

# FIRST QUARTER MANAGEMENT STATEMENT AS AT 31 MARCH

# 2024

Ascopiave Group



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Attachments:

- Declaration of the Manager in Charge - Attestation to the Consolidated Financial Statements pursuant to Article 81-ter of Consob Regulation No. 11971

## OVERVIEW

### Corporate bodies 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*	2023-2025	18.04.2023	Approval of budget 2025
Pietrobon Greta	Directors	2023-2025	18.04.2023	Approval of budget 2025
Quarello Enrico	Directors	2023-2025	18.04.2023	Approval of budget 2025
Novello Cristian	Indipendet Director	2023-2025	18.04.2023	Approval of budget 2025
Monti Federica	Indipendet Director	2023-2025	18.04.2023	Approval of budget 2025
Vecchiato Luisa	Indipendet Director	2023-2025	18.04.2023	Approval of budget 2025
Zoppas Giovanni	Indipendet Director**	2023-2025	18.04.2023	Approval of budget 2025

(\*) Cecconato Nicola was appointed Chief Executive Officer by the Board of Directors on 11 May 2023;

(\*\*) Zoppas Giovanni was appointed Lead Independent Director by the Board of Directors on 11 May 2023.

Name	Office	Duration of office	From	To
Salvaggio Giovanni	President of the Board of Auditors	2023-2025	18.04.2023	Approval of budget 2025
Moro Barbara	Statutory Auditor	2023-2025	18.04.2023	Approval of budget 2025
Biancolin Luca	Statutory Auditor	2023-2025	18.04.2023	Approval of budget 2025

## Governance committees

### Control and Risk Committee

Name	Office	From	To
Novello Cristian	Independent director - President	11.05.2023	Approval of budget 2025
Monti Federica	Independent director	11.05.2023	Approval of budget 2025
Vecchiato Luisa	Independent director	11.05.2023	Approval of budget 2025

### Remuneration Committee

Name	Office	From	To
Vecchiato Luisa	Independent director - President	11.05.2023	Approval of budget 2025
Novello Cristian	Independent director	11.05.2023	Approval of budget 2025
Pietrobon Greta	Non-executive director	11.05.2023	Approval of budget 2025

### Sustainability Committee

Name	Office	From	To
Pietrobon Greta	Non-executive director - President	11.05.2023	Approval of budget 2025
Monti Federica	Independent director	11.05.2023	Approval of budget 2025
Quarello Enrico	Non-executive director	11.05.2023	Approval of budget 2025

**Auditing Company**  
KPMG 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  
Capital stock: Euro 234,411,575 fully paid-in  
VAT 03916270261

#### Investor relations

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

## Ascopiave Group Key Economic and Financial Data

### Economic Data

(Thousands of Euro)	First quarter			
	2024	% of revenues	2023	% of revenues
Revenues	47,440	100.0%	40,719	100.0%
Gross operative margin	23,325	49.2%	20,261	49.8%
Operating result	10,875	22.9%	8,378	20.6%
Result for the period	6,692	14.1%	5,589	13.7%
Net result for the period	6,692	14.1%	5,633	13.8%

It should be noted that EBITDA is defined as earnings before depreciation, amortisation, bad debts, financial management and taxes.

### Balance Sheet Data

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> March 2023
Net working capital	58,736	33,702
Fixed assets and other non current assets	1,279,724	1,273,692
Non-current liabilities (excluding loans)	(64,993)	(63,749)
<b>Net invested capital</b>	<b>1,273,467</b>	<b>1,243,645</b>
Net financial position	(412,159)	(389,363)
Total Net equity	(861,307)	(854,282)
<b>Total financing sources</b>	<b>(1,273,467)</b>	<b>(1,243,645)</b>

Please note that 'net working capital' is defined as the sum of inventories, trade receivables, tax receivables, other current assets, trade payables, tax payables (within 12 months) and other current liabilities.

### Monetary flow data

(Thousands of Euro)	First quarter	
	2024	2023
<b>Total comprehensive income</b>	<b>6,915</b>	<b>(4,868)</b>
Cash flows generated (used) by operating activities	(7,302)	9,222
Cash flows generated/(used) by investments	(15,155)	(32,018)
Cash flows generated (used) by financial activities	(12,774)	8,886
<b>Variations in cash</b>	<b>(35,231)</b>	<b>(13,910)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>52,083</b>	<b>76,917</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16,851</b>	<b>63,007</b>

## MANAGEMENT REPORT

### Foreword

The Ascopiave Group closed the first quarter of the 2024 financial year with a consolidated net profit of Euro 6.7 million (Euro 5.6 million as at 31 March 2023), an increase of Euro 1.1 million compared to the same period of the previous year.

Consolidated shareholders' equity as at 31 March 2024 amounted to Euro 861.3 million (Euro 854.3 million as at 31 December 2023), and net invested capital to Euro 1,273.5 million (Euro 1,243.6 million as at 31 December 2023).

During the first quarter of the year, the Group made investments of Euro 15.2 million (Euro 13.8 million in Q1 2023), mainly in the installation of electronic meters, as well as in the development, maintenance and modernisation of gas distribution networks and plants for Euro 13.5 million (Euro 11.8 million in Q1 2023). At the end of the reporting period, investments were made in renewable energy plants for Euro 1.3 million (Euro 1.7 million in Q1 2023).

It should be noted that share of the results of operations of Estenergy Group and Cogeide S.p.A. is recognised in the item "Net result of companies consolidated using the equity method".

### Activities

The Ascopiave Group operates mainly in the natural gas distribution sector. It currently holds concessions and direct assignments for the management of gas distribution in 300 municipalities, operating a distribution network that extends over 14,700 kilometres and providing service to approximately 873,000 users.

The Group is also present in the renewable energy sector, owning 29 hydroelectric and wind power plants.

The Group also operates in the field of cogeneration and heat management, as well as in the water sector, being a shareholder and technological partner of the company Cogeide, which manages the integrated water service in 15 municipalities, serving a basin of more than 100,000 inhabitants through a network of about 930 km.

### Strategic Objectives

The Ascopiave Group proposes to pursue a corporate strategy focused on creating value for its stakeholders, maintaining levels of excellence in the quality of services offered, respecting the environment and enhancing the social instances that characterise the context in which it operates.

To this end, it intends to consolidate its leadership position in the gas sector at a regional level and aims to achieve significant positions also at a national level, taking advantage of the liberalisation process currently underway. The main lines of its development strategy are dimensional growth, diversification into other sectors of the energy sector synergic with the core business, and the improvement of operational processes.

### Operating performance

The volume of gas distributed through the networks managed by the Group amounted to 596.6 million cubic metres, an increase of 0.8% compared to the same period of the previous year.

The distribution network as of 31 March 2024 has a length of 14,714 kilometres, a drop of 16 kilometres compared to 31 December 2023. This change is mainly related to the transfer of some concessions in the ownership of Serenissima Gas following the award of an Ambit tender (Udine 2) by another operator.

The 29 plants producing electricity from renewable sources, with a total installed capacity of 84.1 MW, produced 47.6 GWh during the first quarter of the year, with an increase of 137.4% compared to the same period the previous year. The better result is due to both the commissioning of a new wind power plant of the subsidiary Salinella Eolico S.r.l., which took place at the beginning of 2024, and the improvement in operating conditions compared to the first quarter of 2023, which was characterised by a significant drought.

### Economic results and financial situation

Consolidated revenues for the first quarter of 2024 amounted to Euro 47.4 million, compared to Euro 40.7 million in the first quarter of the previous year.

The Group's operating profit amounted to Euro 10.9 million, an increase of Euro 2.5 million compared to the first quarter of the previous year.



The consolidated net profit of Euro 6.7 million showed an increase of Euro 1.1 million compared to the first quarter of the previous year.

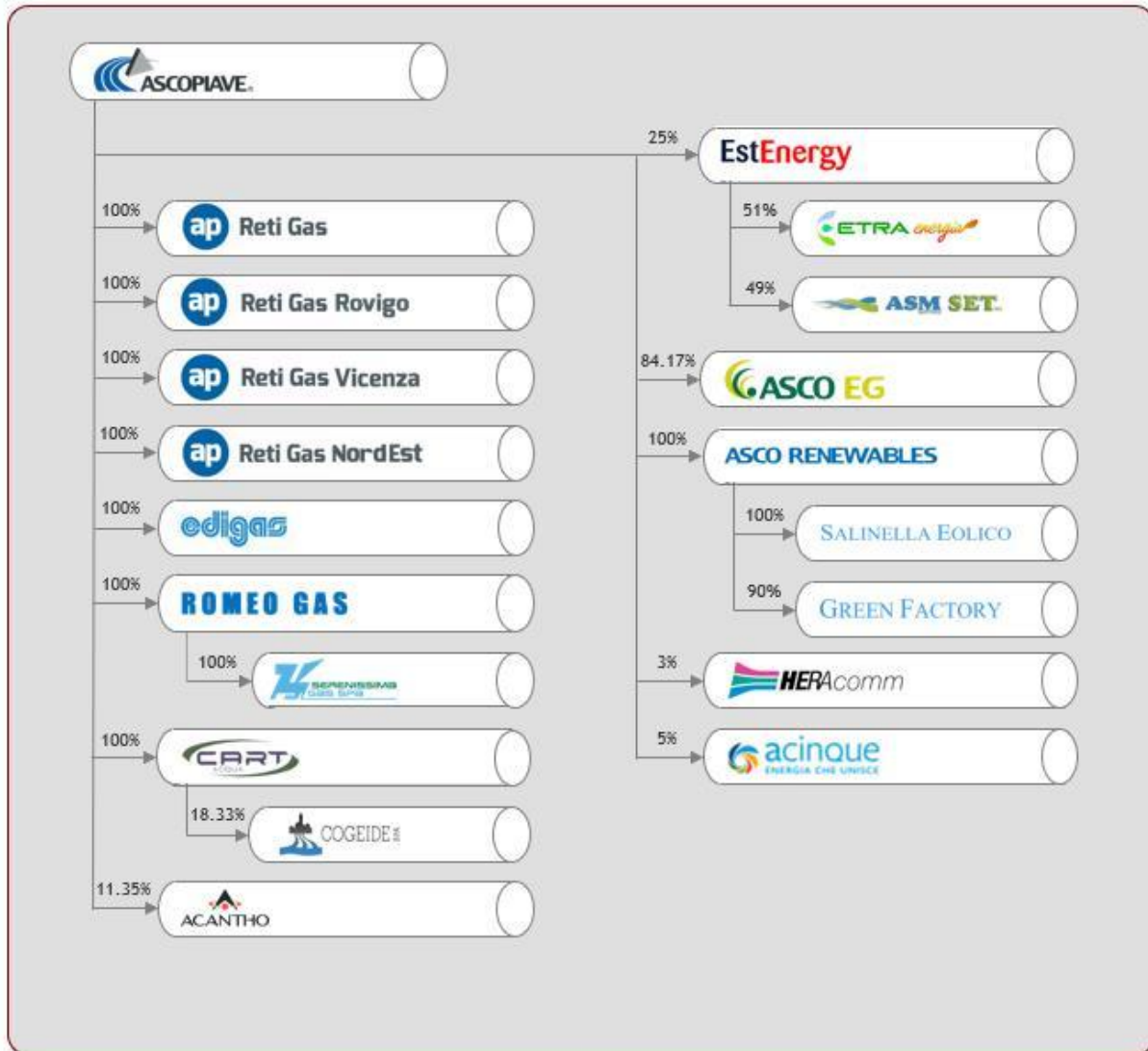
The Group's Net Financial Position as of 31 March 2024 amounted to Euro 412.2 million, an increase of Euro 22.8 million compared to Euro 389.4 million as of 31 December 2023.

The growth in financial debt is determined by the cash flow for the year (given by the sum of the net result, capital losses/gains, income from equity investments, the result of companies consolidated using the equity method and depreciation and amortisation), which generated resources of Euro 16.3 million, by the management of net working capital, which absorbed financial resources of Euro 24.0 million, and by investment activity, which absorbed resources of Euro 15.2 million.

The ratio of Net Financial Position to Shareholders' Equity as at 31 March 2024 was 0.48 (0.50 as at 31 March 2023).

## The structure of the Ascopiave Group

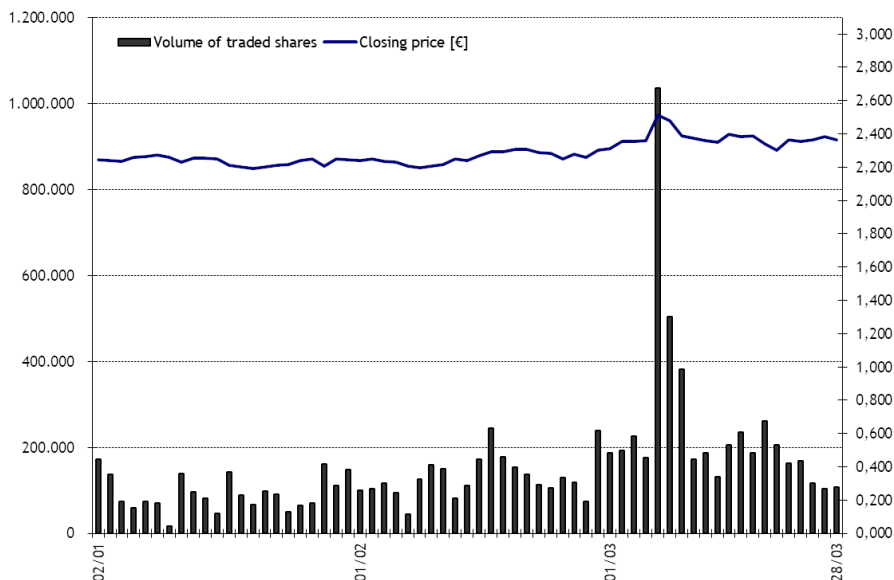
The following table shows the corporate structure of the Ascopiave Group as at 31 March 2024.



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

As of 28 March 2024, the Ascopiave share price was quoted at Euro 2.365 per share, an increase of 5.6 percentage points compared to the price at the beginning of 2024 (Euro 2.24 per share, referring to 3 January 2024).

Market capitalisation as at 29 April 2024 was Euro 576.65 million<sup>1</sup> (Euro 527.43 million<sup>2</sup> as at 29 December 2023).



During the first quarter of the financial year 2024, the share price showed an improved performance (+5.6%). During the same period, the FTSE Italia All Share and FTSE Italia Star indices showed an increase of 14.9% and 4.4%, respectively, while the FTSE Italia Utenze sector index recorded a drop of 5.0%.

The following table shows the main share and stock market data as at 28 March 2024:

Share and stock-exchange data	28.03.2024	29.12.2023
Earning per share (Euro)	0.03	0.17
Net equity per share (Euro)	3.93	3.91
Placement price (Euro)	1.800	1.800
Closing price (Euro)	2.365	2.250
Maximum annual price (Euro)	2.515	2.910
Minimum annual price (Euro)	2.190	1.948
Stock-exchange capitalization (Million of Euro)	554.38	527.43
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

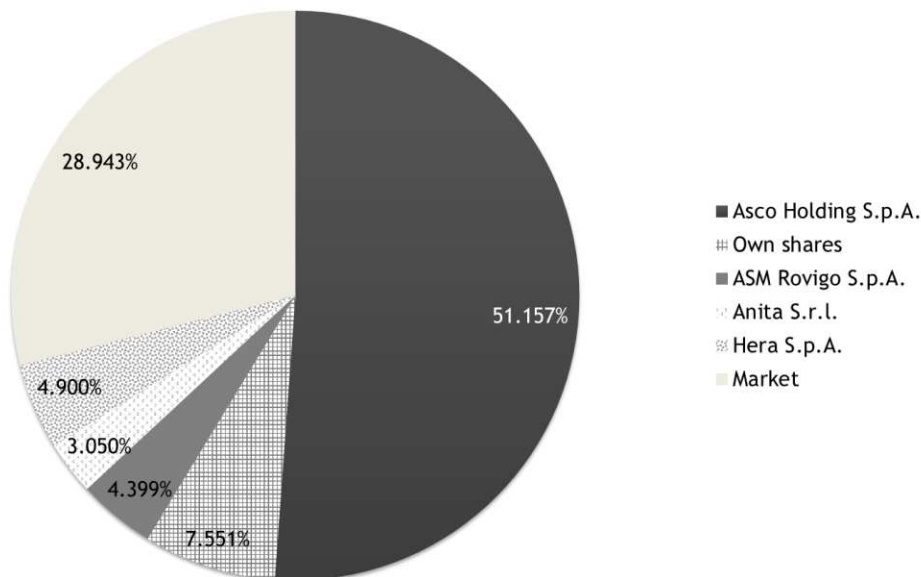
<sup>1</sup> The stock market capitalisation of the main listed companies operating in the local public services sector (A2A, Acea, Acinque, Hera and Iren) as at 29 April 2024 was Euro 17.2 billion. Official data taken from the Borsa Italiana website ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

<sup>2</sup> Internal processing.

## Control of the company

As of 31 March 2024, Asco Holding S.p.A. directly controlled the majority capital of Ascopiave S.p.A..

The shareholding composition of Ascopiave S.p.A. (number of shares held by shareholders out of the total number of shares constituting the share capital) is as follows:



Internal processing on information received by Ascopiave S.p.A. pursuant to Article 120 of the Consolidated Law on Finance and based on information in the company's possession.

## Corporate Governance and Code of Ethics

During the first quarter of 2024, Ascopiave S.p.A. continued along the path of developing the corporate governance system set up in previous years, strengthening the risk management system and making further improvements to the tools aimed at protecting investors' interests.

### Internal Control

The activity plan of the Internal Audit Manager is approved annually by the Board of Directors of the Company. In particular, the audit activities framed in the aforementioned activity plan, based on a prioritisation process of the main risks, concern both compliance areas and the corporate processes referable to the business areas considered most strategic.

### Manager in charge

The Manager in charge, with the help of the Head of Internal Auditing and the Compliance Function, reporting to the Legal and Corporate Affairs Department, reviewed the adequacy of administrative and accounting procedures as part of his verification activities, and continued to monitor and update the procedures deemed relevant for the purposes of compiling financial information. For this purpose, the Company is equipped with continuous auditing tools, which allow for the automation of control procedures.

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

Ascopiave S.p.A. and its subsidiaries adopt an Organisational, Management and Control Model; they have adhered to the Code of Ethics of the Ascopiave Group, a document updated by the Board of Directors of Ascopiave S.p.A. on 10 September 2021.

The General Section and Special Sections of the Organisational, Management and Control Model of Ascopiave S.p.A. were updated by the Board of Directors of Ascopiave S.p.A. on 11 November 2021 and in 2024 the Company launched a project aimed at comprehensively updating the model. The Company, availing itself of the activity of the Supervisory Board, constantly monitors the effectiveness and adequacy of the Model adopted.

On 9 November 2023, following the supervening force of Legislative Decree 24/2023, implementing the EU Directive 2019/1937 on "Whistleblowing", Ascopiave S.p.A. approved an update to the "Procedure for the management of Whistleblowing in the Ascopiave Group", adopted by all the Group's subsidiaries, an integral part of Model 231 (Annex 3 of the Organisation, Management and Control Model).

The Company also continued its activities to promote, raise awareness and understanding of the Code of Ethics among all its stakeholders, especially in the context of commercial and institutional relations.

Please note that Model 231 (General Part) and the Code of Ethics are available in the *corporate governance* section of the website [www.gruppoascopiave.it](http://www.gruppoascopiave.it).

Furthermore, it should be noted that during 2023 and 2024, the drafting and adoption, as well as the periodic updating of the organisation, management and control models of all the subsidiaries of the Ascopiave Group continued. The aforementioned drafting and updating activities, for some Group companies, were completed during 2023, while for the remaining ones (including Ascopiave S.p.A.) they will be completed during 2024.

## Transactions with related and associated parties

The Group has the following transactions with related parties:

- ✓ Administrative services from the parent company Asco Holding S.p.A..

The Group has the following transactions with related parties:

- ✓ Administrative and personnel services from Ascopiave S.p.A. with the parent company Asco Holding S.p.A..

During the first quarter of the financial year 2024, relations with affiliated companies generated revenues in connection with the following types of services:

- ✓ Natural gas transport service on local distribution network;
- ✓ Meter services performed as natural gas distributors and meter reading services;
- ✓ Administrative, IT, personnel and facility services.

It should be noted that these relations are characterised by maximum transparency and market conditions. For the individual reports, please refer to the explanatory notes of this report.

The following table shows the economic and financial substance of the relationships already described:

(Thousands of Euro)	31.03.2024				Revenues			Costs		
	Trade receivables	Other receivables	Trade payables	Other payables	Goods	Services	Other	Goods	Services	Other
Asco Holding S.p.A.	30	174	20	0	0	30	0	0	20	0
<b>Total parent company</b>	<b>30</b>	<b>174</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>
Bim Piave Nuove Energie S.r.l.	61	0	5	0	0	61	0	0	5	0
<b>Total affiliated companies</b>	<b>61</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>61</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>
ASM Set S.r.l.	835	0	48	0	0	827	0	0	2	0
Etra Energia S.r.l.	68	0	0	0	0	53	0	0	0	0
Estenergy S.p.A.	21,205	0	106	0	0	17,167	0	0	1,060	0
<b>Total subsidiary companies</b>	<b>22,109</b>	<b>0</b>	<b>154</b>	<b>0</b>	<b>0</b>	<b>18,047</b>	<b>0</b>	<b>0</b>	<b>1,063</b>	<b>0</b>
<b>Total</b>	<b>22,199</b>	<b>174</b>	<b>179</b>	<b>0</b>	<b>0</b>	<b>18,137</b>	<b>0</b>	<b>0</b>	<b>1,087</b>	<b>0</b>

## Significant events during the first quarter of the financial year 2024

### Early termination of Prelios financing

In January 2024, the subsidiary Asco EG extinguished the loan signed with Prelios early. The residual debt, amounting to Euro 9,043 thousand, as of 31 December 2023 was posted among medium- and long-term loans for Euro 7,652 thousand and among payables to banks and short-term loans for Euro 1,391 thousand.

### Strategic Plan 2024-2027

On 18 March 2024, the Board of Directors approved the Group's Strategic Plan 2024-2027.

The plan confirms the strategic guidelines set out last year, outlining a path of sustainable growth in the core businesses of gas distribution and renewable energy, and in new areas of activity. The company has announced that development will take place under conditions of a balanced financial structure, guaranteeing a remunerative distribution of dividends. Economic and financial highlights:

- EBITDA to 2027: Euro 139 million (+ Euro 44 million compared to final 2023);
- Net profit to 2027: Euro 42 million (+ Euro 5 million compared to 2023);
- Net investments 2024-2027: Euro 617 million;
- Divestments of minority interests 2024-2027: Euro 294 million;
- Net debt to 2027: Euro 435 million;
- Financial leverage (Net Financial Position / Shareholders' Equity) to 2027: 0.48;
- Dividend payout forecast: 14 cents per share for the financial year 2023, increasing by 1 cent per share in subsequent years until 2027.

The plan presents a scenario that makes the most of the possible award by the Group of some tenders for gas distribution services in minimum territorial areas of interest. This opportunity, which depends, among other things, on the actual timing of the publication of calls for tenders, entails an estimated further growth in EBITDA to 2027 of Euro 21 million and an increase in the volume of investments of Euro 215 million.

## Other important facts

### Efficiency and energy saving

With regard to the targets to which the Group's natural gas distribution companies are obliged with regard to energy efficiency certificates (TEE), with the publication of the Ministerial Decree dated 21 May 2021, the 2020 target was considerably reduced and the quantities of certificates subject to the targets for the four-year period 2021- 2024 were determined.

For all obligated distribution companies of the Group, the minimum quota of the 2022 target was met in the May 2023 session, while the 2021 target was completed in the November 2023 session.

It should be noted that the amount of securities allocated to the Group's distribution companies for the financial year 2023 (May 2023 - June 2024) is 68,675 certificates, while for the financial year 2024 it is 65,422 certificates.

It should also be noted that, with respect to the financial years 2022 and 2023, as well as the portion accrued during the first quarter with respect to the financial year 2024, as of the closing date of this interim report, there were 98,111 securities not yet delivered.

## Stipulation of a proposed convention with the municipalities for the adoption of a shared procedure aimed at the agreed quantification of the "Industrial Residual Value" of the networks

The regulatory changes that have taken place over the last few years, and in particular the discipline that has provided for the selection of the distribution service manager by means of the so-called 'area tenders', have led to the need to determine the Residual Industrial Value (R.I.V.) of the plants owned by the Managers.

In this respect, the concession agreements governed two 'paradigmatic' situations, namely:

- early redemption (normally regulated by Royal Decree No. 2578/1925);
- repayment from the (natural) expiry of the concession.

The eventuality of an "ope legis" expiry, prior to the commencement of the contract term, was (as a rule) not contemplated (and therefore regulated) in the concession deeds.

In substance, the case at issue (early expiry imposed by law) represents a "tertium genus", in some respects similar to the exercise of early redemption (from which, however, it differs markedly due to the lack of an autonomous will on the part of the Entity) and in other respects similar to the expiry of the term of the grant (which, however, has not expired).

At least until Ministerial Decree 226/2011, there were no laws and/or regulations that precisely defined the methods and criteria for determining the R.I.V. of plants and that could therefore supplement the contractual clauses, which were frequently lacking.

Even Legislative Decree 164/2000, until the amendment introduced first by Decree-Law 145/2013, and then by Law 9/2014 merely referred to Royal Decree 2578/1925 which, however, sanctioned the industrial estimation method without setting precise estimation parameters.

This situation made it extremely opportune, if not necessary, to establish specific agreements with the municipalities aimed at arriving at a shared estimate of the Residual Industrial Value. Suffice it to say that the very lack of such agreements, in the past, has often led to disputes in both administrative and civil/arbitration courts.

The situation of Asco Holding's shareholder municipalities was even more peculiar, in the sense that, with them, there was no actual concession deed in the 'canonical' forms, but various acts of conferment into a company (the then Special Company) that at the same time sanctioned the continuation of the service previously carried out by the Consorzio Bim Piave.

It is evident that, as acts of contribution, a regulation of their own concerning the redemption and/or expiry of the management was neither contemplated nor contemplated.

With the aforementioned municipalities, Ascopiave therefore entered into an agreement that provided for the identification of an expert of recognised professionalism, competence and independence called upon to establish the fundamental criteria to be applied in calculating the Residual Industrial Value of gas distribution plants.

The relative negotiated procedure, conducted with the criterion of the most economically advantageous offer, was concluded on 29 August 2011. The expert thus identified drew up the Report (made available on 15 November 2011) on "Fundamental Criteria for calculating the Residual Industrial Value of natural gas distribution plants located in the municipalities currently served by Ascopiave S.p.A.", approved on 2 December 2011 by the Board of Directors of Ascopiave S.p.A. and subsequently by all 92 municipalities with a Resolution of the Municipal Council.

As part of the aforementioned process, mutual relations more strictly related to the management of the service were also regulated, providing for the payment of both lump sums (2010 - stipulation of supplementary deeds) in the amount of Euro 3,869 thousand, and (from 2011) of actual fees in variable amounts equal to the difference, if positive, between 30% of the Revenue Constraint recognised by the tariff regulation and the amount received by each individual municipality as a 2009 dividend (2008 budget).

In particular, they corresponded:

- Euro 3,869 thousand for 2010;
- Euro 4,993 thousand for 2011;
- Euro 5,253 thousand for 2012;
- Euro 5,585,000 for 2013;
- Euro 5,268,000 for 2014;
- Euro 5,258,000 for 2015;
- Euro 5,079 thousand for 2016;
- Euro 5,190 thousand for 2017;
- Euro 5,258,000 for 2018;



- Euro 5,482 thousand for 2019;
- Euro 5,467 thousand for 2020;
- Euro 5,430,000 for 2021;
- Euro 5,023,000 for 2022;
- Euro 5,225,000 for 2023.

for a total of Euro 72,380 thousand.

## Litigation

### **DISPUTES ON PLANT VALUE - CIVIL JURISDICTION**

As at 31 March 2024, there were no pending litigations.

### **PLANT VALUE DISPUTES - ARBITRATIONS**

As at 31 March 2024, there were no pending litigations.

### **ADMINISTRATIVE / CIVIL LITIGATION - RELATING TO CONCESSIONS**

As at 31 March 2024, they are pending:

#### **MUNICIPALITY OF SOVIZZO**

A civil lawsuit initiated by the Municipality of Sovizzo, with a writ of summons served on AP Reti Gas S.p.A. on 21 February 2019. The Entity requested the payment of a concession fee of Euro 65 thousand/year starting from 01 January 2013.

With the Sentence of 10 December 2021, the monocratic Judge accepted the Municipality's request and ordered AP Reti Gas S.p.A. to pay Euro 65 thousand/year, from 2013 and until the end of the current management.

The Company disagreed with the ruling and considered it unlawful and appealed (RG 95/2022).

The first hearing was held on 16 May 2022 and the hearing for the statement of conclusions was held on 12 June 2023. In its ruling of 12 December 2023, the Venice Court of Appeal rejected AP Reti Gas's appeal, upholding the first instance ruling.

The company paid the due amount, but also appealed in cassation.

#### **MUNICIPALITIES OF CONCORDIA SAGITTARIA, FOSSALTA DI PORTOGRUARO AND TEGLIO VENETO**

Three administrative proceedings, pending before the Veneto Regional Administrative Court, brought by AP Reti Gas S.p.A. for the annulment of Resolutions nos. 92, 85 and 70 of the Municipal Council of 2020, whereby the three Authorities approved the respective estimates of the residual value of the plants, drawn up by the engineer appointed by the S.A. (Metropolitan City of Venice) using the ministerial LGs criterion, instead of, as obligatory under Article 15, paragraph 5 of Legislative Decree 164/2000 and as previously done, applying the duly and promptly agreed contractual criteria, with a lower value recognised to AP Reti Gas S.p.A, respectively, of about Euro 412 thousand, Euro 375 thousand and Euro 48 thousand.

The Municipality of Concordia Sagittaria (upon Ambito S.A.'s insistence) forwarded a further GC Resolution (No. 3/2022) with which it approved another estimate (ministerial LGs) that, albeit marginally, further reduces the repayment value recognised to AP Reti Gas S.p.A.

The company therefore appealed with additional grounds.

Similarly, the Municipality of Fossalta di Portogruaro, on 11 August 2022, forwarded GC Resolution No. 37/2022 (adopted in March) concerning the approval of the estimated VIR (at LG), which exceeds the previous Resolution No. 85/2020. Although the difference with the previous value (referred to in the contested Resolution No. 85/2020) is minimal (less than one thousand euro), the Company had to proceed with an appeal with additional grounds, duly filed and notified within the terms. At present, there are no other procedural acts.

With regard to the dispute with the Municipality of Teglio Veneto, the company filed its closing brief in December 2023. The Regional Administrative Court ordered a 'verification' to ascertain whether the negotiation criteria were complete (and therefore usable to update the estimates). To this end, it appointed CTUs, while the company and the

municipality appointed their own CTPs. The hearing to discuss the outcome of the verification is set for 9 October 2024.

For the disputes with the municipalities of Fossalta di Portogruaro and Concordia Sagittaria, the Regional Administrative Court has set a hearing pursuant to Article 72 bis CPA (simplified judgement) for 22 May 2024.

#### **MUNICIPALITY OF FOSSALTA DI PORTOGRUARO**

A civil suit filed with the Court of Pordenone (R.G. 2515/2022), by the Municipality of Fossalta di Portogruaro, with a writ of summons served on AP Reti Gas S.p.A. on 10 November 2022. The Entity requests the payment of a concession fee of approximately Euro 72,000/year as of 1 January 2013, for a total of approximately Euro 700,000.

The company, believing that it owed nothing to the municipality, entered an appearance to oppose the authority's claim.

The first hearing, set in the writ of summons for 28 February 2023, was postponed to 07 April 2023.

AP Reti filed its appearance on 17 March 2023.

A settlement agreement was reached between the parties and approved by the Company's Board of Directors at its meeting on 22 March 2024.

In a nutshell, the agreement provides that AP Reti Gas:

1. pays the all-inclusive sum of Euro 35,000, plus VAT, for the previous dues;
2. will pay an annual fee of Euro 30,000, plus VAT, in addition to the fee pursuant to Article 46-bis already provided for, with ISTAT revaluation as from 2026 and the provision for a periodical redetermination (every 5 years) in the light of the regulatory evolution of the tariffs, to be paid until the end of the current management;
3. carries out asphaltting on municipal roads (affected by the passage of pipelines) for a nominal value Euro 150,000, under the following conditions:
  - amount was converted into 9,400 square metres of asphalt equivalent on the basis of the predefined technical characteristics, using the regional price list 2023, with a 10% mark-up
  - the municipality will not require any security (deposit and/or surety)
  - the issuing of municipal permits should be timely and free of charge;
  - AP Reti Gas's liability for such works shall be governed pursuant to Article 1667

As a result, the existing pending case was withdrawn.

#### **ADMINISTRATIVE DISPUTES - NOT RELATING TO CONCESSIONS**

As at 31 March 2024, they are pending:

##### **ANAC DELIBERATIONS 214 and 215 of 2022 and DELIBERATION 584/2023**

An appeal to the Regional Administrative Court for Lazio - Rome (R.G. 7980/2022), brought by AP Reti Gas S.p.A. (together with other leading operators of gas and electricity distribution services), for the annulment of ANAC Resolutions No. 214 and 215 of 2022, by means of which, the Authority, in alleged execution of Sentence No. 2607/2022 of the Lazio Regional Administrative Court, substantially reproduced what was set forth in the President's Announcements, annulled for lack of jurisdiction of the same Court.

Previously, in fact, AP Reti Gas (together with other leading gas and electricity distribution service providers) had requested and obtained the annulment of the ANAC President's Communiqué of 16 October 2019.

This measure, in essence, extended the obligations proper to contracts subject to the application of Legislative Decree 50/2016 (e.g. acquisition of the CIG and payment of the ANAC contribution) also to contracts excluded and even outside the application of the Code.

With Sentence No. 2607/2022, the Lazio Regional Administrative Court upheld AP Reti Gas's appeal and annulled the contested measure, finding that the President lacked jurisdiction with respect to the issuance of the same measure. ANAC, however, in alleged compliance with the Judgment, substantially reproduced the content of the measures annulled by the TAR in two resolutions (Nos. 214 and 215 of 2022).

The measures were therefore appealed, for the most part, by re-proposing the 'substantive' complaints already prepared in the first judgement and not examined by the TAR, not because they were considered unfounded, but because the Court, pursuant to the CPA, considered the ruling of lack of jurisdiction to be absorbent and exhaustive.

By Resolution No. 584/2023, ANAC formally repealed Resolutions Nos. 214 and 215, but re-proposed entirely similar rules, albeit with some peculiarities. By means of an appeal for additional grounds, also in the form of an autonomous

appeal, notified at the end of February 2024, within the time limits for appeal, the Company challenged the latter measure.

#### **ARERA DELIBERA ARG/GAS 570/2019 and DELIBERA 117/2021/R/gas (as well as the related access to documents procedure)**

An appeal to the Regional Administrative Court for Lombardy - Milan (R.G. 522/2020), brought against ARERA by Ascopiave S.p.A. and AP Reti Gas S.p.A. (together with other leading gas distribution service operators), for the annulment of Resolution 570/2019/R/gas, concerning the "tariff regulation of gas distribution and metering services for the period 2020-2025". The new regulatory discipline provides for a strong and unjustified reduction of tariff items to cover the operating costs recognised to distributors. The appeal was filed on 25 February 2020.

With an appeal on additional grounds dated 24 May 2021, an appeal was also filed against ARERA Resolution No. 117/2021/R/gas, concerning the "Determination of the definitive reference tariffs for gas distribution and metering services for the year 2020". In fact, the Companies considered that the measure, being part of the determinations resulting from the tariff regulation set forth in Resolution No. 570/2019, could be further detrimental to the Group's distribution companies.

Following the appeal by Italgas Reti, the Lombardy Regional Administrative Court, through Sentence No. 1517 dated 4 August 2020, partially granted the petition, ordering ARERA to produce the documents used to determine the rate of return on invested capital (beta parameter).

Subsequently, Italgas itself, first started "compliance" proceedings, aimed at enforcing the ruling, then appealed the same (evidently, for the parts not upheld). However, the appeal was abandoned by Italgas on 16 February 2022, for supervening lack of interest.

Both measures were notified to AP Reti Gas, as an interested party.

The Company, in order to protect its own legitimate interests, which are only partly congruent with those of Italgas Reti, decided to intervene in the two proceedings. At present, only the judgment of compliance remains.

#### **PROVINCE OF BRESCIA AND VALLE TROMPIA MOUNTAIN COMMUNITY**

An appeal to the Regional Administrative Court for Lombardy - Brescia, brought by Morina S.r.l. (now merged by incorporation into Asco Renewables S.p.A.), against the Province of Brescia and the Mountain Community of Valle Trompia for a declaration that by reason of their non-exercise, the Mountain Community of Valle Trompia forfeited the hydroelectric concession issued by the Province of Brescia with its own executive determination no. 3099 dated 3 August 2010 and the single authorisation pursuant to Article 12, Legislative Decree 387/2003, issued by the same Province with its own executive determination no. 4501 dated 24 July 2014.

Consequently, the prior consent of the Mountain Community of Valle Trompia is not necessary for the transfer of the two aforementioned measures to Morina S.r.l..

The company also requested the withdrawal or cancellation of the measure of the Province of Brescia, prot. no. 159684/2023 dated 22 August 2023 (which refers to the joint ownership of the concession).

At present, there are no pending court proceedings.

#### **EXTRA PROFITS (Revenue Agency and other Entities)**

A lawsuit before the Regional Administrative Court of Lazio (R.G. 10986/22), brought by Asco EG (notified on 16 September 2022), against the measures of the Inland Revenue Agency (and other Entities) implementing the provisions of Article 37 of Law Decree 21/2022, converted with amendments by Law 51/2022 and subsequently further amended by Law Decree 50/2022, in turn converted with amendments by Law 91/2022.

As part of the appeal, the issues of constitutionality and compliance with European law of the primary regulation were raised. Similarly, in some appeals brought by other companies before the Tax Commission, the question of jurisdiction, pending before the Court of Cassation, was raised, as well as the question of constitutionality.

The public hearing for the discussion of the appeal on the merits took place on 4 April 2023. The Regional Administrative Court ordered a postponement to 18 July 2023. At the outcome of the hearing, in light of the above, and therefore pending the decision of the Supreme Court, the Regional Administrative Court ordered a stay of proceedings.

### **AID DECREE (ARERA Resolution No. 266/2022 and GSE Notice of 07 July 2022)**

A lawsuit before the Regional Administrative Court of Lombardy in Milan (R.G. 1774/22), brought by Asco EG (notified on 08 September 2022), against ARERA Resolution No. 266/2022 and the GSE Communiqué of 07 July 2022, implementing Article 15 bis of Law Decree 4/2022, converted by Law 25/2022, and amended by Law Decree 115/2022, converted with amendments by Law 142/2022.

As part of the appeal, the questions of constitutionality and conformity with European law of the primary legislation were raised.

With Sentence No. 2676/2022 of 23 November 2022, the Regional Administrative Court upheld the appeal and consequently annulled ARERA Resolution 266/2022 and the consequent acts of the GSE. The reasons for the ruling were published on 09 February 2023.

As a precautionary measure, pending the above-mentioned grounds, on 6 December 2022, the Company, together with the other plaintiffs, filed a further appeal on additional grounds with the Regional Administrative Court of Lombardy - Milan, as a result of the supervening force of EU Regulation 2022/1854, for the annulment of all measures resulting from Resolution No. 266/2022, as well as to ascertain the lack of the prerequisites for the application of Article 15-bis of Legislative Decree No. 4/2022 and the consequent nullity of all application measures issued by ARERA and GSE. 15 bis of DL 4/2022 and for the consequent nullity of all the application measures issued by ARERA and the GSE. The issues of constitutionality and compliance with European law of the primary regulation were also raised.

Sentence No. 2676/2022 was appealed by ARERA to the Council of State (RG 10025/22), with a request for suspension of the first instance sentence. By order of 17 January 2023, the Council of State granted the precautionary petition and therefore suspended the enforceability of the challenged ruling.

Following the publication of the grounds of the Judgment of First Instance on 21 March 2023, the application to revoke the interim order was discussed. The Council of State, however, confirmed the suspension of the execution of the Judgment and set the public hearing on the merits for 05 December 2023.

With respect to the further proceedings brought before the Lombardy - Milan Regional Administrative Court, by order of 17 July 2023, the court suspended the proceedings pending the preliminary ruling of the Court of Justice of the European Union on the questions formulated by the same Regional Administrative Court in a previous order of 7 July (adopted in the context of a case with a completely similar subject matter).

At the hearing on 5 December 2023, the Council of State granted the company's request and postponed the public hearing until the end of 2024, pending the decision of the EU Court of Justice.

### **CIVIL LITIGATION - NOT RELATED TO CONCESSIONS**

As at 31 March 2024, they are pending:

#### **CLAIM FOR DAMAGES FOR SUPPLY INTERRUPTION VS AP RETI GAS VICENZA**

A lawsuit, pending before the Court of Vicenza (R.G. 339/2020), brought against AP Reti Gas Vicenza, for compensation for damages resulting from the temporary interruption of the supply (which occurred during the performance of activities on the distribution network, entrusted to the contractor Costruire e Progettare in Lombardia (Build and Design in Lombardy), brought by Ariston Cavi S.p.A.

The company, while hoping for an amicable solution, duly entered an appearance and, in the exercise of its negotiating indemnity, sued the contractor.

The hearing for closing arguments took place on 11 May 2023.

In its judgement dated 16 October 2023, the Court of Treviso upheld Ariston Cavi's claim, finding that the extent of the alleged damage had been proved. The ruling also upheld AP Reti Gas Vicenza's claim for indemnification, and ordered CPL to pay the costs of the litigation. The Court's sentence, therefore, can be considered positive.

At present, there are no reports of any appeals.

#### **FIN ENERGY S.A. (Capital increase of Asco EG)**

A lawsuit before the Court of Enterprises of Venice (R.G. 5768/22), brought by Fin Energy S.A., a minority shareholder of Asco EG, against the same company, by means of an appeal notified on 3 August 2022, challenging the capital increase resolved by the shareholders' meeting of Asco EG on 27 May 2022, by means of an appeal against the relevant resolution.

The Company, considering the claim unfounded, entered an appearance within the time limit.

The first two hearings took place on 21 December 2022 and 19 July 2023.

The witness hearing took place on 12 October 2023.

### **PROVINCE OF VERBANO CUSIO OSSOLA (Appeal against Injunction Order)**

A civil suit commenced with the notification of an appeal pursuant to Article 22 of Law 689/1981 c/o the Court of Verbania (R.G. 64/2023), by Sangineto Energie S.r.l. (now merged by incorporation into Asco Renewables S.p.A.), against the Provincia del Verbano Cusio Ossola, for the annulment and/or declaration of nullity and/or revocation, subject to suspension, of the injunction issued by the same Province on 10 January 2023, prot. no. 299, Rep. no. 1/2023, by which it is claimed from Sangineto Energie (as assignee of Sant'Anna S.r.l.) and from Fusio S.r.l., EVA Renewables Assets S.p.a. and Ing. S. B., jointly and severally, the payment of the amount of Euro 1,248,000.00, as the sum deriving from the penalty of Euro 1,600.00 (equal to the minimum amount) multiplied by 780 violations (of which 778 reports have been served) allegedly ascertained by the Carabinieri forestry officers (between 23 September 2015 and 5 April 2016), relating to the storage of material resulting from the construction of a diversion tunnel serving the hydroelectric plant in the municipalities of Falmenta, Gurro and Cavaglio Spocchia.

The Company disputes both the inclusion in the perimeter of debtors, the quantum claimed, and the very legitimacy of the procedure adopted to impose the penalty.

The Court of Verbania set the hearing for discussion on 23 May 2023, then postponed to 21 June 2023.

By order of 6 November 2023, the Court suspended the enforceability of the order issued by the Verbano Cusio Ossola Province, prot. no. 299, dated 10 January 2023, Rep. no. 1/2023 against (among others) Sangineto Energie. He then adjourned the discussion and decision to the hearing on 9 July 2024.

In a petition dated 2 February 2024, the Province asked the Judge to grant the Parties, pursuant to and for the purposes of Article 101, paragraph 2, of the Code of Civil Procedure, a term to file observations and documents on the issue raised ex officio by the Judge, regarding the status of Sant'Anna S.r.l. as the owner of the land/construction site affected by the construction of the hydroelectric plant and the excavated earth and rocks.

The company, in addition to pointing out the merger of Sangineto Energie into Asco Renewables, responded by claiming the inadmissibility of the province's petition, as well as reiterating the groundlessness of the entity's claims.

With respect to the same matter, the parent company Ascopiave also activated negotiated remedies to protect against any liabilities that might arise.

### **NOTICES OF PAYMENT OF STATE FEES FOR LARGE HYDROELECTRIC DERIVATIONS YEAR 2023**

A case before the Superior Court of Public Waters (R.G. 136/2023), brought by Asco EG S.p.A. on 16 June 2023, against the Lombardy Region, for the annulment of the Lombardy Regional Council's Resolution dated 12 April 2023 no. XII/136 "Determinations regarding the updating of the fixed component of the fee due by large hydroelectric derivations for the year 2023 pursuant to Article 20, paragraph 2, of Regional Law no. 5 of 8 April 2020, as amended and supplemented", published in Lombardy Region's Official Gazette, S.O. no. 16 dated 18 April 2023 and of the consequent acts (e.g. Notice of expiry of the public water user fee 2023).

In a nutshell, the company disputes the manner in which the fee was adjusted to the inflation rate and consequently the amount of the fee charged.

The first hearing took place on 11 October 2023.

### **EFFICIENT BUILDING S.P.A. (purchase of tax credits)**

On 27 April 2023, some Group companies signed a contract with Efficient Building S.p.A. for the purchase of 110% super bonus tax credits for a nominal amount of Euro 10,000 thousand, for a price paid of Euro 8,700 thousand.

In August 2023, following the initiation of a criminal investigation against the assignor (and not concerning the Group companies), the Guardia di Finanza (Italy's Tax Agency) notified the same companies of a preventive seizure order concerning part of the tax credits acquired, for a nominal value of Euro 3,632 thousand, of which Euro 1,691 thousand had already been used by the companies in offsetting with certain tax expiry dates, thus cancelling their effects and exposing them to the possible request for new payment of the taxes subject to offsetting as well as the payment of the relative penalties and interest.

In light of these proceedings and additional information received, the Group companies suspended the use of the residual Super bonus credits purchased, not subject to seizure, and not yet set off against their tax liabilities, in the amount of Euro 636,000, requesting additional information and guarantees from the assignor in respect thereof.

Invoking the contractually agreed guarantees with the assignor, during the year the Group made an out-of-court claim against Efficient Building S.p.A. for compensation/indemnification in relation to the receivables assigned by the latter and affected by the seizure order; in addition, not having received sufficient information from Efficient Building

S.p.A. sufficient information to offset the remaining receivables, it also requested compensation/indemnification with respect to the receivables not affected by the seizure but that it was not able to use in offsetting within the legal deadlines, amounting to Euro 636 thousand.

The Group's reasons are based on sound arguments and consequently the Directors consider that the companies concerned are protected both with regard to the receivables subject to attachment and already set off (also in the event that the criminal proceedings against the assignor should conclude with a conviction) and with regard to the receivables not affected by attachment and not used in set-off.

As a result of the events described, a lawsuit was commenced by AP Reti Gas Nord Est before the Court of Padua, with a writ of summons dated 14 December 2023, for the annulment for fraudulent intent of the credit assignment agreement entered into between Ap Reti Gas Nord Est S.r.l. and Efficient Building S.p.A. on 27 April 2023 and for compensation for all consequential damages.

Negotiations conducted through the respective lawyers led to a settlement agreement between the Parties, signed at the end of February 2024, which ended with Efficient Building S.p.A. paying the amounts agreed upon in the settlement on 29 April 2024.

Accordingly, the judgment was abandoned.

### **FORCED ACCESS - DEFAULT SERVICE**

The distribution companies of the Ascopiave Group, in fulfilment of their regulatory obligation to do so (with particular reference to Article 40.2a) TIVG), take action, as a rule pursuant to Article 700 of the Italian Code of Criminal Procedure, in order to obtain forced access to property and be able to disconnect the utilities served under the Default Service Directive (SDD) delinquency regime.

Appeals are directed against end customers (or de facto users).

For this purpose (and in order to comply with regulatory requirements), a management procedure has been defined that starts with the activation of the SDD and ends with its termination (for one of the various hypotheses envisaged).

It provides for the carrying out of closure attempts in the ordinary forms, the obtaining of information, the carrying out of registry checks and/or attempts to contact the end customers involved, the transmission of notices and warnings and, lastly, where these initiatives are unsuccessful (and limited to users with AC > 500 smc/year), the commencement of emergency legal cases.

Currently, they are:

- 11 files filed (hearings already scheduled and/or already under consideration)
- 6 files at the enforcement stage
- 1 file with critical procedural issues (e.g. with appeal and/or complaint rejected)
- 9 files under management (for appeal may therefore need to be filed).

The annual number of cases for which legal action is likely to be required in 2024, for all Group companies, can be roughly estimated at between 12 and 25 cases.

## **Relations with the Internal Revenue Service**

### **ROBIN TAX**

The companies Ascopiave, Ap Reti Gas Rovigo, Edigas Esercizio Distribuzione Gas, Unigas Distribuzione (merged into Ascopiave) and Asco Energy (ex. Veritas Energia) starting from the year 2008 were subject to the additional IRES (Robin Tax) introduced by Article 81 DL. 112/2008. Subsequently, in the course of 2015, the Constitutional Court declared the constitutional illegitimacy of the aforementioned tax and following this ruling, the companies requested the refund of the tax unduly paid, filing the various appeals on the basis of a retroactive interpretation of the aforementioned ruling, also supported by an opinion formulated by a constitutional lawyer.

After negative rulings by the respective Regional Tax Commissions, the companies appealed to the Supreme Court of Cassation.

In March 2022, the first negative orders were announced, with the Constitutional Court rejecting the appeal filed by AP Reti Gas Rovigo and Edigas Esercizio Distribuzione Gas, which proceeded with the filing of the appeal with the European Court of Human Rights. The appeals filed by the other companies are still pending.

## VENETO REGIONAL DIRECTORATE AUDIT

In the month of September 2019, a short access began against the companies Ascopiave S.p.A. and Ascotrade S.p.A. (the latter merged into EstEnergy S.p.A. with effect from 1 October 2022) by the Veneto Regional Directorate of the Agenzia delle Entrate (Italy's Inland Revenue Service) in relation to the Ires, Irap and Iva sectors with respect to the years ranging from 2013 until the date of access.

The first phase of the audit activities led to the issuance on 29 October 2019 of a Formal Notice of Findings against Ascotrade S.p.A., a company sold the following 19 December 2019 to the Hera Group and subject to a specific guarantee, containing findings regarding direct and indirect taxes related to the years 2013 and 2014; this act was followed, following the presentation of specific pleadings by the company, by the issuance by the Inland Revenue Service of notices of assessment related to the contested matters, for which the company filed an appeal before the Provincial Tax Commission of Venice, which was accepted with the ruling filed on 21 April 2021, which provided for the annulment of the related contested acts. On 15 November 2021, the Agenzia delle Entrate appealed against the first instance judge's ruling before the Regional Tax Commission of Venice; the company appeared on 30 December 2021 with a counter-argument and a contextual cross-appeal. The discussion of the appeal took place on 13 February 2023, and on 19 June 2023, the second instance Tax Court of the Veneto Region filed ruling no. 577/2023 in which it rejected the appeal brought by the Agenzia delle Entrate, condemning it to pay the costs of the litigation and the flat-rate reimbursement of general expenses. That judgment was not appealed and has therefore become final.

With reference to subsequent financial years, the audit activities continued with the issuance on 29 September 2020, against Ascotrade S.p.A., of the Formal Notice of Assessment referring to the year 2015, after which, after the presentation of specific pleadings, the Inland Revenue Service issued the notices of assessment on 23 December 2020, which were subsequently appealed by the company before the Venice Provincial Tax Commission, which was accepted with the sentence of 23 February 2022, which provided for the annulment of the relative contested deeds. On 15 November 2022, the Agenzia delle Entrate filed an appeal, with the company submitting its counterclaims on 10 January 2023; to date, a hearing has been scheduled to hear the appeal.

On 23 December 2021, the company was served notices of assessment relating to Ires for the years 2016 and 2017, as well as Irap and VAT for the years 2016, 2017 and 2018, for which an appeal was filed on 18 February 2022. On 04 July 2023, the Tax Court of First Instance of Venice filed ruling no. 315/2023, in which it annulled the assessment acts, subsequently appealed by the Inland Revenue Service on 2 February 2024; to date a hearing has yet to be set for the discussion of the appeal.

Lastly, on 13 December 2023, a notice of assessment was served for IRES, IRAP and VAT purposes for the 2019 tax year; the company and the Inland Revenue Service have requested a hearing; as of today, a date for the discussion of the appeal has yet to be scheduled.

The company, with the support of its tax advisor, considers the risk as 'possible' or 'remote' and therefore has not made any allocation.

## Territorial areas

### Regulatory developments

Starting in 2011, the regulatory framework of the sector was significantly increased with the issuance of the Decree dated 19 January 2011, which identified the Minimum Territorial Areas (ATEMs), followed by the so-called Occupational Protection Decree dated 21 April 2011, implementing Paragraph 6 of Article 28 of Legislative Decree No. 164 of 23 May 2000, and the Decree of 18 December 2011, which identified the municipalities that are part of each Ambit.

Also of fundamental interest is Decree 226 of 12 November 2011 (the so-called Criteria Decree), containing the regulation concerning the tender criteria and the scores resulting from the evaluation of the offer for the entrusting of the gas distribution service.

The Ascopiave Group, like many other operators, had substantially welcomed the regulatory framework summarised above, believing that it could create important investment and development opportunities for qualified medium-sized operators, moving in the direction of a positive rationalisation of supply.

Subsequently, however, the disciplinary context was further modified.

Decree Law No. 145/2013, converted, with amendments, into Law No. 9/2014, reformed the regulations on the determination of the reimbursement value of the plants due to the outgoing operator at the end of the so-called 'Transitional Period'.

Law 9/2014 amended Article 15 of Legislative Decree 164/2000, providing that:

- a. the reimbursement to be paid by the new operator was calculated (first and foremost) in accordance with the provisions of the agreements and contracts and, to the extent that it cannot be deduced from the will of the parties as well as for the aspects not governed by the same agreements or contracts, on the basis of the Guidelines on criteria and operating procedures for the assessment of the reimbursement value referred to in Article 4, paragraph 6, of Decree-Law 69/2013, converted, with amendments, by Law 98/2013;
- b. in any case, private contributions relating to locational assets, valued according to the methodology of the tariff regulation in force, were deducted from the reimbursement value (VR or VIR);
- c. where the VIR is greater than ten per cent of the locality RAB, the granting local authority, prior to the publication of the call for tenders, must transmit to ARERA the relevant detailed evaluations so as to allow the Authority to carry out a congruity check (so-called VIR / RAB variance).

On 6 June 2014, pursuant to the aforementioned regulatory provisions, the Decree of 22 May 2014 was published approving the "Guidelines on Criteria and Application Modalities for the Evaluation of the Reimbursement Value of Natural Gas Distribution Facilities" called to define the criteria to be applied for the evaluation of the reimbursement value of facilities, in the absence of a full negotiated regulation and/or to supplement those aspects not provided for in the agreements or contracts.

The "Guidelines" presented several critical aspects not only in terms of the consequent valuation, but also in terms of the scope of application, which was extremely broad, to the point of deeming ineffective the VR agreements entered into between operators and municipalities after 12 February 2012 (the date on which Ministerial Decree 226/2011 came into force). Moreover, the Guidelines themselves did not implement, and indeed were in conflict with the provisions of Article 5 of Ministerial Decree 226/2011 in force at the time (contrary to the regulatory provision that referred to Article 4, paragraph 6 of Decree Law 69/2013, which, in turn, made explicit reference to Article 5 of Ministerial Decree 226/2011).

In consideration of these profiles of alleged illegitimacy, Ascopiave S.p.A., together with other leading operators, challenged the Ministerial Decree dated 21 May 2014 (and thus the Guidelines) with an appeal to the Regional Administrative Court of Lazio, in which a question of both constitutional and community legitimacy was raised, referring above all to the (substantially retroactive) interpretation of the new rules concerning the deduction of private contributions established by Law 9/2014 and the limit of effectiveness of previous agreements between operators and municipalities.

Subsequently, with Resolution 310/2014/R/gas - 'Provisions on the determination of the reimbursement value of natural gas distribution networks', the Sector Authority regulated the methods for verifying the VIR / RAB deviation.



Law No. 116/2014 (converting, with amendments, Decree-Law No. 91/2014) introduced a further amendment to Article 15 Paragraph 5 of Legislative Decree No. 164/2000, confirming that the redemption value must be calculated, first and foremost, in accordance with the provisions of the agreements or contracts, (but) provided that the latter were entered into before the date on which Ministerial Decree No. 226/2011 came into force, i.e. before the date of 12 February 2012, thereby "endorsing" the retroactivity of the application of the Guidelines.

On 14 July 2015, Decree 106/2015 amending DM 226/2011 was published. The amendment, in particular, introduced:

1. a partial amendment of the provisions on VR to be applied in the absence of specific agreements between the parties. In substance, it largely takes over what was already provided for in the Guidelines;
2. the increase of the maximum threshold of the amount of annual fees that can be offered in tenders to local authorities, raised from 5%, to the current 10% of the main components (not all of them) of the Tariff Revenue Constraint (VRT);
3. the regulation of some important technical-economic aspects, related to the energy efficiency investments to be included in the offer, concerning the valorisation of the amounts recognisable to local authorities and the (partial) tariff recognition of the coverage of the related costs.

Law 21/2016 converting the so-called "Decreto Mille Proroghe" (an Umbrella Extensions Decree) provided for the final extension of the deadlines for the publication of calls for tenders, also regulating the timing of the substitutive interventions of the Regions, or, as a last resort, of the Mi.SE, and repealing the penalties for delay previously provided for municipalities.

In essence, to date, the above-mentioned deadlines have been largely missed.

During the two-year period 2015-2016, a number of calls for tenders were published to entrust the service with the Ambit procedure. Many, however, did not follow the procedure provided for by the regulations, on the subject of prior examination by ARERA of both the VR, the VIR-RAB deviation, and the overall contents of the tender and its annexes. Moreover, most of the tenders deviated, even significantly, from the tender evaluation criteria.

In essence, the standardisation of the tendering process, as envisaged by the regulations, has encountered serious difficulties in imposing itself.

Law 124/2017 (Annual Law on the Market and Competition) introduced innovations in order to reduce timeframes and simplify the verification process. In particular:

- The granting local authority is given the opportunity to certify (also through an appropriate third party) that the reimbursement value has been determined by applying the provisions of the Guidelines, and this concludes the process if the aggregate VIR-RAB variance of the Ambit does not exceed 8 per cent and the VIR-RAB variance of the municipality concerned does not exceed 20 per cent;
- if the value of the net fixed assets of locations is misaligned with respect to the sector averages as defined by the Authority, the value relevant for the calculation of the VIR-RAB deviation is determined by applying the parametric valuation criteria defined by ARERA (now Article 24 of the RTDG);
- it is envisaged that the Authority, by means of its own provisions, shall define simplified procedures for the evaluation of calls for tenders, where these are drawn up in compliance with the model call for tenders, the model specifications and the model service contract, specifying that, in any case, the tender documents may not deviate from the maximum scores provided for in Articles 13, 14 and 15 of Decree No. 226/11 (except within the limits provided for in the same articles with regard to certain sub-criteria).

The Authority implemented the provisions of Law 124/2017 with Resolution 905/2017/R/gas of 27 December 2017.

In the meantime, art. 1, paragraph 453 of Law 232/2016 sanctioned the authentic interpretation of art. 14, paragraph 7 of Legislative Decree 164/2000, in the sense that the outgoing operator remains obliged to pay the concession fee, where provided for in the original concession contract.

With respect to the duration of the so-called "transitional period", for the concessionary relationships prior to the enactment of Legislative Decree 164/2000, considering all the extensions provided for by the measures that followed one another over time, together with the optional extensions attributable by the Municipalities up to the enactment of Legislative Decree 93/2011, two alternative "opae legis" expiry dates were identified, on 31 December 2012 and 31 December 2010, depending, respectively, on whether or not the concession had been awarded through a comparative procedure, even if extremely simplified.

In the absence of the identification of a new area manager, after the expiration of the aforementioned terms, pursuant to the combined provisions of Article 14, paragraph 7 of Legislative Decree No. 164/2000, Article 24, paragraph 4 of Legislative Decree No. 93/2011 and Article 37, paragraph 2 of Law Decree No. 83/2012, the outgoing managers are obliged to continue the ordinary management of the service, without interruption.

To date, the regulatory framework has been further supplemented and amended by Law No. 118/2022, which, in Article 6, on the one hand, provided for the possibility for municipalities to sell, at the time of the tender, the sections they own with VIR valuation, determined in application of the Guidelines, while on the other, it provided for the renewal of Ministerial Decree No. 226/2011. This, however, despite the six-month deadline set by Law 118/2022, has not yet been reformed.

The extreme proliferation of regulations following Ministerial Decree 226/2011, often lacking the necessary systemic feature and followed by various disputes, has substantially prevented the implementation of the ATEM system hypothesised since the introduction of Article 46-bis of Law Decree 159/2007 (converted, with amendments, into Law 222/2007). Only very few Ambits, in fact, have seen the tender process completed. Among these are Milan 1, Aosta, Udine 2 and Belluno (with respect to the latter, please refer to what is explained below).

## Tenders of interest

The Municipality of Belluno, the contracting station of the Belluno Atem, published the call for tenders for the concession of the service (open procedure) in December 2016.

In September 2017, the Group company AP Reti Gas S.p.A. submitted its offer.

The tender acts were challenged by a participating operator. In Judgment No. 886/2017, the Veneto Regional Administrative Court rejected the appeal. The pronouncement was then confirmed by the Council of State, with Sentence of 22 January 2019.

At the end of the bid evaluation, AP Reti Gas S.p.A. was the best bidder for the technical part, but ranked second in the overall score, behind Italgas Reti S.p.A.

AP Reti Gas, believing that there were many profiles of inconsistencies in the tender of the winning bidder, challenged the outcome of the tender, but the appeals (at first instance to the Veneto Regional Administrative Court and on appeal to the Council of State) were not upheld.

The handover of management to Italgas Reti took place on 1 February 2024.

In December 2018, the Municipality of Schio, contracting station of the Atem Vicenza 3 - Valli Astico Leogra e Timonchio, published the call for tenders (restricted procedure).

At the time, in this area, the Group companies AP Reti Gas S.p.A. and AP Reti Gas Vicenza S.p.A. managed the service in 28 municipalities, for a total of over 80,000 users. Subsequently, the management perimeter was implemented following the entry of Romeo Gas S.p.A. into the Group.

AP Reti Gas S.p.A. and AP Reti Gas Vicenza S.p.A., as a precautionary measure aimed at avoiding future risks of forfeiture with respect to the content of the Notice, which was deficient in several essential aspects (e.g. indication of the reimbursement values, tender specifications, etc.), challenged the Notice, with an appeal to the Veneto Regional Administrative Court, notified on 16 January 2019.

In Judgment No. 667/2019 of 3 June 2019, the Regional Administrative Court declared the appeal inadmissible on the basis that the contents of the tender documents would necessarily have to be supplemented by the Contracting Authority in the continuation of the procedure.

The ruling was positive for the applicants, overcoming the objective concern that the tender procedure might crystallise and continue on the basis of incorrect values. For that reason, it was not appealed.

Subsequently, after several extensions, the tender process was and is currently suspended.

## Significant events after the end of the first quarter of the financial year 2024

### Ordinary Shareholders' Meeting of 18 April 2024

On 18 April 2024, the Ordinary Shareholders' Meeting of Ascopiave S.p.A. met under the chairmanship of Nicola Cecconato.

The Ordinary Shareholders' Meeting approved the financial statements for the financial year and took note of the Group's consolidated financial statements as at 31 December 2023 and resolved to distribute an ordinary dividend in the amount of Euro 0.14 per share, for a total of Euro 30.3 million, an amount calculated on the basis of the shares outstanding as at the end of the financial year 2023. The ordinary dividend was paid on 8 May 2024 with an ex-dividend date of 6 May 2024 (record date 7 May 2024).

The Ordinary Shareholders' Meeting also approved, with a binding vote, the first section of the report on the remuneration policy and compensation paid, prepared pursuant to Article 123-ter, Legislative Decree No. 58 dated 24 February 1998 (the "TUF") (i.e., the remuneration policy for the financial year 2024) and cast an advisory vote in favour of the second section of the report on the remuneration policy and compensation paid, prepared pursuant to Article 123-ter of the TUF (i.e., the report on compensation paid in the financial year 2023).

The Ordinary Shareholders' Meeting also approved a long-term share-based incentive plan reserved for the executive directors of Ascopiave S.p.A. and certain management resources of Ascopiave S.p.A. and its subsidiaries.

The Ordinary Shareholders' Meeting approved the authorisation to purchase and dispose of treasury shares, subject to revocation of the previous authorisation granted by the Shareholders' Meeting of 18 April 2023, for the portion not executed.

Lastly, the Ordinary Shareholders' Meeting resolved to appoint the auditing company KPMG S.p.A. to audit the accounts of Ascopiave S.p.A. for the financial years 2024 ÷ 2032.

### Sustainability Report 2023 approved

On 18 April 2024, Ascopiave S.p.A. announced that it published in the "Sustainability" section of its website the Sustainability Report 2023, approved by the Board of Directors of Ascopiave S.p.A. in its meeting of 12 April 2024, following the positive opinion of the Sustainability Committee

## Dividend distribution

On 18 April 2024, the Shareholders' Meeting approved the annual financial statements and resolved to distribute an ordinary dividend of Euro 0.14 per share with an ex-dividend date on 6 May 2024, record date on 7 May 2024 and payment on 8 May 2024.

## Own shares

Pursuant to Article 40 of Italian Legislative Decree 127, paragraph 2 d), we acknowledge that as of 31 March 2024, the parent company Ascopiave S.p.A. owned 17,701,578 treasury shares for a value of Euro 55,423 thousand, which are accounted for as a reduction of other reserves, as can be seen in the statement of changes in shareholders' equity.

## Foreseeable development of operations

As far as gas distribution activities are concerned, in 2024 the Group will continue to be engaged in the normal management and running of the service and in carrying out preparatory activities for the next tenders for the awarding of concessions. In the event that in 2024 the process of the tenders relating to the Ambits of interest to the Ascopiave Group should progress, given the time normally envisaged for the submission of bids and those required for their evaluation and for the award decisions to be taken by the contracting stations, it is believed that the possible start-up of the new management could take place after the end of the 2024 financial year and therefore will not be able to change the perimeter of the activities currently managed.

With regard to the economic results, given the substantial definiteness and stability of the regulatory framework, it is expected that, net of income components of an extraordinary nature recorded in 2023 and that may possibly affect the 2024 financial year, the results will grow compared to those of the previous year, mainly due to the increase in tariff revenues induced by the monetary updates of the calculation parameters and the increase in the rate of return on recognised capital (from 5.6% in 2023 to 6.5% in 2024) ordered by ARERA to take into account the upward trend in market rates .

With regard to energy efficiency obligations, the Decree dated 21 May 2021 of the Minister of Ecological Transition determined the national energy saving targets for the years 2021-2024. The estimated targets for 2024 for the Group's distribution companies are higher than the annual obligations for the year 2023.

As regards the production and sale of electricity from renewable sources, it should be noted that as of 1 July 2023, the effects of the decrees issued on the subject of energy price containment ceased to apply. Expected production in 2024 will benefit from the commissioning of the 21.6 MW wind farm, recently completed by the company Salinella Eolico S.r.l. in Calabria.

As far as gas and electricity sales activities are concerned, Ascopiave will benefit from the consolidation of its share of the result of the minority shareholding held in EstEnergy and of the dividends distributed by Hera Comm, both companies controlled by the Hera Group. Ascopiave holds put options on these shareholdings and it is not excluded that they may be exercised, in whole or in part, with a consequent impact on the Group's economic results and financial structure.

It should be noted that actual results in 2024 may differ from those indicatively projected above due to various factors including: general macroeconomic conditions, the impact of energy and environmental regulations, success in the development and application of new technologies, changes in stakeholder expectations and other changes in business conditions.

## Group objectives and policies and description of risks

The Ascopiave Group is committed to developing an integrated and proactive risk management culture in order to protect shareholder value, support business continuity and promote informed decisions, contributing to the sustainable success of the company.

The Group's internal control and risk management system consists of the set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks.

The categories of risks to which the group is potentially exposed can be categorised as follows:

- Strategic direction risks: these are the risks related to the Strategic Plan, the investment plan, and M&A transactions;
- Financial Risks: these are risks related to liquidity management, interest rates, credit rating, derivatives, etc;
- Operational Risks: these are risks related to the ownership of assets and the operation of business activities, processes and procedures, and human capital management;
- Legal & Compliance Risks: these are the risks related to the management of legal-regulatory developments, the management of litigation and the organisational and governance framework;
- HSE risks: these are risks related to occupational health and safety management and environmental issues.

### STRATEGIC DIRECTION RISKS

#### Risks related to tenders for the award of new natural gas distribution concessions

As at 31 March 2024, the Ascopiave Group held 300 natural gas distribution concessions (304 as at 31 December 2023). Pursuant to the provisions of the regulations in force applicable to the concessions it holds, tenders for new assignments of the gas distribution service will no longer be called for each individual municipality, but exclusively for the territorial areas determined by the Ministerial Decrees dated 19 January 2011 and 18 October 2011, and in accordance with the deadlines indicated in Annex 1 to the Ministerial Decree on the criteria for tenders and evaluation of bids, issued on 12 November 2011, as subsequently amended.

As the tenders progress, the Group may not be awarded one or more of the new concessions, or it may be awarded on less favourable terms than the current ones, with possible negative impact on operations and on the Group's economic and financial position, without prejudice to the collection of the expected reimbursement value in favour of the outgoing operator in the event of non-tender for the municipalities currently managed by the company.

To address this risk, the Group monitors regulatory developments (national, regional, local) and assesses potential impacts on the tendering process and has a dedicated structure to manage ATEM tenders.

#### Risks related to the quantification of the reimbursement to be paid by the new operator

With regard to gas distribution concessions for which the Group is also the owner of the networks and plants, Law no. 9 / 2014 establishes that the reimbursement recognised at the expense of the incoming operator shall be calculated in compliance with the provisions set forth in the conventions and contracts and, for that which cannot be deduced from the will of the parties as well as for those aspects not governed by the same conventions or contracts, according to the guidelines on criteria and operating methods for the evaluation of the reimbursement value set forth in Article 4, paragraph 6, of Decree-Law No. 69 dated 21 June 2013, converted, with amendments, by Law No. 98 of 9 August 2013.

In any case, the private contributions relating to locational assets, which are valued according to the methodology of the tariff regulation in force, are deducted from the reimbursement value. Moreover, if the reimbursement value is higher than ten per cent of the value of the net fixed assets of the locality calculated in the tariff regulation, net of the public capital contributions and of the private contributions related to the locality assets, the granting local authority transmits the relevant detailed evaluations of the reimbursement value to the Regulatory Authority for Energy, Networks and Environment for verification before the publication of the call for tenders.

Decree No. 266 of the Minister of Economic Development of 12 November 2011 establishes that the incoming operator acquires ownership of the plant with the payment of the redemption value to the outgoing operator, with the exception of any portions of the plant owned by the municipality.

When fully operational, i.e. in the periods subsequent to the first, the reimbursement to the outgoing operator will in any case be equal to the value of the net fixed assets of the locality, net of public capital contributions and private contributions relative to the locality assets, calculated with reference to the criteria used by the Authority to determine the distribution tariffs (RAB). On this point, it should be noted that the Authority intervened with Resolution 367/2014/R/gas, providing that, the redemption value, pursuant to Article 14, paragraph 8, of Legislative Decree No. 164/00, at the end of the first period of entrustment of the area be determined as the sum of:

- a) residual value of the stock existing at the beginning of the entrustment period, assessed for all the assets subject to transfer for consideration to the incoming operator in the second entrustment period according to the redemption value, pursuant to Article 5 of Decree No. 226/11, recognised to the outgoing operator at the time of the first entrustment by sector, taking into account the depreciation and divestments recognised for tariff purposes during the entrustment period;
- b) residual value of the new investments made during the entrustment period and existing at the end of the period, valued on the basis of the revalued historical cost criterion for the period in which the investments are recognised at the end of the period, as provided for by Article 56 of the Gas Distribution and Metering Services Tariff Regulation (RTDG), and as the average between the net value determined on the basis of the revalued historical cost criterion and the net value determined on the basis of the standard cost valuation methodologies, in accordance with paragraph 3.1 of Resolution 573/2013/R/GAS, for the subsequent period.

#### **Transition Risk**

Transition risk is related to legal, regulatory and technological changes associated with combating climate change and the transition to a low-emission economy.

As the Ascopiave Group is active in the energy sector, these changes could affect revenues and profitability of the expected investments.

To mitigate the possible impact of risk, the Group invests in technology, such as CRDS (Cavity Ring-Down Spectroscopy) technology for preventive pipeline monitoring and leak detection, and is engaged in activities to transform the network into digital infrastructure to enable the distribution of gases other than methane, such as hydrogen, biomethane and e-gas. Moreover, through its Strategic Plan, it has defined a diversification path outlining sustainable growth in the field of renewable energy.

#### **FINANCIAL RISKS**

##### **Credit and liquidity risk**

The main financial instruments used by the Group are cash and cash equivalents, bank debt and other forms of financing.

It is considered that the Group is not exposed to a credit risk higher than the sector average, considering that it provides its business services to a limited number of operators in the gas sector, whose rules for access to the services offered are established by the Regulatory Authority for Energy Networks and the Environment and are set forth in the Network Codes, which dictate contractual clauses that reduce the risk of default by customers.

The Codes provide, in particular, for the issuance of suitable collateral to partially cover the obligations undertaken if the customer does not have a credit rating issued by leading international bodies.

To protect against residual possible risks on receivables, an allowance for doubtful accounts was allocated, which at year-end amounted to approximately 1.0% (7.6% as at 31 December 2023) of the gross amount of receivables from third parties for invoices issued. Significant commercial transactions take place in Italy.

With regard to the company's financial management, the directors assess the generation of liquidity, deriving from operations, to be adequate to cover its needs.

The Group has a process for preparing and monitoring the financial plan and the management, control and reporting of Financial Risks. Financial planning is carried out on an annual time horizon and is done at least weekly, sometimes with mid-week updates.

## OPERATIONAL RISKS

Ascopiave oversees the company's processes and activities with respect for workers' health and safety, environmental protection, quality and energy saving in the services offered and anti-corruption.

### Risks of malfunctioning and/or interruption of the distribution service

Accidental unforeseen events such as accidents, breakdowns of equipment or control systems, drops in plant performance, and exceptional events such as explosions, fires, or other similar events, lead to risks of infrastructure malfunctioning up to the possible unforeseen interruption of the distribution service.

Such events could lead to a reduction in revenues and cause significant damage to people, property or the environment. To cope with these risks, the Group has implemented appropriate technical, organisational and procedural measures, and implemented technological innovation activities such as the use of Picarro technology, currently the most advanced and high-performance technology for leak detection.

The Group has also entered into specific insurance contracts to cover the risks described. Although the insurance lines activated are in line with the best policies, the risk remains that they may be insufficient to cover all the losses that the Group may incur due to possible increases in expenses and/or compensation to be paid.

### Risks related to cyber security

These are the risks of unavailability/loss of Confidentiality and/or Information Integrity as a result of cyber-attacks that are being conducted against companies with increasing frequency and complexity.

The Group has equipped itself with a set of technical, organisational and procedural measures to protect its information assets and works constantly to ensure the protection of information systems and data, carrying out prevention, detection and intervention against potential cyber-attacks.

Vulnerability Assessments and Penetration Tests are also carried out periodically in order to assess the effectiveness of the systems in place and take the necessary corrective steps to increase the security of the managed systems.

### Risks associated with energy efficiency certificates

Article 16.4, Legislative Decree No. 164/2000 requires natural gas distribution companies to pursue energy saving objectives in end use and the development of renewable sources.

In return for the results achieved, distributors are awarded so-called Energy Efficiency Certificates, the cancellation of which results in a reimbursement by the Cassa per i Servizi Energetici e Ambientali (The Energy Sector Clearinghouse) financed from the funds set up through the RE (Energy Savings) component of distribution tariffs.

ARERA determines the specific energy saving targets for electricity and natural gas distributors taking into account the annual national savings quantities to be pursued through the white certificates mechanism.

There is a potential risk of economic loss for the group due to the possible negative difference between the average purchase value of securities and the recognised tariff contribution and/or the possible failure to achieve the assigned targets. In order to guard against this risk, the group has a structure dedicated to the management of activities and the monitoring of regulations on the subject.

### Risk related to the execution of the investment plan under the concessions

Natural gas distribution concessions provide for commitments on the part of the concessionaire, including commitments related to investments to be made during the cost of the concession term.

It cannot be ruled out that, also due to delays in obtaining authorisations and permits, these investments may be carried out beyond the foreseen time limits, with the risk that charges may be incurred by the Group. To mitigate this risk, the group has set up technical and management organisational structures to monitor the progress of investments.

### Regulatory risk

The Group operates in a regulated sector. The directives and regulatory measures issued on this matter by the European Union and the Italian Government, the decisions of ARERA and, more generally, changes in the reference regulatory context may have an impact on the Group's operations, economic results and financial balance.

Of particular importance is the development of the criteria for determining reference tariffs.

Future changes in regulations adopted by the European Union or at a national level cannot be excluded, which could have unforeseen repercussions on the regulatory framework and, consequently, on the Group's business and results.

Regulatory developments are constantly monitored to enable a rapid understanding of the effects and the implementation of necessary organisational, technical or process changes to ensure compliance with laws, rules and regulations.

#### **Legal and non-compliance risk**

The legal and non-compliance risk consists of non-compliance, in whole or in part, with European, national, regional and local regulations with which the Group must comply in carrying out its activities.

Violation of the rules may result in criminal, civil and/or administrative sanctions as well as financial, economic and/or reputational damage. With reference to specific cases, inter alia, the violation of regulations to protect the health and safety of workers and the environment and the violation of regulations to fight corruption may lead to sanctions, even significant ones, against the Group under the regulations on the administrative liability of entities (Legislative Decree no. 231/01).

The Group conducts its business in compliance with applicable regulations, compliance with laws, rules and regulations is carefully monitored.

#### **Risks related to environmental protection, health and safety**

The Group conducts its business in compliance with Italian and European Union regulations on environmental protection, observing the laws that regulate and govern environmental and safety issues.

Despite the attention paid to this matter, it cannot be excluded with certainty that the Group may incur costs or liabilities, even of a significant entity. In fact, it is difficult to foresee the economic and financial repercussions of any past environmental damage, also considering the possible effects of new laws and regulations for the protection of the environment, the impact of any technological innovations for environmental remediation, the possibility of disputes arising and the difficulty of determining their possible consequences, also in relation to the liability of other parties.

The Group has an HSEQ System in compliance with the relevant standards, certified according to international standards for quality, health and safety aspects (45001), with compliance audits carried out by a certification body.

Regular compliance audits on the 45001 management system with internal audits and continuous monitoring are also carried out, as well as computerised training courses on HSE and management system topics.

### **CLIMATE CHANGE RISK MANAGEMENT**

Operating in the energy sector, the Ascopiave Group has a synergetic relationship with the phenomenon of "climate change" and its business operations contribute in an immediate form to the various climate scenarios dictated by international literature such as the IPCC (International Panel for Climate Change) and NGFS (Network for Greening the Financial System).

Following the acquisitions made in 2021 and 2022 in the renewable energy sector, and with the development of new projects and investments underway, the Ascopiave Group, with its updated Strategic Plan 2024-2027, continues its commitment to the climate change mitigation activities defined by the European Green Deal, to create a carbon neutral economy by 2050, and, to reduce emissions by 55% by 2030.

In this regard, the Ascopiave Group, aware that it works in a sector that is extremely influenced by climate change, has carried out an initial analysis useful for adjusting the framework of risks and opportunities within its corporate perimeter. The analysis was conducted taking as a reference the TCFD (Task Force on Climate-related Financial Disclosure) guidelines implemented by the European Commission in the 'Guidelines on the disclosure of non-financial information: integration concerning the disclosure of climate-related information'.

The project, resulting in preliminary 'disclosure', analysed the 4 pillars recommended by the document: Governance, Strategy, Risk Management, Metrics & Targets.

#### **Governance**

The strategic management of climate change aspects, as well as the governance of all aspects of sustainability, is the responsibility of the Board of Directors, in compliance with applicable regulations.

In 2021, Ascopiave S.p.A. placed the pursuit of the goal of 'sustainable success' at the heart of its corporate culture and corporate governance system.



Also to this end, on 15 January 2021, the Board of Directors of Ascopiave S.p.A. formally adhered to the new Corporate Governance Code, whose Principle I promotes 'sustainable success'.

In 2021, the Ascopiave Group also established the Sustainability Committee with investigative, propositional and advisory functions in the parent company's assessments and decisions on environmental sustainability and the so-called 'energy transition'.

In addition to the Sustainability Committee, the Board of Directors is also supported by the Control and Risk Committee in its assessments and decisions concerning the internal control and risk management system.

### **Strategy**

The Group's strategy aims to pursue sustainable success and is oriented towards the goal of stable value creation for shareholders, aware of the potentially significant impacts that climate can have on customers, stakeholders and the business. Moreover, on the production and distribution process front, the constant effort to improve energy efficiency is bringing benefits in terms of less energy used for the same activity, resulting in lower costs and emissions.

The 2024-2027 Strategic Plan, approved by the Board of Directors on 18 March 2024, confirms the strategic guidelines indicated in the strategic plans published in the previous two years, outlining a path of sustainable growth in the core businesses of gas distribution and renewable energies and in new areas of activity. As part of the process of energy transition and business diversification, the Ascopiave Group aims, through growth based on the enhancement of the skills possessed, to identify one or more useful strategies to mitigate the negative effects of possible scenarios arising from climate change.

Part of the planned investments in diversification in the renewable energy sector are intended for energy transition by focusing on 'green' gases, as well as the development of new wind power plants.

Diversification within its corporate perimeter not only makes the Group more profitable and resilient to exogenous events, but also has pervasive effects on the Group's consciousness and responsibility.

Growth in diversified sectors may take place through the development of in-house expertise, participation in competitive procedures, company acquisitions or, lastly, through the establishment of partnerships with experienced players.

The phenomenon of climate change is forcing companies to promote innovation and find solutions to increase energy efficiency within their business. In this regard, Ascopiave has achieved appreciable results on the energy efficiency front, implementing organisational and technological solutions to both improve the quality and reliability of the service and contain costs.

### **Risk Management**

With particular reference to risks and opportunities related to climate change, the Ascopiave Group relies on the support of the Governance committees Sustainability Committee and Control and Risk Committee, and, starting from October 2022, on the figure of the Risk Manager. In line with the recommendations of the TCFD, risk management involves the following steps: identification and assessment of risks/opportunities, definition of the response, periodic review and continuity/improvement of safeguards.

### **Metrics & Targets**

As far as the metrics used by the Group are concerned, to date reference can be made to the chapter 'Energy management and emissions' in the previous year's annual financial report, where the indicators relating to energy consumption, atmospheric emissions, water use and waste production and management are described in detail. The metrics used for reporting the indicators follow the GRI Standards published by the Global Reporting Initiative.

The "Sustainable Development Goals" identified by Ascopiave through dialogue with Stakeholders are the elements on which the Group will base its sustainable growth path. The sustainability path undertaken by Ascopiave is inspired by the Sustainable Development Goals (SDGs) connected on the one hand to its own business activities (SDGs 6, 7, 8 and 9) and on the other to the impact and effects the Group has on the territories in which it operates (SDGs 11, 12 and 13).

In this context, Ascopiave's strategy incorporates the concept of assuming responsibility that the 2030 Agenda requires of every reality, not only in terms of what it does on a business level, but also as an activator of change with a view to creating sustainable systems both locally and globally.

In line with the recommendations of the TCFD, a preliminary analysis of the general and specific risks-opportunities of the Group was carried out on the basis of purely qualitative considerations.

The identification of risks, and their attribution, may be difficult due to limited knowledge of climate-related issues and/or a tendency to focus mainly on short-term risks.

An initial macro-distinction between physical and transitional risk was therefore made:

- Physical risk, i.e. the risk arising from progressively changing climatic conditions, is linked to long-term variations (chronic risk) and extreme weather events (acute risk).  
These risks expose the Group to damage to or destruction of 'tangible capital' such as industrial buildings, plant and infrastructure, potential disruptions of essential supplies, and potential contraction of production and distribution capacity;
- Transition risk is related to legal, regulatory and technological changes associated with combating climate change and the transition to a low-emission economy.  
In particular, there is growing uncertainty about the future role of natural gas with potential impact on revenues and profitability of expected investments.  
In the face of this risk, the Group has defined a path of diversification by outlining a sustainable growth path in the field of renewable energies.

## Other information

### Seasonality of the activity

The natural gas distribution business managed by the Ascopiave Group is not significantly affected by seasonality; in fact, it is less influenced by the thermal trend recorded during the year, except for some minor items. With the recent acquisitions made in the sector of electric energy production from renewable sources, the Group is instead exposed to environmental factors that characterise the seasons, such as rainfall/dryness, solar radiation and windiness.

The Group is significantly exposed to the effects of seasonality in relation to investments in associated companies, active in the sale of natural gas and electricity, which will be valued using the equity method. Gas consumption varies considerably on a seasonal basis, with greater demand in the winter period, in relation to higher consumption for heating use. Seasonality influences the trend of gas sales revenues and supply costs, while other operating costs are fixed and incurred by the Group in a homogeneous manner throughout the year. Therefore, the data and information, relative to these companies, contained in the interim financial statements do not allow for immediate representative indications of the overall trend for the year.

## Commentary on the economic and financial results for the first quarter of the financial year 2024

### Performance Indicators

Pursuant to the provisions of Consob communication DEM 6064293 of 28 July 2006 and recommendation CESR/05-178b on alternative performance indicators, it should be noted that the Group considers other performance indicators useful for monitoring its business, in addition to the normal performance indicators established by the IAS/IFRS international accounting standards, which, although not specifically established by the aforementioned standards, are of particular relevance. In particular, the following indicators should be noted:

- **EBITDA:** is defined by the Group as the result before depreciation, amortisation, bad debts, financial management and taxes.
- **Operating profit:** this indicator is also required by the relevant accounting standards and is defined as the operating margin (EBIT) minus the balance of non-recurring costs and income. It should be noted that this last item includes contingent assets and liabilities, capital gains and losses from asset disposals, insurance reimbursements, contributions and other minor positive and negative items.
- **Gas distribution tariff revenues:** defined by the Group as the amount of revenues earned by the Group's distribution companies for the application of natural gas distribution and metering tariffs to their end customers, net of equalisation amounts managed by the Cassa per i Servizi Energetici e Ambientali.

## Operating Performance - Key Operational Indicators

NATURAL GAS DISTRIBUTION	First quarter		Var.	Var. %
	2024	2023		
<b>Ascopiave Group</b>				
Number of Concessions	300	308	-8	-2,6%
Length of distribution network (Km)	14.714	14.782	-67	-0,5%
Total active meters (no.)	872.791	879.511	-6.720	-0,8%
Volumes of gas distributed (scm/mln)	596,6	591,6	5,0	0,8%

PRODUCTION OF ENERGY FROM RENEWABLES SOURCES	First quarter		Var.	Var. %
	2024	2023		
<b>Ascopiave Group</b>				
Number of plants	29	28	1	3,6%
Installed power (MW)	84,1	62,5	21,6	34,5%
Volumes of electricity produced (GWh)	47,6	20,0	27,6	137,4%

Below we comment on the performance of the main operating indicators of the Group's activities.

Please note that the value of each indicator is obtained by summing the values of the indicators of each consolidated company.

As far as gas distribution activities are concerned, during the first quarter of the year, the volumes supplied through the networks managed by Group companies amounted to 596.6 million cubic metres, an increase of 0.8% compared to the same period of the previous year.

As of 31 March 2024, the number of redelivery points (PDR) managed by the companies of the Group was 872,791, a drop of 6,720 units compared to 31 March 2023. The change is mainly explained by the handover, on 1 April 2023, of the natural gas distribution plants located in the Udine 2 Atem following the awarding of the tender by another operator, as well as by the other extraordinary transactions that took place during the last nine months of the previous year.

The distribution network as of 31 March 2024 has a length of 14,714 kilometres, a drop of 16 kilometres compared to 31 December 2023. This change is mainly related to the transfer of some concessions in the ownership of Serenissima Gas following the award of an Ambit tender (Udine 2) by another operator.

The 29 plants producing electricity from renewable sources, with a total installed capacity of 84.1 MW, produced 47.6 GWh during the first quarter of the year, showing an increase of 137.4% compared to the same period of the previous year. The improvement compared to the comparable figure is due to both the commissioning of a new wind farm of the subsidiary Salinella Eolico S.r.l., which took place at the beginning of 2024, and the improvement in operating conditions compared to the first quarter of 2023, which was characterised by a significant drought.

## Operating Performance - The Group's Economic Results

(Thousands of Euro)	First quarter			
	2024	% of revenues	2023	% of revenues
Revenues	47,440	100.0%	40,719	100.0%
Total operating costs	24,115	50.8%	20,459	50.2%
<b>Gross operative margin</b>	<b>23,325</b>	<b>49.2%</b>	<b>20,261</b>	<b>49.8%</b>
Amortization and depreciation	12,450	26.2%	11,723	28.8%
Provision for risks on credits	0	0.0%	160	0.4%
<b>Operating result</b>	<b>10,875</b>	<b>22.9%</b>	<b>8,378</b>	<b>20.6%</b>
Financial income	175	0.4%	58	0.1%
Financial charges	4,641	9.8%	2,712	6.7%
Evaluation of subsidiary companies with the net equity method	2,779	5.9%	567	1.4%
<b>Earnings before tax</b>	<b>9,187</b>	<b>19.4%</b>	<b>6,291</b>	<b>15.5%</b>
Taxes for the period	(2,495)	5.3%	(702)	1.7%
<b>Result for the period</b>	<b>6,692</b>	<b>14.1%</b>	<b>5,589</b>	<b>13.7%</b>
Net result from transfer/disposal of assets	0	0.0%	44	0.1%
<b>Net result for the period</b>	<b>6,692</b>	<b>14.1%</b>	<b>5,633</b>	<b>13.8%</b>
Group's Net Result	6,546	13.8%	5,821	14.3%
Third parties Net Result	146	0.3%	(188)	0.5%

Pursuant to Consob Communication No. DEM/6064293 of 28 July 2006, it should be noted that the alternative performance indicators are defined in the 'Performance Indicators' section of this document.

In the first quarter of the financial year 2024, the Group realised revenues of Euro 47,440 thousand, an increase of 16.5% compared to the same period of the previous year. The following table provides a breakdown of revenues.

(Thousands of Euro)	First quarter	
	31 <sup>th</sup> March 2024	31 <sup>th</sup> March 2023
Revenues from gas transportation	34,211	30,158
Revenues from electricity sale	83	94
Revenues from connections	227	231
Revenues from heat supply		2
Revenues from distribution services	1,096	1,280
Revenues from services supplied to Group companies	608	1,592
Revenues from ARERA contributions	4,089	3,948
Revenues from hydro-electric plants	5,935	2,322
Other revenues	1,193	1,092
<b>Revenues</b>	<b>47,440</b>	<b>40,719</b>

**Gas distribution tariff revenues** (which increased from Euro 29,753 thousand to Euro 33,806 thousand) show a positive change of Euro 4,053 thousand compared to the first quarter of the previous year. The change is mainly explained by the change in tariff WACC and by the monetary revaluation of capital costs and tariff operating costs. The difference between tariff revenues and the item 'gas transportation revenues' shown in the table (equal to 405 thousand both as of 31 March 2024 and 31 March 2023) is explained by the revenues recognised due to the chargeback of concession fees related to Art. 46-bis. It should be noted that these revenues contribute to the formation of the other cost and revenue items described in the following disclosure.

At the end of the first quarter of the year, revenues from **wind-hydroelectric power plants** amounted to Euro 6,153 thousand and showed an increase of Euro 3,743 thousand compared to the same period of the previous year. The increase is mainly explained by the higher quantities of energy produced in the reporting quarter, as well as by the lack of regulatory measures, applied from February 2022 to 30 June 2023, which provided for a price cap on part of the energy sold. The difference between the revenues commented on here and those shown in the table refers to revenues recognised for the accrual of GO Certificates recognised for the production of energy from renewable sources.

**Revenues from energy efficiency certificates** (which increased from Euro 3,948,000 to Euro 4,089,000) showed a positive change of Euro 141,000 compared to the first quarter of the previous year.

**Operating income** in the first quarter of 2024 amounted to Euro 10,875 thousand, an increase of Euro 2,497 thousand (+29.8%) compared to the same period of the previous year.

The growth in operating profit is due to the following factors:

- increase in tariff revenues on gas distribution activities for Euro 4,053 thousand;
- increase in revenues from the production of energy from renewable sources for Euro 3,743 thousand;
- higher margin on energy efficiency bonds in the amount of Euro 113,000;
- negative change in other cost and revenue items of Euro 5,412,000.

The negative change in other cost and revenue items, amounting to Euro 5,412,000, is due to:

- lower revenues of Euro 5,333 thousand;
- lower costs for materials, services and other charges of Euro 222,000;
- lower personnel costs of Euro 266,000;
- higher depreciation on fixed assets and provisions of Euro 567,000.

Consolidated net profit for the first quarter of 2024 amounted to Euro 6,692 thousand, an increase of Euro 1,103 thousand (+19.7%) compared to the same period of the previous year.

The change in profit is due to the following factors:

- higher operating income, as previously mentioned, in the amount of Euro 2,497 thousand;
- increase in financial income in the amount of Euro 117,000;
- an increase in financial expenses of Euro 1,930,000;
- higher result of the companies consolidated with the net equity method for Euro 2,212 thousand; this item is representative of the 25% share held by Ascopiave in the EstEnergy Group and the 18.33% share held in Cogeide;
- higher taxes in the amount of Euro 1,793 thousand;
- lower net result from assets held for sale in the amount of Euro 44,000.

The tax rate, calculated by normalising the pre-tax result by the effects of the consolidation of the companies consolidated under the equity method, decreased from 41.8% in Q1 2023 to 38.9% today.

It should be noted that the discontinuation, as of the current financial year, of the ACE capital relief resulted in an increase in the tax rate of about 4.5 percentage points.

## Operating Performance - The Financial Situation

The following table shows the composition of net financial debt as required by Consob Communication No. DEM/6064293 of 28 July 2006. The table and disclosures shown have been adjusted to reflect the updates reported in ESMA document 32-382-1138 of 4 March 2021:

(Thousands of Euro)	31.03.2024	31.12.2023
A Cash and cash equivalents	16,851	52,083
B Equivalent to cash and cash equivalents	0	0
C Other current financial assets	3,176	3,818
- of which related parties	0	0
<b>D Liquid assets (A) + (B) + (C)</b>	<b>20,028</b>	<b>55,900</b>
E Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt)	(82,384)	(61,562)
- of which related parties	0	0
- of which debt instruments current part	0	0
F Current portion of non-current financial debt	(85,531)	(88,350)
- of which related parties	0	0
<b>G Current financial indebtedness (E) + (F)</b>	<b>(167,915)</b>	<b>(149,912)</b>
<b>H Net current financial indebtedness (D) + (G)</b>	<b>(147,888)</b>	<b>(94,011)</b>
I Non-current financial debt (excluding the current portion and debt instruments)	(266,927)	(297,859)
J Debt instruments	0	0
K Trade payables and other non current payables	0	0
<b>L Non-current financial indebtedness (I) + (J) + (K)</b>	<b>(266,927)</b>	<b>(297,859)</b>
<b>M Net financial indebtedness (H) + (L)</b>	<b>(414,815)</b>	<b>(391,870)</b>

Pursuant to Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties are shown in the special schedule in the section 'Transactions with Related Parties' of this interim report.

Net financial debt increased from Euro 391,870 thousand at 31 December 2023 to Euro 414,815 thousand at 31 March 2024, an increase of Euro 22,945 thousand.

The net financial position monitored by the Group, which also includes non-current financial receivables, increased by Euro 22,796 thousand, from Euro 389,363 thousand at 31 December 2023 to Euro 412,159 thousand at 31 March 2024.

The table below shows the reconciliation between the ESMA net financial position and the Group's monitored financial position:

(Thousands of Euro)	31.03.2024	31.12.2023
ESMA Net financial position	(414,815)	(391,870)
Non current financial assets	2,656	2,507
<b>Net financial position monitored by the Group</b>	<b>(412,159)</b>	<b>(389,363)</b>

Some data on the Group's cash flows are presented below:

(Thousands of Euro)	First quarter	
	2024	2023*
Net Income	6,692	5,633
Capital gains	0	(4,046)
Other changes in the income statement that do not generate cash flows	(29)	(2,347)
Evaluation of subsidiary companies with the net equity method	(2,779)	(567)
Depreciations and amortizations	12,450	11,883
<b>(a) Self financing</b>	<b>16,334</b>	<b>10,556</b>
<b>(b) Adjustments to reconcile net profit of changes in financial position generated by operating activities</b>	<b>(23,975)</b>	<b>(13)</b>
<b>(c) Change in financial position generated by operating activities = (a) + (b)</b>	<b>(7,641)</b>	<b>10,543</b>
<b>(d) Change in financial position generated by investing activities</b>	<b>(15,155)</b>	<b>(32,018)</b>
<b>(e) Other financial position changes</b>	<b>0</b>	<b>0</b>
<b>Net financial position changes = (c) + (d) + (e)</b>	<b>(22,796)</b>	<b>(21,476)</b>

\* Having changed the presentation structure of the financial flows as of 30.09.2023, for comparability purposes, the comparative data have been restated

The cash flow absorbed by operations (c), in the amount of Euro 7,641 thousand (-), was determined by self-financing in the amount of Euro 16,334 thousand (+) and other negative financial changes in the amount of Euro 23,975 thousand (-), which were related to net working capital management.

The management of net working capital, which committed financial resources for Euro 23,975 thousand (-), was influenced by the change in net operating working capital, which absorbed financial resources for Euro 38,594 thousand (-), by the positive change in the position with the tax authorities for the accrual of IRES and IRAP taxes for Euro 2,646 thousand (+) and by the positive change in the VAT position for Euro 11,712 thousand (+).

The following table shows the changes in net working capital that occurred during the quarter:

(Thousands of Euro)	First quarter	
	2024	2023*
Inventories	(8,252)	(7,098)
Trade receivables and payables	(63,610)	(17,636)
Operating receivables and payables	33,268	45,935
Write-down of fixed assets and losses	640	899
Severance pay and other funds	(139)	191
Current taxes	2,495	702
Tax receivables and payables	11,623	(23,007)
<b>Change in net working capital</b>	<b>(23,975)</b>	<b>(13)</b>

\* Having changed the presentation structure of the financial flows as of 30.09.2023, for comparability purposes, the comparative data have been restated

Investment activity generated a cash requirement of Euro 15,155 thousand (-) and relates to interventions and development of infrastructures for the distribution of natural gas and the development of plants in the renewable energy sector (wind and photovoltaic).



## Operating Performance - Investments

During the first quarter of the year, the Group made investments in intangible and tangible fixed assets for Euro 15,155 thousands, an increase of Euro 1,338 thousands compared to the same period of the previous year. The increase is mainly explained by the higher investments made during the quarter by companies active in gas distribution (+1,740 thousand) against the lower investments made in the renewable energy sector (-441 thousand).

The investments made in infrastructures for the distribution of natural gas amounted to Euro 13,530 thousands at the end of the quarter. They are related to the installation and maintenance of the natural gas distribution network and plants for Euro 6,053 thousands, to the realisation of connections to the same for Euro 4,037 thousands and to the installation of measuring equipment for Euro 3,440 thousands.

Investments in renewable energy amounted to Euro 1,309,000 and mainly related to costs incurred for the completion of a wind farm, the construction of photovoltaic plants and hydrogen production and storage facilities.

Other investments amounted to Euro 317,000. They mainly relate to the purchase of hardware material and software licences for Euro 135 thousand, the purchase of company vehicles for Euro 31 thousand, the purchase of equipment for Euro 114 thousand, and improvements and/or extraordinary maintenance on company premises for Euro 27 thousand.

(Thousands of Euro)	First quarter	
	2024	2023
Connecting a gas users	4,037	4,160
Expansions, reclamations and network upgrades	5,519	4,254
Flowmeters	3,440	2,972
Maintenance	533	404
<b>Raw material (gas) investments</b>	<b>13,530</b>	<b>11,790</b>
Hydroelectric energy production plants	243	0
Wind farms	648	1,444
Solar energy production plants	212	306
Other green energy plants	205	0
<b>Investments in renewable energies</b>	<b>1,309</b>	<b>1,749</b>
Land and buildings	27	67
Industrial and commercial equipment	114	35
Furniture	11	0
Vehicles	31	103
Hardware e Software	135	67
Other assets	0	7
<b>Other investments</b>	<b>317</b>	<b>278</b>
<b>Investments</b>	<b>15,155</b>	<b>13,818</b>

# Ascopiave Group

## Interim Management Statements

to 31 March 2024

## Consolidated Statement of Financial Position

(Thousands of Euro)		31.03.2024	31.12.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	(1)	61,727	61,727
Other intangible assets	(2)	708,616	704,627
Tangible assets	(3)	154,668	156,475
Shareholdings in controlled companies	(4)	214,584	211,074
Shareholdings in other companies	(4)	97,257	97,257
Other non-current assets	(5)	3,451	3,478
Non current financial assets	(6)	2,656	2,507
Advance tax receivables	(7)	39,422	39,301
<b>Non-current assets</b>		<b>1,282,380</b>	<b>1,276,446</b>
<b>Current assets</b>			
Inventories	(8)	16,529	8,276
Trade receivables	(9)	91,322	33,382
Other current assets	(10)	68,644	80,831
Current financial assets	(11)	1,476	1,743
Tax receivables	(12)	4,017	4,017
Cash and cash equivalents	(13)	16,851	52,083
Current assets from derivative financial instruments	(14)	4,069	4,821
<b>Current assets</b>		<b>202,909</b>	<b>185,153</b>
Non-current assets disposal of assets	(38)	0	385
<b>ASSETS</b>		<b>1,485,289</b>	<b>1,461,984</b>
<b>Net equity and liabilities</b>			
<b>Total Net equity</b>			
Share capital		234,412	234,412
Own shares		(55,423)	(55,423)
Reserves		672,680	665,764
<b>Net equity of the Group</b>	(15)	<b>851,668</b>	<b>844,753</b>
<b>Net equity of Others</b>	(15)	<b>9,639</b>	<b>9,529</b>
<b>Total Net equity</b>	(15)	<b>861,307</b>	<b>854,282</b>
<b>Non-current liabilities</b>			
Provisions for risks and charges	(16)	2,002	2,020
Severance indemnity	(17)	4,630	4,751
Outstanding medium- and long-term bonds	(18)	78,677	86,347
Medium- and long-term bank loans	(19)	180,950	204,064
Other non-current liabilities	(20)	41,007	39,360
Non-current financial liabilities	(21)	7,301	7,448
Deferred tax payables	(22)	17,354	17,618
<b>Non-current liabilities</b>		<b>331,920</b>	<b>361,608</b>
<b>Current liabilities</b>			
Outstanding short-term bonds	(23)	7,603	7,708
Payables due to banks and financing institutions	(24)	158,929	140,642
Trade payables	(25)	67,480	73,026
Tax payables	(26)	3,495	795
Other current liabilities	(27)	53,170	22,114
Current financial liabilities	(28)	1,384	1,562
<b>Current liabilities</b>		<b>292,061</b>	<b>245,847</b>
Liabilities held for sale	(38)	0	247
<b>Liabilities</b>		<b>623,981</b>	<b>607,702</b>
<b>Net equity and liabilities</b>		<b>1,485,289</b>	<b>1,461,984</b>

Pursuant to Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties are shown in the special schedule in the section 'Transactions with Related Parties' of this interim report.

## Consolidated Statement of Comprehensive Income

(Thousands of Euro)	First quarter	
	2024	2023
<b>Revenues</b>	(29) 47,440	40,719
<b>Total operating income and costs</b>	24,115	20,618
Purchase costs for other raw materials	(30) 787	803
Costs for services	(31) 11,931	11,929
Costs for personnel	(32) 5,112	5,377
Other management costs	(33) 6,370	6,710
Other income	(34) 83	4,201
<b>Amortization and depreciation</b>	(35) 12,450	11,723
<b>Operating result</b>	10,875	8,378
Financial income	(36) 175	58
Financial charges	(36) 4,641	2,712
Evaluation of subsidiary companies with the net equity method	(36) 2,779	567
<b>Earnings before tax</b>	9,187	6,291
Taxes for the period	(37) (2,495)	(702)
<b>Result for the period</b>	6,692	5,589
Net result from transfer / disposal assets	(38) 0	44
<b>Net result for the period</b>	6,692	5,633
Group's Net Result	6,546	5,821
Third parties Net Result	146	(188)
<b>Consolidated statement of comprehensive income</b>		
1. Components that can be reclassified to the income statement		
- Fair value of derivatives, changes in the period net of tax	(397)	(394)
- Fair value of derivatives relating to associated companies, changes in the period net of tax	731	(10,213)
<b>Total comprehensive income</b>	7,025	(4,974)
Group's overall net result	6,915	(4,868)
Third parties' overall net result	110	(106)
Base income per share	0.030	0.027
Diluted net income per share	0.030	0.027

Pursuant to Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties are shown in the special schedule in the section 'Transactions with Related Parties' of this interim report.

## Statements 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
Balance as of 1 <sup>st</sup> January 2024	234,412	46,882	(55,424)	(239)	425,544	157,402	36,176	844,753	9,529	854,282
Result for the period							6,546	6,546	146	6,692
Fair value of derivatives					(362)			(362)	(36)	(397)
Fair Value of derivatives relating to associated companies					731			731		731
<b>Total result of overall income statement</b>					<b>369</b>	<b>(0)</b>	<b>6,546</b>	<b>6,915</b>	<b>110</b>	<b>7,025</b>
Allocation of 2023 result						36,176	(36,176)	(0)		(0)
Balance as of 31 <sup>th</sup> March 2024	234,412	46,882	(55,424)	(239)	425,912	193,578	6,546	851,668	9,639	861,307

	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 1 <sup>st</sup> January 2023	234,412	46,882	(55,424)	(162)	454,997	152,910	32,664	866,280	20,123	886,403
Result for the period							5,821	5,821	(188)	5,633
Other movements					(475)			(475)	81	(394)
Fair Value of derivatives relating to associated companies					(10,213)			(10,213)		(10,213)
<b>Total result of overall income statement</b>				<b>(0)</b>	<b>(10,689)</b>	<b>(0)</b>	<b>5,821</b>	<b>(4,868)</b>	<b>(106)</b>	<b>(4,974)</b>
Allocation of 2022 result						32,664	(32,664)	(0)		(0)
Change in equity in associated companies					(5,085)			(5,085)	(989)	(6,073)
Other movements					(1,198)			(1,198)		(1,198)
Balance as of 31 <sup>th</sup> March 2023	234,412	46,882	(55,424)	(162)	438,026	185,574	5,821	855,130	19,028	874,158

## Consolidated Cash Flow Statement

(Thousands of Euro)	First quarter	
	2024	2023
<b>Net income of the Group</b>	<b>6,915</b>	<b>(4,868)</b>
<b>Cash flows generated (used) by operating activities</b>		
<b>Adjustments to reconcile net income to net cash</b>		
Third-parties operating result	110	(106)
Fair value of derivatives relating to associated companies, changes in the period net of tax	(15)	(731)
Changes in HA reserves for MTM derivatives	(15)	397
Amortization	(34)	12,450
Bad debt provisions		0
Depreciation of fixed assets	(32)	640
Variations in severance indemnity	(17)	(121)
Current assets / liabilities on financial instruments	(14;27)	354
Net variation of other funds	(16)	(18)
Evaluation of subsidiaries with the net equity method	(35)	(2,779)
capital losses / capital gains on shareholding sales	(35)	0
Other changes in the income statement that do not generate cash flows	(28)	(29)
Interests paid		(4,333)
Interest expense for the period	(35)	4,662
Taxes for the period	(36)	2,495
<b>Total adjustments</b>	<b>13,098</b>	<b>16,088</b>
<b>Variations in assets and liabilities</b>		
Inventories	(8)	(8,252)
Accounts payable	(9)	(57,940)
Other current assets	(10)	12,325
Trade payables	(23)	(5,669)
Other current liabilities	(25)	30,546
Other non-current assets	(5)	28
Other non-current liabilities	(19)	1,647
<b>Total adjustments and variations</b>	<b>(27,315)</b>	<b>(1,999)</b>
<b>Cash flows generated (used) by operating activities</b>	<b>(7,302)</b>	<b>9,222</b>
<b>Cash flows generated (used) by investments</b>		
Investments in intangible assets	(2)	(14,283)
Realization of intangible assets	(2)	0
Investments in tangible assets	(3)	(872)
Realization of tangible fixed assets	(3)	0
Acquisitions in shareholdings and advances	(4)	0
<b>Cash flows generated/(used) by investments</b>	<b>(15,155)</b>	<b>(32,018)</b>
<b>Cash flows generated (used) by financial activities</b>		
Net changes in short-term bank borrowings	(22)	(26,121)
Redemptions of bond loans	(18;23)	(7,778)
Net variation in current financial assets and liabilities	(11;28)	125
Ignitions loans and mortgages	(19)	51,000
Redemptions loans and mortgages	(19)	(30,000)
<b>Cash flows generated (used) by financial activities</b>	<b>(12,774)</b>	<b>8,886</b>
<b>Variations in cash</b>	<b>(35,231)</b>	<b>(13,910)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>52,083</b>	<b>76,917</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16,851</b>	<b>63,007</b>

Pursuant to Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties are shown in the special schedule in the section 'Transactions with Related Parties' of this interim report.

## EXPLANATORY NOTES

### Company information

Ascopiave S.p.A. (hereinafter referred to as 'Ascopiave', the 'Company' or the 'Parent Company' and, together with its subsidiaries, the 'Group' or the 'Ascopiave Group') is a legal entity under Italian law. Ascopiave S.p.A. is a joint-stock company incorporated and domiciled in Italy.

As at 31 March 2024, the Company's share capital of Euro 234,411,575 was held for the majority by Asco Holding S.p.A., the remainder being distributed among other private shareholders.

Ascopiave S.p.A. has been listed since December 2006 on the Mercato Telematico Azionario - Segmento STAR - (Regulated Market of Borsa Italiana - Star Segment), organised and managed by Borsa Italiana S.p.A..

The company's registered office is in Pieve di Soligo (TV), Via Verizzo, 1030.

The publication of the Interim Report as at 31 March 2024 was authorised by a resolution of the Board of Directors on 9 May 2024.

#### The activities of the Ascopiave Group

The Ascopiave Group operates mainly in the natural gas distribution sector, as well as in other sectors related to its core business, such as heat management and cogeneration.

Currently, the Group holds concessions and direct assignments for the management of gas distribution in 300 municipalities (304 municipalities as of 31 December 2023), operating a distribution network that extends over 14,710 kilometres (14,730 kilometres as of 31 December 2023) and providing service to a catchment area of over one million inhabitants.

The Ascopiave Group holds a 25% stake in the share capital of EstEnergy S.p.A., a company that sells natural gas and electric energy, and an 18.33% stake in the share capital of Cogeide S.p.A., a company that operates in the water services sector in the Lombardy region.

The Group is active in the renewable energy sector, particularly in the hydroelectric, wind and photovoltaic sectors, operating 28 plants for the production of electricity from renewable sources with a total installed capacity of 62.5 MW. At the beginning of 2024, an additional wind farm of the subsidiary Salinella Eolico S.r.l., located in Calabria, came into operation, with an installed capacity of 21.6 MW.

### General preparation criteria and expression of compliance with IFRS

The Ascopiave Group's economic-financial results are prepared in accordance with IFRS, meaning all "International Financial Reporting Standards", all "International Accounting Standards" (IAS), all interpretations of the "International Financial Reporting Committee" (IFRIC), formerly known as the "Standing Interpretations Committee" (SIC) that, as of the closing date of the Interim Report as of 31 March 2024, have been endorsed by the European Union in accordance with the procedure set forth in Regulation (EC) no. 1606/2002 by the European Parliament and the European Council dated 19 July 2002.

The consolidated financial statements are prepared on a going-concern basis by applying the historical cost method, taking into account value adjustments where appropriate, with the exception of those items that under IFRS must be recognised at fair value, as indicated in the accounting policies.

In preparing this Interim Report, the same accounting principles were applied as in the preparation of the Consolidated Financial Statements as at 31 December 2023.

This Interim Report has been prepared in Euro, the currency of the economy in which the Group operates, and consists of the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Statement of Changes in Consolidated Shareholders' Equity, the Consolidated Cash Flow Statement and the Notes to the Financial Statements. All amounts reported in the above tables and notes are expressed in thousands of Euro, unless otherwise indicated.

The values used for consolidation are taken from the financial statements prepared by the Directors of the individual subsidiaries. These figures have been suitably modified and reclassified, where necessary, to bring them into line with international accounting standards and the uniform classification criteria within the Group. This Interim Report as of 31 March 2024 was approved by the Company's Board of Directors on 9 May 2024.

## Budget Schemes

With regard to the way the financial statements are presented, the 'current/non-current' distinction has been adopted for the Consolidated Statement of Financial Position, and the 'step-by-step' format has been adopted for the Consolidated Statement of Comprehensive Income, with costs classified by nature.

The statement of changes in equity items adopted presents the opening and closing balances of each equity item by reconciling them through profit or loss for the year, any transactions with shareholders and other changes in equity.

The Statement of Cash Flows is defined according to the 'indirect' method, adjusting the profit for the year for non-monetary items. It is considered that these statements adequately represent the economic and financial situation.

## Evaluation Criteria

### Use of estimates

The preparation of the condensed consolidated financial statements for the first three months of the financial year 2024 requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, other comprehensive income and the disclosure of contingent assets and liabilities at the interim reporting date.

If in the future these estimates and assumptions, which are based on management's best judgement, should differ from the actual circumstances, they would be adjusted appropriately in the period in which the circumstances arise. For a more extensive description of the valuation processes most relevant to the Group, please refer to the section "Use of Estimates" in the Consolidated Financial Statements as at 31 December 2023.

Furthermore, it should be noted that certain valuation processes, particularly the more complex ones such as the determination of any impairment of non-current assets, are generally only carried out in full during the preparation of the annual financial statements, when all the information that may be necessary is available, except in cases where there are impairment indicators that require an immediate assessment of any impairment.

Income taxes are recognised on the basis of the best estimate of the effective tax rate expected for the entire year by each company included in the scope of consolidation.



## Consolidation Area and Criteria

The Interim Report includes the financial statements of all subsidiaries. The Group controls an entity when the Group is exposed, or has the right, to the variability of results from that entity and has the ability to influence those results through the exercise of power over the entity. The financial statements of subsidiaries are included in the consolidated report from the date control is assumed until such control ceases to exist. Costs incurred in the acquisition process are expensed in the period in which they are incurred. The assets and liabilities, expenses and income of companies consolidated on a line-by-line basis are recognised in full in the consolidated financial statements; the carrying amount of equity investments is eliminated against the shareholders' equity of the investee companies. Receivables and payables, as well as costs and revenues arising from transactions between companies included in the scope of consolidation, are fully eliminated; capital losses and gains arising from transfers of fixed assets between consolidated companies, losses and gains arising from transactions between consolidated companies relating to the sale of assets that remain as inventories with the acquiring company, write-downs and reversals of write-downs of investments in consolidated companies, and intragroup dividends are also eliminated.

At the date control is acquired, the net assets of the investee companies are determined by assigning their current value to the individual assets and liabilities. Any positive difference between the acquisition cost and the fair value of the net assets acquired is recorded under the asset item 'Goodwill'; if negative, it is recognised in the income statement.

The portions of shareholders' equity and profit attributable to non-controlling interests are recognised in the appropriate items of shareholders' equity and the income statement. In the case of non-controlling interests, the portion of shareholders' equity attributable to non-controlling interests is determined on the basis of the portion of current values attributed to the assets and liabilities at the date control is assumed, excluding any goodwill attributable to them (the *partial goodwill method*). In relation to this, non-controlling interests are expressed at their full fair value, thus including any goodwill attributable to them. The method of determining goodwill is applied selectively for each business combination.

In the case of equity investments acquired subsequent to the acquisition of control (acquisition of minority interests), any positive difference between the acquisition cost and the corresponding fraction of shareholders' equity acquired is recognised in shareholders' equity; similarly, the effects of the sale of minority interests without loss of control are recognised in shareholders' equity. If the acquisition value of the investments is higher than the pro-rata value of the investee's equity, the positive difference is allocated, where possible, to the net assets acquired on the basis of their fair value, while the remainder is recognised in an asset item called 'Goodwill'.

The value of goodwill is not amortised but is subject, at least annually, to impairment testing and adjustment when events or changes in circumstances indicate that the carrying value cannot be realised. Goodwill is recognised at cost less impairment losses. If the carrying value of investments is less than the pro-rata value of the investees' equity, the negative difference is credited to the income statement. Acquisition costs are expensed in the income statement.

Associated companies are those over which significant influence is exercised, which is presumed to exist when the shareholding is between 20% and 50% of the voting rights or, if lower, there is evidence of significant influence. Investments in associates are initially recognised at cost and subsequently valued using the equity method. The carrying value of these investments is aligned with shareholders' equity and includes the recognition of the higher values attributed to assets and liabilities and any goodwill identified at the time of acquisition. Unrealised gains and losses generated on transactions between the Group Parent/Subsidiary and the investee company accounted for under the equity method are eliminated in accordance with the value of the Group's interest in the investee company; unrealised losses are eliminated, except where they represent impairment.

The financial statements of the Subsidiaries used to prepare the Annual Financial Report are those approved by their respective Boards of Directors. The figures of the companies consolidated on a line-by-line basis or using the equity method are adjusted, where necessary, to homogenise 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 scope of consolidation as at 31 March 2024 and consolidated on a line-by-line basis or using the equity method are as follows:

Company name	Registered offices	Paid-up capital	Group interest	Direct controlling interest	Indirect controlling interest
<b>Parent company</b>					
Ascopiave S.p.A.	Pieve di Soligo (TV)	234,411,575			
<b>100% consolidated companies</b>					
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%
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.	Pieve di Soligo (TV)	50,000	100.00%	100.00%	0.00%
Romeo Gas S.p.A.	Pieve di Soligo (TV)	27,664,637	100.00%	100.00%	0.00%
Serenissima Gas S.p.A.	(3) Pieve di Soligo (TV)	9,250,000	100.00%	0.00%	100.00%
Asco EG S.p.A.	Pieve di Soligo (TV)	54,001,422	84.17%	84.17%	0.00%
Asco Renewables S.p.A.	Pieve di Soligo (TV)	100,000	100.00%	100.00%	0.00%
Salinella Eolico S.r.l.	(1) Pieve di Soligo (TV)	10,000	100.00%	0.00%	100.00%
Green Factory S.r.l.	(1) Pieve di Soligo (TV)	10,000	90.00%	0.00%	90.00%
<b>Affiliated Companies</b>					
Estenergy S.p.A.	Trieste (TS)	299,925,761	25.00%	25.00%	0.00%
Cogeide S.p.A.	(2) Mozzanica (BG)	16,945,026	18.33%	0.00%	18.33%

- (1) Equity investments through Asco Renewables S.p.A.
- (2) Shareholdings through Cart Acqua S.r.l.
- (3) Equity investments through ROMEO GAS S.p.A.

## Summaries of fully consolidated companies

Description	Revenues from sales and service supply	Net result	Net equity	Net financial position (liquid assets)	Reference accounting principles
<b>Parent company</b>					
Ascopiave S.p.A.	1,529	(4,277)	834,037	146,182	IFRS
<b>100% consolidated companies</b>					
AP Reti Gas Nord Est S.r.l.	8,586	1,697	137,976	23,339	IFRS
AP Reti Gas S.p.A.	18,634	3,569	315,182	23,428	IFRS
Edigas Esercizio Distribuzione Gas S.p.A.	5,053	756	68,566	10,653	Ita Gaap
AP Reti Gas Vicenza S.p.A.	4,231	(160)	14,498	39,177	Ita Gaap
AP Reti Gas Rovigo S.r.l.	1,536	453	20,911	13,334	Ita Gaap
Cart Acqua S.r.l.	120	(16)	3,903	(294)	Ita Gaap
Asco Renewables S.p.A.	1,087	44	912	(4,955)	Ita Gaap
Green Factory S.r.l.	0	(19)	39	7,415	Ita Gaap
Asco EG S.p.A.	4,201	934	60,810	(19,597)	Ita Gaap
Salinella Eolico S.r.l.	1,268	420	4,403	29,216	Ita Gaap
Romeo Gas S.p.A.	3,091	111	65,807	14,120	Ita Gaap
Serenissima Gas S.p.A.	1,632	466	19,264	4,405	IFRS

## NOTES TO THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

### Non-current assets

#### 1. Start-up

Goodwill amounted to Euro 61,727,000 as of 31 March 2024, unchanged from 31 December 2023.

The amount refers in part to the surplus value resulting from the contribution of gas distribution networks made by member municipalities in the financial years between 1996 and 1999 and in part to the surplus value paid during the acquisition of some branches of the company related to natural gas distribution. These include the goodwill recognised following the merger of Unigas Distribuzione S.r.l. into Ascopiave S.p.A. for Euro 9,368 thousand, following the acquisition of the entire share capital of the newly established company AP Reti Gas Nord Est S.r.l. for Euro 14,149 thousand, with the acquisition of Romeo Gas S.r.l. and Serenissima Gas S.p.A. for a total of Euro 4,854,000, with the acquisition of a natural gas distribution branch from Retragas S.p.A. for Euro 381,000, and for the acquisition of Eusebio Energia S.r.l. (now Asco EG S.p.A.) for Euro 7,220 relating to renewable energy plants.

For the purposes of determining the recoverable amount, goodwill is allocated to the Cash Generating Units consisting of the natural gas distribution business (Gas Distribution CGU) and the renewable electricity generation business (Renewable Energy CGU).

The following table shows the balance of goodwill recorded at the end of the periods considered:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Distribution of natural gas	54,506	54,506
Sales of natural gas	7,220	7,220
<b>Total goodwill</b>	<b>61,727</b>	<b>61,727</b>

As at 31 March 2024, the directors evaluated the Group's financial performance, assessed the macroeconomic environment and verified any changes in the external indicators and internal values used in the impairment tests performed when preparing the financial statements as at 31 December 2023. In view of the results achieved during the period of reference, the effects of the interventions carried out and the results of the impairment tests performed when preparing the financial statements as of 31 December 2023, the directors assessed the changes found in the external indicators and internal values, previously used to estimate the recoverable values of the individual cash-generating units, as not significant; consequently, they did not deem it necessary to carry out another impairment test on the carrying value of goodwill.

#### 2. Other intangible fixed assets

The following table shows the development of the historical cost and accumulated amortisation of other intangible assets at the end of the periods considered:

(Thousands of Euro)	31.03.2024			31.12.2023		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
Industrial patent and intellectual property rights	12,994	(7,592)	5,401	12,994	(7,339)	5,655
Concessions, licences, trademarks and similar rights	19,075	(16,472)	2,604	19,075	(16,382)	2,693
Other intangible assets	12,226	(5,209)	7,017	12,213	(5,137)	7,076
Tangible assets under IFRIC 12 concession	1,308,889	(652,116)	656,774	1,292,708	(643,199)	649,509
Tangible assets in progress under IFRIC 12 concession	36,537	0	36,537	39,498	0	39,498
Intangible assets in progress and advances payments	283	0	283	196	0	196
<b>Other intangible assets</b>	<b>1,390,431</b>	<b>(681,815)</b>	<b>708,616</b>	<b>1,377,109</b>	<b>(672,482)</b>	<b>704,627</b>

The following table shows the changes in intangible assets in the quarter under review and in the previous year:

	31.12.2023					31.03.2024	
(Thousands of Euro)	Net value	Change for the period	Decrease	Amortizations during the period	Depreciations of accumulated depreciation	Net value	
Industrial patent and intellectual property rights	5,655	(0)	0	253		5,401	
Concessions, licences, trademarks and similar rights	2,693	0	0	90		2,604	
Other intangible assets	7,076	14	0	72		7,017	
Tangible assets under IFRIC 12 concession	649,509	17,202	(1,020)	9,326	409	656,774	
Tangible assets in progress under IFRIC 12 concession	39,498	(2,961)	(0)	0	0	36,537	
Intangible assets in progress and advances payments	196	87	0	0		283	
<b>Other intangible assets</b>	<b>704,627</b>	<b>14,342</b>	<b>(1,021)</b>	<b>9,742</b>	<b>409</b>	<b>708,616</b>	

	31.12.2022					31.03.2023		
(Thousands of Euro)	Net value	Change for the period	Enlargement of the consolidation perimeter	Decrease	IFRS 5 reclassification	Amortizations during the period	Depreciations of accumulated depreciation	Net value
Industrial patent and intellectual property rights	5,682	183	50			192		5,724
Concessions, licences, trademarks and similar rights	3,374	(0)	486			181		3,679
Other intangible assets	7,270	34	0			7		7,297
Tangible assets under IFRIC 12 concession	635,907	12,554	0	1,322	(3,548)	9,072	(424)	637,588
Tangible assets in progress under IFRIC 12 concession	45,934	1,169	0	0	(34)	0		47,069
Intangible assets in progress and advances payments	229	(199)	12			0		41
<b>Other intangible assets</b>	<b>698,397</b>	<b>13,741</b>	<b>548</b>	<b>1,323</b>	<b>(3,583)</b>	<b>9,452</b>	<b>(424)</b>	<b>701,398</b>

At the end of the first three months of the year, intangible assets amounted to Euro 708,616 thousand, an increase of Euro 3,989 thousand compared to 31 December 2023.

Investments mainly relate to costs incurred for the construction of the infrastructure necessary for the distribution of natural gas.

#### Industrial Patent and Intellectual Property Rights

During the first quarter of the year, the item 'Industrial Patent Rights and Intellectual Property Rights' did not record any investments, and the change of Euro 253,000 is explained by the amortisation charges for the period.

#### Concessions, licences, trademarks and similar rights

The item mainly includes costs recognised to the granting bodies (municipalities) and/or outgoing operators following the award and/or renewal of the relative tenders for the assignment of the natural gas distribution service, rather than costs for the acquisition of user licences.

During the first quarter of the reporting year, this item did not record any investments and depreciation charges amounted to Euro 90 thousand.

The concessions obtained, following the implementation of Legislative Decree No. 164/00 (Letta Decree), are amortised over a useful life of 12 years in accordance with the duration of the concession provided for in the decree.

#### Other intangible fixed assets

Other intangible assets recorded investments of Euro 14 thousand and amortisation for the period amounted to Euro 72 thousand.

#### Plant and machinery under concession

This item includes costs incurred for the construction of the natural gas distribution plants and network, connections to it, and the installation of reduction units and meters.

At the end of the first quarter of the year, the item recorded an overall net positive change of Euro 7,265 thousand. The increase shown by the item is mainly explained by the investments made and the reclassification of investments made in previous years but which became operative during the quarter of reference. Capital expenditure, including reclassifications of assets under construction, amounted to Euro 17,202 thousand. The increase was partially offset, in the amount of Euro 9,326 thousand, by depreciation charges for the period.

The infrastructures located in municipalities in which the concession for natural gas distribution was not put out to tender are depreciated by applying the lower of the technical life of the plants and the useful life indicated by ARERA

in the tariff framework. The technical life of the plants was subject to an external assessment by an independent expert who determined the technical obsolescence of the assets built.

#### Intangible assets under concession

The item includes the costs incurred for the construction of the natural gas distribution plants and network partially constructed in-house and not completed as of 31 March 2024.

This item recorded a net drop of Euro 2,961 thousand in the first quarter. The decrease is mainly explained by the reclassification of investments made in previous years but entering into operation in 2024.

#### Intangible fixed assets in progress

The item includes costs incurred for the purchase of management software not completed at the end of the first quarter of the year and related to the core business of natural gas distribution. The investments made during the period in question are equal to Euro 87 thousand.

### 3. Tangible fixed assets

The following table shows the development of the historical cost and accumulated depreciation of tangible fixed assets at the end of the periods considered:

(Thousands of Euro)	31.03.2024				31.12.2023			
	Historic cost	Accumulated depreciation	Provision for impairment	Net value	Historic cost	Accumulated depreciation	Provision for impairment	Net value
Lands and buildings	58,138	(21,509)	(265)	36,363	58,136	(21,200)	(265)	36,671
Plant and machinery	194,198	(101,703)	(1,132)	91,364	161,926	(99,933)	(1,132)	60,862
Industrial and commercial equipment	5,542	(4,582)	0	960	5,428	(4,545)		883
Other tangible assets	24,678	(21,521)	0	3,157	24,589	(21,280)		3,308
Tangible assets in progress and advance payments	10,111	0	(55)	10,056	41,719	0	(55)	41,665
Rights of use	16,495	(3,727)		12,767	16,488	(3,403)		13,085
<b>Other tangible assets</b>	<b>309,161</b>	<b>(153,042)</b>	<b>(1,451)</b>	<b>154,668</b>	<b>308,286</b>	<b>(150,360)</b>	<b>(1,451)</b>	<b>156,475</b>

The following table shows the changes in property, plant and equipment in the first quarter and the previous quarter:

(Thousands of Euro)	31.12.2023				31.03.2024
	Net value	Change for the period	Decrease	Amortizations during the period	Net value
Lands and buildings	36,671	2		310	36,363
Plant and machinery	60,862	32,243	(29)	1,771	91,364
Industrial and commercial equipment	883	114		37	960
Other tangible assets	3,308	89		241	3,157
Tangible assets in progress and advance payments	41,665	(31,608)		0	10,056
Rights of use	13,085	32		350	12,767
<b>Other tangible assets</b>	<b>156,475</b>	<b>872</b>	<b>(29)</b>	<b>2,708</b>	<b>154,668</b>

(Thousands of Euro)	31.12.2022					31.03.2023
	Net value	Change for the period	Enlargement of the consolidation perimeter	IFRS 5 reclassification	Amortizations during the period	Net value
Lands and buildings	30,966	0	989	(64)	313	31,578
Plant and machinery	66,371	0	7,038		1,507	71,902
Industrial and commercial equipment	838	12	5		32	824
Other tangible assets	3,319	111	2,176		115	5,491
Tangible assets in progress and advance payments	24,620	1,902	451		0	26,972
Rights of use	12,319	52	246		304	12,313
<b>Other tangible assets</b>	<b>138,432</b>	<b>2,078</b>	<b>10,905</b>	<b>(64)</b>	<b>2,271</b>	<b>149,079</b>

Property, plant and equipment decreased from Euro 156,475 thousand at 31 December 2023 to Euro 154,668 thousand at 31 March 2024, a drop of Euro 1,807 thousand, mainly due to depreciation for the period.

#### Land and buildings

The item mainly includes owned buildings related to the company headquarters, peripheral offices and warehouses, as well as land and buildings where renewable energy production plants are located.

During the first quarter of the year, the item recorded insignificant investments, while depreciation charges amounted to Euro 310,000.

The investments made are mainly explained by the costs incurred for the purchase of land.

#### Plant and machinery

This item mainly includes the book values of power generation plants from renewable sources operated by the Group, in particular hydroelectric and wind power.

At the end of the first quarter of the reporting year, the item recorded an increase of Euro 32,243 thousand. The recorded increase is mainly explained by the reclassification of assets under construction recognised up to 31 December 2023 in relation to the wind farm constructed by subsidiary Salinella Eolico S.r.l., which came into operation in February 2024.

Amortisation for the first quarter of the year amounted to Euro 1,771,000.

#### Industrial and commercial equipment

Industrial and commercial equipment recorded investments of Euro 114 thousand.

The item includes the costs incurred for the purchase of instruments necessary for the maintenance service of the distribution plants and the measurement activity. The amortisation quotas for the first quarter of the financial year are equal to Euro 37 thousand.

#### Other Assets

Capital expenditure in the first three months of the year amounted to Euro 89,000 and was mainly explained by costs incurred for the purchase of company vehicles and hardware. Depreciation for the first quarter of 2024 amounted to Euro 241,000.

#### Tangible fixed assets under construction and advances

This item essentially includes costs incurred for the construction of plants for the production of energy from renewable sources as well as, to a lesser extent, extraordinary maintenance work on company premises and/or peripheral warehouses, not completed at the end of the first quarter of the financial year.

During the first three months of the year, the item recorded a drop of Euro 31,608 thousand, mainly related to the reclassification of investments made until 31 December 2023 in realisation of the wind farm that came into operation during the reporting period.

#### Rights of Use

This item includes rights of use related to the application of IFRS 16. The application of the standard mainly concerned operating leases relating to property, plant and equipment, such as the lease of buildings and the rental of motor vehicles and trucks.

During the first three months of the year, the item increased by Euro 32 thousand and depreciation charges amounted to Euro 350 thousand.

#### 4. Participations

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

(Thousands of Euro)	31 <sup>th</sup> December 2023	Measurement with the equity method	31 <sup>th</sup> March 2024
Shareholdings in associated companies	211,074	3,510	214,584
Shareholdings in other companies	97,257	0	97,257
<b>Shareholdings</b>	<b>308,331</b>	<b>3,510</b>	<b>311,840</b>

In the first quarter of the year, the items related to participations recorded an overall increase of Euro 3,509,000 related to participations in affiliated companies.

The table below shows the details of the participations recorded at the end of the periods considered:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Shareholdings in Estenergy S.p.A.	206,348	202,838
Shareholdings in Cogeide S.p.A.	8,236	8,236
<b>Shareholdings in associated companies</b>	<b>214,584</b>	<b>211,074</b>
Shareholdings in Hera Comm S.p.A.	53,331	53,331
Shareholdings in ACSM - AGAM SPA	21,623	21,623
Shareholdings in ACANTHO S.P.A.	22,301	22,301
Shareholdings in Banca di Credito Cooperativo delle Prealpi	1	1
Shareholdings in Banca Alto Vicentino	0	0
Shareholdings in BCC Busto Garolfo e Buguggiate	1	1
Shareholdings in A2A SECURITY	1	1
<b>Shareholdings in other companies</b>	<b>97,257</b>	<b>97,257</b>
<b>Shareholdings</b>	<b>311,840</b>	<b>308,331</b>

#### Investments in subsidiaries and associates

At the end of the first quarter of 2024, investments in associated companies amounted to Euro 214,584 thousand. The amount relates to the 25% equity investment held in EstEnergy S.p.A. and the 18.33% equity investment held in Cogeide S.p.A..

The shareholding in EstEnergy, amounting to Euro 206,348 thousand as of 31 March 2024, recorded a change of Euro 3,510 thousand explained by the valuation using the equity method of the consolidated results accrued during the period.

The company, in which Ascopiave S.p.A. currently holds 25% of the share capital and the Hera Group 75%, operates in the marketing of natural gas and electricity commodities.

The shareholding in Cogeide, amounting to Euro 8,236 thousand, remained unchanged as it did not change during the quarter.

The table below shows the EstEnergy Group's equity, financial and economic situation at the end of the reporting period and at the end of the previous year:

(Values inclusive of consolidation entries and expressed in millions of Euro)	First quarter 2024 pro-rata	First quarter 2024	First quarter 2023 pro-rata	First quarter 2023
Non-current assets	162.3	649.0	262.5	656.3
Current assets	100.5	402.2	267.8	669.6
Net equity of the Group	163.1	652.6	270.8	676.9
Net equity of Others	0.3	1.3	0.3	0.9
Non-current liabilities	18.7	74.7	203.7	509.3
Current liabilities	80.7	322.6	55.5	138.8
Revenues	94.3	377.2	154.8	322.6
Costs	86.4	345.7	148.0	308.3
Gross operative margin	7.9	31.5	6.8	14.2
Amortization and depreciation	3.7	14.9	5.1	10.6
Operating result	4.2	16.6	1.8	3.7
Group's Net Result	2.7	10.6	(0.1)	(0.2)
Third parties Net Result	0.0	0.2	0.0	0.1
NFP	(56.3)	(225.1)	49.3	123.2

It should be noted that in the table above, the income statement and balance sheet data as of 31 March 2024 are shown considering a 25% pro-rata share, while the data compared to 31 March 2023 are shown considering a 40% pro-rata share. In fact, it should be noted that during the month of October 2023 the transaction for the sale of 15% of the shares of EstEnergy S.p.A. was finalised following the exercise of the put option that the parent company Ascopiave S.p.A. holds on the associated company.

#### Holdings in other companies

At the end of the first quarter of the financial year 2024, participations in other companies amounted to Euro 97,257,000.

The item includes the equity investments already recognised at the end of the previous year, which did not change during the reporting quarter and consist for Euro 53,331 thousand of 3% of the share capital of Hera Comm, the value of which was subject to a reduction of Euro 669 thousand in 2022, for Euro 21,623 thousand of 5% of the share capital of Acinque S.p.A, the value of which was subject to a reduction of Euro 1,806 thousand in 2020 and Euro 3,300 thousand in 2023, and Euro 22,301 thousand from 11.35% of the share capital of Acantho S.p.A..

With reference to the latter, it should be noted that the Hera Group and the Ascopiave Group approved on 27 July 2023, at the Extraordinary Shareholders' Meetings of the subsidiaries Acantho and Asco TLC, the merger by incorporation of the latter into Acantho. The merger, which took effect retroactively for accounting and tax purposes as of 1 January 2023, took effect as of 1 October 2023 and, following the transaction, Acantho shareholders own the following shares: Hera S.p.A. 70.16%, Con.AMI 16.84%, Ascopiave 11.35%, Province of Treviso 1.65%.

The item also includes residual equity investments amounting to Euro 3 thousand relating to shares in Banca Prealpi SanBiagio Credito Cooperativo - Soc. Coop. for Euro 1 thousand, in BCC Busto Garolfo e Buguggiate for Euro 1 thousand and in A2A SECURITY for Euro 1 thousand.

We note that Ascopiave S.p.A. holds put options on the equity investment held in the associated company EstEnergy and on the equity investment held in Hera Comm. At the end of the first quarter of the year, these options were not recognised in the financial statements because their fair value was lower than the current recoverable value of the equity investments.



## 5. Other non-current assets

The following table shows the balances of other non-current assets at the end of each period considered:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Security deposits	1,055	1,060
Other receivables	2,396	2,419
<b>Other non-current assets</b>	<b>3,451</b>	<b>3,478</b>

At the end of the first quarter of the financial year 2024, non-current assets decreased by a total of Euro 27,000 compared to the previous year.

Non-current receivables recognised at the end of the reporting period related to security deposits in the amount of Euro 1,055 thousand and other receivables in the amount of Euro 2,396 thousand.

## 6. Non-current financial assets

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Other receivables of a financial nature over 12 months	2,656	2,507
<b>Non-current financial assets</b>	<b>2,656</b>	<b>2,507</b>

Non-current financial assets increased from Euro 2,507,000 in 2023 to Euro 2,656,000 in the reporting quarter, an increase of Euro 149,000.

The item includes financial receivables recognised in respect of local entities and deriving from settlement agreements signed in previous years with them for the valorisation of natural gas distribution infrastructures.

The value recorded under non-current financial assets represents the portions due beyond 12 months from the closing date of this interim report and due to the duration of the agreed instalment plan.

The post has been discounted.

## 7. Deferred Tax Assets

The following table shows the balance of deferred tax assets at the end of each reporting period:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Advance tax receivables	39,422	39,301
<b>Advance tax receivables</b>	<b>39,422</b>	<b>39,301</b>

Deferred tax assets increased from Euro 39,301 thousand at year-end 2023 to Euro 39,422 thousand at year-end 2024, an increase of Euro 121 thousand.

In calculating taxes, reference was made to the current IRES rate and, where applicable, the current IRAP rate, in relation to the tax period encompassing the date of 31 March 2024 and the time when any temporary differences are estimated to reverse.

## Current Assets

### 8. Inventories

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

(Thousands of Euro)	31 <sup>th</sup> March 2024			31 <sup>th</sup> December 2023		
	Gross value	Bad debt provision	Net value	Gross value	Bad debt provision	Net value
Fuels and warehouse materials	8,722	(39)	8,683	8,315	(39)	8,276
Energy efficiency certificates	7,846	0	7,846	0	0	0
<b>Inventories</b>	<b>16,568</b>	<b>(39)</b>	<b>16,529</b>	<b>8,315</b>	<b>(39)</b>	<b>8,276</b>

At the end of the first quarter of 2024, inventories amounted to Euro 16,529 thousand, an increase of Euro 8,253 thousand compared to 31 December 2023.

The increase is mainly explained by the purchase of energy efficiency bonds purchased by the Group and not sold at the closing date of this Interim Report (+Euro 7,846 thousand compared to 31 December 2023).

Inventories of fuels and stock material show an increase of Euro 407,000. Materials in stock are used for maintenance work or for the construction of distribution systems. In the latter case, the material is reclassified under tangible assets following installation.

Inventories are shown net of the inventory write-down provision of Euro 39,000 in order to adjust their value to their possibility of realisation or use.

### 9. Trade receivables

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Receivables from customers	59,116	13,506
Receivables for invoices to be issued	32,799	20,472
Bad debt provisions	(593)	(597)
<b>Trade receivables</b>	<b>91,322</b>	<b>33,382</b>

Trade receivables increased from Euro 33,382 thousand in the year 2023 to Euro 91,322 thousand in the quarter of reference, recording an increase of Euro 57,940 thousand. The increase is mainly explained by higher receivables from customers, which, at the end of the reference quarter, show an increase of Euro 45,610 thousand. The change is mainly related to the distribution of natural gas consumption, which is more concentrated in the first quarter of the year. We also point out that at the end of the financial year 2023 trade receivables were transferred by the Group's distribution companies to factoring companies with the non-recourse formula for a total amount equal to Euro 11,214 thousands.

Trade receivables are shown net of invoice advances and are all due within the next 12 months.

The provision for bad debts, equal to Euro 593,000, represents the risks of the Group's distribution companies. The change is due to the utilisation of the fund for Euro 3 thousand for the elimination of obsolete receivables already subject to write-down in previous years.

Changes in the provision for bad debts are shown in the following table:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Initial bad debt provision	597	2,396
Provisions	0	305
Use	(3)	(2,104)
<b>Final bad debt provision</b>	<b>593</b>	<b>597</b>

The table below shows the breakdown of receivables from customers for invoices issued based on seniority, highlighting the allowance for doubtful accounts in relation to the seniority of the receivable:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Gross trade receivable invoices issued	59,116	13,506
- allowance for doubtful accounts	(593)	(597)
<b>Net trade receivables for invoices issued</b>	<b>58,523</b>	<b>12,909</b>
<b>Aging of trade receivables for invoices issued</b>		
- to expire	57,627	12,128
- expired within 6 months	656	785
- overdue by 6 to 12 months	287	16
- expired more than 12 months	546	577

#### 10. Other current assets

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Tax consolidation receivables	502	433
Annual pre-paid expenses	1,771	856
Advance payments to suppliers	1,586	1,822
Annual accrued income	112	36
Receivables due from CSEA	38,401	39,908
VAT Receivables	23,251	34,918
UTF and Provincial/Regional Additional Tax receivables	40	40
Other receivables	2,980	2,818
<b>Other current assets</b>	<b>68,644</b>	<b>80,831</b>

Other current assets decreased from Euro 80,831,000 in the year 2023 to Euro 68,644,000 in the quarter of the reporting year, a drop of Euro 12,187,000.

The decrease is mainly explained by lower receivables from the Cassa Servizi Energetici ed Ambientali for Euro 1,507 thousand, lower VAT receivables for Euro 11,667 thousand and lower receivables for advances to suppliers for Euro 236 thousand, partially offset by the increase in annual prepayments for Euro 915 thousand and other receivables for Euro 162 thousand.

At the end of the first quarter of 2024, receivables from the Cassa Servizi Energetici e Ambientali (CSEA) amounted to Euro 38,401 thousand and mainly consisted of receivables related to the achievement of energy saving objectives and

for security contributions for a total of Euro 30,682 thousand, equalisation balances for Euro 85 thousand, and receivables recorded due to tariff components applied to the natural gas distribution service for Euro 7,634 thousand. The former are counted by valuing the quantity of energy efficiency certificates delivered, net of the down payments received in respect thereof, as well as the quantity of certificates accrued up to 31 March 2024 but not yet delivered by that date.

It should be noted that the unit contribution used for the economic quantification of the fulfilment is equal to the final contribution set for the targets related to closed regulatory periods, while it is equal to the fair value of the projected contribution for the contributions maturing as of 31 March 2024 equal to Euro 250 (Euro 250 as of 31 December 2023).

## 11. Current financial assets

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Other financial current assets	1,476	1,743
<b>Current financial assets</b>	<b>1,476</b>	<b>1,743</b>

Current financial assets recorded a drop of Euro 267 thousand, from Euro 1,743 thousand as of 31 December 2023 to Euro 1,476 thousand in the reporting period.

The change is partly explained by the collection of the credit generated by the completion of the acquisition from Retragas S.p.A. of a branch of business operating in the natural gas distribution sector, which led to the posting of current financial assets, in relation to the amount of the contractually envisaged adjustment of the transaction itself, equal to Euro 131,000. This amount was subject to adjustment during the month of January.

It should be noted that the item includes receivables from Efficient Building S.p.A. for Euro 636 thousand in relation to the claim initiated against the latter in connection with the tax credits sold by the latter. For further information, please refer to the litigation section of this Interim Report on Operations.

It should also be noted that at the end of the first quarter the item also includes the short-term portion of the receivable recognised from Hera S.p.A. relating to the settlement agreement on excise duties for Euro 400 thousand, the receivable from the municipality of Creazzo for Euro 138 thousand and the receivable recognised from the municipality of Costabissara for Euro 165 thousand, arising from the settlement agreement reached with the local authority during the 2019 financial year.

## 12. Tax Credits

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Receivables related to IRAP	449	449
Receivables related to IRES	1,376	1,376
Other tax receivables	2,192	2,192
<b>Tax receivables</b>	<b>4,017</b>	<b>4,017</b>

Tax receivables, in the amount of Euro 4,017,000, did not change from the previous year.

This item mainly includes the remaining credit for IRAP and IRES advances.

We report that the item other tax receivables includes the recognition of tax receivables related to the super bonus amounting to Euro 1,941 thousand. For further information, please refer to the litigations section of this interim report.

### 13. Cash and cash equivalents

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Bank and post office deposits	16,835	52,067
Cash and cash equivalents on hand	17	16
<b>Cash and cash equivalents</b>	<b>16,851</b>	<b>52,083</b>

Cash and cash equivalents decreased from Euro 52,083,000 in 2023 to Euro 16,851,000 in the reporting period, a drop of Euro 35,232,000.

Cash and cash equivalents mainly refer to bank account balances and company cash.

For a better understanding of the changes in cash flows during the quarter, please refer to the cash flow statement.

#### Net financial position

The Group's net debt at the end of the reporting periods was as follows:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Cash and cash equivalents	16,851	52,083
Current financial assets	3,176	3,818
Current financial liabilities	(1,384)	(1,562)
Payables due to banks and financing institutions	(158,929)	(140,642)
Outstanding short-term bonds	(7,603)	(7,708)
<b>Net short-term financial position</b>	<b>(147,888)</b>	<b>(94,011)</b>
Non current financial assets	2,656	2,507
Medium- and long-term bank loans	(180,950)	(204,064)
Outstanding medium- and long-term bonds	(78,677)	(86,347)
Non-current financial liabilities	(7,301)	(7,448)
<b>Net medium and long-term financial position</b>	<b>(264,272)</b>	<b>(295,352)</b>
<b>Net financial position</b>	<b>(412,159)</b>	<b>(389,363)</b>

For comments on the main dynamics that led to the change in the net financial position, please refer to the analysis of the Group's financial data reported in the section 'Comments on the economic and financial results of the first quarter of 2024' and in the section 'Medium- and long-term financing' of this Interim Report.

#### 14. Current assets on derivative financial instruments

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Assets on commodity derivatives	2,370	2,747
Assets on interest rates derivatives	1,700	2,074
<b>Current assets from derivative financial instruments</b>	<b>4,069</b>	<b>4,821</b>

Current assets on derivative financial instruments relate for Euro 2,370 thousand to hedging contracts on the price of electricity produced by the hydroelectric and wind power plants of Asco EG and Salinella Eolico, and for Euro 1,700 thousand to interest rate hedging contracts.

It should be noted that the wind farm built by Salinella Eolico was started up in the first few months of the current year.

It should also be noted that the receivables shown include the fair value of the derivative contracts in place as well as the portion accrued at the end of the first quarter of the year but not yet settled at the closing date of the year in the amount of Euro 399,000.

With regard to assets and liabilities related to derivative activities, please refer to the section "Risk and Uncertainty Factors" of this Interim Report where the related effects are highlighted.

Derivative assets are represented by the fair value of the following derivatives outstanding as at 31 March 2024, the financial manifestation of which will be broken down according to the duration of the underlying:

#	Counterpart	Type of instrument	Underlying Commodity	Trade date	Effective date	Expiry date	Position	Contractual notion	MtM (€/000)
1	Mediobanca	Interest Rate Swap	Euribor 3M	23-Dec-21	23-Dec-21	23-Dec-26	Vanilla: Fixed - Float	13,333,334 €	623
2	Mediobanca	Interest Rate Swap	Euribor 3M	02-Dec-20	02-Dec-20	02-Dec-25	Vanilla: Fixed - Float	13,333,333 €	455
3	Credit Agricole	Interest Rate Swap	Euribor 6M	31-Mar-22	31-Mar-22	31-Mar-27	Vanilla: Fixed - Float	6,000,000 €	218
4	BNL	Interest Rate Swap	Euribor 6M	09-Aug-19	09-Feb-20	09-Feb-25	Vanilla: Fixed - Float	6,000,000 €	140
5	Intesa Sanpaolo	Interest Rate Swap	Euribor 1M	06-Mar-15	06-Mar-15	27-Dec-29	Vanilla: Fixed - Float	2,381,392 €	140
6	Credit Agricole	Interest Rate Swap	Euribor 6M	27-Sep-19	1-Oct-19	27-Sep-24	Vanilla: Fixed - Float	1,500,000 €	30
7	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	13-Oct-23	01-Jan-24	31-Dec-24	Sell/Short	13,202 Mwh	807
8	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	14-Jun-23	01-Jan-24	31-Dec-24	Sell/Short	6,601 Mwh	407
9	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Apr-24	30-Jun-24	Sell/Short	6,552 Mwh	292
10	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	13-Oct-23	01-Oct-24	31-Dec-24	Sell/Short	2,209 Mwh	131
11	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	13-Oct-23	01-Apr-24	30-Jun-24	Sell/Short	2,184 Mwh	127
12	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Oct-24	31-Dec-24	Sell/Short	2,209 Mwh	105
13	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Oct-24	31-Dec-24	Sell/Short	2,209 Mwh	102
14	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Jul-24	30-Sep-24	Sell/Short	2,208 Mwh	94
<b>Total</b>									<b>3,671</b>

It is specified that financial instruments measured at fair value belong to valuation hierarchy level 2.

## Consolidated net assets

### 15. Shareholders' Equity

As of 31 March 2024, the share capital of Ascopiave S.p.A. comprised 234,411,575 ordinary shares, fully subscribed and paid-up, with a nominal value of Euro 1 each.

The following table shows the composition of consolidated shareholders' equity at the end of the periods considered:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Share capital	234,412	234,412
Legal reserve	46,882	46,882
Own shares	(55,423)	(55,423)
Reserves and profit carried forward	619,251	582,706
Group's Net Result	6,546	36,176
<b>Net equity of the Group</b>	<b>851,668</b>	<b>844,753</b>
<b>Net equity of Others</b>	<b>9,639</b>	<b>9,529</b>
<b>Total Net equity</b>	<b>861,307</b>	<b>854,282</b>

Consolidated shareholders' equity as at 31 March 2024 amounted to Euro 861,307,000 and increased by Euro 7,025,000 compared to the year 2023.

The changes in consolidated shareholders' equity that occurred in the first quarter of 2024, excluding the result achieved, are mainly explained by the change in reserves on hedge accounting related to derivative instruments in the amount of Euro 334,000.

As of 31 March 2024, Ascopiave S.p.A. holds 17,701,578 treasury shares, equal to 7.551% of the share capital, for a total value of Euro 55,423 thousand.

The hedge accounting reserve posted at the end of the first quarter of 2024 represents the current value of derivative financial instruments subscribed by Ascopiave S.p.A. and the companies active in the hydroelectric and wind power sectors, to hedge against possible fluctuations in interest rates related to the loans subscribed and electricity prices. The same, as of 31 March 2024, shows a positive balance of Euro 1,052 thousand net of the tax effect.

With regard to assets and liabilities related to derivative activities, please refer to the section "Risk and Uncertainty Factors" of this Interim Report where the related effects are highlighted.

## Non-current liabilities

### 16. Provisions for risks and charges

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Provisions for pension for gas sector employees	1,446	1,463
Other reserves for risks and charges	556	556
<b>Provisions for risks and charges</b>	<b>2,002</b>	<b>2,020</b>

Provisions for risks and charges, decreased from Euro 2,020 thousand in the previous year to Euro 2,002 thousand in the quarter of reference, with a drop of Euro 18 thousand related to the movement in the provision for pensions and similar obligations, which includes commitments to employees and directors related to long-term incentive plans for the cash portion.

The following table shows the changes that occurred during the period under review:

<b>(Thousands of Euro)</b>	
Reserves for risks and charges as of 1 <sup>st</sup> January 2024	2,020
Other variations	(18)
<b>Provisions for risks and charges as of 31<sup>th</sup> March 2024</b>	<b>2,002</b>

The following table shows the breakdown of risk provisions by type:

<b>(Thousands of Euro)</b>	<b>31<sup>th</sup> March 2024</b>	<b>31<sup>th</sup> December 2023</b>
Provisions for retirement fund and similar obligations	1,446	1,463
Other reserves	556	556
<b>Provisions for risks and charges as of 31<sup>th</sup> March 2024</b>	<b>2,002</b>	<b>2,020</b>

## 17. Severance pay

Employee severance indemnities decreased from Euro 4,751 thousand as of 1 January 2024 to Euro 4,630 thousand as of 31 March 2024, a drop of Euro 121 thousand.

The table below summarises the changes in the fund during the period under review:

<b>(Thousands of Euro)</b>	
Severance indemnity as of 1 <sup>st</sup> January 2024	4,751
Retirement allowance	(465)
Payments for current services and work	344
<b>Severance indemnity as of 31<sup>th</sup> March 2024</b>	<b>4,630</b>

\*including the portion of *interest cost* recognised in the profit and loss account.

## 18. Long-Term Outstanding Bonds

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

<b>(Thousands of Euro)</b>	<b>31<sup>th</sup> March 2024</b>	<b>31<sup>th</sup> December 2023</b>
Pricoa bond loan	78,677	86,347
<b>Outstanding medium- and long-term bonds</b>	<b>78,677</b>	<b>86,347</b>

As part of the "Shelf" private placement programme with Pricoa Capital Group, a company of the US group Prudential Financial Inc, as of 31 March 2024, the parent company Ascopiave S.p.A. had a first placement of ordinary non-convertible and unsecured bonds for Euro 25 million, with a maturity of 10 years and an average duration of 8 years, and a second one for a residual amount of Euro 62.2 million, with a maturity of 10 years and an average duration of 6 years, with the posting of Euro 7,778 thousand among short-term debts for bonds in circulation.

The bonds issued are unrated and are not listed on regulated markets. The issue is not backed by collateral. Ascopiave is required to comply with certain financial covenants, as per normal market practice, to be verified every six months. The decrease is entirely explained by the reclassification of the portion maturing within 12 months.



## 19. Medium- and long-term financing

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Loans from Banca Prealpi SanBiagio	4,364	4,576
Loans from European Investment Bank	625	1,250
Loans from Prelios	0	7,652
Loans from INTESA SAN PAOLO S.P.A.	59,793	63,609
Loans from BPER	14,572	16,150
Loans from BANCO BPM	13,554	15,051
Loans from BNL	12,500	16,750
Loans from Cassa Centrale Banca	21,056	21,951
Loans from CREDIT AGRICOLE FRIULADRIA	3,996	5,013
Loans from MEDIOBANCA	15,556	15,556
Loans from ICCREA	34,935	36,507
<b>Medium- and long-term bank loans</b>	<b>180,950</b>	<b>204,064</b>
Current portion of medium and long-term bank loans	77,929	80,642
<b>Medium and long-term bank loans</b>	<b>258,878</b>	<b>284,705</b>

Medium- and long-term loans, represented at 31 March 2024 mainly by the Parent Company's payables to: Intesa Sanpaolo for Euro 86,000 thousand, Mediobanca for Euro 26,667 thousand, Cassa Centrale Banca for Euro 24,707 thousand, BNL for Euro 21,000 thousand, BPER for Euro 20,837 thousand, Banco BPM for Euro 19,500 thousand, Iccrea Banca for Euro 19,137 thousand, Credit Agricole for Euro 7,500 thousand, BCC Prealpi-Sanbiagio for Euro 5.205 thousand and the debt of the subsidiary Salinella Eolico to Iccrea Banca for Euro 24,522 thousand, go from Euro 284,705 thousand at 31 December 2023 to Euro 258,878 thousand at the end of the first three months of 2024, with a drop of Euro 25,827 thousand, explained by the payment of instalments and the early repayment by the subsidiary Asco EG of the debt to Prelios.

In particular, details of the nominal outstanding debt of the individual contracts are given below:

- The loan with Intesa Sanpaolo, disbursed in December 2023 for a total of Euro 80,000 thousand, shows a residual debt as of 31 March 2024 of Euro 76,000 thousand, with Euro 16,000 thousand recognised under bank borrowings and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified every six months on the Group's consolidated data prepared in accordance with IFRS;
- The loan with BPER, disbursed in September 2022 for a total of Euro 30,000 thousand, presents a residual debt as of 31 March 2024 equal to Euro 20,837 thousand, with the entry of Euro 6,266 thousand among payables to banks and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Cassa Centrale Banca, disbursed in March 2022 for a total of Euro 30,000 thousand, presents a residual debt as of 31 March 2024 equal to Euro 24,707 thousand, with the recognition of Euro 3,611 thousand among payables to banks and short-term loans; the contract provides for the observance of certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Banco BPM, disbursed in May 2022 for a total of Euro 30,000 thousand, presents a residual debt as of 31 March 2024 of Euro 19,500 thousand, with the recognition of Euro 6,000 thousand among bank borrowings and short-term loans; the contract provides for the observance of certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;

- the loan with Iccrea Banca, disbursed in June 2022 for a total of Euro 30,000 thousand, shows a residual debt as of 31 March 2024 of Euro 19,137 thousand, with Euro 6,306 thousand recognised under bank borrowings and short-term loans;
- the loan with Intesa Sanpaolo, disbursed in November 2019 for a total of Euro 50,000 thousand, presents a residual debt as of 31 March 2024 equal to Euro 10,000 thousand, fully recorded under bank borrowings and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified every six months on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Mediobanca, disbursed in December 2020 for a total of Euro 30,000 thousand, presents a residual debt as of 31 March 2024 of Euro 13,333 thousand, with the recognition of Euro 6,667 thousand among payables to banks and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified every six months on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Mediobanca, disbursed in December 2021 for a total of Euro 20,000 thousand, presents a residual debt as of 31 March 2024 of Euro 13,333 thousand, with the recognition of Euro 4,444 thousand among payables to banks and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified every six months on the Group's consolidated data prepared in accordance with IFRS;
- the loan with BNL, disbursed in 2017 for an amount of Euro 30,000 thousand, presents a residual debt as of 31 March 2024 of Euro 15,000 thousand, with the recognition of Euro 2,500 thousand under bank borrowings and short-term loans; the contract provides for compliance with certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;
- the loan with BNL, disbursed in August 2019 in the amount of Euro 30,000 thousand, presents a residual debt as of 31 March 2024 in the amount of Euro 6,000 thousand, fully recognised under bank borrowings and short-term loans; the contract provides for compliance with certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Crédit Agricole, disbursed in October 2019 for an amount of Euro 30,000 thousand, has a residual debt as of 31 March 2024 of Euro 1,500 thousand, fully recognised under bank borrowings and short-term loans; the contract provides for compliance with certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Crédit Agricole, disbursed in March 2022 for a total of Euro 10,000 thousand, presents a residual debt as of 31 March 2024 of Euro 6,000 thousand, with the recognition of Euro 2,000 thousand among bank borrowings and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;
- the loan with the European Investment Bank, disbursed in two tranches during 2013 for a total of Euro 45,000 thousand, presents a residual debt as of 31 March 2024 equal to Euro 1,875 thousand, fully recorded under bank borrowings and short-term loans; the contract provides for compliance with certain financial parameters (financial covenants) to be verified every six months on the Group's consolidated data prepared in accordance with IFRS;
- the loan with BCC Prealpi SanBiagio/Cassa Centrale Banca, disbursed at the beginning of 2018 for an amount of Euro 10,000 thousand, presents a residual debt as of 31 March 2024 equal to Euro 5,205 thousand, with the recording of Euro 841 thousand among payables to banks and short-term loans;
- the loan with Iccrea Banca, granted under the project finance formula to the subsidiary Salinella Eolico in July 2023 for an amount of Euro 24,522 thousand, equal to the residual debt as of 31 March 2024, provides for the recognition of Euro 2,121 thousand among bank borrowings and short-term loans.

As a guarantee of the fulfilment of the obligations arising from the loan agreements signed with BNL (only the one disbursed in 2017) and Banca Europea per gli Investimenti (European Investment Bank), the Parent Company assigned to the lending banks a portion of the future credit deriving from the repayment of the residual value of the assets related to the Gas Distribution Concessions held by the subsidiary AP Reti Gas S.p.A..

As security for the fulfilment of obligations under the loan agreement signed with Iccrea Banca by the subsidiary Salinella Eolico, the bank was granted a pledge on 100% of the subsidiary's shares, as well as on the project's current accounts.

## 20. Other non-current liabilities

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Security deposits	2,184	1,908
Multi-annual passive prepayments	37,478	36,108
Other payables	1,344	1,344
<b>Other non-current liabilities</b>	<b>41,007</b>	<b>39,360</b>

Other non-current liabilities increased from Euro 39,360 thousand in the previous year to Euro 41,007 thousand in the reporting quarter, an increase of Euro 1,647 thousand.

Multi-year deferred income posted as of 31 March 2024 recorded an increase equal to Euro 1,370 thousands. They are recognised against revenues for contributions received from public or private entities for the construction of connections to the gas network or distribution network and are linked to the useful life of the distribution plants. The suspension of the revenues is explained by the content of Law 9/2014, which provided for the full decoupling of contributions from private parties from the value of technical assets held under concession in the gas distribution sector.

Security deposits posted as of 31 March 2024 recorded an increase equal to Euro 276 thousand and refer to deposits received from natural gas sales companies operating in the territory in which the natural gas distribution network managed by the Group is located, for the raw material transportation service.

## 21. Non-current financial liabilities

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Debts for rights of use beyond 12 months	7,301	7,448
<b>Non-current financial liabilities</b>	<b>7,301</b>	<b>7,448</b>

Other non-current financial liabilities decreased from Euro 7,448,000 in the previous year to Euro 7,301,000 at the end of the first quarter of the reporting year, a drop of Euro 147,000, mainly due to the payment of instalments related to operating leases.

## 22. Deferred Taxes Payable

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Deferred tax payables	17,354	17,618
<b>Deferred tax payables</b>	<b>17,354</b>	<b>17,618</b>

Deferred tax liabilities decreased from Euro 17,618,000 in the previous year to Euro 17,354,000 in the reporting quarter, a drop of Euro 264,000.

Deferred tax liabilities mainly include the tax effects arising from the dynamics of depreciation on natural gas distribution networks. In calculating taxes, reference was made to the IRES rate and, where applicable, the IRAP rate in force, in relation to the tax period that includes the date 31 March 2024 and the time when any temporary differences are estimated to be reversed.

## Current liabilities

### 23. Outstanding short-term bonds

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Pricoa bond loan	7,603	7,708
<b>Outstanding short-term bonds</b>	<b>7,603</b>	<b>7,708</b>

The short-term bonds outstanding represent the portion of the Pricoa Capital Group bond issue maturing within 12 months, for more details please refer to the section 'Long-term Bonds Outstanding' in this interim report.

### 24. Due to banks and current portion of medium- and long-term loans

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Payables due to banks	81,000	60,000
Current portion of medium-long-term loans	77,929	80,642
<b>Payables due to banks and financing institutions</b>	<b>158,929</b>	<b>140,642</b>

Bank borrowings increased from Euro 140,642 thousand in the previous year to Euro 158,929 thousand in the quarter of the year under review, an increase of Euro 18,287 thousand.

This item is the result of the sum of accounts payable balances to credit institutions and the short-term portion of loans.

### 25. Trade payables

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Payables to suppliers	19,258	27,904
Payables to suppliers for invoices not yet received	48,222	45,122
<b>Trade payables</b>	<b>67,480</b>	<b>73,026</b>

Trade payables decreased from Euro 73,026 thousand in the previous year to Euro 67,480 in the first quarter of the year under review, a drop of Euro 5,546 thousand.

The item trade payables includes payables recognised for suppliers of materials and services for the extension or maintenance of the natural gas distribution network, for the purchase of energy efficiency certificates for the achievement of assigned objectives, as well as for the use of consulting services received during the first quarter of the financial year of reference.

It should be noted that payables related to the purchase of energy efficiency certificates, necessary to achieve the energy saving targets to which the Group's distribution companies are subject, are calculated by valuing the quantity of certificates accrued up to 31 March 2024.

The unit cost for securities not purchased at the closing date of the first quarter of 2024 is equal to the fair value of the prices recorded in the reference market, calculated as of 31 March 2024 as Euro 252.50 (Euro 252.508 as of 31 December 2023).

## 26. Tax debts

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
IRAP payables	1,496	780
IRES payables	1,999	0
Other tax payables	(0)	15
<b>Tax payables</b>	<b>3,495</b>	<b>795</b>

Taxes payable increased by Euro 2,700 thousand from Euro 795 thousand in the previous year to Euro 3,495 thousand in the quarter of the reporting year.

Taxes payable include liabilities accrued on results for the year to the tax authorities.

## 27. Other current liabilities

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

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Advance payments from customers	1,217	1,588
Amounts due to social security institutions	1,150	1,698
Amounts due to employees	5,890	4,892
VAT payables	88	44
Payables to revenue office for withholding tax	798	1,120
Annual passive prepayments	1,398	1,094
Annual passive accruals	3,217	5,049
Payables due to CSEA	37,407	4,918
Other payables	2,006	1,711
<b>Other current liabilities</b>	<b>53,170</b>	<b>22,114</b>

Other current liabilities increased from Euro 22,114 thousand in 2023 to Euro 53,170 thousand in the quarter of the reporting year, an increase of Euro 31,056 thousand.

The change is mainly explained by higher payables to the Cassa per i Servizi Energetici e Ambientali (CSEA) for Euro 32,489 thousand in relation to tariff components related to natural gas transportation, partially offset by the decrease recorded in annual accrued expenses for Euro 1,832 thousand.

### Advances from customers

Advances from customers represent the amounts paid by users as contributions for allotment and connection works and the construction of thermal power plants in progress as at 31 March 2024.

### Social Security Payables

Social security payables include payables related to accrued charges to social security institutions in respect of employees' and directors' employment accrued as at 31 March 2024 and not paid at the same date.

### Payables to personnel

The item includes payables for untaken holiday days, monthly payments and bonuses accrued as of 31 March 2024 and not paid at the same date, as well as the relevant contribution quota. The item increased by Euro 998 thousand from Euro 4,892 thousand in 2023 to Euro 5,890 thousand in the quarter of the reporting year.

VAT debts

VAT payables amounted to Euro 88,000, an increase of Euro 44,000 compared to the previous year, mainly related to the dynamics of VAT settlements.

Annual deferred income

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

Annual accrued expenses

Accrued expenses mainly refer to state fees and fees paid to the granting local authorities, for the extension of methane gas distribution concessions pending the celebration of tenders for allocation by sector. The item also includes the portion of accrued interest expense.

Other debts

At the end of the first quarter of the year under review, this item showed a balance of Euro 2,006,000, an increase of Euro 295,000 compared to the previous year.

**28. Current financial liabilities**

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

<b>(Thousands of Euro)</b>	<b>31<sup>th</sup> March 2024</b>	<b>31<sup>th</sup> December 2023</b>
Payables to leasing companies within 12 months	1,384	1,562
<b>Current financial liabilities</b>	<b>1,384</b>	<b>1,562</b>

Current financial liabilities decreased from Euro 1,562,000 in the year 2023 to Euro 1,384,000 in the quarter of the reporting year.

Financial payables related to the application of IFRS 16 decreased by Euro 178,000 in the first quarter of the year due to the reclassification of the instalments beyond the year net of fees paid.

These represent financial payables due within twelve months for operating leases entered into for the rental of company premises and vehicles.

## NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

### Revenues

#### 29. Revenues

The following table shows a breakdown of the items comprising this item, by asset category, at the end of the periods considered:

(Thousands of Euro)	First quarter	
	2024	2023
Revenues from gas transportation	34,211	30,158
Revenues from the sale of electricity	83	94
Revenues from connections	227	231
Revenues from distribution services	1,096	1,280
Revenues from services supplied to Group companies	608	1,592
Revenues from ARERA contributions	4,089	3,948
Revenues from hydroelectric-wind power plant	5,935	2,322
Other revenues	1,193	1,094
<b>Revenues</b>	<b>47,440</b>	<b>40,719</b>

Substantially all of the Ascopiave Group's revenues are realised in Italy, and at the end of the first three months of the financial year, amounting to Euro 47,440 thousand, they recorded an increase equal to Euro 6,721 thousand compared to the same period of the previous financial year (Euro 40,719 thousand), mainly explained by the increase in revenues from gas transport (+ Euro 4,053 thousand) and revenues from Wind-Hydroelectric Power Plants (+ Euro 3,613 thousand).

These were partly offset by the decrease in revenues from services rendered to Group companies (-Euro 984 thousand).

At the end of the first three months of the financial year, the voice gas transport revenues is equal to Euro 34,211 thousands and shows an increase compared to the first quarter of the previous financial year equal to Euro 4,053 thousands. The change is mainly explained by the change in tariff WACC and the monetary revaluation of capital costs and tariff operating costs. The total revenue constraint is determined, for each year, according to the number of active redelivery points actually served in the year of reference by the company, as well as the reference tariff whose values are set and published by ARERA.

The Group's total revenues from distribution services amounted to Euro 1,096,000, a drop of Euro 184,000 compared to the first three months of 2004.

Revenues from services rendered to other companies showed a drop of Euro 984 thousand compared to the same period of the previous year, amounting to Euro 608 thousand as at 31 March 2024.

In the first quarter of 2024, revenues from the sale of electricity generated from renewable energy sources, in particular hydroelectric and wind power, amounted to Euro 5,935 thousand, an increase of Euro 3,613 thousand compared to the first quarter of the previous year. The increase is mainly explained by the higher rainfall recorded, as well as by the commissioning of an additional wind power plant of the subsidiary Salinella Eolico S.r.l., located in Calabria, whose installed capacity amounts to 21.6 MW.

It should also be noted that comparative revenues were significantly impacted by the effects of the Sostegni-ter Compensation Mechanism Decree (DL 4/2022) issued by the Government during the first quarter of the financial year 2022. The decree had substantially capped the sale prices of electricity produced, also including producers of energy from renewable sources. The decree, effective from 1 February 2022, remained in force until 30 June 2023. According to the provisions of the aforementioned decree, the revenue adjustment was quantified and applied to plants that the Gestore Servizi Energetici (GSE) indicated as being included in the scope determined by the decree.

Other revenues increased from Euro 1,092 thousand in the first three months of 2023, to Euro 1,193 thousand in the reporting period, an increase of Euro 101 thousand.

### 30. Costs for the purchase of other raw materials

The following table shows the costs related to the purchase of other raw materials in the period under review:

(Thousands of Euro)	First quarter	
	2024	2023
Purchase of other raw material	787	803
<b>Purchase costs for other raw materials</b>	<b>787</b>	<b>803</b>

At the end of the first three months of the year, the costs incurred for the purchase of other raw materials amounted to Euro 787,000, a drop of Euro 16,000 compared to the same period of the previous year.

The item mainly includes costs for the purchase of materials used for the maintenance of infrastructures for the distribution of natural gas, the purchase of odorizer, and the purchase of natural gas for the operation of cogeneration and heat supply plants managed by the Group.

### 31. Costs for services

The following table provides a breakdown of the costs for services incurred during the periods considered:

(Thousands of Euro)	First quarter	
	2024	2023
Costs for counting meters reading	647	258
Mailing and telegraph costs	0	0
Maintenance and repairs	649	980
Consulting services	577	711
Commercial services and advertisement	25	23
Sundry suppliers	784	1,195
Directors' and Statutory Auditors' fees	452	221
Insurances	363	326
Personnel costs	105	123
Other managing expenses	449	354
Costs for use of third-party assets	7,880	7,736
<b>Costs for services</b>	<b>11,931</b>	<b>11,929</b>

Costs for services incurred during the first three months of the financial year 2024 amounted to Euro 11,931,000 and were substantially in line with the costs incurred during the same period of the previous year.

Costs incurred for meter reading, amounting to Euro 647,000, showed an increase compared to the first three months of the previous year of Euro 389,000 (Euro 258,000 as of 31 March 2023).

The increase is affected by the effects of ARERA Resolution 269/2022/R/GAS dated 21 June 2022, which came into force in April 2023, which provides for the revision of the regulation of the metering service, envisaging indemnifications in favour of end customers in the event of non-compliance with the method of collecting readings. Said compensations are partially covered by the equalisation calculation.

Costs for maintenance and repairs decreased from Euro 980 thousand in the reporting period to Euro 649 thousand in the first three months of 2024, a drop of Euro 331 thousand. The item mainly includes costs incurred for software fees and ordinary maintenance of plants, including wind farms and hydroelectric plants.

At the end of the reporting period, costs incurred for consulting services, amounting to Euro 577 thousand, showed a drop of Euro 134 thousand compared to the same period of the previous year.

Costs incurred in the first quarter of the year attributable to utilities amounted to Euro 784,000, a drop of Euro 411,000 compared to the first three months of the previous year.

The change is mainly explained by the trend in natural gas and electricity tariffs.

Costs for the use of third party assets incurred during the first quarter of the financial year show an increase of Euro



144 thousand compared to the first three months of the previous financial year. The item mainly includes fees paid to local entities for the management of natural gas distribution concessions and in relation to hydroelectric and wind power plants in the territories of the same entities.

### 32. Personnel costs

The following table provides a breakdown of personnel costs for the periods considered:

(Thousands of Euro)	First quarter	
	2024	2023
Wages and salaries	5,628	5,844
Social security contributions	1,810	1,847
Severance indemnity	344	335
Other costs	2	2
Capitalized personnel costs	(2,672)	(2,651)
<b>Personnel costs</b>	<b>5,112</b>	<b>5,377</b>

Personnel costs are expressed net of costs capitalised by the natural gas distribution companies against increases in intangible fixed assets for works carried out on a time and materials basis. These are directly attributed to the construction of infrastructures suitable for the distribution of natural gas and entered in the balance sheet assets. Personnel costs decreased from Euro 8,028,000 in the first three months of 2023, to Euro 7,784,000 in the period under review, for an overall drop of Euro 244,000.

As of 31 December 2023, costs accrued during the year for short-term incentive plans in the amount of Euro 159,000 were recognised.

Capitalised personnel costs increased by Euro 21,000 from Euro 2,651,000 in the comparative period to Euro 2,672,000 in the first three months of the year under review.

As a result, personnel costs decreased by a total of Euro 265,000.

The table below shows the average number of Group employees by category for the periods under comparison:

Description	31.03.2024	31.03.2023	Variation
Managers (average)	13	13	0
Office workers (average)	311	323	-12
Manual workers (average)	178	174	4
<b>No. of staff employed (average)</b>	<b>502</b>	<b>510</b>	<b>-8</b>

### 33. Other Operating Costs

The following table details other operating costs for the periods considered:

(Thousands of Euro)	First quarter	
	2024	2023
Provision for risks on credits	0	160
Membership and ARERA fees	296	144
Capital losses	639	915
Extraordinary losses	2	14
Other taxes	498	538
Other costs	263	354
Costs of contracts	546	489
Energy efficiency certificates	4,124	4,097
<b>Other management costs</b>	<b>6,370</b>	<b>6,710</b>

Other operating costs went from Euro 6,710 thousand in the first three months of 2023 to Euro 6,370 thousand in the first quarter of 2024, showing a drop of Euro 340 thousand. The change is mainly explained by the decrease in provisions for credit risks (-Euro 160 thousand), by the decrease in capital losses recorded (-Euro 276 thousand) and by the increase in costs for ARERA membership fees (+Euro 152 thousand) as well as by the increase in costs incurred for the purchase of energy efficiency certificates (+Euro 27 thousand).

The costs recognised at the end of the period for the purchase of energy efficiency bonds are calculated by valuing the quantity of bonds accrued with respect to the 2024 target (regulatory period June 2024 - May 2025). The unit cost for the securities not purchased at the closing date of this report is equal to the fair value of the prices recorded in the reference market, calculated as of 31 March 2024 to be Euro 252.50 (Euro 258.61 as of 31 March 2023).

### 34. Other income

The following table provides a breakdown of other operating income for the periods considered:

(Thousands of Euro)	First quarter	
	2024	2023
Other income	83	4,201
<b>Other income</b>	<b>83</b>	<b>4,201</b>

At the end of the first three months of the financial year 2024, other operating income decreased by Euro 4,118 thousand from Euro 4,201 thousand in the first quarter to Euro 83 thousand in the first quarter.

The decrease is mainly explained by the capital gains recognised in the period under comparison; in particular, during the first quarter of 2023, the capital gain of Euro 4,046,000, accrued in relation to the sale of Romeo 2 S.r.l., which took place as part of the broader rationalisation operation of natural gas distribution concessions carried out with Iren S.p.A., was posted.

### 35. Depreciation and Amortisation

The following table shows the details of depreciation for the periods considered:

(Thousands of Euro)	First quarter	
	2024	2023
Intangible fixed assets	9,742	9,452
Tangible fixed assets	2,358	1,967
Amortization of rights of use	350	304
<b>Amortization and depreciation</b>	<b>12,450</b>	<b>11,723</b>

At the end of the first three months of the year, depreciation and amortisation recorded an increase of Euro 727 thousand compared to the same period of the previous year, going from Euro 11,723 thousand as of 31 March 2023, to Euro 12,450 thousand in the reporting period. The recorded increase is mainly explained by the amortisation quotas pertaining to the investments made during the previous year and in the first three months of the year 2024.

## Financial income and expenses

### 36. Financial Income and Expenses

The following table provides a breakdown of financial income and expenses for the periods considered:

(Thousands of Euro)	First quarter	
	2024	2023
Interest income on bank and post office accounts	110	33
Other interest income	65	14
Distribution of dividends from controlled companies	(0)	(0)
Other financial income	0	11
<b>Financial income</b>	<b>175</b>	<b>58</b>
Interest expense on banks	742	595
Interest expense on loans	3,172	1,508
Other financial expenses	728	608
<b>Financial charges</b>	<b>4,641</b>	<b>2,712</b>
Evaluation of subsidiary companies with net equity method	2,779	567
<b>Evaluation of subsidiary companies with the net equity method</b>	<b>2,779</b>	<b>567</b>
<b>Total net financial expenses</b>	<b>(1,688)</b>	<b>(2,086)</b>

At the end of the first quarter of financial year 2024, financial income and expenses showed a negative balance of Euro 1,688 thousand, which, compared to the negative balance of Euro 2,086 thousand at the end of the comparison period, shows a positive variance of +Euro 398 thousand.

The negative balance recorded under financial expenses at the end of the reporting period is mainly explained, in addition to the increase in debt, by higher interest expenses accrued on short-term and medium-/long-term, variable-rate loans, as a result of higher interest rates.

The same financial charges are partially offset by the item profit/(loss) of companies consolidated with the net equity method, which includes the consolidated profits accrued by the affiliate EstEnergy S.p.A., a company 25% owned by the Ascopiave Group, as well as by Cogeide S.p.A., 18.33% owned by the Ascopiave Group, and which, at the end of the first quarter, recorded an increase of Euro 2,212 thousand compared to the same period of the previous year.

## Taxes

### 37. Taxes for the financial year

The following table shows the composition of income taxes for the periods considered, distinguishing the current component from the deferred and prepaid component:

(Thousands of Euro)	First quarter	
	2024	2023
IRES current taxes	2,008	985
IRAP current taxes	716	527
(Advance)/Deferred taxes	(236)	(817)
Substitute tax	7	7
<b>Taxes for the period</b>	<b>2,495</b>	<b>702</b>

Accrued taxes increased from Euro 702,000 in the previous period to Euro 2,495,000 in the reporting quarter, an increase of Euro 1,793,000. The increase is partly explained by the higher taxable base achieved.

The following table shows the incidence of income taxes on the pre-tax result for the periods considered:

(Thousands of Euro)	First quarter	
	2024	2023
Earnings before tax	9,187	6,291
Taxes for the period	2,495	702
<b>Percentage of income before taxes</b>	<b>27.2%</b>	<b>11.2%</b>

The tax rate recorded at 31 March 2024 was 27.2% compared to 11.2% in the comparative quarter. The tax rate, calculated by normalising the pre-tax result of the effects of the consolidation of the company consolidated using the equity method and the capital gain realised as part of the rationalisation transaction of gas distribution concessions, went from 41.8% as of 31 March 2023 to 38.9% as of 31 March 2024.

It should be noted that the discontinuation, as of the current financial year, of the ACE capital relief resulted in an increase in the tax rate of about 4.5 percentage points.

## Net result from assets held for sale

### 38. Net result from assets held for sale

The following table details the net result of assets held for sale for the periods considered:

(Thousands of Euro)	First quarter	
	2024	2023
Result of assets held for sale	0	44
<b>Net income from discontinued operations/discontinued operations</b>	<b>0</b>	<b>44</b>

At the end of the first three months of the financial year 2024, in the absence of assets held for sale, this item was not recognised.

The data used for comparison included the economic result achieved in January by the branches subject to the rationalisation transaction of the natural gas distribution concessions finalised with the Iren Group on 31 January 2023, as well as the result accrued during the first quarter of the year by the natural gas distribution concessions that were subject to delivery on 1 April 2023 following the award by another operator of the tender for the Udine 2 Atem.

### Non-recurring components

Pursuant to CONSOB Communication No. 15519/2005, we report the absence of non-recurring items in this interim report for the period ended 31 March 2024.

### Transactions resulting from atypical and/or unusual operations

Pursuant to Consob Communication No. DEM/6064296 of 28 July 2006, it should be noted that no atypical and/or unusual transactions took place in the first quarter of 2024.

## Commitments and risks

### Guarantees given

The Group has provided the following guarantees as at 31 March 2024:

Guarantees held by companies within the scope of consolidation:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
On credit lines	6,307	6,307
On execution of works (letter of comfort)	10,503	10,983
On distribution concession (letter of comfort)	6,144	6,509
On concessions for water derivations for hydroelectric use	443	460
On the sale of energy produced from renewable sources	120	120
On occupation of public spaces and areas	106	106
On renewable energy production plants	8,525	8,175
<b>Total</b>	<b>32,149</b>	<b>32,659</b>

Load guarantees issued by Ascopiave S.p.A. in favour of associated companies:

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Patronage to cover the obligations deriving from the related relationships	10,805	10,798
On UTF offices and regions for taxes on gas (letter of comfort)	1,850	1,850
<b>Total</b>	<b>12,655</b>	<b>12,648</b>

Ascopiave received an active guarantee from Hera S.p.A., equal to Euro 962 thousand, in relation to sureties issued by the associated company Blue Meta S.p.A. (now merged into EstEnergy S.p.A.) to the technical finance offices and regions for consumption taxes on natural gas.

## Risk factors and uncertainty

### Information on agreements not shown in the balance sheet

Pursuant to Article 2427, paragraph 1, item 22-ter of the Italian Civil Code, introduced by Legislative Decree 173 on 23 November 2008, we report that the company does not have any agreements that are not reflected in the balance sheet.

### Financial risk management: objectives and criteria

The financing of the Group's operating activities is mainly through the use of short and medium/long-term bank loans, the issuance of bonds, hire purchase agreements and on-demand and short-term bank deposits. Recourse to these forms of financing, being partly at variable rates, exposes the Group to the risk of interest rate fluctuations, which then determine possible changes in financial expenses.

Operating activities, on the other hand, expose the Group to possible credit risks with counterparties.

The Group is also subject to liquidity risk, as the available financial resources may not be sufficient to meet its financial obligations on the terms and deadlines envisaged.

The Board of Directors reviews and agrees on policies to manage these risks, described below.

### Interest rate risk

The Group manages its liquidity needs through temporary credit lines and short-term loans at variable rates, which, due to their continuous fluctuation, do not allow for easy hedging relative to interest rate risk. The Group also manages its liquidity needs through medium/long-term loans with fixed and variable rates, as well as through the issue of bonds with fixed rates.

The medium- and long-term bank loans managed by the Group, regulated at both variable and fixed rates, present a residual debt as of 31 March 2024 of Euro 258,878 thousand and maturities between 1 April 2024 and 30 June 2040.

The medium/long-term bank loans at variable interest rates have a repayment term between 2024 and 2030, and as of 31 March 2024 had a total residual debt of Euro 178,880 thousand (Euro 226,561 thousand as of 31 December 2023), of which Euro 40,157 thousand was hedged by underwriting financial derivatives, for which the interest rate risk was therefore sterilised.

It should be noted that as of 31 March 2024, the derivative instruments hedging the risk of interest rate fluctuations, relative to the loans underwritten with BNL, Credit Agricole - Friuladria and Mediobanca and to the leasing of the subsidiary Asco Renewables with Intesa Sanpaolo, detailed in section no. 14 'Current Assets on Derivative Financial Instruments', showed an overall positive mark-to-market of Euro 1,606 thousand and were effective.

The loans underwritten with BNL, Intesa Sanpaolo, BCC Prealpi-Sanbiagio and Cassa Centrale Banca are not exposed to interest rate risk, as they provide for the application of a fixed rate, in addition to the loan underwritten by the subsidiary Salinella Eolico with Iccrea Banca, with residual debt at the end of the period of Euro 79,998 thousand, and the bond loan with residual debt at the end of 31 March 2024 of Euro 86,280 thousand.

The loans represented are subject to financial covenants.

For further details, please refer to Paragraph 18 'Long-Term Bonds Outstanding', Paragraph 19 'Medium and Long-Term Loans' and Paragraph 23 'Short-Term Bonds Outstanding'.

### Sensitivity analysis to interest rate risk

The following table shows the impact on the Group's pre-tax profit of possible changes in interest rates in a reasonably possible range:

(Thousands of Euro)	I qtr 2024	
Net Financial Position 2024	(400,761)	
Borrowing rates of interest	1.59%	
Lending rates of interest	3.41%	
Borrowing rate of interest plus 200 basis points	3.59%	
Lending rates of interest plus 200 basis points	5.41%	
Borrowing rate of interest reduced of 50 basis points	1.09%	
Lending rates of interest reduced of 50 basis points	2.91%	
Net Financial Position recalculated with the increase of 200 basis points	(402,737)	
Net Financial Position recalculated with decrease of 50 basis points	(400,267)	Total
Effect on pre-tax result of the increase of 200 basis points	(1,976)	(1,976)
Effect on pre-tax result of the decrease of 50 basis points	494	494

The sensitivity analysis, obtained by simulating a change in the interest rates applied to the Group's average Net Financial Position for each quarter equal to 50 basis points in decrease and equal to 200 basis points in increase, keeping all other variables constant, leads to an estimate of an effect on the pre-tax result between a drop of Euro 1,976 thousand and an improvement of Euro 494 thousand.

### Credit risk

In the gas distribution business, the Group provides its business services to a limited number of gas operators, whose non-payment or delayed payment of fees could negatively affect their economic results and financial equilibrium, but credit protection is supported by the application of the guarantee mechanisms provided for by the Network Code.

For further information, please refer to section '9. Trade Receivables'.

### Liquidity risk

Liquidity risk represents the Group's inability to meet its financial obligations, within the terms and deadlines envisaged, with the financial resources available, due to the impossibility of raising new funds or liquidating assets on the market, determining an impact on the economic result if the Group is forced to incur additional costs to meet its commitments, or a situation of insolvency with consequent risk for the business activity.

The Group constantly strives to maintain maximum balance and flexibility between financing sources and uses, minimising this risk. The two main factors influencing the Group's liquidity are, on the one hand, the resources generated or absorbed by operating or investment activities, and on the other, the maturity and renewal characteristics of debt.

### Risks specific to the business sectors in which the Group operates

#### Regulation

The Ascopiave Group carries out activities in the gas sector that are subject to regulation. The directives and regulatory measures issued on the subject by the European Union and the Italian Government and the decisions of the Authority for Electricity, Gas and the Water System may have a significant impact on operations, economic results and financial equilibrium. Future changes in the regulatory policies adopted by the European Union or at a national level could have unforeseen repercussions on the regulatory framework of reference and, consequently, on the Group's activities and results.

## Capital Management

The primary objective of the Group's capital management is to ensure that a sound credit rating and adequate capital indicator levels are maintained. The Group may adjust dividends paid to shareholders, redeem capital or issue new shares.

The Group verifies its capital by comparing its total net financial position to equity.

The Group's net debt includes interest-bearing loans and other financial liabilities, net of cash and cash equivalents.

(Thousands of Euro)	31 <sup>th</sup> March 2024	31 <sup>th</sup> December 2023
Short-term net financial position	147,888	94,011
Medium / long-term net financial position	264,272	295,352
<b>Net Financial Position</b>	<b>412,159</b>	<b>389,363</b>
Share capital	234,412	234,412
Own shares	(55,423)	(55,423)
Reserves	675,627	639,117
Undistributed net profit	6,692	36,176
<b>Total Net equity</b>	<b>861,307</b>	<b>854,282</b>
<b>Total sources of funding</b>	<b>1,273,467</b>	<b>1,243,645</b>
<b>Net financial position / Net equity ratio</b>	<b>0.48</b>	<b>0.46</b>

The NFP/shareholders' equity ratio as at 31 March 2024 was 0.48, showing an increase compared to 31 December 2022.

The trend in this indicator is related to the combined effect of the change in Net Financial Position, which increased by Euro 22,796 thousand in the first quarter of the year, and Net Equity, which increased by Euro 7,025 thousand, changes due to investments made, the result accrued in the period, and partly to the normal flow related to ordinary activities.



## Representation of financial assets and liabilities by category

The breakdown of financial assets and liabilities by category and their *fair value* (IFRS 13) as at 31 March 2024 and 31 December 2023 is as follows:

(Thousands of Euro)					31 <sup>th</sup> March 2024	
	A	B	C	D	Total	Fair value
Other non-current assets			2,347		2,347	2,347
Non-current financial assets			2,656		2,656	2,656
Trade receivables and Other current assets			156,608		156,608	156,608
Current financial assets			1,476		1,476	1,476
Cash and cash equivalents			16,851		16,851	16,851
Current assets from derivative financial instruments		4,069			4,069	4,069
Outstanding medium- and long-term bonds				78,677	78,677	78,677
Medium- and long-term bank loans				180,950	180,950	180,950
Other non-current liabilities			3,528		3,528	3,528
Non-current financial liabilities			7,301		7,301	7,301
Outstanding short-term bonds				7,603	7,603	7,603
Payables due to banks and financing institutions				158,929	158,929	158,929
Trade payables and Other current liabilities				118,036	118,036	118,036
Current financial liabilities				1,384	1,384	1,384
Current liabilities from derivative financial instruments		0			0	0

(Thousands of Euro)					31 <sup>th</sup> December 2023	
	A	B	C	D	Total	Fair value
Other non-current assets			2,350		2,350	2,350
Non-current financial assets			2,507		2,507	2,507
Trade receivables and Other current assets			111,534		111,534	111,534
Current financial assets			1,743		1,743	1,743
Cash and cash equivalents			52,083		52,083	52,083
Current assets from derivative financial instruments		4,821			4,821	4,821
Outstanding medium- and long-term bonds				86,347	86,347	86,347
Medium- and long-term bank loans				204,064	204,064	204,064
Other non-current liabilities			3,252		3,252	3,252
Non-current financial liabilities			7,448		7,448	7,448
Payables due to banks and financing institutions				140,642	140,642	140,642
Trade payables and Other current liabilities				92,458	92,458	92,458
Current financial liabilities				1,562	1,562	1,562
Current liabilities from derivative financial instruments		0			0	0

### Legend

- A - Assets and liabilities at fair value through profit or loss
- B - Assets and liabilities at fair value through equity (including hedging derivatives)
- C - Loans and receivables (including cash and cash equivalents)
- D - Financial liabilities recognised at amortised cost

## Sector information

Segment reporting is provided with reference to the business segments in which the Group operates. The business segments have been identified as primary business segments. The criteria applied to identify primary business segments were inspired by the way in which management manages the Group and assigns management responsibilities.

For the purposes of the information required by IFRS 8 'Segment Reporting Operating Segments', the company identified the 'gas distribution', 'renewable energy' and 'other' segments as the business segments subject to disclosure.

Specifically, the 'other' segment includes cogeneration, heat supply, water service and the results of the parent company.

Geographical segment reporting is not provided as the Group does not operate any business outside Italy.

The following tables present information regarding the Group's business segments for the first quarter of the financial year 2024 and the first quarter of the financial year 2023.

3M 2024 (Thousands of Euro)	Gas Distribution	Renewables energies	Other	31.03.2024		Total
				values from new acquisitions	Elision	
Net revenues to third-party customers	40,312	6,534	594	0		47,440
Intra-group revenues among the segment	2,511	23	1,167	0	(3,701)	0
<b>Segment revenue</b>	<b>42,824</b>	<b>6,557</b>	<b>1,761</b>	<b>0</b>	<b>(3,701)</b>	<b>47,440</b>

3M 2023 (Thousands of Euro)	Gas Distribution	Renewables energies	Other	31.03.2023		Total
				values from new acquisitions	Elision	
Net revenues to third-party customers	33,600	2,412	377	4,330		40,719
Intra-group revenues among the segment	1,411	0	1,585	155	(3,151)	0
<b>Segment revenue</b>	<b>35,011</b>	<b>2,412</b>	<b>1,962</b>	<b>4,485</b>	<b>(3,151)</b>	<b>40,719</b>

## Transactions with related parties

Details of transactions with related parties in the period under review are summarised in the following table:

(Thousands of Euro)	31.03.2024				Revenues			Costs		
	Trade receivables	Other receivables	Trade payables	Other payables	Goods	Services	Other	Goods	Services	Other
Asco Holding S.p.A.	30	174	20	0	0	30	0	0	20	0
<b>Total parent company</b>	<b>30</b>	<b>174</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>
Bim Piave Nuove Energie S.r.l.	61	0	5	0	0	61	0	0	5	0
<b>Total affiliated companies</b>	<b>61</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>61</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>
ASM Set S.r.l.	835	0	48	0	0	827	0	0	2	0
Etra Energia S.r.l.	68	0	0	0	0	53	0	0	0	0
Estenergy S.p.A.	21,205	0	106	0	0	17,167	0	0	1,060	0
<b>Total subsidiary companies</b>	<b>22,109</b>	<b>0</b>	<b>154</b>	<b>0</b>	<b>0</b>	<b>18,047</b>	<b>0</b>	<b>0</b>	<b>1,063</b>	<b>0</b>
<b>Total</b>	<b>22,199</b>	<b>174</b>	<b>179</b>	<b>0</b>	<b>0</b>	<b>18,137</b>	<b>0</b>	<b>0</b>	<b>1,087</b>	<b>0</b>

Relations arising 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 adhered to the consolidation of tax relations under the parent company Asco Holding S.p.A..

This lapsed due to the change in the financial year of the latter, which no longer coincides with 31 December. The current assets and liabilities recorded consequently refer only to past positions.

#### Concerning parent companies

Revenues recognised in respect of the parent company Asco Holding S.p.A. relate to administrative, treasury management and personnel services.

#### Concerning affiliated companies:

- towards EstEnergy S.p.A.:
  - o Trade receivables refer to the natural gas transportation service on the distribution network registered by AP Reti Gas Nord Est S.r.l. and to facility services provided by Ascopiave S.p.A.;
  - o Trade payables are related to the supply of natural gas and electrical energy incurred by Ascopiave S.p.A., AP Reti Gas Nord Est S.r.l., AP Reti Gas S.p.A. and Edigas S.p.A.;
  - o Costs for goods relate to the purchase of gas and electricity incurred by Ascopiave S.p.A., AP Reti Gas Nord Est S.r.l., AP Reti Gas S.p.A. and Edigas S.p.A.;
  - o Revenues for services refer to revenues from gas transportation and distribution services entered by AP Reti Gas S.p.A. and to facility services provided by Ascopiave S.p.A..
- towards Etra Energia S.r.l.:
  - o Trade receivables refer to the natural gas transportation service on the distribution network registered by AP Reti Gas S.p.A.;
  - o Revenues for services refer to revenues from gas transportation and distribution services with AP Reti Gas S.p.A. and AP Reti Gas Vicenza S.p.A..
- towards ASM Set S.r.l.:
  - o Costs for goods relate to the purchase of gas with AP Reti Gas Rovigo S.r.l.;
  - o Revenues for services refer to revenues from gas transportation and distribution services with AP Reti Gas Rovigo S.r.l..

It should be noted that:

- economic transactions between Group companies and subsidiaries and affiliated companies take place at market prices and are eliminated in the consolidation process;
- transactions entered into by Group companies with related parties are part of normal business operations and are settled at market prices;
- with reference to the provisions of Article 150, paragraph 1 of Legislative Decree No. 58 dated 24 February 1998, no transactions in potential conflict of interest with Group companies were carried out by members of the board of directors.

On 24 November 2010, the Board of Directors approved the Procedure for Transactions with Related Parties (the 'Procedure'). The Procedure regulates related party transactions carried out by the Company, directly or through subsidiaries, in accordance with the Regulation adopted pursuant to Article 2391-bis of the Italian Civil Code by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution No. 17221 of 12 March 2010, as amended.

The Procedure came into force on 1 January 2011 and replaced the previous regulation on related party transactions, approved by the Company's Board of Directors on 11 September 2006 (subsequently amended).

For the contents of the Procedure, please refer to the document available on the Issuer's website at the following address: <http://www.gruppoascopiave.it/wp-content/uploads/2015/01/Procedura-per-le-operazioni-con-parti-correlate-GruppoAscopiave-20101124.pdf>.

For the purposes of implementing the Procedure, a mapping of the so-called Related Parties is carried out periodically. Related Parties, in relation to which the contents and control measures provided for in the document are applicable. The Directors are also called upon to declare, if any, any conflicting interests with respect to the performance of the transactions in question.

## Financial statements presented in accordance with Consob Resolution 15519/2006

Below are the financial statement schedules showing the effects of related party transactions disclosed in accordance with Consob Resolution No. 15519 of 27 July 2006:

### Consolidated Statement of Financial Position

(Thousands of Euro)	31.03.2024	of which related parties						31.12.2023	of which related parties								
		A	B	C	D	Total	%		A	B	C	D	Total	%			
<b>ASSETS</b>																	
<b>Non-current assets</b>																	
Goodwill	61,727							61,727									
Other intangible assets	708,616							704,627									
Tangible assets	154,668							156,475									
Shareholdings in controlled company	214,584			214,584		214,584	100.0%	211,074		211,074				211,074	100.0%		
Shareholdings in other company	97,257							97,257									
Other non-current assets	3,451							3,478									
Non current financial assets	2,656							2,507									
Advance tax receivables	39,422							39,301									
<b>Non-current assets</b>	<b>1,282,380</b>			<b>214,584</b>		<b>214,584</b>	<b>16.7%</b>	<b>1,276,446</b>		<b>211,074</b>		<b>211,074</b>	<b>16.5%</b>				
<b>Current assets</b>																	
Inventories	16,529							8,276									
Trade receivables	91,322	30	61	22,109		22,199	24.3%	33,382	63	128	15,565		15,756	47.2%			
Other current assets	68,644	174				174	0.3%	80,831	174				174	0.2%			
Current financial assets	1,476							1,743									
Tax receivables	4,017							4,017									
Cash and cash equivalents	16,851							52,083									
Current assets from derivative financial instruments	4,069							4,821									
<b>Current assets</b>	<b>202,909</b>	<b>203</b>	<b>61</b>	<b>22,109</b>		<b>22,373</b>	<b>11.0%</b>	<b>185,153</b>	<b>237</b>	<b>128</b>	<b>15,565</b>		<b>15,930</b>	<b>8.6%</b>			
Non-current assets held for sale	0							385									
<b>Assets</b>	<b>1,485,289</b>	<b>203</b>	<b>61</b>	<b>236,693</b>		<b>236,957</b>	<b>16.0%</b>	<b>1,461,984</b>	<b>237</b>	<b>128</b>	<b>226,639</b>		<b>227,004</b>	<b>15.5%</b>			
<b>NET EQUITY AND LIABILITIES</b>																	
<b>Total Net equity</b>																	
Share capital	234,412							234,412									
Own shares	(55,423)							(55,423)									
Reserves and result for the period	672,680							665,764									
<b>Net equity of the Group</b>	<b>851,668</b>							<b>844,753</b>									
<b>Net equity of Others</b>	<b>9,639</b>							<b>9,529</b>									
<b>Total Net equity</b>	<b>861,307</b>							<b>854,282</b>									
<b>Non-current liabilities</b>																	
Provisions for risks and charges	2,002							2,020									
Severance indemnity	4,630							4,751									
Outstanding medium- and long-term bonds	78,677							86,347									
Medium- and long-term bank loans	180,950							204,064									
Other non-current liabilities	41,007							39,360									
Non-current financial liabilities	7,301							7,448									
Deferred tax payables	17,354							17,618									
<b>Non-current liabilities</b>	<b>331,920</b>							<b>361,608</b>									
<b>Current liabilities</b>																	
Outstanding short-term bonds	7,603							7,708									
Payables due to banks and financing institutions	158,929							140,642									
Trade payables	67,480	20	5	154		179	0.3%	73,026	16	7	67		90	0.1%			
Tax payables	3,495							795									
Other current liabilities	53,170							22,114									
Current financial liabilities	1,384							1,562									
<b>Current liabilities</b>	<b>292,061</b>	<b>20</b>	<b>5</b>	<b>154</b>		<b>179</b>	<b>0.1%</b>	<b>245,847</b>	<b>16</b>	<b>7</b>	<b>67</b>		<b>90</b>	<b>0.0%</b>			
Non-current liabilities held for sale	0							247									
<b>Liabilities</b>	<b>623,981</b>	<b>20</b>	<b>5</b>	<b>154</b>		<b>179</b>	<b>0.0%</b>	<b>607,702</b>	<b>16</b>	<b>7</b>	<b>67</b>		<b>90</b>	<b>0.0%</b>			
<b>Net equity and liabilities</b>	<b>1,485,289</b>	<b>20</b>	<b>5</b>	<b>154</b>		<b>179</b>	<b>0.0%</b>	<b>1,461,984</b>	<b>16</b>	<b>7</b>	<b>67</b>		<b>90</b>	<b>0.0%</b>			

#### Related party column header legend:

*A Parent companies*

*B Subsidiaries*

*C Associated and jointly controlled companies*

*D other related parties*

## Consolidated Statement of Comprehensive Income

(Thousands of Euro)	First quarter 2024	of which related parties						First quarter 2023	of which related parties						
		A	B	C	D	Total	%		A	B	C	D	Total	%	
<b>Revenues</b>	<b>47,440</b>	<b>30</b>	<b>61</b>	<b>18,047</b>		<b>18,137</b>	<b>38.2%</b>	<b>40,719</b>	<b>39</b>	<b>61</b>				<b>100</b>	<b>0.2%</b>
- of which non-recurring															
<b>Total operating income and costs</b>	<b>24,115</b>	<b>20</b>	<b>5</b>	<b>1,063</b>	<b>323</b>	<b>1,410</b>	<b>5.8%</b>	<b>20,618</b>	<b>15</b>	<b>4</b>	<b>34,057</b>	<b>320</b>	<b>34,396</b>	<b>166.8%</b>	
Purchase costs for other raw materials	787							803							
Costs for services	11,931	20	5	1,063	221	1,307	11.0%	11,929	15	4	34,057	221	34,297	287.5%	
Costs for personnel	5,112				103	103	2.0%	5,377				99	99	1.8%	
Other management costs	6,370							6,710							
Other income	83							4,201							
- of which non-recurring															
<b>Amortization and depreciation</b>	<b>12,450</b>							<b>11,723</b>							
<b>Operating result</b>	<b>10,875</b>	<b>10</b>	<b>56</b>	<b>16,984</b>	<b>(323)</b>	<b>16,727</b>	<b>153.8%</b>	<b>8,378</b>	<b>24</b>	<b>57</b>	<b>(34,057)</b>	<b>(320)</b>	<b>(34,296)</b>	<b>-409.4%</b>	
Financial income	175							58							
Financial charges	4,641							2,712							
Evaluation of subsidiary companies with the net equity method	2,779			2,779		2,779	100.0%	567			567		567	100.0%	
<b>Earnings before tax</b>	<b>9,187</b>	<b>10</b>	<b>56</b>	<b>19,763</b>	<b>(323)</b>	<b>19,506</b>	<b>212.3%</b>	<b>6,291</b>	<b>24</b>	<b>57</b>	<b>(33,490)</b>	<b>(320)</b>	<b>(33,729)</b>	<b>-536.1%</b>	
Taxes for the period	(2,495)							(702)							
<b>Result for the period</b>	<b>6,692</b>							<b>5,589</b>							
Net result of assets held for sale								44							
<b>Net result for the period</b>	<b>6,692</b>							<b>5,633</b>							
Group's Net Result	6,546							5,821							
Third parties Net Result	146							(188)							
<b>Consolidated statement of comprehensive income</b>															
1. Components that can be reclassified to the income statement															
- Fair value of derivatives, changes in the period net of tax	(397)							(394)							
- Fair value of derivatives relating to associated companies, changes in the period net of tax	731							(10,213)							
2. Components that can not be reclassified to the income statement															
<b>Total comprehensive income</b>	<b>7,025</b>							<b>4,974</b>							
Group's overall net result	6,915							(4,868)							
Third parties' overall net result	110							(106)							
Base income per share	0.030							0.027							
Diluted net income per share	0.030							0.027							

### Related party column header legend:

*A Parent companies*

*B Subsidiaries*

*C Associated and jointly controlled companies*

*D other related parties*

## Consolidated Cash Flow Statement

(Thousands of Euro)	First	of which related parties					First	of which related parties				
	2024	A	B	C	D	Totale	2023	A	B	C	D	Totale
<b>Net income of the Group</b>	<b>6,915</b>						<b>(4,868)</b>					
<b>Cash flows generated (used) by operating activities</b>												
<b>Adjustments to reconcile net income to net cash</b>												
Third-parties operating result	110					0	(106)					
Fair value of derivatives relating to associated companies, changes in the period net of tax	(731)					0	10,213					0
Fair value valuation of shareholdings in other companies	0					0	0					0
Changes in HA reserves for MTM derivatives	397					0	394					0
Variations in severance indemnity reserves	0					0	0					0
Amortization	12,450					0	11,723					0
Bad debt provisions	0					0	160					0
Depreciation of fixed assets	640					0	899					0
Change in deferred/prepaid taxes	0					0	0					0
Variations in severance indemnity	(121)					0	130					0
Current assets / liabilities on financial instruments	354					0	(953)					0
Net variation of other funds	(18)					0	61					0
Evaluation of subsidiaries with the net equity method	(2,779)			(2,779)		(2,779)	(567)		(567)			(567)
Capital losses / (capital gains) on disposals of fixed assets	0					0	0					0
Capital losses / (capital gains) on the sale of shareholdings	0					0	(4,046)					0
Income from shareholdings	0					0	0					0
Other changes in the income statement that do not generate cash flows	(29)					0	(2,347)					0
Interests paid	(4,333)					0	(2,886)					0
Taxes paid	0					0	0					0
Interest expense for the period	4,662					0	2,712					0
Taxes for the period	2,495					0	702					0
<b>Total adjustments</b>	<b>13,098</b>					<b>(2,779)</b>	<b>16,088</b>					<b>(567)</b>
<b>Variations in assets and liabilities</b>												
Inventories	(8,252)					0	(7,098)					0
Accounts payable	(57,940)	33	67	(6,544)		(6,443)	(4,118)	24	(85)	2,114		2,053
Other current assets	12,325					0	4,480	(10)				(10)
Trade payables	(5,669)	4	(2)	87		89	(13,518)	(10)	(62)	6,335		6,263
Other current liabilities	30,546					0	17,877					0
Other non-current assets	28					0	104					0
Other non-current liabilities	1,647					0	274					0
<b>Total adjustments and variations</b>	<b>(27,315)</b>	<b>37</b>	<b>65</b>	<b>(6,457)</b>	<b>0</b>	<b>(6,355)</b>	<b>(1,999)</b>	<b>4</b>	<b>(147)</b>	<b>8,449</b>	<b>0</b>	<b>8,306</b>
<b>Cash flows generated (used) by operating activities</b>	<b>(7,302)</b>	<b>37</b>	<b>65</b>	<b>(9,235)</b>	<b>0</b>	<b>(9,134)</b>	<b>9,222</b>	<b>4</b>	<b>(147)</b>	<b>7,882</b>	<b>0</b>	<b>7,739</b>
<b>Cash flows generated (used) by investments</b>												
Investments in intangible assets	(14,283)					0	(11,714)					0
Realization of intangible assets	0					0	13,538					0
Investments in tangible assets	(872)					0	(1,874)					0
Realization of tangible fixed assets	0					0	807					0
Acquisitions in shareholdings and advances	(0)					0	(32,775)					0
<b>Cash flows generated/(used) by investments</b>	<b>(15,155)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(32,018)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash flows generated (used) by financial activities</b>												
Net changes in short-term bank borrowings	(26,121)					0	(15,567)					0
Redemption of bond loans	(7,778)					0	0					0
Net variation in current financial assets and liabilities	125					0	(29,247)					0
Ignitions loans and mortgages	51,000					0	132,700					0
Redemptions loans and mortgages	(30,000)					0	(79,000)					0
<b>Cash flows generated (used) by financial activities</b>	<b>(12,774)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,886</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Variations in cash</b>	<b>(35,231)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(13,910)</b>					<b>0</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>52,083</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>76,917</b>					<b>0</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16,851</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,007</b>					<b>0</b>

### Related party column header legend:

*A Parent companies*

*B Subsidiaries*

*C Associated and jointly controlled companies*

*D Other related parties*

## Consolidated net financial debt

(Thousands of Euro)	31.04.24	of which related parties						31.12.2023	of which related parties									
		A	B	C	D	Total	%		A	B	C	D	Total	%				
A Cash and cash equivalents	16,851					0		52,083					0					
B Equivalent to cash and cash equivalents	0					0		0					0					
C Other current financial assets	3,176					0		3,818					0					
- of which related parties	0					0		0					0					
<b>D Liquid assets (A) + (B) + (C)</b>	<b>20,028</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>55,900</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
E Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt)	(82,384)					0		(61,562)					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	(85,531)					0		(88,350)					0					
- of which related parties	0					0		0					0					
<b>G Current financial indebtedness (E) + (F)</b>	<b>(167,915)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(149,912)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>H Net current financial indebtedness (D) + (G)</b>	<b>(147,888)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(94,011)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
I Non-current financial debt (excluding the current portion and debt instruments)	(266,927)					0		(297,859)					0					
J Debt instruments	0					0		0					0					
K Trade payables and other non-current payables	0					0		0					0					
<b>L Non-current financial indebtedness (I) + (J) + (K)</b>	<b>(266,927)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(297,859)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>M Net financial indebtedness (H) + (L)</b>	<b>(414,815)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(391,870)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Related party column header legend:

*A Parent companies*

*B Subsidiaries*

*C Associated and jointly controlled companies*

*D other related parties*

The values shown in the tables above relate to the related parties listed below:

Group A - parent companies:

- Asco Holding S.p.A.

Group B - Associated Companies:

- Bim Piave Nuove Energie S.r.l.

Group C - Associated and jointly controlled companies:

- EstEnergy S.p.A. (Group), associate

Group D - other related parties:

- Board of Directors
- Mayors
- Strategic Managers

## Significant events after the end of the first quarter of the financial year 2024

### Ordinary Shareholders' Meeting of 18 April 2024

On 18 April 2024, the Ordinary Shareholders' Meeting of Ascopiave S.p.A. met under the chairmanship of Nicola Ceconato.

The Ordinary Shareholders' Meeting approved the financial statements for the financial year and took note of the Group's consolidated financial statements as at 31 December 2023 and resolved to distribute an ordinary dividend in the amount of Euro 0.14 per share, for a total of Euro 30.3 million, an amount calculated on the basis of the shares outstanding as at the end of the financial year 2023. The ordinary dividend was paid on 8 May 2024 with an ex-dividend date of 6 May 2024 (record date 7 May 2024).

The Ordinary Shareholders' Meeting also approved, with a binding vote, the first section of the report on the remuneration policy and compensation paid, prepared pursuant to Article 123-ter, Legislative Decree No. 58 dated 24 February 1998 (the "TUF") (i.e., the remuneration policy for the financial year 2024) and cast an advisory vote in favour of the second section of the report on remuneration policy and compensation paid, prepared pursuant to Article 123-ter of the TUF (i.e., the report on compensation paid in the financial year 2023).

The Ordinary Shareholders' Meeting also approved a long-term share-based incentive plan reserved for the executive directors of Ascopiave S.p.A. and certain management resources of Ascopiave S.p.A. and its subsidiaries.

The Ordinary Shareholders' Meeting approved the authorisation to purchase and dispose of treasury shares, subject to revocation of the previous authorisation granted by the Shareholders' Meeting of 18 April 2023, for the portion not executed.

Lastly, the Ordinary Shareholders' Meeting resolved to appoint the auditing company KPMG S.p.A. to audit the accounts of Ascopiave S.p.A. for the financial years 2024 ÷ 2032.

### Sustainability Report 2023 approved

On 18 April 2024, Ascopiave S.p.A. announced that it published in the "Sustainability" section of its website the Sustainability Report 2023, approved by the Board of Directors of Ascopiave S.p.A. in its meeting of 12 April 2024, following the positive opinion of the Sustainability Committee.

## Group objectives and policies

As regards the natural gas distribution segment, the Group intends to enhance its portfolio of concessions by aiming to reconfirm itself in the management of the service in the minimum territorial areas in which it has a significant presence, and to expand into other areas, with the goal of increasing its market share and strengthening its local leadership. The Group also intends to enhance its investment in renewable sources by increasing its presence in this sector as well, in line with what is represented in the 2022-2026 strategic plan approved in early 2023.

As regards the natural gas and electricity sales segment, Ascopiave, at the end of 2019, entered into a commercial partnership with the Hera Group, through the common participation in Estenergy. This company, which heads a Group with more than one million customers, is a primary reality with a strong territorial presence in the Triveneto region. Ascopiave intends to give continuity to the partnership, counting however on being able to exercise the put option held on its shares should the need arise to finance new investment opportunities in sectors that the Group deems to be of greater interest, as indicated in the 2022-2026 strategic plan approved and presented to the market on 9 February 2023.

Pieve di Soligo, 9 May 2024

The Chairman of the Board of Directors  
Nicola Ceconato



## DECLARATION

*(Translation from the original issued in Italian)*

### **CERTIFICATION OF THE QUARTERLY REPORT as of 31<sup>st</sup> March 2024**

**Pursuant to Article 154-bis paragraph 5, part IV, section III, sub-section II, heading V-bis, Legislative Decree n. 58, dated 24<sup>th</sup> February 1998: Consolidated Law on Finance compliant with Articles 8 and 21, Law 52 dated 6<sup>th</sup> February 1996**

The undersigned, dr. Riccardo Paggiaro, in his position as Manager Designate for preparing the financial and company documents of Ascopiave S.p.A. herein declares, to the best of his knowledge, pursuant to the provisions of Article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the accounting information stated in the Quarterly Report as of 31<sup>st</sup> March 2024 tallies with the documental results, book-keeping entries and the accounting records.

Pieve di Soligo, 9<sup>h</sup> May 2024

Ascopiave S.p.A.  
dr. Riccardo Paggiaro



**Ascopiave Group**

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