

HALF-YEARLY FINANCIAL REPORT AS AT 30 JUNE

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;
- Independent auditors' report on the limited audit of the condensed half-yearly financial statements as at 30 June 2023.

GENERAL INFORMATION

Corporate bodies and corporate 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.

Investor relations
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Registered office and company data

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Share Capital: Euro 234,411,575 fully paid-in
VAT 03916270261

Key economic and financial data of the Ascopiave Group

Economic Data

(Thousands of Euro)	First half			
	2024	% of revenues	2023	% of revenues
Revenues	99,091	100.0%	83,897	100.0%
Gross operative margin	48,711	49.2%	38,182	45.5%
Operating result	23,711	23.9%	14,498	17.3%
Result for the period	18,527	18.7%	13,473	16.1%
Net result for the period	18,527	18.7%	13,529	16.1%

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)	30.06.2024	31.12.2023
Net working capital	35,572	33,702
Fixed assets and other non current assets (Non-financial)	1,276,189	1,273,692
Non-current liabilities (excluding loans)	(63,983)	(63,749)
Net invested capital	1,247,778	1,243,645
Net financial position	(405,605)	(389,363)
Total Net equity	(842,173)	(854,282)
Total financing sources	(1,247,778)	(1,243,645)

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 half	
	2024	2023
Total comprehensive income	17,815	(942)
Cash flows generated (used) by operating activities	35,334	(41,740)
Cash flows generated/(used) by investments	(20,093)	(16,714)
Cash flows generated (used) by financial activities	(40,099)	(3,724)
Variations in cash	(24,858)	(62,178)
Cash and cash equivalents at the beginning of the period	52,083	76,917
Cash and cash equivalents at the end of the period	27,225	14,739

MANAGEMENT REPORT

Foreword

The Ascopiave Group closed the first half of the 2024 financial year with a consolidated net profit of Euro 18.5 million (Euro 13.5 million as at 30 June 2023), an increase of Euro 5.0 million compared to the same period of the previous year.

Consolidated shareholders' equity as at 30 June 2024 amounted to Euro 842.2 million (Euro 854.3 million as at 31 December 2023), and net invested capital to Euro 1,247.8 million (Euro 1,243.6 million as at 31 December 2023).

During the first half of the year, the Group totalled investments of Euro 32.5 million (Euro 34.2 million in the first half of 2023), mainly in the development, maintenance and modernisation of gas distribution networks and plants, as well as in the installation of electronic meters, for Euro 27.3 million (Euro 25.1 million in the first half of 2023). At the end of the reporting period, investments were made in plants for the production of energy from renewable sources for Euro 3.9 million (Euro 8.4 million in the first half of 2023).

It is herein stated that the economic results achieved by the Estenergy Group and Cogeide S.p.A. , amounting to Euro 4.8 million (Euro 0.8 million in the first half of 2023), are recorded for the Group's share under the item "Net result of the companies accounted using the equity method".

Operations

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 301 municipalities, operating a distribution network that stretches over 14,700 kilometres and providing service to approximately 872,000 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 intends 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 guidelines 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 816.0 million cubic metres, an increase of 0.3% compared to the same period in the previous year.

As of 30 June 2024, the distribution network had a length of 14,713 kilometres, a decrease of 17 kilometres compared to 31 December 2023. This change is mainly related to the transfer, effective 1 January 2024, of certain concessions in the ownership of Romeo Gas.

The 29 plants producing electricity from renewable sources, with a total installed capacity of 84.1 MW, produced 126.5 GWh in the first half of the year, showing an increase of 77.6% over 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 half of 2023, characterised by a significant drought.

Economic results and financial situation

Consolidated revenues for the first half of 2024 amounted to Euro 99.1 million, compared to Euro 83.9 million in the first half of the previous year.

The Group's operating profit amounted to Euro 23.7 million, an increase of Euro 9.2 million compared to the first half of the previous year.

The consolidated net profit of Euro 18.5 million showed an increase of Euro 5.0 million compared to the first half of the previous year.

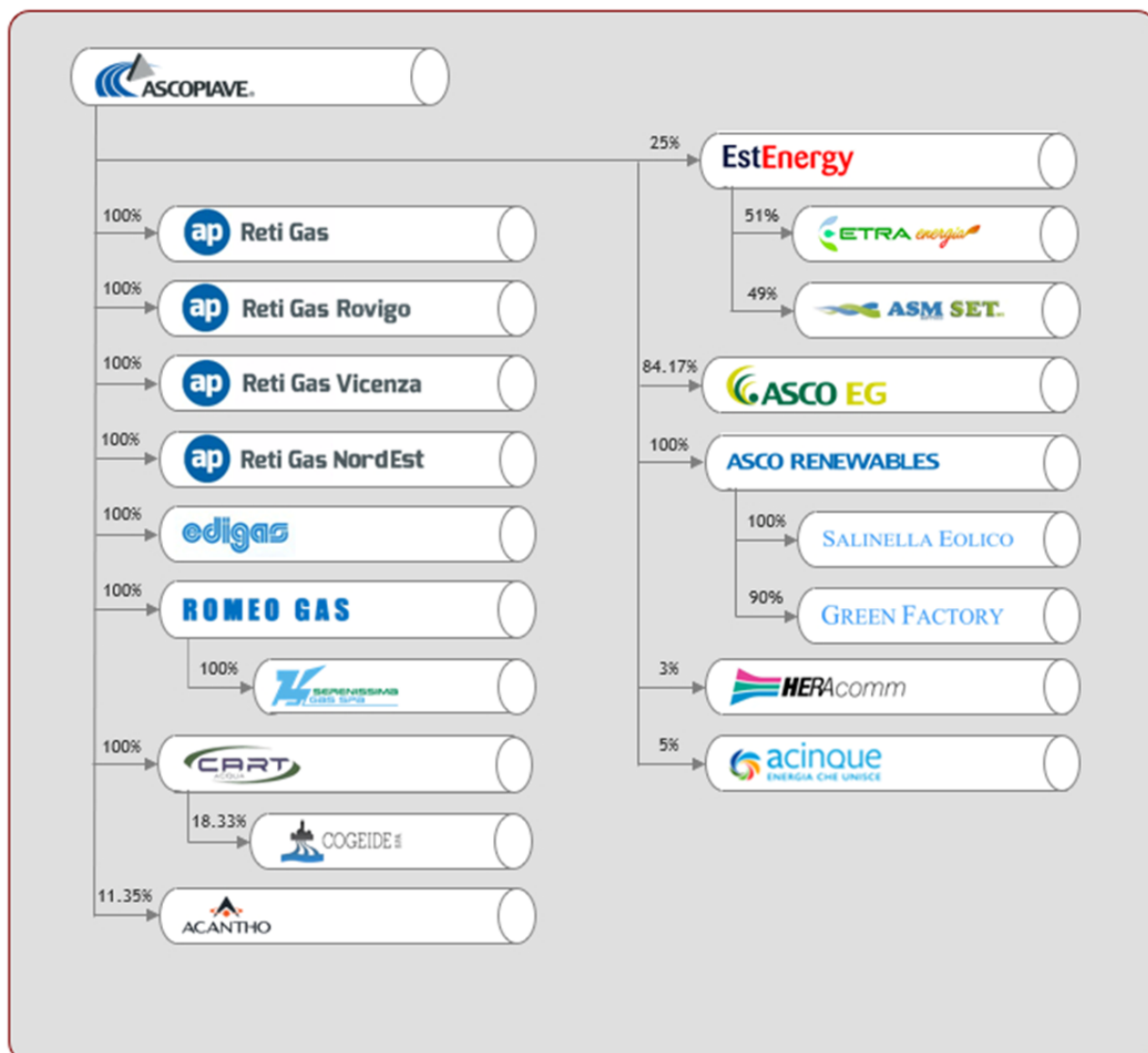
The Group's Net Financial Position as of 30 June 2024 was Euro 405.6 million, up Euro 16.2 million from Euro 389.4 million as of 31 December 2023.

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 amortisation, depreciation and write-downs), which generated resources of Euro 35,3 million, by the management of net working capital, which absorbed financial resources of Euro 1,1 million, by investment activities, which absorbed resources of Euro 32.5 million, and by the management of assets , which absorbed net resources of Euro 17.9 million, mainly due to dividends.

The ratio of Net Financial Position to Shareholders' Equity as at 30 June 2024 was 0.48 (0.59 as at 30 June 2023).

The structure of the Ascopiave Group

The following table highlights the corporate structure of the Ascopiave Group as at 30 June 2024.



It is herein stated that the consolidated companies Acantho, Hera Comm and Acinque are classified as investments in other companies and are not included in the scope of consolidation. The other companies summarised in the table are consolidated as subsidiaries or associated companies.

It is also stated herein that the Group companies Estenergy and Cogeide are associated companies and are accounted using the equity method.

Gas distribution

The distribution of natural gas, following the closing of the partnership between Ascopiave S.p.A. and the Hera Group on 19 December 2019, represents the *core business* of the Group's activities in terms of its contribution to the formation of the operating result.

This is an activity carried out under a concession, subject to strong regulation by the public sector authority (ARERA), both with regard to the minimum standards of management and quality of service, and to the related tariff remuneration.

As is well known, Legislative Decree No. 164/2000 introduced the obligation to entrust the gas distribution service by means of a public tender, wishing to implement the so-called 'competition for the market', on the assumption of the need for unitary management (therefore under a necessary monopoly regime) of the service and plants, as well as on the consideration that a competitive selection mechanism should favour a containment of costs for the end customer, an efficient development of the plants and an improvement in the quality of the service provided.

Decree-Law 159/2007 (converted, with amendments, into Law 222/2007), with Article 46-bis, introduced, for the first time, the concept of Ambito Territoriale Minimo (Atem) for the management of the service, establishing that tenders must be announced with reference to the Atem, not to the individual municipality as was the case in the past.

The Atem tender was definitively adopted as the basic rule with Legislative Decree 93/2011, which, among other things, sanctioned, as of June 2011, the ban on tenders for individual municipalities.

As a result of various corporate transactions, at present, the Ascopiave Group, through seven gas distribution companies, manages concessions for the gas distribution service in a total of 301 municipalities, with about 872,000 Redelivery Points (PoR / Utilities) and more than 1,432 million cubic metres of smc vetted (on an annual basis).

For more details, please refer to the section "Territorial Scope" of this Annual Financial Report.

The regulatory framework

Natural gas distribution sector

Resolution 622/2023/R/com dated 28 December 2023 - Revision of the methods for updating social bonuses and amendments to Authority Resolution 63/2021/R/com The measure modifies the modalities for updating and quantifying social bonuses and revises, for the protection of customers/users, certain operating methods for recognising bonuses.

Resolution dated 28 December 2023 631/2023/R/gas - Update of tariffs for gas distribution and metering services for the year 2024 The measure approves the mandatory tariffs for natural gas distribution, metering and marketing services for the year 2024.

Resolution 636/2023/R/gas dated 28 December 2023 - Integration of Articles 91 and 92 of the RQDG on the subject of replacing traditional gas meters that are inaccessible or partially accessible where it is not possible to take at least one reading per year The measure provides for additions to Articles 91 and 92 of the RQDG on the subject of replacing traditional gas meters that are inaccessible or partially accessible where it is not possible to take at least one reading per year with gas smart meters.

Resolution 30 January 2024 19/2024/R/gas - Update of the interest rate to be applied for the determination of the reimbursement, to outgoing operators, of the amounts relating to the one-off consideration for the coverage of tender charges for the entrusting of the natural gas distribution service The measure approves the values of the interest rate to be applied for the determination of the reimbursement to the outgoing operators of the amounts for the coverage of the tender charges mentioned in Decree 226/11, for the year 2024.

Resolution 06 February 2024 35/2024/R/gas - Initiation of proceedings for the simplification and acceleration of procedures for carrying out tenders for the natural gas distribution service The purpose of the measure is to initiate proceedings for the simplification and acceleration of the procedures for carrying out tenders for the natural gas distribution service.

Resolution dated 05 March 2024 66/2024/R/gas - Opening of proceedings for the possible recognition, on an extraordinary basis, of the effects deriving from the adjustments to the ISTAT data used for the purposes of determining the change in the gross fixed capital formation deflator, with reference to gas distribution and metering services. The subject of the procedure is the possible recognition, on an extraordinary basis, of the revision effects, by Istat, of the historical series of the data used to calculate the rate of variation of the deflator, with respect to those used for the purposes of Resolution 631/2023/R/gas.

Resolution dated 19 March 2024 94/2024/R/gas - First provisions regarding the regulation of guarantees for access to the natural gas distribution service. Introduction of the cautionary deposit in the list of admissible guarantees for the gas distribution contract framed in the Gas Distribution Network Code.

Resolution dated 26 March 2024 104/2024/R/gas - Amendments to Article 26 of the Regulation on the Quality of Gas Distribution and Metering Services (RQDG). The measure repeals Article 26, paragraph 2, of the RQDG, which provided for the communication to the Authority by 31 March of the following year of a series of data and information relating to the monitoring of operating pressure in low-pressure natural gas distribution networks. This communication will be replaced by a special data collection.

Resolution dated 28 March 2024 113/2024/R/com - Update, as of 1 April 2024, of the tariff components intended to cover general charges and other components of the electricity and gas sector. The measure publishes the quarterly update of general electricity and gas charges.

Resolution dated 09 April 2024 130/2024/E/gas - Approval of telephone checks and inspections of gas distribution companies regarding emergency gas intervention. The measure launches the campaign of telephone checks and inspections on compliance with the regulations on gas emergency response.

Resolution dated 09 April 2024 134/2024/R/gas - Redetermination of reference tariffs for gas distribution and metering services for the years from 2017 to 2022. The measure redetermines the tariffs for gas distribution and metering services for the years from 2017 to 2022 in order to take into account: (i) the acceptance of requests for tariff redetermination related to the discovery of previously unavailable accounting documentation and (ii) requests for adjustments submitted by distribution companies. This measure also redetermines the reference tariffs for the years from 2020 to 2022, limited to the portion relating to the coverage of the recognised operating costs for the distribution service, in order to take into account the correction of the calculation error detected by the Regional Administrative Tribunal as part of the appeals against Resolution No. 570/2019/R/GAS, which took place with Resolution No. 409/2023/R/GAS.

Resolution dated 16 April 2024 146/2024/R/gas - Determination of the definitive reference tariffs for gas distribution and metering services for the year 2023. The measure approves the definitive reference tariffs for gas distribution and metering services for the year 2023, on the basis of the provisions of Article 3(2) of the RTDG, taking into consideration requests for data adjustments submitted by the date of 15 February 2024.

Resolution dated 08 May 2024 173/2024/R/gas - Recognition, on an extraordinary basis, of the effects deriving from revisions of Istat data used to determine the variation of the deflator of gross fixed investments, for gas distribution and measurement services. The resolution concludes the procedure for the recognition, on an extraordinary basis, of the effects deriving from the revisions of the Istat data used to determine the variation of the deflator of gross fixed investments, for gas distribution and measurement services.

Resolution dated 186/2024/R/gas dated 14 May 2024 - Determination of provisional reference tariffs for gas distribution and metering services for the year 2024 and redetermination of definitive reference tariffs for the year 2023. Amendments to the RTDG. The measure approves the provisional reference tariffs for gas distribution and metering services for the year 2024 and redetermines the definitive reference tariffs for the year 2023 for certain locations.

Renewable energy production sector

The year 2023 saw a reduction in energy prices compared to the year 2022, where the PUN had recorded an average value of Euro 303.95/MWh (Euro 127.24/MWh in 2023). As a result, partially in the year 2023 and 2024, the application of extraordinary levy measures by the Italian Government to energy operators ceased, specifically:

- Article 37, Decree-Law No. 21 dated 21 March 2022 ('Energy Decree'), which aimed to tax the extra profits made by energy companies as a result of the increase in raw material costs. Measure extended also for the year 2023 with redefinition of the calculation mechanism and the percentage to be applied as a contribution (Law No. 197/2022 'Budget Law 2023'). It should be noted that the Group was not included in the requirements triggering the burden of the contribution for the year 2023;
- Article 15-bis of Law no. 25 dated 28 March 2022 (conversion of Decree-Law no. 4 of 27 January 2022 - "Support Decree-ter"), subsequently extended in duration by Decree-Law no. 115 dated 9 August 2022 - "Aid Decree-bis" (converted by Law no. 142 dated 21 September 2022). This regulatory measure, referring only to energy produced by plants not operating under the incentive regime, provided for the payment to the GSE of excess revenues from sales made at a price above the reference price, equal to Euro 58/MWh (value for plants operated by the Group) for the period between 1 February 2022 and 30 June 2023. It should be noted that this rule was the subject of an appeal to the Lombardy Regional Administrative Court (TAR) with ruling 2676/22 that had annulled ARERA's Resolution 266/2022, as well as the GSE's Technical Rules for calculating the amounts in application of the envisaged mechanism. This annulment is based on the Resolution's non-compliance with European regulations in this area. ARERA and GSE then appealed against the TAR rulings; the hearing on the merits was set by the Council of State for 5 December 2023. The case was then postponed to a date to be determined pending the decision of the EU Court of Justice. The latter has set the hearing for 6 November, which will be attended by the lawyers of the renewable energy producers affected by the measure. ARERA, GSE and the Presidency of the Council of Ministers have entered an appearance, but also the European Commission, which seems to raise some doubts on the necessity and proportionality of the Italian measure with respect to the EU regulation. Also supporting the Italian executive are the Greek and Belgian governments, which have adopted similar regulations. In the meantime, the provisions related to ARERA Resolution 266/2022 remain suspended.

Veneto Regional Law n. 24 dated 04 November 2022 - Provisions concerning concessions for large water derivations for hydroelectric use in implementation of Article 12, Legislative Decree No. 79 dated 16 March 1999 "Implementation of Directive 96/92/EC concerning common rules for the internal market in electricity".

The Veneto Region has issued the law regulating the granting of concessions for large derivations for hydroelectric use, i.e. for concessions with a nominal capacity of 3 MW or more.

The law establishes that the works intended for hydroelectric use (the so-called 'wet works') pass, at the end of the concession, to the Veneto Region, which will also define the management method (entrusting by public tender, entrusting to companies with mixed public and private capital).

In addition, Article 13 of Regional Law No. 24 establishes the amount of the fees due, starting from the year following the entry into force of this Law, by the holders of large derivation concessions, equal to a minimum of Euro 40/kW of concession power as a fixed fee and a minimum of 5% of normalised revenues as a variable fee.

Law No. 118/2022 ("Competition Law 2021"). The national legislation has introduced specifications that the procedures for awarding large derivation concessions must consider, such as:

- be based on competitive, fair and transparent parameters, taking into account the economic valorisation of rents, infrastructure improvements and rehabilitation;
- provide the incoming concessionaire with adequate compensation, within the limits of what has already been paid to the outgoing concessionaire;

- define the duration of the concession on the basis of economic benchmarks based on the size of the proposed investments;
- determine the environmental and territorial compensation measures to the territories of the municipalities affected by the presence of the works.

This Law also introduced the obligation for the Regions and Autonomous Provinces to initiate the procedures for the assignment of large derivation concessions by 31 December 2023, while extending the deadline for the continuation of concessions that had already expired before the assignment to 27 August 2025, compared to the date of 31 December 2024 previously in force.

The Group holds a large derivation concession that has expired as of today.

Lombardy Region Decree N. 2153 dated 8 April 2024 - with this decree the amount of the fixed component of the state fee for the use of public water pertaining to the year 2024 is updated to 64.05 Euro /KW, to be applied on the concession power, following an update based on the change in the ISTAT index relating to the industrial price for the production, transport and distribution of electricity. This component is lower than the Euro 93.37/KW in force for the year 2023, as a result of the reduction in the price of energy in the year 2023 compared to the year 2022. In fact, the ISTAT figure refers to the previous year with respect to the accrual of the state fee.

Efficiency and energy-saving obligations

Article 16(4) of the Letta Decree states that natural gas distribution companies must pursue energy saving objectives and the development of renewable sources.

The definition of the national quantitative targets and the principles for evaluating the results obtained was delegated to the Ministry of Economic Development, in agreement with the Ministry of the Environment and Land Protection, which issued the Ministerial Decree of 20 July 2004.

With the Decree dated 21 December 2007, the Ministry of Economic Development revised and updated the Decree dated 20 July 2004 in the following points:

- targets for the years 2008 and 2009 were revised, in light of the oversupply of energy efficiency certificates on the market;
- targets were defined for the three-year period 2010-2012, taking into account the energy consumption reduction target of 10.86 MTEP set by the action plan to 2016;
- energy efficiency and energy saving obligations were extended for each year after 2007 to distributors who, on 31 December of two years prior to each year of obligation, have more than 50,000 end customers connected to their distribution network.

The achievement of energy savings is certified through the award of energy efficiency certificates, the so-called White Certificates. In order to fulfil their obligations under the Decree dated 20 July 2004, supplemented by the Decree dated 21 December 2007, and thus be awarded White Certificates, distributors may:

- carry out interventions to improve the energy efficiency of the technologies installed or the way they are used;
- purchase White Certificates directly from third parties, either through bilateral trading or by trading on a special market set up at the Electricity Market Operator (GME).

The Decree dated 28 December 2012 defined the annual primary energy savings targets in the period 2013-2016 for obligated distributors and established a minimum quantity of bonds to be delivered upon reaching the natural expiry date of the regulatory year equal to 50% of its annual obligation for the years 2013-2014 (to be offset in the following two-year period in order not to incur penalties) and equal to 60% for the two-year period 2015-2016; again with the possibility of offsetting in the following two-year period in order not to incur penalties.

Furthermore, the Decree dated 28 December 2012, implemented the provisions of Decree 28/2011 whereby the management, evaluation and certification of savings related to energy efficiency projects conducted under the white certificates mechanism are transferred to the Power Services Operator (GSE-Gestore dei Servizi Energetici).

The Decree has also extended the possibility of submitting projects for white certificates to parties other than distribution companies and Energy Saving Companies (so-called ESCOs).

The Decree of 11 January 2017 (OJ No. 78, 3-4-2017) determined the national energy savings targets for obligated distributors in the period 2017-2020 and defined the new guidelines for the submission of energy efficiency projects, modifying the previous mechanism by eliminating the 'tau' coefficient, standardised sheets, and extending the life of projects.

The Ministerial Decree of 10 May 2018 modified the mechanism for valuing the contribution recognised to obligated parties for the cancellation of securities by introducing a cap of 250 Euro/TEE as the maximum reimbursement. In addition, given the scarcity of securities compared to demand, the short certificate was introduced, i.e. a security issued by the GSE at the request of the obligated distributor that has at least 30% of the securities of the current target in its portfolio. The short certificate could cost up to a maximum of Euro 15/TEE and could eventually be redeemed the following year by the distributor.

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

The Ministerial Decree dated 21 May 2021 sanctioned the national targets for the period 2021-2024, with substantially reduced targets compared to the previous four-year period, as well as modified downwards the 2020 target for gas distributors from 3.17 to 1.57 million white certificates.

The companies of the Ap Reti Gas S.p.A. Group, Ap Reti Gas Vicenza S.p.A., Edigas Distribuzione S.p.A. and AP Reti Gas Nord Est Srl, subject to the obligations defined by the Decrees dated 21 May 2021 and 11 January 2017 are required to comply with the energy saving targets determined annually by the GSE.

The GSE is responsible for verifying that each distributor holds the energy efficiency certificates corresponding to the annual target assigned (increased by any additional quotas for offsets or updated following the introduction of new national quantitative targets) and for informing the Ministry of Economic Development, the Ministry of the Environment and Territorial Protection, and the Electricity Market Operator of the certificates received and the results of the verifications.

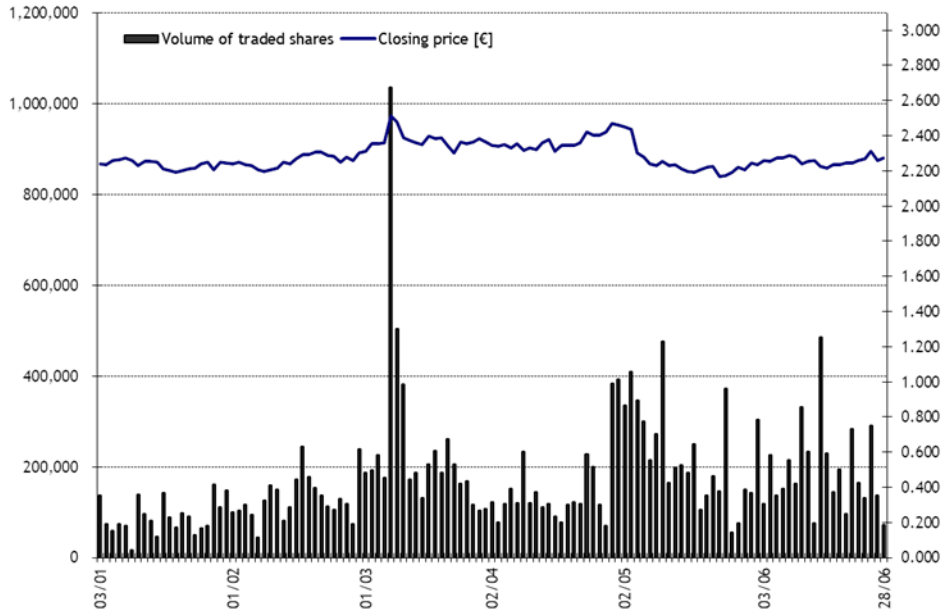
If a distributor fails to meet the set target, it may be subject to an administrative penalty imposed by the Authority for Electricity, Gas and the Water System, in implementation of Law No. 481 dated 14 November 1995 and the indications of the Decree dated 28 December 2012.

For more information on energy efficiency and energy saving for Group companies, please refer to the section on 'Energy Efficiency and Energy Saving'.

Ascopiave S.p.A. share price trend on the Stock Market

As dated 28 June 2024, the Ascopiave share price was quoted at Euro 2.275 per share, an increase of 1.6 percentage points compared to the price at the beginning of 2024 (Euro 2.240 per share, referring to 3 January 2024).

Market capitalisation as at 23 July 2024 was Euro 563.76 million¹ (Euro 527.43 million² as at 29 December 2023).



During the first half of the financial year 2024, the share price showed an improved performance (+1.6%). During the same period, the FTSE Italia All Share and FTSE Italia Star indices showed an increase of 9.9% and 2.3%, respectively, while the FTSE Italia Utente (All Share Utilities) sector index recorded a decrease of 2.1%.

The following table highlights the main share and stock market data as at 28 June 2024:

Share and stock-exchange data	28.06.2024	29.12.2023
Earning per share (Euro)	0.08	0.17
Net equity per share (Euro)	3.84	3.91
Placement price (Euro)	1.800	1.800
Closing price (Euro)	2.275	2.250
Maximum annual price (Euro)	2.515	2.910
Minimum annual price (Euro)	2.170	1.948
Stock-exchange capitalization (Million of Euro)	533.29	527.43
No. of shares in circulation	216,718,765	216,709,997
No. of shares in share capital	234,411,575	234,411,575
No. of own share in portfolio	17,692,810	17,701,578

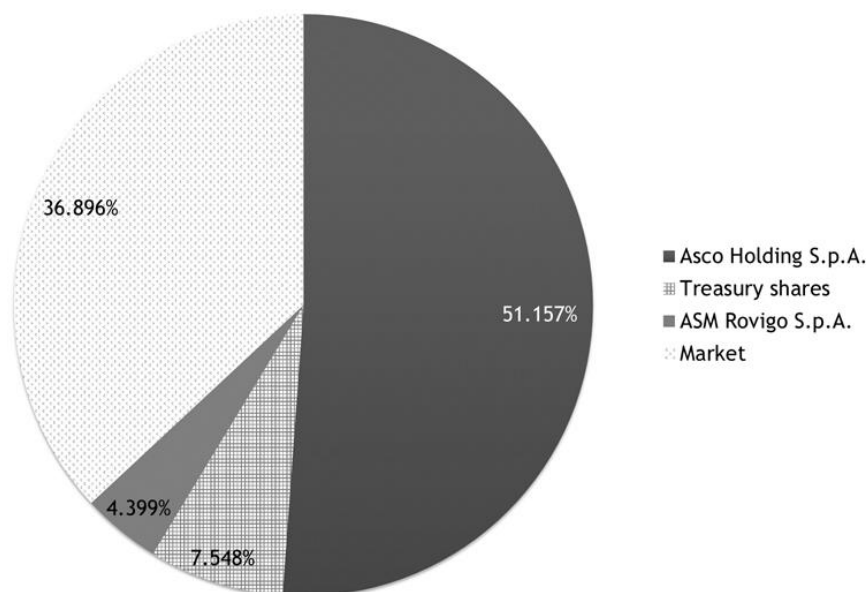
¹ The stock market capitalisation of the main listed companies active in the local public services sector (A2A, Acea, Acinque, Hera and Iren) on 23 July 2024 was Euro 17.6 billion. Official data taken from the Borsa Italiana website (www.borsaitaliana.it).

² Internal processing.

Control of the company

As of 30 June 2024, Asco Holding S.p.A. directly controlled the majority of Ascopiave S.p.A. capital.

Ascopiave S.p.A. is included in the updated list of "Small and Medium Enterprises" (SMEs) pursuant to Article 1, paragraph 1, lett. w-quater. 1), Legislative Decree No. 58/1998 (TUF), published on Consob's institutional website, as per Consob Determination No. 105 of 22 May 2024. Therefore, pursuant to Article 120 of the Consolidated Law on Finance, the following chart shows the relevant shareholders of Ascopiave S.p.A. that hold a stake in the voting capital greater than 5%.



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 half 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 Ascopiave S.p.A.'s Organisational, Management and Control Model 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 Supervisory Board's activity, 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.

Furthermore, it should be noted that during the first half of 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 companies of the Group, 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 which produce the following types of operating costs:

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

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

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

During the first half 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.

With regard to the individual reports, please refer to the explanatory notes of this report.

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

(Thousands of Euro)	30.06,2024				Revenues			Costs		
	Trade receivables	Other receivables	Trade payables	Other payables	Goods	Services	Other	Goods	Services	Other
Asco Holding S.p.A.	99	174	33	0	0	99	0	0	33	0
Total parent company	99	174	33	0	0	99	0	0	33	0
Bim Piave Nuove Energie S.r.l.	160	0	9	0	0	160	0	0	9	0
Total affiliated companies	160	0	9	0	0	160	0	0	9	0
ASM Set S.r.l.	320	0	0	0	0	1,300	0	0	0	0
Etra Energia S.r.l.	34	0	0	0	0	87	0	0	0	0
Estenergy S.p.A.	9,925	0	0	0	0	28,130	0	0	0	0
Total subsidiary companies	10,279	0	0	0	0	29,518	0	0	0	0
Total	10,538	174	42	0	0	29,776	0	0	42	0

Significant events during the first half of the financial year 2024

Early termination of Prelios financing

In January 2024, the subsidiary Asco EG extinguished the loan signed with Prelios ahead of schedule. 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.

Ordinary Shareholders' Meeting dated 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 and compensation policy prepared pursuant to Article 123-ter of 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 drawn up 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 dated 18 April 2023, for the portion not executed.

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

Approval of the Sustainability Report 2023

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 dated 12 April 2024, following the positive opinion of the Sustainability Committee.

Allocation of treasury shares to beneficiaries of the LTI 2021 - 2023 Share-based Long-Term Incentive Plan

During the month of May 2024, Ascopiave S.p.A. assigned no. 93,072 treasury shares to the beneficiaries of the LTI 2021-2023 long-term share-based incentive plan. This information was disclosed to the public on 7 June 2024 pursuant to Annex 3F of the Issuers' Regulations adopted by Consob resolution no. 11971 dated 14 May 1999, as amended and supplemented, in accordance with the timeframe and procedures provided for by applicable regulations.

Disclosure of the total amount of voting rights pursuant to Article 85-bis, paragraph 4-bis, of Consob Regulation 11971 dated 14 May 1999

On 7 June 2024, Ascopiave S.p.A. announced that the increased voting right for 1,007,997 ordinary shares of the Company had become effective, pursuant to Article 127-quinquies of Legislative Decree No. 98/1998 and Article 6 of Ascopiave's Articles of Association. Therefore, on that date, the total number of Ascopiave ordinary shares with increased voting rights was 160,973,482.

Launch of the share buy-back plan

On 26 June 2024, Ascopiave S.p.A. announced that, pursuant to and for the purposes of Article 144-bis of Consob Regulation No. 11971/1999 ("Issuers' Regulation"), as amended, as well as Article 2 paragraph 1 of Delegated Regulation (EU) 2016/1052 ("EU Regulation 1052"), the plan for the purchase of treasury shares ("Plan") has been initiated availing itself of the "safe harbour" exemption under Article 5 of EU Regulation no. 596/2014 ("MAR Regulation"), giving a specific mandate to the authorised intermediary Equita SIM S.p.A. Ascopiave communicated that the Plan - initiated in execution of the resolution passed by the Ordinary Shareholders' Meeting of Ascopiave on 18 April 2024, which authorised, inter alia, the purchase of treasury shares, for the duration of 18 months, subject to revocation of the previous authorisation granted by the Shareholders' Meeting dated 18 April 2023, for the portion not executed - is being executed through the authorised intermediary Equita SIM S.p.A. for the purpose of favouring the regular course of trading and prices, (against distorting phenomena linked to excessive volatility and/or poor trading liquidity), in compliance with the provisions of the MAR Regulation and the relevant EU and national implementing regulations, as well as the applicable pro tempore admissible market practice, as established by the competent supervisory authorities in accordance with Article 13 of the MAR Regulation. As of 26 June 2024, the Company held 17,608,506 treasury shares. It was specified that the execution of the Plan is coordinated exclusively by Equita SIM S.p.A., as an authorised intermediary that carries out the purchases in full independence and in compliance with the constraints of the applicable regulations, as well as within the limits of the resolutions adopted by the corporate bodies. It was also notified that the purchase transactions carried out are subject to market disclosure in accordance with the terms and procedures set forth in the applicable regulations in force. Any subsequent changes to the aforesaid Plan will be promptly communicated by the Company.

Other important events

Natural gas distribution

The Ascopiave Group manages concessions for the gas distribution service through the companies AP Reti Gas S.p.A., AP Reti Gas Vicenza S.p.A., AP Reti Gas Rovigo S.r.l., Edigas Esercizio Distribuzione Gas S.p.A., AP Reti Gas Nord Est S.r.l., Romeo Gas S.p.A. and Serenissima Gas S.p.A., in a total of 301 municipalities, distributed in Veneto, Friuli-Venezia Giulia, Lombardy, Emilia-Romagna and Piedmont.

Below is a table summarising the figures for the group's gas distribution business in the first half of 2024 and a comparison with those for the first half of 2023:

	First half	
	2024	2023
Volumes of gas distributed (mln/m ³)	816	813
Length of distribution network in operation (Km)	14,713	14,662
Total new networks laid / replaced (Km)	30	40
Total active meters (no.)	871,681	874.497 ⁽³⁾
Total smart meters G4/G6 (no.)	790,385	743,199
Average time of arrival on site (minutes)	35.71	39.37

All safety indicators (arrival time at the call location for emergency response, scheduled network inspection and odour level measurements) and continuity indicators (service interruptions) were effectively kept under control, in full compliance with the service obligations set by ARERA.

The following table summarises compliance with the specific standards for services subject to commercial quality.

	First half	
	2024	2023
Adherence to the time set for the performance of services subject to specific commercial quality standards	99.43%	99.39%

During the first six months of the year, the company's emergency response structure, which operates 24 hours a day every day of the year and can be activated via the company's dedicated toll-free numbers, carried out 4628 interventions, with an average arrival time at the call location of 35.71 minutes, far less than the 60 minutes required by the Authority's standards.

In addition, continuous monitoring of the correct gas odourisation was carried out, with a number of controls well above the Authority's requirements.

All schedules and deadlines for plant operation and maintenance activities were met and were carried out almost exclusively through the use of in-house personnel.

The process of streamlining the organisational structure, aimed at optimising the use of resources and the synergy between the group's distribution companies, continued during the first half of the year, pursuing improvements in all administrative, technical, process control and human resources management activities, and seeking to optimise the use of resources, internalising activities and increasing the possibility of making investments.

In particular, activities continued to pursue the improvement of the energy efficiency of the REMI cabins by optimising the pre-heating system with various technological solutions such as heat pumps, photovoltaics and solar thermal energy. This initiative resulted in high energy savings by reducing the gas needed for the pre-heating system.

The company has also expanded its use of innovative CRDS (Cavity Ring-Down Spectroscopy) technology for preventive pipeline monitoring and leak detection.

This technology, thanks to a series of apparatuses, sensors and devices installed on an equipped vehicle, combined with the use of sophisticated analysis software, allows a sensitivity of detecting the presence of gas in the air that is at least three orders of magnitude higher than that of traditional technologies.

Stipulation of a proposed agreement 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 'contractual' 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 benchmarks for determining the V.I.R. of plants and that could therefore supplement the contractual clauses, which were not infrequently 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 clear 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 benchmarks to be applied in calculating the Residual Industrial Value of gas distribution plants.

The relative negotiated procedure, conducted with the benchmark 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 Benchmarks 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, the following amounts were disbursed:

- 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.

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 2023 target was met in the May 2024 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 half of the year with respect to the financial year 2024, at the closing date of this financial report, the securities not yet delivered amounted to 78,066.

The goal is to complete the 2022 target in the November 2024 session and to deliver the minimum share of the 2024 target in the May 2025 session.

Litigations

DISPUTES ON PLANT VALUE - CIVIL JURISDICTION

As at 30 June 2024, there were no pending litigations.

PLANT VALUE DISPUTES - ARBITRATIONS

As at 30 June 2024, there were no pending litigations.

ADMINISTRATIVE / CIVIL LITIGATION - RELATING TO CONCESSIONS

As at 30 June 2024, the following litigations are pending:

MUNICIPALITY OF SOVIZZO

A civil suit commenced 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 dated 12 December 2023, the Venice Court of Appeal rejected AP Reti Gas's case, upholding the first instance ruling.

The company paid the amount claimed, but has also filed an appeal in the Supreme Court.

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 benchmark, 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 benchmarks, 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 (again upon the Ambito S.A.'s request) forwarded a further GC Resolution (No. 3/2022) with which it approved another estimate (again at 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.

Likewise, 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 benchmarks 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 Tribunal set a hearing pursuant to Article 72 bis CPA (simplified judgement) for 22 May 2024, then postponed to 19 November.

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 stipulates that AP Reti Gas:

1. pays the all-inclusive sum of Euro 35,000, plus VAT, for the past;
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 pending litigation was abandoned and from the next report the case will no longer be included in the pending litigation.

ADMINISTRATIVE DISPUTES - NOT RELATING TO CONCESSIONS

As at 30 June 2024, the following litigations are pending:

ANAC DELIBERE 214 and 215 year 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.

By Ruling 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 on 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 DELIBERATION ARG/GAS 570/2019 and DELIBERATION 117/2021/R/gas (and 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, with Sentence No. 1517 of 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). The appeal was, however, abandoned by Italgas on 16 February 2022, due to a supervening lack of interest.

Similarly, the judgement of compliance was closed by the Decree of 10 June 2024, which declared that the appeal was inadmissible due to lack of interest.

Both measures were notified to AP Reti Gas, as a mere counter-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.

In the next report, those judgments related, by subject matter, to the main action will no longer be mentioned.

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 Comunità Montana di Valle Trompia forfeited the hydroelectric concession issued by the Province of Brescia with its own executive determination no. 3099 of 3 August 2010 and the single authorisation pursuant to Article 12 of 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 Comunità Montana di Valle Trompia is not necessary for the transfer of the two aforementioned measures to the company Morina S.r.l. alone.

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

At present, there are no further 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 TAR ordered the suspension of the trial.

In the context of the issues involved in the litigation, it should be noted that, with Sentence no. 111/2024, filed on 27 June 2024, the Constitutional Court declared the constitutional illegitimacy of Article 37, paragraph 3, of Decree-Law

no. 21/2022, in the part in which it includes excise duties in the basis for calculating the extraordinary contribution. The impact of the ruling with respect to the lawsuit filed by Asco EG is currently being assessed.

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.

The European Court of Justice set the hearing for 11 July 2024 on the question of the compatibility of Article 15a of DL 4/2022 with EU Regulation 2022/1854. The hearing was then postponed to 6 November 2024.

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

A court case filed in Tribunale Superiore Delle Acque Pubbliche (R.G. 136/2023), brought by Asco EG S.p.A. on 16 June 2023, against Regione Lombardia, 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 dated 8 April 2020, as amended and supplemented", published in Boll. Uff. Regione Lombardia, 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 inflation rate was adjusted and consequently the amount of the fee charged.

The first hearing took place on 17 April 2024.

In the meantime, the request for payment of the 2024 fee was received. Consideration for a possible further appeal with additional grounds is ongoing.

The company will still pay the claimed fees (2023 and 2024) in the amount due, but will accompany the payment with a notice of non acquiescence, i.e. of the continuation of the dispute, therefore of the litigation, in place.

The next hearing is scheduled for 18 September 2024.

CHALLENGE RELATING TO THE TENDER FOR THE REASSIGNMENT OF THE 'CODERA RATTI-DONGO' LARGE HYDROELECTRIC DERIVATION CONCESSION

A case before the Superior Court of Public Waters, brought by Asco EG S.p.A., with an appeal dated 21/06/2024, against the Region of Lombardy, for the annulment of the tender documents relating to the re-assignment of the "Codera Ratti-Dongo" large hydroelectric derivation concession, with a request for suspension of the procedure.

The company objected to two clauses (considered to be exclusionary): the first related to one of the requirements (plant management with power greater than 10 MW) that appears to be out of line with the characteristics of the plants subject to the tender, and the second concerning the introduction of the condition under which, in order to enter into the contract, the successful bidder would have to waive all disputes concerning state fees outstanding with the Lombardy Region.

The Superior Court has set the hearing for 4 September. At the same hearing, the appeals filed by other operators (A2A and Edison) will also be dealt with.

With respect to the request for a suspension, a ruling is pending, which is expected shortly, hopefully by July.

CIVIL LITIGATION - NOT RELATED TO CONCESSIONS

As at 30 June 2024, the following litigations 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 - CPL), 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 of 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 indemnity, and ordered CPL to pay the costs of the litigation. The outcome of the Court, 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.

The Judge set deadlines for the filing of closing statements and rebuttal briefs for 17 June 2024 and 8 July 2024, respectively.

CLAIM FOR COMPENSATION OF FORMER ADMINISTRATOR

A lawsuit, c/o the Court of Enterprises of Venice, brought by a member of the Board of Directors of Eusebio Energia, with an appeal pursuant to Article 281 undecies of the Code of Civil Procedure, in which he, deeming unlawful the manner in which he was terminated from office, sued Asco EG, as assignee of Eusebio Energia, for recognition of the loss of earnings for the period from 01/01/2014 to 30/06/2016, quantified in Euro 500,000, plus CP and VAT.

The Company intends to contest the claim and will consequently enter an appearance in court. The hearing for the discussion of the appeal is set for 18 September 2024.

PROVINCE OF VERBANO CUSIO OSSOLA (Appeal against Injunction Order)

A civil action 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 Provincia on 10 January 2023, prot. no. 299, Rep. no. 1/2023, by which the Ente is claiming 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 Province of Verbano Cusio Ossola, prot. no. 299, dated 10 January 2023, Rep. no. 1/2023 against (among others) Sangineto Energie. It then adjourned the discussion and decision to the hearing on 9 July 2024, which was then further adjourned to 8 October 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 Ill. Judge, regarding the status of Sant'Anna S.r.l. status as owner of the site affected by the construction of the hydroelectric plant and the relative 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 unfounded nature 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.

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

On 27 April 2023, certain 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 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 valid 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.

During the first half of the year, a settlement agreement was also signed between the other Group companies and Efficient building S.p.A. itself, reiterating what had already been signed by AP Reti Gas Nord Est S.r.l., integrating, among the sums to be reimbursed, part of the nominal value of the tax credit not subject to seizure, but prudentially not used for offsetting purposes (Euro 300 thousand). For the remaining portion, a loss on receivables was consequently recognised. On 29 July 2024, payments of the agreed amounts were arranged with an execution date of 31 July 2024. As of the date of publication of this financial report, we are waiting for the collections to be accounted. As a result, the trial was abandoned and from the next report, the case will no longer be included in active litigation.

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 40.2 a) of the 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 retrieval 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 gas smc/year), the commencement of emergency legal actions.

Currently, they are:

- 9 files filed (hearings already scheduled and/or already under consideration);
- 11 files under enforcement;
- 1 file with critical procedural issues (e.g. with appeal and/or complaint rejected);
- 7 files under management (for which the 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 actions.

It should be noted that any economic and/or equity impact of existing litigation has been recognised in the accounts if the results of the analysis reveal the likelihood of the event.

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 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 Agenzia delle Entrate of the 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 dated 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 Venice Regional Tax Commission; 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, sentencing it to pay the costs of the litigation and the flat-rate reimbursement of general expenses.

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 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 acts. On 27 October 2022, the Agenzia delle Entrate filed an appeal, which was discussed on 12 July 2024.

Lastly, 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 judgment no. 315/2023 in which it accepted the appeal, condemning the Inland Revenue to pay the litigation costs and the flat-rate reimbursement of general expenses.

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 of 19 January 2011, which identified the Ambiti Territoriali Minimi (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 dated 18 December 2011, which identified the municipalities that are part of each Ambit.

Also of fundamental interest is Decree 226 dated 12 November 2011 (the so-called Benchmarks Decree), containing the regulation concerning the tender benchmarks 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 benchmarks 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 Benchmarks and Application Modalities for the Evaluation of the Reimbursement Value of Natural Gas Distribution Facilities" called to define the benchmarks 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 Law Decree 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 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" (Amendments 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 VRs, the VIR-RAB deviation, and the overall contents of the call for tenders and its annexes. Moreover, most of the tenders deviated, even significantly, from the tender evaluation benchmarks.

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 benchmarks 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-benchmarks).

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 systemicity 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 half of the financial year 2024

Information on the purchase of own shares

Ascopiave announced that, within the scope of the authorisation to purchase treasury shares resolved by the Shareholders' Meeting dated 18 April 2024, in the period between 26 June 2024 and 19 July 2024 it purchased 365,213 ordinary shares on the electronic share market at an average unit price of Euro 2.3419, for a total countervalue of Euro 855,281.87.

The purchases were made through EQUITA SIM S.p.A., as the intermediary appointed to execute, in full independence, the treasury share purchase programme on behalf of the Company.

As a result of the purchases made, Ascopiave holds 17,973,719 treasury shares, equal to 7.6676%, for the above countervalue.

Disclosure of the total amount of voting rights pursuant to Article 85-bis, paragraph 4-bis, of Consob Regulation 11971 dated 14 May 1999

On 5 July 2024, Ascopiave S.p.A. announced that the increased voting right for 453,226 ordinary shares of the Company had become effective, pursuant to Article 127-*quinquies* of Legislative Decree 98/1998 and Article 6 of Ascopiave's Articles of Association. Therefore, the total number of Ascopiave ordinary shares with increased voting rights is 161,426,708. Please note that Article 6 of Ascopiave's bylaws provides that each share held by the same shareholder for a continuous period of at least twenty-four months from the date of its registration in the Special List established pursuant to Article 6.8 of the bylaws (the "Special List") shall be attributed two votes.

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.

Treasury shares

Pursuant to Article 40 of Legislative Decree 127, paragraph 2 d), it is acknowledged that as of 30 June 2024, the company held 17,692,810 treasury shares for a value of Euro 55,324 thousand, which were recognised 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 involved 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.

It should be noted that some concessions held by the company Serenissima Gas are terminated with effect from 1 April 2023, following the award of the relevant tender (Udine 2) to another operator.

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.

With regard to 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 energy price containment ceased.

Expected production in 2024 will benefit from the commissioning of the 21.6 MW wind power plant, recently completed by 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.

Inflationary trends and interest rates

The first half of the year was characterised by the factors generated in previous years. In fact, the inflationary spiral that had already begun in 2021 was revived in 2022 due to misalignments generated between supply and demand when the pandemic began to fade. The onset of the Russian-Ukrainian conflict, which is still ongoing, had significantly influenced the trend in energy commodity prices, reinvigorating the already growing inflationary trend. The increase in natural gas prices in fact influenced the prices of the raw material energy, the effects of which were rapidly transferred to the other consumer goods that, for manufacturing or transporting them, require energy consumption. In particular, among the most sensitive to commodity trends were foodstuffs, a sector already partly affected by the contraction of Ukrainian production and reduced Russian exports.

During the year 2022, the Federal Reserve and the European Central Bank, like the other central banks of the world, started a process of raising interest rates in order to curb the race of inflation and, at the same time, try to avert an excessively violent slowdown that would lead to a recession in their respective countries. The inflationary trend showed a significant deceleration compared to the previous year, but still showed significant growth rates.

The countermeasures put in place by the central banks and governing bodies started to show appreciable effects already in the course of the financial year 2023, at the end of which, inflation stood at 5.7 per cent, showing a significant decline from the previous year.

The ECB gradually increased the reference rate until it reached a plateau of 4.5%. The interest rate was essentially confirmed again recently, postponing possible downward, or upward, corrections to the next meeting in September.

During the first half of the year, Istat recorded an inflation trend of 0.8 per cent year-on-year, showing a continuation of the downward trend in the national consumer price index.

The Group's management continues to monitor, through the use of external indicators and internally developed values, the impacts in terms of performance so as to be able to intervene with any corrective measures aimed at mitigating the effects that might be reflected in the performance of the business.

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 associated with 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 30 June 2024, the Ascopiave Group held 301 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 of 19 January 2011 and 18 October 2011, and in accordance with the deadlines indicated in Annex 1 to the Ministerial Decree on the benchmarks for tenders and evaluation of bids, issued on 12 November 2011, as subsequently amended.

As the tenders progress, the Group may or may not be awarded one or more of the new concessions on less favourable terms than the current ones, with possible negative impacts 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 what is established in the agreements and contracts and, for what cannot be deduced from the will of the parties as well as for aspects not governed by the same agreements or contracts, based on the guidelines on benchmarks and operating methods for the evaluation of the reimbursement value referred to in Article 4, paragraph 6, of Decree-Law No. 69 dated 21 June 2013, converted, with amendments, by Law No. 98 dated 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.

The Decree of the Minister of Economic Development No. 266 dated 12 November 2011 states 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 benchmarks 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 on the basis of 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 benchmark 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 benchmark 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.

The Group monitors regulatory developments, also with the support of external professionals, and has an organisational structure dedicated to the topic of scope tenders.

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 the end of the first half of the year amounted to approximately 1.9% (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 for managing, controlling and reporting Financial Risks. Financial planning is carried out on an annual time horizon and is performed at least on a weekly basis, sometimes with mid-week updates.

OPERATIONAL RISKS

Ascopiave oversees the company's processes and activities with respect for the health and safety of workers, 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, give rise to risks of infrastructure malfunctioning up to and including 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 CRDS (Cavity Ring-Down Spectroscopy) 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.

All users of information systems regularly benefit from specific training on cyber risks, common vulnerabilities, phishing and spam, delivered via a digital platform.

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 actions to increase the security of the managed systems.

Risks associated with energy efficiency certificates

Article 16.4 of 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 (Energy and Environmental Services Fund) financed 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. To guard against this risk, the group has set up a structure dedicated to managing the activities and monitoring the relevant regulations.

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 over 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 benchmarks 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 entail 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 carried out taking as 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 set up 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 for sustainable success and is oriented towards the objective 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 the 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

Research and Development

Information systems

During the period, work continued on perfecting the work management process for all the Group's Distribution companies, a project that in recent years has entailed modifying the processes of budgeting, awarding, work reporting and the creation of new assets, understood as new realisations and extraordinary maintenance of the gas networks, introducing significant automation to make the entire management of activities more effective and efficient. The objectives were pursued by integrating the main software and, in particular, the RetiNext software that supports user management processes, the Hexagon EAM software that supports maintenance processes, the Geocall WFM that has also been extended for the work assignment part, and the SAP accounting system. The solution was then enriched with a construction site management module, designed for the monitoring, verification and validation of construction site activities assigned to external contractors. This application allows the client and the contractor to interact in real time, optimising the control and validation activities of the works.

Testing of a new system to support the definition of the technical budget for works to be carried out on gas distribution networks began during the semester. The system will also make it possible to manage the entire process of requesting and managing work permits.

The new process (involving data and information managed by Retinext, Geocall and the SAP accounting system) implemented for the management of meters (larger than G6) uninstalled for metrological verifications and then reinstalled at other redelivery points is currently being tested.

During the period, the project to implement the transition to Utility Network for the mapping system used for the Gas Distribution and Integrated Water System services continued. The project, which began at the end of 2023 and is being carried out over a time horizon of about 26 months, represents a major evolution of the mapping system and will allow a complete re-engineering of the related processes.

Activities continued on the pilot project of a software capable of simulating the fluid-dynamic behaviour of networks in real time. The project, which is currently operational on a part of the network in on-demand mode, has the objectives of enabling the monitoring of networks and plants in real time, the validation of fluid-dynamic models by means of calibration graphs, and the profiling of consumption of the main utilities.

Work continued on the development and expansion of the remote control system for monitoring pressures upstream and downstream of the GRFs, installing the relevant peripherals.

As part of investments in digital innovation, the RPA (Robotic Process Automation) technology experimentation project continued, with the aim of automating and simplifying some IT processes that required repetitive and low added-value activities from users. The project allowed the automation of a series of processes such as those related to the sending of SM1 (suspension for delinquency), A02 (activation of supply following suspension for potential danger) and IGMG (readings on meter change activities) flows, the WKR coefficient acquisition process, and the photo-label acquisition process.

The implementation of a project to renew the production system for operational reporting continued, automating and simplifying its production and usability. Integrations between the different feeding systems and the production of the main operational reporting (investments, hours worked, operational activities performed, installation of reduction units, etc.) were carried out.

Activities also continued during the period to enable the necessary adjustments and changes to systems to meet regulatory updates and internal process improvement requirements.

In cooperation with the Group's HR and Risk Manager structures, the two-year Security Awareness cycle for users of the Group's information systems continued, with training, phishing and other types of tests (USB tests). The project always pursues the objective of raising the level of attention to cybersecurity risks by information system users.

On the infrastructure side, the project to upgrade all corporate PCs to Windows 11 is being developed, as Microsoft's support for Windows 10 is scheduled to end in Q4 2025. This project will require the replacement of PCs that have HW that is not compatible with the new operating system version.

During the first half of 2024, a project began to upgrade technology and rationalise production virtualisation hardware platforms to remain in the compatibility matrix with new versions of virtualisation SW.

In addition to the Security Awareness training already described, actions to improve cyber security continued during 2024.

In this case:

- Segregation of data centre networks (vlan) by domains of relevance, so as to 'limit' cyber risks to the specific domain by eliminating the possibility of 'lateral movements';
- Segregation of AD through 'tiering' in order to limit privilege escalation with the use of administrative credentials segregated to the relevant 'tier' only;
- Activation of a process, through a tender, for the execution of VA (Vulnerability Assessment) and PT (Penetration test) by an external company, in order to detect critical issues on the systems that need to be remedied. This process will make it possible to validate and consolidate the activities, carried out through the always active internal system, of verification and recognition of VA in the architectures;
- Deactivation of obsolete TLS versions on all platforms in use. This project, which began about 24 months ago, came to an end after lengthy iterations with external suppliers who, in a large number of cases, had to make changes to the software to incorporate this security setting. Only six systems are currently excluded from this approach, for which they will be replaced/discontinued or specific mitigating actions will be introduced;
- Multi-factor authentication (MFA) was activated for external consultants' access to corporate IT resources. This requirement is very important for the proper management of supply-chain cyber risks.

On the corporate software side, the SAP (corporate ERP) HW change project, started in 2023, was completed in the first half of 2024. In Q2, the project to digitise the Purchase Requests authorisation process by integrating SAP with DocsWeb, a workflow and digital signature management tool, purchased in 2023, was started; the project will be completed by Q3 2024.

During 2024, the company equipped itself with a cloud-based tool for managing the Board Meetings and institutional meetings, XDataNet, which is currently being used by the Corporate Affairs department.

Structural improvements were made to the company's intranet area, the Silos payables flow management software; the re-engineering of the software used for optical filing, tax management of assets and the management of the 'Work with us' section of the corporate website is in the planning stage.

Human Resources

As at 30 June 2024, the Ascopiave Group had 495 employees, distributed among the various companies as shown below:

Companies	30.06.2024	30.06.2023	Variation
Ascopiave S.p.A.	73	79	-6
AP Reti Gas S.p.A.	193	188	5
AP Reti Gas Rovigo S.r.l.	15	14	1
Edigas Esercizio Distribuzione Gas S.p.A.	52	53	-1
AP Reti Gas Vicenza S.p.A.	32	34	-2
AP Reti Gas Nord Est S.p.A.	87	91	-4
Cart Acqua S.r.l.	3	3	0
Romeo Gas S.p.A.	8	12	-4
Serenissima Gas S.p.A.	22	23	-1
Asco EG S.p.A.	10	11	-1
Total Group	495	508	-13

Compared to 30 June 2023, the Ascopiave Group's workforce decreased by 13 employees; the changes are attributable to the following companies:

- ✓ Ascopiave: -6 employees, due to 6 terminations;
- ✓ AP Reti Gas: +5 employees, due to 15 hirings and 10 terminations;
- ✓ AP Reti Gas Rovigo: +1 employee, due to 2 hirings and 1 termination;
- ✓ Edigas Esercizio Distribuzione Gas: -1 employee, due to 8 hirings and 9 terminations;
- ✓ AP Reti Gas Vicenza: -2 employees, due to 2 hirings and 4 terminations;
- ✓ AP Reti Gas Nord Est: -4 employees, due to 8 hirings and 12 terminations;
- ✓ Romeo Gas: -4 employees, due to 2 hirings and 6 terminations;
- ✓ Serenissima Gas: -1 employee, due to 1 termination;
- ✓ Asco EG: -1 employee, due to 1 termination.

The table highlights the breakdown of the workforce by qualification:

Description	30.06.2024	30.06.2023	Variation
Managers	13	13	0
Office workers	307	322	-15
Manual workers	175	173	2
Total Group	495	508	-13

Seasonality of operations

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.

List of company locations

Property Locations

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

Leased Locations

Company	Intended use	Province	Municipality	Address
AP reti gas spa	AP RETI GAS Operational Headquarters of Castelfranco Via della Cooperazione, 8	TV	Castelfranco V.to	Via della Cooperazione, 8
AP reti gas spa	AP RETI GAS Operational Headquarters in Marchirolo Via Cavalier Busetti, 7H	VA	Marchirolo	Via Cavalier Busetti, 7H
AP reti gas Nord Est srl	AP RETI GAS NORD EST Operational Headquarters in Padova Via J.Corrado	PD	Padova	Via Jacopo Corrado, 1
AP reti gas Nord Est srl	Sede Operativa AP RETI GAS NORD EST di San Giorgio di Nogaro Via Ronchi, 53	UD	San Giorgio di Nogaro	Via Ronchi, 53
AP reti gas Nord Est srl	AP RETI GAS NORD EST Operational Headquarters of Udine Via del Cotonificio, 60	UD	Udine	Via del Cotonificio, 60
Ascopiave spa	Ascopiave Apartment - Mosnigo di Moriago Piazza Albertini 60/5 int 6	TV	Moriago della Battaglia	Piazza Albertini 60/5 int 6
CART-ACQUA	CART ACQUA apartment - Ing. Marchesi - Orio al Serio via Colombo 2	BG	Orio al Serio	Via Colombo, 2
Edigas spa	Sede Operativa EDIGAS di Marcaria Viale Mons. Benedini	MN	Marcaria	Viale Mons. Benedini, 28-30
Edigas spa	EDIGAS Nembro warehouse Via Lombardia, 29 - Sub. 1	BG	Nembro	Via Lombardia Sub.1
Edigas spa	EDIGAS Nembro warehouse Via Lombardia, 29 - Sub. 2	BG	Nembro	Via Lombardia Sub.2
Edigas spa	EDIGAS headquarters in Salussola via Stazione, 38	BI	Salussola	Via Stazione, 38
Romeo gas spa	ROMEO GAS Bagnaria warehouse	PC	Bagnaria	località Lazuola
Romeo gas spa	ROMEO GAS operational headquarters in Buccinasco Via Lazio, 89	MI	Buccinasco	Via Lazio 89
Romeo gas spa	ROMEO GAS operational headquarters in Marcheno	BS	Marcheno	Via Zanardelli n° 40
Romeo gas spa	ROMEO GAS operational headquarters in Marcheno Via Martiri dell'Indipendenza, 76	BS	Marcheno	Via Martiri dell'Indipendenza, 76
Romeo gas spa	ROMEO GAS operational headquarters in Varzi	PC	Varzi	Via Mazza n. 131

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

Performance Indicators

Pursuant to the provisions of Consob communication DEM 6064293 dated 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 result:** 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.
- **Tariff revenues on gas distribution activities:** 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 (Energy and Environmental Services Fund).

Management Performance - Key Operational Indicators

NATURAL GAS DISTRIBUTION	First half		Var.	Var. %
	2024	2023		
Ascopiave Group				
Number of Concessions	301	304	-3	-1.0%
Length of distribution network (Km)	14,713	14,662	52	0.4%
Total active meters (no.)	871,681	874,497	-2,816	-0.3%
Volumes of gas distributed (scm/mln)	816.0	813.5	2.5	0.3%

PRODUCTION OF ENERGY FROM RENEWABLES SOURCES	First half		Var.	Var. %
	2024	2023		
Ascopiave Group				
Number of plants	29	28	1	3.6%
Installed power (MW)	84.1	62.5	21.6	34.5%
Volumes of electricity produced (GWh)	126.5	71.2	55.3	77.6%

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 half of the year, the volumes supplied through the networks managed by Group companies amounted to 816.0 million cubic metres, an increase of 0.3% compared to the same period of the previous year.

As at 30 June 2024, the number of redelivery points (PDR) operated by Group companies was 871,681.

As of 30 June 2024, the distribution network had a length of 14,713 kilometres, a decrease of 17 kilometres compared to 31 December 2023, mainly due to the transfer, effective 1 January 2024, of certain concessions in the ownership of Romeo Gas; while, compared to 30 June 2023, the length of the network managed by the Group increased by 52 kilometres.

The 29 plants producing electricity from renewable sources, with a total installed capacity of 84.1 MW, produced 126.5 GWh in the first half of the year, showing an increase of 77.6% over 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 half of 2023, the latter being characterised by a significant drought.

Management Performance - The Group's Economic Results

(Thousands of Euro)	First half			
	2024	% of revenues	2023	% of revenues
Revenues	99,091	100.0%	83,897	100.0%
Total operating costs	50,380	50.8%	45,715	54.5%
Gross operative margin	48,711	49.2%	38,182	45.5%
Amortization and depreciation	24,998	25.2%	23,431	27.9%
Provision for risks on credits	2	0.0%	253	0.3%
Operating result	23,711	23.9%	14,498	17.3%
Financial income	3,787	3.8%	5,783	6.9%
Financial charges	7,826	7.9%	5,293	6.3%
	4,848	4.9%	794	0.9%
Evaluation of subsidiary companies with the net equity method				
Earnings before tax	24,521	24.7%	15,781	18.8%
Taxes for the period	5,993	6.0%	2,309	0.0%
Profit / (loss) of the group's period	18,527	18.7%	13,473	16.1%
Net result from transfer/disposal of assets	0	0.0%	56	0.1%
Profit / (loss) of the period	18,527	18.7%	13,529	16.1%
Group's Net Result	17,845	18.0%	12,071	14.4%
Result of the minority	683	0.7%	1,458	1.7%

Pursuant to Consob Communication No. DEM/6064293 dated 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 half of the financial year 2024, the Group realised revenues of Euro 99,091 thousand, an increase of 18.1% compared to the same period of the previous year. The following table provides a breakdown of revenues.

(Thousands of Euro)	First half	
	30.06.2024	30.06.2023
Revenues from gas transportation	69,370	60,848
Revenues from electricity sale	115	105
Revenues from connections	452	467
Revenues from heat supply	0	4
Revenues from distribution services	2,389	2,421
Revenues from general services to other companies	1,231	2,360
Revenues from ARERA contributions	8,178	7,917
Revenues from hydro-electric plants	14,998	7,635
Other revenues	2,359	2,139
Revenues	99,091	83,897

Tariff revenues on gas distribution activity (which increased from Euro 60,039 thousand to Euro 68,560 thousand) show a positive change of Euro 8,521 thousand compared to the first half 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 differential between tariff revenues and the item "gas transportation revenues" shown in the table (as of 30 June 2024 equal to 809 thousand and as of 30 June 2023 equal to 810 thousand) 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 half of the year, revenues from wind-hydroelectric power plants amounted to Euro 15,718 thousand and showed an increase of Euro 7,677 thousand compared to the same period of the previous year. The increase is mainly explained by the greater quantities of energy produced in the six-month period of reference, as well as by the lack of regulatory measures, applied for the entire year 2022 and until 30 June 2023, which provided for a price cap on part of the energy sold. The difference between the revenues commented herein 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 7,917 thousand to Euro 8,178 thousand) showed a positive change of Euro 261 thousand compared to the first half of the previous year.

Operating result for the first half of 2024 amounted to Euro 23,711 thousand, an increase of Euro 9,213 thousand (+63.5%) compared to the same period of the previous year.

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

- increase in tariff revenues on gas distribution activity for Euro 8,521 thousand;
- increase in revenues from the production of energy from renewable sources for Euro 7,677 thousand;
- higher margin on energy efficiency bonds in the amount of Euro 126 thousand;
- negative change in other cost and revenue items of Euro 7,111,000.

The negative change in other cost and revenue items, amounting to Euro 7,111 thousand, is due to

- lower revenues of Euro 1,265 thousand;
- higher costs for materials, services and other charges of Euro 5,299,000;
- lower personnel costs of Euro 768,000;
- higher depreciation on fixed assets and provisions of Euro 1,315,000.

Consolidated net profit for the first half of 2024 amounted to Euro 18,527 thousand, an increase of Euro 4,998 thousand (+36.9%) 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 9,213 thousand;
- decrease in financial income of Euro 1,996,000;
- increase in financial expenses of Euro 2,532,000;
- higher result of the companies consolidated with the net equity method for Euro 4,054 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 3,685,000;
- lower net result from assets held for sale in the amount of Euro 56,000.

The tax rate, calculated by normalising the pre-tax result of the effects of the consolidation of companies consolidated using the equity method and dividends received, increased from 32.0% in the first half of 2023 to the current 36.9%.

Operating Performance - The Financial Situation

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

(Thousands of Euro)	30.06.2024	31.12.2023
Cash and cash equivalents	27,225	52,083
Current financial assets	2,657	3,818
Current financial liabilities	(1,205)	(1,562)
Payables due to banks and financing institutions	(140,698)	(140,642)
Outstanding short-term bonds	(7,720)	(7,708)
Net short-term financial position	(119,742)	(94,011)
Non current financial assets	2,661	2,507
Non current-bank loans	(202,839)	(204,064)
Outstanding medium- and long-term bonds	(78,559)	(86,347)
Non-current financial liabilities	(7,126)	(7,448)
Net medium and long-term financial position	(285,863)	(295,352)
Net financial position	(405,605)	(389,363)

Data on the Group's cash flows are presented below:

(Thousands of Euro)	First half	
	2024	2023
Net Income	18,527	13,529
Capital losses / (capital gains)	0	(4,046)
Dividends from equity investments	(3,412)	(4,228)
Evaluation of subsidiary companies with the net equity method	(4,848)	(794)
Depreciations and amortizations	25,000	23,684
(a) Self financing	35,267	28,145
(b) Adjustments to reconcile net profit of changes in financial position generated by operating activities	(1,093)	(68,748)
(c) Change in financial position generated by operating activities = (a) + (b)	34,175	(40,603)
(d) Change in financial position generated by investing activities	(32,527)	(43,863)
(e) Other financial position changes	(17,889)	(4,246)
Net financial position changes = (c) + (d) + (e)	(16,242)	(88,712)

The cash flow generated by operations (c), amounting to Euro 34.175 thousand (+), was determined by self-financing in the amount of Euro 35,267 thousand (+) and other negative financial changes in the amount of Euro 1.093 thousand (-), related to net working capital management.

The management of net working capital, which committed financial resources for Euro 1.093 thousand (-), was influenced by the change in net operating working capital, which absorbed financial resources for Euro 25.556 thousand (-), by the positive change in the position with the tax authorities for the accrual of IRES and IRAP taxes for Euro 4,814 thousand (+) and by the positive change in the VAT position for Euro 18,558 thousand (+).

The following table highlights the changes in net working capital that occurred in the first half of the year:

(Thousands of Euro)	First half	
	2024	2023
Inventories	(481)	(2,772)
Trade receivables and payables	(19,572)	(113,338)
Operating receivables and payables	(5,502)	67,120
Impairment of assets	1,339	1,562
Severance pay and other funds	(1,437)	196
Change in equity investments in subsidiaries companies	0	2,162
Current taxes	5,993	2,309
Tax receivables and payables	18,568	(25,986)
Change in net working capital	(1,093)	(68,748)

Investment activity generated a cash requirement of Euro 32,527 thousand (-) and relates to interventions and developments of infrastructures for the distribution of natural gas and the development of plants in the renewable energy sector (wind, photovoltaic and other green energy plants).

Other changes in the Net Financial Position, negative and equal to Euro 17,889 thousand (-), are mainly represented by dividends, i.e., the balance between dividends distributed (Euro -30,339 thousand) and dividends collected from affiliated companies (Euro +12,430 thousand).

The following table highlights the other changes in the financial position that occurred during the year:

(Thousands of Euro)	First half	
	2024	2023
Purchase of treasury shares	15	0
Dividends distributed to Ascopiave S.p.A. shareholders'	(30,339)	(28,172)
Dividends distributed to third party shareholders	0	(890)
Dividends collected from investee companies	12,430	23,225
Cash payments by minorities into controlled companies	5	0
Enlargement of the consolidation perimeter	0	1,592
Other changes in financial position	(17,889)	(4,246)

Operating Performance - Investments

During the first half of the year, the Group made investments in intangible and tangible assets for Euro 32,527 thousand, down Euro 1,647 thousand compared to the same period of the previous year. The decrease is mainly explained by lower investments made during the first half of the year by companies active in the renewable energy sector (-4,441 thousand), against higher investments made in gas distribution (+2,237 thousand).

The investments made in infrastructures for the distribution of natural gas are equal to Euro 27,349 thousands at the end of the first half of 2012. They relate to the installation and maintenance of the natural gas distribution network and plants for Euro 12,636 thousand, to the realisation of connections to the same for Euro 8,247 thousand and to the installation of measuring equipment for Euro 6,466 thousand.

Investments in renewable energy amounted to Euro 3,938 thousand. They are mainly related to the costs incurred for the completion of a wind farm in the amount of Euro 1,062 thousand, for the maintenance and upgrading of hydroelectric plants in the amount of Euro 747 thousand, for the construction of photovoltaic plants in the amount of Euro 837 thousand, and for the construction of other green energy plants (a hydrogen production plant, an electric charging station, and a hydrogen refuelling station) in the amount of Euro 1,292 thousand.

Other investments realised amounted to Euro 1,240,000. They mainly relate to the purchase of hardware and software licences for Euro 368 thousand, the purchase of company vehicles for Euro 295 thousand, the purchase of equipment for Euro 319 thousand, and improvements and/or extraordinary maintenance on company premises for Euro 247 thousand.

(Thousands of Euro)	First half	
	2024	2023
Connecting a gas users	8,247	8,089
Expansions, reclamations and network upgrades	11,580	9,371
Flowmeters	6,466	6,467
Maintenance	1,057	1,185
Raw material (gas) investments	27,349	25,112
Hydroelectric energy production plants	747	131
Wind farms	1,062	2,560
Solar energy production plants	837	688
Other green energy plants	1,292	5,000
Investments in renewable energies	3,938	8,379
Land and buildings	247	122
Industrial and commercial equipment	319	115
Furniture	11	3
Vehicles	295	152
Hardware e Software	368	285
Other assets	0	7
Other investments	1,240	684
Investments	32,527	34,174

Ascopiave Group

Condensed Interim Consolidated Financial Statements

as of 30 June 2024

Consolidated Statement of Financial Position

(Thousands of Euro)	30.06.2024	31.12.2023
ASSETS		
Non-current assets		
Goodwill	(1) 61,727	61,727
Other intangible assets	(2) 712,158	704,627
Property, plant and equipment	(3) 155,405	156,475
Equity-accounted investments	(4) 207,754	211,074
Shareholdings in other companies	(4) 97,256	97,257
Other non-current assets	(5) 3,417	3,478
Non current financial assets	(6) 2,661	2,507
Deferred tax assets	(7) 38,472	39,301
Non-current assets	1,278,849	1,276,446
Current assets		
Inventories	(8) 8,757	8,276
Trade receivables	(9) 47,633	33,382
Other current assets	(10) 76,218	80,831
Current financial assets	(11) 1,143	1,743
Current tax assets	(12) 3,726	4,017
Cash and cash equivalents	(13) 27,225	52,083
Current assets from derivative financial instruments	(14) 2,589	4,821
Current assets	167,291	185,153
Non-current assets held for sale	(38) 0	385
ASSETS	1,446,140	1,461,984
Net equity and liabilities		
Total Net equity		
Share capital	234,412	234,412
Treasury shares	(55,324)	(55,423)
Reserves	652,970	665,764
Net equity of the Group	(15) 832,057	844,753
Net equity of the Minorities	(15) 10,117	9,529
Total Net equity	(15) 842,173	854,282
Non-current liabilities		
Provisions for risks and charges	(16) 870	2,020
Employee benefits	(17) 3,996	4,751
Long term outstanding bonds	(18) 78,559	86,347
Non-current bank loans	(19) 202,839	204,064
Other non-current liabilities	(20) 41,456	39,360
Non-current financial liabilities	(21) 7,126	7,448
Deferred tax liabilities	(22) 17,661	17,618
Non-Current liabilities	352,506	361,608
Current liabilities		
Short term outstanding bonds	(23) 7,720	7,708
Payables due to banks and financing institutions	(24) 140,698	140,642
Trade payables	(25) 67,707	73,026
Current tax liabilities	(26) 5,459	795
Other current liabilities	(27) 28,672	22,114
Current financial liabilities	(28) 1,205	1,562
Current liabilities	251,461	245,847
Non-current liabilities disposal of liabilities	(38) 0	247
Liabilities	603,967	607,702
Net equity and liabilities	1,446,140	1,461,984

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 half-yearly financial report.

Consolidated Statement of Comprehensive Income

(Thousands of Euro)	First half	
	2024	2023
Revenues	(29) 99,091	83,897
Total operating costs	50,382	45,968
Raw materials, consumables, supplies and goods	(30) 1,082	989
Costs for services	(31) 25,830	24,848
Personnel expenses	(32) 10,448	11,216
Other management costs	(33) 13,157	13,046
Other income	(34) 136	4,130
Amortization and depreciation	(35) 24,998	23,431
Operating result	23,711	14,498
Financial income	(36) 3,787	5,783
Financial expense	(36) 7,826	5,293
Share of profit of equity-accounted investees	(36) 4,848	794
Earnings before tax	24,521	15,781
Income taxes	(37) (5,993)	(2,309)
Result of the period	18,527	13,473
Net result from transfer/disposal of assets	(38) 0	56
Net result for the period	18,527	13,529
Group's Net Result	17,845	12,071
Minorities' Net Result	683	1,458
Consolidated statement of comprehensive income		
1. Components that can be reclassified to the profit / (loss) of the period		
- Effective portion of the change in fair value of cash flow hedging instruments, net of tax effects	(1,448)	(2,390)
- Share of comprehensive income of investments valued using the equity method	850	(10,561)
2. Components that can not be reclassified to the profit / (loss) of the period		
- Actuarial (losses)/gains from remeasurement on defined-benefit obligations net of tax	468	7
- Fair value valuation of investment in other companies		
Total comprehensive income	18,397	585
Result attributable to the shareholders of the parent company	17,815	(942)
Result attributable to third party investments	583	1,527
Base income per share		0.056
Diluted net income per share	0.082	0.056

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 half-yearly financial report.

The tax effect related to OCI items are as follows:

- Euro 569 thousand related to the actual portion of the change in fair value of cash flow hedging instruments;
- Euro 329 thousand in relation to the portion of the statement of comprehensive income of investments accounted using the equity method;
- 184 thousand in relation to actuarial (Loss)/Gain on defined benefit plans net of tax effect.

Consolidated Statement of Changes in Equity

	Share capital	Legal reserve	Treasury shares	Reserves IAS 19 actuarial differences	Other reserves	Profit/(loss) 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 st 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							17,845	17,845	683	18,527
Fair value derivatives					(1,340)			(1,340)	(109)	(1,448)
Fair value of derivatives relating to affiliated companies					850			850		850
IAS 19 actuarial gain (losses)				460				460	8	468
Total result of overall income statement				460	(490)	(0)	17,845	17,815	583	18,397
Allocation of 2023 result					5,837	30,339	(36,176)	(0)		(0)
Dividends distributed to Ascopiave S.p.A. shareholders						(30,339)		(30,339)		(30,339)
Long-term incentive plans			291		(270)			21		21
Purchase of treasury shares			(193)					(193)		(193)
Other changes								(0)	5	5
Balance as of 30th June 2024	234,412	46,882	(55,324)	221	430,620	157,402	17,845	832,057	10,117	842,173

	Share capital	Legal reserve	Treasury shares	Reserves IAS 19 actuarial differences	Other reserves	Profit/(loss) carried forward	Net result for the period	Group's net equity	Net result and net equity of others	Total net equity
Balance as of 1st January 2023	234,412	46,882	(55,424)	(162)	454,997	152,910	32,664	866,280	20,123	886,403
Result for the period							12,071	12,071	1,458	13,529
Other changes					(2,401)			(2,401)	11	(2,390)
Fair value of derivatives relating to affiliated companies					(10,561)			(10,561)		(10,561)
IAS 19 actuarial gain (losses)				(52)				(52)	58	7
Total result of overall income statement				(52)	(12,961)	(0)	12,071	(942)	1,527	585
Allocation of 2022 result						32,664	(32,664)	(0)		(0)
Dividends distributed to Ascopiave S.p.A. shareholders					(28,172)			(28,172)		(28,172)
Dividends distributed to other shareholders								(0)	(890)	(890)
Other changes					(90)			(90)	1	(89)
Variation Affiliated companies' shareholdings					(8,974)			(8,974)	1,705	(7,268)
Balance as of 30 th June 2023	234,412	46,882	(55,424)	(214)	404,800	185,574	12,071	828,104	22,465	850,569

Consolidated Cash Flow Statement

(Thousands of Euro)	First half	
	2024	2023
Cash flows generated (used) by operating activities		
Total comprehensive income	18,397	585
Adjustments to reconcile net income to net cash		
Fair value change in derivatives related to affiliated companies, change for the period net of the tax effect	(15)	10,561
Fair value of derivatives, changes in the year	(15)	2,390
Non-monetary changes in employee benefits	(15)	(7)
Amortization	(35)	23,431
Bad debt provisions	(33)	253
Credit losses	(33)	0
Impairment of assets	(33)	1,562
Change in employee benefits	(17)	39
Current assets / liabilities on financial instruments	(14)	(2,233)
Net change in other funds	(16)	157
Net equity evaluation method of subsidiaries	(36)	(794)
Losses / (gains) on disposals of fixed assets	(34)	(3,154)
Capital (gains) / losses on shareholdings disposal	(34)	(892)
Dividends from equity investments	(36)	(4,228)
Interests paid		(6,182)
Interest expense for the period	(36)	5,212
Taxes for the period	(37)	2,309
Total adjustments	24,427	28,424
Variations in assets and liabilities		
Inventories	(8)	(2,772)
Trade receivables	(9)	(82)
Other current assets	(10)	45,063
Trade payables	(25)	(113,256)
Other current liabilities	(27)	(1,864)
Other non-current assets	(5)	874
Other non-current liabilities	(20)	1,085
Operating flows from discontinued assets / liabilities	(38)	203
Total variations in assets and liabilities	(7,490)	(70,749)
Cash flows generated (used) by operating activities	35,334	(41,740)
Cash flows generated (used) by investments		
Investments in intangible assets	(2)	(25,213)
Realisable value of intangible assets	(2)	9,412
Investments in property, plant and equipment	(3)	(9,319)
Realisable value of property, plant and equipment	(3)	64
Purchase of shareholding	(4)	(36,714)
Disposal of shareholdings and prepayments	(4)	19,794
Dividends received	(4)	23,225
Payments in cash by minorities in subsidiaries	(15)	2,162
Investment flows from discontinued assets / liabilities	(38)	(125)
Cash flows generated/(used) by investments	(20,093)	(16,714)
Cash flows generated (used) by financial activities		
Net changes in non-current financial liabilities	(21)	(459)
Net changes in short-term loans	(24)	(37,263)
Net changes in current financial assets and liabilities	(11 ; 28)	(30,561)
Purchase of treasury shares	(15)	0
New non-current loans	(19)	387,300
Repayment of non-current loans	(19)	(293,600)
Dividends paid to Ascopiave S.p.A. shareholders	(15)	(28,172)
Dividends paid to other shareholders	(15)	(890)
Net changes in long-term loans	(18 ; 23)	0
Cash flows from discontinued assets / liabilities	(38)	(78)
Cash flows generated (used) by financial activities	(40,099)	(3,724)
Cash flow for the year	(24,858)	(62,178)
Cash and cash equivalents at the beginning of the year	52,083	76,917
Cash and cash equivalents at the end of the period	27,225	14,739

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 half-yearly financial report.

EXPLANATORY NOTES

Corporate information

Ascopiave S.p.A. (hereinafter 'Ascopiave', the 'Company' or the 'Parent Company' and, together with its subsidiaries, the 'Group' or the 'Ascopiave Group') is a joint-stock company incorporated and domiciled in Italy.

As at 30 June 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 Euronext Milan - Euronext STAR Milan - 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 Half-Yearly Financial Report as at 30 June 2024 was authorised by resolution of the Board of Directors on 30 July 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 entrustments for the management of gas distribution in 301 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, managing 29 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 Drafting Benchmarks and Attestation of Compliance with IFRS

This Half-Yearly Financial Report is prepared in accordance with the International Financial Reporting Standards, as endorsed by the European Union in accordance with the procedure set forth in Regulation (EC) No. 1606/2002 of the European Parliament and European Council of 19 July 2002.

The consolidated financial statements are prepared on a going concern basis and are expressed in Euro, the Company's functional currency. All values shown in the tables and in the explanatory notes are expressed in thousands of Euro, unless otherwise indicated.

This Half-Yearly Financial Report as at 30 June 2024 was approved by the Board of Directors of the Company on 30 July 2024.

Financial Statements

With regard to the manner in which the financial statements are presented, it should be noted that in the Consolidated Statement of Financial Position, assets and liabilities are presented using the 'current/non-current' distinction benchmark, in the Consolidated Statement of Comprehensive Income, costs are presented by nature, and in the Consolidated Statement of Cash Flows, cash flows from operating activities are determined using the 'indirect' method, adjusting the profit for the year for non-monetary items.

The accounting principles adopted in the preparation of the Consolidated Half-Year Financial Report are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2023, with the exception of the accounting principles, amendments and interpretations that have been applied for the first time by the Group as of 1 January 2024, which are described below.

New principles and amendments effective from 1 January 2024

The following new standards and amendments effective from 1 January 2024 have been adopted by the Group for the preparation of this Half-Yearly Financial Report:

<i>Document Title</i>	<i>Publication date</i>	<i>EU regulation</i>
Lease liability in a transaction of sale and leaseback (Amendments to IFRS 16)	September 22, 2022	<u>(UE) 2023/2579</u> <u>November 20, 2023</u> <u>(November 21, 2023)</u>
Classification of liabilities as current or non-current (Amendments to IAS 1) and Non-current liabilities with clauses (Amendments to IAS 1)	January 23, 2020 (*) October 31, 2022	<u>(UE) 2023/2822</u> <u>December 19, 2023</u> <u>(December 20, 2023)</u>
Financing agreements for supplies (Amendments to IAS 7 and IFRS 7)	May 25, 2023	<u>(UE) 2024/1317</u> <u>May 15, 2024</u> <u>(May 16, 2024)</u>

With Regulation (EU) No. 2023/2579 dated 20 November 2023, the European Commission endorsed ('endorsed') the document 'Lease Liabilities in a Sale and leaseback transaction (Amendments to IFRS 16 Leases)', published by the IASB Board on 22 September 2022.

With the Amendments to IFRS 16, the IASB Board clarified the accounting treatment for subsequent measurement of the *lease* liability arising from a sale and leaseback transaction.

With Regulation (EU) No. 2023/2822 of 19 December 2023, the European Commission *endorsed* ('endorsed') the following documents published by the IASB Board:

- *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements)*, published 23 January 2020;
- *Non-current liabilities with clauses (Amendments to IAS 1 Presentation of Financial Statements)*, published on 31 October 2022.

With the Amendments to IAS 1, the IASB Board clarified that:

- the right to defer settlement of a liability for a period of at least 12 months after the end of the financial year need not be unconditional, but it is sufficient that it is '*substantiated and [...] must exist at the end of the financial year*';
- The classification of a liability as current or non-current shall not be affected by an entity's intentions to exercise or not to exercise the right to defer payment beyond 12 months (e.g. an intention to refinance or roll over a loan by extending its maturity) and by decisions made between the balance sheet date and the date of its publication (e.g. a decision to repay a loan early).

The Amendments to IAS 1 clarified that, for the purposes of classifying a liability as current or non-current, the term extinguishment refers to a transfer to the counterparty that results in the extinguishment of the liability.

An entity shall disclose information in the financial statements about events that occur between the end of the reporting period and the date the financial statements are authorised for issue that are specifically defined in IAS 1 as non-adjusting subsequent events in accordance with the requirements of IAS 10 Events after the Reporting Period.

Lastly the IASB Board has clarified that if the right to defer the settlement of a liability arising from a loan agreement for at least 12 months after the end of the reporting period is subject to compliance with specific *covenants*, the liability is classified as non-current if all contractual *covenants have* been met up to the end of the reporting period, even if they are calculated in the first few months of the following reporting period.

By means of Regulation (EU) No. 2024/1317 of 15 May 2024, the European Commission endorsed ('endorsed') the document 'Financing Arrangements for Supplies (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)', published by the IASB Board on 25 May 2023. The amendments to IAS 7 and IFRS 7 introduce new disclosure requirements in respect of supply financing arrangements to enable users of financial statements to assess the effects of such arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.

New accounting standards, not effective and not adopted earlier than 30 June 2024

Listed below are the standards, amendments and interpretations issued by the IASB that will be mandatorily applied in the second half of 2024 or in subsequent years:

<i>Document Title</i>	<i>Publication date</i>	<i>Entry into force</i>	<i>EU regulation</i>
Lack of exchangeability (Amendments to IAS 21)	August 15, 2023	January 1, 2025	Homologation in progress
Change to the classification and valuation of financial instruments (Amendments to IFRS 9 and IFRS 7)	May 30, 2024	January 1, 2026	Homologation in progress
IFRS 18 Presentation and disclosures in financial statements	April 9, 2024	January 1, 2027	Homologation in progress
IFRS 19 Controlled entities without public accountability: supplementary information	May 9, 2024	January 1, 2027	Homologation not yet activated

Evaluation Benchmarks

Use of estimates

The preparation of the condensed consolidated financial statements for the first six 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 required 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 actual tax rate expected for the entire year by each company included in the scope of consolidation.

Consolidation Area and Benchmarks

The financial statements of all subsidiaries are included in the Half-Year Financial Report. 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 consideration transferred (increased by the value assigned to any non-controlling interests not subject to acquisition) and the fair value of the net assets acquired is recognised in the asset item 'Goodwill'; if negative, it is recognised in the income statement.

In the event that control is not assumed on a 100% basis, the portion of shareholders' equity of 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*"), or for a total value equal to the fair value that also includes goodwill attributable to them. The choice of method for determining goodwill is made selectively for each business combination.

In the case of equity interests acquired subsequent to the acquisition of control (acquisition of minority interests), any positive difference between the consideration transferred 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, or more frequently if there are indicators of impairment, 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 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 30 June 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
Parent company					
Ascopiave S.p.A.	Pieve di Soligo (TV)	234,411,575			
Fully consolidated subsidiaries					
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%
Jointly controlled companies accounted with the equity method					
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) Holdings through ROMEO GAS S.p.A.					

Summaries of companies consolidated on a line-by-line basis

Description	Revenues from sales and service supply	Net result	Net equity	Net financial position (liquid assets)	Reference accounting principles
Parent company					
Ascopiave S.p.A.	45,824	34,567	842,168	171,265	IFRS
Fully consolidated subsidiaries					
AP Reti Gas Nord Est S.r.l.	17,676	3,522	133,368	22,858	IFRS
AP Reti Gas S.p.A.	38,162	6,935	305,723	21,775	IFRS
Edigas Esercizio Distribuzione Gas S.p.A.	10,381	1,527	61,963	14,363	Ita Gaap
AP Reti Gas Vicenza S.p.A.	8,401	(924)	13,734	36,297	Ita Gaap
AP Reti Gas Rovigo S.r.l.	3,012	789	19,838	14,087	Ita Gaap
Cart Acqua S.r.l.	308	(12)	3,816	(179)	Ita Gaap
Asco Renewables S.p.A.	11,674	250	33,116	(48)	Ita Gaap
Green Factory S.r.l.		(50)	58	8,636	Ita Gaap
Asco EG S.p.A.	11,909	4,347	63,762	(23,037)	Ita Gaap
Salinella Eolico S.r.l.	1,936	283	3,885	30,116	Ita Gaap
Romeo Gas S.p.A.	6,361	1,749	66,237	12,989	Ita Gaap
Serenissima Gas S.p.A.	3,269	817	18,036	5,307	IFRS

NOTES TO THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

Non-current assets

1. Goodwill

Goodwill amounted to Euro 61,727,000 as of 30 June 2024, unchanged from 31 December 2023.

The amount refers in part to the surplus value resulting from the contribution of gas distribution networks 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 highlights the balance of goodwill recorded at the end of the periods considered:

(Thousands of Euro)	30.06.2024	31.12.2023
Distribution of natural gas	54,506	54,506
Energy production from renewable sources	7,220	7,220
Total goodwill	61,727	61,727

As required by IAS 36, the company must assess at each reporting date whether there is any indication that an asset may be impaired. If there is any indication of this, the entity must estimate the asset's recoverable amount.

In assessing the external and internal elements from which elements of an impairment loss may derive, the Group considered as external elements any ARERA resolutions on tariff regulation, any changes in the reimbursement values of the networks under concession and changes in the discount rate (WACC). The assessment carried out on internal elements considered the deviations of performance from the budget.

In relation to the above elements, it should be noted that no trigger events emerged, and consequently, the directors did not deem it necessary to perform a full impairment test on the carrying value of goodwill again.

2. Other intangible assets

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

	30.06.2024			31.12.2023		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
(Thousands of Euro)						
Industrial patent and intellectual property rights	12,994	(7,845)	5,149	12,994	(7,339)	5,655
Concessions, licences, trademarks and similar rights	19,075	(16,562)	2,513	19,075	(16,382)	2,693
Other intangible assets	12,226	(5,279)	6,948	12,213	(5,137)	7,076
Tangible assets under IFRIC 12 concession	1,322,645	(661,049)	661,596	1,292,708	(643,199)	649,509
Tangible assets in progress under IFRIC 12 concession	35,467	0	35,467	39,498	0	39,498
Intangible assets in progress and advances payments	485	0	485	196	0	196
Other intangible assets	1,403,318	(691,160)	712,158	1,377,109	(672,482)	704,627

The following table highlights the changes in intangible assets in the half-year under review and in the previous year:

	31.12.2023					30.06.2024
	Net value	Change for the period	Decrease	Amortizations during the period	Depreciations of accumulated depreciation	Net value
(Thousands of Euro)						
Industrial patent and intellectual property rights	5,655	(0)	0	506		5,149
Concessions, licences, trademarks and similar rights	2,693	0	0	180		2,513
Other intangible assets	7,076	14	0	141		6,948
Tangible assets under IFRIC 12 concession	649,509	32,189	(2,273)	18,802	973	661,596
Tangible assets in progress under IFRIC 12 concession	39,498	(4,021)	(9)	0		35,467
Intangible assets in progress and advances payments	196	289	0	0		485
Other intangible assets	704,627	28,471	(2,282)	19,630	973	712,158

	31.12.2022					30.06.2023	
	Net value	Change for the period	Decrease	Delivery of Atem Udine 2 systems	Amortizations during the period	Depreciations of accumulated depreciation	Net value
(Thousands of Euro)							
Industrial patent and intellectual property rights	5,682	198			401		5,479
Concessions, licences, trademarks and similar rights	3,374	(0)			363		3,011
Other intangible assets	7,270	0	(3)		33	0	7,235
Tangible assets under IFRIC 12 concession	635,907	37,034	(2,255)	(6,225)	18,095	891	645,476
Tangible assets in progress under IFRIC 12 concession	45,934	(13,348)	(6)	(44)	0		32,536
Intangible assets in progress and advances payments	229	(41)			0		187
Other intangible assets	698,397	23,843	(2,264)	(6,269)	18,892	891	693,924

At the end of the first six months of the year, intangible fixed assets amounted to Euro 712,158 thousand, an increase of Euro 7,531 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 half of the year, the item 'Industrial Patent Rights and Intellectual Property Rights' did not record any investments and the change, amounting to Euro 506,000, is explained by the amortisation charges for the period.

Concessions, licences, trademarks and similar rights

The item mainly includes the costs recognised to the conceding bodies (municipalities) and/or outgoing operators following the award and/or renewal of the relative tenders for the entrusting of the natural gas distribution service,

rather than the costs for the acquisition of user licences.

During the first half of the year under review, this item did not record any investments and depreciation charges amounted to Euro 180 thousand.

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

Other intangible assets

Other intangible assets recorded investments of Euro 14,000 and amortisation for the period amounted to Euro 141,000.

Tangible assets under IFRC 12 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 half of the year the item recorded an overall net positive change equal to Euro 12,087 thousand. The increase shown by the voice is mainly explained by the investments made in infrastructures suitable for the distribution of gas and by the reclassification of investments made during previous financial years but which became operative during the first half of the year. Investments, including reclassifications of assets under construction, are equal to Euro 32,189 thousand. The increase has been partially offset, for Euro 18,802 thousands, by the amortisation quotas for the period.

The infrastructures located in municipalities where the concession for natural gas distribution has not been 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.

Tangible assets in progress under IFRC 12 concession

The item includes the costs incurred for the construction of the natural gas distribution plants and network, which were partially constructed in-house and not completed as at 30 June 2024.

This item recorded a net decrease of Euro 4.030 thousand in the first half of the year. The decrease recorded is mainly explained by the reclassification of investments made in previous years but entering into operation in 2024.

Intangible assets in progress and advances payments

The item includes costs incurred for the purchase of management software related to the core business of natural gas distribution and not completed at the end of the first half of the year. The investments made during the period concerned are equal to Euro 289 thousand.

3. Property, plant and equipment

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

(Thousands of Euro)	30.06.2024				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	(21,819)	(265)	36,054	58,136	(21,200)	(265)	36,671
Plant and machinery	194,486	(103,430)	(1,132)	89,925	161,926	(99,933)	(1,132)	60,862
Industrial and commercial equipment	5,748	(4,621)	0	1,127	5,428	(4,545)		883
Other tangible assets	24,962	(21,761)	0	3,201	24,589	(21,280)		3,308
Tangible assets in progress and advance payments	12,731	0	(55)	12,677	41,719	0	(55)	41,665
Rights of use	16,495	(4,072)		12,422	16,488	(3,403)		13,085
Property, plant and equipment	312,559	(155,703)	(1,451)	155,405	308,286	(150,360)	(1,451)	156,475

The following table highlights the changes in tangible assets in the first half of the year and in the previous year:

(Thousands of Euro)	31.12.2023					30.06.2024
	Net value	Change for the period	Decrease	Amortizations during the period	Depreciations of accumulated depreciation	Net value
Lands and buildings	36,671	2		619		36,054
Plant and machinery	60,862	32,589	(29)	3,497	0	89,925
Industrial and commercial equipment	883	319		76		1,127
Other tangible assets	3,308	373		481		3,201
Tangible assets in progress and advance payments	41,665	(28,988)		0		12,677
Rights of use	13,085	32		695		12,422
Property, plant and equipment	156,475	4,327	(29)	5,368	0	155,405

(Thousands of Euro)	31.12.2022				30.06.2023
	Net value	Change for the period	Delivery of Atem Udine 2 systems	Amortizations during the period	Net value
Lands and buildings	30,966	2	(64)	626	30,278
Plant and machinery	66,371	(0)		3,012	63,358
Industrial and commercial equipment	838	115		66	887
Other tangible assets	3,319	2		240	3,081
Tangible assets in progress and advance payments	24,620	8,866		0	33,485
Rights of use	12,319	292		585	12,026
Property, plant and equipment	138,432	9,276	(64)	4,528	143,116

Property, plant and equipment decreased from Euro 156,475 thousand at 31 December 2023 to Euro 155,405 thousand at 30 June 2024, a decrease of Euro 1,070 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 half of the year, the item recorded insignificant investments, while depreciation charges amounted to Euro 619,000.

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 half of the reporting year, the item recorded an increase of Euro 29,063 thousand. The recorded increase is mainly explained by the reclassification of assets under construction recognised up to 31 December 2023 in connection with the wind farm constructed by subsidiary Salinella Eolico S.r.l., which came into

operation in February 2024.

Depreciation for the first half of the year amounted to Euro 3,497,000.

Industrial and commercial equipment

Industrial and commercial equipment recorded investments of Euro 319 thousand.

The item includes the costs incurred for the purchase of the instruments necessary for the maintenance service of the distribution plants and the measurement activity. Amortisation for the first half of the year amounts to Euro 76 thousand.

Other tangible Assets

Capital expenditure in the first six months of the year amounted to Euro 373,000 and was mainly explained by costs incurred for the purchase of company vehicles and hardware. Depreciation and amortisation for the first half of 2024 amounted to Euro 481,000.

Tangible assets in progress and advances payments

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, which had not been completed at the end of the first half of the year.

During the first six months of the year, the item recorded a decrease of Euro 28,988 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 six months of the year, this item increased by Euro 32 thousand and depreciation charges amounted to Euro 695 thousand.

4. Equity-accounted investments

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

	31.12.2023	variation of the exercise	Measurement with the equity method	30.06.2024
(Thousands of Euro)				
Shareholdings in associated companies	211,074	(8,168)	4,848	207,754
Shareholdings in other companies	97,257	(1)		97,256
Shareholdings	308,331	(8,169)	4,848	305,010

During the first half of the year, items related to participations recorded an overall decrease of Euro 3,321,000 related to participations in affiliated companies.

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

	30.06.2024	31.12.2023
Shareholdings in Estenergy S.p.A.	199,336	202,838
Shareholdings in Cogeide S.p.A.	8,418	8,236
Shareholdings in associated companies	207,754	211,074
Shareholdings in Hera Comm S.p.A.	53,331	53,331
Shareholdings in Acinque S.p.A.	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 BCC Busto Garolfo e Buguggiate	0	1
Shareholdings in AZA SECURITY	1	1
Shareholdings in other companies	97,256	97,257
Shareholdings	305,010	308,331

Equity-accounted investments

At the end of the first half of 2024, investments in associated companies amounted to Euro 207,754 thousand. The amount relates to the 25% stake held in EstEnergy S.p.A. and the 18.33% stake held in Cogeide S.p.A..

The shareholding in Estenergy, equal to Euro 199,336 thousand as of 30 June 2024, recorded a decrease of Euro 3,502 thousand explained by the receipt of dividends for Euro 9,018 thousand, by movements on reserves in hedge accounting for Euro 850 thousand, and by the valuation using the equity method for Euro 4,666 thousand. The difference between the book value of Euro 199,336 thousand and 25% of the EstEnergy Group's share of net equity is related to the higher values recognised at the time of acquisition and allocated to customer lists and, residually, to goodwill.

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.

Concerning the equity investment in Cogeide, amounting to Euro 8,418 thousand, there was a change of Euro 182 thousand explained by the valuation using the equity method.

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

(Values inclusive of consolidation entries and expressed in millions of Euro)	First half 2024 pro-rata	First half 2024	First half 2023 pro-rata	First half 2023
Non-current assets	161.4	645.6	261.8	654.5
Current assets	78.0	311.9	62.8	157.1
Net equity of the Group	156.1	624.5	252.1	630.2
Net equity of the Minorities	0.3	1.1	0.4	1.0
Non-current liabilities	19.3	77.2	25.4	63.5
Current liabilities	63.7	254.7	46.8	117.0
Revenues	149.6	598.5	249.2	519.2
Costs	136.8	547.3	237.2	494.1
Gross operative margin	12.8	51.2	12.1	25.1
Amortization and depreciation	6.3	25.2	7.9	16.4
Operating result	6.5	26.0	4.2	8.7
Group's Net Result	4.5	17.8	0.6	1.3
Third parties Net Result	0.1	0.3	0.1	0.1
NFP	(54.2)	(216.9)	(1.1)	(2.7)

It should be noted that in the table above, the income statement and balance sheet data as of 30 June 2024 are shown considering a 25% pro-rata share, while the comparative data as of 30 June 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.

Shareholdings in other companies

At the end of the first half of the financial year 2024, shareholdings in other companies amounted to Euro 97,256,000 and were substantially in line with the previous year.

The item includes equity investments consisting 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 of Euro 3,300 thousand in 2023, and for Euro 22,301 thousand of 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 for accounting and tax purposes retroactively as of 1 January 2023, took effect as of 1 October 2023 and, following the transaction, Acantho shareholders have 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 holdings amounting to Euro 2 thousand relating to the shares in Banca Prealpi SanBiagio Credito Cooperativo - Soc. Coop. for Euro 1 thousand and in A2A SECURITY for Euro 1 thousand.

Investments in other companies fall into the category of financial assets measured at fair value and changes in fair value after initial recognition are recognised in the statement of comprehensive income (FVOCI). It is specified that financial instruments measured at fair value belong to valuation hierarchy level 2.

It should be noted 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 half of the year, these options were not valued 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 highlights the balances of other non-current assets at the end of each period considered:

(Thousands of Euro)	30.06.2024	31.12.2023
Security deposits	1,061	1,060
Other receivables	2,356	2,419
Other non-current assets	3,417	3,478

At the end of the first half of the financial year 2024, non-current assets showed an overall decrease of Euro 62,000 compared to the previous year.

Non-current receivables recognised at the end of the reporting period relate to security deposits in the amount of Euro 1,061 thousand and other receivables in the amount of Euro 2,356 thousand.

6. Non-current financial assets

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

(Thousands of Euro)	30.06.2024	31.12.2023
Other receivables of a financial nature over 12 months	2,661	2,507
Non-current financial assets	2,661	2,507

Non-current financial assets increased from Euro 2,507 thousand in FY2023 to Euro 2,661 thousand in FY2024, an increase of Euro 154 thousand.

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 falling due after 12 months from the closing date of this half-yearly financial report and due to the duration of the agreed instalment plan.

The post has been discounted.

7. Deferred Tax Assets

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

(Thousands of Euro)	30.06.2024	31.12.2023
Deferred Tax Assets	38,472	39,301
Deferred Tax Assets	38,472	39,301

Deferred tax assets decreased from Euro 39,301 thousand at year-end 2023 to Euro 38,472 thousand at year-end 2024, a decrease of Euro 829 thousand. The item mainly includes temporary tax differences on depreciation and amortisation.

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 30 June 2024 and the time when any temporary differences are expected to reverse.

Current Assets

8. Inventories

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

(Thousands of Euro)	30.06.2024			31.12.2023		
	Gross value	Bad debt provision	Net value	Gross value	Bad debt provision	Net value
Fuels and warehouse materials	8,795	(39)	8,756	8,315	(39)	8,276
Energy efficiency certificates	2	0	2	0	0	0
Inventories	8,796	(39)	8,757	8,315	(39)	8,276

At the end of the first half of the financial year 2024, inventories amounted to Euro 8,757 thousand and increased by Euro 481 thousand compared to 31 December 2023.

Inventories of fuels and materials in stock register an increase of Euro 479,000, from Euro 8,276,000 as of 31 December 2023 to Euro 8,756,000 in the reporting period. Warehouse materials are used for maintenance works or for the construction of distribution plants. In the latter case, the material is reclassified under intangible 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 highlights the breakdown of the item for each period considered:

(Thousands of Euro)	30.06.2024	31.12.2023
Receivables from customers	30,423	13,506
Receivables for invoices to be issued	17,802	20,472
Bad debt provisions	(592)	(597)
Trade receivables	47,633	33,382

Trade receivables increased from Euro 33,382 thousand in the year 2023 to Euro 47,633 thousand in the semester of reference, recording an increase of Euro 14,251 thousand. The increase is mainly explained by higher receivables from customers, which, at the end of the six-month period of reference, show an increase of Euro 16,917 thousand. It should be noted that at the end of the year 2023, trade receivables were assigned by the Group's distribution companies to factoring companies on a non-recourse basis. The total amount of the assignments was Euro 11,214 thousand. The residual increase, equal to Euro 5,703,000, is mainly explained by the greater quantities of electrical energy produced from renewable sources correlated to the greater rainfall during the second quarter of the year.

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 592,000, represents the risks of the Group's distribution companies. The change is due to the utilisation of the fund for Euro 5 thousand for the elimination of uncollectable 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)	30.06.2024	31.12.2023
Initial bad debt provision	597	2,396
Provisions	2	305
Use	(7)	(2,104)
Final bad debt provision	592	597

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)	30.06.2024	31.12.2023
Gross trade receivable invoices issued	30,423	13,506
- allowance for doubtful accounts	(592)	(597)
Net trade receivables for invoices issued	29,831	12,909
Aging of trade receivables for invoices issued		
- to expire	28,852	12,128
- expired within 6 months	678	785
- overdue by 6 to 12 months	352	16
- expired more than 12 months	540	577

10. Other current assets

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

(Thousands of Euro)	30.06.2024	31.12.2023
Tax consolidation receivables	361	433
Annual pre-paid expenses	2,708	856
Advance payments to suppliers	1,825	1,822
Annual accrued income	183	36
Receivables due from CSEA	51,998	39,908
VAT Receivables	16,355	34,918
UTF and Provincial/Regional Additional Tax receivables	40	40
Other receivables	2,748	2,818
Other current assets	76,218	80,831

Other current assets decreased from Euro 80,831,000 in 2023 to Euro 76,218,000 in the first half of the year under review, a decrease of Euro 4,613,000.

The decrease is mainly explained by lower VAT receivables recognised at the end of the period in the amount of Euro 18,563 thousand, which were partially offset by the increase in receivables from the Cassa Servizi Energetici ed Ambientali for Euro 12,090 thousand, and the increase in annual prepayments in the amount of Euro 1,852 thousand.

At the end of the first half of the financial year 2024, the receivables from the Cassa Servizi Energetici e Ambientali (CSEA) amounted to Euro 51,998 thousand and mainly consisted of receivables related to the achievement of energy saving objectives and for security contributions for a total of Euro 34,771 thousand, equalisation balances for Euro 8,324 thousand and receivables recorded due to tariff components applied to the natural gas distribution service for Euro 8,903 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 30 June 2024 but not yet delivered by that date.

It should be noted that the unit contribution used for the economic quantification of the provision 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 being accrued as of 30 June 2024 equal to Euro 250 (Euro 250 as of 31 December 2023).

11. Current financial assets

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

(Thousands of Euro)	30.06.2024	31.12.2023
Other financial current assets	1,143	1,743
Current financial assets	1,143	1,743

Current financial assets decreased by Euro 600 thousand, from Euro 1,743 thousand as of 31 December 2023 to Euro 1,143 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., in the amount of Euro 300 thousand, in relation to the claim initiated against the latter in connection with tax credits assigned by the latter. For further information, please refer to the litigation section of this Half-Yearly Financial Report.

Furthermore, at the end of the first half of the year, the item also includes the short-term portion of the receivable recognised by Hera S.p.A. relative 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 by the municipality of Costabissara for Euro 165 thousand, arising from the settlement agreement reached with the local authority during the 2019 financial year.

12. Current Tax Assets

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

(Thousands of Euro)	30.06.2024	31.12.2023
Receivables related to IRAP	449	449
Receivables related to IRES	1,376	1,376
Other tax receivables	1,901	2,192
Current tax assets	3,726	4,017

Tax receivables decreased from Euro 4,017,000 in the year 2023 to Euro 3,726,000 in the reporting period, a decrease of Euro 291,000.

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

It should be noted that the item other tax receivables includes the recognition of tax receivables related to the super bonus amounting to Euro 1,650 thousand. For further information, please refer to the litigations section of this Half-Yearly Financial Report.

13. Cash and cash equivalents

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

(Thousands of Euro)	30.06.2024	31.12.2023
Bank and post office deposits	27,210	52,067
Cash and cash equivalents on hand	15	16
Cash and cash equivalents	27,225	52,083

Cash and cash equivalents decreased from Euro 52,083,000 in 2023 to Euro 27,225,000 in the reporting period, a decrease of Euro 24,858,000.

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

Please refer to the cash flow statement for a better understanding of the changes in cash flows during the six-month period.

Net financial position

The following table highlights the composition of net financial debt as required by Consob Communication No. DEM/6064293 dated 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)	30.06.2024	31.12.2023
A Cash and cash equivalents	27,225	52,083
B Equivalent to cash ad cash equivalents	0	0
C Other current financial assets	1,143	1,743
- of which related parties	0	0
D Liquid assets (A) + (B) + (C)	28,368	53,826
E Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt)	(61,205)	(61,562)
- of which related parties	0	0
- of which debt instruments current part	0	0
F Current portion of non-current financial debt	(88,419)	(88,350)
- of which related parties	0	0
G Current financial indebtedness (E) + (F)	(149,624)	(149,912)
H Net current financial indebtedness (D) + (G)	(121,256)	(96,086)
I Non-current financial debt (excluding the current portion and debt instruments)	(288,524)	(297,859)
J Debt instruments	0	0
K Trade payables and other non current payables	0	0
L Non-current financial indebtedness (I) + (J) + (K)	(288,524)	(297,859)
M Net financial indebtedness (H) + (L)	(409,779)	(393,945)

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 indebtedness increased from Euro 393,945 thousand as of 31 December 2023 to Euro 409,779 thousand as of 30 June 2024, an increase of Euro 15,835 thousand.

The net financial position monitored by the Group, which also includes non-current financial receivables, increased by Euro 16,242 thousand, from Euro 389,363 thousand at 31 December 2023 to Euro 405,605 thousand at 30 June 2024.

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

(Thousands of Euro)	30.06.2024	31.12.2023
ESMA Net financial position	(409,779)	(393,945)
Non current financial assets	2,661	2,507
Assets on interest rate derivative financial instruments	1,514	2,074
Net financial position monitored by the Group	(405,605)	(389,363)

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 in the section "Comments on the economic and financial results of the first half of the year 2024" and in the section "Medium- and long-term financing" of this Half-Yearly Financial Report.

14. Current assets from derivative financial instruments

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

(Thousands of Euro)	30.06.2024	31.12.2023
Assets on commodity derivatives	1,075	2,747
Assets on interest rates derivatives	1,514	2,074
Current assets from derivative financial instruments	2,589	4,821

Current assets from derivative financial instruments relate for Euro 1,075 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 1,514 thousand to interest rate hedging contracts.

It should be noted that the wind farm built by the company 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 derivative contracts in place as well as the portion accrued at the end of the first half of the year but not yet settled at the closing date in the amount of Euro 384,000.

With regard to assets and liabilities related to derivative activities, please refer to the section "Risk and Uncertainty Factors" of this Half-Yearly Financial Report in which the related effects are highlighted.

Derivative assets are represented by the fair value of the following derivatives outstanding as at 30 June 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	11,111,111 €	533
2	Mediobanca	Interest Rate Swap	Euribor 3M	02-Dec-20	02-Dec-20	02-Dec-25	Vanilla: Fixed - Float	10,000,000 €	345
3	Credit Agricole	Interest Rate Swap	Euribor 6M	31-Mar-22	31-Mar-22	31-Mar-27	Vanilla: Fixed - Float	6,000,000 €	201
4	BNL	Interest Rate Swap	Euribor 6M	09-Aug-19	09-Feb-20	09-Feb-25	Vanilla: Fixed - Float	6,000,000 €	83
5	Intesa Sanpaolo	Interest Rate Swap	Euribor 1M	06-Mar-15	06-Mar-15	27-Dec-29	Vanilla: Fixed - Float	2,285,655 €	138
6	Credit Agricole	Interest Rate Swap	Euribor 6M	27-Sep-19	1-Oct-19	27-Sep-24	Vanilla: Fixed - Float	1,500,000 €	15
7	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	13-Oct-23	01-Jan-24	31-Dec-24	Sell/Short	13,202 Mwh	380
8	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	14-Jun-23	01-Jan-24	31-Dec-24	Sell/Short	6,601 Mwh	192
9	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Apr-24	30-Jun-24	Sell/Short	6,552 Mwh	0
10	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	13-Oct-23	01-Oct-24	31-Dec-24	Sell/Short	2,209 Mwh	103
11	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	13-Oct-23	01-Apr-24	30-Jun-24	Sell/Short	2,184 Mwh	0
12	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Oct-24	31-Dec-24	Sell/Short	2,209 Mwh	77
13	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Oct-24	31-Dec-24	Sell/Short	2,209 Mwh	75
14	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Jul-24	30-Sep-24	Sell/Short	2,208 Mwh	63
Total									2,205

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

Consolidated net equity

15. Net Equity

As of 30 June 2024, Ascopiave S.p.A.'s share capital consisted of 234,411,575 ordinary shares, fully subscribed and paid-up, with a nominal value of Euro 1 each.

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

(Thousands of Euro)	30.06.2024	31.12.2023
Share capital	234,412	234,412
Legal reserve	46,882	46,882
Treasury shares	(55,324)	(55,423)
Reserves and profit carried forward	588,242	582,705
Group's Net Result	17,845	36,176
Net equity of the Group	832,057	844,753
Net equity of the Minorities	10,117	9,529
Total Net equity	842,173	854,282

Consolidated net equity as at 30 June 2024 amounted to Euro 842,173 thousand and showed a decrease of Euro 12,109 thousand compared to the year 2023.

The changes in consolidated net equity in the first half of 2024, excluding the result achieved, were mainly explained by the distribution of dividends for Euro 30,339 thousand, the change in hedge accounting reserves related to derivative instruments for Euro 1,448 thousand, share-based payments related to long-term incentive plans, and the purchase of 83,304 ordinary treasury shares at an average unit price of 2.284.

With regard to long-term incentive plans, it should be noted that during the year, treasury shares were paid out to employees and directors for long-term incentive plans (three-year period 2011-2023) in the amount of Euro 207,000.

We also report that as of 30 June 2024, following the disbursement of shares related to the long-term incentive plans and the purchases made during the period, Ascopiave S.p.A. holds 17,692,810 treasury shares, equal to 7.5478%, of the share capital, for a total value of Euro 55,324 thousand.

The hedge accounting reserve posted at the end of the first half of 2024 represents the current value of the derivative financial instruments subscribed by Ascopiave S.p.A. and by the companies active in the hydroelectric and wind power sectors, to hedge possible fluctuations in interest rates related to the loans subscribed and in electricity prices. The same, as of 30 June 2024, showed a positive balance of Euro 1,581 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 Half-Yearly Financial Report in which the related effects are highlighted.

The Group's shareholders' equity also recorded an increase of Euro 850,000 related to changes in the shareholders' equity of associated companies, in particular the trend of the hedge accounting reserve recorded in relation to derivative contracts entered into to hedge commodity price fluctuations.

Non-current liabilities

16. Provisions for risks and charges

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

(Thousands of Euro)	30.06.2024	31.12.2023
Provisions for pension for gas sector employees	314	1,463
Other reserves for risks and charges	556	556
Provisions for risks and charges	870	2,020

Provisions for risks and charges, decreased from Euro 2,020 thousand in the previous year to Euro 870 thousand in the first half of the year under review, recording a decrease of Euro 1,150 thousand. The change is mainly explained by the utilisation of the provision for pensions and similar obligations following the payment of long-term incentives accrued in the three-year period 2021-2023. The final settlement of the total amount, which took place with the approval of the 2023 financial statements, resulted in the utilisation of the fund in the amount of Euro 1.135 thousand. It should be noted that at the end of the reporting period, allocations were still outstanding due to the achievement of objectives, not determinable at the closing date of this report and that will be measured in the following year, for a total of Euro 89 thousand

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

(Thousands of Euro)	
Reserves for risks and charges as of 1 st January 2024	2,020
Other variations	(1,150)
Provisions for risks and charges as of 30th June 2024	870

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

(Thousands of Euro)	30.06.2024	31.12.2023
Provisions for retirement fund and similar obligations	314	1,463
Other funds	556	556
Provisions for risks and charges as of 30th June 2024	870	2,020

17. Employee benefits

The severance pay decreased from Euro 4,751 thousand at 1 January 2024 to Euro 3,996 thousand at 30 June 2024, a decrease of Euro 755 thousand.

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

(Thousands of Euro)	
Severance indemnity as of 1 st January 2024	4,751
Liquidations	(935)
Cost related to current work performance	724
Actuarial loss/(profits) of the period*	(545)
Employee benefits as of 30th June 2024	3,996

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

18. Long-Term Outstanding Bonds

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

(Thousands of Euro)	30.06.2024	31.12.2023
Pricoa bond loan	78,559	86,347
Long term outstanding bonds	78,559	86,347

As part of the "Shelf" private placement programme with Pricoa Capital Group, a company of the US group Prudential Financial Inc, the parent company Ascopiave S.p.A., as of 30 June 2024, had a first placement of non-convertible and unsecured ordinary 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 7,720 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 (NFP/Ebitda < 4.5x, NFP/Equity < 1.25x and RAB ≥ Euro 450 million, with the possibility of overruns in the presence of particular extraordinary transactions), to be verified every six months, which as at 30 June 2024 were complied with.

The decrease is entirely explained by the reclassification of the portion due within 12 months.

19. Non current bank loans

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

(Thousands of Euro)	30.06.2024	31.12.2023
Loans from Banca Prealpi SanBiagio	4,152	4,576
Loans from European Investment Bank	625	1,250
Loans from Prelios	0	7,652
Loans from INTESA SAN PAOLO S.P.A.	55,818	63,609
Loans from BPER	12,985	16,150
Loans from BANCO BPM	12,043	15,051
Loans from BNL	12,500	16,750
Loans from Cassa Centrale Banca	20,147	21,951
Loans from CREDIT AGRICOLE FRIULADRIA	27,949	5,013
Loans from MEDIOBANCA	10,000	15,556
Loans from ICCREA	32,975	36,507
Loans from Banca Popolare dell'Alto Adige	13,645	0
Medium- and long-term bank loans	202,839	204,064
Current portion of medium and long-term bank loans	80,698	80,642
Non current bank loans	283,537	284,705

Medium- and long-term loans, represented at 30 June 2024 mainly by the Parent Company's payables to: Intesa Sanpaolo for Euro 77,000 thousand, Credit Agricole for Euro 37,500 thousand, Mediobanca for Euro 21,111 thousand, Cassa Centrale Banca for Euro 24,707 thousand, BNL for Euro 21,000 thousand, BPER for Euro 19,283 thousand, Banco BPM for Euro 18,000 thousand, Iccrea Banca for Euro 19,137 thousand, Volksbank for Euro 15,000 thousand, BCC Prealpi-Sanbiagio for Euro 5.066 thousand and the subsidiary Salinella Eolico's debt to Iccrea Banca for Euro 24,522 thousand, went from Euro 284,705 thousand at 31 December 2023 to Euro 283,537 thousand at the end of the first six months of 2024, with a decrease of Euro 1,168 thousand, explained by the payment of instalments and the signing of new loans with Credit Agricole for Euro 30,000 thousand and with Volksbank for Euro 15,000 thousand.

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

- the loan with Intesa Sanpaolo, disbursed in December 2023 for a total of Euro 80,000 thousand with a maturity date in December 2028, presents a residual debt as of 30 June 2024 of Euro 72,000 thousand, with the recognition of Euro 16,000 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, which, as of 30 June 2024, were respected;
- the loan with Crédit Agricole, disbursed in June 2024 for a total of Euro 30,000 thousand maturing in June 2029, equal to the residual debt as of 30 June 2024, provides for the recognition of Euro 6,000 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 first calculation of which will be on the data as of 31 December 2024;
- the loan with Cassa Centrale Banca, disbursed in March 2022 for a total of Euro 30,000 thousand and expiring in September 2030, shows a residual debt as of 30 June 2024 of Euro 24,707 thousand, with the recognition of Euro 4,524 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, which were met as of 31 December 2023;
- The loan with BPER, disbursed in September 2022 for a total of Euro 30,000 thousand and expiring in June 2027, shows a residual debt as of 30 June 2024 equal to Euro 19,283 thousand, with the recognition of Euro 6,297 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, which were respected as of 31 December 2023;
- the loan with Iccrea Banca, disbursed in June 2022 for a total of Euro 30,000 thousand and expiring in March 2027, shows a residual debt as of 30 June 2024 of Euro 19,137 thousand, with Euro 7,894 thousand recognised under bank borrowings and short-term loans;
- the loan with Banco BPM, disbursed in May 2022 for a total of Euro 30,000 thousand and maturing in June 2027, shows a residual debt of Euro 18,000 thousand as of 30 June 2024, 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, which were met as of 31 December 2023;
- the loan with Volksbank, disbursed in May 2024 for a total of Euro 15,000 thousand with a maturity date of July 2029, equal to the residual debt as of 30 June 2024, provides for the recognition of Euro 1,342 thousand among bank borrowings and short-term loans;
- the loan with BNL, disbursed in 2017 in the amount of Euro 30,000 thousand and maturing in February 2030, presents a residual debt as of 30 June 2024 in the amount of Euro 15,000 thousand, with the recognition of Euro 2,500 thousand under 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, which were met as of 31 December 2023;
- the loan with Mediobanca, disbursed in December 2021 for a total of Euro 20,000 thousand and expiring in December 2026, presents a residual debt of Euro 11,111 thousand as of 30 June 2024, 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, which were respected as of 30 June 2024;
- the loan with Mediobanca, disbursed in December 2020 for a total of Euro 30,000 thousand with a maturity date in December 2025, presents a residual debt of Euro 10,000 thousand at 30 June 2024, 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, which were respected at 30 June 2024;
- the loan with Crédit Agricole, disbursed in March 2022 for a total of Euro 10,000 thousand and expiring in March 2027, shows a residual debt of Euro 6,000 thousand as of 30 June 2024, with the recognition of Euro 2,000 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, which were respected as of 31 December 2023;

- the loan with BNL, disbursed in August 2019 in the amount of Euro 30,000 thousand, presents a residual debt as of 30 June 2024 in the amount of Euro 6,000 thousand, fully recorded under bank borrowings and short-term loans due in February 2025; 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, which were met as of 31 December 2023;
- the loan with BCC Prealpi SanBiagio/Cassa Centrale Banca, disbursed at the beginning of 2018 for an amount of Euro 10,000 thousand with maturity in February 2030, presents a residual debt as of 30 June 2024 equal to Euro 5,066 thousand, with the recording of Euro 914 thousand among payables to banks and short-term loans;
- the loan with Intesa Sanpaolo, disbursed in November 2019 for a total of Euro 50,000, presents a residual debt as of 30 June 2024 equal to Euro 5,000 thousand, entirely recognised among payables to banks and short-term loans due in December 2024; 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, which, as of 30 June 2024, were respected;
- 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 30 June 2024 equal to Euro 1,875 thousand, fully recorded under bank borrowings and short-term loans due in August 2024; 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, which were respected as of 30 June 2024;
- the loan with Crédit Agricole, disbursed in October 2019 for an amount of Euro 30,000 thousand, presents a residual debt as of 30 June 2024 of Euro 1,500 thousand, fully recorded under bank borrowings and short-term loans due in September 2024; 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, which were respected as of 31 December 2023;
- the loan with Iccrea Banca, granted under the project finance formula to the subsidiary Salinella Eolico in July 2023 for Euro 24,522 thousand with maturity in June 2040, shows a residual debt of Euro 23,509 thousand as of 30 June 2024, with the recognition of Euro 1,486 thousand among bank borrowings and short-term loans.

As a guarantee of the compliance with 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 compliance with 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.

The table below shows the maturities of medium- and long-term loans:

(Thousands of Euro)	30.06.2024
Financial Year 2024	45,029
Financial Year 2025	68,834
Financial Year 2026	58,573
Financial Year 2027	42,304
Beyond 31 st December 2027	68,796
Medium- and long-term bank loans	283,537

20. Other non-current liabilities

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

(Thousands of Euro)	30.06.2024	31.12.2023
Security deposits	2,251	1,908
Multi-annual passive prepayments	37,860	36,108
Other payables	1,344	1,344
Other non-current liabilities	41,456	39,360

Other non-current liabilities increased from Euro 39,360 thousand in the previous year to Euro 41,456 thousand in the first half of the year under review, an increase of Euro 2,096 thousand.

Multi-year deferred income posted as of 30 June 2024 recorded an increase equal to Euro 1,752 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 business.

Security deposits posted as of 30 June 2024 recorded an increase equal to Euro 343 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 highlights the breakdown of this item at the end of each period considered:

(Thousands of Euro)	30.06.2024	31.12.2023
Financial liabilities for leasing	7,126	7,448
Non-current financial liabilities	7,126	7,448

Other non-current financial liabilities decreased from Euro 7,448 thousand in the previous year to Euro 7,126 thousand at the end of the first half of the reporting year, a decrease of Euro 322 thousand, mainly due to the payment of instalments on operating leases.

22. Deferred taxes liabilities

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

(Thousands of Euro)	30.06.2024	31.12.2023
Deferred tax liabilities	17,661	17,618
Deferred tax liabilities	17,661	17,618

Deferred tax liabilities increased by Euro 43 thousand from Euro 17,618 thousand in the previous year to Euro 17,661 thousand in the period under review.

Deferred tax liabilities mainly include the tax effects arising from the dynamics of depreciation on natural gas distribution networks. In determining taxes, reference was made to the current IRES rate and, where applicable, the IRAP rate, in relation to the tax period that includes the date 30 June 2024 and the time when any temporary differences are estimated to be reversed.

Current liabilities

23. Short term outstanding bonds

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

(Thousands of Euro)	30.06.2024	31.12.2023
Pricoa bond loan	7,720	7,708
Short term outstanding bonds	7,720	7,708

Short-term bonds outstanding represent the portion of the Pricoa Capital Group's bond placement maturing within 12 months, for more details please refer to the section 'Long-term Bonds Outstanding' in this Report.

24. Payables due to banks and financing institutions

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

(Thousands of Euro)	30.06.2024	31.12.2023
Payables due to banks	60,000	60,000
Current portion of medium-long-term loans	80,698	80,642
Payables due to banks and financing institutions	140,698	140,642

Bank payables increased from Euro 140,642 thousand in the previous year to Euro 140,698 thousand in the first half of the year under review, an increase of Euro 56 thousand.

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

The following table highlights the Group's utilised and available credit lines and the relevant rates applied as at 30 June 2024:

Bank	Type of line of credit	Credit line at 30.06.2024	Rate at 30.06.2024	Use of credit line at 30.06.2024
Banca Alto Vicentino	Cash loan	1,527	n.d.	1,527
Intesa SanPaolo	Endorsement loan	50	n.d.	-
Intesa SanPaolo	Cash loan	3,909	n.d.	3,909
Banca Europea per gli Investimenti	Long-term mortgage	1,875	4.63%	1,875
Banca Nazionale del Lavoro	Short-term loans/guarantees	15,000	n.d.	-
Banca Nazionale del Lavoro	Long-term mortgage	6,000	4.93%	6,000
Banca Nazionale del Lavoro	Long-term mortgage	15,000	1.92%	15,000
Banca Popolare dell'Emilia Romagna	Endorsement loan	5,000	n.d.	-
Banca Popolare dell'Emilia Romagna	Long-term mortgage	19,283	5.13%	19,283
Banca Popolare dell'Emilia Romagna	Cash loan	107	n.d.	107
Banco BPM	Endorsement loan	8,000	n.d.	-
Banco BPM	Cash loan	3,000	n.d.	1,393
Banco BPM	Long-term mortgage	18,000	4.97%	18,000
Cassa Centrale Banca	Long-term mortgage	24,707	1.85%	24,707
Cassa Centrale Banca/Prealpi	Long-term mortgage	5,066	1.83%	5,066
Cassa Depositi e Prestiti	Cash loan	2,875	n.d.	2,875
Crédit Agricole Friuladria	Endorsement loan	10,000	3.95%	10,000
Crédit Agricole Friuladria	Long-term mortgage	6,000	4.83%	6,000
Crédit Agricole Friuladria	Long-term mortgage	1,500	5.19%	1,500
Crédit Agricole Friuladria	Long-term mortgage	30,000	4.74%	30,000
Credito Emiliano	Endorsement loan	30,000	4.42%	30,000
ICCREA	Long-term mortgage	19,137	5.41%	19,137
Intesa SanPaolo	Endorsement loan	20,000	4.22%	20,000
Intesa SanPaolo	RCF line	20,000	n.d.	-
Intesa SanPaolo	Long-term mortgage	5,000	0.41%	5,000
Intesa SanPaolo	Long-term mortgage	72,000	5.13%	72,000
Mediobanca	Long-term mortgage	10,000	4.96%	10,000
Mediobanca	Long-term mortgage	11,111	4.84%	11,111
Pricoa Capital Group	Bond loan	25,000	1.38%	25,000
Pricoa Capital Group	Bond loan	62,222	2.05%	62,222
Unicredit	Endorsement loan	49,600	n.d.	-
Unicredit	Cash loan	40,816	n.d.	10,160
Volksbank	Long-term mortgage	15,000	4.89%	15,000
Unicredit	Cash loan	394	n.d.	394
ICCREA	Long-term mortgage	24,522	4.15%	24,522
Total		581,701		451,788

25. Trade payables

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

(Thousands of Euro)	30.06.2024	31.12.2023
Payables to suppliers	24,091	27,904
Payables to suppliers for invoices not yet received	43,616	45,122
Trade payables	67,707	73,026

Trade payables decreased by Euro 5,319 thousand from Euro 73,026 thousand in the previous year to Euro 67,707 in the first half of the year under review.

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 half of the financial year of reference.

It should be noted that payables associated with the purchase of energy efficiency certificates, necessary to achieve the energy saving targets to which the Group's distribution companies are subject, are accounted by valuing the quantity of certificates accrued up to 30 June 2024.

The unit cost for securities not purchased at the closing date of the first half of 2024 is equal to the fair value of the prices recorded in the reference market, calculated as of 30 June 2024 as Euro 252.50 (Euro 252.508 as of 31 December 2023).

26. Current tax liabilities

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

(Thousands of Euro)	30.06.2024	31.12.2023
IRAP payables	2,305	780
IRES payables	3,154	0
Other tax payables	(0)	15
Current tax liabilities	5,459	795

Taxes payable increased by Euro 4,664 thousand from Euro 795 thousand in the previous year to Euro 5,459 thousand in the first half of the year under review.

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

27. Other current liabilities

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

(Thousands of Euro)	30.06.2024	31.12.2023
Advance payments from customers	1,067	1,588
Amounts due to social security institutions	1,537	1,698
Amounts due to employees	5,949	4,892
VAT payables	39	44
Payables to revenue office for withholding tax	1,511	1,120
Annual passive prepayments	1,342	1,094
Annual passive accruals	3,233	5,049
Payables due to CSEA	13,173	4,918
Other payables	757	1,711
Other current liabilities	28,672	22,114

Other current liabilities increased from Euro 22,114 thousand in 2023 to Euro 28,672 thousand in the first half of the year under review, an increase of Euro 6,558 thousand.

The change is mainly explained by higher payables to the Cassa per i Servizi Energetici e Ambientali (CSEA) for Euro 8,255 thousand in relation to tariff components related to natural gas transportation, partially offset by the decrease recorded in annual accrued expenses for Euro 1,816 thousand.

Advances payments from customers

Advances payments 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 30 June 2024.

Amounts due to social security institutions

Amounts due to social security institutions include payables related to accrued charges to social security institutions in respect of employees' and directors' employment accrued as at 30 June 2024 that had not been settled at the same date.

Amounts due to employees

The item includes payables for untaken holiday days, monthly payments and bonuses accrued as of 30 June 2024 and not paid at the same date, as well as the relevant contribution quota. The item shows an increase of Euro 1,057 thousand from Euro 4,892 thousand in 2023 to Euro 5,949 thousand in the first half of the reporting year.

VAT payables

VAT payables amounted to Euro 39,000, a decrease of Euro 5,000 compared to the previous year, mainly due to the dynamics of VAT settlements.

Annual passive prepayments

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

Annual passive accruals

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 area.

Payables due to CSEA

At the end of the period, other payables were equal to Euro 13,173 thousand. The item is made up of payables to the Cassa per i Servizi Energetici e Ambientali (Energy and Environmental Services Fund) for the tariff components debited to sales companies operating in the territory in which the Company's natural gas distribution network is

located, and which are paid bimonthly to the Cassa itself, as established by the Regulatory Authority for Energy, Networks and Environment.

28. Current financial liabilities

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

(Thousands of Euro)	30.06.2024	31.12.2023
Leasing liabilities	1,205	1,562
Current financial liabilities	1,205	1,562

Current financial liabilities decreased from Euro 1,562,000 in 2023 to Euro 1,205,000 in the first half of the reporting year.

Lease liabilities decreased by Euro 357,000 during the first half of the year due to the reclassification of amounts due after one year net of lease payments.

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 highlights a breakdown of the items comprising this item, by asset category, at the end of the periods considered:

(Thousands of Euro)	First half	
	2024	2023
Revenues from gas transportation	69,370	60,848
Revenues from the sale of electricity	115	105
Revenues from connections	452	467
Revenues from heat supply	0	4
Revenues from distribution services	2,389	2,421
Revenue from general services to other companies	1,231	2,360
Revenues from ARERA contributions	8,178	7,917
Revenues from hydroelectric-wind power plant	14,998	7,635
Other revenues	2,359	2,139
Revenues	99,091	83,897

Substantially all of the Ascopiave Group's revenues are realised in Italy, and at the end of the first six months of the financial year, reaching Euro 99,091 thousands, they registered an increase equal to Euro 15,194 thousands as compared to the same period of the reference financial year (Euro 83,897 thousands), mainly explained by the increase in revenues from gas transport (+ Euro 8,522 thousands) and revenues from Wind-Hydroelectric Power Plants (+ Euro 7,363 thousands).

These were partially offset by the decrease in revenues from services rendered to other companies (-Euro 1,129 thousand).

At the end of the first six months of the financial year, the item gas transportation revenues is equal to Euro 69,370 thousand and shows an increase of Euro 8,522 thousand compared to the first half of the previous financial year.

The total revenue constraint is determined, for each year, according to the number of active redelivery points actually served in the reference year by the company, as well as the reference tariff whose values are set and published by ARERA. The variation is mainly explained by the change in the tariff WACC and the monetary revaluation of the capital and tariff operating costs.

Revenues from services rendered as natural gas distributors, amounting to Euro 2,389 thousand, show a decrease of Euro 32 thousand compared to the first half of 2023.

Revenues from services rendered to other companies showed a decrease of Euro 1,129 thousand compared to the same period of the previous year, amounting to Euro 1,231 thousand as of 30 June 2024. The item includes revenues from administrative and financial, technical, information and facility services rendered to other companies. The decrease is mainly explained by the termination of service contracts signed with Romeo 2 S.r.l. as part of the rationalisation of natural gas distribution concessions finalised in January 2023 with Iren S.p.A..

In the first half of 2024, revenues from the sale of electricity generated from renewable energy sources, in particular hydroelectric and wind power, amounted to Euro 14,998 thousand and showed an increase of Euro 7,363 thousand compared to the first half 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, with an installed capacity of 21.6 MW. It should also be noted that comparative revenues were significantly impacted by the effects of the Sostegni-ter Decree (Decree-Law No. 4/2022) issued by the Government during the first quarter of FY2022. 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 2,139 thousand in the first six months of 2023 to Euro 2,359 thousand in the period under review, an increase of Euro 220 thousand.

30. Raw material, consumables, supplies and goods

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

(Thousands of Euro)	First half	
	2024	2023
Raw material, consumables, supplies and goods	1,082	989
Raw material, consumables, supplies and goods	1,082	989

At the end of the first half of the year, the costs incurred for the purchase of raw materials amounted to Euro 1,082,000, an increase of Euro 93,000 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 half	
	2024	2023
Costs for counting meters reading	1,182	910
Maintenance and repairs	2,137	1,892
Consulting services	1,537	1,810
Commercial services and advertisement	58	84
Sundry suppliers	1,425	1,656
Directors' and Statutory Auditors' fees	793	782
Insurances	647	673
Personnel costs	249	370
Other managing expenses	807	905
Costs for use of third-party assets	16,996	15,767
Costs for services	25,830	24,848

Costs for services incurred during the first six months of the financial year 2024 amounted to Euro 25,830 thousand, an increase of Euro 982 thousand compared to the same period of the previous year.

Costs incurred for meter reading, amounting to Euro 1,182 thousand, show an increase of Euro 272 thousand compared to the first six months of the previous year (Euro 910 thousand as of 30 June 2023). The increase was affected by the effects of ARERA Resolution No. 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 by envisaging indemnifications in favour of end customers in the event of non-compliance with the method of collecting readings. These compensations are partially covered by the equalisation calculation.

Costs for maintenance and repairs go from Euro 1,892 thousands for the period under comparison to Euro 2,137 thousands for the first six months of 2024, showing an increase equal to Euro 245 thousands. The item mainly includes costs incurred for software fees and ordinary maintenance of natural gas distribution and electricity production

plants.

At the end of the reporting period, the costs incurred for consulting services, amounting to Euro 1,537 thousand, showed a decrease of Euro 273 thousand compared to the same period of the previous year.

At the end of the first half of the year, utility costs amounted to Euro 1,425 thousand, showing a decrease of Euro 231 thousand compared to the first six months of the previous year. The change is mainly explained by the trend of natural gas and electricity tariffs.

Costs for the use of third party assets incurred during the first half of the year show an increase of Euro 1,229 thousand compared to the first six months of the previous year. The item mainly includes fees paid to local authorities for the management of natural gas distribution concessions and in relation to hydroelectric and wind power plants in the territories of the same authorities.

32. Personnel expenses

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

(Thousands of Euro)	First half	
	2024	2023
Wages and salaries	11,337	11,792
Social security contributions	3,612	3,626
Severance indemnity	724	711
Other costs	3	4
Total Personnel expenses	15,677	16,132
Capitalized personnel costs	(5,229)	(4,916)
Personnel expenses	10,448	11,216

Personnel expenses are expressed net of costs capitalised by the natural gas distribution companies against increases in intangible fixed assets for works carried out on a regular basis, in particular intangible fixed assets under concession and intangible fixed assets in progress under concession. These are directly allocated to the construction of infrastructures suitable for the distribution of natural gas and entered in the balance sheet assets.

Personnel costs decreased from Euro 16,132,000 in the first six months of 2023, to Euro 15,677,000 in the period under review, for an overall decrease of Euro 455,000.

It should be noted that as of 30 June 2024, costs accrued during the year for short-term incentive plans in the amount of Euro 317,000 were recognised, while the half-year period under comparison included costs accrued for long-term incentive plans in the amount of Euro 251,000 and short-term incentive plans in the amount of Euro 298,000.

Capitalised personnel costs increased by Euro 313 thousand from Euro 4,916 thousand in the period under comparison to Euro 5,229 thousand in the first six months of the year under review.

As a result, personnel costs decreased by a total of Euro 768,000.

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

Description	30.06.2024	30.06.2023	Variation
Managers (average)	13	13	0
Office workers (average)	310	324	-15
Manual workers (average)	177	174	3
No. of staff employed (average)	500	511	-12

33. Other Management Costs

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

(Thousands of Euro)	First half	
	2024	2023
Provision for risks on credits	2	253
Membership and ARERA fees	704	361
Capital losses	1,295	1,601
Extraordinary losses	29	317
Other taxes	940	1,022
Other costs	828	540
Costs of contracts	1,143	870
Energy efficiency certificates	8,216	8,081
Other management costs	13,157	13,046

Other management costs increased from Euro 13,046 thousand in the first six months of 2023 to Euro 13,157 thousand in the first six months of 2024, showing an increase of Euro 111 thousand. The change is mainly explained by the increase in costs for ARERA membership fees (+Euro 343 thousand), by the increase in costs for tenders (+Euro 273 thousand) and by the increase in costs for the purchase of energy efficiency certificates (+Euro 135 thousand).

These were partly offset by the decrease in provisions for credit risks (-Euro 251 thousand), the decrease in capital losses recorded (-Euro 306 thousand) as well as lower taxes (-Euro 82 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 30 June 2024 as Euro 252.50 (Euro 258.61 as of 30 June 2023).

34. Other income

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

(Thousands of Euro)	First half	
	2024	2023
Other income	136	4,130
Other income	136	4,130

At the end of the first six months of the financial year 2024, other operating income decreased by Euro 3,994 thousand from Euro 4,130 thousand in the period under comparison to Euro 136 thousand in the first half of the year under review.

The decrease is mainly explained by the inscription, during the first half of 2023, of the surplus value generated after the transfer of the gas distribution plants of Atem Udine 2 to the new concessionaire following the awarding of the tender and equal to Euro 3,154,000.

The item also included the capital gain, equal to Euro 892 thousand, accrued in relation to the sale of Romeo 2 S.r.l., which also took place during the first half of the previous year, as part of the broader rationalisation operation of natural gas distribution concessions carried out with Iren S.p.A..

35. Amortisation and Depreciation

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

(Thousands of Euro)	First half	
	2024	2023
Intangible fixed assets	19,630	18,903
Tangible fixed assets	4,673	3,943
Amortization of rights of use	695	585
Amortization and depreciation	24,998	23,431

At the end of the first six months of the year, depreciation and amortisation recorded an increase of Euro 1,567 thousand compared to the same period of the previous year, going from Euro 23,431 thousand at 30 June 2023, to Euro 24,998 thousand at the end of the reporting period. The recorded increase is mainly explained by the amortisation quotas pertaining to the investments realised during the previous year and in the first six 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 half	
	2024	2023
Interest income on bank and post office accounts	189	96
Other interest income	186	1,431
Distribution of dividends from controlled companies	3,412	4,228
Other financial income	0	28
Financial income	3,787	5,783
Interest expense on banks	1,393	2,153
Interest expense on loans	5,220	2,224
Other financial charges	1,213	917
Financial charges	7,826	5,293
Share of profit / loss from equity-accounted investments	4,848	794
Share of profit / loss from equity-accounted investments	4,848	794
Total net financial (charges) / income	809	1,283

At the end of the first half of the year, financial income and expenses showed a positive balance of Euro 809 thousand, a decrease of Euro 474 thousand compared to the same period of the previous year. The change is mainly explained by lower dividends received from participated companies (-Euro 816 thousand) and by the worsening of the net balance of financial income and expenses (-Euro 3,712 thousand), which were partially offset by the higher results achieved by the companies consolidated with the net equity method (+Euro 4,054 thousand).

The worsening recorded in the net balance of financial income and expenses is mainly explained by the higher interest expense accrued on short-term and medium/long-term loans, at variable rates, due to the increase in interest rates. It should also be noted that the period under comparison included the recognition of the discount applied at the time of the acquisition of tax credits from the 110% super bonus, which resulted in the recognition of financial income for a total of Euro 1,300 thousand.

The item profit/(loss) of companies consolidated under the net equity method 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 half of the year, recorded an overall increase of Euro 4,054 thousand as compared to the same period of the previous year.

Taxes

37. Income taxes

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

(Thousands of Euro)	First half	
	2024	2023
IRES current taxes	4,143	3,782
IRAP current taxes	1,524	993
(Advance)/Deferred taxes	1,288	(1,989)
Substitute tax	15	14
Taxes previous years	(978)	(491)
Income taxes	5,993	2,309

Accrued taxes went from Euro 2,309 thousand in the previous period to Euro 5,993 thousand in the first half of the year, an increase of Euro 3,684 thousand. The increase is partly explained by the higher taxable base achieved.

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

(Thousands of Euro)	First half	
	2024	2023
Earnings before tax	24,521	15,781
Income taxes	(5,993)	(2,309)
Percentage of income before taxes	24.4%	14.6%

The tax rate recorded at 30 June 2024 was 24.4%, while at the end of the first half of the previous year it was 14.6%. The tax rate, calculated by normalising the pre-tax results of the periods concerned of the effects of the consolidation of the company consolidated using the net equity method, of the dividends received, and of the capital gain realised as part of the rationalisation operation of the gas distribution concessions, rose from 32.0% as of 30 June 2023 to 36.9% as of 30 June 2024.

Net result from transfer /disposal of assets

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 half	
	2024	2023
Result of assets held for sale	0	56
Net result from transfer/disposal of assets	0	56

At the end of the first six 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 awarding 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 half-yearly financial report as at 30 June 2024.

Transactions arising from atypical and/or unusual operations

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

Commitments and risks

Guarantees given

The Group issued the following guarantees as at 30 June 2024:

Guarantees held by companies within the scope of consolidation:

(Thousands of Euro)	30.06.2024	31.12.2023
On credit lines	6,307	6,307
On execution of works (letter of comfort)	10,536	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	8,705	8,175
Total	32,362	32,659

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

(Thousands of Euro)	30.06.2024	31.12.2023
Patronage to cover the obligations deriving from the related relationships	7,922	10,798
On UTF offices and regions for taxes on gas (letter of comfort)	1,850	1,850
Total	9,772	12,648

Ascopiave received an active guarantee from Hera S.p.A., equal to Euro 962 thousand, in relation to the sureties issued by the affiliate 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 benchmarks

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 at 30 June 2024 of Euro 283,537 thousand and maturities between 1 July 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 30 June 2024 had a total residual debt of Euro 233,815 thousand (Euro 202,393 thousand as of 31 December 2023), of which Euro 34,603 thousand was hedged through the underwriting of financial derivatives, for which the interest rate risk was therefore sterilised.

It should be noted that as of 30 June 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 2,205 thousand and were effective.

The loans signed with BNL 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 signed by subsidiary Salinella Eolico with Iccrea Banca, with residual debt at year-end of Euro 49,722 thousand, and the bond loan with residual debt at 30 June 2024 of Euro 86,323 thousand.

The loans represented are subject to financial covenants.

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

Sensitivity analysis to interest rate risk

The following table highlights 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	II qtr 2024	
Net Financial Position 2024	(400,761)	(408,882)	
Borrowing rates of interest	1.59%	1.797%	
Lending rates of interest	3.41%	3.43%	
Borrowing rate of interest plus 200 basis points	3.59%	3.80%	
Lending rates of interest plus 200 basis points	5.41%	5.43%	
Borrowing rate of interest reduced of 50 basis points	1.09%	1.30%	
Lending rates of interest reduced of 50 basis points	2.91%	2.93%	
Net Financial Position recalculated with the increase of 200 basis points	(402,737)	(410,921)	
Net Financial Position recalculated with decrease of 50 basis points	(400,267)	(408,372)	Total
Effect on pre-tax result of the increase of 200 basis points	(1,976)	(2,039)	(4,015)
Effect on pre-tax result of the decrease of 50 basis points	494	510	1,004

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 worsening of Euro 4,015 thousand and an improvement of Euro 1,004 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 adversely 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.

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 a preliminary "disclosure", analysed the 4 pillars recommended by the document: Governance, Strategy, Risk Management, Metrics & Targets.

During 2021, Ascopiave S.p.A. placed the pursuit of the objective of "sustainable success" at the centre of its corporate culture and corporate governance system and on 15 January 2021, the Board of Directors of Ascopiave S.p.A. formally adhered to the new Corporate Governance Code which, in Principle I, promotes "sustainable success". The same year also saw the establishment of the Sustainability Committee with investigative functions, of a propositional and advisory nature, 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.

The Group's strategy aims to pursue sustainable success and is oriented towards the objective of stable value creation for shareholders, aware of the potentially significant impacts that climate may have on customers, stakeholders and business. 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 resulting from climate change. Part of the planned investments in diversification in the renewable energy sector are destined for energy transition by focusing on gases defined as "green", 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.

With particular reference to the 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.

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)	30.06.2024	31.12.2023
Short-term net financial position	119,742	94,011
Medium / long-term net financial position	285,863	295,352
Net Financial Position	405,605	389,363
Share capital	234,412	234,412
Own shares	(55,324)	(55,423)
Reserves	645,242	639,117
Undistributed net profit	17,845	36,176
Total Net equity	842,173	854,282
Total sources of funding	1,247,778	1,243,645
Net financial position / Net equity ratio	0.48	0.46

The NFP/shareholders' equity ratio as at 30 June 2024 was 0.48, showing an increase compared to 31 December 2023. The trend of this indicator is related to the combined effect of the change in Net Financial Position, which increased by Euro 16,242 thousand in the first half of the year, and in Shareholders' Equity, which increased by Euro 12,109 thousand, changes due to investments made, the result accrued in the period, and partly due 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 30 June 2024 and 31 December 2023 is as follows:

(Thousands of Euro)					30.06.2024	Fair value
	A	B	C	D	Total	
Participations			305,010		305,010	305,010
Other non-current assets			2,354		2,354	2,354
Non-current financial assets			2,661		2,661	2,661
Trade receivables and other current assets			119,318		119,318	119,318
Current financial assets			1,143		1,143	1,143
Cash and cash equivalents			27,225		27,225	27,225
Current assets from derivative financial instruments		2,589			2,589	2,589
						0
Long term outstanding bonds				78,559	78,559	78,559
Medium- and long-term financing				202,839	202,839	202,839
Other non-current liabilities				3,595	3,595	3,595
Non-current financial liabilities				7,126	7,126	7,126
Outstanding short-term bonds				7,720	7,720	7,720
Bank debts and loans				140,698	140,698	140,698
Trade payables and other current liabilities				93,969	93,969	93,969
Current financial liabilities				1,205	1,205	1,205
Current liabilities from derivative financial instruments		0			0	0

(Thousands of Euro)					31.12.2023	Fair value
	A	B	C	D	Total	
Participations			308,331		308,331	308,331
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
						0
Long term outstanding bonds				86,347	86,347	86,347
Medium- and long-term financing				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
Outstanding short-term bonds				7,708	7,708	7,708
Bank debts and loans				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 benchmarks 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 concerning the Group's business segments for the first half of the financial year 2024 and the first half of the financial year 2023.

1 st half 2024 (Thousands of Euro)	Gas Distribution	Renewables energies	Other	30.06.2024 values		Total
				from new acquisitions	Elision	
Net revenues to third-party customers	81,566	16,212	1,314	0		99,091
Intra-group revenues among the segment	5,697	9,308	3,273	0	(18,278)	0
Segment revenue	87,263	25,520	4,587	0	(18,278)	99,091
Result before taxes	18,048	6,832	(360)	0		24,521

1 st half 2023 (Thousands of Euro)	Gas Distribution	Renewables energies	Other	30.06.2023 values		Total
				from new acquisitions	Elision	
Net revenues to third-party customers	71,049	8,470	48	4,330		83,897
Intra-group revenues among the segment	3,089	0	9,929	155	(13,173)	0
Segment revenue	74,138	8,470	9,977	4,485	(13,173)	83,897
Result before taxes	17,269	708	(2,956)	760		15,781

Transactions with related parties

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

(Thousands of Euro)	30.06.2024				Revenues			Costs		
	Trade receivables	Other receivables	Trade payables	Other payables	Goods	Services	Other	Goods	Services	Other
Asco Holding S.p.A.	99	174	33	0	0	99	0	0	33	0
Total parent company	99	174	33	0	0	99	0	0	33	0
Bim Piave Nuove Energie S.r.l.	160	0	9	0	0	160	0	0	9	0
Total affiliated companies	160	0	9	0	0	160	0	0	9	0
ASM Set S.r.l.	320	0	0	0	0	1,300	0	0	0	0
Etra Energia S.r.l.	34	0	0	0	0	87	0	0	0	0
Estenergy S.p.A.	9,925	0	0	0	0	28,130	0	0	0	0
Total subsidiary companies	10,279	0	0	0	0	29,518	0	0	0	0
Total	10,538	174	42	0	0	29,776	0	0	42	0

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..

Important information:

- 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 performed by 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 dated 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 concerned.

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)	30.06.2024	of which related parties						31.12.2023	of which related parties								
		A	B	C	D	Total	%		A	B	C	D	Total	%			
ASSETS																	
Non-current assets																	
Goodwill	61,727							61,727									
Other intangible assets	712,158							704,627									
Property, plant and equipment	155,405							156,475									
Equity-accounted investments	207,754			207,754		207,754	100.0%	211,074			211,074			211,074	100.0%		
Shareholdings in other companies	97,256							97,257									
Other non-current assets	3,417							3,478									
Non current financial assets	2,661							2,507									
Deferred tax assets	38,472							39,301									
Non-current assets	1,278,849			207,754		207,754	16.2%	1,276,446			211,074			211,074	16.5%		
Current assets																	
Inventories	8,757							8,276									
Trade receivables	47,633	99	160	10,279		10,538	22.1%	33,382	63	128	15,565			15,756	47.2%		
Other current assets	76,218	174				174	0.2%	80,831	174					174	0.2%		
Current financial assets	1,143							1,743									
Current tax assets	3,726							4,017									
Cash and cash equivalents	27,225							52,083									
Current assets from derivative financial instruments	2,589							4,821									
Current assets	167,291	272	160	10,279		10,711	6.4%	185,153	237	128	15,565			15,930	8.6%		
Non-current assets held for sale	0							385									
ASSETS	1,446,140	272	160	218,033		218,465	15.1%	1,461,984	237	128	226,639			227,004	15.5%		
Net equity and liabilities																	
Total Net equity																	
Share capital	234,412							234,412									
Treasury shares	(55,324)							(55,423)									
Reserves	652,970							665,764									
Net equity of the Group	832,057							844,753									
Net equity of the Minorities	10,117							9,529									
Total Net equity	842,173							854,282									
Non-current liabilities																	
Provisions for risks and charges	870							2,020									
Employee benefits	3,996							4,751									
Long term outstanding bonds	78,559							86,347									
Non-current bank loans	202,839							204,064									
Other non-current liabilities	41,456							39,360									
Non-current financial liabilities	7,126							7,448									
Deferred tax liabilities	17,661							17,618									
Non-Current liabilities	352,506							361,608									
Current liabilities																	
Short term outstanding bonds	7,720							7,708									
Payables due to banks and financing institutions	140,698							140,642									
Trade payables	67,707	33	9			42	0.1%	73,026	16	7	67			90	0.1%		
Current tax liabilities	5,459							795									
Other current liabilities	28,672							22,114									
Current financial liabilities	1,205							1,562									
Current liabilities	251,461	33	9			42	0.0%	245,847	16	7	67			90	0.0%		
Non-current liabilities disposal of liabilities	0							247									
Liabilities	603,967	33	9			42	0.0%	607,702	16	7	67			90	0.0%		
Net equity and liabilities	1,446,140	33	9			42	0.0%	1,461,984	16	7	67			90	0.0%		

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 half	of which related parties						First half	of which related parties					
	2024	A	B	C	D	Total	%	2023	A	B	C	D	Total	%
Revenues	99,091	99	160	29,518		29,776	30.0%	83,897	89	151	(43,533)		(43,293)	-51.6%
- of which non-recurring														
Total operating costs	50,382	33	9		725	767	1.5%	45,968	34	9		310	353	0.8%
Raw materials, consumables, supplies and goods	1,082							989						
Costs for services	25,830	33	9		360	402	1.6%	24,848	34	9			43	0.2%
Personnel expenses	10,448				364	364	3.5%	11,216				310	310	2.8%
Other management costs	13,157							13,046						
Other income	136							4,130						
- of which non-recurring														
Amortization and depreciation	24,998							23,431						
Operating result	23,711	66	151	29,518	(725)	29,009	122.3%	14,498	55	142	43,533	310	43,646	-301.1%
Financial income	3,787							5,783						
Financial expense	7,826							5,293						
Share of profit of equity-accounted investees	4,848			4,848		4,848	100.0%	794			794		794	100.0%
Earnings before tax	24,521	66	151	34,366	(725)	33,857	138.1%	15,781	55	142	(42,739)	(310)	(42,852)	-271.5%
Income taxes	5,993							2,309						
Result of the period	18,527							13,473						
Net result from transfer/disposal of assets								56						
Net result for the period	18,527							13,529						
Group's Net Result	17,845							12,071						
Minorities' Net Result	683							1,458						
Consolidated statement of comprehensive income														
1. Components that can be reclassified to the profit / (loss) of the period														
- Effective portion of the change in fair value of cash flow hedging instruments, net of tax effects	(1,448)							(2,390)						
- Share of comprehensive income of investments valued using the equity method	850							(10,561)						
2. Components that can not be reclassified to the profit / (loss) of the period														
Actuarial (losses)/gains from remeasurement on defined-benefit obligations net of tax	468							7						
Total comprehensive income	18,397							585						
Result attributable to the shareholders of the parent company	17,815							(942)						
Result attributable to third party investments	583							1,527						
Diluted net income per share	0.082							0.056						

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 half 2024	of which related parties					Totale	First half 2023	of which related parties					Totale
		A	B	C	D				A	B	C	D		
Cash flows generated (used) by operating activities														
Total comprehensive income	18,397						585							
Adjustments to reconcile net income to net cash														
Fair value change in derivatives related to affiliated companies, change for the period net of the tax effect	(850)					0	10,561							0
Fair value of derivatives, changes in the year	1,448					0	2,390							0
Non-monetary changes in employee benefits	(468)					0	(7)							0
Amortization	24,998					0	23,431							0
Bad debt provisions	2					0	253							0
Credit losses	336					0	0							0
Impairment of assets	1,339					0	1,562							0
Change in employee benefits	(287)					0	39							0
Current assets / liabilities on financial instruments	784					0	(2,233)							0
Net change in other funds	(1,150)					0	157							0
Net equity evaluation method of subsidiaries	(4,848)			(4,848)		(4,848)	(794)		(794)					(794)
Losses / (gains) on disposals of fixed assets	0					0	(3,154)							0
Capital (gains) / losses on shareholdings disposal	0					0	(892)							0
Dividends from equity investments	(3,412)					0	(4,228)							0
Interests paid	(7,212)					0	(6,182)							0
Interest expense for the period	7,754					0	5,212							0
Taxes for the period	5,993					0	2,309							0
Total adjustments	24,427					(4,848)	28,424	0	0	(794)	0	(794)	0	(794)
Variations in assets and liabilities														
Inventories	(481)					0	(2,772)							0
Trade receivables	(14,253)	(36)	(32)	15,246		15,178	(82)	(9)	63	8,143				8,197
Other current assets	4,751					0	45,063	(10)						(10)
Trade payables	(5,319)	17	2	(67)		(48)	(113,256)	9	(57)	(60,968)				(61,016)
Other current liabilities	5,654					0	(1,864)							0
Other non-current assets	62					0	874							0
Other non-current liabilities	2,096					0	1,085							0
Operating flows from discontinued assets / liabilities	0					0	203							0
Total variations in assets and liabilities	(7,490)	(19)	(30)	15,179	0	15,130	(70,749)	(10)	6	(52,825)	0	(52,829)	0	(52,829)
Cash flows generated (used) by operating activities	35,334	(19)	(30)	10,331	0	10,282	(41,740)	(10)	6	(53,619)	0	(53,623)	0	(53,623)
Cash flows generated (used) by investments														
Investments in intangible assets	(28,232)					0	(25,213)							0
Realisable value of intangible assets	0					0	9,412							0
Investments in property, plant and equipment	(4,295)					0	(9,319)							0
Realisable value of property, plant and equipment	0					0	64							0
Purchase of shareholding and prepayments	(0)					0	(36,714)							0
Disposal of shareholdings and prepayments	0					0	19,794							0
Dividends received	12,430					0	23,225							0
Payments in cash by minorities in subsidiaries	5					0	2,162							0
Investment flows from discontinued assets / liabilities	0					0	(125)							0
Cash flows generated/(used) by investments	(20,093)						(16,714)							0
Cash flows generated (used) by financial activities														
Net changes in non-current financial liabilities	0					0	(459)							0
Net changes in short-term loans	(46,397)					0	(37,263)							0
Net changes in current financial assets and liabilities	(600)					0	(30,561)							0
Purchase of treasury shares	15					0	0							0
New non-current loans	164,000					0	387,300							0
Repayment of non-current loans	(119,000)					0	(293,600)							0
Dividends paid to Ascopiave S.p.A. shareholders	(30,339)					0	(28,172)							0
Dividends paid to other shareholders	0					0	(890)							0
Net changes in long-term loans	(7,778)					0	0							0
Cash flows from discontinued assets / liabilities	0	0	0	0	0	0	(78)	0	0	0	0	0	0	0
Cash flows generated (used) by financial activities	(40,099)	0	0	0	0	0	(3,724)	0	0	0	0	0	0	0
Cash flow for the year	(24,858)	0	0	0	0	0	(62,178)	0	0	0	0	0	0	0
Cash and cash equivalents at the beginning of the year	52,083						76,917							0
Cash and cash equivalents at the end of the period	27,225						14,739							0

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)	30.06.2024	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	27,225					0		52,083					0	
B Equivalent to cash and cash equivalents	0					0		0					0	
C Other current financial assets	1,143					0		1,743					0	
- of which related parties	0					0		0					0	
D Liquid assets (A) + (B) + (C)	28,368	0	0	0	0	0		53,826	0	0	0	0	0	0
E Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt)	(61,205)					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	(88,419)					0		(88,350)					0	
- of which related parties	0					0		0					0	
G Current financial indebtedness (E) + (F)	(149,624)	0	0	0	0	0		(149,912)	0	0	0	0	0	0
H Net current financial indebtedness (D) + (G)	(121,256)	0	0	0	0	0		(96,086)	0	0	0	0	0	0
I Non-current financial debt (excluding the current portion and debt instruments)	(288,524)					0		(297,859)					0	
J Debt instruments	0					0		0					0	
K Trade payables and other non-current payables	0					0		0					0	
L Non-current financial indebtedness (I) + (J) + (K)	(288,524)	0	0	0	0	0		(297,859)	0	0	0	0	0	0
M Net financial indebtedness (H) + (L)	(409,779)	0	0	0	0	0		(393,945)	0	0	0	0	0	0

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
- Auditors
- Strategic managers

Significant events after the end of the first half of the financial year 2024

Information on the purchase of treasury shares

Ascopiave announced that, within the scope of the authorisation to purchase treasury shares resolved by the Shareholders' Meeting dated 18 April 2024, in the period between 26 June 2024 and 19 July 2024 it purchased 365,213 ordinary shares on the electronic share market at an average unit price of Euro 2.3419, for a total countervalue of Euro 855,281.87.

The purchases were made through EQUITA SIM S.p.A., as the intermediary appointed to execute, in full independence, the treasury share purchase programme on behalf of the Company.

As a result of the purchases made, Ascopiave holds 17,973,719 treasury shares, equal to 7.6676%, for the above countervalue.

Disclosure of the total amount of voting rights pursuant to Article 85-bis, paragraph 4-bis, of Consob Regulation 11971 dated 14 May 1999

On 5 July 2024, Ascopiave S.p.A. announced that the increased voting right for 453,226 ordinary shares of the Company had become effective, pursuant to Article 127-quinquies of Legislative Decree 98/1998 and Article 6 of Ascopiave's Articles of Association. Therefore, the total number of Ascopiave ordinary shares with increased voting rights is 161,426,708. Please note that Article 6 of Ascopiave's bylaws provides that each share held by the same shareholder for a continuous period of at least twenty-four months from the date of its registration in the Special List established pursuant to Article 6.8 of the bylaws (the "Special List") shall be attributed two votes.

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, 30 July 2024

The Chairman of the Board of Directors
Nicola Ceconato

DECLARATION

(Translation from the original in Italian)

Certification of the Half Year Report as of 30th June 2024

Pursuant to Article 154-bis paragraph 5 and 5-bis, part IV, section III, section II, heading III 2), section V-bis, Legislative Decree n. 58, dated 24th February 1998: Consolidated Law on Finance compliant with Articles 8 and 21, Law 52 dated 6th February 1996

1) The undersigned dr. Nicola Ceconato in his capacity as Chairman of the Board of Directors, and dr. Riccardo Paggiaro, Officer Responsible for preparing the Corporate Financial Reports of Ascopiave S.p.A. hereby certify, pursuant to the guidelines of Article 154-bis, paragraphs 2, 3 and 4, Legislative Decree n. 58, dated 24th February 1998:

- the appropriateness of the Financial Statements with respect to the characteristics of the company, and
- the effective adoption of administrative and accounting procedures in preparing the Consolidated Financial Statements for the period 1st January 2024 –30th June 2024

2) Moreover, it is herein stated that the financial statements

- (a) correspond to the information in the books and other accounting records;
- (b) have been written in accordance with IFRS International Accounting Principles adopted by the European Union as well as with the provisions of regulations based on Article 9, Legislative Decree n. 38/2005;
- (c) to our best knowledge, provide a true and fair representation of the performance and financial position of the Issuer and the companies included in the scope of consolidation.
- (d) the report on operations accompanying the financial statements contains a reliable analysis of operations and performance, as well as the situation of the Group as well as the related and associated companies, together with a description of the main risks and uncertainties to which they are exposed.

Pieve di Soligo – 30th July 2024

<i>Chairman of the Board of Directors</i>	<i>Officer Responsible for the preparation of Corporate Financial Reports</i>
<i>signature</i>	<i>signature</i>
dr. Nicola Ceconato	dr. Riccardo Paggiaro



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

*To the Shareholders of
Ascopiave S.p.A.*

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of ABC S.p.A. the Ascopiave Group comprising the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flows statement and explanatory notes thereto, as at and for the six months ended 30 June 2024. The Directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Ascopiave Group as at and for the six months ended 30 June 2024 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.



Ascopiave Group

*Report on review of condensed interim consolidated financial statements
30 June 2024*

Other Matter

The consolidated financial statements of the previous year and the condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 have been respectively audited and reviewed by another auditor who expressed an unmodified opinion on the consolidated financial statements and an unmodified conclusion on the condensed interim consolidated financial statements on 27 March 2024 and on 27 July 2023, respectively.

Treviso, 31 July 2024

KPMG S.p.A.

(signed on the original)

Silvia Di Francesco
Director of Audit

Ascopiave Group

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