaining tools; purchase, distribution or placement in the various areas of material for personal hygiene and for cleaning; purchase of PPE stocks; installation of non-contact thermometers for measuring body temperature at the entrance to the headquarters and placement in all offices of infrared thermometers for measuring body temperature. All this reduced the risk, so much so that no clusters or outbreaks occurred and the cases found were attributable to external situations.

With regard to employment, an exercise was started, starting from the "Distribution" area of the subsidiaries, to reschedule operations, and non-urgent activities were gradually minimised.

In particular, all construction sites and operating activities not directly related to the safety and continuity of the service were gradually suspended; all essential services were therefore guaranteed, specifically emergency intervention, facility surveillance and the operations aimed at ensuring the use of the service, such as activations and reactivations of end customers and the creation of connections for the activation of supplies. Together with the

competent doctor, the risks deriving from the possible presence of infected or quarantined people were analysed, and the correct precautions to be adopted were identified, which envisage the use of specific personal protective equipment, distributed to all operating personnel.

In general, business continuity was guaranteed in all areas, although the employees were encouraged in all ways to leave the workplaces and remote work was facilitated by providing the necessary technological equipment. Personnel could only be present at the offices and workstations subject to the authorisation of their supervisor and only for valid and justified operational reasons. In total, this exodus has involved over 90% of the employees of the Pieve di Soligo headquarters and an equal or higher percentage in other headquarters, through the use of work from home for white-collar workers or the decision not to have external distribution personnel work at the headquarters, or through the use of holidays, leaves or other measures.

The first wave of the pandemic ended in May 2020 when a slow and planned return of almost all employees was coordinated, with the exception of the categories entitled to be absent from work pursuant to the Prime Minister Decrees or in the case of parents with children under the age of 14, who may request to work from home, with the obligation to comply with a rigid protocol that involves a series of responsibilities on the part of employees before accessing the office including, before leaving their home, the measurement of their body temperature in order to prevent any person with a temperature above 37.5° from accessing the workplace.

In October 2020, on the other hand, with the new governmental restrictions adopted as a result of the second wave of the pandemic, the organisational measures passed at the beginning of the emergency were re-implemented, and continued in the first months of 2021, with the progressive planned leave of employees from the offices maximising the use of agile work by providing the appropriate technological equipment; in addition, the use of holidays or leaves or other possibilities given by the contractual instruments was encouraged.

The meetings of the Central Committee and the Local Committees were held regularly with discussions that concerned not only the aspects relating to company safety and the protection of workers, with updates on the arrivals and distribution of personal protective equipment, but that also covered general issues because the company's representatives reported a natural drop in activities, especially for some functions, and therefore the need to resort to the tools and contractual measures set out in the provisions (work from home, revision of production levels, shift plans, rescheduling, use of holidays, accumulated holidays, leaves, reduced working hours) aimed at enabling absence from work without losing remuneration. The meetings did not reveal any non-compliance with the ordinances issued.

A voluntary "Hour Bank" was specifically set up in agreement with the trade unions, in order to avoid using social security measures and support employees with a negative holiday balance who are currently inactive: the Ascopiave Group contributed with 480 working days, which made it possible to establish the fund to start the initiative, which was followed, in order to conclude a lagging trade union agreement on a particular issue relating to the increased payment of overtime work to employees in order to recover hours subsequent to the emergency, by a direct measure by Chairman Ceconato and a massive participation of employees who donated over 600 days of holidays; in this way the offer of days exceeded the demand, reaching over 1,100 days.

Overall, as of 31st December, 18 official meetings of the Central Committee were convened and regularly held, while communications to employees throughout the Ascopiave Group on the emergency, always on the same date, were 72, demonstrating a continuous, complete and far-reaching information.

As for the staff of Ascopiave S.p.A. and the affiliate companies, the first resource tested positive for Covid-19 on 15th October 2020, but the employee had already been working from home for some time, without accessing the headquarters or seeing colleagues; until 31st December, 26 cases were recorded, mostly attributable to infections occurring within the family.

In 2021, the company continued to monitor the situation by updating on a case-by-case basis the communication with employees on the new measures taken at the national and regional level for the containment of the pandemic; in the period 1st January 2021-31st December 2021, 40 more employees tested positive for Covid-19 (68 including 2020), none of these cases was particularly serious - no hospitalisation was needed - and the infections are attributable to external or family contacts, not within the company.

Since all companies are gradually allowing their employees back in the workplace, in order to ensure prevention, 14 infrared thermometers have been placed at the entrances of the sites of all the companies of the Ascopiave Group so as to measure body temperature on the wrist with an alarm in case of temperature above 37.5°, and with sanitising gel for the hands.

The Company has intensified the daily cleaning and periodic sanitation of the premises.

Since August 2021, again with a view to preventing infections, only employees in possession of a Green Pass may access the company canteen, and a lunch basket is available for those without it; since many workers are back to the premises and given the limited capacity of the canteen, two 45-minute shifts are scheduled at the Pieve di Soligo headquarters; six 30-minute shifts are envisaged in the Padua office (managed by Hera but accessible to our employees).

The management of the Covid-19 emergency continues to be on the agenda of meetings with the specially established Committee and the members of the crisis unit. According to rumours (because employees tend to announce their vaccination to their colleagues working in the same office or area) and not official data (which cannot be requested for privacy reasons), on 31st December 2021 almost all employees were vaccinated. Considering that on 15th October 2021 it became mandatory to produce the Green Pass in order to access the workplace, the company entrusted over 50 employees with the task of verifying such certificates, which made it possible to ensure compliance with the applicable regulations. The state of health emergency in 2021 did not particularly affect the structure which, while periodically adapting to national provisions on Covid and safety, continued its operations and provision of services almost as usual.

In the first 6 months of 2022, Covid variants caused a surge in infections (including vaccinated people): from 68 on 31st December 2021 to 118 on 31st December 2022, with +50 quarantined employees, an emergency situation which in any case did not particularly affect the company organisation nor arouse concern for individuals given mild symptoms and rapid healing. The trend then continued with 32 additional cases until March 2022 and 40 until June. As of 30th June 2022, a total of 190 employees were infected after 2 and a half years of pandemic. The emergency measures were extended until 30th June 2022, but on the very final day the social partners met the Ministers of Labour and Health and signed an agreement for updating the measures to combat and contain the spread of the Covid-19 virus in the workplace. The Company therefore convened the Emergency Committee (whose member Gabriele Kaserer left and Alberto Tomasoni retired, replaced by Giuseppe Denaro, Health and Safety Officer) to formalise the implementation of the new Protocol, less stringent than the previous one but always with numerous recommendations, announcing that the main prevention measures (mask, personal hygiene, distance) are still in force. The next meeting between the social partners and the Ministries to take stock of the situation and redefine, if applicable, the rules, is expected within 31st October 2022.

Goals and policies of the group and risk description

Credit and liquidity risk

The main financial instruments in use by our Group are represented by liquidity, bank debt and other forms of financing.

It is maintained that the Group is not exposed to credit risks greater than the industry average, considering that it provides its business services to a limited number of operators in the gas sector, whose rules for accessing the services offered are established by the Regulatory Authority for Energy, Networks and the Environment and set out in the Grid codes, which dictate contractual clauses that reduce the risks of default by customers. The Codes envisage, in particular, the release of suitable guarantees to partially cover the obligations assumed if the customer does not have a credit rating issued by leading international bodies.

To keep residual credit risks under control, there is in any case a bad debt provision equal to approximately 10.5% in the first half of the year (12.2% as of 31st December 2021) of the total gross receivables from third parties for invoices issued.

Significant commercial operations take place in Italy.

Regarding the company's financial management, the directors consider that the generation of liquidity, deriving from operations, is suitable for covering its needs.

Risks relating to bids for the award of new concessions for the distribution of gas

As of 30th June 2022, the Ascopiave Group holds a portfolio of 306 natural gas distribution concessions (268 as of 31st December 2021). In compliance with the regulations in force governing the concessions held by the company, the calls for tenders for the new awards of the gas distribution service will be no longer announced for every single Municipality but exclusively for the territorial areas determined with Ministerial Decrees dated 19th January 2011 and 18th October 2011, and pursuant to the deadlines illustrated in Annex 1 attached to the Ministerial Decree on tender

criteria and bid assessment standards, issued on 12th November 2011, and subsequent amendments. With new tenders being launched, Ascopiave S.p.A. may not be able to obtain one or more new concessions, or it could obtain them at less advantageous conditions than the current ones, with possible negative impacts on the operating activity and the operating results, financial position and cash flows, it being understood that, if the company is not awarded with a new concession, limited to the Municipalities currently managed by the company, it will obtain a reimbursement value envisaged for the outgoing operator.

Risks relating to the amount of reimbursement paid by the new operator

With regard to the concessions under which the Ascopiave Group also owns the gas distribution networks, Law no. 9/2014 establishes that the new operator shall pay a reimbursement calculated in compliance with the provisions of the agreements or contracts and, if not inferable from the will of the Parties and for aspects which are not envisaged in those agreements or contracts, based on guidelines on operating criteria and methods for the assessment of the reimbursement value as per article 4, paragraph 6, of Law Decree dated 21st June 2013, no. 69, converted, with amendments, by Law dated 9th August 2013, no. 98. In any case, private contributions related to local assets (assessed in accordance with the methodology of tariff regulation in force) have to be deducted from the reimbursement value. In addition, if the reimbursement value is higher than 10% of the value of local assets calculated as per tariff regulation, net of public capital contributions and of private ones for local fixed assets, the granting local body submits the related evaluations detailing the reimbursement value to the Authority for Energy, Networks and the Environment so that it can be checked before publishing the invitation to tender.

The Decree of the Minister for Economic Development dated 12th November 2011 no. 226 establishes that the new operator acquires the property of the plant by paying the reimbursement value to the outgoing operator, except for any portion thereof owned by the municipality.

In the periods following the first, transitional one, the reimbursement value to the outgoing operator shall be equal to the local net intangible assets, net of public capital contributions and of private ones for local fixed assets, calculated with reference to the criteria used by the Authority to determine the distribution tariffs (RAB). As far as this point is concerned, please note that the Authority has intervened with Resolution 367/2014/R/gas, stating that the reimbursement value, stated in Article 14, paragraph 8, of Legislative Decree no. 164/00, at the end of the first period of concession is determined as the sum of: a) the residual value of the existing stock at the beginning of the concession period, assessed for all the fixed assets transferred for consideration to the new operator in the second period of concession based on the reimbursement value, stated in Article 5 of Decree 226/11, recognised to the outgoing operator in the first territorial concession, taking into account the depreciations and divestments recognised for tariff purposes in the concession period; b) the residual value of the new investments made in the concession period and existing at the end of the period, assessed based on the re-valued historical cost method for the period in which the investments are recognised in the final balance, as stated in Article 56 of the Tariff Regulation of Gas Distribution and Measurement Services (RTDG), and as the average between the net value determined based on the re-valued historical cost method and the net value determined based on standard cost assessment methods, pursuant to paragraph 3.1 of Resolution 573/2013/R/GAS, for the next period.

OPERATIONAL RISKS

Ascopiave oversees company processes and activities, respecting the health and safety of workers, protecting the environment, quality and energy saving in the services offered and complying with anti-bribery laws.

Risks of malfunctioning and/or interruption of the distribution service

Unexpected fortuitous events such as accidents, failure of equipment or control systems, drop in plant yield and exceptional events such as explosions, fires, or other similar circumstances, lead to risks of infrastructure malfunctioning including the possible unexpected interruption of the distribution service. Such events could entail a reduction in revenues and cause significant damage to people, property or the environment. The Group has entered into specific insurance agreements to cover the risks described. Although the insurance policies taken out are in line with the best practices, they may be insufficient to cover all the losses that the Group could suffer due to possible increases in expenses and/or compensation for damages to be paid.

Risks related to the protection of the environment, health and safety

The Group conducts its business in compliance with Italian and European Union legislation on environmental protection, observing the laws that govern and regulate the environment and safety. Despite the attention paid to this topic, it is not possible to exclude with certainty that the Group incurs costs or liabilities, even of a significant amount. In fact, the economic and financial repercussions of any environmental damage are difficult to predict, also considering the possible effects of new legislative and regulatory provisions for environmental protection, the impact of any technological innovations for environmental remediation, the possibility of disputes and the difficulty of determining their possible consequences, also in relation to the responsibility of third parties. The Group is remediating contaminated sites substantially due to the removal and disposal of waste (mainly for the demolition of obsolete facilities).

Risk associated with the installation of Smart Metres

A few years ago, the Group launched a plan to replace traditional metres with smart metres, which first of all involved metres of a class higher than G6 and subsequently also those of lower classes. In the first replacement stage, the new remotely read metres represented an emerging technology. The construction features set by the Authority urged manufacturers to design and build a product dedicated solely to the Italian market within the deadlines set by the ARERA. Moreover, the applicable technical legislation prepared by the CIG (Italian Gas Committee, regulatory body affiliated with UNI) was fully available only after 2015. The Group has started the installation of these appliances according to the schedules defined by the ARERA (only the Group company AP Reti Gas Nord Est is behind the planned programme); therefore there is a risk that malfunction levels will be higher than the historical performances recorded for traditional metres and that the company will incur greater maintenance costs.

Risks associated with energy efficiency certificates

Pursuant to art. 16.4 of Italian Legislative Decree no. 164/2000, natural gas distribution companies must pursue energy saving objectives in end uses and in the development of renewable sources; based on the results achieved, distributors are assigned the so-called Energy Efficiency Certificates, whose cancellation involves a reimbursement by Cassa per i Servizi Energetici e Ambientali financed through the funds established through the RE (Energy Saving) component of the distribution tariffs. The ARERA determines the specific energy saving objectives applicable to electricity and natural gas distributors taking into account the annual national quantities of saving that must be pursued through the white certificate mechanism. There is a potential risk of economic loss for the Group due to any negative difference between the average purchase value of the certificates and the tariff contribution granted and/or any failure to achieve the assigned objectives.

Risk related to the implementation of the investment plan set forth in the concessions

Under the concessions for the distribution of natural gas, the concessionaire must fulfil some obligations, including commitments related to investments to be made over the duration of the concession. It is not possible to exclude that, even due to delays in obtaining authorisations and permits, such investments exceed the deadlines set, with the risk of charges being imposed on the Group.

Regulatory risk

The Group conducts its business in a regulated sector. The directives and regulatory provisions issued on the subject by the European Union and the Italian Government, the decisions of the ARERA and more generally any changes in the reference regulatory context may affect the operations, economic results and financial balance of the Group.

The evolution of the criteria for determining the reference tariff is particularly important. Future amendments to the regulations adopted by the European Union or at national level cannot be excluded, with unforeseen repercussions on the applicable regulatory framework and, consequently, on the Group's business and results.

Legal and non-compliance risk

The legal and non-compliance risk consists in the failure to comply, in whole or in part, with the European, national, regional and local regulations which the Group must observe upon conducting its activities. Breaching the rules may result in criminal, civil and/or administrative penalties as well as financial, economic and/or reputational damage. Specifically, among other things, the violation of the legislation protecting workers' health and safety and the environment and the breach of the regulations for the fight against bribery may result in penalties, even of a

significant amount, imposed on the Group pursuant to the legislation on the administrative liability of entities (Italian Legislative Decree no. 231/01).

Research and development

IT systems

The main project implemented in the first half of 2022 was the creation, on the software used by the Group distribution companies, of the new company Romeo Gas, and the simultaneous migration, to the same software, of the company Serenissima Gas. The project became necessary subsequent to the award, in consortium with Acea and IREN, of the tender for the transfer by A2A of natural gas distribution concessions involving approximately 157,000 redelivery points, which took place at the end of 2021.

During the first half of the year, the Group continued enhancing the new work management process for all the Group distribution companies, modifying the work budgeting, assignment and reporting processes and the possible creation of new assets, understood as new constructions and extraordinary maintenance of the gas networks. This project involves significant automation to make the entire management of activities more effective and efficient. The objectives were pursued by integrating the main programmes and specifically the RetiNext software that supports user management processes, Infor EAM that supports maintenance processes, WFM Geocall which was also extended to the assignment of works, and the SAP accounting system. The solution was then enriched with a module for site management, designed for monitoring outsourced site activities. This application enables the client and the contractor to interact in real time by optimising control and validation activities.

During the period, investments were made in the digitisation of processes relating to the water service: specifically, a new management system for the water service is being developed, with completion expected for the second part of the year.

During the period, the project to renovate the production system of operational reporting continued, automating and simplifying its production and usability. The various feeding systems and the production of the main operational reports (investments, hours worked, operational activities performed, installation of reduction units, etc.) were integrated.

During the period, the systems were modified and adjusted in order to respond to regulatory amendments and needs to improve internal processes. An example of enhancement was the redesign of the process for feeding data from the leak detection system into the cartographic system.

Human resources

As of 30th June 2022, the Ascopiave Group had 513 employees, divided between the various companies of the Group as outlined below:

| Companies | 30.06.2022 | 30.06.2021 | Variation |
|---|------------|------------|-----------|
| Ascopiave S.p.A. | 84 | 87 | (3) |
| AP Reti Gas S.p.A. | 173 | 165 | 8 |
| AP Reti Gas Rovigo S.r.l. | 15 | 17 | (2) |
| Edigas Esercizio Distribuzione Gas S.p.A. | 61 | 65 | (4) |
| AP Reti Gas Vicenza S.p.A. | 37 | 40 | (3) |
| AP Reti Gas Nord Est S.p.A. | 97 | 98 | (1) |
| Cart Acqua S.r.l. | 3 | 3 | 0 |
| Romeo Gas S.p.A. | 6 | 0 | 6 |
| Serenissima Gas S.p.A. | 26 | 0 | 26 |
| Asco EG S.p.A. | 11 | 0 | 11 |
| Total Group | 513 | 475 | 38 |

As compared to 30th June 2021, the workforce of the Ascopiave Group increased by 38 units, mainly due to the entry into the scope of consolidation of Romeo Gas S.p.A. (+6 employees), Serenissima Gas S.p.A. (+26 employees) and Asco EG S.p.A. (+11 employees). Considering the same scope of consolidation, the Group's workforce decreased by 5 units.

The following table illustrates the division of the staff complement by skill level/grade:

| Description | 30.06.2022 | 30.06.2021 | Variation |
|--------------------|------------|------------|-----------|
| Managers | 14 | 14 | 0 |
| Office workers | 323 | 306 | 17 |
| Manual workers | 176 | 155 | 21 |
| Total Group | 513 | 475 | 38 |

Additional information

Seasonal nature of the activity

The natural gas distribution business managed by the Ascopiave Group is not significantly affected by seasonality. It is in fact less influenced by the thermal trend recorded during the year, except for some minor items. With the recent acquisitions in the field of generation of electricity from renewable sources, the Group is now exposed to seasonal weather events, such as rainfall/drought, solar radiation and wind.

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

List of company offices

Owned offices

| Company | Intended use | Province | Municipality | Address |
|----------------------------|--|----------|---------------------|--------------------------------|
| AP Reti Gas Vicenza S.p.A. | AP RETI GAS VICENZA SPA operational headquarters in Schio Via Cementi, 37 | VI | Schio | Via Cementi, 37 |
| Ascopiave S.p.A. | AP RETI GAS operational headquarters in Castel San Giovanni Via Borgonovo, 44 / A | PC | Castel San Giovanni | Via Borgonovo, 44/A |
| Ascopiave S.p.A. | AP RETI GAS operational headquarters in Cordovado Via Teglio, 101 - Shed | PN | Cordovado | Via Teglio, 101 |
| Ascopiave S.p.A. | ASCOPIAVE Representative Office Milan Office Via Turati, 8 - 5 th floor | MI | Milano | Via Turati, 8 |
| Ascopiave S.p.A. | Milan office Via Turati, 6 - 3 rd floor - In active lease | MI | Milano | Via Turati, 6 |
| Ascopiave S.p.A. | ASCOPIAVE GROUP headquarters in Pieve di Soligo | TV | Pieve di Soligo | Via Verizzo, 1030 |
| Ascopiave S.p.A. | ASCOTLC San Vendemiano Operational Headquarters Via Friuli, 11 | TV | San Vendemiano | Via Friuli |
| Ascopiave S.p.A. | AP RETI GAS operational headquarters in Sandrigo Viale Galileo Galilei, 25-27 | VI | Sandrigo | Viale Galileo Galilei, 25-27 |
| Ascopiave S.p.A. | AP RETI GAS Operational Headquarters in Treviso, Appiani Area | TV | Treviso | Piazza delle Istituzioni, 34/A |
| AP Reti Gas Rovigo S.r.l. | AP RETI GAS ROVIGO Operational Headquarters in Rovigo Viale del Lavoro, 24 | RO | Rovigo | Viale del Lavoro, 24 |
| Edigas S.p.A. | EDIGAS operational headquarters in Nembro Via Lombardia, 27 | BG | Nembro | Via Lombardia, 27 |
| Edigas S.p.A. | Shed owned by EDIGAS in Salussola via Stazione, 38 | BI | Salussola | Via Stazione, 38 |
| Serenissima Gas S.p.A. | SERENISSIMA operational headquarters in San Donà di Piave | VE | San Donà di Piave | Via Monte Popera, 24 |
| Serenissima Gas S.p.A. | SERENISSIMA Operational Headquarters in Basiliano | UD | Basiliano | Via Giuseppe Verdi, 12 |

Rented offices

| Company | Intended use | Province | Municipality | Address |
|-----------------------------|---|----------|-------------------------|------------------------------|
| AP Reti Gas Nord Est S.r.l. | AP RETI GAS NORD EST Operational Headquarters of Padua Via J.Corrado | PD | Padova | Via Jacopo Corrado,1 |
| AP Reti Gas Nord Est S.r.l. | AP RETI GAS NORD EST operational headquarters in San Giorgio di Nogaro Via Ronchi, 53 | UD | San Giorgio di Nogaro | Via Ronchi, 53 |
| AP Reti Gas Nord Est S.r.l. | AP RETI GAS NORD EST Operational Headquarters of Udine Via del Cotonificio, 60 | UD | Udine | Via del Cotonificio, 60 |
| AP Reti Gas S.p.A. | AP RETI GAS Operational Headquarters of Castelfranco Via della Cooperazione, 8 | TV | Castelfranco V.to | Via della Cooperazione, 8 |
| AP Reti Gas S.p.A. | AP RETI GAS Operational Headquarters in Marchirolo Via Cavalier Busetti, 7H | VA | Marchirolo | Via Cavalier Busetti, 7H |
| Ascopiave S.p.A. | Ascopiave Apartment - Mosnigo di Moriago Piazza Albertini 60/5 int 6 | TV | Moriago della Battaglia | Piazza Albertini, 60/5 int 6 |
| Ap Reti Gas Rovigo S.r.l. | AP RETI GAS ROVIGO Operational Headquarters in Rovigo Viale della Tecnica, 7 | RO | Rovigo | Viale della Tecnica, 7 |
| Cart Acqua S.r.l. | CART Acqua apartment - Orio al Serio via Colombo 2 | BG | Orio al Serio | Via Colombo, 2 |
| Edigas S.p.A. | EDIGAS Headquarters in Marcaria Viale Mons. Benedini | MN | Marcaria | Viale Mons. Benedini, 28-30 |
| Edigas S.p.A. | EDIGAS Nembro warehouse Via Lombardia, 29 - Sub. 1 | BG | Nembro | Via Lombardia Sub.1 |
| Edigas S.p.A. | EDIGAS Nembro warehouse Via Lombardia, 29 - Sub. 2 | BG | Nembro | Via Lombardia Sub.2 |
| Edigas S.p.A. | EDIGAS headquarters in Salussola via Stazione, 38 | BI | Salussola | Via Stazione, 38 |
| Edigas S.p.A. | EDIGAS operational headquarters in Villanova di Albenga | SV | Villanova di Albenga | Via Roma, 238 int 1 |
| Romeo Gas S.p.A. | ROMEO GAS operational headquarters in Marcheno | BS | Marcheno | Via Zanardelli, 40 |
| Romeo Gas S.p.A. | ROMEO GAS operational headquarters in Mortara | PV | Mortara | Via Tiziano Vecelio |
| Romeo Gas S.p.A. | ROMEO GAS operational headquarters in Piombino Dese | PD | Piombino Dese | Via Marconi 35 |

Comments on the economic and financial results of the first half of 2022

Performance indicators

According to Consob communication DEM 6064293 dated 28th July 2006 and by recommendation CESR/05-178b on alternative performance indicators, we specify that besides the normal performance indicators set by the International Accounting Standards IAS/IFRS, the Group considers useful for monitoring its business, the use of other performance indicators, which, even if they do not appear in the afore-stated standards, have a considerable importance. In particular, we introduced the following indicators:

- **Gross operating margin (Ebitda):** defined by the Group as the result of amortisation and depreciation, write-downs of receivables, financial management and taxes.
- **Operating result:** this indicator is also included in the accounting principles we have adopted, and it is defined as the operating margin (Ebit) minus the balance of costs and non-recurrent revenues. The latter includes extraordinary incomes and losses, capital gains and losses for disposal of assets, insurance reimbursements, contributions and other less relevant positive and negative components.
- **Tariff revenues from gas distribution:** defined by the Group as the amount of revenue realised by the distribution companies of the Group for the application of tariffs for distribution and measurement of natural gas to their end customers, net of the equalisation amounts managed by Cassa per i Servizi energetici e Ambientali.

General operational performance and indicators

| DISTRIBUZIONE DI GAS NATURALE | 2022 | 2021 | Var. | Var. % |
|--|-------------------|-------------|-------------|---------------|
| Ascopiave Group | | | | |
| Number of concessions | 306 | 268 | 38 | 14.2% |
| Length of distribution network (km) | 14,588 | 12,946 | 1,643 | 12.7% |
| Number of PDR | 890,662 | 776,396 | 114,266.0 | 14.7% |
| Volume of gas distributed (smc / M) | 885.5 | 918.5 | -33.0 | -3.6% |
| | First half | | | |
| PRODUCTION OF ENERGY FROM RENEWABLE SOURCES | 2022 | 2021 | Var. | Var. % |
| Ascopiave Group | | | | |
| Number of plants | 28 | 0 | 28 | n.a. |
| Installed power (MW) | 62.5 | 0.0 | 62.5 | n.a. |
| Volumes of electricity produced (GWh) | 43.1 | 0.0 | 43.1 | n.a. |

Comments on the trend of the main operational indicators of the Group's activity are reported below. The value of each indicator is obtained by adding the values of the indicators of each consolidated company.

As far as the activity of gas distribution is concerned, in the first six months of 2022, the volumes distributed through the networks managed by the Group companies totalled 885.5 million cubic metres, down 3.6% as compared to the same period in the previous year.

As of 30th June 2022, the number of redelivery points (PDR) managed by the Group companies was 890,662.

The 28 plants producing electricity from renewable sources, with a total rated capacity of 62.5 MW, produced 43.1 GWh in the first half of the year. The volume of Gwh produced was significantly influenced by the weather that characterised the period, and especially the persistent drought. The plants were acquired in the last quarter of 2021 and in the first quarter of 2022 and therefore the period shown for comparison purposes did not include these quantities.

General operational performance - The Group's economic results

| (Thousands of Euro) | First half | | | |
|---|---------------|---------------|---------------|---------------|
| | 2022 | % of revenues | 2021 | % of revenues |
| Revenues | 81,420 | 100.0% | 66,085 | 100.0% |
| Total operating costs | 45,457 | 55.8% | 34,501 | 52.2% |
| Gross operative margin | 35,963 | 44.2% | 31,585 | 47.8% |
| Amortization and depreciation | 21,561 | 26.5% | 17,679 | 26.8% |
| Provision for risks on credits | 10 | 0.0% | 34 | 0.1% |
| Operating result | 14,392 | 17.7% | 13,872 | 21.0% |
| Financial income | 4,474 | 5.5% | 3,514 | 5.3% |
| Financial charges | 2,177 | 2.7% | 1,089 | 1.6% |
| Evaluation of subsidiary companies with the net equity method | 11,362 | 14.0% | 14,258 | 21.6% |
| Earnings before tax | 28,051 | 34.5% | 30,555 | 46.2% |
| Taxes for the period | 5,456 | 6.7% | 3,699 | 5.6% |
| Group's Net Result | 22,595 | 27.8% | 26,856 | 40.6% |
| Net result from assets held for sale | 558 | 0.7% | 0 | 0.0% |
| Net result for the period | 23,153 | 28.4% | 26,856 | 40.6% |
| Group's Net Result | 23,275 | 28.6% | 26,856 | 40.6% |
| Third parties Net Result | (122) | 0.1% | 0 | 0.0% |

Pursuant to CONSOB communication DEM/6064293 dated 28th July 2006, the alternative performance indicators are defined in paragraph "Performance Indicators" of the present report.

In the first half of the year, the Group incomes amounted to Euro 81,420 thousand, up 23% as compared to the same period in the previous year. The following table reports the details of income.

| (Thousands of Euro) | First half | |
|--|---------------|---------------|
| | 2022 | 2021 |
| Revenues from gas transportation | 55,655 | 55,086 |
| Revenues from the sale of electricity | 207 | 81 |
| Revenues from connections | 347 | 289 |
| Revenues from heat supply | (0) | 5 |
| Revenues from distribution services | 2,189 | 2,243 |
| Revenues from services supplied to Group companies | 9,891 | 4,283 |
| Revenues from ARERA contributions | 4,853 | 2,499 |
| Revenues from hydroelectric - wind power plant | 5,251 | |
| Other revenues | 3,026 | 1,601 |
| Revenues | 81,420 | 66,085 |

The **tariff revenues from gas distribution** (from Euro 55,086 thousand to Euro 55,655 thousand) increased by Euro 570 thousand as compared to the same period in the previous year. The differential between tariff revenues and the item "revenues from gas transportation" shown in the table (Euro 779 thousand as of 30th June 2022 and Euro 868 thousand as of 30th June 2021) is explained by the revenues recognised because of the chargeback of concession fees related to 46bis. These revenues contribute to the formation of the other items of cost and revenue described below.

The **revenues from energy efficiency certificates** (from Euro 2,499 thousand to Euro 4,853 thousand) increased by Euro 2,354 thousand as compared to the same period in the previous year. The change is mainly explained by the higher targets expected for the year 2022.

The **operating result** in the first six months of 2022 amounted to Euro 14,392 thousand, up Euro 520 thousand (+4%) as compared to the same period in the previous year.

The improvement is due to several factors:

- negative change related to the expansion of the scope of consolidation for Euro 1,434 thousand;
- higher margin on energy efficiency certificates for Euro 247 thousand;
- decrease in the tariff revenues on the activity of gas distribution for Euro 2,632 thousand;
- positive change in other items of cost and revenues, equal to Euro 4,339 thousand.

The positive change in other items of cost and revenues, equal to Euro 4,339 thousand, is due to:

- higher other revenues for Euro 7,034 thousand;
- higher material and service costs and other charges equalling Euro 1,369 thousand;
- higher staff costs for Euro 510 thousand;
- an increase in amortisation and depreciation of fixed assets and provisions for Euro 818 thousand.

The **net consolidated profit** in the first six months of 2022, equal to Euro 23,153 thousand, records a decrease of Euro 3,703 thousand (-14%) as compared to the same period in the previous year.

This change is due to the following factors:

- increase in the operating result, as previously stated, for Euro 520 thousand;
- increase in financial revenues for Euro 959 thousand;
- increase in financial charges for Euro 1,088 thousand;
- lower result of companies consolidated through the equity method for Euro 2,896 thousand (representative of the equity investment held by Ascopiave, equal to 48%, in the EstEnergy Group and the 18.33% stake in Cogeide);
- increase in taxes for Euro 1,758 thousand;
- higher net result from discontinued/divested operations for Euro 558 thousand.

The tax rate, calculated by normalising the pre-tax result of the effects of consolidation of the companies consolidated using the equity method, increased from 28.9% in the first half of 2021 to 31.8%.

General operational performance - Financial situation

The table below shows the composition of net debt as required by Consob communication no. DEM/6064293 dated 28th July 2006. The table and the disclosure provided have been adapted in order to reflect the amendments to the ESMA document 32-382-1138 dated 4th March 2021:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|------------------|------------------|
| A Cash and cash equivalents | 10,680 | 42,539 |
| B Equivalent to cash and cash equivalents | 0 | 0 |
| C Other current financial assets | 4,110 | 1,175 |
| - of which related parties | 0 | 0 |
| D Liquid assets (A) + (B) + (C) | 14,790 | 43,714 |
| E Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt) | (112,562) | (134,209) |
| - of which related parties | 0 | 0 |
| - of which debt instruments current part | 0 | 0 |
| F Current portion of non-current financial debt | (79,853) | (60,631) |
| - of which related parties | 0 | 0 |
| G Current financial indebtedness (E) + (F) | (192,415) | (194,840) |
| H Net current financial indebtedness (D) + (G) | (177,625) | (151,126) |
| I Non-current financial debt (excluding the current portion and debt instruments) | (326,540) | (199,224) |
| J Debt instruments | 0 | 0 |
| K Trade payables and other non-current payables | 0 | 0 |
| L Non-current financial indebtedness (I) + (J) + (K) | (326,540) | (199,224) |
| M Net financial indebtedness (H) + (L) | (504,165) | (350,350) |

In accordance with CONSOB resolution no. 15519 dated 27th July 2006, the effects of the transactions with related parties are highlighted in the table in paragraph "Transactions with related parties" of this interim financial report.

Net debt increased from Euro 350,350 thousand as at 31st December 2021 to Euro 504,165 thousand as of 30th June 2022, up Euro 153,815 thousand.

The net financial position monitored by the Group, which also includes non-current financial receivables, showed an increase of Euro 153,787 thousand, from Euro 347,485 thousand as at 31st December 2021 to Euro 501,273 thousand in the period in question.

The following table shows the reconciliation between the ESMA Net financial position and the financial position monitored by the Group:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|------------------|------------------|
| ESMA Net financial position | (504,165) | (350,350) |
| Non current financial assets | 2,892 | 2,864 |
| Net Financial Position monitored by the Group | (501,273) | (347,485) |

Some figures relating to the cash flows of the Group are reported below:

| (Thousands of Euro) | First half | |
|---|------------------|-----------------|
| | 2022 | 2021 |
| Group's net income | 23,153 | 26,856 |
| Amortizations | 21,649 | 17,713 |
| (a) Auto-financing | 44,802 | 44,569 |
| (b) Adjustment to reconcile net income with the variation in financial position generated by operating management: | (9,660) | 12,382 |
| (c) Variation in financial position generated by operating activities = (a)+ (b) | 35,142 | 56,951 |
| (d) Variation in financial position generated by investments | (139,338) | (22,556) |
| (e) Other variation in financial position | (49,592) | (13,725) |
| Net variation in financial position = (c) + (d) + (e) | (153,787) | 20,670 |

The cash flow generated by operations (c), equal to Euro 35,142 thousand, was due to self-financing for Euro 44,802 thousand and other negative financial variations amounting to Euro 9,660 thousand, related to the management of the net circulating capital for Euro +1,701 thousand and the measurement of companies consolidated through the equity method for Euro -11,362 thousand.

The management of the net circulating capital, which generated financial resources amounting to Euro 1,701 thousand, was influenced by the change in the net operating capital which generated financial resources for Euro 6,950 thousand, the positive variation in the position towards the Inland Revenue for the accrual of IRES and IRAP taxes for Euro 951 thousand and the negative variation in VAT position for Euro 2,847 thousand.

The following table shows in detail the changes in the net working capital during the period:

| (Thousands of Euro) | First half | |
|--|--------------|---------------|
| | 2022 | 2021 |
| Inventories | (29) | 5,522 |
| Trade receivables and payables | (574) | 9,971 |
| Operating receivables and payables | 7,554 | 24,840 |
| Gains on shareholdings | (4,307) | (3,489) |
| Write-down of fixed assets and losses | 598 | 598 |
| Loss / (Gains) on disposal of fixed assets | 0 | (1,325) |
| Severance pay fund and other found | (1,962) | (1,330) |
| Current taxes | 5,456 | 3,699 |
| Taxes paid | (5,034) | (11,845) |
| Change in net working capital | 1,702 | 26,640 |

Investment activities generated a cash requirement of Euro 139,338 thousand, for net investments in tangible and intangible assets, mainly for works and developments of natural gas distribution facilities, for Euro 26,761 thousand and investments in shareholdings for Euro 112,577 thousand.

Additional variations in the Net financial position, equal to Euro 49,592 thousand, are due to dividends totalling Euro 10,481 thousand, determined by the balance between dividends distributed (Euro -35,757 thousand) and dividends

received from affiliates (Euro +25,276 thousand). The expansion of the scope of consolidation to include the companies Eusebio Energia and Salinella Eolico, operating in the hydroelectric and wind power sectors, and the companies Romeo Gas and Serenissima Gas, operating in the gas distribution sector, resulted in an increase in the Group's net financial position of Euro 39,111 thousand.

The following table shows in detail the other changes in the financial position in the first six months of 2022:

| (Thousands of Euro) | First half | |
|---|-----------------|-----------------|
| | 2022 | 2021 |
| Purchase of own shares | 0 | 204 |
| Dividends distributed to Ascopiave S.p.A. shareholders' | (35,757) | (34,663) |
| Dividends collected from investee companies | 25,276 | 20,733 |
| Enlargement of the consolidation perimeter | (39,111) | 0 |
| Other changes in financial position | (49,592) | (13,725) |

General operational performance - Investments

During the first half of the year, the Group made investments in tangible and intangible assets for Euro 26,761 thousand, up Euro 4,185 thousand as compared to the same period in the previous year.

The investments in infrastructures for the distribution of natural gas, amounting at the end of the period to Euro 22,651 thousand, were connected to the construction and maintenance of natural gas network and distribution systems for Euro 10,475 thousand, the creation of connections for Euro 6,869 thousand and the installation of metres for Euro 5,307 thousand.

Investments in renewable energy amounted to Euro 2,684 thousand and relate to the construction, not yet completed, of a wind farm.

Other investments amounted to Euro 1,427 thousand and mainly concerned the purchase of software licences for Euro 1,211 thousand (mainly purchased by the Group's distribution companies for the management of remote metering).

| (Thousands of Euro) | First half | |
|---|---------------|---------------|
| | 2022 | 2021 |
| Connecting a gas users | 6,869 | 6,350 |
| Expansions, reclamations and network upgrades | 9,776 | 9,063 |
| Flowmeters | 5,307 | 5,880 |
| Maintenance | 699 | 334 |
| Raw material (gas) investments | 22,651 | 21,627 |
| Hydroelectric energy production plants | 60 | 0 |
| Wind farms | 2,624 | 0 |
| Investments in renewable energies | 2,684 | 0 |
| Land and buildings | 34 | 125 |
| Industrial and commercial equipment | 59 | 138 |
| Forniture | 5 | 15 |
| Vehicles | 117 | 175 |
| Hardware e Software | 1,211 | 440 |
| Other investments | 0 | 58 |
| Other investments | 1,427 | 950 |
| Investments | 26,761 | 22,576 |

Ascopiave Group

Schedules of the interim financial report

as of 30th June 2022

Consolidated assets and liabilities statement

| (Thousands of Euro) | | 30.06.2022 | 30.06.2021 |
|---|------|------------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| Goodwill | (1) | 77,516 | 49,272 |
| Other intangible assets | (2) | 668,330 | 598,007 |
| Tangible assets | (3) | 119,928 | 58,012 |
| Shareholdings in controlled companies | (4) | 449,396 | 442,434 |
| Shareholdings in other companies | (4) | 78,926 | 78,925 |
| Other non-current assets | (5) | 4,615 | 3,604 |
| Non current financial assets | (6) | 2,892 | 2,864 |
| Advance tax receivables | (7) | 37,752 | 31,565 |
| Non-current assets | | 1,439,354 | 1,264,683 |
| Current assets | | | |
| Inventories | (8) | 8,569 | 8,176 |
| Trade receivables | (9) | 31,557 | 26,786 |
| Other current assets | (10) | 51,772 | 25,575 |
| Current financial assets | (11) | 813 | 908 |
| Tax receivables | (12) | 1,671 | 1,621 |
| Cash and cash equivalents | (13) | 10,680 | 42,538 |
| Current assets from derivative financial instruments | (14) | 3,296 | 267 |
| Current assets | | 108,359 | 105,871 |
| Assets held for sale | | 36,308 | 0 |
| Assets | | 1,584,021 | 1,370,554 |
| Net equity and liabilities | | | |
| Total Net equity | | | |
| Share capital | | 234,412 | 234,412 |
| Own shares | | (55,423) | (55,423) |
| Reserves and result for the period | | 696,905 | 689,555 |
| Net equity of the Group | | 875,893 | 868,544 |
| Net equity of Others | | 42,697 | (39) |
| Total Net equity | (15) | 918,590 | 868,505 |
| Non-current liabilities | | | |
| Provisions for risks and charges | (16) | 1,284 | 1,474 |
| Severance indemnity | (17) | 4,997 | 4,491 |
| Outstanding medium- and long-term bonds | (18) | 94,722 | 24,181 |
| Medium- and long-term bank loans | (19) | 225,253 | 161,488 |
| Other non-current liabilities | (20) | 36,561 | 29,067 |
| Non-current financial liabilities | (21) | 6,564 | 6,777 |
| Deferred tax payables | (22) | 13,840 | 13,228 |
| Non-current liabilities | | 383,222 | 240,706 |
| Current liabilities | | | |
| Payables due to banks and financing institutions | (23) | 189,839 | 199,631 |
| Trade payables | (24) | 38,277 | 34,401 |
| Tax payables | (25) | 1,877 | 1,284 |
| Other current liabilities | (26) | 43,964 | 24,042 |
| Current financial liabilities | (27) | 2,576 | 1,647 |
| Current liabilities from derivative financial instruments | (28) | 500 | 338 |
| Current liabilities | | 277,033 | 261,343 |
| Liabilities held for sale | | 5,176 | 0 |
| Liabilities | | 665,431 | 502,049 |
| Net equity and liabilities | | 1,584,021 | 1,370,554 |

In accordance with CONSOB resolution no. 15519 dated 27th July 2006, the effects of the transactions with related parties are highlighted in the table in paragraph "Transactions with related parties" of this interim financial report.

Income statement and Comprehensive consolidated income statement

| (Thousands of Euro) | First half | | |
|--|------------|---------------|---------------|
| | 2022 | 2021 | |
| Revenues | (29) | 81,420 | 66,085 |
| Total operating costs | | 45,467 | 34,535 |
| Purchase costs for other raw materials | (30) | 1,339 | 1,113 |
| Costs for services | (31) | 25,294 | 19,529 |
| Costs for personnel | (32) | 10,034 | 9,148 |
| Other management costs | (33) | 8,851 | 5,256 |
| Other income | (34) | 51 | 511 |
| Amortization and depreciation | (35) | 21,561 | 17,679 |
| Operating result | | 14,392 | 13,872 |
| Financial income | (36) | 4,474 | 3,514 |
| Financial charges | (36) | 2,177 | 1,089 |
| Evaluation of subsidiary companies with the net equity method | (36) | 11,362 | 14,258 |
| Earnings before tax | | 28,051 | 30,555 |
| Taxes for the period | (37) | (5,456) | (3,699) |
| Result for the period | | 22,565 | 26,856 |
| Net result of assets held for sale | (38) | 558 | 0 |
| Net result for the period | | 23,153 | 26,856 |
| Group's Net Result | | 23,275 | 26,856 |
| Third parties Net Result | | (122) | 0 |
| 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 | | 2,761 | 297 |
| Fair value of derivatives relating to associated companies, changes in the period net of tax | | 16,569 | 0 |
| 2. Components that can not be reclassified to the income statement | | | |
| Actuarial (losses)/gains from remeasurement on defined-benefit obligations net of tax | | 442 | 42 |
| Total comprehensive income | | 42,924 | 27,195 |
| Group's overall net result | | 43,145 | 27,195 |
| Third parties' overall net result | | (221) | 0 |
| Base income per share | | 0.107 | 0.124 |
| Diluted net income per share | | 0.107 | 0.124 |

In accordance with CONSOB resolution no. 15519 dated 27th July 2006, the effects of the transactions with related parties are highlighted in the table in paragraph "Transactions with related parties" of this interim financial report.

Statement of changes in consolidated shareholders' equity

| | Share capital | Legal reserve | Own shares | Reserves IAS 19 actuarial differences | Other reserves | Profits carried forward | Net result for the period | Group's net equity | Net result and net equity of others | Total net equity |
|--|---------------|---------------|------------|---------------------------------------|----------------|-------------------------|---------------------------|--------------------|-------------------------------------|------------------|
| <i>(Thousands of Euro)</i> | | | | | | | | | | |
| Balance as of 1st January 2022 | 234,412 | 46,882 | (55,424) | (443) | 436,955 | 160,836 | 45,326 | 868,544 | (39) | 868,505 |
| Result for the period | | | | | | | 23,275 | 23,275 | (122) | 23,153 |
| Other operations | | | | | 2,761 | | | 2,761 | | 2,761 |
| Fair value of derivatives relating to associated companies | | | | | 16,569 | | | 16,569 | | 16,569 |
| Severance indemnity IAS 19 discounting of the period | | | | 442 | | | | 442 | | 442 |
| Total result of overall income statement | | | | 442 | 19,329 | (0) | 23,275 | 43,046 | (122) | 42,924 |
| Allocation of 2021 result | | | | | | 45,326 | (45,326) | (0) | | (0) |
| Dividends distributed to Ascopiave S.p.A. shareholders | | | | | | (35,757) | | (35,757) | | (35,757) |
| Change in equity investments in subsidiaries companies | | | | | | | | (0) | 42,888 | 42,888 |
| Other operations | | | | | 61 | | | 61 | (30) | 31 |
| Balance as of 30th June 2022 | 234,412 | 46,882 | (55,424) | (1) | 456,344 | 170,405 | 23,275 | 875,893 | 42,697 | 918,590 |

| | Share capital | Legal reserve | Own shares | Reserves IAS 19 actuarial differences | Other reserves | Profits carried forward | Net result for the period | Group's net equity | Net result and net equity of others | Total net equity |
|--|---------------|---------------|------------|---------------------------------------|----------------|-------------------------|---------------------------|--------------------|-------------------------------------|------------------|
| Balance as of 1st January 2021 | 234,412 | 46,882 | (55,628) | (527) | 433,301 | 136,762 | 58,701 | 853,903 | 0 | 853,903 |
| Result for the period | | | | | | | 26,856 | 26,856 | 0 | 26,856 |
| Other operations | | | | | 297 | | | 297 | 0 | 297 |
| Severance indemnity IAS 19 discounting of the period | | | | 42 | | | | 42 | 0 | 42 |
| Total result of overall income statement | | | | 42 | 297 | 0 | 26,856 | 27,195 | 0 | 27,195 |
| Allocation of 2020 result | | | | | | 58,701 | (58,701) | 0 | | 0 |
| Dividends distributed to Ascopiave S.p.A. shareholders | | | | | | (34,663) | | (34,663) | | (34,663) |
| Long term incentive plans | | | 204 | | (201) | 35 | | 39 | | 39 |
| Balance as of 30th June 2021 | 234,412 | 46,882 | (55,424) | 485 | 433,398 | 160,834 | 26,856 | 846,474 | 0 | 846,474 |

Consolidated statement of cash flows

| (Thousands of Euro) | First half | |
|--|------------------|-----------------|
| | 2022 | 2021 |
| Total comprehensive income | 43,046 | 27,195 |
| Cash flows generated (used) by operating activities | | |
| Adjustments to reconcile net income to net cash | | |
| Third-parties operating result | (15) | 0 |
| Fair value of derivatives relating to associated companies, changes in the period net of tax | (15) | 0 |
| Changes in HA reserves for MTM derivatives | (15) | (297) |
| Variations in severance indemnity reserves | (15) | (42) |
| Amortization | (15) | 17,679 |
| Bad debts | (35) | 34 |
| Depreciation of fixed assets | (9) | 598 |
| Variations in severance indemnity | (33) | (4) |
| Current assets / liabilities on financial instruments | (17) | 6 |
| Net variation of other funds | (14 ; 28) | (1,326) |
| Evaluation of subsidiaries with the net equity method | (16) | (14,258) |
| Income from shareholdings | (36) | (3,489) |
| Other changes in the income statement that do not generate cash flows | (36) | (1,325) |
| Interests paid | | (944) |
| Taxes paid | | (11,845) |
| Interest expense for the period | (36) | 924 |
| Taxes for the period | (37) | 3,699 |
| Total adjustments | (14,689) | (10,591) |
| Variations in assets and liabilities | | |
| Inventories | (8) | 5,522 |
| Accounts payable | (9) | 10,337 |
| Other current assets | (10) | 14,832 |
| Trade payables | (24) | (366) |
| Other current liabilities | (26) | 10,349 |
| Other non-current assets | (5) | (65) |
| Other non-current liabilities | (20) | 512 |
| Total variations in assets and liabilities | 922 | 41,122 |
| Cash flows generated (used) by operating activities | 29,279 | 57,726 |
| Cash flows generated (used) by investments | | |
| Investments in intangible assets | (2) | (22,026) |
| Investments in tangible assets | (3) | (530) |
| Disposal / (acquisitions) in shareholdings and advances | (4) | 0 |
| Dividends collected from investee companies | (4) | 20,733 |
| Cash flows generated/(used) by investments | (103,918) | (1,823) |
| Cash flows generated (used) by financial activities | | |
| Net changes in short-term bank borrowings | (23) | (28,362) |
| Ignitions outstanding medium- and long-term bonds | (18) | 0 |
| Net variation in current financial assets and liabilities | (11 ; 27) | 87 |
| Purchase / Sale of own shares | (15) | 204 |
| Ignitions loans and mortgages | (19) | 133,000 |
| Redemptions loans and mortgages | (19) | (129,000) |
| Dividends distributed to Ascopiave S.p.A. shareholders' | (15) | (34,663) |
| Cash flows generated (used) by financial activities | 42,780 | (58,734) |
| Variations in cash | (31,859) | (2,830) |
| Cash and cash equivalents at the beginning of the period | 42,539 | 21,902 |
| Cash and cash equivalents at the end of the period | 10,680 | 19,072 |

In accordance with CONSOB resolution no. 15519 dated 27th July 2006, the effects of the transactions with related parties are highlighted in the table in paragraph "Transactions with related parties" of this interim financial report.

EXPLANATORY NOTES

Company information

Ascopiave S.p.A. (hereinafter “Ascopiave”, the “Company” or the “Parent Company” and, jointly with its subsidiaries, the “Group” or the “Ascopiave Group”) is a legal entity under Italian law.

As of 30th June 2022, the share capital of the Company, amounting to Euro 234,411,575 was for the most part held by Asco Holding S.p.A.; the remainder was distributed among other private shareholders. Ascopiave is listed since December 2006 on the Mercato Telematico Azionario - STAR Segment - organised and managed by Borsa Italiana S.p.A..

The registered office of the Company is in Pieve di Soligo (TV), via Verizzo, 1030.

The publication of the Interim financial report as of 30th June 2022 of the Ascopiave Group was authorised by resolution of the Board of Directors on 4th August 2022.

The activities of the Ascopiave Group

Ascopiave mainly operates in the sector of distribution of natural gas, as well as in other sectors related to the core business, such as heat management and co-generation.

The Group owns concessions and direct assignments for the management of the activity of gas distribution in 306 municipalities (268 municipalities as of 31st December 2021), has a distribution network extending for over 14,580 km (12,960 km as of 31st December 2021) and provides a service to a catchment area bigger than 1 million inhabitants.

The Ascopiave Group holds a 48% stake in the share capital of EstEnergy S.p.A., a company selling natural gas and electricity, and a 18% stake in the share capital of Cogeide S.p.A., a company operating in the field of water services in the region of Lombardy.

On 21st December 2021, an investment in the renewable energy sector, specifically in the hydroelectric segment, was finalised consistent with the 2020-2024 Strategic Plan. The transaction involved the purchase of the entire share capital of a special purpose vehicle of the EVA Group (subsequently renamed “Asco Renewables S.p.A.”), to which the equity investments of 3 companies that hold a total of six hydroelectric plants located in Lombardy and Piedmont were transferred.

In January 2022, two investments were finalised in the renewable energy sector, specifically in the wind segment with the acquisition of 60% of Salinella Eolico S.r.l. and in the wind and hydroelectric segment with the acquisition of 79.74% of Eusebio Energia S.r.l., also consistent with the 2020-2024 Strategic Plan.

On 1st April 2022, the Consortium formed by Ascopiave S.p.A., ACEA S.p.A. and Iren S.p.A. closed the agreement with the A2A Group for the acquisition of some assets pertaining to the natural gas distribution service. With this operation, Ascopiave S.p.A. acquired a 56.101% stake in Romeo Gas S.p.A. which holds 78.441% of the share capital of Serenissima Gas S.p.A..

General drafting criteria and compliance with IFRS

The operating results and cash flows of the Ascopiave Group are prepared in accordance with the IFRSs, understood as all the “International Financial Reporting Standards”, all the “International Accounting Standards” (IAS), all the interpretations of the “International Financial Reporting Committee” (IFRIC), previously known as “Standing Interpretations Committee” (SIC) that, at the closing date of the Interim Report as of 30th June 2022, were approved by the European Union according to the procedure laid down in Regulation (EC) no. 1606/2002 by the European Parliament and the European Council of 19th July 2002.

Upon preparing this interim financial report, the same accounting standards adopted in the preparation of the Consolidated Financial Statements as of 31st December 2021 were applied.

Considering the operating results and financial position of the first half of 2022, the economic forecasts of the 2021-2025 Strategic Plan and the general macroeconomic conditions, the directors have decided to compile these abridged consolidated interim financial statements based on the principle of going concern. The directors have verified the

absence of financial, operational or other indicators that could suggest critical issues about the Group's ability to meet its obligations in the foreseeable future.

This Interim Report is drafted in Euro, the currency of the economy in which the Group operates, and includes the Consolidated Statement of Assets and Liabilities, the Consolidated Statement of Comprehensive Income, the Statement of Changes in Consolidated Shareholders' Equity, the Consolidated Statement of cash flows and the Explanatory Notes. All the figures shown in the schemes and in the explanatory notes are expressed in thousands of Euro, unless otherwise indicated.

The values used for consolidation were gathered from the income statements and balance sheets prepared by the Directors of the individual subsidiaries. These data were adjusted and reclassified, where necessary, to ensure compliance with the international accounting standards and with the classification criteria applied throughout the Group. This Interim Report as of 30th June 2022 was approved by the Board of Directors of the Company on 4th August 2022.

Financial statements representation

With regard to the presentation methods of the financial statements, the Consolidated statement of assets and liabilities has been prepared on the basis of the "current/non-current" distinction; for the Comprehensive consolidated income statement the multi-step format was adopted with the classification of costs by nature.

The statement of changes in shareholders' equity presents the opening and closing balances of each net equity item reconciling them through the profit or loss for the period, any operation with shareholders (if applicable) and other variations in the net equity.

The statement of cash flows has been defined according to the "indirect" method, by adjusting operating income of non-monetary components. We believe that these patterns adequately represent the operating results, financial position and cash flows.

Basis for measurement

Use of estimates

The preparation of the interim report for the first half of 2022 requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, other overall profits/losses as well as the information disclosure of contingent assets and liabilities as of the date of the report.

If, in the future, such estimates and assumptions, which are based on the Management's best assessment, differ from the actual circumstances, they shall be modified so as to be appropriate in the period in which the circumstances arise. For a detailed description of the most significant evaluation processes of the Group, please refer to paragraph "Use of Estimates" in the Consolidated Financial Statements as of 31st December 2021.

Moreover, some evaluation procedures, in particular the most complex ones, such as the determination of any impairment of non-current assets, are usually fully carried out only while drawing-up the annual financial statements, when all the necessary information is available, except for cases in which there are impairment indicators that require an immediate evaluation of potential impairment.

Income taxes are recognised on the basis of the best assessment of the weighted average tax rate expected for the entire financial year by each company included in the consolidation area.

Business combinations

The Ascopiave Group enters the wind power generation sector

On 21st January 2022, the Ascopiave Group announced that it had acquired, through the subsidiary Asco Renewables S.p.A., a 60% stake in the capital of Salinella Eolico S.r.l., belonging to Renco S.p.A.. Salinella Eolico S.r.l., whose remaining 40% stake is held by Renco S.p.A., plans to build a wind farm in the Province of Catanzaro with a rated capacity of up to 21 MW; the competent authorities have already granted part of the authorisations, while the pending permits are well underway.

Acquisition of the majority stake in Eusebio Energia S.r.l., a company operating in the energy field

On 28th January 2022, Ascopiave S.p.A. announced the finalisation of an additional investment in the renewable energy sector, specifically in the hydroelectric and wind power segments, as stated in the 2020-2024 Strategic Plan. The investment consisted in the acquisition by Ascopiave of the 79.74% majority stake held by Supermissile S.r.l. in the share capital of Eusebio Energia S.r.l. ("Eusebio"), a company operating in the energy sector. Eusebio has 22 plants for the production of electricity from renewable sources, of which 21 hydroelectric plants, for a total capacity of 44 MW, located in Lombardy and Veneto, and a wind farm, consisting of 14 turbines of 1 MW each, located in Campania.

The consortium formed by Ascopiave, ACEA and Iren finalised the acquisition from A2A of some gas distribution concessions

On 1st April 2021, the Consortium made up of Ascopiave S.p.A., ACEA S.p.A. and Iren S.p.A. announced the closing of the agreement with the A2A Group for the acquisition of some assets relating to the natural gas distribution service, as mentioned in the press release dated 31st December 2021.

The business acquired through the operation boasts about 157,000 users, distributed in 8 Italian regions, belonging to 24 Territorial Areas, and over 2,800 km of network.

The assets of interest to Ascopiave S.p.A. consist of concessions in 15 Territorial Areas located in Veneto, Friuli Venezia Giulia and Lombardy, for a total of approximately 114,300 redelivery points. The value of the acquired assets in terms of enterprise value is Euro 73.2 million, including the 78.44% investment in Serenissima Gas S.p.A., the holder of a portion of the concessions involved (about 41,700 redelivery points).

The assets of interest to ACEA S.p.A. consist of concessions in 5 Territorial Areas: 2 in the Abruzzi, 2 in Molise and 1 in Campania, totalling approximately 30,700 redelivery points. The enterprise value is Euro 35.8 million.

The assets of interest to Iren S.p.A. consist of concessions in 4 Territorial Areas (1 in Lombardy and 3 in Emilia-Romagna) totalling approximately 12,000 redelivery points. The enterprise value is Euro 16.4 million; the condition precedent for the transfer of the business unit owned by Retragas was not met, therefore the unit is currently excluded from the scope of consolidation.

Consolidation area and principles

The interim financial statements include the financial statements of all the subsidiaries. The Group controls an entity (including the structured entities) when the Group is exposed, or is entitled, to the variability of results from such entities and has the possibility of influencing these outcomes through the exercise of power over the entity. The financial statements of the subsidiaries are included in the Consolidated financial statements commencing the date on which control is taken until the date such control ceases. The costs incurred in the acquisition process are recognised in the year they are incurred. The assets and liabilities, the charges and income of companies consolidated with the line-by-line method are fully included in the consolidated financial statements; the book value of investments is eliminated against the corresponding share of equity of the investee companies. Receivables and payables, as well as the costs and revenues arising from transactions between companies included in the consolidation area are entirely eliminated; the capital gains and losses arising from transfers of assets between consolidated companies, the gains and losses deriving from transactions between consolidated companies related to the sale of assets that remain as inventories of the purchasing company, the write-downs and write-backs of investments in consolidated companies, as well as intercompany dividends are also eliminated.

At the date of acquisition of control, the net equity of the investee companies is determined by attributing to the individual assets and liabilities their current value. Any positive difference between the acquisition cost and the fair value of the net assets acquired is recognised as “Goodwill”; if negative, it is recognised in the income statement.

The equity and profit shares attributable to minority interests are recorded in specific items of the shareholders' equity and income statement. In the case of acquisition of partial control, the equity share of minority interests is determined on the basis of the share of the current values assigned to assets and liabilities at the date of acquisition of control, excluding any goodwill attributable to them (so-called partial goodwill method); in relation to this, the minority interests are measured at their total fair value, also including the goodwill (negative goodwill) attributable to them. The choice of the methods for determining the goodwill (negative goodwill) is made based on each individual business combination operation.

In the case of shares acquired subsequent to the acquisition of control (purchase of minority interests), any positive difference between the acquisition cost and the corresponding portion of equity acquired is recognised in equity; similarly, the effects arising from the sale of minority interests without loss of control are recognised in equity.

If the acquisition value of the shares is higher than the net equity pro-quota value of the investees, the positive difference is attributed, where possible, to the net assets acquired based on their fair value while the remainder is recorded in an item of assets, “Goodwill”.

The value of goodwill is not amortised but is subject to, at least on an annual basis, an impairment test when facts or changes in the circumstances indicate that the carrying value cannot be realised. Goodwill is booked at cost, net of impairment losses. If the carrying value of the investments is lower than the net equity pro-quota value of the investees, the negative difference is recognised in the income statement. The acquisition costs are booked in the income statement.

Affiliates are those over which a significant influence is exercised, which is presumed to exist when the shareholding is between 20% and 50% of the voting rights. Investments in affiliates are initially recorded at cost and subsequently assessed using the equity method. The carrying value of these investments is in line with the Shareholders' equity and includes the entry of the higher values attributed to assets and liabilities and any goodwill identified upon acquisition. The unrealised gains and losses generated on transactions between the Parent Company/Subsidiaries and the investee valued with the equity method are eliminated based on the value of the stake held by the Group in the investee; the unrealised losses are eliminated, except when they represent an impairment.

The financial statements of subsidiaries used for the purpose of preparing the Financial Statements are those approved by the respective Boards of Directors. The data of the companies consolidated on a line-by-line basis or with the equity method are adjusted, where necessary, to harmonise them with the accounting standards used by the Parent company, which are in accordance with the IFRS adopted by the European Union.

The companies included in the consolidation area as of 30th June 2022 and consolidated through the line-by-line or equity method are the following:

| Company name | Registered offices | Paid-up capital | Group interest | Direct controlling interest | Indirect controlling interest |
|---|--------------------------|-----------------|----------------|-----------------------------|-------------------------------|
| Parent company | | | | | |
| Ascopiave S.p.A. | Pieve di Soligo (TV) | 234,411,575 | 100.00% | 100.00% | 0.00% |
| 100% consolidated companies | | | | | |
| AP Reti Gas S.p.A. | Pieve di Soligo (TV) | 1,000,000 | 100.00% | 100.00% | 0.00% |
| AP Reti Gas Rovigo S.r.l. | Rovigo (RO) | 7,000,000 | 100.00% | 100.00% | 0.00% |
| Edigas Esercizio Distribuzione Gas S.p.A. | Pieve di Soligo (TV) | 3,000,000 | 100.00% | 100.00% | 0.00% |
| Asco Energy S.p.A. | Pieve di Soligo (TV) | 1,000,000 | 100.00% | 100.00% | 0.00% |
| AP Reti Gas Vicenza S.p.A. | Pieve di Soligo (TV) | 10,000,000 | 100.00% | 100.00% | 0.00% |
| AP Reti Gas Nord Est S.r.l. | Padova (PD) | 15,000,000 | 100.00% | 100.00% | 0.00% |
| Cart Acqua S.r.l. | Nembro (BG) | 50,000 | 100.00% | 100.00% | 0.00% |
| Asco EG S.p.A. | Pieve di Soligo (TV) | 57,000,000 | 79.74% | 79.74% | 0.00% |
| Salinella Eolico S.r.l. | (1) Pieve di Soligo (TV) | 10,000 | 60.00% | 0.00% | 60.00% |
| Romeo Gas S.p.A. | Pieve di Soligo (TV) | 39,593,746 | 56.10% | 56.10% | 0.00% |
| Serenissima Gas S.p.A. | (3) Como (CO) | 9,230,341 | 78.44% | 0.00% | 78.44% |
| Green Factory S.r.l. | Pieve di Soligo (TV) | 10,000 | 90.00% | 90.00% | 0.00% |
| Asco Renewables S.p.A. | Pieve di Soligo (TV) | 100,000 | 100.00% | 100.00% | 0.00% |
| Sanginetto Energie S.r.l. | (1) Gavardo (BS) | 20,000 | 100.00% | 0.00% | 100.00% |
| Morina S.r.l. | (1) Pezzaze (BS) | 10,000 | 75.00% | 0.00% | 75.00% |
| Eosforo S.r.l. | (1) Gavardo (BS) | 95,000 | 100.00% | 0.00% | 100.00% |
| Companies consolidated using the net equity method | | | | | |
| Estenergy S.p.A. | | 299,925,761 | 48.00% | 48.00% | 0.00% |
| Cogeide S.p.A. | (2) | 16,945,026 | 19.00% | 0.00% | 19.00% |

(1) Investees through Asco Renewables S.p.A.

(2) Investee through Cart Acqua S.r.l.

(3) Investee through Romeo Gas S.p.A.

Ascopiave purchased 60% of the share capital of the company Salinella Eolico S.r.l. on 21st January 2022 and 79.74% of the share capital of the company Asco EG S.p.A. on 28th January 2022; on 30th June 2022 the Group consolidated on a line-by-line basis the balance sheet and profit and loss data of both companies.

On 1st April 2022, Ascopiave acquired a 56.101% stake in Romeo Gas S.p.A. which holds 78.441% of the share capital of Serenissima Gas S.p.A.; on 30th June 2022 the Group consolidated on a line-by-line basis the balance sheet and profit and loss data of both companies.

Synthesis data of companies consolidated on a line-by-line basis

| Description | Revenues from sales and service supply | Net result | Net equity | Net financial position (liquid assets) | Reference accounting principles |
|---|--|------------|------------|--|---------------------------------|
| Parent company | | | | | |
| Ascopiave S.p.A. | 64,299 | 51,544 | 846,458 | 386,288 | IFRS |
| 100% consolidated companies | | | | | |
| AP Reti Gas Nord Est S.r.l. | 13,093 | 2,757 | 132,516 | 3,753 | IFRS |
| AP Reti Gas S.p.A. | 32,076 | 5,342 | 304,097 | 6,134 | IFRS |
| Cart Acqua S.r.l. | 162 | (30) | 3,797 | (30) | Ita Gaap |
| Edigas Esercizio Distribuzione Gas S.p.A. | 10,021 | 1,367 | 61,803 | 18,112 | Ita Gaap |
| AP Reti Gas Vicenza S.p.A. | 7,265 | (630) | 16,736 | 22,523 | Ita Gaap |
| AP Reti Gas Rovigo S.r.l. | 2,448 | 602 | 19,515 | 8,085 | Ita Gaap |
| Asco Energy S.p.A. | 3,052 | (93) | 657 | 0 | Ita Gaap |
| Asco Renewables S.p.A. | 27 | 119 | 302 | 0 | Ita Gaap |
| Morina S.r.l. | 50 | (131) | (68) | (5) | Ita Gaap |
| Sanginetto Energie S.r.l. | 209 | (312) | 3,461 | (516) | Ita Gaap |
| Eosforo S.r.l. | 251 | (15) | 8,381 | (37) | Ita Gaap |
| Asco EG S.p.A. | 4,838 | (2,679) | 44,392 | 15,353 | Ita Gaap |
| Satinella Eolico S.r.l. | 0 | (43) | 61 | 1,045 | Ita Gaap |
| Romeo Gas S.p.A. | 3,844 | 757 | 88,521 | 2,252 | Ita Gaap |
| Serenissima Gas S.p.A. | 3,311 | 768 | 14,439 | 8,035 | IFRS |
| Green Factory S.r.l. | 0 | (10) | 0 | (6) | Ita Gaap |

Information on consolidated subsidiaries with minority interests

The company Ascopiave S.p.A. holds stakes in consolidated subsidiaries in which third parties hold minority interests. Please consult the table contained in the previous paragraph for an indication of the controlling interest relating to each consolidated company. The minority interests in the assets and financial flows of the Ascopiave Group are considered irrelevant by the Management.

COMMENTS ON THE MAIN CONSOLIDATED BALANCE SHEET ITEMS

Non-current assets

1. Goodwill

Goodwill, equal to Euro 77,516 thousand as of 30th June 2022, increased as compared to 31st December 2021 by Euro 28,244 thousand, due for Euro 6,778 to the surplus value resulting from the acquisition of 79.74% of the shares of Eusebio Energia S.r.l. (now ASCO EG S.p.A.), a company operating in the sector of electricity generation from renewable sources, and for Euro 21,466 thousand to the surplus value resulting from the acquisition of 56.01% of the shares of Romeo Gas S.p.A. and 78.441% of the shares of Serenissima Gas S.p.A., distributors of natural gas; for more details, please read the paragraph “Business combinations” of this interim report on operations. The allocation made will be further investigated and checked in order to determine, within the annual term stated in the accounting standards, the final recognition of the business combinations.

The residual amount refers in part to the surplus value created by the delivery, in the period between 1996 and 1999, of the gas distribution networks by the shareholder municipalities, and in part to the surplus value paid upon the acquisition of some business units related to the distribution of natural gas. Among these, there is the goodwill recognised subsequent to the merger through acquisition of Unigas Distribuzione S.r.l. into Ascopiave S.p.A., for Euro 9,368 thousand, and the goodwill from the purchase of the entire share capital of the newly established company AP Reti Gas Nord Est S.r.l., for Euro 14,149 thousand.

Pursuant to International Accounting Standard 36, goodwill is not subject to amortisation, but its impairment is verified at least annually.

In order to determine the recoverable amount, goodwill is allocated to the Cash Generating Units consisting in natural gas distribution (gas distribution CGU) and energy production from renewable sources (energy production CGU).

The balance of goodwill recorded at the end of the periods considered is shown in the following table:

| (Thousands of Euro) | 31.12.2021 | Increases | 30.06.2022 |
|--|---------------|---------------|---------------|
| Distribution of natural gas | 49,272 | 21,466 | 70,738 |
| Energy production from renewable sources | 0 | 6,778 | 6,778 |
| Total goodwill | 49,272 | 28,244 | 77,516 |

During the first half of the year, a war broke out between Russia and Ukraine, and international geopolitical tension escalated day by day. The situation of uncertainty and the still persisting international crisis have significantly revived the inflationary trend which has resumed strongly, primarily affecting the price of natural gas and oil, which in turn has impacted other consumer goods which, for their manufacture or transport, require the consumption of energy.

On 30th June 2022, considering the volatility of commodities and the uncertain economic context of the next months of 2022, the directors assessed the impacts of the international crisis and the macroeconomic context on the Group’s economic and financial performance as well as any changes in external indicators and internal values used in the impairment tests conducted for the preparation of the financial statements as at 31st December 2021. The Group has carefully and constantly monitored the evolution of inflation, specifically as regards the price baskets which most influence the business of the Group companies, and the economic situation. This has enabled the Group’s Management to assess the potential impacts in terms of performance and make any decisions aimed at mitigating the effects that could be reflected on the business. Given the results achieved in the first quarter, the effects of the actions taken and the results of the impairment tests carried out when preparing the financial statements as at 31st December 2021, the directors deemed the changes found in the external indicators and internal values, used to estimate the recoverable amounts of the individual cash-generating units, to be irrelevant; consequently, they did not deem it necessary to conduct a new full impairment test on the book value of goodwill.

2. Other intangible fixed assets

The changes in the historical cost and accumulated amortisation of other intangible assets at the end of the periods under examination are shown in the following table:

| (Thousands of Euro) | 30.06.2022 | | | 31.12.2021 | | |
|---|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| | Historic cost | Accumulated depreciation | Net value | Historic cost | Accumulated depreciation | Net value |
| Industrial patent and intellectual property rights | 9,355 | (6,200) | 3,155 | 9,346 | (5,976) | 3,370 |
| Concessions, licences, trademarks and similar rights | 23,765 | (16,115) | 7,651 | 15,860 | (12,564) | 3,296 |
| Other intangible assets | 12,440 | (5,209) | 7,231 | 10,201 | (4,664) | 5,537 |
| Tangible assets under IFRIC 12 concession | 1,217,571 | (597,155) | 620,416 | 1,077,891 | (527,523) | 550,367 |
| Tangible assets in progress under IFRIC 12 concession | 28,329 | 0 | 28,329 | 34,701 | 0 | 34,701 |
| Intangible assets in progress and advances payments | 1,549 | 0 | 1,549 | 735 | 0 | 735 |
| Other intangible assets | 1,293,437 | (625,106) | 668,330 | 1,148,734 | (550,727) | 598,007 |

The changes in the inventory allowance for intangible assets in the period under examination and in the previous one are shown in the following table:

| (Thousands of Euro) | 31.12.2021 | | | | | | 30.06.2022 |
|---|----------------|-----------------------|--|--------------|---------------------------------|---------------|----------------|
| | Net value | Change for the period | Enlargement of the consolidation perimeter | Decrease | Amortizations during the period | Depreciations | Net value |
| Industrial patent and intellectual property rights | 3,370 | 0 | 8 | 4 | 220 | | 3,155 |
| Concessions, licences, trademarks and similar rights | 3,296 | 910 | 3,914 | | 470 | | 7,651 |
| Other intangible assets | 5,537 | 0 | 1,834 | 23 | 117 | | 7,231 |
| Tangible assets under IFRIC 12 concession | 550,367 | 31,064 | 56,277 | 1,293 | 16,522 | (523) | 620,416 |
| Tangible assets in progress under IFRIC 12 concession | 34,701 | (7,255) | 975 | 92 | 0 | | 28,329 |
| Intangible assets in progress and advances payments | 735 | 814 | 0 | | 0 | | 1,549 |
| Other intangible assets | 598,007 | 25,533 | 63,009 | 1,413 | 17,329 | (523) | 668,330 |

| (Thousands of Euro) | 31.12.2020 | | | | | 30.06.2021 |
|---|----------------|-----------------------|--------------|---------------------------------|---------------|----------------|
| | Net value | Change for the period | Decrease | Amortizations during the period | Depreciations | Net value |
| Industrial patent and intellectual property rights | 1,103 | 14 | | 69 | | 1,047 |
| Concessions, licences, trademarks and similar rights | 4,324 | 0 | | 542 | | 3,782 |
| Other intangible assets | 5,265 | 0 | | 110 | | 5,155 |
| Tangible assets under IFRIC 12 concession | 543,771 | 13,400 | 1,144 | 15,806 | (566) | 540,787 |
| Tangible assets in progress under IFRIC 12 concession | 20,783 | 8,334 | 20 | 0 | | 29,097 |
| Intangible assets in progress and advances payments | 2,167 | 278 | | 0 | | 2,445 |
| Other intangible assets | 577,413 | 22,026 | 1,164 | 16,527 | (566) | 582,313 |

The extension of the scope of consolidation in the first half of the year with the acquisition of control of Asco EG S.p.A. (former Eusebio Energia S.r.l.), Salinella Eolico S.r.l., Romeo Gas S.p.A. and Serenissima Gas S.r.l., determined the recognition of intangible assets for Euro 63,009 thousand. They mainly consist of natural gas distribution infrastructures of Serenissima and Romeo Gas. The portion of fixed assets of Romeo Gas S.p.A. which will be transferred to the other shareholders of the company was reclassified under the item “assets held for sale” in compliance with IFRS 5 and is not included in the tables above.

With the same scope of consolidation, the investments made during the period amount to Euro 25,533 thousand and mainly refer to costs incurred for the construction of the infrastructures for natural gas distribution.

Industrial patents and intellectual property rights

During the first half of the year, the item “Industrial patents and intellectual property rights” did not register significant investments and its variation is mainly explained by the amortisation of the period. The extension of the scope of consolidation resulted in an increase in the item of Euro 8 thousand.

Concessions, licences, trademarks and similar rights

This item mainly includes costs paid to awarding entities (Municipalities) and/or outgoing operators after the award and/or the renewal of the relevant tenders for the assignment of the natural gas distribution service, as well as costs incurred for the acquisition of licences. With the same scope of consolidation, during the first half of the year, the item registered investments for Euro 910 thousand and amortisation for the period amounts to Euro 470 thousand. The assignments obtained, subsequent to the implementation of Legislative Decree no. 164/00 (Letta Decree), are amortised with a useful life of 12 years in compliance with the period stated in the decree.

The extension of the scope of consolidation determined the recognition of concessions, licences, trademarks and similar rights for Euro 3,914 thousand.

Other intangible fixed assets

With the same scope of consolidation, the item other intangible fixed assets did not record investments compared to the previous year and the change is mainly explained by the extension of the scope of consolidation and amortisation. The extension of the scope of consolidation resulted in an increase in the item equal to Euro 1,834 thousand.

Leased plants and machinery

The item reports the costs incurred for the construction of natural gas facilities and distribution network, the related connections as well as for the installation of metering and reduction groups. At the end of the first half of the year the item recorded a net positive change of Euro 70,049 thousand. The extension of the scope of consolidation, with the acquisition of control of Romeo Gas S.p.A. and Serenissima Gas S.r.l., resulted in an increase in the item of Euro 56,277 thousand. Considering the same scope of consolidation, the item increased by Euro 13,772 thousand, mainly due to the investments made in the first half of the year and the reclassification of the investments made in the previous year but commissioned in the course of 2022. The increase was partially offset by the depreciation of the period. Investments, including reclassifications of fixed assets in progress, amount to Euro 31,064 thousand.

The infrastructures located in Municipalities in which the invitation to tender for the distribution of natural gas has not been launched, are depreciated by applying the lower amount between the technical life of plants and the useful life indicated by the ARERA in tariff regulations. The technical life of plants has been assessed by an independent expert who has determined the technical obsolescence of the infrastructures.

Intangible assets under construction under concession

The item includes the costs incurred for the construction of the natural gas distribution plants and systems constructed partially on a time and materials basis and not completed at the end of the period. The item decreased by Euro 7,255 thousand due to the reclassification of investments made during the previous years but which became operational in the first half of 2022.

Intangible assets under construction

The item includes the costs incurred for the purchase and development of management software not completed at the end of the period and related to the core business of natural gas distribution. The change recorded is mainly related to investments in software developments not completed at the reporting date.

3. Tangible assets

The changes in the historical cost and accumulated depreciation of tangible assets at the end of the periods under examination are shown in the following table:

| (Thousands of Euro) | 30.06.2022 | | | | 31.12.2021 | | | |
|--|----------------|--------------------------|--------------------------|----------------|----------------|--------------------------|--------------------------|---------------|
| | Historic cost | Accumulated depreciation | Provision for impairment | Net value | Historic cost | Accumulated depreciation | Provision for impairment | Net value |
| Lands and buildings | 51,537 | (19,420) | (265) | 31,852 | 45,363 | (17,242) | (265) | 27,856 |
| Plant and machinery | 162,981 | (90,579) | (1,059) | 71,342 | 19,680 | (4,109) | (1,059) | 14,512 |
| Industrial and commercial equipment | 5,084 | (4,395) | | 689 | 4,645 | (3,996) | | 649 |
| Other tangible assets | 22,880 | (20,077) | | 2,803 | 21,353 | (18,707) | | 2,646 |
| Tangible assets in progress and advance payments | 3,590 | 0 | (2,012) | 1,578 | 351 | 0 | (55) | 297 |
| Rights of use | 13,450 | (1,786) | | 11,664 | 13,183 | (1,132) | | 12,051 |
| Tangible assets | 259,522 | (136,258) | (3,336) | 119,928 | 104,577 | (45,186) | (1,379) | 58,012 |

The changes in the inventory allowance for tangible assets in the period under examination and in the previous year are shown in the following table:

| | 31.12.2021 | | | | 30.06.2022 |
|--|---------------|-----------------------|--|---------------------------------|----------------|
| | Net value | Change for the period | Enlargement of the consolidation perimeter | Amortizations during the period | Net value |
| (Thousands of Euro) | | | | | |
| Lands and buildings | 27,856 | 206 | 4,407 | 617 | 31,852 |
| Plant and machinery | 14,512 | 1,286 | 58,398 | 2,855 | 71,342 |
| Industrial and commercial equipment | 649 | 57 | 48 | 66 | 689 |
| Other tangible assets | 2,646 | 83 | 254 | 180 | 2,803 |
| Tangible assets in progress and advance payments | 297 | 1,258 | 23 | 0 | 1,578 |
| Rights of use | 12,051 | 127 | 0 | 514 | 11,664 |
| Tangible assets | 58,012 | 3,017 | 63,130 | 4,232 | 119,928 |

| | 31.12.2020 | | | | 30.06.2021 | |
|--|---------------|-----------------------|------------|---------------------------------|---------------|---------------|
| | Net value | Change for the period | Decrease | Amortizations during the period | Depreciations | Net value |
| (Thousands of Euro) | | | | | | |
| Lands and buildings | 27,297 | 0 | | 597 | | 26,699 |
| Plant and machinery | 1,184 | 0 | | 39 | | 1,145 |
| Industrial and commercial equipment | 689 | 138 | | 57 | | 770 |
| Other tangible assets | 2,738 | 198 | 39 | 252 | (7) | 2,651 |
| Tangible assets in progress and advance payments | 595 | 58 | | 0 | | 653 |
| Rights of use | 940 | 1,899 | 75 | 207 | (75) | 2,633 |
| Other tangible assets | 33,443 | 2,293 | 114 | 1,152 | (81) | 34,552 |

The extension of the scope of consolidation in the first half of the year with the acquisition of control of Asco EG S.p.A. (former Eusebio Energia S.r.l.), Romeo Gas S.p.A. and Serenissima Gas S.r.l., determined the recognition of tangible fixed assets for Euro 63,130 thousand, mainly representative of the book values of the hydroelectric and wind power plants managed by Eusebio Energia and Salinella and located in the national territory.

The portion of fixed assets of Romeo Gas S.p.A. which will be transferred to the other shareholders of the company was reclassified under the item “assets held for sale” in compliance with IFRS 5 and is not included in the tables above.

With the same scope of consolidation, the investments made in the first half of the year amounted to Euro 3,017 thousand.

Land and buildings

The extension of the scope of consolidation determined the recognition of the values recorded in the item by the new subsidiaries totalling Euro 4,407 thousand. They mainly represent land and buildings related to the hydroelectric and wind power plants managed. With the same scope of consolidation, the item is mainly made up of the buildings owned in relation to company offices and secondary offices and warehouses. During the first half of the year, investments are to the tune of Euro 206 thousand and depreciation amounts to Euro 617 thousand.

Plants and machinery

With the same scope of consolidation, during the period the item “Plants and machinery” registered investments for Euro 1,286 thousand and depreciation for Euro 2,855 thousand.

The extension of the scope of consolidation resulted in an increase in the item of Euro 58,398 thousand. The amount is mainly explained by the investments made by the newly acquired companies in hydroelectric and wind power generation plants.

Industrial and commercial equipment

The item “Industrial and commercial equipment”, with the same scope of consolidation, registered investments equal to Euro 57 thousand. It includes costs incurred for the purchase of equipment for the maintenance of distribution

plants and metering. The extension of the scope of consolidation resulted in an increase in the item of Euro 48 thousand.

Other assets

With the same scope of consolidation, the investments made during the first half of the year are equal to Euro 83 thousand and they mainly relate to the costs incurred for the purchase of hardware and company vehicles. The extension of the scope of consolidation resulted in an increase in the item of Euro 254 thousand.

Tangible assets under construction and advance payments

With the same scope of consolidation, the item mainly includes costs incurred for extraordinary maintenance of company headquarters and/or peripheral warehouses and not completed at the reporting date. During the period, the item recorded a change of Euro 1,258 thousand.

Rights of use

The item includes the rights of use related to the application of IFRS 16. The application of the standard mainly concerned operating leases relating to tangible fixed assets: lease of buildings and rental of vehicles and trucks. The change recorded during the first half of the year is explained by depreciation.

4. Equity investments

The following table shows the changes in the shareholdings at the end of each period considered:

| (Thousands of Euro) | 31.12.2021 | | | Measurement with the equity method | 30.06.2022 |
|---------------------------------------|----------------|---------------|----------|------------------------------------|----------------|
| | Net value | Decrease | Increase | | Net value |
| Shareholdings in associated companies | 442,434 | 20,969 | | 27,931 | 449,396 |
| Shareholdings in other companies | 78,925 | | 1 | | 78,926 |
| Shareholdings | 521,359 | 20,969 | 1 | 27,931 | 528,322 |

During the year, the item “Equity investments” recorded an overall increase of Euro 6,693 thousand due to investments in affiliates.

The table below shows the details of the equity investments recognised at the end of the periods considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|----------------|----------------|
| Shareholdings in Estenergy S.p.A. | 440,892 | 434,368 |
| Shareholdings in Cogeide S.p.A. | 8,503 | 8,066 |
| Shareholdings in associated companies | 449,396 | 442,434 |
| Shareholdings in Hera Comm S.p.A. | 54,000 | 54,000 |
| Shareholdings in ACSM AGAM S.p.A. | 24,923 | 24,923 |
| Shareholdings in Banca Prealpi SanBiagio Credito Cooperativo - Soc. Coop. | 1 | 1 |
| Shareholdings in BVR Banca - Banche Venete Riunite Credito Cooperativo di Schio, Pedemonte, Roana e Vestenanova - Società Cooperativa | 1 | 1 |
| Shareholdings in BCC Busto Garolfo e Buguggiate S.C. | 1 | |
| Shareholdings in A2A SECURITY | 1 | |
| Shareholdings in other companies | 78,926 | 78,925 |
| Shareholdings | 528,322 | 521,359 |

Equity investments in subsidiary and affiliate companies

At the end of the first half of the year, investments in affiliate companies were recorded for Euro 449,396 thousand, an amount related to the 48% stake held in EstEnergy S.p.A. and the stake in Cogeide S.p.A..

The equity investment in Estenergy, at the end of the period equal to Euro 440,892 thousand, increased by Euro 6,524 thousand, explained by the valuation using the equity method of the consolidated results accrued during the first half of 2022 for Euro 27,493 thousand, net of the dividend collected for Euro 20,969 thousand. The Company, whose share capital is owned by Ascopiave S.p.A. (48%) and Hera S.p.A. (52%) sells natural gas and electricity.

The investment in Cogeide, to the tune of Euro 8,503 thousand, recorded an increase of Euro 437 thousand explained by the valuation with the equity method of the consolidated results accrued during the first half of 2022.

The table below shows the operating results, financial position and cash flows of the EstEnergy Group at the reporting date and at the end of the same period in the previous year:

| (Values inclusive of consolidation entries and expressed in millions of Euro) | First half 2022 pro rata | First half 2022 pro rata | First half 2021 pro rata | First half 2021 pro rata |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Non-current assets | 320.0 | 666.6 | 328.1 | 683.6 |
| Current assets | 221.5 | 461.4 | 158.9 | 331.1 |
| Net equity of the Group | 358.0 | 745.8 | 344.4 | 717.5 |
| Net equity of Others | 0.4 | 0.8 | 1.8 | 3.8 |
| Non-current liabilities | 38.2 | 79.5 | 27.5 | 57.3 |
| Current liabilities | 144.9 | 301.8 | 113.3 | 236.1 |
| Revenues | 400.3 | 834.0 | 212.8 | 443.4 |
| Costs | 377.5 | 786.5 | 189.4 | 394.5 |
| Gross operative margin | 22.8 | 47.5 | 23.5 | 48.9 |
| Amortization and depreciation | 8.5 | 17.7 | 7.5 | 15.6 |
| Operating result | 14.3 | 29.9 | 16.0 | 33.3 |
| Group's Net Result | 11.4 | 23.7 | 12.1 | 25.1 |
| Third parties Net Result | 0.1 | 0.3 | 0.8 | 1.7 |
| NFP | (16.7) | (34.7) | (68.3) | (142.3) |

Other investments

At the end of the first half of 2022, other equity investments amounted to Euro 78,926 thousand. The item includes equity investments consisting of 3% of the share capital of Hera Comm for Euro 54,000 thousand, acquired upon signing the commercial partnership with the Hera Group, completed on 19th December 2019, of 5.00% of the share capital of Acsm Agam S.p.A. for Euro 24,923 thousand, whose value was written down for Euro 1,806 thousand in the year 2020, and the residual equity investments, equal to Euro 4 thousand, relating to the stakes in Banca Prealpi SanBiagio Credito Cooperativo - Soc. Coop. for Euro 1 thousand, Banca Alto Vicentino S.p.A. for Euro 1 thousand, BCC Busto Garolfo e Buguggiate for Euro 1 thousand and A2A SECURITY for Euro 1 thousand.

Ascopiave S.p.A. has put options on the equity investment held in the affiliate company EstEnergy and on the stake in Hera Comm which, at the end of the year, showed a nil fair value.

5. Other non-current assets

The following table shows the breakdown of “Other non-current assets” at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---------------------------------|--------------|--------------|
| Security deposits | 2,430 | 1,394 |
| Other receivables | 2,185 | 2,210 |
| Other non-current assets | 4,615 | 3,604 |

At the end of the first half of the year, non-current assets recorded an overall increase compared to the previous year equal to Euro 1,011 thousand. This is mainly explained by the extension of the scope of consolidation which resulted in the recognition of non-current assets for Euro 1,030 thousand, related specifically to security deposits.

6. Non-current financial assets

The table below shows the balance of non-current financial assets at the end of each reporting period:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|--------------|--------------|
| Other financial receivables after 12 months | 2,892 | 2,864 |
| Non current financial assets | 2,892 | 2,864 |

Non-current financial assets increased from Euro 2,864 thousand in 2021 to Euro 2,892 thousand in the period in question, up Euro 28 thousand. The item includes the financial receivables from Local Entities deriving from the settlement agreements signed in previous years for assessing the value of the natural gas distribution infrastructure. The value entered under non-current financial assets represents the portion due beyond 12 months from the reporting date and, due to the duration of the agreed instalments, the item was discounted.

7. Deferred tax assets

The following table highlights the balance of Deferred tax assets at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--------------------------------|---------------|---------------|
| Advance tax receivables | 37,752 | 31,565 |
| Advance tax receivables | 37,752 | 31,565 |

At the end of the first half of the year, the item increased by Euro 6,187 thousand compared to the end of the previous year. This is mainly explained by the extension of the scope of consolidation which determined the recognition of deferred tax assets for Euro 5,497 thousand.

With the same scope of consolidation, deferred tax assets increased from Euro 31,565 thousand in 2021 to Euro 32,255 thousand in the period in question, up Euro 690 thousand. In calculating the taxes, reference was made to the IRES rate and, where applicable, to the IRAP rate in force, in relation to the tax period which includes the date of 30th June 2022 and at the time when it is estimated that any temporary differences will be carried forward.

Current assets

8. Inventories

The following table shows how the item is broken down for each period considered:

| | 30.06.2022 | | | 31.12.2021 | | |
|--------------------------------|--------------|--|--------------|--------------|--|--------------|
| | Gross value | Provision for obsolete inventory | Net value | Gross value | Provision for obsolete inventory | Net value |
| (Thousands of Euro) | | | | | | |
| Fuels and warehouse materials | 8,608 | (39) | 8,569 | 6,780 | (39) | 6,741 |
| Energy efficiency certificates | 0 | | 0 | 1,434 | | 1,434 |
| Inventories | 8,608 | (39) | 8,569 | 8,214 | (39) | 8,176 |

At the end of the first six months of the year, inventories are equal to Euro 8,569 thousand, up Euro 393 thousand as compared to 31st December 2021. The increase is mainly explained by the inventories of Romeo Gas S.p.A. and Serenissima Gas S.p.A. in the amount of Euro 538 thousand and the Euro 1,289 thousand increase in inventories partially offset by the use of energy efficiency certificates for Euro 1,434 thousand.

Goods in stock are used for maintenance works or for the construction of distribution plants. In the latter case materials are reclassified as Tangible Fixed Assets once installation is complete. At the end of the period, the item increased by Euro 1,827 thousand, from Euro 6,741 thousand on 31st December 2021, to Euro 8,569 thousand in the period in question.

Inventories are entered net of the provision for obsolete inventory, equal to Euro 39 thousand, in order to adapt their value to the opportunities for their clearance or use.

9. Trade receivables

The following table shows how the item is broken down for each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---------------------------------------|-------------------|-------------------|
| Receivables from customers | 9,589 | 5,716 |
| Receivables for invoices to be issued | 24,336 | 21,769 |
| Bad debt provisions | (2,367) | (698) |
| Trade receivables | 31,557 | 26,786 |

Trade receivables, from Euro 26,786 thousand in 2021 to Euro 31,557 thousand in the period in question, increased by Euro 4,771 thousand.

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 5,287 thousand of which: Euro 3,162 thousand of receivables for invoices issued (net of the provision for risks) and Euro 2,125 thousand related to invoices to be issued.

With the same scope of consolidation, trade receivables decrease by Euro 516 thousand. At the end of the first half of 2022, trade receivables were assigned by the Group distribution companies to factoring companies without recourse. The total assignment of receivables amounted to Euro 1,854 thousand. At the end of 2021, trade receivables totalling Euro 13,312 thousand had been assigned to factoring companies without recourse.

Receivables from customers are expressed net of billing down payments and are payable within the following 12 months.

The provision for doubtful accounts, equal to Euro 2,367 thousand, mainly represents the risks of the newly acquired companies (Euro 1,661 thousand) and the Group's distribution companies, and at the end of the first half of the year required minor additional amounts (Euro 8 thousand).

The changes in the provision for doubtful accounts during the first half of the year are shown in the following table:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|--------------|------------|
| Initial bad debt provision | 698 | 692 |
| Provision for bad debts from expansion of the consolidation perimeter | 1,661 | (0) |
| Provisions | 10 | 34 |
| Use | (2) | (28) |
| Final bad debt provision | 2,367 | 698 |

The following table highlights the composition of accounts receivables for invoices issued based on maturity, highlighting the capacity of the provision for doubtful accounts with respect to the due dates of receivables:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|--------------|--------------|
| Gross trade receivable invoices issued | 9,589 | 5,716 |
| - allowance for doubtful accounts | (2,367) | (698) |
| Net trade receivables for invoices issued | 7,222 | 5,018 |
| Aging of trade receivables for invoices issued | | |
| - to expire | 8,153 | 3,745 |
| - expired within 6 months | 534 | 1,104 |
| - overdue by 6 to 12 months | 142 | 49 |
| - expired more than 12 months | 760 | 818 |

10. Other current assets

The following table shows the breakdown of the item at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|---------------|---------------|
| Tax consolidation receivables | 266 | 184 |
| Annual pre-paid expenses | 2,606 | 998 |
| Advance payments to suppliers | 2,607 | 4,608 |
| Annual accrued income | 19 | 19 |
| Receivables due from CSEA | 39,043 | 17,414 |
| VAT Receivables | 1,692 | 127 |
| UTF and Provincial/Regional Additional Tax receivables | 40 | 40 |
| Other receivables | 5,500 | 2,186 |
| Other current assets | 51,772 | 25,575 |

The extension of the scope of consolidation, occurred with the acquisition of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in other assets of

Euro 6,972 thousand. Net of the effects described, the item changed by Euro 19,225 thousand, from Euro 25,575 thousand to Euro 44,800 thousand. The increase is mainly attributable to the higher receivables from Cassa Servizi Energetici ed Ambientali for Euro 17,500 thousand, the Euro 1,296 thousand increase in prepaid expenses on maintenance and insurance fees and higher other receivables for Euro 953 thousand, partially offset by lower down payments to suppliers for Euro 2,550 thousand.

At the end of the first half of the year, the receivables from Cassa Servizi Energetici e Ambientali (CSEA) are Euro 39,043 thousand and consist of receivables related to the achievement of the energy saving objectives for Euro 16,521 thousand and receivables recognised in relation to the tariff components applied to the natural gas distribution service for Euro 22,520 thousand. The first are calculated based on the quantities of energy efficiency certificates delivered, net of the down payments received, and the quantities accrued until 30th June 2022 but not yet delivered on the same date. The unit contribution used for the economic quantification of the fulfilment is equal to the final contribution set for objectives related to closed regulatory periods, and equal to the fair value of the forecast contribution for the contributions being accrued and, as of 30th June 2022, equal to Euro 250 (Euro 250 as of 31st December 2021).

11. Current financial assets

The following table shows the composition of current financial assets at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---------------------------------|------------|------------|
| Other financial current assets | 813 | 908 |
| Current financial assets | 813 | 908 |

Current financial assets mark a decrease of Euro 95 thousand, from Euro 908 thousand as of 31st December 2021 to Euro 813 thousand in the period in question. The decrease is mainly explained by the closure of items of Asco Energy S.p.A. due to the demerger of the gas sales business unit to Ascopiave Energie S.p.A..

At the end of the period, the item also included the short-term portion of the receivables from Hera S.p.A. relating to the settlement agreement on excise duties for Euro 400 thousand, the receivables from the municipality of Creazzo for Euro 138 thousand, the short-term portion of the receivables from the municipality of Costabissara for Euro 165 thousand, subsequent to the settlement agreement reached with the Local Body in 2019, and the receivables from the municipality of Santorso to the tune of Euro 106 thousand, as a result of the settlement agreement reached with the local authority in 2021.

12. Tax receivables

The following table shows the composition of tax receivables at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|-----------------------------|--------------|--------------|
| Receivables related to IRAP | 601 | 494 |
| Receivables related to IRES | 855 | 926 |
| Other tax receivables | 215 | 202 |
| Tax receivables | 1,671 | 1,621 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 153 thousand. With the same scope of consolidation, the item decreased by Euro 103 thousand during the period. The item includes the residual credit of the IRAP advances paid and the IRES advances.

13. Cash and cash equivalents

The following table shows how the item is broken down for each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|-----------------------------------|---------------|---------------|
| Bank and post office deposits | 10,658 | 42,519 |
| Cash and cash equivalents on hand | 22 | 20 |
| Cash and cash equivalents | 10,680 | 42,539 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 1,181 thousand. With the same scope of consolidation, cash and cash equivalents decreased by Euro 33,040 thousand, from Euro 42,539 thousand in 2021 to Euro 9,499 thousand in the period in question.

Cash and cash equivalents mainly refer to bank accounting balances and company funds. For a better understanding of the changes in cash flows during the year, please refer to the statement of cash flows.

Net financial position

At the end of the periods considered, the net financial position of the Group is as follows:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|------------------|------------------|
| Cash and cash equivalents | 10,680 | 42,539 |
| Current financial assets | 4,110 | 1,175 |
| Current financial liabilities | (2,576) | (1,985) |
| Payables due to banks and financing institutions | (189,839) | (199,632) |
| Net short-term financial position | (177,625) | (157,903) |
| Non current financial assets | 2,892 | 2,864 |
| Medium- and long-term bank loans | (225,253) | (161,488) |
| Outstanding medium- and long-term bonds | (94,722) | (24,181) |
| Non-current financial liabilities | (6,564) | (6,777) |
| Net medium and long-term financial position | (323,648) | (189,582) |
| Net financial position | (501,273) | (347,485) |

For comments on the main dynamics that caused changes in the net financial position, please refer to the analysis of the Group's financial data reported under the paragraph "Comments on the economic and financial results of the first half of 2022" and under the paragraph "Medium- and long-term loans" of these Interim financial statements.

14. Current assets from derivative financial instruments

The following table shows how the item is broken down for each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|--------------|------------|
| Assets on interest rates derivatives | 3,296 | 267 |
| Current assets from derivative financial instruments | 3,296 | 267 |

Current assets from derivative financial instruments relate to interest rate hedging agreements executed by the Parent Company Ascopiave in 2020, 2021 and 2022. With regard to the assets and liabilities related to derivatives, please refer to the paragraph “Risk and uncertainty factors” herein, which illustrates their effects.

Assets from derivatives connected with the loans signed by the Parent Company are represented by the fair value of the following derivatives existing as of 30th June 2022, whose financial manifestation will be divided based on the duration of the underlying loan:

| # | Counterpart | Type of instrument | Underlying Commodity | Trade date | Effective date | Expiry date | Position | Contractual notion | MtM (€/000) |
|--------------|-----------------|--------------------|----------------------|-------------|----------------|-------------|------------------------|----------------------|--------------|
| 1 | BNL | Interest Rate Swap | Euribor 6M | 09-Ago-2019 | 09-Feb-2020 | 09-Feb-2025 | Vanilla: Fixed - Float | 18,000,000 € | 297 |
| 2 | Credit Agricole | Interest Rate Swap | Euribor 6M | 27-Sep-2019 | 01-Oct-2019 | 27-Sep-2024 | Vanilla: Fixed - Float | 15,000,000 € | 221 |
| 3 | Intesa Sanpaolo | Interest Rate Swap | Euribor 6M | 30-Nov-2020 | 30-Nov-2020 | 30-Nov-2023 | Vanilla: Fixed - Float | 50,000,000 € | 1,019 |
| 4 | Mediobanca | Interest Rate Swap | Euribor 3M | 02-Dec-2020 | 02-Dec-2020 | 02-Dec-2025 | Vanilla: Fixed - Float | 23,333,333 € | 758 |
| 5 | Mediobanca | Interest Rate Swap | Euribor 3M | 23-Dec-2021 | 23-Dec-2021 | 23-Dec-2026 | Vanilla: Fixed - Float | 20,000,000 € | 779 |
| 6 | Credit Agricole | Interest Rate Swap | Euribor 6M | 31-Mar-2022 | 31-Mar-2022 | 31-Mar-2027 | Vanilla: Fixed - Float | 10,000,000 € | 103 |
| 7 | Intesa Sanpaolo | Interest Rate Swap | Euribor 1M | 06-Mar-2015 | 06-Mar-2015 | 27-Dec-2029 | Vanilla: Fixed - Float | 3,030,169 € | 119 |
| Total | | | | | | | | 139,363,502 € | 3,296 |

The financial instruments measured at fair value belong to Level 2 of the hierarchy.

Consolidated shareholders' equity

15. Shareholders' equity

Ascopiave S.p.A. share capital as of 30th June 2022 is made up of 234,411,575 ordinary shares, fully subscribed and paid, with a par value of Euro 1 each.

The shareholders' equity at the end of the periods considered is analysed in the following table:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|-------------------------------------|----------------|----------------|
| Share capital | 234,412 | 234,412 |
| Legal reserve | 46,882 | 46,882 |
| Own shares | (55,423) | (55,423) |
| Reserves and profit carried forward | 626,748 | 597,347 |
| Group's Net Result | 23,275 | 45,326 |
| Net equity of the Group | 875,893 | 868,544 |
| Net equity of Others | 42,697 | (39) |
| Total net equity | 918,590 | 868,505 |

Consolidated shareholders' equity at 30th June 2022 amounted to Euro 918,590 thousand, marking an increase of Euro 50,085 thousand compared to 2021. Changes in the consolidated shareholders' equity during the first half of the year, excluding the result achieved, are mainly explained by the entry of the minority shareholders of the companies Asco EG S.p.A. (former Eusebio Energia S.r.l.), Salinella Eolico S.r.l., Romeo Gas S.p.A. and Serenissima Gas S.p.A. for Euro 42,697 thousand and the changes in hedge accounting reserves linked to derivative instruments for Euro 2,760 thousand.

As of 30th June 2022, Ascopiave S.p.A. holds 17,701,578 shares, equal to 7.551% of the share capital, for a total value of Euro 55,423 thousand.

The hedge accounting reserve recorded at the end of the period represents the current value of the derivative financial instruments signed by Ascopiave S.p.A. and by the recently acquired companies operating in the hydroelectric sector, in order to hedge against any interest rate fluctuations related to the loans taken out and electricity prices.

Such reserve, as at, as of 30th June 2022, shows a positive balance of Euro 17,684 thousand.

With regard to the assets and liabilities related to assets from derivatives, please refer to the paragraph "Risk and uncertainty factors" herein which highlights their effects.

The Group's shareholders' equity also recorded an increase of Euro 16,568 thousand related to the changes in the shareholders' equity of affiliates, specifically the trend in the hedge accounting reserve recognised in relation to the derivative agreements signed to hedge against fluctuations in the price of commodities.

Non-current liabilities

16. Provisions for risks and charges

The following table shows how the item is broken down at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|--------------|--------------|
| Provisions for pension for gas sector employees | 650 | 700 |
| Other reserves for risks and charges | 634 | 775 |
| Provisions for risks and charges | 1,284 | 1,474 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in a change of Euro 18 thousand. With the same scope of consolidation, provisions for risks and charges, from Euro 1,474 thousand in the previous year to Euro 1,266 thousand in the period in question, decreased by Euro 208 thousand. The change is mainly explained by the use of the provision.

The changes in the period under examination are shown in the following table:

| (Thousands of Euro) | |
|--|--------------|
| Reserves for risks and charges as of 1 st January 2022 | 1,474 |
| Expansion of the consolidation perimeter | 8 |
| Provisions for risks and charges | 19 |
| Use of provisions for risks and charges | (217) |
| Provisions for risks and charges 30th of June 2022 | 1,284 |

The following table shows the composition of provisions for risks and charges by type:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|-------------------|-------------------|
| Provisions for cost of energy efficiency certificates | 195 | 223 |
| Provisions for retirement fund and similar obligations | 624 | 700 |
| Funds on fair value differentials of acquired companies | 458 | 0 |
| Expansion of the consolidation perimeter | 8 | 552 |
| Total | 1,284 | 1,474 |

The “retirement fund and similar obligations” item includes commitments to employees and directors regarding long-term incentive plans for the cash portion.

17. Severance indemnity

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 836 thousand.

With the same scope of consolidation, severance indemnity decreases from Euro 4,491 thousand as at 1st January 2022 to Euro 4,161 thousand as of 30th June 2022, down Euro 330 thousand.

The following table shows how the item changed in each period considered:

| (Thousands of Euro) | |
|--|--------------|
| Severance indemnity as of 1 st January 2022 | 4,491 |
| Retirement allowance | (661) |
| Payments for current services and work | 1,421 |
| Actuarial loss/(profits) of the period (*) | (560) |
| Severance indemnity as of 30th June 2022 | 4,997 |

* including the interest cost booked in the income statement.

18. Outstanding long-term bonds

The following table shows how the item is broken down for each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|---------------|---------------|
| Outstanding medium- and long-term bonds | 94,722 | 24,181 |
| Outstanding medium- and long-term bonds | 94,722 | 24,181 |

Within the Private Placement “Shelf” uncommitted programme with Pricoa Capital Group, part of the US group Prudential Financial Inc., during the period the Parent Company Ascopiave S.p.A. placed unsecured senior non-convertible bond notes for Euro 70 million, with a 10-year maturity and an average life of 6 years; therefore, the bonds issued now globally amount to Euro 95 million.

The bond notes issued have no rating and are not listed on regulated markets. The issue is not backed by collateral guarantees. Ascopiave is required to comply with certain financial covenants, in line with standard market practice, to be checked every six months.

19. Medium- and long-term loans

The following table shows how the item is broken down for each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|----------------|----------------|
| Loans from Cassa Centrale Banca | 5,825 | 6,234 |
| Loans from European Investment Bank | 0 | 7,250 |
| Loans from Mediocredito Italiano | 9,739 | 0 |
| Loans from INTESA SAN PAOLO SPA | 65,000 | 70,000 |
| Loans from BPER | 0 | 3,356 |
| Loans from BANCO BPM | 23,939 | 0 |
| Loans from BNL | 29,500 | 18,750 |
| Loans from Cassa Centrale Banca-Credito Coop.It | 27,286 | 0 |
| Loans from CREDIT AGRICOLE FRIULADRIA | 7,982 | 12,000 |
| Loans from MEDIOBANCA | 32,222 | 37,778 |
| Loans from ICCREA | 23,759 | 6,120 |
| Medium- and long-term bank loans | 225,253 | 161,488 |
| Current portion of medium and long-term bank loans | 79,853 | 60,631 |
| Medium and long-term bank loans | 305,106 | 222,119 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 9,739 thousand.

Medium and long term loans, mainly represented as of 30th June 2022 by the payables of the Parent Company to Intesa Sanpaolo for Euro 75,000 thousand, Mediobanca for Euro 43,333 thousand, Iccrea Banca for Euro 30,000 thousand, BNL for Euro 38,000 thousand, Cassa Centrale Banca for Euro 36,639 thousand, Crédit Agricole Friuladria for Euro 25,000 thousand, BPER for Euro 6,703 thousand, the European Investment Bank for Euro 9,625 thousand and the payables of the subsidiary Asco EG, acquired during the reference period, to Intesa Sanpaolo for Euro 11,130 thousand, increase from Euro 222,119 thousand as of 31st December 2021 to Euro 305,106 thousand, up Euro 82,987 thousand, mainly explained by the payment of the instalments, the new loans with Cassa Centrale Banca, Crédit Agricole, Banco BPM and Iccrea Banca, and the consolidation of the payables of the companies acquired during the year.

The details of the nominal residual debt of each loan are described below:

- the loan with Intesa Sanpaolo, disbursed in November 2020 for a total amount of Euro 50,000 thousand, equal to the residual debt as of 30th June 2022, has no amounts in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked each year on the Group's consolidated data prepared in compliance with IFRS;
- the loan with Cassa Centrale Banca, disbursed in March 2022 for a total amount of Euro 30,000 thousand, equal to the residual debt as of 30th June 2022, with the recognition of Euro 2,628 thousand in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked each year on the Group's consolidated data prepared in compliance with IFRS;
- the loan with Crédit Agricole Friuladria, disbursed in March 2022 for a total amount of Euro 10,000 thousand, equal to the residual debt as of 30th June 2022, with the recognition of Euro 2,000 thousand in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked each year on the Group's consolidated data prepared in compliance with IFRS;
- the loan with Banco BPM, disbursed in May 2022 for a total amount of Euro 30,000 thousand, equal to the residual debt as of 30th June 2022, with the recognition of Euro 6,000 thousand in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked each year on the Group's consolidated data prepared in compliance with IFRS;
- the loan with Iccrea Banca, disbursed in June 2022 for a total amount of Euro 30,000 thousand, equal to the residual debt as of 30th June 2022, with the recognition of Euro 6,181 thousand in due to banks and short-term loans;
- the loan with Intesa Sanpaolo, disbursed in November 2019 for a total amount of Euro 50,000 thousand, has a residual debt as of 30th June 2022 of Euro 25,000 thousand, with the recognition of Euro 10,000 thousand in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked each year on the Group's consolidated data prepared in compliance with IFRS;
- the loan with Mediobanca, disbursed in December 2020 for a total amount of Euro 30,000 thousand, has a residual debt as of 30th June 2022 of Euro 23,333 thousand, with the recognition of Euro 6,667 thousand in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked every six months on the Group's consolidated data prepared in compliance with IFRS;
- the loan with Mediobanca, disbursed in December 2021 for a total amount of Euro 20,000 thousand, equal to the residual debt as of 30th June 2022, with the recognition of Euro 4,444 thousand in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked every six months on the Group's consolidated data prepared in compliance with IFRS;
- the loan with BNL, disbursed in 2017 for an amount equal to Euro 30,000 thousand, has a residual debt as of 30th June 2022 of Euro 20,000 thousand, with the recognition of Euro 2,500 thousand in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked each year on the Group's consolidated data prepared in compliance with IFRS;
- the loan with BNL, granted in August 2019 for an amount equal to Euro 30,000 thousand, has a residual debt as of 30th June 2022 of Euro 18,000 thousand, with the recognition of Euro 6,000 thousand in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked each year on the Group's consolidated data prepared in compliance with IFRS;
- the loan with Crédit Agricole Friuladria, disbursed in October 2019 for an amount equal to Euro 30,000 thousand, has a residual debt as of 30th June 2022 of Euro 15,000 thousand, entirely recorded in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked every six months on the Group's consolidated data prepared in compliance with IFRS;
- the loan with the European Investment Bank, paid in two tranches in 2013 for a total amount of Euro 45,000 thousand, has a residual debt as of 30th June 2022 of Euro 9,625 thousand, entirely recorded in due to banks and short-term loans; the contract envisages the fulfilment of certain financial covenants to be checked every six months on the Group's consolidated data prepared in compliance with IFRS;
- the loan with BPER, originally disbursed in May 2020 by UBI Banca for an amount equal to Euro 20,000 thousand and transferred to BPER subsequent to the reorganisation of the bank, has a residual debt as of 30th June 2022 of Euro 6,703 thousand, entirely recorded in due to banks and short-term loans;
- the loan with Cassa Centrale Banca, granted at the beginning of 2018 for an amount equal to Euro 10,000 thousand, has a residual debt as of 30th June 2022 of Euro 6,639 thousand, with the recognition of Euro 814 thousand in due to banks and short-term loans;

- the loan with Intesa Sanpaolo taken out by the subsidiary Asco EG, acquired in January 2022 and operating in the sector of electricity generation from renewable sources, has a residual debt as of 30th June 2022 of Euro 11,130 thousand, with the recognition of Euro 1,391 thousand in due to banks and short-term loans.

As a guarantee of the fulfilment of the obligations associated with the loan agreements with BNL (only the one taken out in 2017) and the European Investment Bank, the Parent Company has transferred to the banks a share of future receivables arising from the reimbursement of the value of assets related to gas distribution concessions of the subsidiary AP Reti Gas S.p.A..

The following table shows the due dates of medium- and long-term loans:

| (Thousands of Euro) | 30.06.2022 |
|---|----------------|
| Financial Year 2022 | 32,527 |
| Financial Year 2023 | 113,584 |
| Financial Year 2024 | 56,899 |
| Financial Year 2025 | 38,075 |
| Beyond 31 st December 2025 | 64,020 |
| Medium- and long-term bank loans | 305,106 |

20. Other non-current liabilities

The following table shows how the items are broken down for each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--------------------------------------|---------------|---------------|
| Security deposits | 1,638 | 1,666 |
| Multi-annual passive payables | 33,516 | 27,399 |
| Other payables | 1,407 | |
| Other non-current liabilities | 36,561 | 29,066 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 7,002 thousand.

With the same scope of consolidation, other non-current liabilities increased from Euro 29,066 thousand in the previous year to Euro 29,559 thousand in the period in question, up Euro 493 thousand.

Other non-current liabilities increased by Euro 296 thousand due to the performance of long-term deferred income, which was recognised against revenues for contributions received from private and public entities for the construction of the distribution network or connections to the gas network and related to the useful life of the gas distribution facilities. The suspension of revenues is explained by the content of Law no. 9/2014 which envisages the full deduction of contributions from private individuals from the value of technical assets held under concession within the scope of gas distribution.

Security deposits recorded at the end of the year decreased by Euro 157 thousand and refer to deposits received from the natural gas sales companies that work in the area where the gas distribution network managed by the Group companies is located, for the transport of the raw material.

21. Non-current financial liabilities

The following table shows how the item is broken down at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|--------------|--------------|
| Debts for rights of use beyond 12 months | 6,564 | 6,777 |
| Non-current financial liabilities | 6,564 | 6,777 |

Other non-current liabilities decreased from Euro 6,777 thousand in the previous year to Euro 6,564 thousand in the period in question, down Euro 213 thousand.

The decrease is mainly explained by the payment of the operating lease instalments.

22. Deferred tax payables

The following table shows the balance of the item at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|------------------------------|---------------|---------------|
| Deferred tax payables | 13,840 | 13,228 |
| Deferred tax payables | 13,840 | 13,228 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 803 thousand.

With the same scope of consolidation, deferred tax payables decrease from Euro 13,228 thousand in the previous year to Euro 13,037 thousand in the period in question, down Euro 191 thousand.

Deferred tax payables mainly include the tax effects deriving from the dynamics of amortisation of gas distribution networks. In calculating the taxes, reference was made to the IRES rate and, where applicable, to the IRAP rate in force, in relation to the tax period which includes the date of 30th June 2022 and at the time when it is estimated that any temporary differences will be carried forward.

Current liabilities

23. Amounts due to banks and current portion of medium- / long-term loans

The following table shows how the item is broken down at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|----------------|----------------|
| Payables due to banks | 109,986 | 139,000 |
| Current portion of medium-long-term loans | 79,853 | 60,631 |
| Payables due to banks and financing institutions | 189,839 | 199,631 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 1,373 thousand.

With the same scope of consolidation, payables to banks decreased from Euro 199,631 thousand in the previous year to Euro 188,466 thousand in the period in question, down Euro 11,165 thousand and include debtor accounting balances to credit institutions and the short-term quota of loans.

The chart below shows the breakdown of the Group's credit lines used and available and the related rates applied as at 30th June 2022:

| Bank | Type of line of credit | Credit line at 30.06.2022 | Rate at 30.06.2022 | Use of credit line at 30.06.2022 |
|---|------------------------|---------------------------|--------------------|----------------------------------|
| Unicredit | Endorsement loan | 14,585 | n.a. | 200 |
| Unicredit | Endorsement loan | 5,060 | n.a. | - |
| Unicredit | Endorsement loan | 1,030 | n.a. | - |
| Banca Alto Vicentino | Endorsement loan | 1,537 | n.a. | 1,527 |
| Intesa SanPaolo | Cash loan | 50 | n.a. | - |
| Intesa SanPaolo | Endorsement loan | 2,457 | n.a. | 2,457 |
| Unicredit | Endorsement loan | 3,195 | n.a. | 85 |
| Banca Nazionale del Lavoro | Endorsement loan | 75 | n.a. | 75 |
| Unicredit | Endorsement loan | 1,020 | n.a. | - |
| Banca Prealpi SanBiagio | Long-term mortgage | 3,320 | 1.83% | 3,320 |
| European Investment Bank | Long-term mortgage | 4,375 | 0.27% | 4,375 |
| European Investment Bank | Long-term mortgage | 5,250 | 0.51% | 5,250 |
| Banca Nazionale del Lavoro | Cash loan | 24,000 | 0.20% | 15,000 |
| Banca Nazionale del Lavoro | Long-term mortgage | 18,000 | 0.56% | 18,000 |
| Banca Nazionale del Lavoro | Long-term mortgage | 20,000 | 1.92% | 20,000 |
| Banca Nazionale del Lavoro | Long-term mortgage | 1,000 | n.a. | 140 |
| Banca Popolare dell'Emilia Romagna | Cash loan | 10,000 | 0.20% | 10,000 |
| Banca Popolare dell'Emilia Romagna | Long-term mortgage | 6,703 | 0.55% | 6,703 |
| Banca Sella | Cash loan | 5,000 | n.a. | - |
| Banco BPM | Cash loan | 5,000 | 0.30% | 5,000 |
| Banco BPM | Endorsement loan | 5,000 | n.a. | 1,287 |
| Banco BPM | Endorsement loan | 30,000 | 1.25% | 30,000 |
| Cassa Centrale Banca | Long-term mortgage | 3,320 | 1.83% | 3,320 |
| Cassa Depositi e Prestiti | Endorsement loan | 9,943 | n.a. | 9,943 |
| Cassa Centrale Banca | Long-term mortgage | 30,000 | 1.85% | 30,000 |
| Crédit Agricole Corporate & Investment Bank | Long-term mortgage | 7,500 | 0.54% | 7,500 |
| Credit Agricole Friuladria | Long-term mortgage | 7,500 | 0.54% | 7,500 |
| Credit Agricole Friuladria | Derivatives line | 5,000 | 0.30% | 5,000 |
| Credito Emiliano | Cash loan | 30,000 | 0.20% | 30,000 |
| Intesa SanPaolo | Long-term mortgage | 55,000 | 0.38% | 45,000 |
| Credit Agricole Friuladria | Long-term mortgage | 10,000 | 0.60% | 10,000 |
| Iccrea | Long-term mortgage | 30,000 | 1.15% | 30,000 |
| Intesa SanPaolo | Long-term mortgage | 25,000 | 0.41% | 25,000 |
| Intesa SanPaolo | Long-term mortgage | 50,000 | 0.36% | 50,000 |
| Mediobanca | Long-term mortgage | 23,333 | 0.35% | 23,333 |
| Mediobanca | Long-term mortgage | 20,000 | 0.61% | 20,000 |
| Unicredit | Cash loan | 30,700 | n.a. | - |
| Unicredit | Endorsement loan | 29,210 | n.a. | 4,405 |
| Unicredit | Endorsement loan | 3,100 | n.a. | 109 |
| Pricoa Capital Group | Bond loan | 25,000 | 1.38% | 25,000 |
| Banca Popolare dell'Emilia Romagna | Endorsement loan | 107 | n.a. | 107 |
| Pricoa Capital Group | Bond loan | 70,000 | 2.05% | 70,000 |
| Total | | 631,359 | | 519,636 |

Note: the total uses do not correspond to the total payables to banks as the use of the line for the issue of sureties does not result in bank payables.

24. Trade payables

The following table shows how the item is broken down at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|---------------|---------------|
| Payables to suppliers | 6,237 | 6,553 |
| Payables to suppliers for invoices not yet received | 32,040 | 27,848 |
| Trade payables | 38,277 | 34,401 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 3,449 thousand.

With the same scope of consolidation, trade payables increased from Euro 34,401 thousand in the previous year to Euro 34,828 thousand in the period in question, up Euro 427 thousand.

The item includes the payables to suppliers of materials and services for the extension or maintenance of the natural gas distribution network, the purchase of the energy efficiency certificates needed to achieve the objectives set as well as for consultancy services received during the period in question.

The payables connected with the purchase of the energy efficiency certificates, needed to achieve the energy saving objectives that the Group distribution companies must fulfil, are calculated by evaluating the amounts of certificates accrued until the reporting date. The unit cost of certificates not purchased at the reporting date is the fair value of the prices recorded in the relevant market, calculated on 30th June 2022 and amounting to Euro 261.7 (Euro 260 on 31st December 2021).

25. Payables to tax authorities

The following table shows how the item is broken down at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---------------------|--------------|--------------|
| IRAP payables | 211 | 138 |
| IRES payables | 1,473 | 1,059 |
| Other tax payables | 193 | 87 |
| Tax payables | 1,877 | 1,284 |

The extension of the scope of consolidation, subsequent to the purchase, resulted in an increase in the item of Euro 488 thousand.

With the same scope of consolidation, payables to tax authorities, from Euro 1,284 thousand in the previous year to Euro 1,389 thousand in the period in question, increased by Euro 105 thousand.

Tax payables include payables accrued on the results achieved during the year towards the tax authorities for IRES and IRAP.

26. Other current liabilities

The following table shows how the item is broken down at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|---------------|---------------|
| Advance payments from customers | 947 | 823 |
| Amounts due for tax consolidation | 583 | 0 |
| Amounts due to social security institutions | 2,108 | 1,238 |
| Amounts due to employees | 5,713 | 4,390 |
| VAT payables | 616 | 1,898 |
| Payables to revenue office for withholding tax | 443 | 1,047 |
| Annual passive prepayments | 922 | 787 |
| Annual passive accruals | 839 | 838 |
| Payables due to CSEA | 22,440 | 11,717 |
| Other payables | 9,354 | 1,305 |
| Other current liabilities | 43,964 | 24,043 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 11,388 thousand.

With the same scope of consolidation, other current liabilities increased from Euro 24,043 thousand in 2021 to Euro 32,576 thousand in the period in question, up Euro 8,533 thousand.

The change is mainly explained by the increase in payables to Cassa per i Servizi Energetici e Ambientali (CSEA) for Euro 9,249 thousand as regards the tariff components related to natural gas transport.

Advances from clients

Advances from clients represent the amounts paid by the customers as a contribution for works of allotments and connection and realisation of thermal plants in progress as of the end of the financial period as of 30th June 2022.

Welfare payables

Welfare payables include the payables for the welfare obligations to pension institutions for company employees and directors, accrued as of 30th June 2022 but not yet paid on that date.

Payables to personnel

The amounts due to employees include holidays not taken, deferred remuneration and bonuses earned as of 30th June 2022 but not paid out on that date and the relevant social security contributions. With the same scope of consolidation the item increased by Euro 1,098 thousand, from Euro 4,390 thousand in 2021 to Euro 5,489 thousand in the period in question.

VAT payables

With the same scope of consolidation, payables to the tax authorities for VAT at the end of the first half of 2022 amount to Euro 604 thousand, a decrease compared to the previous year of Euro 609 thousand mainly related to the dynamics of the VAT advances paid at the end of the year and the payables accrued.

Annual deferred income

Other deferred income is mainly attributable to the grants received for the construction of the natural gas distribution network and the relevant connections.

Annual accrued liabilities

Accrued liabilities refer mainly to State fees and the fees granted to local licensing bodies for the extension of the

concession for the distribution of natural gas, awaiting the territorial calls for tenders.

Other payables

At the end of the period in question, with the same scope of consolidation, the item showed a balance of Euro 2,042 thousand, up Euro 738 thousand compared to the previous year.

27. Current financial liabilities

The following table shows how the item is broken down at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|--------------|--------------|
| Financial payable within 12 months | 1,746 | 687 |
| Financial payables related to IFRS 16 within 12 months | 830 | 960 |
| Current financial liabilities | 2,576 | 1,647 |

The extension of the scope of consolidation, subsequent to the purchase of stakes in Asco EG S.p.A., Salinella Eolico S.r.l., Romeo Gas S.p.A., Serenissima Gas S.p.A. and Green Factory S.r.l., resulted in an increase in the item of Euro 1,125 thousand.

With the same scope of consolidation, current financial liabilities decreased from Euro 1,647 thousand in 2021 to Euro 1,451 thousand in the period in question, down Euro 196 thousand.

Financial payables related to the application of the international accounting standard IFRS 16 recorded a change equal to Euro 130 thousand during the year, mainly due to the payment of the instalments of operating leases.

They represent financial payables expiring within twelve months for operating lease agreements signed for rentals of company offices and vehicles.

28. Current liabilities from derivative financial instruments

The following table shows how the item is broken down at the end of each period considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|------------|------------|
| Liabilities on interest rates derivatives | 0 | 338 |
| Liabilities on electric energy derivatives | 500 | 0 |
| Current liabilities from derivative financial instruments | 500 | 338 |

Current liabilities on derivative financial instruments relate to hedging contracts on the price of electricity produced by the hydroelectric plants of Asco EG. With regard to the assets and liabilities related to assets from derivatives, please refer to the paragraph "Risk and uncertainty factors" herein, which illustrates their effects.

Liabilities on derivatives connected with the loans taken out by the Parent Company are represented by the fair value of the following derivatives existing as of 30th June 2022, whose financial manifestation will be divided based on the duration of the underlying loan:

| # | Counterpart | Type of instrument | Underlying Commodity | Trade date | Effective date | Expiry date | Position | Contractual notion | MtM (€/000) |
|--------------|------------------|--------------------|----------------------|-------------|----------------|-------------|------------|--------------------|-------------|
| 1 | Ascopiave S.p.A. | Commodity Swap | Power IT Baseload | 20-Apr-2022 | 01-Jan-2023 | 31-Dec-2023 | Sell/Short | 8,760 Mwh | 500 |
| Total | | | | | | | | 8,760 Mwh | 500 |

The financial instruments measured at fair value belong to the 2nd evaluation hierarchical level.

COMMENTS ON THE MAIN CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS

Revenues

29. Revenues

The following table shows the composition of the item by type of activity in the fiscal periods considered:

| (Thousands of Euro) | First half | |
|--|---------------|---------------|
| | 2022 | 2021 |
| Revenues from gas transportation | 55,655 | 55,086 |
| Revenues from the sale of electricity | 207 | 81 |
| Revenues from connections | 347 | 289 |
| Revenues from heat supply | (0) | 5 |
| Revenues from distribution services | 2,189 | 2,243 |
| Revenues from services supplied to Group companies | 9,891 | 4,283 |
| Revenues from ARERA contributions | 4,853 | 2,499 |
| Revenues from hydroelectric - wind power plant | 5,251 | |
| Other revenues | 3,026 | 1,601 |
| Revenues | 81,420 | 66,085 |

The revenues of the Ascopiave Group are substantially entirely generated in Italy and amount to Euro 81,420 thousand, up Euro 15,334 thousand as against the period shown for comparative purposes (Euro 66,085 thousand). The extension of the scope of consolidation, due to the acquisitions finalised in the last months of 2021 and the first months of 2022, led to the recognition of the revenues achieved during the first half of the year by the acquired companies and amounting to Euro 9,179 thousand. With the same scope of consolidation, the revenues achieved by the Group amount to Euro 72,241 thousand, up Euro 6,156 thousand compared to the first half of 2021. The increase is mainly explained by the recognition of revenues, to the tune of Euro 6,544 thousand, that the affiliates involved in the partnership established in 2019 with the Hera Group will have to pay due to the early termination of some service agreements.

The *transportation of natural gas on the distribution network* generated revenues for Euro 55,655 thousand, up Euro 570 thousand compared to the same period in the previous year. The extension of the scope of consolidation, specifically the first consolidation of Romeo Gas S.p.A. and Serenissima S.p.A., resulted in the recognition of the revenues earned by such companies in the second quarter of the year totalling Euro 3,306 thousand. Consequently, considering the same scope of consolidation, the item decreased by Euro 2,736 thousand. The Restriction on total revenues is determined, year after year, based on the number of active redelivery points the Company actually served during the reference period, as well as on the reference price, whose values are established and published by ARERA. The decrease compared to the same period in the previous year is mainly explained by the regulatory changes which came into force in 2022 regarding tariff regulations.

With the same scope of consolidation, the revenues derived from *services provided by distributors*, being equal to Euro 2,118 thousand, decreased compared to the same period in the previous year by Euro 124 thousand. The extension of the scope of consolidation led to the recognition of the revenues achieved by Romeo Gas S.p.A. and Serenissima S.p.A. in the second quarter of the year totalling Euro 70 thousand. The total revenues achieved by the Group at the end of the first half of the year are consequently equal to Euro 2,189 thousand.

Revenues for *services provided to Group companies* show an increase of Euro 5,608 thousand as compared to the same period in the previous year and amount to Euro 9,891 thousand as of 30th June 2022. The change is mainly related to the recognition of revenues, in the amount of Euro 6,544 thousand, that the affiliates involved in the partnership established in 2019 with the Hera Group will have to pay due to the early termination of some service agreements.

The *contributions made by the Regulatory Authority for Energy, Networks and the Environment* at the end of the first half of the year amount to Euro 4,853 thousand, up Euro 2,354 thousand compared to the same period in the previous

year. The contributions are paid for the achievement of objectives set by the Authority itself in terms of energy saving and published by resolution, which defines the specific obligations of primary energy savings by the distributors to which such obligations apply. The contributions recognised as of 30th June 2022 are calculated by evaluating the quantities of energy efficiency certificates accrued as compared to the 2021 target (regulatory period June 2022 - May 2023). Consequently, the unit contribution used for the economic quantification of the fulfilment of the obligation is equal to the fair value of the forecast contribution for the contributions being accrued and, as of 30th June 2022, equal to Euro 250 (source STX), in line with the figure as of 30th June 2021.

During the first half of the year, revenues from the sale of electricity produced from renewable sources, specifically hydroelectric plants and wind farms, amount to Euro 5,251 thousand and pertain to the companies recently included in the scope of consolidation. Such revenues were significantly affected by the so-called “Support Decree” (Law Decree 4/2022) issued by the Government during the first quarter of the year. The Decree, which entered into force on 1st February 2022, basically introduces a maximum ceiling for energy sales prices also applicable to producers of energy from renewable sources, and will remain in force until 31st December 2022. Revenues were adjusted pursuant to the provisions contained in the decree above for the plants that Gestore Servizi Energetici (GSE) has included in the scope of such decree.

The item “*Other revenues*”, from Euro 1,601 thousand in the first half of 2021, to Euro 3,026 thousand in the period in question, increases by Euro 1,425 thousand. The extension of the scope of consolidation determined the recognition of other revenues equal to Euro 484 thousand. With the same scope of consolidation, the other revenues achieved by the Group are consequently equal to Euro 2,542 thousand, up Euro 941 thousand compared to the same period in the previous year and the change is mainly explained by the higher contributions received, totalling Euro 1,218 thousand, for activities aimed at enhancing the safety of natural gas distribution systems.

28. Cost of other raw materials

The following table shows the costs relating to the purchase of other raw materials during the relevant financial periods:

| (Thousands of Euro) | First half | |
|---|--------------|--------------|
| | 2022 | 2021 |
| Purchase of other raw material | 1,339 | 1,113 |
| Purchase costs for other raw materials | 1,339 | 1,113 |

With the same scope of consolidation, at the end of the first half of the year, the costs incurred for the purchase of other raw materials are equal to Euro 1,226 thousand, up Euro 113 thousand as compared to the same period in the previous year. The extension of the scope resulted in the recognition of the costs incurred by the companies acquired during the year, in the amount of Euro 113 thousand. The increase is mainly explained by the higher costs incurred for the purchase of natural gas for the operation of the cogeneration and heat supply plants managed by the Group, partially offset by the reduction in the materials used for the planned maintenance of the natural gas distribution facilities.

This item mainly includes costs related to the purchase of materials for the maintenance of the natural gas distribution infrastructure and odorization.

29. Costs for services

Costs for services for the relevant periods are analysed in the following table:

| (Thousands of Euro) | First half | |
|---|---------------|---------------|
| | 2022 | 2021 |
| Costs for counting meters reading | 470 | 518 |
| Mailing and telegraph costs | 61 | 266 |
| Maintenance and repairs | 1,794 | 1,838 |
| Consulting services | 4,068 | 2,452 |
| Commercial services and advertisement | 87 | 68 |
| Sundry suppliers | 2,398 | 850 |
| Directors' and Statutory Auditors' fees | 744 | 963 |
| Insurances | 524 | 448 |
| Personnel costs | 388 | 263 |
| Other managing expenses | 832 | 499 |
| Costs for use of third-party assets | 13,928 | 11,366 |
| Costs for services | 25,294 | 19,529 |

At the end of the first half of the year, with the same scope of consolidation, *costs for services* incurred amount to Euro 21,052 thousand, up Euro 1,523 thousand as compared to the same period in the previous year. The extension of the scope of consolidation resulted in the recognition of the costs for services incurred by the newly acquired companies, equal to Euro 4,242 thousand at the end of the period.

With the same scope of consolidation, the costs incurred for *metre reading*, amounting to Euro 458 thousand, decreased by Euro 60 thousand as compared to the same period in the previous year (Euro 518 thousand as of 30th June 2021). The extension of the scope of consolidation resulted in the recognition of costs for Euro 12 thousand.

The costs for *postal and telegraph expenses* decreased from Euro 266 thousand in the first half of the previous year, to Euro 61 thousand in the first half of 2022, down Euro 205 thousand.

With the same scope of consolidation, the costs for *maintenance and repairs* decreased from Euro 1,838 thousand in the first half of the previous year, to Euro 1,469 thousand in the period in question, down Euro 370 thousand. The extension of the scope of consolidation led to the recognition of costs for Euro 326 thousand. The item mainly includes costs related to software fees and expenses incurred for routine facility maintenance.

The extension of the scope of consolidation resulted in the recognition of *costs for consulting services* equal to Euro 404 thousand. With the same scope of consolidation, at the end of the reference period, the costs for consulting services amounted to Euro 3,664 thousand, up Euro 1,212 thousand compared to the same period of the previous year. The change recorded is partly explained by the costs incurred as part of the extraordinary operations performed during the period in question.

With the same scope of consolidation, at the end of the first half of the year, *costs for utilities* amounted to Euro 2,096 thousand, up Euro 1,246 thousand compared to the same period of the previous year. The change recorded is mainly explained by the trend in natural gas and electricity tariffs, which have recorded significant increases since the second half of the year 2021. The extension of the scope of consolidation resulted in the recognition of *costs for utilities* amounting to Euro 302 thousand.

The *costs for use of third-party assets* incurred during the first half of the year, with the same scope of consolidation, amount to Euro 11,350 thousand, substantially in line with the period under comparison. The extension of the scope of consolidation resulted in the registration of costs for use of third-party assets incurred by the newly acquired companies for Euro 2,578 thousand. The item mainly includes the fees paid to the Local Authorities for the management of natural gas distribution concessions and the hydroelectric and wind power plants located in the municipalities of the same Authorities.

30. Costs for staff

The following table shows the breakdown of personnel costs in the periods considered:

| (Thousands of Euro) | First half | |
|-------------------------------|---------------|---------------|
| | 2022 | 2021 |
| Wages and salaries | 10,930 | 10,204 |
| Social security contributions | 3,532 | 3,225 |
| Severance indemnity | 861 | 773 |
| Other costs | 34 | 22 |
| Total personnel costs | 15,357 | 14,224 |
| Capitalized personnel costs | (5,323) | (5,076) |
| Personnel costs | 10,034 | 9,148 |

The cost for staff is net of costs capitalised by the companies of natural gas distribution as against increases in intangible assets for works performed on a time and material basis, which are directly attributed to the implementation of facilities for the distribution of natural gas and recorded as an asset.

The extension of the scope of consolidation resulted in the recognition of the costs incurred in the period by the newly acquired companies for a total amount of Euro 749 thousand. With the same scope of consolidation, personnel costs increased from Euro 14,224 thousand in the first half of 2021, to Euro 14,608 thousand in the period in question, up Euro 384 thousand.

Capitalised personnel cost registered a decrease of Euro 98 thousand, from Euro 5,076 thousand in the first half of the previous year, to Euro 4,977 thousand in the reference period. Personnel costs capitalised by the companies included in the scope of consolidation are equal to Euro 346 thousand.

Personnel costs consequently increased by Euro 885 thousand.

The table below shows the average number of Group employees by category at the end of the indicated periods:

| Description | 30.06.2022 | Enlargement of the perimeter | On a like-for-like basis | 30.06.2021 | Variation |
|--|------------|------------------------------|--------------------------|------------|-----------|
| Managers (average) | 14 | 0 | 14 | 14 | 0 |
| Office workers (average) | 326 | 12 | 314 | 302 | 12 |
| Manual workers (average) | 168 | 9 | 159 | 154 | 5 |
| No. of staff employed (average) | 508 | 21 | 486 | 470 | 16 |

The extension of the scope of consolidation resulted in an increase in the Group's workforce of 74 units. The table above represents the staff employed in the past six months by Asco EG S.p.A., consolidated commencing 1st January 2022, and the workforce in the past three months of Romeo Gas S.p.A. and Serenissima Gas S.p.A. on the basis of the effective date of the combination, namely 1st April 2022.

31. Other operating costs

The following table shows the breakdown of other operating costs in the periods considered:

| (Thousands of Euro) | First half | |
|--------------------------------|--------------|--------------|
| | 2022 | 2021 |
| Provision for risks on credits | 10 | 34 |
| Other provisions | 19 | (297) |
| Membership and ARERA fees | 439 | 465 |
| Capital losses | 918 | 656 |
| Extraordinary losses | 117 | 20 |
| Other taxes | 938 | 623 |
| Other costs | 657 | 358 |
| Costs of contracts | 1,059 | 809 |
| Energy efficiency certificates | 4,695 | 2,588 |
| Other management costs | 8,851 | 5,256 |

With the same scope of consolidation, other operating costs increased from Euro 5,256 thousand in the first half of 2021 to Euro 8,851 thousand in the period in question, up Euro 3,596 thousand. This increase is mainly due to higher costs incurred for the purchase of Energy efficiency certificates (Euro +2,106 thousand) related to the higher energy efficiency and saving objectives applicable to the Group companies. The extension of the scope of consolidation resulted in the recognition of the costs incurred by the newly acquired companies which, at the end of the first half of the year, amounted to Euro 410 thousand. At the end of the first half of the year, provisions equal to Euro 10 thousand were allocated. Energy efficiency obligations, in fact, should apply to the subsidiary AP Reti Gas Nord Est S.r.l. also in consideration of its size and plants managed. The Regulatory Authority for Energy, Networks and the Environment (ARERA) has not modified the objectives previously assigned for 2020 and 2021, leaving the amount of certificates that derives from the plants managed by the new company to the transferor. Pursuant to the agreements between the parties involved in the commercial partnership between the Ascopiave Group and the Hera Group, the objectives for 2020 and 2021 are attributable to the newly established company AP Reti Gas Nord Est S.r.l. which manages the plants and which consequently has allocated a provision for risks representative of the probable charges that the company will incur in relation to the finding and purchase of the certificates needed to fulfil its part of the objective, during 2022.

The costs recognised at the end of the period for the purchase of energy efficiency certificates are calculated by evaluating the amounts of certificates accrued as compared to the 2022 target (regulatory period June 2022 - May 2023). The unit cost for certificates not purchased at the reporting date is the fair value of the prices recorded in the relevant market, calculated as of 30th June 2022 and amounting to Euro 261.7 (Euro 260 as of 30th June 2021).

32. Other operating revenues

The following table shows a breakdown of other operating income in the periods considered:

| (Thousands of Euro) | First half | |
|---------------------|------------|------------|
| | 2022 | 2021 |
| Other income | 51 | 511 |
| Other income | 51 | 511 |

At the end of the period considered, the item “other operating income” shows a decrease of Euro 460 thousand, from Euro 511 thousand as of 30th June 2021, to Euro 51 thousand in the period in question. The decrease is mainly

explained by the recognition, in the period shown for comparative purposes, of the capital gain generated by the transfer of the natural gas distribution plants of the municipality of Santorso for Euro 389 thousand. The settlement agreement with the Local Body, signed on 9th April 2021, was aimed at defining the transfer value of such plants.

33. Amortisation, depreciation and write-downs

Amortisation and depreciation for the relevant periods are analysed in the following table:

| (Thousands of Euro) | First half | |
|--------------------------------------|---------------|---------------|
| | 2022 | 2021 |
| Intangible fixed assets | 17,329 | 16,527 |
| Tangible fixed assets | 3,717 | 945 |
| Amortization of rights of use | 514 | 207 |
| Amortization and depreciation | 21,561 | 17,679 |

With the same scope of consolidation, amortisation and depreciation show a decrease of Euro 85 thousand compared to the same period in the previous year, from Euro 17,679 thousand as of 30th June 2021 to Euro 17,594 thousand in the period in question. The extension of the scope of consolidation resulted in the recognition of amortisation and depreciation accrued by the newly acquired companies and amounting to Euro 3,966 thousand.

The increase recorded in amortisation and depreciation related to rights of use is mainly explained by the recognition of the amounts accrued in relation to the lease agreement covering a hydroelectric plant of the subsidiary Sangineto Energie S.r.l., acquired at the end of the previous year.

Financial income and charges

34. Financial income and charges

The following table shows a breakdown of financial income and charges in the periods considered:

| (Thousands of Euro) | First half | |
|--|---------------|---------------|
| | 2022 | 2021 |
| Interest income on bank and post office accounts | 0 | 0 |
| Other interest income | 34 | 25 |
| Distribution of dividends from controlled companies | 4,306 | 3,489 |
| Financial income | 4,474 | 3,514 |
| Interest expense on banks | 288 | 91 |
| Interest expense on loans | 1,140 | 820 |
| Other financial expenses | 749 | 179 |
| Financial charges | 2,177 | 1,089 |
| Evaluation of subsidiary companies with net equity method | 11,362 | 14,258 |
| Evaluation of subsidiary companies with net equity method | 11,362 | 14,258 |
| Total net financial expenses | 13,659 | 16,683 |

At the end of the first half of the year, the balance between financial income and expenses showed a gain of Euro

13,659 thousand, a decrease compared to the same period in the previous year of Euro 3,024 thousand. The decrease is mainly explained by the lower result achieved by the affiliates measured using the equity method.

With the same scope of consolidation, at the end of the first half of the year, financial income increased by Euro 823 thousand as compared to the same period in the previous year. The change is mainly explained by the higher dividends received from the investees Hera Comm S.p.A. and ACSM - AGAM S.p.A. totalling Euro 817 thousand. The extension of the scope of consolidation resulted in the recognition of interest income equal to Euro 136 thousand.

With the same scope of consolidation, at the end of the first half of the year, financial charges amounted to Euro 1,652 thousand, up Euro 563 thousand compared to the same period in the previous year. The increase in financial charges is mainly explained by the interest accrued on the loans and bond issue that the Parent Company took out and the bonds issued during the previous year and in the period in question. The extension of the scope of consolidation determined the recognition of financial charges equal to Euro 524 thousand.

The item “profit/(loss) of companies measured using the equity method” includes the consolidated profits achieved by the affiliate EstEnergy S.p.A., a company in which the Ascopiave Group holds a 48% stake. At the end of the period in question, the consolidated results of the affiliate Estenergy showed profits amounting to Euro 11,362 thousand, down Euro 2,896 thousand compared to the same period in the previous year. The change is mainly explained by the recognition of the penalty that the affiliates involved in the partnership established in 2019 with the Hera Group will have to pay to Ascopiave S.p.A. due to the early termination of some service agreements.

Taxes

35. Taxes in the reference period

The table below shows the breakdown of income taxes over the periods considered, distinguishing between current taxes and deferred tax assets and liabilities:

| (Thousands of Euro) | First half | |
|-----------------------------|----------------|----------------|
| | 2022 | 2021 |
| IRES current taxes | (5,935) | (2,819) |
| IRAP current taxes | (794) | (892) |
| (Advance)/Deferred taxes | 1,287 | 25 |
| Substitute tax | (15) | (15) |
| Taxes previous years | 0 | 3 |
| Taxes for the period | (5,456) | (3,699) |

Taxes accrued, with the same scope of consolidation, increased from Euro 3,699 thousand in the first half of the previous year to Euro 3,821 thousand in the period in question, up Euro 122 thousand.

The extension of the scope of consolidation resulted in the recognition of the taxes accrued on the results of the newly acquired companies for Euro 1,635 thousand. This amount is mainly explained by the entry of the extraordinary tax on unjustified energy profits, introduced by Law Decree no. 21 dated 21st March 2022, which the company Asco EG S.p.A. will have to pay to the tax authorities. The total amount of the tax is Euro 1,515 thousand and the first instalment of Euro 606 thousand was paid in June 2022.

The table below shows the incidence of tax on the result before tax for the periods considered:

| (Thousands of Euro) | First half | |
|--------------------------------------|--------------|--------------|
| | 2022 | 2021 |
| Earnings before tax | 28,051 | 30,555 |
| Taxes for the period | (5,456) | (3,699) |
| Impact on earnings before tax | 19.5% | 12.1% |

The tax-rate as of 30th June 2022 is 19.5%, an increase from 12.1% in the same period in the previous year. The change is mainly explained by the variation in the results achieved by the companies measured with the equity method and the extraordinary tax on unjustified energy profits recognised in relation to Law Decree no. 21 dated 21st March 2022. The tax-rate in the first half of 2022, normalised of the effects described, is equal to 31.8%, an increase compared to 28.9% in the first half of 2021.

Net result of assets held for sale

The following table shows the details of the net result of the companies held for sale in the periods considered:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|------------|------------|
| Net result of assets held for sale | 558 | 0 |
| Net result of assets held for sale | 558 | 0 |

The net result of the companies held for sale at 30th June 2022 is equal to Euro 558 thousand. For a better understanding of the operating results, balance sheet and cash flows of the companies reclassified in accordance with IFRS 5, please refer to the paragraph “Operating results, balance sheet and cash flows of companies held for sale”.

Non-recurrent components

Pursuant to CONSOB communication no. 15519/2005, we announce that the results achieved at the reporting date include non-recurrent revenues totalling Euro 6,544 thousand. In the first half of 2022, the affiliates, controlled by Estenergy S.p.A. and Amgas Blu S.r.l. (involved in the partnership between the Ascopiave Group and the Hera Group in 2019), announced, within the terms stated in the agreements, the early termination of some service agreements signed with the parent company. This withdrawal resulted in the recognition of the fair value of the penalties set forth in the agreements in favour of Ascopiave S.p.A..

Transactions deriving from unusual and/or atypical operations

Pursuant to CONSOB communication N. DEM/6064296 dated 28th July 2006, we report that, during the first half of the year, no unusual and/or atypical operations occurred.

Operating results and balance sheet of assets held for sale

Operating results of assets held for sale

The table below shows the income statement relating to the second quarter of the year of assets reclassified pursuant to IFRS 5 as held for sale. These data represent the result accrued by the business units of Romeo Gas S.p.A. which will be transferred to the other shareholders of the company.

| (Thousands of Euro) | 30.06.2022 |
|--|--------------|
| Revenues | 1,782 |
| Total operating costs | 482 |
| Purchase costs for other raw materials | 11 |
| Costs for services | 170 |
| Costs for personnel | 396 |
| Other management costs | 94 |
| Other income | 190 |
| Amortization and depreciation | 437 |
| Operating result | 863 |
| Financial charges | 1 |
| Earnings before tax | 863 |
| Taxes for the period | (305) |
| Result for the period | 558 |

The **gross operating margin** achieved at the reporting date amounted to Euro 1,301 thousand.

Assets held for sale generated revenues of Euro 1,782 thousand related to the management of the natural gas distribution systems and are mainly explained by the tariff revenues on the gas distribution activity which at the reporting date amounted to Euro 1,608 thousand. The remainder is explained by the other activities performed on the metre that the company conducts as the manager of the natural gas transportation network.

The main costs incurred by the business units held for sale consist of personnel costs, equal to Euro 396 thousand, and costs for services to the tune of Euro 170 thousand. These costs were partially offset by other income in the amount of Euro 190 thousand.

Amortisation accrued during the period amounted to Euro 437 thousand.

The operating result achieved is consequently equal to Euro 863 thousand.

At the end of the period, taxes amounted to Euro 305 thousand and the **net result** to Euro 558 thousand.

Balance sheet of assets held for sale

The table below shows the balance sheet at 30th June 2022 of assets reclassified in accordance with IFRS 5 as held for sale. These data represent the result accrued by the business units of Romeo Gas S.p.A. which will be transferred to the other shareholders of the company.

| (Thousands of Euro) | 30.06.2022 |
|-----------------------------------|---------------|
| Assets | |
| Non-current assets | |
| Other intangible assets | 29,900 |
| Tangible assets | 42 |
| Other non-current assets | 1 |
| Advance tax receivables | 3,480 |
| Non-current assets | 33,423 |
| Current assets | |
| Inventories | 63 |
| Trade receivables | 310 |
| Other current assets | 1,290 |
| Cash and cash equivalents | 1,223 |
| Current assets | 2,885 |
| Assets | 36,308 |
| Liabilities | |
| Non-current liabilities | |
| Severance indemnity | 569 |
| Other non-current liabilities | 1,615 |
| Non-current liabilities | 2,183 |
| Current liabilities | |
| Trade payables | 671 |
| Tax payables | 299 |
| Other current liabilities | 456 |
| Debts from conferment | 1,565 |
| Current financial liabilities | 0 |
| Current liabilities | 2,992 |
| Liabilities | 5,176 |
| Net equity | 31,133 |
| Net equity and liabilities | 36,308 |

Business combinations

Salinella Eolico S.r.l.

On 21st January 2022, the Ascopiave Group announced that it had acquired, through the subsidiary Asco Renewables S.p.A., a 60% stake in the capital of Salinella Eolico S.r.l., belonging to Renco S.p.A.. Salinella Eolico S.r.l., whose remaining 40% stake is held by Renco S.p.A., plans to build a wind farm in the Province of Catanzaro with a rated capacity of up to 21 MW; the competent authorities have already granted part of the authorisations, while the

pending permits are well underway. The wind farm will be erected by Renco S.p.A. and entail a total investment of approximately Euro 30 million.

The purchase of the shares was financially settled for an amount equal to Euro 588 thousand.

The costs of the acquisition pursuant to “IFRS 3 Revised - Business combinations” were recognised in the consolidated income statement for a value of Euro 3 thousand.

The business combination was provisionally recognised on 30th June 2022 in accordance with the international accounting standard IFRS 3.62.

In particular, the fair values attributed to the assets and liabilities identifiable in the company Salinella Eolico S.r.l. at the acquisition date were as follows:

| (Thousands of Euro) | Pro-quota accounting values | Adjustments to IFRS compliance | Higher allocated values | Fair values found at acquisition |
|---|-----------------------------------|--------------------------------------|-------------------------------|-------------------------------------|
| Other intangible assets | 1,066 | 1 | 814 | 1,879 |
| Tangible assets | 88 | 0 | | 88 |
| Advance tax receivables | 2 | 0 | | 2 |
| Non-current assets | 1,155 | 1 | 814 | 1,968 |
| Other current assets | 8 | 0 | | 8 |
| Cash and cash equivalents | 6 | 0 | | 6 |
| Current assets | 14 | 0 | 0 | 14 |
| Assets | 1,169 | 1 | 814 | 1,982 |
| Deferred tax payables | 0 | 0 | 227 | 227 |
| Other non-current liabilities | 844 | 0 | | 844 |
| Non-current liabilities | 844 | 0 | 227 | 1,071 |
| Trade payables | 52 | 0 | | 52 |
| Other current liabilities | 271 | 0 | | 271 |
| Current liabilities | 323 | 0 | 0 | 323 |
| Liabilities | 1,167 | 0 | 227 | 1,394 |
| Total assets / liabilities of the acquired company | 2 | 1 | 587 | 588 |
| Total cost of the acquisition | | | | 588 |
| Total net liquidity of the company | | | | 10 |
| Payments | | | | 588 |
| Net liquidity absorbed by the acquisition | | | | 578 |

For more information on the acquisition, please read the paragraph “Significant events during the first half of 2022” of this interim financial report.

Asco EG S.p.A. (former Eusebio Energia S.r.l.)

On 28th January 2022, Ascopiave S.p.A. announced the finalisation of an additional investment in the renewable energy sector, specifically in the hydroelectric and wind power segments, as stated in the 2020-2024 Strategic Plan.

The investment consisted in the acquisition by Ascopiave of the 79.74% majority stake held by Supermissile S.r.l. in the share capital of Eusebio Energia S.r.l., a company operating in the energy sector. During the period, the company was renamed Asco EG S.p.A..

Asco EG S.p.A. has 22 plants for the production of electricity from renewable sources, of which 21 hydroelectric plants, for a total capacity of 44 MW, located in Lombardy and Veneto, and a wind farm, consisting of 14 turbines of 1 MW each, located in Campania.

The price paid upon closing for the acquisition of the above-mentioned majority stake is Euro 44.8 million, featuring an earn-out clause. At the reporting date, the earn-out fair value was estimated to be nil.

The purchase of the shares was financially settled for an amount equal to Euro 44,791 thousand.

The higher value paid compared to the book values of the shareholders' equity upon acquisition was prudently allocated to goodwill.

The acquisition costs pursuant to "IFRS 3 Revised - Business combinations" were recognised in the consolidated income statement for a value of Euro 755 thousand.

The business combination was provisionally recognised on 30th June 2022 in accordance with the international accounting standard IFRS 3.62.

In particular, the fair values attributed to the assets and liabilities identifiable in the company Asco EG S.p.A. at the acquisition date were as follows:

| (Thousands of Euro) | Pro-quota accounting values | Adjustments to IFRS compliance | Fair values found at acquisition |
|---|-----------------------------------|--------------------------------------|-------------------------------------|
| Other intangible assets | 6 | (5) | 1 |
| Tangible assets | 49,146 | 0 | 49,146 |
| Shareholdings | 1 | 0 | 1 |
| Other non-current assets | 193 | 0 | 193 |
| Advance tax receivables | 2,411 | 2 | 2,413 |
| Non-current assets | 51,757 | (4) | 51,753 |
| Trade receivables | 2,160 | 0 | 2,160 |
| Other current assets | 8,580 | 0 | 8,580 |
| Tax receivables | 10 | 0 | 10 |
| Cash and cash equivalents | 6,586 | 0 | 6,586 |
| Current assets | 17,336 | 0 | 17,336 |
| Assets | 69,094 | (4) | 69,090 |
| Provisions for risks and charges | 386 | 0 | 386 |
| Severance indemnity | 267 | 0 | 267 |
| Medium- and long-term bank loans | 12,204 | 0 | 12,204 |
| Non-current liabilities | 12,856 | 0 | 12,856 |
| Payables due to banks and financing institutions | 16,349 | 0 | 16,349 |
| Trade payables | 846 | 0 | 846 |
| Tax payables | 359 | 0 | 359 |
| Other current liabilities | 218 | 0 | 218 |
| Current financial liabilities | 449 | 0 | 449 |
| Current liabilities | 18,220 | 0 | 18,220 |
| Liabilities | 31,077 | 0 | 31,077 |
| Total assets / liabilities of the acquired company | 38,017 | (4) | 38,013 |
| Goodwill arising from the acquisition | | | 6,778 |
| Total cost of the acquisition | | | 44,791 |
| Total net liquidity of the company | | | 8,259 |
| Payments | | | 44,791 |
| Net liquidity absorbed by the acquisition | | | 36,532 |

The value in excess of the assets/liabilities acquired and the consideration paid was recognised as goodwill for Euro 6,778 thousand. For more information on the acquisition, please read the paragraph "Significant events during the first half of 2022" of this interim financial report.

Romeo Gas S.p.A. and Serenissima Gas S.p.A.

On 1st April 2021, the Consortium made up of Ascopiave S.p.A., ACEA S.p.A. and Iren S.p.A. announced the closing of the agreement with the A2A Group for the acquisition of some assets relating to the natural gas distribution service.

The business acquired through the operation boasts about 157,000 users, distributed in 8 Italian regions, belonging to 24 Territorial Areas, and over 2,800 km of network.

The investment consists in the acquisition by Ascopiave of a 56.101% stake in Romeo Gas S.p.A. which also holds 78.441% of the share capital of Serenissima Gas S.p.A.. The assets of interest to Ascopiave S.p.A. consist of concessions in 15 Territorial Areas located in Veneto, Friuli Venezia Giulia and Lombardy, for a total of approximately 114,300 redelivery points. The value of the acquired assets in terms of enterprise value is Euro 73.2 million, including the 79.37% investment in Serenissima Gas S.p.A., the holder of a portion of the concessions involved (about 41,700 redelivery points).

The assets of interest to ACEA S.p.A. consist of concessions in 5 Territorial Areas: 2 in the Abruzzi, 2 in Molise and 1 in Campania, totalling approximately 30,700 redelivery points. The enterprise value is Euro 35.8 million.

The assets of interest to Iren S.p.A. consist of concessions in 4 Territorial Areas (1 in Lombardy and 3 in Emilia-Romagna) totalling approximately 12,000 redelivery points. The enterprise value is Euro 16.4 million.

The purchase of the shares was financially settled for an amount equal to Euro 67,134 thousand.

The higher value paid compared to the book values of the shareholders' equity upon acquisition was prudently allocated to goodwill.

The business combination was provisionally recognised on 30th June 2022 in accordance with the international accounting standard IFRS 3.62.

In particular, the fair values attributed to the assets and liabilities identifiable in the companies Romeo gas S.p.A. and Serenissima Gas S.p.A. at the acquisition date were as follows:

| | Accounting values | | | Fair values found in the aggregation | | |
|--|---------------------|---------------------------|---------------|--------------------------------------|-----------------|---------------|
| | Romeo Gas 56.10% | Serenissima Gas 78.44% | Aggregate | Romeo Gas | Serenissima Gas | Aggregate |
| (Thousands of Euro) | | | | | | |
| Balance Sheet | | | | | | |
| Goodwill | 0 | 165 | 165 | 0 | 0 | 0 |
| Other intangible assets | 37,247 | 20,413 | 57,660 | 37,247 | 20,413 | 57,660 |
| Tangible assets | 26 | 1,154 | 1,180 | 26 | 1,154 | 1,180 |
| Shareholdings | 14,475 | 1 | 14,475 | 0 | 1 | 1 |
| Other non-current assets | 0 | 29 | 29 | 0 | 29 | 29 |
| Advance tax receivables | 2,936 | 412 | 3,348 | 2,936 | 412 | 3,348 |
| Non-current assets | 54,683 | 22,174 | 76,857 | 40,208 | 22,009 | 62,217 |
| Inventories | 65 | 195 | 260 | 65 | 195 | 260 |
| Trade receivables | 0 | 662 | 662 | 0 | 662 | 662 |
| Other current assets | 43 | 1,021 | 1,064 | 43 | 1,021 | 1,064 |
| Current financial assets | 0 | 1,891 | 1,891 | 0 | 1,891 | 1,891 |
| Tax receivables | 0 | 13 | 13 | 0 | 13 | 13 |
| Cash and cash equivalents | 18 | 1,444 | 1,463 | 18 | 1,444 | 1,463 |
| Current assets | 126 | 5,226 | 5,352 | 126 | 5,226 | 5,352 |
| Assets | 54,809 | 27,400 | 82,209 | 40,334 | 27,235 | 67,570 |
| Provisions for risks and charges | 4 | 19 | 15 | 4 | 19 | 15 |
| Severance indemnity | 369 | 295 | 665 | 369 | 295 | 665 |
| Other non-current liabilities | 2,017 | 2,709 | 4,726 | 2,017 | 2,709 | 4,726 |
| Non-current financial liabilities | 0 | 43 | 43 | 0 | 43 | 43 |
| Deferred tax payables | 287 | 47 | 334 | 287 | 47 | 334 |
| Non-current liabilities | 2,678 | 3,075 | 5,753 | 2,678 | 3,075 | 5,753 |
| Payables due to banks and financing insti | 0 | 14 | 14 | 0 | 14 | 14 |
| Trade payables | 477 | 1,000 | 1,477 | 477 | 1,000 | 1,477 |
| Tax payables | 0 | 11 | 11 | 0 | 11 | 11 |
| Other current liabilities | 2,426 | 2,197 | 4,623 | 2,426 | 2,197 | 4,623 |
| Current financial liabilities | 0 | 10,052 | 10,052 | 0 | 10,052 | 10,052 |
| Current liabilities | 2,904 | 13,245 | 16,149 | 2,904 | 13,245 | 16,149 |
| Liabilities | 5,582 | 16,320 | 21,902 | 5,582 | 16,320 | 21,902 |
| Assets/Liabilities | 49,228 | 11,080 | 60,308 | 34,753 | 10,915 | 45,668 |
| Goodwill detected | | | | | | 21,466 |
| Total cost of the acquisition | | | | | | 67,134 |
| Total net liquidity of the company | | | | | | 1,874 |
| Payments | | | | | | 67,134 |
| Net liquidity absorbed by the acquisition | | | | | | 65,260 |

The value in excess of the assets/liabilities acquired and the consideration paid was recognised as goodwill for Euro 26,257 thousand. For more information on the acquisition, please read the paragraph “Significant events during the first half of 2022” of this interim financial report.

Commitments and risks

Guarantees given

As of 30th June 2022, the Group provided the following guarantees:

Guarantees to companies within the consolidation area:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|---------------|---------------|
| On credit lines | 6,307 | 6,307 |
| On execution of works (letter of comfort) | 1,781 | 1,776 |
| On distribution concession (letter of comfort) | 6,735 | 6,468 |
| On purchase/sale of shares (letter of comfort) | 0 | 500 |
| On concessions for water derivations for hydroelectric use | 53 | 0 |
| On the sale of energy produced from renewable sources | 120 | 0 |
| On participation in the tender | 75 | 75 |
| On renewable energy production plants | 370 | 0 |
| Total | 15,442 | 15,127 |

Guarantees issued by Ascopiave S.p.A. in favour of affiliates:

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|--|---------------|---------------|
| On credit lines | 0 | 9,999 |
| Patronage to cover the obligations deriving from the related relationships | 31,463 | 31,463 |
| On UTF offices and regions for taxes on gas (letter of comfort) | 1,850 | 1,850 |
| Total | 33,313 | 43,312 |

The letters of comfort on lines of credit and gas purchase contracts issued in favour of the subsidiary Sinergie Italiane S.r.l. in liquidation, equal to Euro 9,999 thousand as of 31st December 2021, as of 30th June 2022 are no longer in place. Ascopiave received a guarantee from Hera S.p.A., to the tune of Euro 962 thousand, in relation to the sureties issued by the affiliate Blue Meta S.p.A. to Uffici Tecnici di Finanza and the Regions for consumption taxes on natural gas.

Risk and uncertainty factors

Information on agreements not disclosed in the balance sheet

Pursuant to art. 2427, first paragraph, point 22-ter, Italian Civil Code, introduced by Legislative Decree 173 on 23rd November 2008, please note that the company has not entered into agreements not disclosed in the balance sheet.

Management of financial risk: objectives and criteria

The operations of the Group are mainly financed through short-term and medium/long-term bank loans, bond issue, lease agreements with the possibility of purchase and short-term bank deposits at sight. The recourse to such forms of financing, which are in part at variable rates, exposes the Group to the risk connected with fluctuations in interest rates, that successively determine possible variations in financial costs.

Operations expose the Group to possible credit risks with the counterparties.

The Group, furthermore, is subject to liquidity risks because the available financial resources may not be sufficient to meet its financial obligations, in accordance with the terms and deadlines forecast.

The Board of Directors re-examines and approves the policies for risk management, described hereinafter.

Interest rate risk

The Group manages its liquidity needs both through temporary credit lines and short-term loans at variable rates

which, due to their continuous fluctuation, do not make it easy to hedge against interest rate risk, through medium/long-term loans with fixed and variable rates and the issue of fixed-rate bonds.

The medium-long term loans managed by the Group, with variable and fixed rates, have a residual debt as of 30th June 2022 of Euro 305,431 thousand and due dates between 1st July 2022 and 24th March 2031.

Medium and long-term bank loans at variable rate envisage reimbursement between 2022 and 2031, and as of 30th June 2022 had a residual debt of Euro 217,089 thousand (Euro 153,787 thousand as of 31st December 2021), of which Euro 139,364 thousand hedged by a financial derivative instrument, and therefore with neutralised interest rate risk.

As of 30th June 2022, the derivative instruments to hedge against the risk of changes in interest rates, relating to the loans taken out with BNL, Crédit Agricole - Friuladria, Intesa Sanpaolo and Mediobanca, detailed in paragraphs 14 “Current assets from derivative financial instruments” and 28 “Current liabilities from derivative financial instruments”, and whose mark to market is positive for Euro 3,296 thousand, are effective.

The following loans are not exposed to interest rate risks, as they envisage the application of a fixed rate: BNL, BPER (originally signed with UBI Banca, then transferred to BPER subsequent to the reorganisation of the bank), Cassa Centrale Banca and Intesa Sanpaolo, with an overall residual debt at the reporting date of Euro 88,342 thousand, in addition to the bond issue, with a residual debt of Euro 95,000 thousand at the end of the period.

Covenants apply to the loans above and are fulfilled.

Please refer to Paragraph 18 “Medium and Long Term Loans” for additional details.

Sensitivity analysis of the interest rate risk

The following table shows the impacts on the Group’s Pre-tax result of the possible variations in interest rates in a reasonably possible interval.

| | I qtr 2022 | II qtr 2022 | |
|---|------------|-------------|--------------|
| Average Net Financial Position 2022 | (375,410) | (452,554) | |
| Borrowing rates of interest | 0.001% | 0.001% | |
| Lending rates of interest | 0.49% | 0.51% | |
| Borrowing rate of interest plus 200 basis points | 2.00% | 2.00% | |
| Lending rates of interest plus 200 basis points | 2.49% | 2.51% | |
| Borrowing rate of interest reduced of 50 basis points | 0.00% | 0.00% | |
| Lending rates of interest reduced of 50 basis points | 0.00% | 0,01% | |
| Net Financial Position recalculated with the increase of 200 basis points | (377,261) | (458,810) | |
| Net Financial Position recalculated with decrease of 50 basis points | (374,947) | (451,989) | Total |
| Effect on pre-tax result of the increase of 200 basis points | (1,851) | (2,257) | (4,108) |
| Effect on pre-tax result of the decrease of 50 basis points | 463 | 564 | 1,027 |

The sensitivity analysis, obtained by simulating a variation on interest tax rates applied on the credit lines of the Group equal to 50 basis points in decrease (with a minimum limit of zero basis points) and 200 basis points in increase, maintaining unchanged all the other variables, leads to an estimation of an effect on the result before taxes which is negative for Euro 1,851 thousand or positive for Euro 463 thousand.

Credit risk

Within the gas distribution business, the Group provides its services to a limited number of players in the gas sector; if compensation for such services is not received or overdue, this could negatively affect the operating results and the financial balance, but credit protection is supported by the application of the safeguards set forth in the Grid Code.

Liquidity risk

The liquidity risk consists in the lack of available and sufficient financial resources in order to meet the Group’s financial obligations, within the terms and deadlines set, due to the impossibility of raising new funds or selling assets on the market, affecting the income statement if the Group is forced to incur additional costs to meet its obligations, or in case of insolvency entailing risks for the business.

The Group constantly aims at highest balance and flexibility of financing sources and uses, minimising that risk. The

two main factors influencing Group liquidity are on the one hand the resources generated or absorbed by operations or investments, and on the other hand the due dates and renewal of debt.

Specific risks of the business sectors in which the Group operates

Regulations

The activities performed by the Ascopiave Group in the gas sector are subject to regulations. Directives and regulatory measures adopted by the European Union and by the Italian Government, as well as the resolutions of the Regulatory Authority for Energy, Networks and the Environment, can have a significant impact on the operations, the operating results and the financial balance. Future changes in the regulatory policy adopted by the European Union or at the national level could have unexpected effects on the applicable regulatory framework and, consequently, on the activity and results of the Group.

Management of Capital

The primary objective of the management of the Group's capital is to guarantee that a solid credit rating is maintained, as well as suitable levels of the capital indicator. The Group can adapt the dividends paid to shareholders, reimburse capital or issue new shares.

The Group checks its capital by means of a debt/capital ratio.

The Group includes loans and other payables in its net debt, net of liquid funds and equivalents.

| (Thousands of Euro) | 30.06.2022 | 31.12.2021 |
|---|------------------|------------------|
| Short-term net financial position | 272,347 | 157,903 |
| Medium / long-term net financial position | 228,926 | 189,582 |
| Net Financial Position | 501,273 | 347,485 |
| Share capital | 234,412 | 234,412 |
| Own shares | (55,423) | (55,423) |
| Reserves | 716,327 | 644,191 |
| Undistributed net profit | 23,275 | 45,326 |
| Total Net equity | 918,590 | 868,505 |
| Total sources of funding | 1,419,863 | 1,215,991 |
| Net financial position / Net equity ratio | 0.55 | 0.40 |

The debt/net equity ratio as of 30th June 2022 is 0.55, an increase compared to 31st December 2021.

The trend of this indicator is related to the combined effect of the change in the Net financial position, which worsened by Euro 153,788 thousand during the first half of 2022, and the Shareholders' equity, which increased by Euro 50,085 thousand, changes due in part to the investments made, the profit for the period and in part to the normal flow of operations.

Representation of financial assets and liabilities by category

The breakdown of financial assets and liabilities by categories and their fair value (IFRS 13) as of 30th June 2022 and as of 31st December 2021 are as follows:

| (Thousands of Euro) | | | | | 30.06.2022 | |
|---|---|-------|---------|---------|------------|------------|
| | A | B | C | D | Total | Fair value |
| Other non-current assets | | | 3,719 | | 3,719 | 3,719 |
| Non-current financial assets | | | 2,892 | | 2,892 | 2,892 |
| Trade receivables and Other current assets | | | 153,978 | | 153,978 | 153,978 |
| Current financial assets | | | 813 | | 813 | 813 |
| Cash and cash equivalents | | | 10,680 | | 10,680 | 10,680 |
| Current assets from derivative financial instruments | | 3,296 | | | 3,296 | 3,296 |
| Outstanding medium- and long-term bonds | | | | 94,722 | 94,722 | 94,722 |
| Medium- and long-term bank loans | | | | 225,253 | 225,253 | 225,253 |
| Other non-current liabilities | | | | 3,045 | 3,045 | 3,045 |
| Non-current financial liabilities | | | | 6,564 | 6,564 | 6,564 |
| Payables due to banks and financing institutions | | | | 189,839 | 189,839 | 189,839 |
| Trade payables and Other current liabilities | | | | 156,234 | 156,234 | 156,234 |
| Current financial liabilities | | | | 2,576 | 2,576 | 2,576 |
| Current liabilities from derivative financial instruments | | 500 | | | 500 | 500 |

| (Thousands of Euro) | | | | | 31.12.2021 | |
|---|---|-----|--------|---------|------------|------------|
| | A | B | C | D | Total | Fair value |
| Other non-current assets | | | 2,662 | | 2,662 | 2,662 |
| Non-current financial assets | | | 2,864 | | 2,864 | 2,864 |
| Trade receivables and Other current assets | | | 46,756 | | 46,756 | 46,756 |
| Current financial assets | | | 908 | | 908 | 908 |
| Cash and cash equivalents | | | 42,538 | | 42,538 | 42,538 |
| Current assets from derivative financial instruments | | 267 | | | 267 | 267 |
| Outstanding medium- and long-term bonds | | | | 24,181 | 24,181 | 24,181 |
| Medium- and long-term bank loans | | | | 161,488 | 161,488 | 161,488 |
| Other non-current liabilities | | | | 1,666 | 1,666 | 1,666 |
| Non-current financial liabilities | | | | 6,777 | 6,777 | 6,777 |
| Payables due to banks and financing institutions | | | | 199,631 | 199,631 | 199,631 |
| Trade payables and Other current liabilities | | | | 54,242 | 54,242 | 54,242 |
| Current financial liabilities | | | | 1,647 | 1,647 | 1,647 |
| Current liabilities from derivative financial instruments | | 338 | | | 338 | 338 |

Legend

A - Assets and liabilities at fair value directly recognised in the Profit and Loss Account

B - Assets and liabilities at fair value directly recognised in Equity (including hedging derivatives)

C - Assets for granted loans and receivables (including cash equivalents)

D - Financial liabilities recognised at amortised cost

Business segment reporting

Segment information is provided with reference to the business sectors in which the Group operates. Business sectors are identified as primary segments of activities. The criteria used for identifying business segments have been inspired by the methods whereby the Management runs the Group and assigns managerial responsibilities.

Based on the information required by the IFRS 8 “Business Segment Reporting, Operating segments”, the company has identified as segments to be reported the activities of “gas distribution”, “renewable energy” and “other”. Specifically, the segment “Other” includes cogeneration, heat supply, water services and the results of the parent company.

Information by geographic areas is not provided, since the Group does not conduct any business outside the national territory.

The following tables show the information on revenues concerning the business segments of the Group for the relevant periods.

| 1 st Half 2022 (Thousands of Euro) | Gas distribution | perimeter enlargement | | Other | Cancellations and adjustments | Total |
|--|---------------------|-----------------------|---------------------|---------------|-------------------------------------|---------------|
| | | Renewable energies | Gas distribution | | | |
| Net revenues of third-party customers | 62,426 | 5,356 | 3,802 | 9,836 | | 81,420 |
| Intra-group revenues among the segment | 2,477 | 21 | 0 | 5,134 | (7,632) | 0 |
| Segment revenues | 64,903 | 5,377 | 3,802 | 14,970 | (7,632) | 81,420 |
| Result before taxes | 13,412 | (1,577) | 993 | 15,223 | | 28,051 |

| 1 st Half 2021 (Thousands of Euro) | Gas distribution | Renewable energies | Other | 30.06.2021 values from new companies acquisitions | Cancellations and adjustments | Total |
|--|---------------------|-----------------------|---------------|---|-------------------------------------|---------------|
| | | | | | | |
| Intra-group revenues among the segment | 2,366 | 0 | 2,689 | 0 | (5,056) | 0 |
| Segment revenues | 64,868 | 0 | 6,096 | 177 | (5,056) | 66,085 |
| Result before taxes | 16,698 | 0 | 13,725 | 132 | | 30,555 |

Transactions with related parties

The transactions with related parties in the financial period considered are detailed in the following table:

| (Thousands of Euro) | Trade receivables | Other receivables | Trade payables | Other payables | Costs | | | Revenues | | |
|-----------------------------------|----------------------|----------------------|-------------------|-------------------|----------|------------|----------|----------|---------------|----------|
| | | | | | Goods | Services | Other | Goods | Services | Other |
| <i>Parent company</i> | | | | | | | | | | |
| Asco Holding S.p.A. | 94 | 174 | 29 | 0 | 0 | 29 | 0 | 0 | 94 | 0 |
| Total parent company | 94 | 174 | 29 | 0 | 0 | 29 | 0 | 0 | 94 | 0 |
| <i>Affiliated companies</i> | | | | | | | | | | |
| Asco TLC S.p.A. | 43 | 0 | 62 | 0 | 0 | 374 | 0 | 0 | 24 | 0 |
| Total affiliated companies | 43 | 0 | 62 | 0 | 0 | 374 | 0 | 0 | 24 | 0 |
| <i>Subsidiary companies</i> | | | | | | | | | | |
| Estenergy S.p.A. | 364 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,189 | 0 |
| Ascotrade S.p.A. | 2,260 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,528 | 0 |
| Blue Meta S.p.A. | 528 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,278 | 0 |
| Etra Energia S.p.A. | 48 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 99 | 0 |
| Ascopiave Energie S.p.A. | 502 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,122 | 0 |
| ASM Set S.r.l. | 96 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 991 | 0 |
| Cogeide S.p.A. | 33 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 73 | 0 |
| Total subsidiary companies | 3,832 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 24,279 | 0 |
| Total | 3,969 | 174 | 94 | 0 | 0 | 403 | 0 | 0 | 24,398 | 0 |

Relationships deriving from the tax consolidation with Asco Holding S.p.A.:

Ascopiave S.p.A., AP Reti Gas S.p.A., AP Reti Gas Rovigo S.r.l., Edigas Esercizio Distribuzione Gas S.p.A. and Asco Energy S.p.A. had joined the consolidation of tax relations held by the Parent company Asco Holding S.p.A.. The tax consolidation ceased due to the change of the reporting date of the latter, which no longer coincides with 31st December. Consequently, the current assets and liabilities recorded refer only to previous positions.

As concerns parent companies

The revenues recorded vis-à-vis the parent company Asco Holding S.p.A. pertain to administration, treasury management and staff services.

As concerns subsidiaries of the parent company

Costs for services to the associate Asco TLC S.p.A. refer to a rental fee for the servers. Revenues from the aforementioned subsidiary derive from the contract to supply gas and electricity and from service contracts signed between the parties.

As regards affiliates:

- with Estenergy S.p.A.:
 - o Trade receivables refer to the natural gas transportation service on the distribution network recorded by AP Reti Gas Nord Est S.r.l.;
 - o Revenues for services are connected to revenues for gas transportation and distribution services recorded by AP Reti Gas Nord Est S.r.l..

- with Ascotrade S.p.A.:
 - o Trade receivables refer to the natural gas transportation service on the distribution network recorded by AP Reti Gas S.p.A. and to administrative, IT, personnel and facility services provided by Ascopiave S.p.A.;
 - o Trade payables relate to natural gas and electricity supplies incurred by Ascopiave S.p.A. and AP Reti Gas S.p.A.;
 - o Costs for goods concern the purchase of gas and electricity incurred by AP Reti Gas S.p.A. and Ascopiave S.p.A.;
 - o Revenues for services are connected to revenues for gas transportation and distribution services recorded by AP Reti Gas S.p.A. and to administrative, IT, personnel and facility services provided by Ascopiave S.p.A..

- with Blue Meta S.p.A.:
 - o Trade receivables refer to the natural gas transportation service on the distribution network with Edigas Distribuzione Gas S.p.A. and to administrative, IT, personnel and facility services provided by Ascopiave S.p.A.;
 - o Trade payables relate to natural gas and electricity supplies incurred by Edigas Distribuzione Gas S.p.A.;
 - o Costs for goods concern the purchase of gas and electricity incurred by Edigas Distribuzione Gas S.p.A.;
 - o The revenues for services are connected to revenues for gas transportation and distribution services recorded by Edigas Distribuzione Gas S.p.A. and to administrative, IT, personnel and facility services provided by Ascopiave S.p.A..

- with Etra Energia S.r.l.:
 - o Trade receivables refer to the natural gas transportation service on the distribution network recorded by AP Reti Gas S.p.A. and to administrative, IT, personnel and facility services provided by Ascopiave S.p.A.;
 - o Revenues for services are connected to revenues for gas transportation and distribution services with AP Reti Gas S.p.A. and AP Reti Gas Vicenza S.p.A. and to administrative, IT, personnel and facility services provided by Ascopiave S.p.A..

- with Ascopiave Energie S.p.A.:
 - o Trade receivables refer to the natural gas transportation service on the distribution network with AP Reti Gas S.p.A. and AP Reti Gas Vicenza S.p.A. and to administrative, IT, personnel and facility services provided by Ascopiave S.p.A.;
 - o Trade payables relate to supplies of natural gas and electricity with Ascopiave S.p.A. and AP Reti Gas S.p.A.;
 - o Costs for goods concern the purchase of gas and electricity incurred by AP Reti Gas S.p.A. and Ascopiave S.p.A.;
 - o Revenues for services are connected to revenues for gas transportation and distribution services with AP Reti Gas S.p.A. and AP Reti Gas Vicenza S.p.A. and to administrative, IT, personnel and facility services provided by Ascopiave S.p.A..

- with ASM Set S.r.l.:
 - o Costs for goods are related to the purchase of gas with AP Reti Gas Rovigo S.r.l.;
 - o Costs for services refer to administrative services provided to Ascopiave S.p.A.;
 - o Revenues for services are connected to revenues for gas transportation and distribution services with AP Reti Gas Rovigo S.r.l..

- with Cogeide S.p.A.:
 - o Revenues for technical and engineering services for the management of water mains with CART Acqua S.r.l..

The letters of comfort on lines of credit and on gas purchase contracts issued in favour of the subsidiary Sinergie Italiane S.r.l in liquidation as of 30th June 2022 are no longer in place (Euro 9,999 thousand as of 31st December 2021).

Furthermore:

- the economic relations between the companies of the Group and subsidiaries and associates occur at market prices and are eliminated in the process of consolidation;
- the operations performed by the companies of the Group with related parties are part of normal business and are settled at market prices;
- with reference to the provisions of art. 150, paragraph 1 of Italian Legislative Decree no. 58 of 24th February 1998, no operations have been carried out that could potentially represent a conflict of interest with companies of the Group, by members of the Board of Directors.

On 24th November 2010, the Board of Directors approved a procedure for transactions with related parties (the "Procedure"). Said Procedure governs the transactions with related parties by the Company, directly or by proxy of subsidiary companies, as set forth in Art. 2391-*bis* of the Italian Civil Code pursuant to the National Commission for Publicly Traded Companies (CONSOB) Decision no. 17221 dated 12th March 2010 and subsequent amendments.

The Procedure was implemented on 1st January 2011 and replaced the previous regulation regarding transactions with related parties, approved by the Board of Directors of the Company on 11th September 2006 (and subsequent amendments).

For the contents of the Procedure, please refer to the document, available online on the Company website at the following URL: <http://www.gruppoascopiave.it/wp-content/uploads/2015/01/Procedura-per-le-operazioni-con-parti-correlate-GruppoAscopiave-20101124.pdf>.

In order to implement correctly the Procedure, a map of all the so-called Related Parties, to which the controls and the content of the document apply, is drafted periodically. Company Directors are required to declare, when applicable, possible conflicts of interest in the performance of the afore-mentioned transactions.

Financial statements representation pursuant to Consob resolution 15519/2006

Please find below the Financial statements representation showing the effects of the transactions with related parties pursuant to Consob resolution no. 15519 dated 27th July 2006:

Consolidated assets and liabilities statement

| (Thousands of Euro) | 30.06.2022 | of which related parties | | | | | | 31.12.2021 | of which related parties | | | | | |
|--|------------------|--------------------------|------------|----------------|---|----------------|----------------|------------------|--------------------------|----------------|----------------|----------------|--------------|---|
| | | A | B | C | D | Total | % | | A | B | C | D | Total | % |
| ASSETS | | | | | | | | | | | | | | |
| Non-current assets | | | | | | | | | | | | | | |
| Goodwill | 77,516 | | | | | | 49,272 | | | | | | | |
| Other intangible assets | 668,330 | | | | | | 598,007 | | | | | | | |
| Tangible assets | 119,928 | | | | | | 58,012 | | | | | | | |
| Shareholdings in controlled company | 449,396 | | | 449,396 | | 449,396 | 100.0% | 442,434 | | 442,434 | | 442,434 | 100.0% | |
| Shareholdings in other company | 78,926 | | | | | | 78,925 | | | | | | | |
| Other non-current assets | 4,615 | | | | | | 3,604 | | | | | | | |
| Non current financial assets | 2,892 | | | | | | 2,864 | | | | | | | |
| Advance tax receivables | 37,752 | | | | | | 31,565 | | | | | | | |
| Non-current assets | 1,439,354 | | | 449,396 | | 449,396 | 31.2% | 1,264,683 | | 442,434 | | 442,434 | 35.0% | |
| Current assets | | | | | | | | | | | | | | |
| Inventories | 8,569 | | | | | | 8,176 | | | | | | | |
| Trade receivables | 31,557 | 94 | 185 | 3,832 | | 4,110 | 13.0% | 26,786 | 41 | 121 | 18,117 | 18,279 | 68.2% | |
| Other current assets | 51,772 | 174 | | | | 174 | 0.3% | 25,575 | 185 | | | 185 | 0.7% | |
| Current financial assets | 813 | | | | | | 908 | | | | | | | |
| Tax receivables | 1,671 | | | | | | 1,621 | | | | | | | |
| Cash and cash equivalents | 10,680 | | | | | | 42,539 | | | | | | | |
| instruments | 3,296 | | | | | | 267 | | | | | | | |
| Current assets | 108,359 | 268 | 185 | 3,832 | | 4,284 | 4.0% | 105,871 | 226 | 121 | 18,117 | 18,464 | 17.4% | |
| Assets held for sale | 36,308 | | | | | | 0 | | | | | | | |
| Assets | 1,584,021 | 268 | 185 | 453,228 | | 453,680 | 28.6% | 1,370,554 | 226 | 121 | 460,551 | 460,898 | 33.6% | |
| NET EQUITY AND LIABILITIES | | | | | | | | | | | | | | |
| Total Net equity | | | | | | | | | | | | | | |
| Share capital | 234,412 | | | | | | 234,412 | | | | | | | |
| Own shares | (55,423) | | | | | | (55,423) | | | | | | | |
| Reserves and result for the period | 696,905 | | | | | | 689,555 | | | | | | | |
| Net equity of the Group | 875,893 | | | | | | 868,544 | | | | | | | |
| Net equity of Others | 42,697 | | | | | | 39 | | | | | | | |
| Total Net equity | 918,590 | | | | | | 868,505 | | | | | | | |
| Non-current liabilities | | | | | | | | | | | | | | |
| Provisions for risks and charges | 1,284 | | | | | | 1,474 | | | | | | | |
| Severance indemnity | 4,997 | | | | | | 4,491 | | | | | | | |
| Outstanding medium- and long-term bonds | 94,772 | | | | | | 24,181 | | | | | | | |
| Medium- and long-term bank loans | 225,253 | | | | | | 161,488 | | | | | | | |
| Other non-current liabilities | 36,561 | | | | | | 29,067 | | | | | | | |
| Non-current financial liabilities | 6,564 | | | | | | 6,777 | | | | | | | |
| Deferred tax payables | 13,840 | | | | | | 13,228 | | | | | | | |
| Non-current liabilities | 383,222 | | | | | | 240,706 | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | |
| Payables due to banks and financing institutions | 189,839 | | | | | | 199,631 | | | | | | | |
| Trade payables | 38,277 | 29 | 71 | 2 | | 103 | 0.3% | 34,401 | 11 | 60 | 1,110 | 1,180 | 3.4% | |
| Tax payables | 1,877 | | | | | | 1,284 | | | | | | | |
| Other current liabilities | 43,964 | | | | | | 24,042 | | | | | | | |
| Current financial liabilities | 2,576 | | | | | | 1,647 | | | | | | | |
| instruments | 500 | | | | | | 338 | | | | | | | |
| Current liabilities | 277,033 | 29 | 71 | 2 | | 103 | 0.0% | 261,343 | 11 | 60 | 1,110 | 1,180 | 0.5% | |
| Liabilities held for sale | 5,176 | | | | | | 0 | | | | | | | |
| Liabilities | 665,431 | 29 | 71 | 2 | | 103 | 0.0% | 502,049 | 11 | 60 | 1,110 | 1,180 | 0.2% | |
| Net equity and liabilities | 1,584,021 | 29 | 71 | 2 | | 103 | 0.0% | 1,370,554 | 11 | 60 | 1,110 | 1,180 | 0.1% | |

Legend for the Related parties column heading:

A Parent companies

B Associates

C Affiliates and Jointly controlled companies

D Other related parties

Comprehensive consolidated income statement

| (Thousands of Euro) | 1 st half | of which related parties | | | | | | 1 st half | of which related parties | | | | | |
|--|----------------------|--------------------------|--------------|---------------|--------------|---------------|---------------|----------------------|--------------------------|--------------|---------------|----------------|---------------|---------------|
| | 2022 | A | B | C | D | Total | % | 2021 | A | B | C | D | Total | % |
| Revenues | 81,420 | 94 | 160 | 24,279 | | 24,533 | 30.1% | 66,085 | 53 | 140 | 47,631 | | 47,824 | 72.4% |
| Total operating costs | 45,468 | 29 | 374 | | 538 | 941 | 2.1% | 34,535 | 39 | 384 | 878 | 1,121 | 2,422 | 7.0% |
| Purchase costs for other raw materials | 1,339 | | | | | | | 1,113 | | | | | | |
| Costs for services | 25,294 | 29 | 374 | | 538 | 941 | 3.7% | 19,529 | 39 | 384 | 878 | 1,121 | 2,422 | 12.4% |
| Costs for personnel | 10,034 | | | | | | | 9,148 | | | | | | |
| Other management costs | 8,851 | | | | | | | 5,256 | | | | | | |
| Other income | 51 | | | | | | | 511 | | | | | | |
| Amortization and depreciation | 21,561 | | | | | | | 17,679 | | | | | | |
| Operating result | 14,392 | 65 | (214) | 24,279 | (538) | 23,592 | 163.9% | 13,872 | 14 | (244) | 46,753 | (1,121) | 45,402 | 327.3% |
| Financial income | 4,474 | | | | | | | 3,514 | | | | | | |
| Financial charges | 2,177 | | | | | | | 1,089 | | | | | | |
| Evaluation of subsidiary companies with the net equity method | 11,362 | | | 11,362 | | 11,362 | 100.0% | 14,258 | | | 14,258 | | 14,258 | 100.0% |
| Earnings before tax | 28,051 | 65 | (214) | 35,641 | (538) | 34,954 | 124.6% | 30,555 | 38 | (244) | 61,011 | (1,121) | 59,660 | 195.3% |
| Taxes for the period | (5,456) | | | | | | | (3,699) | | | | | | |
| Result for the period | 22,595 | | | | | | | 26,856 | | | | | | |
| Net result of assets held for sale | 558 | | | | | | | | | | | | | |
| Net Result of the period | 23,153 | | | | | | | 26,856 | | | | | | |
| Group's Net Result | 23,275 | | | | | | | 26,856 | | | | | | |
| Third parties Net Result | (122) | | | | | | | | | | | | | |
| 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 | 2,761 | | | | | | | 297 | | | | | | |
| Fair value of derivatives relating to associated companies, changes in the period net of tax | 16,569 | | | | | | | 0 | | | | | | |
| 2. Components that can not be reclassified to the income statement | | | | | | | | | | | | | | |
| Actuarial (losses)/gains from remeasurement on defined-benefit obligations net of tax | 442 | | | | | | | 42 | | | | | | |
| Total comprehensive income | 42,924 | | | | | | | 27,195 | | | | | | |
| Group's overall net result | 43,145 | | | | | | | 27,195 | | | | | | |
| Third parties' overall net result | (221) | | | | | | | 0 | | | | | | |
| Base income per share | 0.107 | | | | | | | 0.124 | | | | | | |
| Diluted net income per share | 0.107 | | | | | | | 0.124 | | | | | | |

Legend for the Related parties column heading:

A Parent companies

B Associates

C Affiliates and Jointly controlled companies

D Other related parties

Consolidated statement of cash flows

| (Thousands of Euro) | 1 st half | of which related parties | | | | | 1 st half | of which related parties | | | | |
|--|----------------------|--------------------------|-------------|-----------------|----------|-----------------|----------------------|--------------------------|-----------|-----------------|----------|-----------------|
| | 2022 | A | B | C | D | Total | 2021 | A | B | C | D | Total |
| Total comprehensive income | 43,046 | | | | | | 27,195 | | | | | |
| Cash flows generated (used) by operating activities | | | | | | | | | | | | |
| Adjustments to reconcile net income to net cash | | | | | | | | | | | | |
| Third-parties operating result | (122) | | | | | 0 | 0 | | | | | 0 |
| Fair value of derivatives relating to associated companies, changes in the period net of tax | (16,569) | | | | | 0 | 0 | | | | | 0 |
| Changes in HA reserves for MTM derivatives | (2,761) | | | | | 0 | (297) | | | | | 0 |
| Variations in severance indemnity | (442) | | | | | 0 | (42) | | | | | 0 |
| Amortization | 21,639 | | | | | 0 | 17,679 | | | | | 0 |
| Bad debt provisions | 10 | | | | | 0 | 34 | | | | | 0 |
| Depreciation of fixed assets | 598 | | | | | 0 | 598 | | | | | 0 |
| Variations in severance indemnity | (1,304) | | | | | 0 | (4) | | | | | 0 |
| Current assets / liabilities on financial instruments | (107) | | | | | 0 | 6 | | | | | 0 |
| Net variation of other funds | (657) | | | | | 0 | (1,326) | | | | | 0 |
| Evaluation of subsidiaries with the net equity method | (11,362) | | | (11,362) | | (11,362) | (14,258) | | (14,258) | | | (14,258) |
| Income from shareholdings | (4,307) | | | | | 0 | (3,489) | | | | | 0 |
| Other changes in the income statement that do not generate cash flows | 0 | | | | | 0 | (1,325) | | | | | 0 |
| Interests expense paid | (1,826) | | | | | 0 | (944) | | | | | 0 |
| Taxes paid | (5,034) | | | | | 0 | (11,845) | | | | | 0 |
| Interest expense for the period | 2,099 | | | | | 0 | 924 | | | | | 0 |
| Taxes for the period | 5,456 | | | | | 0 | 3,699 | | | | | 0 |
| Total adjustments | (14,689) | 0 | 0 | (11,362) | 0 | (11,362) | (10,591) | 0 | 0 | (14,258) | 0 | (14,258) |
| Variations in assets and liabilities | | | | | | | | | | | | |
| Inventories | (29) | | | | | 0 | 5,522 | | | | | 0 |
| Accounts payable | (1,228) | (53) | (64) | 14,285 | | 14,168 | 10,337 | (164) | 147 | (1,967) | 0 | (1,983) |
| Other current assets | (14,046) | 11 | | | | 11 | 14,832 | | | | | 0 |
| Trade payables | 654 | 19 | 12 | (1,108) | | (1,077) | (366) | (9) | (53) | 28 | | (35) |
| Other current liabilities | 17,263 | | | | | 0 | 10,349 | | | | | 0 |
| Other non-current assets | (731) | | | | | 0 | (65) | | | | | 0 |
| Other non-current liabilities | (961) | | | | | 0 | 512 | | | | | 0 |
| Total variations in assets and liabilities | 922 | (23) | (52) | 13,178 | 0 | 13,102 | 41,122 | (173) | 94 | (1,939) | 0 | (2,017) |
| Cash flows generated (used) by operating activities | 29,279 | (23) | (52) | 1,815 | 0 | 1,740 | 57,726 | (173) | 94 | (16,197) | 0 | (16,275) |
| Cash flows generated (used) by investments | | | | | | | | | | | | |
| Investments in intangible assets | (22,651) | | | | | 0 | (22,026) | | | | | 0 |
| Investments in tangible assets | (4,110) | | | | | 0 | (530) | | | | | 0 |
| Disposal/(acquisitions) in shareholdings and avances | (102,433) | | | | | 0 | 0 | | | | | 0 |
| Dividends collected from investee companies | 25,276 | | | | | 0 | 20,733 | | | | | 0 |
| Cash flows generated/(used) by investments | (103,918) | 0 | 0 | 0 | 0 | 0 | (1,823) | 0 | 0 | 0 | 0 | 0 |
| Cash flows generated (used) by financial activities | | | | | | | | | | | | |
| Net changes in short-term bank borrowings | (86,696) | | | | | 0 | (28,362) | | | | | 0 |
| Ignitions outstanding medium- and long-term bonds | (10,187) | | | | | 0 | 87 | | | | | 0 |
| Net variation in current financial assets and liabilities | 0 | | | | | 0 | 204 | | | | | 0 |
| Purchase / Sale of own shares | 369,000 | | | | | 0 | 133 | | | | | 0 |
| Ignitions loans and mortgages | (264,120) | | | | | 0 | (129) | | | | | 0 |
| Redemptions loans and mortgages | (35,757) | | | | | 0 | (34,663) | | | | | 0 |
| Dividends distributed to Ascopiave S.p.A. shareholders' | 70,541 | | | | | 0 | 0 | | | | | 0 |
| Cash flows generated (used) by financial activities | 42,780 | 0 | 0 | 0 | 0 | 0 | (58,734) | | | | | 0 |
| Variations in cash | (31,859) | | | | | 0 | (2,830) | | | | | 0 |
| Cash and cash equivalents at the beginning of the period | 42,539 | | | | | | 21,902 | | | | | |
| Cash and cash equivalents at the end of the period | 10,680 | | | | | | 19,072 | | | | | |

Legend for the Related parties column heading:

A Parent companies

B Associates

C Affiliates and Jointly controlled companies

D Other related parties

Consolidated net debt

| (Thousands of Euro) | 30.06.2022 | of which related parties | | | | | | 31.12.2021 | of which related parties | | | | | | |
|---|------------------|--------------------------|----------|----------|----------|----------|----------|------------------|--------------------------|----------|----------|----------|----------|----------|---|
| | | A | B | C | D | Total | % | | A | B | C | D | Total | % | |
| A Cash and cash equivalents | 10,680 | | | | | | | 42,539 | | | | | | | 0 |
| B Equivalent to cash and cash equivalents | 0 | | | | | | | 0 | | | | | | | 0 |
| C Other current financial assets | 4,110 | | | | | 0 | | 1,175 | | | | | | | 0 |
| - of which related parties | 0 | | | | | 0 | | 0 | | | | | | | 0 |
| D Liquid assets (A) + (B) + (C) | 14,790 | 0 | 0 | 0 | 0 | 0 | 0 | 43,714 | 0 | 0 | 0 | 0 | 0 | 0 | |
| E Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt) | (112,562) | | | | | 0 | | (134,209) | | | | | | 0 | |
| - of which related parties | 0 | | | | | 0 | | 0 | | | | | | 0 | |
| - of which debt instruments current part | 0 | | | | | 0 | | 0 | | | | | | 0 | |
| F Current portion of non-current financial debt | (79,853) | | | | | 0 | | (60,631) | | | | | | 0 | |
| - of which related parties | 0 | | | | | 0 | | 0 | | | | | | 0 | |
| G Current financial indebtedness (E) + (F) | (192,415) | 0 | 0 | 0 | 0 | 0 | 0 | (194,840) | 0 | 0 | 0 | 0 | 0 | 0 | |
| H Net current financial indebtedness (D) + (G) | (177,625) | 0 | 0 | 0 | 0 | 0 | 0 | (151,126) | 0 | 0 | 0 | 0 | 0 | 0 | |
| I Non-current financial debt (excluding the current portion and debt instruments) | (326,540) | | | | | | | (199,224) | | | | | | 0 | |
| J Debt instruments | 0 | | | | | | | 0 | | | | | | 0 | |
| K Trade payables and other non-current payables | 0 | | | | | | | 0 | | | | | | 0 | |
| L Non-current financial indebtedness (I) + (J) + (K) | (326,540) | 0 | 0 | 0 | 0 | 0 | 0 | (199,224) | 0 | 0 | 0 | 0 | 0 | 0 | |
| M Net financial indebtedness (H) + (L) | (504,165) | 0 | 0 | 0 | 0 | 0 | 0 | (350,350) | 0 | 0 | 0 | 0 | 0 | 0 | |

Legend for the Related parties column heading:

A Parent companies

B Associates

C Affiliates and Jointly controlled companies

D Other related parties

The values reported in the tables above refer to the related parties listed below:

Group A - Parent companies:

- Asco Holding S.p.A.

Group B - Associates:

- Asco TLC S.p.A.

Group C - Affiliates and Jointly controlled companies:

- Estenergy S.p.A. (Group), affiliate

Group D - Other related parties:

- Board of Directors
- Auditors
- Strategic managers

Significant events subsequent to the end of the first half of 2022

On 27th July 2022, the project for the partial spin-off of Romeo Gas S.p.A. was approved. The project involves the transfer of part of its assets to the pre-existing company, a shareholder of Romeo Gas, Adistribuzione S.p.A.. Subsequent to the spin-off, Ascopiave S.p.A. and Ireti S.p.A. will remain as the only shareholders of the company to be demerged. For the purposes of identifying the demerged complex and calculating the adjustments, the value of the shareholders' equity as of 1st April 2022 of the company to be demerged was taken as reference, to be compared to the value of the shareholders' equity of the demerged assets on the effective date of the demerger, defined by the algebraic sum of the accounting balances of the assets pertaining to the demerged complex. The statutory effects of the demerger will take effect from the first minute of 1st October 2022, subject to the registration of the demerger deed in the competent Business Register, or from a later date that may be established in the demerger deed.

Goals and policies of the Group

As for the natural gas distribution segment, the Group intends to enhance its portfolio of concessions, aiming to maintain the management of the service in the territorial areas in which it boasts a significant presence, and to expand its activities to other fields, with the goal of increasing its market share and strengthening its local leadership. The Group also intends to capitalise on its investment in renewable sources by strengthening its presence in this sector, consistent with the 2021-2025 strategic plan approved during the first quarter of the year.

As for the gas and electricity sale segment, in 2019 Ascopiave launched a business partnership with the Hera Group through joint participation in Estenergy, the parent company of a Group boasting over one million energy customers, a primary entity in Northern-Eastern Italy. Ascopiave intends to continue the partnership, while relying on the possibility of exercising the sale option on its stakes should it need to finance new investment opportunities in sectors that the Group considers more interesting, as indicated in the 2021-2025 strategic plan approved and presented to the market on 31st January 2022.

Pieve di Soligo, 4th August 2022

The Chairman of the Board of Directors
Nicola Ceconato

DECLARATION

(Translation from the original in Italian)

Certification of the Half Year Report as of 30th June 2022

Pursuant to Article 154-bis paragraph 5 and 5-bis, part IV, section III, section II, section V-bis, Legislative Decree n. 58, dated 24th February 1998: Consolidated Law on Finance compliant with Articles 8 and 21, Law 52 dated 6th February 1996

1) The undersigned dr. Nicola Ceconato in his capacity as Chairman of the Board of Directors, and dr. Riccardo Paggiaro, Officer Responsible for preparing the Corporate Financial Reports of Ascopiave S.p.A. hereby certify, pursuant to the guidelines of Article 154-bis, paragraphs 2, 3 and 4, Legislative Decree n. 58, dated 24th February 1998:

- the appropriateness of the Financial Statements with respect to the characteristics of the company and
- the effective adoption of administrative and accounting procedures in preparing the Consolidated Financial Statements for the period 1st January 2022 -30th June 2022

2) Moreover, it is herein stated that the financial statements

- (a) correspond to the information in the books and other accounting records;
- (b) have been written in accordance with IFRS International Accounting Principles adopted by the European Union as well as with the provisions of regulations based on Article 9, Legislative Decree n. 38/2005;
- (c) to our best knowledge, provide a true and fair representation of the performance and financial position of the Issuer and the companies included in the scope of consolidation;
- (d) the report on operations accompanying the financial statements contains a reliable analysis of operations and performance, as well as the situation of the Group as well as the related and associated companies, together with a description of the main risks and uncertainties to which they are exposed.

Pieve di Soligo - 4th August 2022

| <i>Chairman of the Board of Directors</i> | <i>Officer Responsible for the preparation of Corporate Financial Reports</i> |
|---|---|
| <i>signature</i> | <i>signature</i> |
| dr. Nicola Ceconato | dr. Riccardo Paggiaro |



REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of Ascopiave SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Ascopiave SpA and its subsidiaries (the “Ascopiave Group”) as of 30 June 2022, comprising the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cashflow statement and the related explanatory notes. The directors of Ascopiave SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of the Ascopiave Group as of

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311



30 June 2022 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Treviso, 4 August 2022

PricewaterhouseCoopers SpA

Signed by

Giorgio Simonelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

Gruppo Ascopiave

Via Verizzo, 1030 - 31053 Pieve di Soligo (TV) - Italia
Tel: +39 0438 980098 - Fax: +39 0438 82096
Email: info@ascopiave.it - www.gruppoascopiave.it