

Ascopiave Group

STAR CONFERENCE

22nd March 2023

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Business overview

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Ascopiave is a leading operator in the Italian natural gas distribution sector. The Group also holds valuable assets in other business activities (renewable energy production, power and energy retail, energy services, water management services and ICT services)

CORE BUSINESSES

Gas distribution



Operation, maintenance and development of **local pipelines**, connecting the transport national pipelines to the end consumers.

Activity carried out by the **companies** on the basis of concessions awarded by municipalities.

Regulation provided both by the local municipalities and by the Italian Regulatory Authority for Energy, Networks and Environment (ARERA).

Renewable energy production



The subsidiaries Asco Renewables and Asco EG operate in the **renewable energy** field, through 28 hydroelectric and wind power stations (62.5 MW).

OTHER BUSINESS ACTIVITIES

Gas and power retail



Supply of gas and power to the end customers (free market).

Activity carried out by **associated companies** (minority stakes): Estenergy (40%) / Hera Comm (3%).

Energy services



District heating and energy efficiency services.

Activity carried out by the controlled **energy service company** (E.S.CO.) Asco Energy.

Water management services



The subsidiary Cart Acqua is shareholders and **technological partner** of Cogeide, company active in the integrated urban water management services.

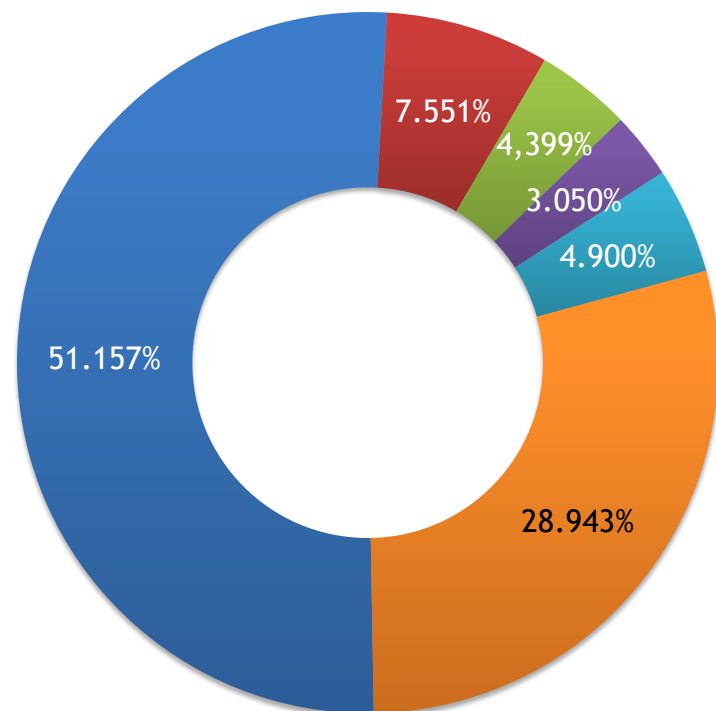
ICT services



The subsidiary Asco TLC is active in the provision of **ICT services (connectivity and private cloud)**.

Ascopiave is listed on the **STAR segment of Borsa Italiana's equity market**. The company complies with strict requirements concerning transparency, disclosure, liquidity and corporate governance, in line with international standards.

Increased voting right in general shareholders meeting pursuant to Art. 127-quinquies, paragraph 1, of the TUF (i.e. the main Italian law governing the financial sector): two votes for each share held for a 24-month uninterrupted period.



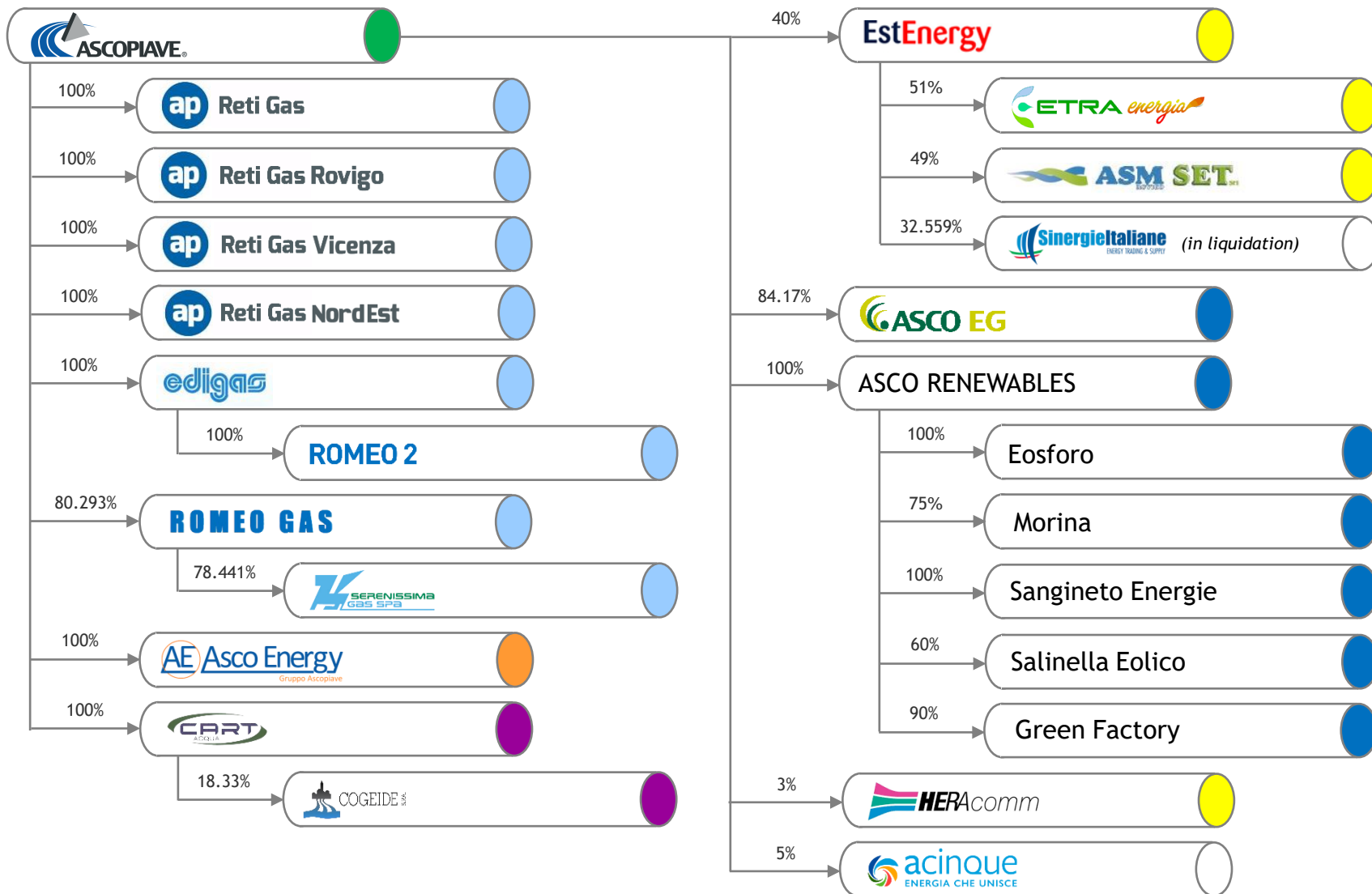
Ascopiave Shareholders as of 31st December 2022 (*)

Asco Holding S.p.A. directly controls the capital of Ascopiave S.p.A. (capital stake: 51.157%). Asco Holding S.p.A. is owned by 78 municipalities mainly located in the province of Treviso (public shareholders) and 1 private company.

- Asco Holding S.p.A.
- Treasury shares
- ASM Rovigo S.p.A.
- Anita S.r.l.
- Hera S.p.A.
- Market

(*) Internal processing based on information received from Ascopiave S.p.A. pursuant to art. 120 of the Consolidated Financial Law.

Group structure as of 31st December 2022



- Corporate services to subsidiaries and associates
- Gas distribution
- Water management services
- Energy services
- Renewable energy production
- Gas and electricity sales

CONSOLIDATED BALANCE SHEET ACCORDING TO IFRS (*)

| BALANCE SHEET | 31/12/2022 | 31/12/2021 |
|---|------------------|------------------|
| Tangible assets | 138,432 | 58,012 |
| Intangible assets | 759,743 | 647,279 |
| Investments in associates | 436,287 | 521,359 |
| Other fixed assets | 43,877 | 35,169 |
| Net working capital | (95,866) | (45,828) |
| Net invested capital assets held for sale | 15,790 | |
| TOTAL CAPITAL EMPLOYED | 1,298,262 | 1,215,991 |
| Shareholders equity | 886,405 | 868,505 |
| Net financial position | 411,857 | 347,485 |
| <i>Financial leverage</i> | <i>0.46</i> | <i>0.40</i> |

| INTANGIBLE ASSETS | 31/12/2022 |
|--------------------------|----------------|
| Goodwill | 61,346 |
| Assets under concession | 681,842 |
| Other intangible assets | 16,555 |
| Intangible assets | 759,743 |

| INVESTMENTS IN ASSOCIATES | 31/12/2022 |
|----------------------------------|----------------|
| Estenergy (40%) | 349,534 |
| Hera Comm (3%) | 54,000 |
| Other participations (**) | 32,753 |
| Investments in associates | 436,287 |

- Capital mainly invested in the gas distribution business, in the renewable energy business and in associates active in the power and gas retail business
- Solid financial structure

(*) Thousands of Euros; (**) Other participations: Acinque (5%, Euro 24.3 mln) and Cogeide (18.33%, € 8.5 mln).

CONSOLIDATED INCOME STATEMENT ACCORDING TO IFRS (*)

| INCOME STATEMENT | 2022 | 2021 |
|---|---------------|---------------|
| Revenues | 163,651 | 134,911 |
| EBITDA | 77,930 | 66,382 |
| <i>EBITDA margin (%)</i> | <i>47.6%</i> | <i>49.2%</i> |
| EBIT | 31,911 | 33,838 |
| <i>EBIT margin (%)</i> | <i>19.5%</i> | <i>25.1%</i> |
| Net financial income | 6,061 | 21,424 |
| Income taxes | (6,999) | (9,937) |
| Net income from discontinued operations | 1,466 | |
| Net income | 32,440 | 45,326 |

| NET FINANCIAL INCOME | 2022 |
|-----------------------------|--------------|
| Estenergy Group and Cogeide | 7,871 |
| Dividends | 4,306 |
| Net financial charges | (6,117) |
| Net financial income | 6,061 |

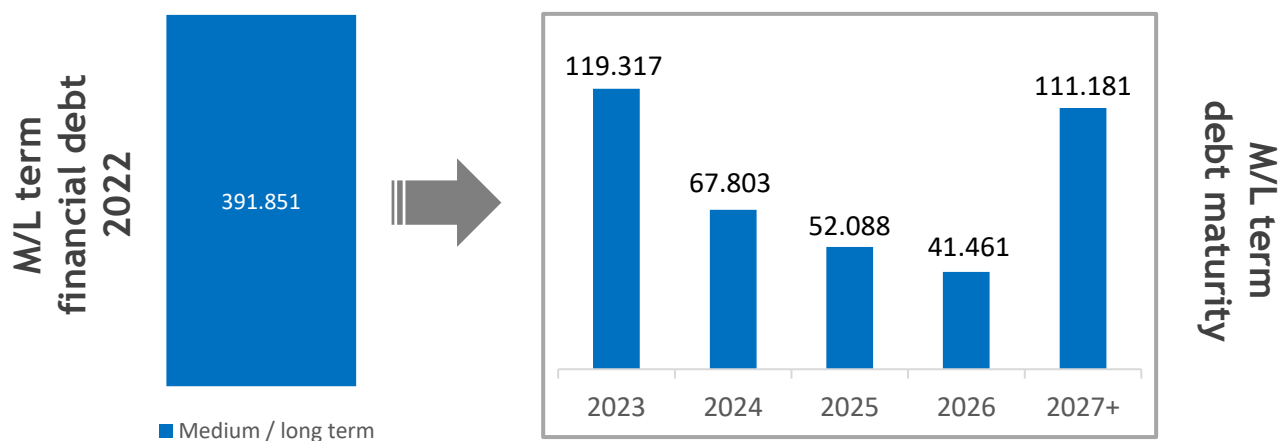
- Operating results referred mainly to the regulated gas distribution business
- Significant contribution from the associate companies

(*) Thousands of Euros.

| | 2022 | 2021 | Chg | Chg % |
|--|----------------|----------------|---------------|--------------|
| Long term financial borrowings (>12 months) | 178,538 | 161,488 | 17,050 | 10.6% |
| Current position of long term financial borrowings | 119,280 | 60,631 | 58,649 | 96.7% |
| Bond loans | 94,033 | 25,000 | 69,033 | 276.1% |
| Short term net financial borrowings (<12 months) | (12,912) | 96,462 | (109,374) | -113.4% |
| Total financial debt | 378,939 | 343,581 | 35,358 | 10.3% |
| Fixed rate borrowings | 290,164 | 235,119 | 55,045 | 23.4% |
| Floating rate borrowings | 88,775 | 108,462 | (19,687) | -18.2% |

Short term credit lines available (31.12.2022): Euro 97 mln

FY 2022 average cost of debt: 1.13% (vs FY 2021 rate: 0.46%)



(*) Thousands of Euros; data refer to the companies consolidated with the full consolidation method.

Dividend policy and Group strategic guidelines

→ Dividend policy Pag. 12

Dividend payment sustainable with high return to shareholders

Sustainability of the dividend policy:

- stable cash flow
- stable business profitability
- well-balanced financial structure

Dividend yield at the top of the listed Italian utility companies

| DIVIDEND | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-------------------------------------|--------|--------|---------|--------|--------|--------|--------|--------|
| Dividend (Thousand of Euro) | 35,757 | 34,663 | 47,442 | 75,163 | 40,016 | 40,016 | 33,347 | 33,332 |
| Group Net Income (Thousand of Euro) | 45,326 | 58,701 | 493,216 | 44,625 | 47,135 | 53,635 | 43,014 | 35,583 |
| Payout ratio | 79% | 59% | 10% | 168% | 85% | 75% | 78% | 94% |
| Dividend per share (Euro) | 0.1650 | 0.1600 | 0.2133 | 0.3383 | 0.1800 | 0.1800 | 0.1500 | 0.1500 |

| DIVIDEND | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Dividend (Thousand of Euro) | 26,666 | 24,484 | 0 | 22,557 | 20,349 | 19,442 | 19,890 | 19,833 |
| Group Net Income (Thousand of Euro) | 38,678 | 27,865 | 6,266 | 31,174 | 25,288 | 18,452 | 21,764 | 16,381 |
| Payout ratio | 69% | 88% | 0% | 72% | 80% | 105% | 91% | 121% |
| Dividend per share (Euro) | 0.1200 | 0.1100 | 0.0000 | 0.1000 | 0.0900 | 0.0850 | 0.0850 | 0.0850 |



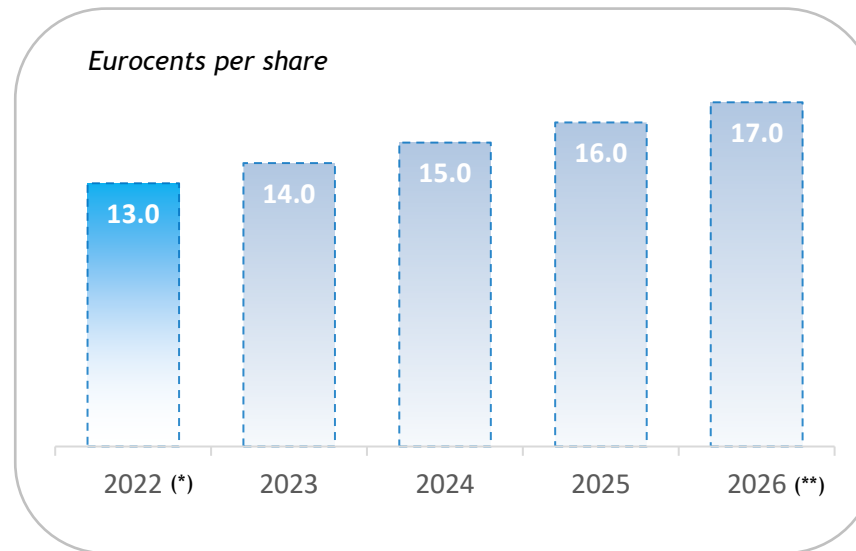
TOTAL DIVIDENDS DISTRIBUTED FROM STOCK EXCHANGE LISTING TO DATE

Euro 493.0 mln

2023-2026 expected dividend distribution

2023-2026 PROSPECTS

An attractive and sustainable dividend distribution is expected for the 2023-2026 period. Dividend growing from 13.0 Eurocents per share in 2022 to 17.0 Eurocents per share in 2026 (+31%)



(*) Dividend proposal

(**) Dividend to be approved and distributed during 2026 with reference to the year 2025.

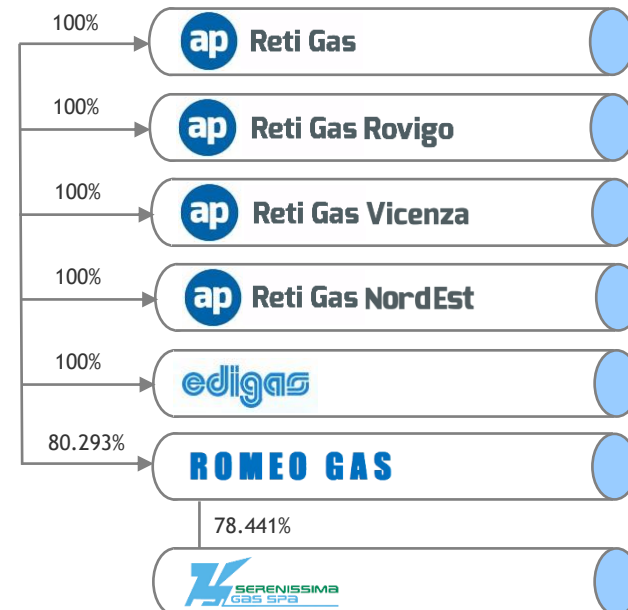
Ascopiave gas distribution business

- Market positioning Pag. 15
- Stability of the economic results and low risk profile Pag. 17
- Partnership with Aemme Linea Distribuzione and NED Reti Distribuzione Gas . Pag. 18
- Consortium to acquire A2A assets Pag. 19

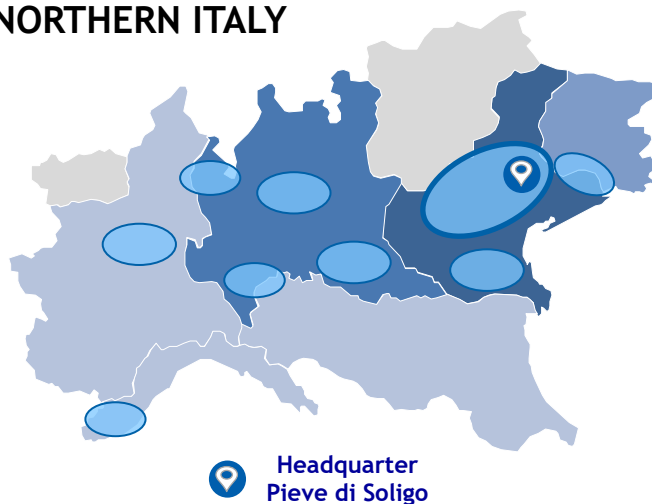
The gas distribution is carried out by **subsidiary companies** controlled by Ascopiave

Ascopiave Gas Distribution Business 2022 key figures

| | |
|---|---------|
| No. of managed concessions | 306 |
| Length of the gas distribution network (km) | 14,614 |
| No. of Users (PDR) | 889,739 |
| Volume of gas distributed (scm/mlin) | 1,456 |
| RAB (Euro/000) | 741,338 |



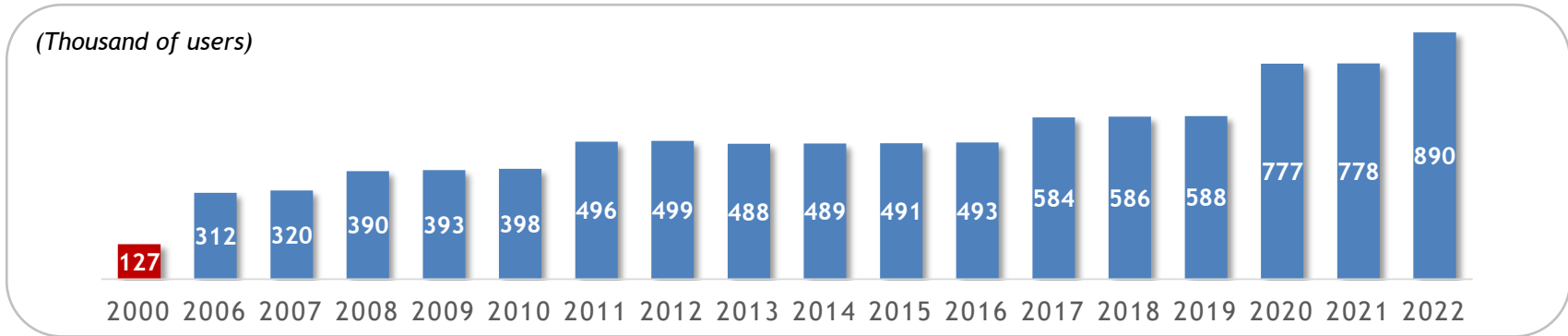
NORTHERN ITALY



Ascopiave Group current distribution activities

The operated networks are located in **Northern Italy** (71% of the gas end users in Veneto, 17% in Lombardy, 12% in other Regions)

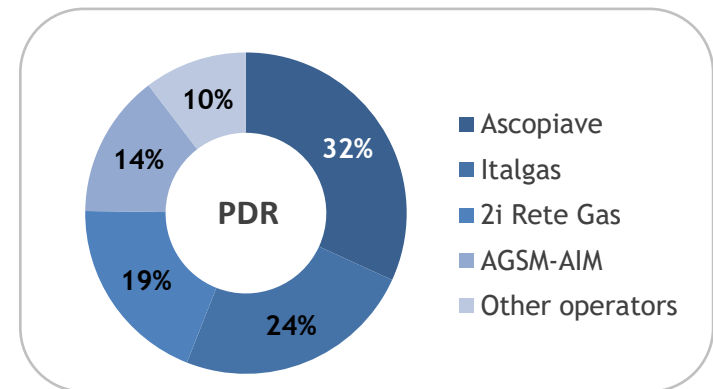
Ascopiave Group has been among the protagonist of the consolidation of the sector
 Since 2000 Ascopiave has completed 13 company acquisitions



Currently 5th largest national operator in the sector and regional leader in Veneto

| Group | Users (*) | % | Network (*) | % |
|--------------------|-------------------|---------------|----------------|---------------|
| 1 Italgas | 7,561,197 | 31.4% | 70,636 | 26.3% |
| 2 Zi Rete Gas | 4,484,898 | 18.6% | 69,555 | 25.9% |
| 3 A2A | 1,766,973 | 7.3% | 12,441 | 4.6% |
| 4 Hera | 1,430,483 | 5.9% | 17,749 | 6.6% |
| 5 Ascopiave | 889,739 | 3.7% | 14,614 | 5.5% |
| 6 Iren | 727,503 | 3.0% | 8,278 | 3.1% |
| 7 Estra | 404,016 | 1.7% | 6,064 | 2.3% |
| 8 Erogasmet | 278,214 | 1.2% | 3,826 | 1.4% |
| Others | 6,527,977 | 27.1% | 64,972 | 24.2% |
| Total | 24,071,000 | 100.0% | 268,135 | 100.0% |

Competitive context in Veneto



(*) 2021 data.

Gas distribution is a **regulated business**, characterised by a **stable profitability and low risk profile**

Economic results and investments 2014-2022

| YEAR | EBITDA (Euro/mlin) | EBITDA/user (Euro) | Investments (Euro/mlin) |
|------|-----------------------|-----------------------|----------------------------|
| 2022 | 64.8 | 75 | 58.0 |
| 2021 | 70.2 | 90 | 50.3 |
| 2020 | 69.8 | 90 | 41.9 |
| 2019 | 48.3 | 82 | 31.4 |
| 2018 | 48.6 | 99 | 27.8 |
| 2017 | 47.8 | 102 | 22.5 |
| 2016 | 35.0 | 88 | 19.7 |
| 2015 | 35.8 | 90 | 20.7 |
| 2014 | 35.4 | 90 | 19.7 |

- Constancy of economic results (EBITDA/end user) and cash flows guaranteed by the stability of regulation
- Increase in EBITDA supported by the growth in the customer base served over the years
- 2022 decrease in EBITDA due mainly to the updating of the rate of return on RAB (from 6.3% down to 5.6%)
- Ascopiave achieves excellent profitability on operational management

Recovery of the capital invested at the expiry of concessions
(compensation to be cashed from the newcomers operators in case of exit)



 Ascopiave Group current distribution activities

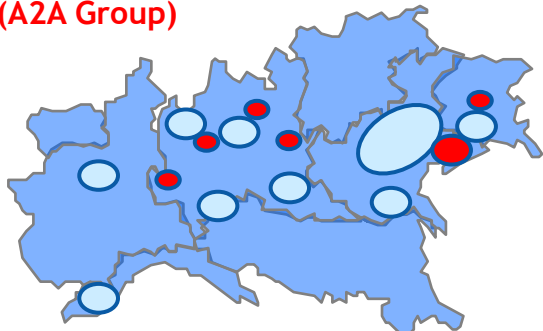


| ATEM | Milano 2 | Milano 3 |
|-----------------------------------|---|--|
| Area (km ²) | 348 | 629 |
| Population (k) | 600 | 531 |
| Length of the network (2012) (km) | 2,500 | 2,100 |
| Gas users (2012) (k) | 277 | 245 |
| Gas distributed (2012) (scm/mln) | 520 | 500 |
| Main outgoing operators | 2i Rete Gas ALD & NED (*) Italgas | 2i Rete Gas ALD & NED (*) Italgas Unareti |

(*) ALD and NED currently serve about 160,000 gas users in both the ATEM.

- On 25th February 2020 Ascopiave has been selected by ALD and NED as the industrial partner for a joint participation in each of the future gas assignment service tenders Milano 2 and Milano 3
- In the event of winning one tender, a company will be established whose share capital will be held 49% by AP Reti Gas (Ascopiave Group) and 51% by ALD and NED.
- The governance of the newly established companies will allow the Ascopiave Group to wholly consolidate the book value of the equity investments

Assets to be acquired (A2A Group)



NORTHERN ITALY

 Ascopiave Group current distribution activities

| ATEM | Total | Ascopiave |
|-----------------------------------|-------|-----------|
| Length of the network (2021) (km) | 2,800 | 1,555 |
| Gas users (2021) (k) | 157 | 114 |
| RAB (2021) (Euro/000) | | 71,400 |



Strengthening of the presence of Ascopiave in Veneto, Friuli Venezia Giulia and Lombardy

- In line with the goal of consolidating its presence in the gas distribution sector, Ascopiave has been awarded the acquisition of assets from the A2A Group in consortium with ACEA and IREN
- July 2021: call for tender for the sale of the assets
- Establishment of a consortium formed by Ascopiave (58%), Acea (28%) and Iren (14%) to participate in the tender procedure
- 31st December 2021: signing of the agreement with A2A for the acquisition of the assets
- 1st April 2022: closing
- Within 12 months of closing: allocation of the assets among the consortium members is foreseen according to the respective perimeter of interest. On 1st October 2022, the partial demerger of Romeo Gas in favour of Acea took place. As a result, the company's shareholding structure and capital changed and the stake held by Ascopiave in Romeo Gas increased to 80.293%.

Estenergy

- The strategic repositioning of Ascopiave finalized on December 2019 Pag. 21
- Key figures related to Estenergy Group Pag. 22
- Put option of Ascopiave on Estenergy shares Pag. 23

On 19th December 2019 Ascopiave and Hera finalized a complex operation

- The two parties established a partnership in the energy sales business through the company Estenergy. Estenergy acquired:
 - ✓ the shareholdings held by the Ascopiave Group in the companies active in the natural gas and electricity sale business (except for Amgas Blu)
 - ✓ the sales activities operated by the Hera Group in Triveneto
- the purchase by Ascopiave from the Hera Group of a series of gas distribution concessions covering 188.000 users in Veneto and Friuli Venezia Giulia.



Primary **strategic goals** matched by Ascopiave:

- **reinforcing the gas distribution core business, consolidating the leadership position in the Veneto Region**
- **giving greater value to the sales activities, through the partnership with a valid player in the market**

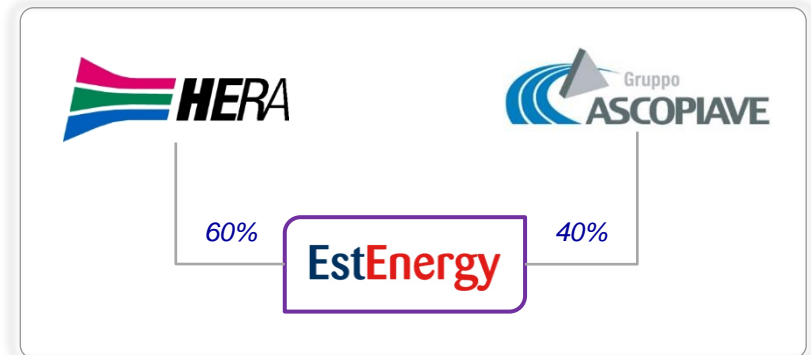
2022 key figures related to the sales business run by Estenergy Group:

| Gas sales | 2022 |
|------------------------------|---------|
| Volume of gas sold (scm/mln) | 989 |
| Number of customers | 687,000 |

| Electricity sales | 2022 |
|----------------------------------|---------|
| Volume of electricity sold (GWh) | 1,500 |
| Number of customers | 337,000 |

| Income statement (*) | 2022 |
|----------------------|---------|
| Revenues | 1,657.4 |
| EBITDA | 59.2 |
| EBIT | 23.2 |
| Net income | 16.7 |

| | |
|--------------------------------------|-------------------|
| Net income consolidated by Ascopiave | 7.3 (pro-rata) |
|--------------------------------------|-------------------|



Estenergy is **consolidated** by the Ascopiave Group with the **net equity method**. Consolidated results reported in Ascopiave financial statements takes into account the pro-rata of the capital share held in the company and pertaining consolidation rules.

(*) Million of Euros; data are considered at 100%.

Put Option of Ascopiave on Estenergy shares

Put option of Ascopiave exercisable:

- in **all or in part**, by the latter on its entire **stake in Estenergy**, within **7 years** from the closing of the transaction
- at a **price (strike price)** that will be the highest of:
 1. Fair Market Value, calculated on the basis of an evaluation method agreed between the parties
 2. Purchase price at the entry, plus an annual return equal to 4%, minus all the distributed dividends from the closing date until the date of the exercise
 3. Purchase price at entry



If exercised, the put option guarantees a **minimum rate of return** on the initial investment of Ascopiave in Estenergy (Euro 395.9 mln)(*) **equal to 4%**

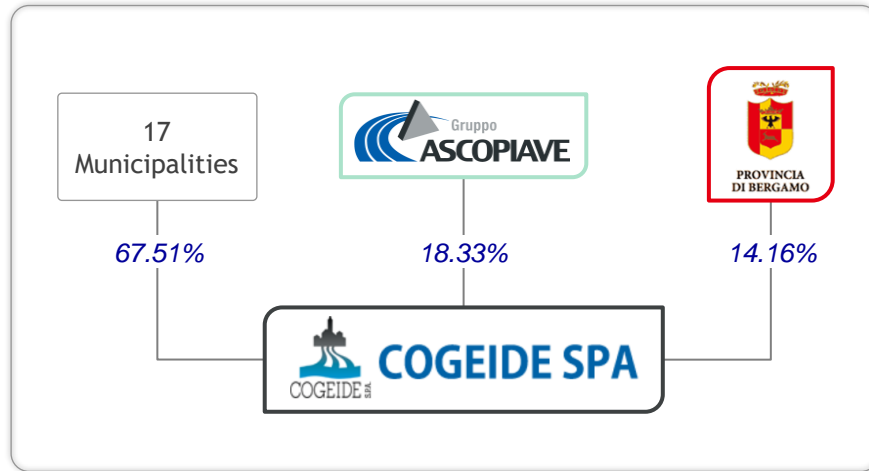
- In December 2022, Ascopiave partially exercised its put on its stake in Estenergy, transferring an **8% share** of the company's capital to the Hera Group, collecting Euro 79.2 mln

(*) In 2020 Ascopiave subscribed an EstEnergy capital increase for 32.5m€ to service the tax relief of the higher value of the equity investments it acquired compared to the net book value. The benefits for Ascopiave will be represented by higher dividends in the years 2023-2032. If the put option is exercised, the benefits not yet obtained will be recognized as a supplement to the price.

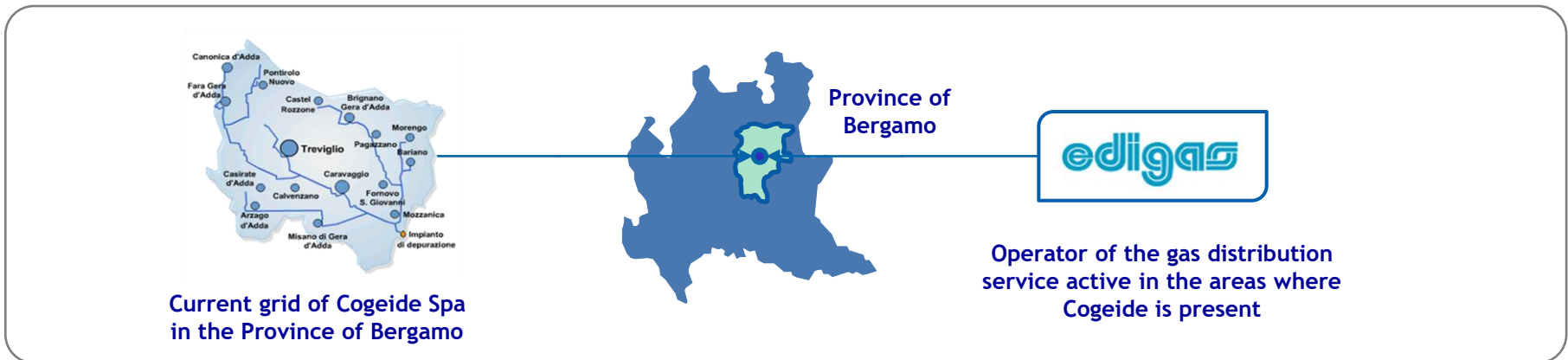
Cogeide

→ Cogeide Pag. 25

December 2020 - Entry into the water management service through the acquisition of Cart Acqua, investor and technological partner of Cogeide, manager of the integrated water service in 15 municipalities in the Province of Bergamo



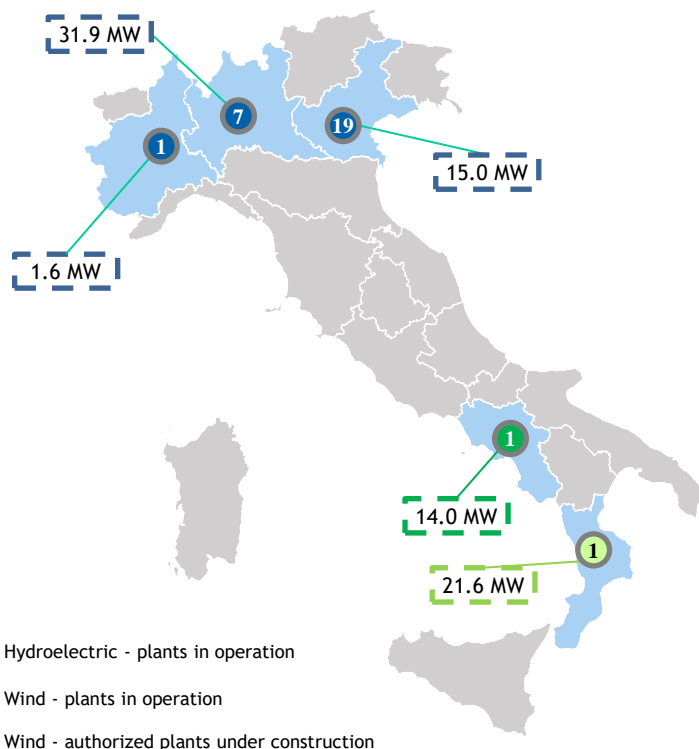
| Cogeide key figures | 2021 |
|------------------------|---------|
| Grid extension (km) | 900 |
| Customers served | 101,000 |
| Water sold (mc/mln) | 8.2 |
| ----- | |
| EBITDA (Euro/mln) | 5.2 |
| Investments (Euro/mln) | 3.3 |



Asco Renewables and Asco EG

→ Asco Renewables and Asco EG Pag. 27

- **December 2021** - Entry into the field of renewable energy production through the acquisition from EVA Group of **6 hydroelectric plants** located in Lombardy and Piedmont
- **January 2022** - Acquisition of the 79.74% stake in Eusebio Energia (now Asco EG), owner of a portfolio of **21 hydroelectric plants** in Lombardy and Veneto and **1 wind farm** in Campania
- **January 2022** - Establishment of a partnership with the Renco Group to develop new power generation plants from renewable sources through the acquisition of a 60% stake in Salinella Eolico. The company is currently building a **new wind farm** in Calabria with a rated capacity of 21.6 MW.



Asco Renewables and Asco EG key figures

2022

Number of plants in operation

28

Installed capacity (MW)

62.5

Energy produced (GWh)

89

of which about 18 GWh incentivized

The historical average of production is around 168 GWh of which approx. 37 incentivized

EBITDA (Euro/mln)

3.8

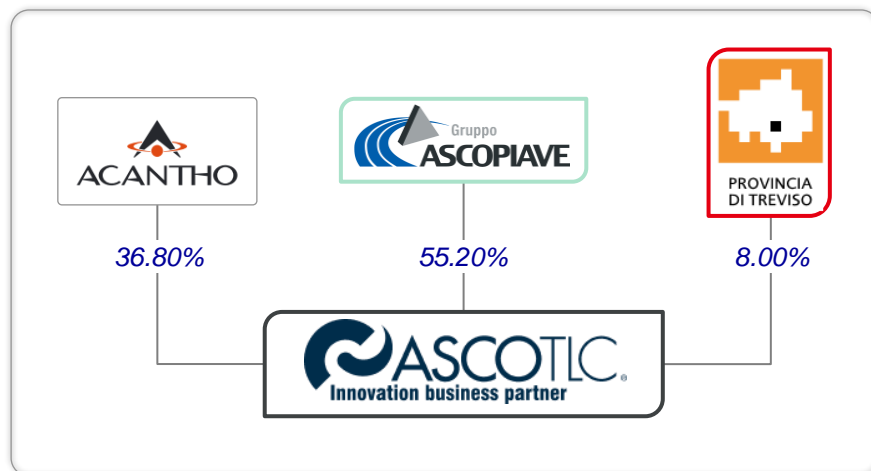
The 2022 results are affected by unfavorable regulatory measures on the electricity transfer price and low production

Asco TLC

→ Asco TLC Pag. 29

In **January 2023**, Ascopiave formed a partnership with Acantho (Hera Group), acquiring control of **Asco TLC**, a company active since 2001 in the provision of **ICT services (connectivity and private cloud)** mainly to corporate customers and public administrations

The acquisition represents the first step in a potentially larger transaction that would lead, through the merger of Asco TLC into Acantho, to the creation of a multi-regional operator capable of achieving significant operational synergies compared to stand-alone companies, with benefits for customers as well



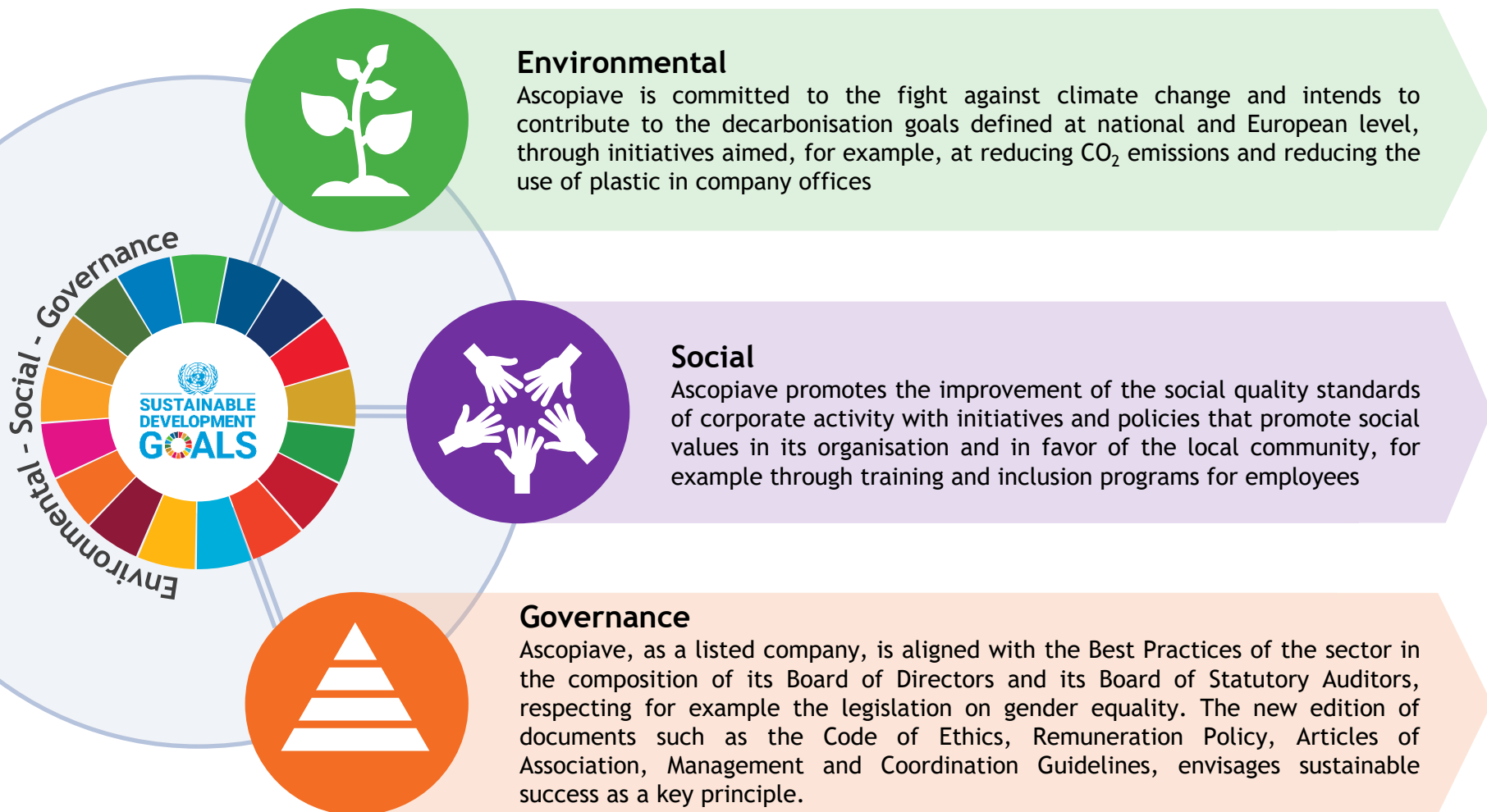
| Asco TLC key figures | E2022 |
|---------------------------|-------|
| Fiber optic backbone (km) | 2,200 |
| Customers | 2,700 |
| ----- | |
| EBITDA (Euro/mln) | 3.3 |
| Investments (Euro/mln) | 0.9 |

Asco TLC has a significant owned territorial network in Veneto and Friuli-Venezia Giulia regions consisting of more than 2,200 km of fiber optic backbones, 56 radio broadcasting bridges, and 24 xDSL unbundling exchanges

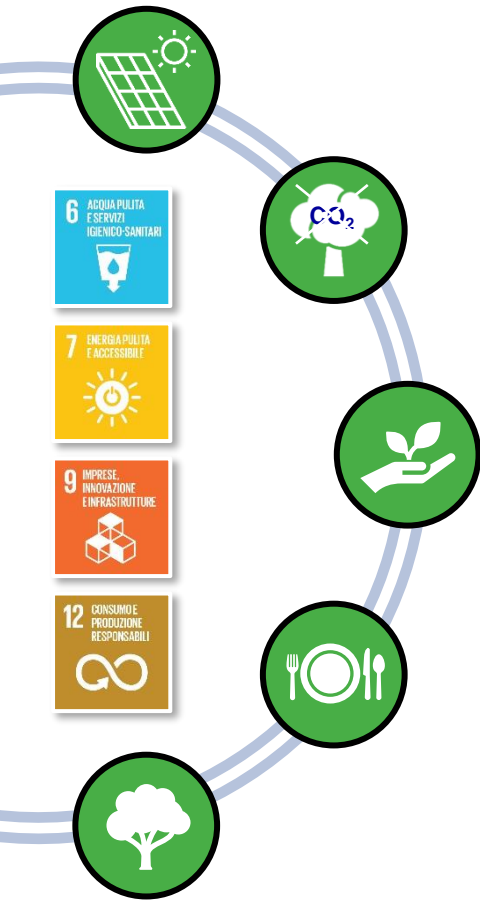
Sustainability goals

- Sustainability of Ascopiave Pag. 31
- Environmental sustainability Pag. 32
- Social sustainability Pag. 33

Ascopiave's initiatives aim to combine sustainability and industrial growth, focusing on the optimisation of ESG objectives with a view to creating value for all stakeholders



Ascopiave Group has always placed great emphasis and commitment on environmental issues, with the aim of minimizing the impact of its activities



Energy from renewable sources: the 380 kW photovoltaic plant and a geothermal plant, guarantee a significant reduction in pollution and consumption at the company's headquarters. Ascopiave has also entered the renewable generation business, investing in hydroelectric (27 plants for an installed capacity of 48.5 MW) and wind (1 plant for an installed capacity of 14 MW) power.

CO₂ emission reduction: we have long been implementing the best technologies for constant consumption monitoring and implementing sustainable behaviors.

TEE management: through its subsidiary AscoEnergy (ESCo), Ascopiave manages the procurement of the Group's energy efficiency certificates in the most effective way.

Canteen Service: canteen service availability with focus on providing sustainable menus with the goal of reducing water use related to food production and consumption and CO₂ emissions. Ascopiave contributes to reducing food waste and spreading the culture of food value, proper nutrition, favoring supply chains with low environmental impact, supporting health and environment.

Extent of corporate green space: the main office has multiple green spaces totaling about 28,000 square meters equipped with an intelligent irrigation system that is not fed by the water service network. The green space/employee ratio is 157 sq. m.

Ascopiave Group also promotes people's involvement in achieving economic and social sustainability goals in a context of mutual trust and collaboration

Supply chain: the Group gives preference to suppliers who hold certifications in environmental, quality and health & safety areas, and who operate in line with the Group's sustainability choices. The prevailing presence of local suppliers contributes to maintaining the level of employment in the territory.

Sustainability Report: During 2022, the Company continued the approach of communicating its social and environmental performance through the Non-Financial Statement, in addition to the Sustainability Report responding to the strategic goal of developing and nurturing relationships with the Stakeholder community over time.

Training: Ascopiave promotes the professional growth of its employees through continuous training and growth activities, with the aim of increasing the current digital skills of staff. During 2022, the average training hours per employee were 22.

Inclusiveness: the Group promotes the inclusion and enhancement of diversity, both in personnel selection and career development, as stipulated in the Code of Ethics and the personnel selection policy.

Work/life balance: Ascopiave pays special attention to the work/life balance of its workers: in particular, with a 2nd level contractual agreement, the company provides flexibility at the entrance and exit of the working day.

Maternity: for female workers who are mothers, Ascopiave allows them to obtain part time and/or have a more conciliatory work schedule until their child turns 12.



Strategy

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Ascopiave Group's strategy is based on sustainable growth, developing resources and skills in order to seize the opportunities generated by new market trends

The 2022-2026 strategic plan envisages a growth path that will allow to increase company profitability, maintaining a balanced financial structure and a stable and profitable dividend distribution

GROWTH (GAS DISTRIBUTION)

Ascopiaves' current positioning and expertise in the gas distribution provide a solid foundation to support the growth of the scope of activities under management in a sector undergoing consolidation

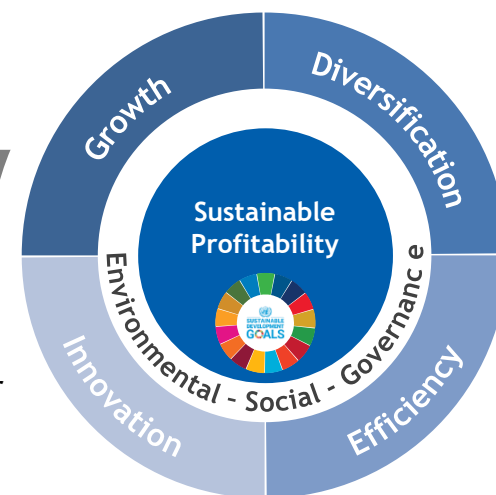
- Awarding of a significant number of ATEM tenders
- M&A of small to medium-sized companies operating in the gas distribution sector
- Establishment of partnerships aimed at joint participation in tenders

GROWTH (RENEWABLE ENERGY)

Further implementation of renewable energy expertise is the basis for supporting further growth of managed business in a rapidly developing sector

- Development of greenfield plants
- M&A of small to medium-sized companies operating in the renewable energy sector
- Establishment of partnerships aimed at the development of specific plants
- Diversification of the type of renewable energy sources

STRATEGIC PILLARS



DIVERSIFICATION

As part of the energy transition and business diversification process, Ascopiave Group aims, through a growth based on the enhancement of possessed skills, to maximize the value generated for stakeholders

- Green hydrogen
- Biomethane
- Water services
- Energy efficiency
- ICT services
- Upsides (other network services, synthetic gas)

INNOVATION

Innovation management is a crucial activity for Ascopiave and targets both short and medium-long term objectives

- Operating costs optimization
- Interventions encouraged by current regulations
- Competitive potential improvement in ATEM competitions
- Offer improvement in innovation
- Technological adaptation of networks and infrastructures as a contribution to the competitiveness of the «gas system» vs alternative energy carriers

EFFICIENCY

Improving operational and economic efficiency is at the heart of Ascopiave's management policies, which aims to follow up on the excellent results achieved over the past few years

STRATEGIC PILLARS



- **Gas distribution concession** must be awarded through public tenders.
- The future tenders must be called to assign concessions for the management of the service in **wide geographical areas, grouping neighbouring municipalities (ATEM)**.
- Municipalities belonging to a single ATEM must appoint a local entity to act as unique contracting authority.

Ascopiave's positioning inside the ATEMs (*)

| ATEM | Ascopiave Group gas users (*) | % | Ascopiave Group ATEM market share |
|--------------|-------------------------------|-------------|-----------------------------------|
| Treviso 2 | 148,705 | 17% | 93% |
| Treviso 1 | 79,562 | 9% | 58% |
| Padova 1 | 168,658 | 19% | 78% |
| Vicenza 3 | 88,129 | 10% | 86% |
| Rovigo | 35,528 | 4% | 36% |
| Udine 3 | 34,012 | 4% | 56% |
| Bergamo 1 | 31,234 | 4% | 41% |
| Bergamo 5 | 30,934 | 3% | 32% |
| Vicenza 4 | 29,512 | 3% | 45% |
| Venezia 2 | 69,555 | 8% | 34% |
| Other ATEM | 173,910 | 20% | n. a. |
| Total | 889,739 | 100% | |

- **Ascopiave is currently the main operator in 5 ATEM** with more than 50% market share in terms of end users served. The current end users in these ATEM amount to over 60% of the total end users served by the Group
- Ascopiave has also a **significant market share in other ATEM** located in Veneto, Lombardy and Friuli Venezia-Giulia

(*) 2022 data. Ascopiave processing on MISE data.

Ascopiave has selected the ATEM to bid for, defining the different levels of priority with the aim of establishing a portfolio of territorially contiguous concessions.

The Group is also evaluating potential partnerships with other operators, in order to strengthen its position in some geographical areas.

Selection criteria

- 1 Valorisation of economies of scale and synergies
- 2 Competitive advantages over potential competitors
- 3 Targeted risk /return balance



ATEM of interest

Priority to development in the Veneto region, consolidating the current leadership position, and in other Regions located in Northern Italy

Participation in tenders in currently managed ATEM and in other contestable ATEM

The definition and implementation of the strategy depends on the **timing of publication of the tender notices** and any delays in the deadlines. This implies the need to establish an order of strategic priority and a continuous updating of decisions regarding participation in future tenders

After the assignment of the new ATEM concessions, the **geographical areas served by Ascopiave are expected to change**. The **larger customer base and the increased territorial concentration** of the operated plants will allow economies of scale and cost optimisation.

Program to increase operational and economic efficiency through the digitisation of networks and processes. 2022-26 planned investments: **Euro 8.4 mln (*)**

SMART METER INSTALLATION

- Ascopiave Group was **one of the first companies** to experiment with the installation of intelligent mass market meters and aims to achieve **100% of smart meters installed throughout its networks @ 2024**
- **Internalisation of installation activities** is planned, in compliance with the objectives set by the Authority and with a view to planning these interventions in the most appropriate way
- The identification of the right mix between Radio Frequency and P2P meters, and scale economies generated by the coverage of large areas of territory, will allow a significant **operating cost optimization**

DIGITISATION OF COMPANY PROCESSES

- The Group plans for process digitisation interventions, such as the evolution of **cartographic systems**, the efficiency of the Work Force Management system, **virtual and augmented reality** projects and **Robotic Process Automation** solutions
- This digitisation will allow the development of the execution of activities, achieving **greater efficiency and creating new opportunities** for using the data and information collected

NETWORK DIGITISATION

- The Group aims to install sensors capable of detecting, recording, transmitting and executing commands by creating a digital twin of the physical infrastructure in order to:
 - **optimize network monitoring** in terms of pressure and odorisation
 - acquire **data in real time and simulate plant conditions**
 - adapt the network for the introduction of **biomethane** and in the future of other **"green" gases**

(*) Excluding investments for the replacement of smart meters.

Organic program of innovative interventions aimed at the evolution of the infrastructure and improving its safety and functional efficiency. 2022-26 planned investments: **Euro 12.4 mln**

REMI energy efficiency



Optimisation of the preheating system with high-efficiency cogeneration, heat pumps, photovoltaics and solar thermal intended to reduce the energy consumption of REMI substations

REMI energy recovery



Implementation of turbo expansion combined with high efficiency cogeneration (CAR)

Expected benefits:

- Significant reduction in operating costs
- Contribution to TEE obligations
- Reduction in CO₂ emissions

Two-way distribution system



Bi-directional REMI substations to ensure capacity and continuity for the injection of "green" gases into the distribution grid, particularly biomethane for which several request for connection have recently been received on the currently operated network

Expected benefits:

- Adapting the grid for the future feed-in of "green" gas
- Lower connection and operating costs for "green" gas producers

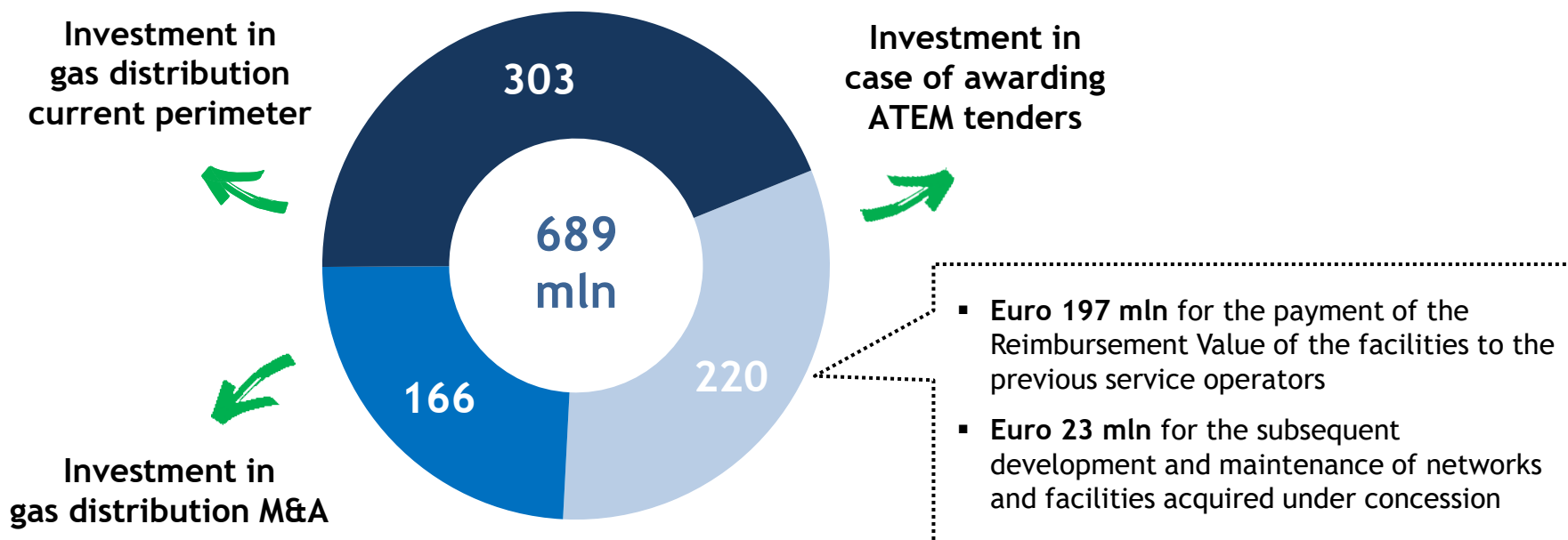
Most of the planned investments are in gas distribution, with significant interventions on current perimeter and possible additional gains in case of ATEM tender award

2022-26 planned investments: **Euro 689 mln**

Expected EBITDA @ 2026: **Euro 113 mln (*)**

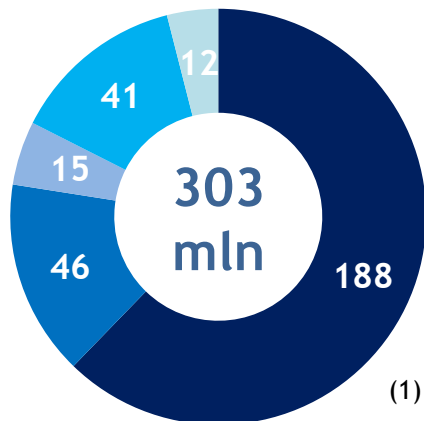
(*) of which Euro 21 mln for the awarding of the ATEM tenders

Investment cumulated @ 2026



Investment in gas distribution current perimeter cumulated @ 2026

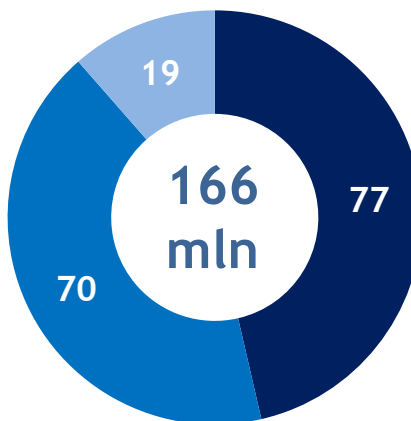
- Network and facilities maintenance
~342 km network, makeover of ~19k UDS¹ and ~350 FRG² and cabins interventions
- Measurement equipment and infrastructure
installation of ~298k meters
- Digitalization, efficiency and innovation
including process digitisation
- Network and facilities development
including process digitisation
- Other investments
~153 km of new pipelines and ~3k new UDS



(1) User derivation systems
(2) Final reduction groups

Investment in gas distribution M&A cumulated @ 2026

- for Enterprise Value^(**) (to be carried out between 2023 and 2026):
gas users **51 k**
- for Enterprise Value^{(*)(**)} (already made in 2022):
gas users **114 k**
- for technical investments companies acquired post 2022



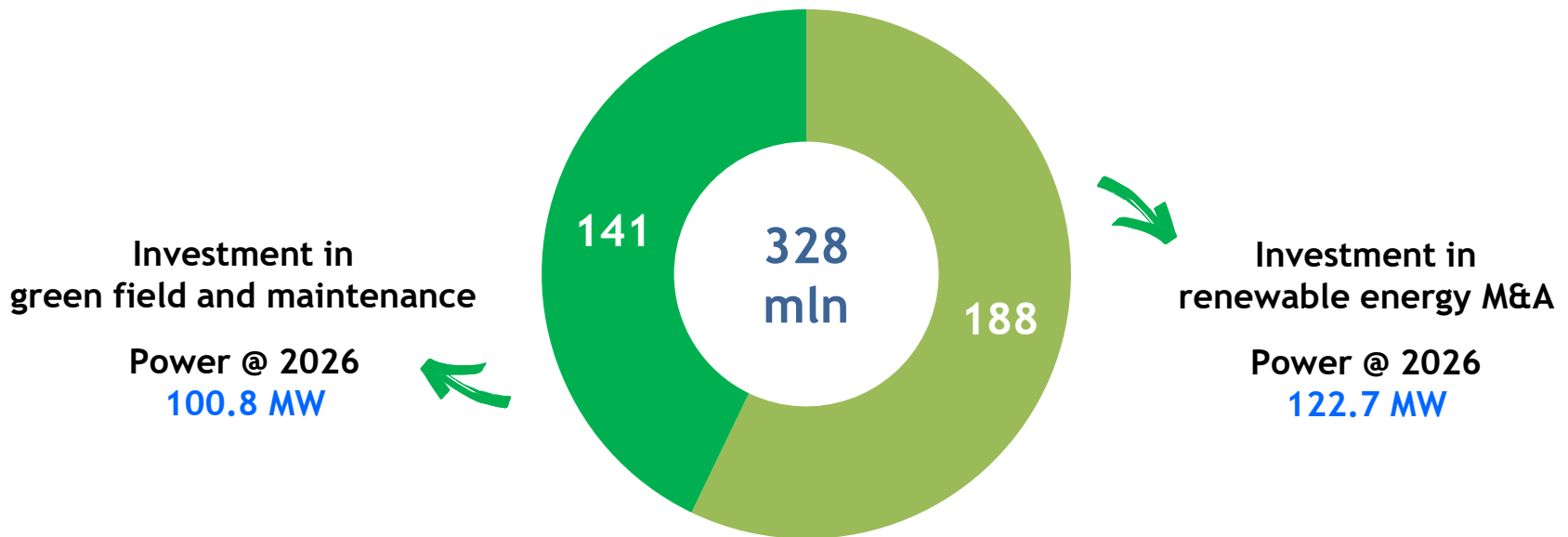
(*) Enterprise Value for the acquisition of the majority stake in Asco EG; (**) Enterprise Value of the acquired assets = Price for the equity + Net Financial Position

The Group aims to expand the portfolio of RES generation power plants both through M&A transactions and the development of new greenfield plants

2022-26 planned investments: Euro 328 mln

Expected EBITDA @ 2026: Euro 40 mln

Investment cumulated @ 2026



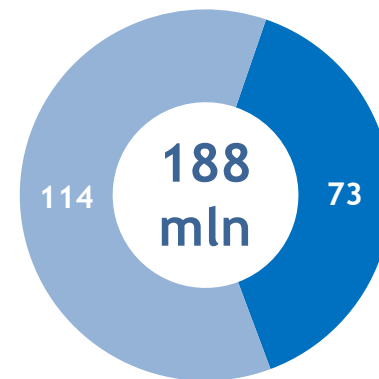
Investment green field and maintenance cumulated @ 2026

- Development of new wind farms in Calabria already authorized → **21.6 MW capacity** expected start of operation in 2024
- Development of new photovoltaic systems at the permit application stage → **38.6 MW capacity** expected start of operation in 2024 and 2025
- Development of new wind power plants in the permit application stage → **36.0 MW capacity** expected start of operation in 2027
- Maintenance of plant operation



Investment in renewable energy M&A cumulated @ 2026

- for Enterprise Value^(**) (to be carried out between 2023 and 2026):
 - power **32.0 MW** (wind)
 - power **32.8 MW** (solar)
- for Enterprise Value^(*)^(**) (already made in 2022):
 - power **43.9 MW** (hydroelectric)
 - power **14 MW** (wind)



(*) Enterprise Value for the acquisition of the majority stake in Asco EG; (**) Enterprise Value of the acquired assets = Price for the equity + Net Financial Position

The diversification allows Ascopiave to maximise the value generated by the Group, exploiting and enhancing the internal competences.

2022-26 planned investments: **Euro 74 mln**

Expected EBITDA @ 2026: **Euro 9 mln (*)**

STRATEGIC DRIVERS FOR DIVERSIFICATION

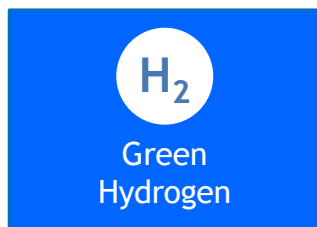
Energy transition

Enhancing possessed skills and synergies

Focus on infrastructure

Cumulated investments @ 2026

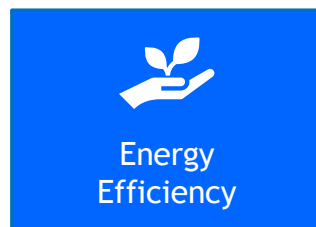
Euro 20 mln



Euro 10 mln



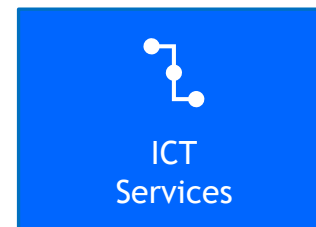
Euro 10 mln



Euro 11 mln



Euro 23 mln



GREEN GAS

(*) EBITDA of investment in green hydrogen is not reflected, as it is developed outside the plan horizon.

Green hydrogen

GREEN GAS



- Implementation of integrated project from production to final distribution of green hydrogen
- Arrangements with end users for collection
- Potential testing of the use of hydrogen in the gas grid

Biomethane

GREEN GAS



- Collaboration in the form of "revenue sharing" and/or JVs with agricultural companies and/or food industries for the valorization of processing waste
- Focus on upgrading and enhancement of existing biogas plants (in Veneto > 100 MW installed biogas-powered electrical capacity)



- Potential leverage on public grants for investment development
- Focus on target territories

Water management services



- Collaboration with industry players/integrated water service operators to provide specialized services, software sharing to **push digitalization of the industry**
- Attention to possible investment opportunities (tenders for integrated water service management)

Energy efficiency



- Focus on Public Administration and Industry which are segments characterized by lower capillarity than household customers and higher investment size
- Long-term contracts (Energy Performance Contract, project financing) in order to stabilize the flows generated by investments



Staff training: target of 25 hours/year of training per employee through enrichment of e-learning training offerings available to Group employees, and through further implementation of a dedicated training platform.



Average age: the Group intends to maintain the current average age of about 47 years, ensuring uniformity in the distribution of the different age groups of employees.



Gender Equality Certification: activities aimed at obtaining gender equality certification will be undertaken.



Welfare: further expansion of the services available on the platform, ranging from education and instruction, social security and health benefits, to the purchase of other goods, while maintaining the current scope of involvement at 100% of employees.



Worker safety: the Group considers the protection of workers to be of primary importance by setting the goal of maintaining high levels of safety, promoting the integration of safety in all company activities and focusing on continuous staff training.



Sustainable vehicles: corporate fleet renewal according to the highest industry standards. By 2026, the electric/hybrid car fleet target is 24.6% (7% at 2022).



Waste: the Group is committed to maintaining the standard already achieved by sending over 99% of special waste for recovery.



Renewable power: photovoltaic power installed at the company's headquarters that will save, in terms of tons of CO₂ avoided from 2022 to 2026, more than 1,3 ktons.



Gas distribution asset renewal: energy efficiency upgrades and digitalization of the network by making it compatible with gases other than methane (biomethane, green synthetic gas, hydrogen-methane blending, etc).



Renewal of domestic meter fleet: selection of meters capable of receiving the new gas mixtures and made of recyclable material. Gradual replacement of meters with GPRS communication technology in favor of NB-IOT will allow reduction in quantity of spent batteries for disposal.



Reduction of CO₂ and CH₄ emissions: through the implementation of preheating efficiency measures in REMI substations and the adoption of innovative methods to search for CH₄ leakage in networks.



Uncertainty about the start of ATEM tenders

- /// The uncertainty about the timing of tenders and subsequent award of concessions suggested the development of a scenario analysis based on various hypotheses:

SCENARIO A

increase in the perimeter of activities managed in gas distribution sector only through M&A and organic growth as by the end of the plan period no ATEM tender is able to complete its award process

SCENARIO B

in addition to the growth expected in scenario A, the launch and award of 4 ATEM tenders in the year 2026 is expected and, consequently, a significant increase in networks and served customers

Pursuit of rational goals in terms of efficiency and investments

- /// The projections reflect the goals reasonably achievable by the Group
- /// Operating and investment costs incorporate inflation dynamics - average annual inflation over the entire plan horizon: 2.35% (2023: 4.00% / 2024-2026: 1.80%) - and economic-management efficiency targets

Implementation of M&A initiatives and diversification into other activities

- /// Achievement of reasonable growth targets through M&A and investment initiatives in the renewable energy sector and diversified businesses

Planned investments, aimed both at the maintenance and development of the existing network and at the expansion of activities on new synergistic businesses

Cumulative investments @ 2026 (Scenario A)

€ 873 mln

- Investments for the maintenance and development of the gas distribution infrastructures related to the current perimeter
- Investment in acquisition of companies active in gas distribution and subsequent development and maintenance of the acquired networks
- Efficiency & innovation
- Metering equipment and infrastructure
- Investments in renewable energy related to maintenance of plants in operation, development of new wind and photovoltaic plants and M&A transactions on companies active in renewable energy
- Investment in diversification directed to new business initiatives (green hydrogen, biomethane, energy efficiency, water service, ICT services)
- Centralized investments

| Group investments 2022-2026 (*) | Scenario A | % |
|---------------------------------|------------|-------------|
| Gas distribution current assets | 380 | 44% |
| M&A gas distribution | 89 | 10% |
| Gas distribution | 469 | 54% |
| Renewable energy | 328 | 38% |
| Diversification | 74 | 8% |
| Corporate | 2 | 0% |
| Total investments | 873 | 100% |
| Net equity divestments (**) | -497 | |
| Total net investments | 376 | |

The plan also includes **funding investments by divesting the stakes held in EstEnergy and Hera Comm through the full exercise by 2026 of put options**, similarly for both scenarios (A and B).

(*) Data in Euro/mln; (**) Estenergy and Hera Comm.

Planned investments, aimed both at the maintenance and development of the existing network and at the expansion of activities on new synergistic businesses

Cumulative investments @ 2026 (Scenario B)

€ 1,093 mln

Additional investment envisaged in case ATEM tenders are awarded (payment of residual value of the plants to outgoing operators (Euro 197 mln) and investments to be executed under new concessions (Euro 23 mln))

| Group investments 2022-2026 (*) | Scenario B | % |
|---------------------------------|--------------|-------------|
| Total investments scenario A | 873 | 80% |
| Gas distribution - tenders | 220 | 20% |
| Total investments | 1,093 | 100% |
| Net equity divestments (**) | -497 | |
| Total net investments | 596 | |

(*) Data in Euro/mln; (**) Estenergy and Hera Comm.

In both scenario the economic results are expected to show a growing trend. Over the plan period, there is growth in net invested capital and optimisation of the mix of financing sources

| (Euro/mln) | 2021A | 2022E | SCENARIO A | | SCENARIO B | |
|--------------------------|-------|-------|------------|--------|------------|--------|
| | | | 2026E | cagr % | 2026E | cagr % |
| EBITDA | 66 | 77 | 133 | +15% | 154 | 19% |
| EBIT | 34 | 31 | 66 | +21% | 76 | 25% |
| Net financial income (*) | 21 | 6 | -7 | n.a. | -13 | n.a. |
| Net income | 45 | 31 | 41 | +7% | 44 | 9% |
| Net invested capital | 1,216 | 1,289 | 1,300 | +0% | 1,504 | +4% |
| Net equity | 869 | 873 | 927 | +2% | 930 | +2% |
| Net financial position | 347 | 416 | 373 | -3% | 575 | +8% |
| Financial leverage | 0.40 | 0.48 | 0.40 | -4% | 0.62 | +7% |

(*) Income from equity investments net of borrowing costs on debt.

Growth prospects, both by internal and external lines, will result in further consolidation of the Group in the gas distribution sector and an increase in the renewable energies sector

Gas distribution

| (Euro/mln) | 2021A | 2022E | SCENARIO A | | SCENARIO B | |
|-------------------------|-------|-------|------------|--------|------------|--------|
| | | | 2026E | cagr % | 2026E | cagr % |
| Connected gas users (k) | 891 | 890 | 945 | +1% | 1,110 | +6% |
| RAB | 732 | 741 | 943 | +6% | 1,114 | +11% |

Renewable energy production

| (Euro/mln) | 2021A | 2022E | SCENARIO A | | SCENARIO B | |
|----------------------|-------|-------|------------|--------|------------|--------|
| | | | 2026E | cagr % | 2026E | cagr % |
| Installed power (MW) | 0 | 62.5 | 223.5 | +38% | 223.5 | +38% |

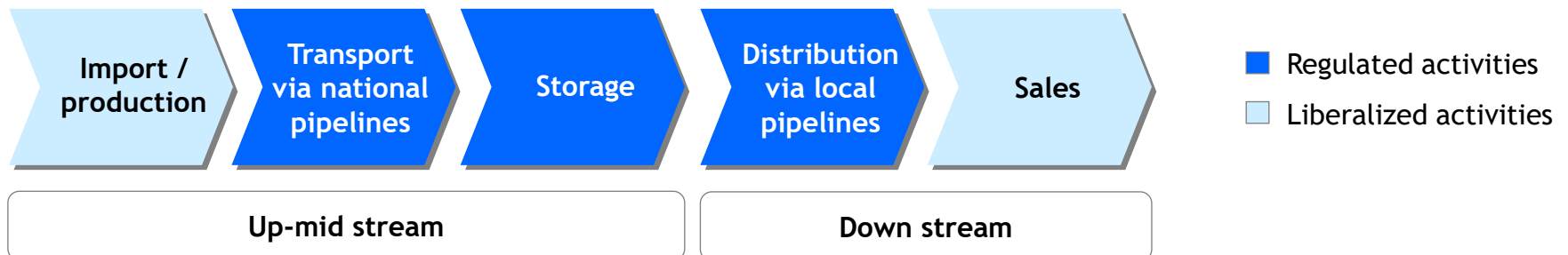


Annexes

Gas distribution: sector overview

| | |
|---|---------|
| → Gas distribution: legal framework | Pag. 55 |
| → Gas distribution: sector key figures | Pag. 56 |
| → Public tenders for the assigning of concessions | Pag. 57 |
| → Regulation of the call of tenders | Pag. 58 |
| → Compensation to be paid to the outgoing distributor | Pag. 59 |
| → Tariff regulation | Pag. 60 |

- Gas distribution is currently a **local monopolistic activity managed under concessions** granted by municipalities.
- Italian gas distribution sector was liberalized in 2000 according to the European Union Rules
- The law established a mechanism of **competition for the market: concession must be awarded only through public tenders.**
- The distributor is responsible for the operation, the development and the maintenance of the distribution network (operational expenses and investments), according to the **concessional agreement** signed between the operator and the municipality
- The **Italian Regulatory Authority for Energy, Networks and Environment (ARERA)**
 - ✓ sets the **tariffs** to be applied to cover the cost of capital and for the operations of the service
 - ✓ provides rules regarding the **minimum standard service levels.**
- The distributor gives access to any requiring gas sales company that has the right to use the network to supply gas to its customers (**third party access**).



| Gas distribution key figures (*) | 2021 |
|---|---------|
| No. of operators in Italy | 188 |
| Municipalities served | 7,298 |
| Volumes of gas distributed (bln/scm) | 32.3 |
| No. of users served (mln) | 24.1 |
| Length of the gas distribution network (km) | 268,138 |
| Regulatory asset base (RAB) (Euro/bln) (**) | 18 |



Since 2000 gas distribution operators have been reduced to less than a third.

Currently **gas distribution sector is strongly concentrated:**

- about 50% of RAB (**) is held by Italgas and F2i, the only operators with a national rank
- about 30% of RAB (**) is held by 14 medium size operators (RAB > Euro 100 mln), with a regional relevance
- about 20% of RAB (**) is held by small size operators

(*) ARERA data; (**) Ascopiave estimate.

- ⚡ In order to improve the economic efficiency of the sector, since 2007 the legislation has established that the **tenders must be called to assign concessions for the management of the service in wide geographical areas, grouping neighbouring municipalities (ATEM).**
- ⚡ The national government constituted 177 ATEM nationwide.
- ⚡ Municipalities belonging to a single ATEM must appoint a local entity to act as contracting authority for the ATEM.
- ⚡ The law established the deadline by which each ATEM contracting authority must call the tenders.
- ⚡ In 2011 the national government issued some decrees establishing the general contents of the call for tenders, that must be fulfilled on the base of the local needs for investments to be defined by the local contracting authority. The standardization was aimed at encouraging competition and assuring transparency and effectiveness in the tender process.



The current rules governing the incoming tender processes will probably cause a further restructuring of the distribution sector.

A significant reduction in the number of operators is expected, as the participation to the public tenders requires from the potential competitors strong financial capability and important economic, organizational and technical skills.

Tenders process is currently slowed down by procedural difficulties. All the contracting stations failed in publishing the call for tenders respecting the deadlines provided by the law.

Standards to evaluate economic and technical offers

A - Economic offer (*maximum score: 28*)

- ⚡ Discount on gas distribution tariffs
- ⚡ Discount on prices for specific services provided by the distributor to end users
- ⚡ Fee to be paid to municipalities awarding the concession (cap on the fee level: 10% of the capital cost components of VRT (Total Revenues Constraint) = $10\% \times (CI \times rd + AMM)$)
- ⚡ Obligation to extend the distribution network (meters of pipes per end user that imply the obligation to connect new potential end-users)
- ⚡ Investments to improve energy efficiency

B - Offer concerning safety and service quality (*maximum score: 27*)

- ⚡ Network inspections in order to prevent gas leaks (percentage of gas network annually checked)
- ⚡ Performance of the emergency service and of the gas odorization service
- ⚡ Improving the level of other quality standards set by the Authority

C - Offer concerning the development and the maintenance of the network (*maximum score: 45*)

- ⚡ Appropriateness of the network operation analysis
- ⚡ Investment plan for the extension and the increase of the capacity of the distribution network; the evaluation concerns: the tangible benefits expected by the investment proposed, the accuracy of the technical projects as well as the quantities of new pipes to be made
- ⚡ Investment plan for the maintenance
- ⚡ Technological innovation

In the event that the public tender should not be awarded to Ascopiave, the winner must pay to the Group, as the current owner of the networks, a compensation:

- (a) the compensation must be calculated in accordance with the terms of the agreement implementing the concession or direct award (as the case may be), provided that the agreement was signed before 11th February 2012
- (b) or, if this is not provided for, the compensation must be calculated in accordance with the Guidelines set by the Ministry of Economic Development (Decree 22nd May 2014)
- (c) contributions paid by private users in the past for the construction of part of the network must be deducted (valuation of these are in accordance with the tariff regulation) (*)
- (d) whenever the compensation is higher than 110% of the net invested capital remunerated by the tariff system (RAB), the Energy National Authority (i.e. ARERA) must verify whether the compensation has been evaluated in accordance with the law
- (e) the organizer of the tender bid must take into account the observations issued by the ARERA.

(*) In the evaluation of RAB contributions paid by private users are currently deducted.

Tariff regulation 2020-2025

On 27th December 2019 ARERA issued the Resolution n. 570/2019/R/gas, approving the new tariff regulation that will be in force during the period 2020-2025 (fifth regulatory period).

Allowed opex

2020 unit allowed opex based on weighted average of 2018 actual / allowed opex. X-factor aimed at reabsorbing the extra efficiency of the last regulatory period.

| Unit allowed opex (*) | 2019 (**) | 2020 | 2021 | 2022 | chg 22-19 | chg % 22-19 |
|-----------------------|-----------|------|------|------|-----------|-------------|
| Total CO / end user | 47.1 | 42.6 | 42.6 | 41.4 | -5.6 | -12.0% |

(*) Ascopiave estimate. Average unit opex allowed referred to Ascopiave Group (pro-forma)

(**) The 2019 CO / end users - distribution calculation is a pro forma in connection with the acquisition of AP Reti Gas Nord Est assets from Hera Group in 2020

Real pre-tax rate of return on RAB (WACC)

With the Res. n. 614/2021/R/com, modified and integrated with the Res. n. 654/2022/R/com, ARERA has established the criteria for determining and updating the remuneration rate of the capital invested for infrastructure services in the electricity and gas sectors for the period 2022-2027.

| WACC | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|------|------|------|------|------|
| WACC - distribution | 6.3% | 6.3% | 6.3% | 5.6% | 5.6% |
| WACC - metering | 6.8% | 6.3% | 6.3% | 5.6% | 5.6% |

Tariff regulation for the incoming ATEM concessions

Difference between Compensation and RAB

At the starting date of the new concession:

- if the winner of the public tender is the current incumbent operator, the new RAB is equal to the previous one;
- if the winner of the public tender is a newcomer, the new RAB is equal to the compensation paid by the newcomer to the outgoing operator.

Compensation at the end date of the ATEM concession

The compensation is calculated as the sum of (a) the value of the stock of capital existing at the start date of the concession, that is equal to the initial compensation properly updated to take into account the depreciation occurred during the concessional period, and (b) the value of the investments made during the concessional period, calculated as the average between the effective costs of the assets and the regulatory value of the assets.

Regulatory evolution

With the consultation document 615/2021/R/com, ARERA has proposed a gradual introduction of a tariff regulation for Expenditure and Service Objectives (ROSS), oriented to the total efficiency of the service (from 2026):

- **integrated recognition** of operational costs and efficient capital costs;
- parametric determination of the components recognized in the tariff;
- application of **average useful lives** for the recognition of the depreciation component;
- **revision** of the incentive mechanism;
- **selectivity of recognizable investments**, to be justified with cost-benefit analysis

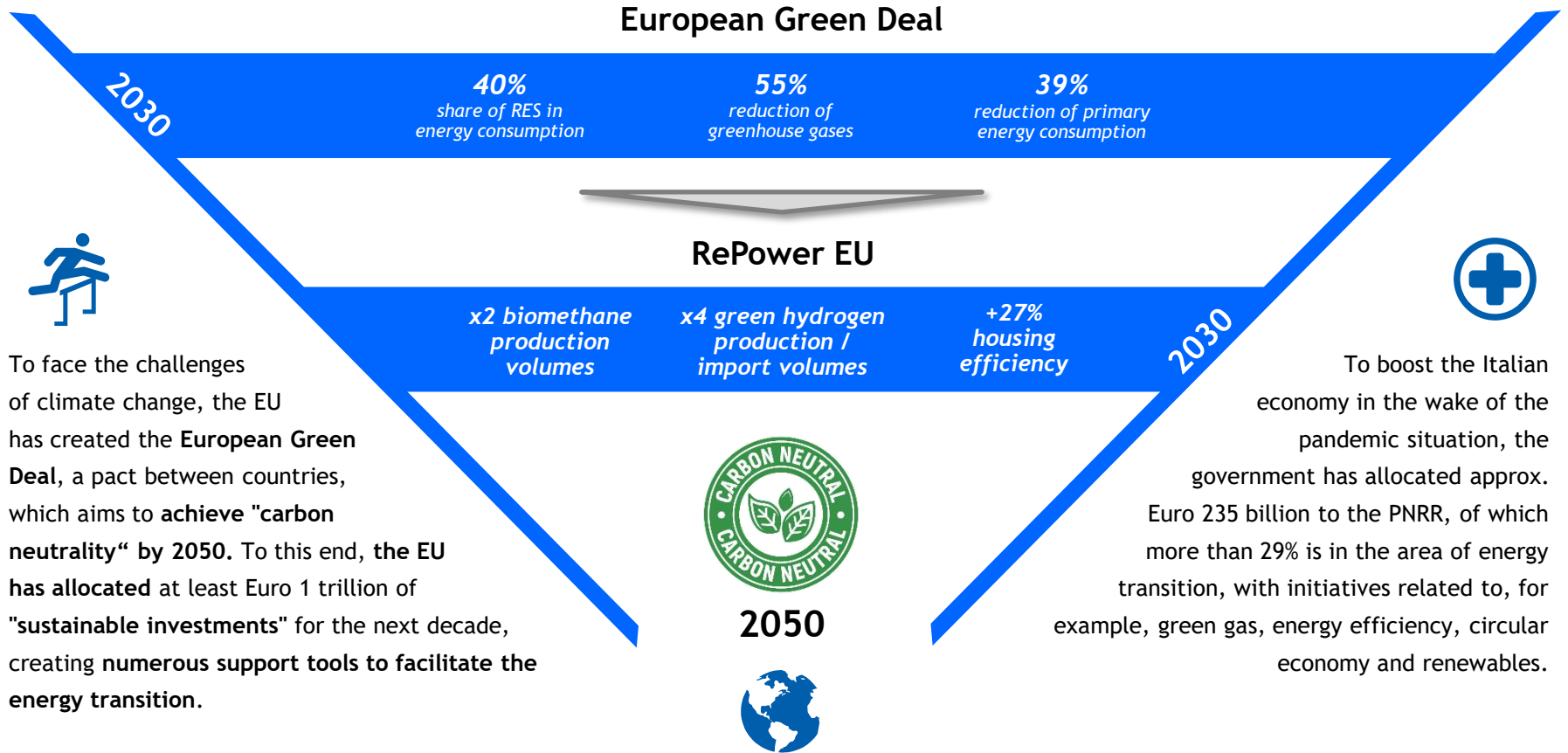
The paradigm shift will support the rationalization of the sector:

- **opportunity** for efficient and more innovative companies to **improve their profitability**;
- **risk** of under-remuneration of capital for inefficient companies;
- **incentives for aggregations**

The energy transition

- The European and Italian decarbonisation goals Pag. 64
- The role of the gas sector in the energy transition Pag. 65
- The new infrastructure grid Pag. 66
- Dynamics of the renewable energy sector in Italy Pag. 67

Both the European Union and Italy have based their growth targets for the next decade on the transition to a sustainable economy model



The ongoing conflict between **Russia and Ukraine** has exacerbated the energy market crisis already underway in 2021 related to the post-pandemic recovery, leading to a **further increase in volatility and energy commodity prices**. One solution from the European Commission to reduce the EU's **energy dependence on Russian gas supplies** is the **RePower EU** plan that is part of the path of EU initiatives to foster Energy transition.

In the energy transition pathway, gas represents a key source that will have to ensure the transition from a fossil fuel-based energy model to one with low emissions

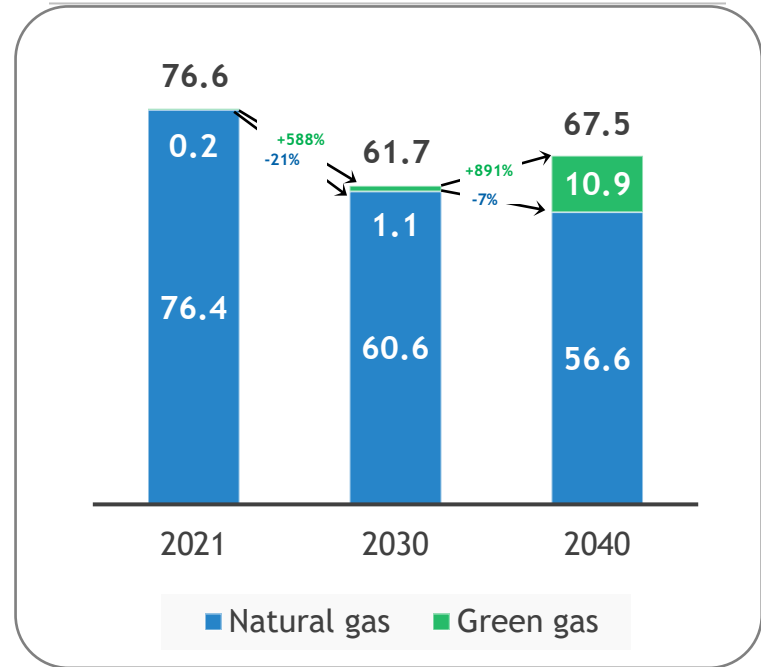


Adjustment of infrastructure with a green perspective
(Multi-vector network)



Integration with renewable electricity system

Expected gas consumption in Italy (*)
(bln/scm)



Opportunities

- /// Green gas transportation and storage with existing infrastructure
- /// Non-programmable renewable energy storage
- /// New public sources of financing (e.g. allocation of PNRR funds)

Risks

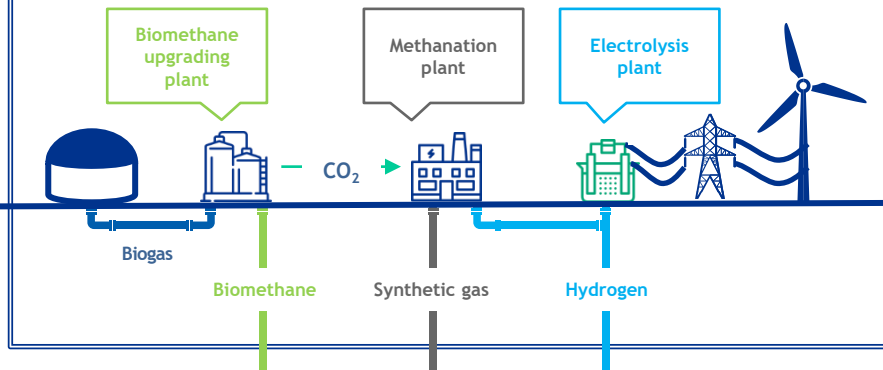
- /// Reduction in final gas consumption
- /// Reduction of use of existing infrastructure
- /// Potential need for reconversion of the gas network for the transport of green gases

(*) Source: Snam-Terna Scenario 2022 - LT Italy scenario (in terms of electricity requirements in line with the 2019 PNIEC and Snam-Terna's National Trend Italy (NT Italy) published in February 2021).

The gas network will require technological and infrastructural adjustments to facilitate the introduction and transport of "green" gases in order to decarbonise the system

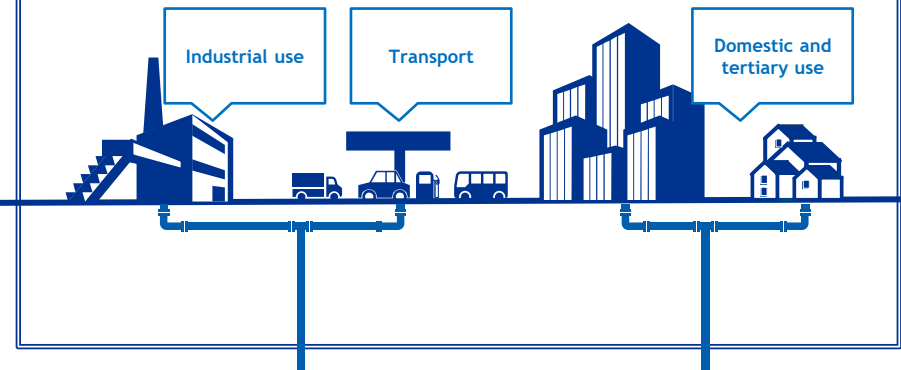
"Green" gas production and injection

- ✓ Starting with the significant production of biogas, a substantial increase in the production and injection of biomethane into the grid is expected
- ✓ Integration with the electricity system will allow the production and injection of both hydrogen and synthetic gas into existing networks, allowing for a reduction in emissions



Withdrawal and final uses

- ✓ Existing gas infrastructures can transport and store "green" gases and will be indispensable for supplying increasing quantities of gas to end users
- ✓ The final uses will be many: from industry to residential, from transport to the tertiary sector

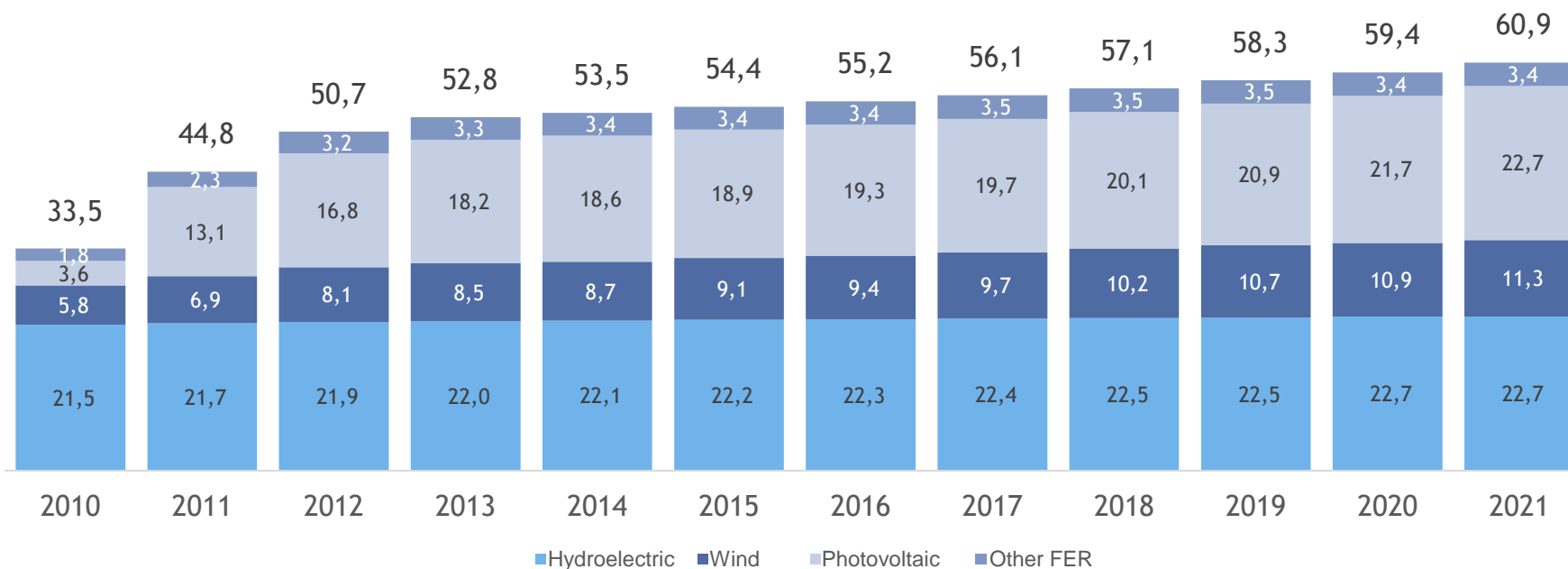


Gas grid

Renewables in Italy show a trend of substantial growth over the past 10 years with a total installed capacity of ~60 GW

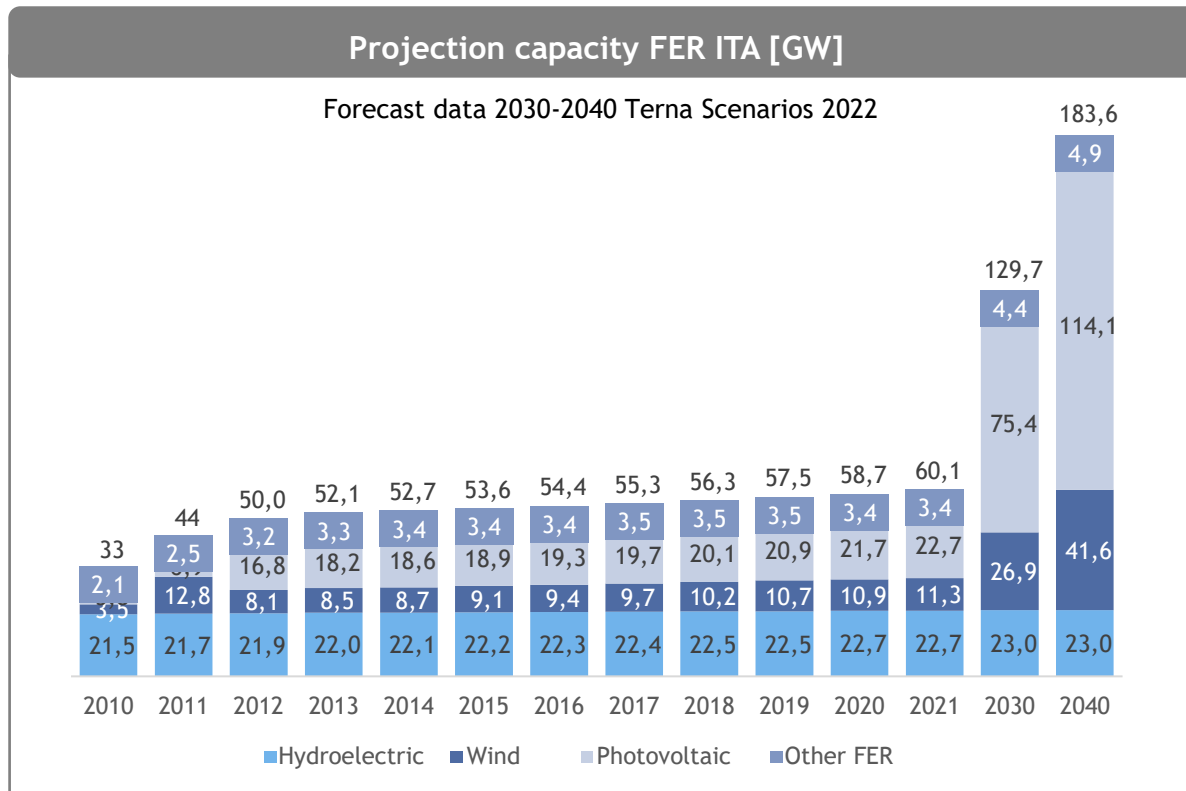
Capacity FER ITA [GW]

IRENA data elaboration

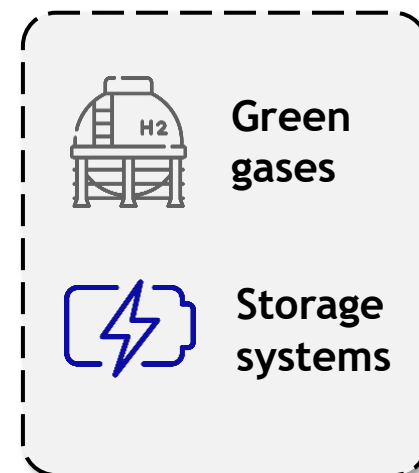


However, to achieve national decarbonization targets to 2030 will require at least 60-65 GW of new RES capacity to be installed in Italy requiring substantial investments (Euro 40-50 bln to 2030) and integrated planning at temporal and geographic levels

Italy's renewable mix is characterized by a general growth trend, emphasized by measures implemented at the EU level to address the Russian-Ukrainian crisis. By 2040, 65% of the projected installed renewable capacity will consist of photovoltaic



Emerging technologies



**CAGR
2020-2040**

+9% Photovoltaic

+7% Wind power

Ascopiave financial data

| | |
|--|---------|
| 2019-2022 financial comparison | Pag. 70 |
| FY 2022 financial results | Pag. 74 |

Ascopiave financial data (I)

2019-2022 financial comparison

| | |
|------------------------------|---------|
| → Income statement | Pag. 71 |
| → Balance sheet | Pag. 72 |
| → Cash flows statement | Pag. 73 |

| (Thousands of Euros) | 2022 | 2021 | 2020 | 2019 |
|--|----------------|----------------|----------------|----------------|
| Revenues | 163.651 | 134.911 | 163.896 | 124.911 |
| (Cost of raw materials and consumables) | (2.876) | (2.063) | (1.782) | (1.358) |
| (Cost of services) | (50.968) | (38.728) | (36.776) | (31.732) |
| (Cost of personnel) | (20.550) | (17.017) | (17.132) | (14.500) |
| (Other operating costs) | (21.647) | (11.293) | (44.511) | (33.902) |
| Other operating income | 10.319 | 571 | 109 | 1.479 |
| EBITDA | 77.930 | 66.382 | 63.805 | 44.898 |
| (Depreciations and amortizations) | (45.975) | (32.509) | (34.465) | (23.325) |
| (Provisions) | (44) | (34) | (189) | - |
| EBIT | 31.911 | 33.838 | 29.151 | 21.573 |
| Financial income / (expenses) | (1.811) | 1.532 | 1.847 | (1.117) |
| Evaluation of companies with equity method | 7.871 | 19.892 | 18.310 | 648 |
| EBT | 37.972 | 55.263 | 49.308 | 21.105 |
| (Income taxes) | (6.999) | (9.937) | 9.394 | (6.626) |
| Earnings after taxes | 30.974 | 45.326 | 58.701 | 14.479 |
| Net income (loss) from discontinued operations | 1.466 | - | - | 478.737 |
| Net income | 32.440 | 45.326 | 58.701 | 493.216 |
| (Net income of minorities) | 225 | - | - | - |
| Net income of the Group | 32.665 | 45.326 | 58.701 | 493.216 |

| (Thousands of Euros) | 31/12/2022 | 31/12/2021 | 31/12/2020 | 31/12/2019 |
|--|------------------|------------------|------------------|------------------|
| Tangible assets | 138.432 | 58.012 | 33.443 | 34.694 |
| Non tangible assets | 759.743 | 647.279 | 626.685 | 615.108 |
| Investments in associates | 436.287 | 521.359 | 515.729 | 449.945 |
| Other fixed assets | 43.877 | 35.169 | 34.276 | 22.687 |
| Fixed assets | 1.378.339 | 1.261.819 | 1.210.134 | 1.122.433 |
| Operating current assets | 166.408 | 62.159 | 128.046 | 99.349 |
| (Operating current liabilities) | (199.201) | (59.727) | (98.759) | (82.458) |
| (Operating non current liabilities) | (63.072) | (48.259) | (47.071) | (52.850) |
| Net working capital | (95.866) | (45.828) | (17.784) | (35.959) |
| Net invested capital assets held for sale | 15.790 | - | - | - |
| Total capital employed | 1.298.262 | 1.215.991 | 1.192.350 | 1.086.474 |
| Group shareholders equity | 866.282 | 868.544 | 853.903 | 873.492 |
| Minorities | 20.123 | (38) | - | - |
| Net financial position | 411.857 | 347.485 | 338.447 | 212.981 |
| Total sources | 1.298.262 | 1.215.991 | 1.192.350 | 1.086.474 |

Cash flows statement



| (Thousands of Euros) | 2022 | 2021 | 2020 | 2019 |
|--|------------------|-----------------|------------------|-----------------|
| Self financing | 78.459 | 79.123 | 94.294 | 37.318 |
| Change in net working capital (operating activities) | 109.522 | 5.785 | (30.136) | 5.964 |
| Change in net working capital (fiscal activities) | (5.927) | (2.670) | (21.553) | 3.453 |
| Change in net working capital | 103.595 | 3.115 | (51.688) | 9.417 |
| Capex in tangible and intangible assets | (86.901) | (52.862) | (44.431) | (34.440) |
| Capex in companies acquisitions | (149.227) | (24.652) | (68.598) | (25.115) |
| Capex | (236.127) | (77.514) | (113.029) | (59.555) |
| Change in shareholders' equity | (10.298) | (13.763) | (55.042) | (82.645) |
| Net financial position change | (64.372) | (9.039) | (125.465) | (95.464) |

Ascopiave financial data (II)

FY 2022 financial results

Financial highlights

- FY 2022 consolidated income statement Pag. 75
- Consolidated balance sheet as of 31st December 2022 Pag. 76

Companies consolidated with full consolidation method

- Operating data - gas distribution Pag. 77
- Operating data - renewable energies Pag. 78
- Revenues bridge Pag. 79
- EBIT bridge Pag. 80
- Gas distribution tariff revenues Pag. 81
- Other net operating costs Pag. 82
- Number of employees Pag. 83
- Cost of personnel Pag. 84
- Capex Pag. 85
- Net Financial Position and cash flow Pag. 86
- Financial debt and cost of debt Pag. 87

Estenergy Group

- Estenergy Group financial highlights Pag. 88

| (Thousand of Euro) | 12M 2022 | 12M 2021 | Chg | Chg % |
|--|----------------|----------------|-----------------|-------------|
| Revenues | 163,651 | 134,911 | 28,741 | +21% |
| (Purchase costs for other raw materials) | (2,876) | (2,063) | (813) | +39% |
| (Costs for services) | (50,968) | (38,728) | (12,240) | +32% |
| (Costs for personnel) | (20,550) | (17,017) | (3,533) | +21% |
| (Other management costs) | (21,647) | (11,293) | (10,354) | +92% |
| Other income | 10,319 | 571 | 9,748 | +1706% |
| EBITDA | 77,930 | 66,382 | 11,548 | +17% |
| (Amortizations and depreciation) | (45,975) | (32,509) | (13,466) | +41% |
| (Provisions) | (44) | (34) | (9) | +27% |
| EBIT | 31,911 | 33,838 | (1,927) | -6% |
| Financial income / (expenses) | (1,811) | 1,532 | (3,343) | -218% |
| Evaluation of companies with net equity method (*) | 7,871 | 19,892 | (12,021) | -60% |
| EBT | 37,972 | 55,263 | (17,291) | -31% |
| (Income taxes) | (6,999) | (9,937) | 2,938 | -30% |
| Earnings after taxes | 30,974 | 45,326 | (14,353) | -32% |
| Net result from discontinued operations | 1,466 | - | 1,466 | n.a. |
| Net income | 32,440 | 45,326 | (12,886) | -28% |
| Net income of minorities | 225 | - | 225 | n.a. |
| Net income of the Group | 32,665 | 45,326 | (12,661) | -28% |

(*) Result of the company consolidated with net equity consolidation method (pro-rata): Estenergy Group and Cogeide.

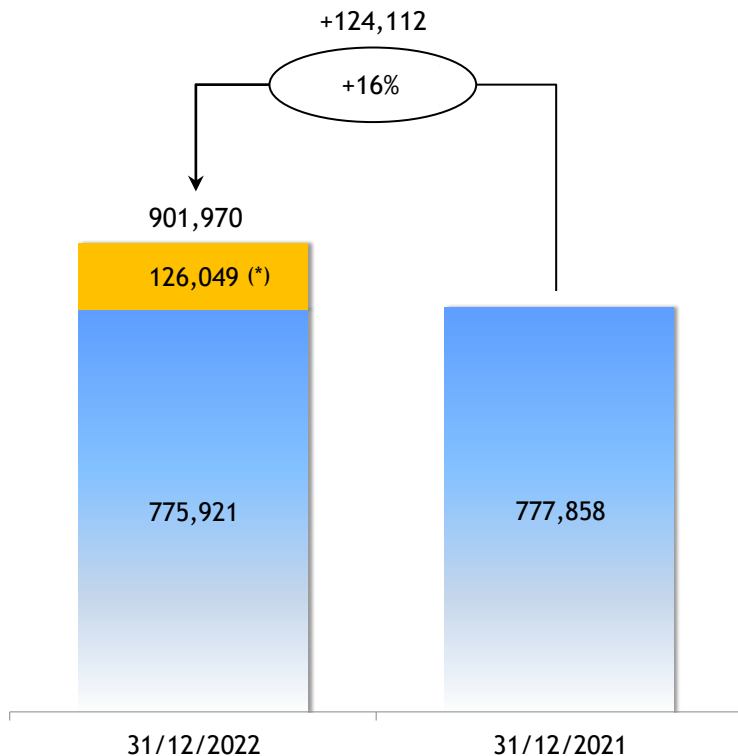
Consolidated balance sheet as of 31st December 2022

| (Thousand of Euro) | 31/12/2022 | 31/12/2021 | Chg | Chg % |
|---|------------------|------------------|-----------------|--------------|
| Tangible assets (*) | 138,432 | 58,012 | 80,420 | +139% |
| Non tangible assets (*) | 759,743 | 647,279 | 112,464 | +17% |
| Investments in associates (**) | 436,287 | 521,359 | (85,072) | -16% |
| Other fixed assets | 43,877 | 35,169 | 8,708 | +25% |
| Fixed assets | 1,378,339 | 1,261,819 | 116,520 | +9% |
| Operating current assets | 166,408 | 62,159 | 104,249 | +168% |
| (Operating current liabilities) | (199,201) | (59,727) | (139,474) | +234% |
| (Operating non current liabilities) | (63,072) | (48,259) | (14,813) | +31% |
| Net working capital | (95,866) | (45,828) | (50,038) | +109% |
| Total capital employed assets intended to sale | 15,790 | - | 15,790 | n.a. |
| Total capital employed | 1,298,262 | 1,215,991 | 82,272 | +7% |
| Group shareholders equity | 866,282 | 868,544 | (2,261) | -0% |
| Minorities | 20,123 | (38) | 20,161 | -52596% |
| Shareholders equity | 886,405 | 868,505 | 17,900 | +2% |
| Net financial position | 411,857 | 347,485 | 64,372 | +19% |
| Total sources | 1,298,262 | 1,215,991 | 82,272 | +7% |

(*) According to IFRIC 12, the infrastructures under concession are considered intangible assets;

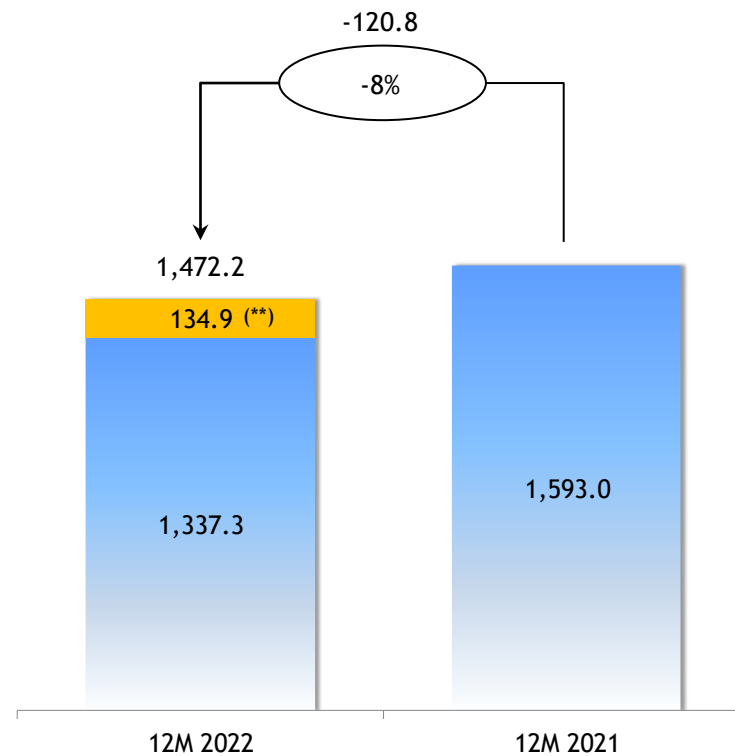
(**) Value of the associated companies consolidated with net equity consolidation method (pro-rata): Estenergy, Euro 349.5 mln (Euro 434.4 mln as of 31st December 2021); Hera Comm, Euro 54.0 mln (Euro 54.0 mln as of 31st December 2021); Acinque, Euro 24.3 mln (Euro 24.9 mln as of 31st December 2021); Cogeide, Euro 8.5 mln (Euro 8.1 mln as of 31st December 2021).

Number of gas distribution users



Volumes of gas distributed

(Million of standard cubic meters)

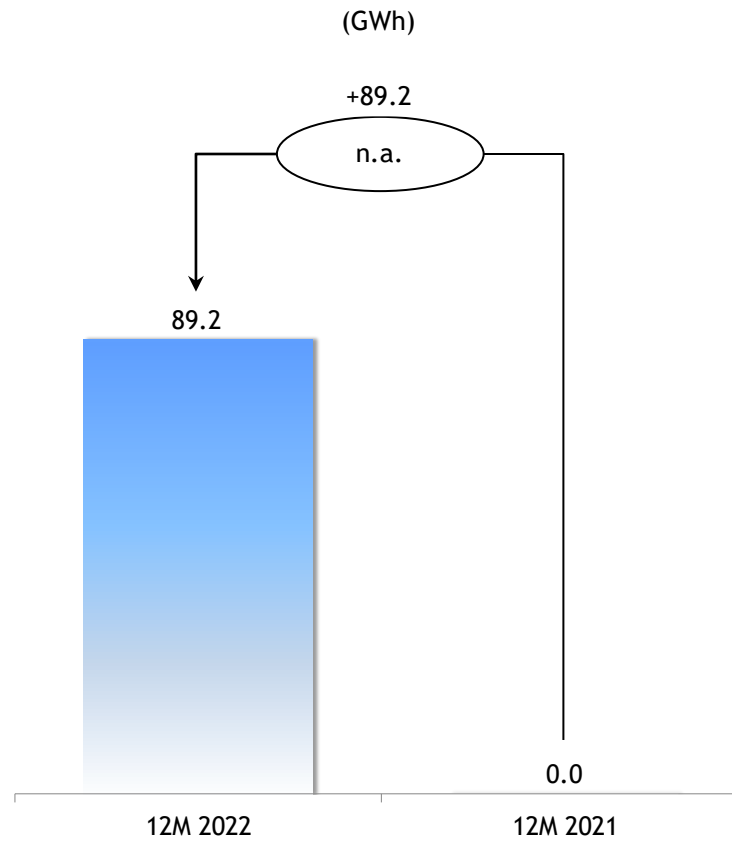


■ New consolidation area

(*) Including 12,225 end users served by Romeo Gas and referred to the perimeter of interest of Iren Group.

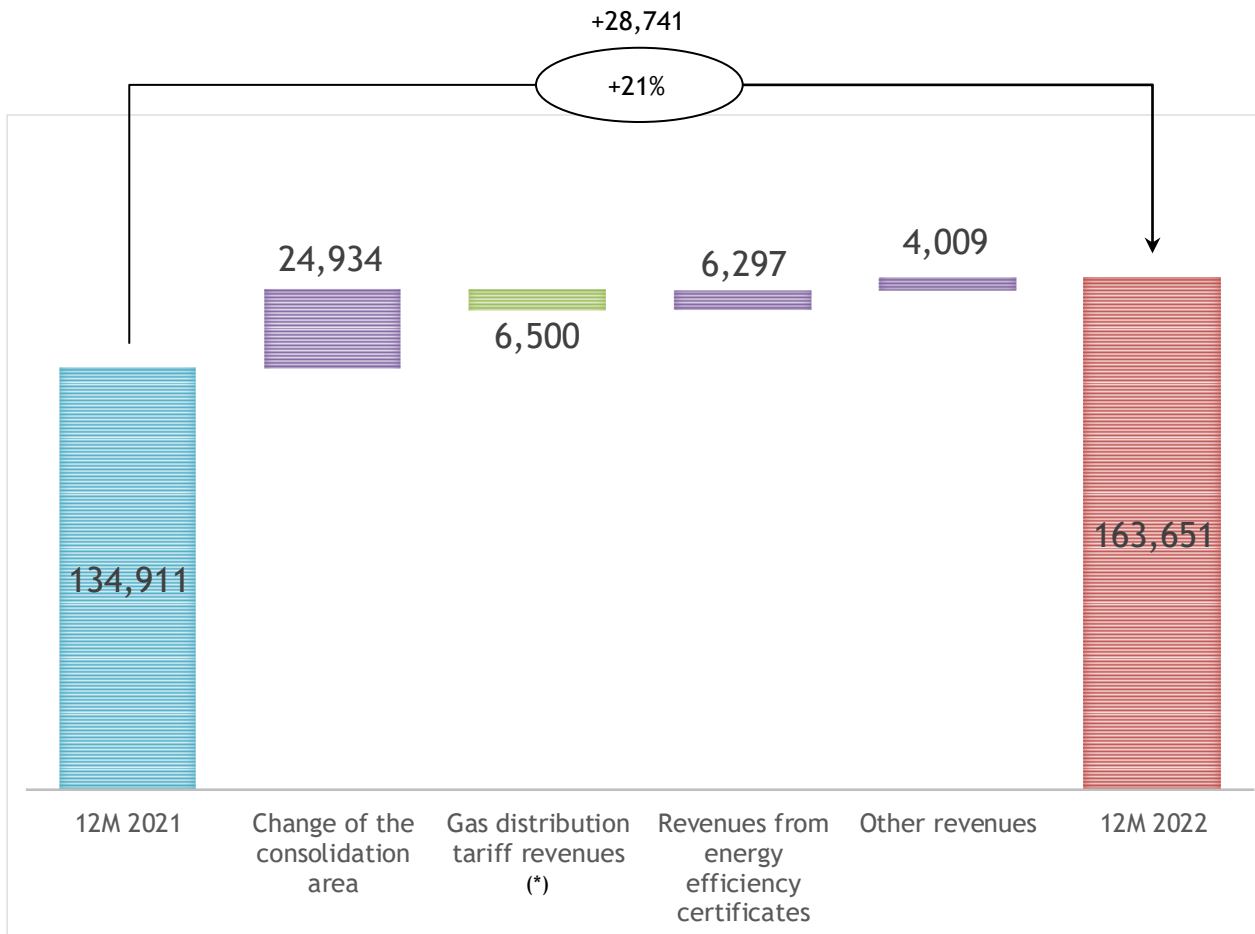
(**) Including 16.6 million of standard cubic meter of gas distributed by Romeo Gas and referred to the perimeter of interest of Iren Group.

Volumes of electricity produced



Revenues bridge

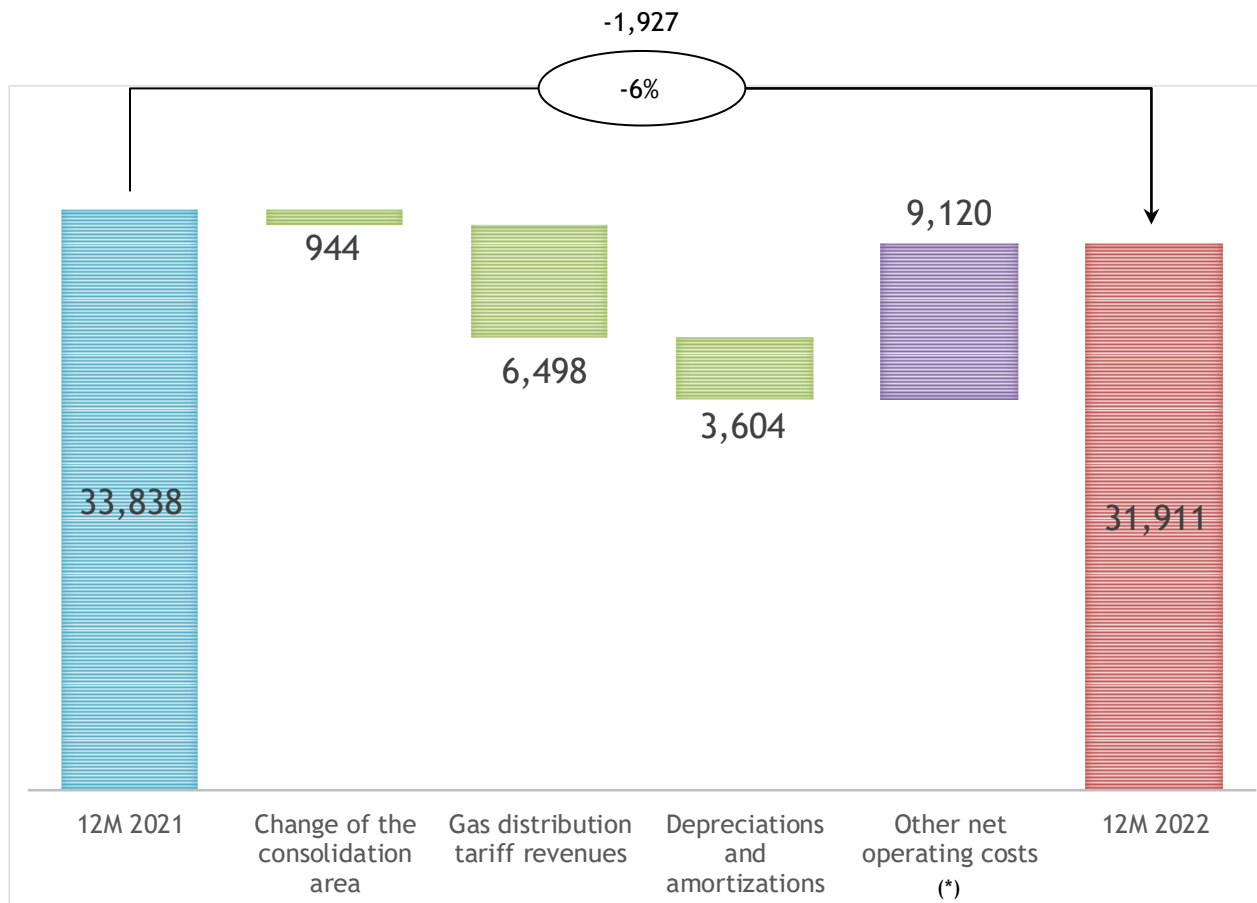
(Thousand of Euro)



(*) Tariff revenues include the tariff component for the recovery of the fee paid to local entities according to art. 46-bis DL 159/2007.

EBIT bridge

(Thousand of Euro)



(*) Further details on page 74 of the current presentation.

| (Thousand of Euro) (*) | 12M 2022 | 12M 2021 | Chg | Chg % |
|---|----------------|----------------|--------------|------------|
| Gas distribution tariff revenues | 113,561 | 108,852 | 4,708 | +4% |
| Gas distribution tariff revenues | 113,561 | 108,852 | 4,708 | +4% |

Change of the consolidation area: + Euro 11.2 mln

Decrease of gas distribution tariff revenues of equal consolidation area: - Euro 6.5 mln,
following the revision of the rate of return on invested capital from 6.3% to 5.6%

(*) Economic data before elisions

| (Thousand of Euro) | 12M 2022 | 12M 2021 | Chg | Chg % |
|---|-----------------|-----------------|--------------|-------------|
| Other revenues | 48,483 | 24,532 | 23,951 | +98% |
| Other costs of raw materials and services | (63,564) | (49,986) | (13,578) | +27% |
| Cost of personnel | (20,550) | (17,017) | (3,533) | +21% |
| Other net operating costs | (35,631) | (42,471) | 6,840 | -16% |

Change of the consolidation area: - Euro 2.3 mln

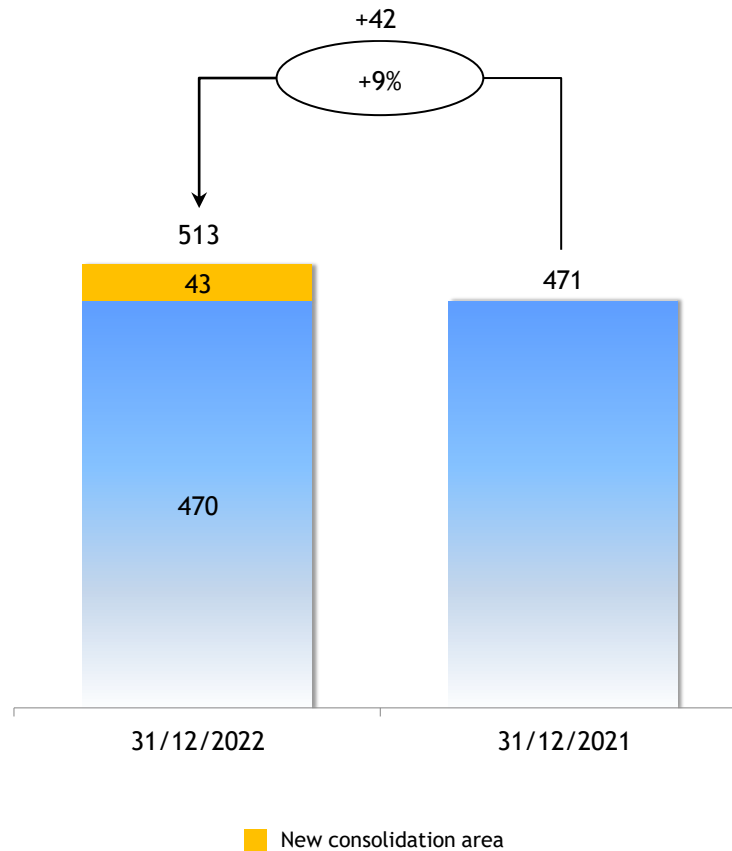
Decrease of other net operating costs of equal consolidation area: + Euro 9.1 mln

of which:

- *decrease of gas distribution concession fees: + Euro 0.4 mln;*
- *decrease of margin on energy efficiency tasks management: - Euro 0.8 mln;*
- *increase of cost of personnel: - Euro 2.0 mln;*
- *increase of costs for consultancy: - Euro 1.2 mln;*
- *increase of costs for gas and electricity users: - Euro 1.2 mln;*
- *increase of revenues toward the Estenergy Group and Amgas Blu due to the early termination of some service contracts: + Euro 6.5 mln;*
- *capital gains from the disposal of Estenergy shares (8%): + Euro 9.5 mln;*
- *increase of other non recurring costs: - Euro 2.4 mln;*
- *other variations: + Euro 0.3 mln.*

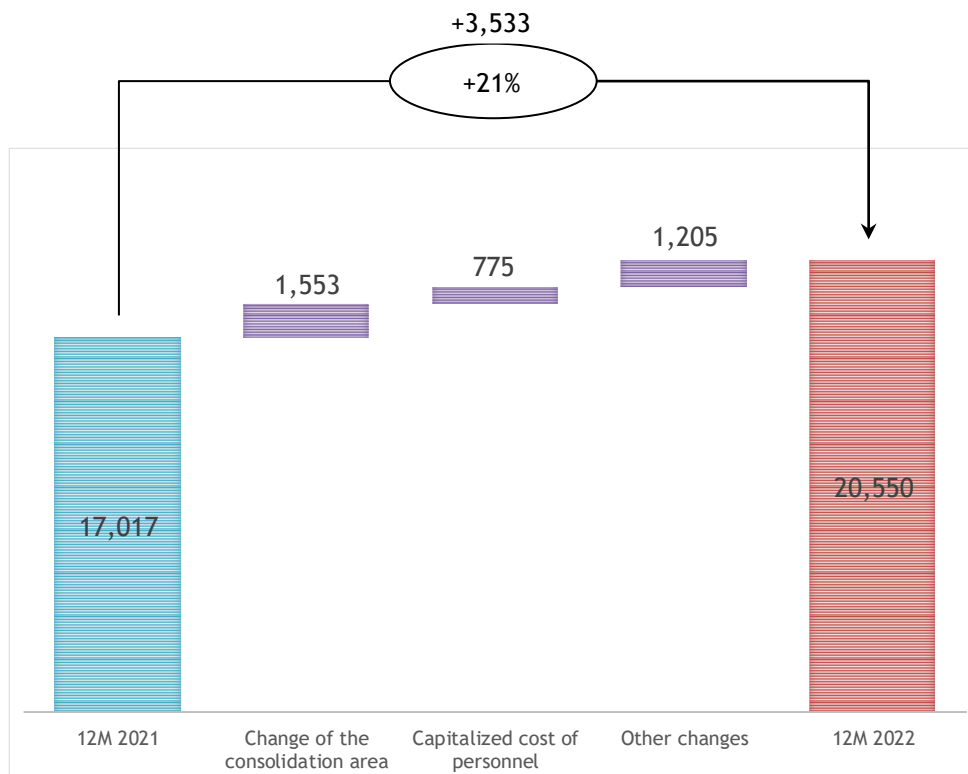
(*) Economic data before elisions

Number of employees



Cost of personnel

(Thousand of Euro)



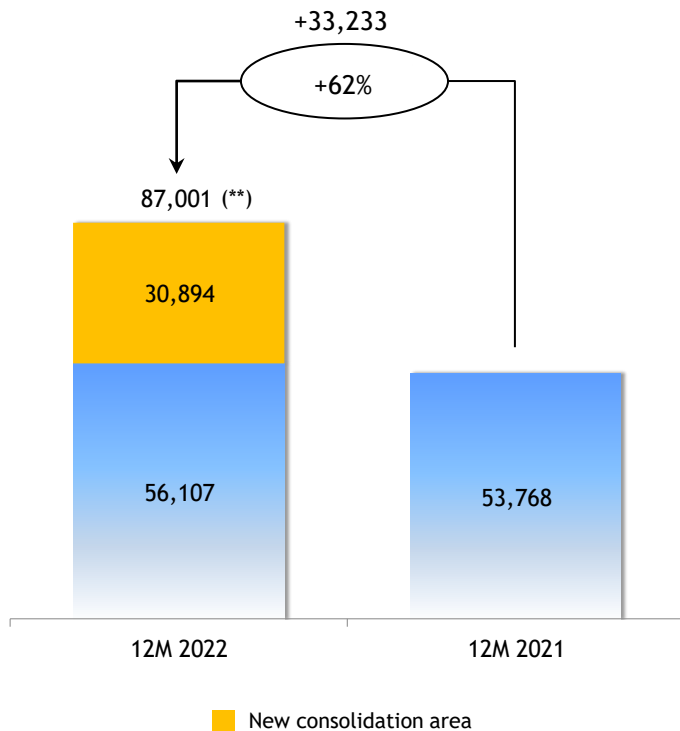
**Change of consolidation area:
+ Euro 1.6 mln**

**Cost of personnel changes of
equal consolidation area:**

- capitalized cost of personnel:
+ Euro 0.8 mln
- other: + Euro 1.2 mln

Capex (*)

(Thousand of Euro)



Change of the consolidation area: Euro 30.9 mln

of which:

- investments in renewable energies: Euro 25.1 mln

Equal consolidation area:

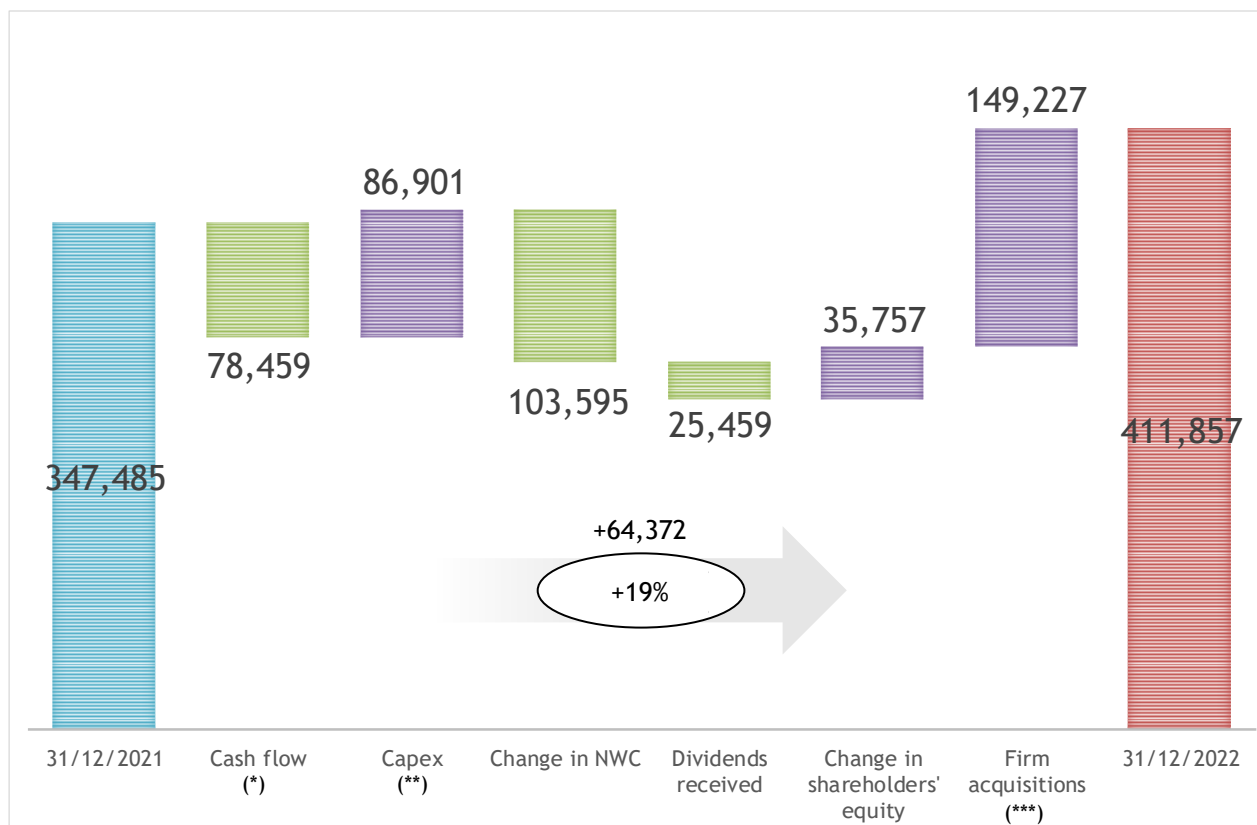
- Gas distribution systems: Euro 41.5 mln
- Gas meters: Euro 11.5 mln
- Investments in hardware and software: Euro 1.9 mln
- Other: Euro 1.2 mln

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

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

Net financial position and cash flow

(Thousand of Euro)



(*) Cash flow = net income + amortizations and depreciation; (**) Net investments in tangible and intangible assets; (***) Price paid: - Euro 110.1 mln; Net Financial Position acquired: - Euro 39.1 mln.

| (Thousand of Euro) (*) | 31/12/2022 | 31/12/2021 | Chg | Chg % |
|--|----------------|----------------|---------------|-------------|
| Long term financial borrowings (>12 months) | 178,538 | 161,488 | 17,050 | +11% |
| Current position of long term financial borrowings | 119,280 | 60,631 | 58,649 | +97% |
| Bond loans | 94,033 | 25,000 | 69,033 | +276% |
| Short term financial borrowings (<12 months) | (12,912) | 96,462 | (109,374) | -113% |
| Total financial debt | 378,939 | 343,581 | 35,358 | +10% |
| Fixed rate borrowings | 290,164 | 235,119 | 55,045 | +23% |
| Floating rate borrowings | 88,775 | 108,462 | (19,687) | -18% |

12M 2022 average cost of debt: 1.13% (vs 12M 2021 rate: 0.46%)

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

Income statement (*)

| (Thousand of Euro) | 12M 2022 | 12M 2021 |
|--|------------------|----------------|
| Revenues | 1,657,396 | 957,070 |
| (Purchase costs for other raw materials) | (1,391,670) | (572,242) |
| (Costs for services) | (189,587) | (278,664) |
| (Costs for personnel) | (15,973) | (15,879) |
| (Other management costs) | (957) | (1,308) |
| EBITDA | 59,208 | 88,975 |
| (Depreciations and amortizations) + (provisions) | (35,959) | (35,603) |
| EBIT | 23,248 | 53,372 |
| Financial income / (expenses) | 896 | 1,724 |
| EBT | 24,145 | 55,097 |
| (Income taxes) | (7,493) | (13,944) |
| Net income | 16,652 | 41,153 |

Balance sheet (*)

| (Thousand of Euro) | 31/12/2022 | 31/12/2021 |
|-------------------------------------|------------------|------------------|
| Tangible assets | 4,100 | 4,725 |
| Non tangible assets | 634,106 | 648,542 |
| Investments in associates | 17,717 | 17,791 |
| Other fixed assets | (19,658) | 244 |
| Fixed assets | 636,265 | 671,302 |
| Operating current assets | 626,076 | 366,725 |
| (Operating current liabilities) | (196,464) | (358,103) |
| (Operating non current liabilities) | (42,231) | (53,983) |
| Net working capital | 387,380 | (45,362) |
| Total capital employed | 1,023,645 | 625,940 |
| Shareholders equity | 701,824 | 733,231 |
| Net financial position | 321,822 | (107,291) |
| Total sources | 1,023,645 | 625,940 |

(*) Data refers to 100% of Estenergy.



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