

# INTERIM REPORT ON OPERATIONS AS AT 30 SEPTEMBER

# 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, Consob Regulation No. 11971

## GENERAL INFORMATION

### Corporate bodies and information

#### Board of Directors and Board of Auditors

Name	Office	Duration of office	From	To
Ceconato 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

(\*) Ceconato 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

### Audit 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

Tel. +39 0438 980098

Fax +39 0438 964778

e-mail: [investor.relations@ascopiave.it](mailto:investor.relations@ascopiave.it)

### Registered office and corporate information

Ascopiave S.p.A.

Via Verizzo, 1030

I-31053 Pieve di Soligo - TV Italy

Tel: +39 0438 980098

Fax: +39 0438 964778

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

VAT NO. 03916270261

## Ascopiave Group Key Economic and Financial Data

### Economic Data

(Thousands of Euro)	Nine month			
	2024	% of revenues	2023	% of revenues
Revenues	146,292	100.0%	125,153	100.0%
Gross operative margin	71,895	49.1%	55,569	44.4%
Operating result	34,181	23.4%	19,838	15.9%
Result for the period	26,611	18.2%	14,378	11.5%
Net result for the period	26,611	18.2%	14,435	11.5%

EBITDA is short for earnings before depreciation, amortisation, bad debts, financial management and taxes.

### Balance Sheet Data

(Thousands of Euro)	30.09.2024	31.12.2023
Net working capital	32,159	33,702
Fixed assets and other non current assets (Non-financial)	1,285,337	1,273,692
Non-current liabilities (excluding loans)	(63,896)	(63,749)
<b>Net invested capital</b>	<b>1,253,600</b>	<b>1,243,645</b>
Net financial position	(404,782)	(389,363)
Total Net equity	(848,817)	(854,282)
<b>Total financing sources</b>	<b>(1,253,600)</b>	<b>(1,243,645)</b>

Please note that the “Net working capital” is 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)	Nine month	
	2024	2023
<b>Total comprehensive income</b>	<b>25,704</b>	<b>45</b>
Cash flows generated (used) by operating activities	54,574	(48,420)
Cash flows generated/(used) by investments	(38,112)	(36,465)
Cash flows generated (used) by financial activities	(51,673)	27,316
<b>Variations in cash</b>	<b>(35,212)</b>	<b>(57,568)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>52,083</b>	<b>76,917</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16,871</b>	<b>19,349</b>

## MANAGEMENT REPORT

### Foreword

The Ascopiave Group closed the first nine months of the 2024 financial year with a consolidated net profit of Euro 26.6 million (Euro 14.4 million as at 30 September 2023), an increase of Euro 12.2 million compared to the same period of the previous year.

Consolidated shareholders' equity as of 30 September 2024 amounted to Euro 848.8 million (Euro 854.3 million as of 31 December 2023), and net invested capital to Euro 1,253.6 million (Euro 1,243.6 million as of 31 December 2023). During the first nine months of the year, the Group made investments of Euro 51.6 million (Euro 55.3 million in the first nine months 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 40.5 million (Euro 39.8 million in the first nine months of 2023). At the end of the reporting period, investments were made in plants for the production of energy from renewable sources for Euro 9.2 million (Euro 14.4 million in the first nine months of 2023).

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

### Activities

The Ascopiave Group operates mainly in the natural gas distribution sector. It currently holds concessions and direct assignments for the management of gas distribution in 301 municipalities, operating a distribution network that extends over 14,714 kilometres and providing the service to approximately 870,800 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 lines of its development strategy are dimensional growth, diversification into other sectors of the energy sector synergic with the core business, and the improvement of operational processes.

### Operating performance

The volume of gas distributed through the networks managed by the Group amounted to 968.9 million cubic metres, an increase of 0.2% compared to the same period of the previous year.

As of 30 September 2024, the distribution network had a length of 14,714 kilometres, a decrease of 16 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 170.0 GWh during the first nine months of the year, showing an increase of 66.2% 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 nine months of 2023, characterised by a significant drought.



### **Economic results and financial overview**

Consolidated revenue for the first nine months of the financial year 2024 amounted to EUR 146.3 million, compared to EUR 125.2 million in the same period last year.

The Group's operating profit amounted to EUR 34.2 million, an increase of EUR 14.3 million compared to the same period last year.

At EUR 26.6 million, the consolidated net profit increased by EUR 12.2 million compared to the first nine months of the previous year.

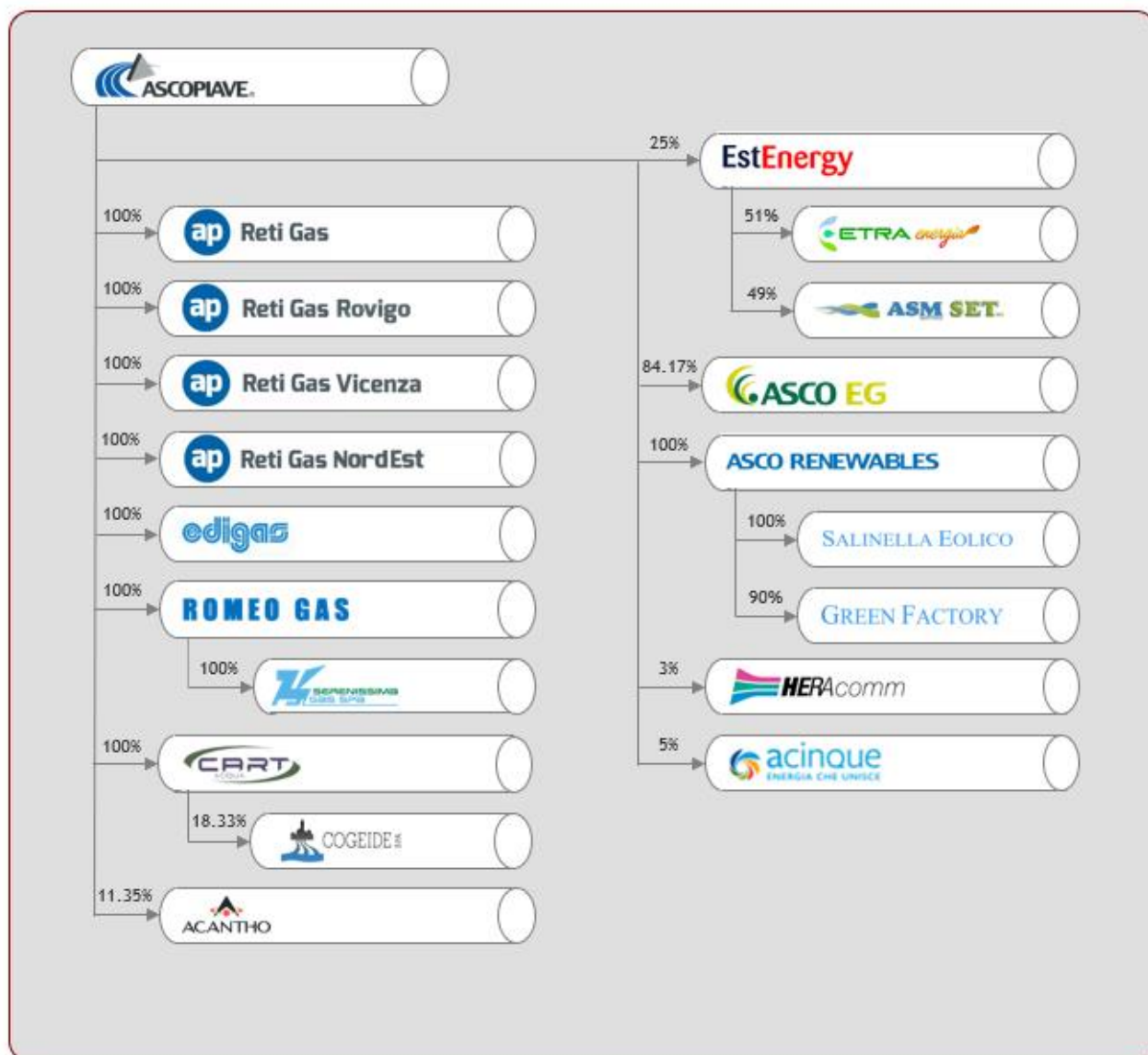
The Group's Net Financial Position as of 30 September 2024 was EUR 404.8 million, up EUR 15.4 million from EUR 389.4 million as of 31 December 2023.

The increase in financial debt is determined by the cash flow for the year (given by the sum of the net result, income from equity investments, the result of companies consolidated using the equity method and depreciation and amortisation), which generated resources of Euro 52.0 million, by the management of net working capital, which generated financial resources of Euro 1.9 million, by investment activities, which absorbed resources of Euro 51.6 million, and by asset management (mainly dividends), which absorbed resources of Euro 17.7 million.

The ratio of Net Financial Position to Shareholders' Equity as at 30 September 2024 was 0.48 (0.62 as at 30 September 2023).

## The structure of the Ascopiave Group

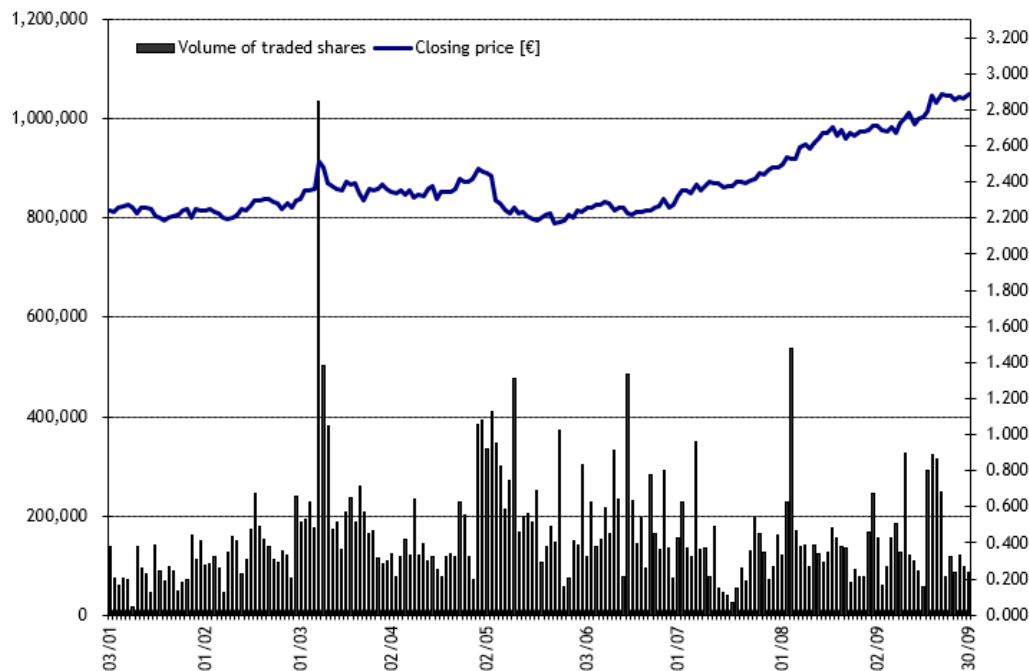
The table below shows the corporate structure of the Ascopiave Group as at 30 September 2024.



## Ascopiave S.p.A. share price performance on the Stock Market

On 30 September 2024, Ascopiave's share price was quoted at Euro 2.885 per share, an increase of 28.8 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 28 October 2024 was EUR 662.21 million<sup>1</sup> (EUR 527.43 million<sup>2</sup> as at 29 December 2023).



During the first nine months of the financial year 2024, the share price showed an improved performance (+28.8%). During the same period, the FTSE Italia All Share, FTSE Italia Star and FTSE Italia Utenze sector indices also registered increases of 12.8%, 0.1% and 8.6%, respectively.

The table below shows the main share and stock market data as at 30 September 2024:

Share and stock-exchange data	30.09.2024	29.12.2023
Earning per share (Euro)	0.12	0.17
Net equity per share (Euro)	3.87	3.91
Placement price (Euro)	1.800	1.800
Closing price (Euro)	2.885	2.250
Maximum annual price (Euro)	2.885	2.910
Minimum annual price (Euro)	2.170	1.948
Stock-exchange capitalization (Million of Euro)	676.28	527.43
No. of shares in circulation	216,437,856	216,709,997
No. of shares in share capital	234,411,575	234,411,575
No. of own share in portfolio	17,973,719	17,701,578

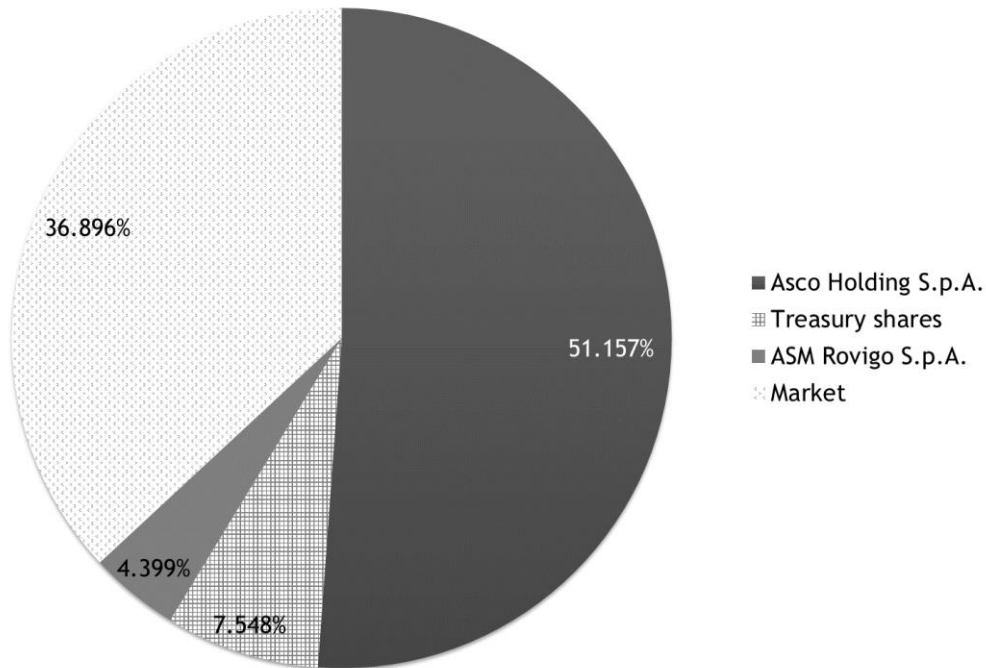
<sup>1</sup> The stock market capitalisation of the main listed companies active in the local public services sector (A2A, Acea, Acinque, Hera and Iren) as at 28 October 2024 was EUR 19.1 billion. Official data taken from the Borsa Italiana website ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

<sup>2</sup> Internal processing.

## Control of the company

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

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 dated 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 Ethics

During the first nine months 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 considered 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 Organisation, 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 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 30 July 2024, following the overall update of the model.

The Company, availing itself of the activity of the Supervisory Board, constantly monitors the effectiveness and adequacy of the Model adopted.

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

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

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

Furthermore, it should be noted that during the first nine months 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 were completed during 2024.

## Transactions with related and associated companies

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 nine months of the financial year 2024, relations with associated companies generated revenues in connection with the following types of services:

- ✓ Natural gas transport service on the local distribution network;
- ✓ Meter services performed as natural gas distributors and meter reading services;
- ✓ Administrative, IT, personnel and facility services
- ✓ Dividends resolved by the shareholders' meeting.

It should be noted that these relations are based on maximum transparency and on market conditions. With regard to the individual relationships, please refer to the explanatory notes of this report.

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

(Thousands of Euro)	30.09.2024				Revenues			Costs		
	Trade receivables	Other receivables	Trade payables	Other payables	Goods	Services	Other	Goods	Services	Other
Asco Holding S.p.A.	115	174	32	0	0	154	0	0	49	0
<b>Total parent company</b>	<b>115</b>	<b>174</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>154</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>0</b>
Bim Piave Nuove Energie S.r.l.	172	0	9	0	0	245	0	0	14	0
<b>Total affiliated companies</b>	<b>172</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>245</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>0</b>
ASM Set S.r.l.	1	0	0	0	0	1,738	0	0	0	0
Etra Energia S.r.l.	1	0	0	0	0	123	0	0	0	0
Estenergy S.p.A.	318	0	0	0	0	38,347	0	0	0	0
Cogeide S.p.A.	33	0	0	0	0	399	0	0	0	0
<b>Total subsidiary companies</b>	<b>352</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,606</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>640</b>	<b>174</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>41,005</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>

## Significant events during the first nine months of the financial year 2024

### Early termination of Prelios financing

In January 2024, the subsidiary Asco EG extinguished the loan signed with Prelios early. The residual debt, amounting to Euro 9,043 thousand, as of 31 December 2023 was recorded under medium- and long-term loans for Euro 7,652 thousand and under 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 directions indicated last year, outlining a path of sustainable growth in the core businesses of gas distribution and renewable energies 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: EUR 139 million (+ EUR 44 million compared to final 2023);
- Net profit to 2027: EUR 42 million (+ EUR 5 million compared to 2023);
- Net investments 2024-2027: EUR 617 million;
- Divestments of minority interests 2024-2027: EUR 294 million;
- Net debt to 2027: EUR 435 million;
- Financial leverage (Net Financial Position / Shareholders' Equity) to 2027: 0.48;
- Dividend forecast: 14 cents per share for the financial year 2023, increasing by 1 cent per share in the following 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 EUR 0.14 per share, for a total of EUR 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 of 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 auditing company KPMG S.p.A. to audit the accounts of Ascopiave S.p.A. for the financial years 2024 ÷ 2032.

### **Approval of the 2023 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 of 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 envisaged by applicable regulations.

### **Disclosure of the total amount of voting rights pursuant to Article 85-bis, paragraph 4-bis, 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 amendments to the aforesaid Plan will be promptly communicated by the Company.

### **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 EUR 2.3419, for a total countervalue of EUR 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 countervalue stated.



### **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 increase in voting rights with respect to 453,226 ordinary shares of the Company had become effective, pursuant to Art. 127-quinquies of Legislative Decree 98/1998 and Art. 6 of Ascopiave's Articles of Association. Therefore, on that date, the total number of Ascopiave ordinary shares with increased voting rights was 161,426,708 shares. 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.

### **Joint press release A2A - Ascopiave**

On 30 July 2024, A2A and Ascopiave announced that A2A had received a non-binding offer from Ascopiave for the purchase of a compendium of assets consisting of approximately 490,000 gas distribution redelivery points in Lombardy (in the territorial areas of Brescia, Bergamo, Cremona, Pavia and Lodi), currently managed by companies wholly owned by A2A.

The parties have agreed to continue the negotiation process, and A2A has granted Ascopiave an exclusive negotiation period, until 15 December 2024, to carry out the usual due diligence activities with the aim of possibly reaching a binding agreement by that date.

Any completion of the transaction will be subject to, among other things, the positive outcome of the due diligence, the negotiation of contractual agreements to our mutual satisfaction, the obtaining of the necessary authorisations from the competent authorities, and the approval of the corporate bodies of A2A and Ascopiave.

## **Other significant facts**

### **Energy efficiency and Savings**

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 of 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 of the Group's obligated distribution companies, 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 nine months with respect to the financial year 2024, as of the closing date of this interim report, there were 94,422 securities not yet delivered.

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.

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

The regulatory changes that have taken place over the last few years, and in particular the discipline that has envisaged 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 likelihood of an "ope legis" expiry, prior to the commencement of the "contractual" term, was (as a rule) not envisaged (and therefore regulated) in the concession deeds.

In essence, the case concerned (early termination imposed by law) represents a 'tertium genus', in some respects similar to the exercise of early redemption (from which, however, it differs markedly in the lack of an autonomously

formed will on the part of the body) and for others similar to the expiry of the concession period (which, however, has not expired).

At least until Ministerial Decree 226/2011, there were no laws and/or regulations that precisely defined the methods and criteria for determining the 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 expected nor envisaged.

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

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

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

In particular, they corresponded:

- Euro 3,869 thousand for 2010;
- Euro 4,993 thousand for 2011;
- Euro 5,253 thousand for 2012;
- Euro 5,585,000 for 2013;
- Euro 5,268,000 for 2014;
- Euro 5,258,000 for 2015;
- Euro 5,079 thousand for 2016;
- Euro 5,190 thousand for 2017;
- Euro 5,258,000 for 2018;
- Euro 5,482 thousand for 2019;
- Euro 5,467 thousand for 2020;
- Euro 5,430,000 for 2021;
- Euro 5,023,000 for 2022;
- Euro 5,225,000 for 2023.

for a total of Euro 72,380,000.

## Litigation

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

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

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

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

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

As at 30 September 2024, the following cases are pending:

#### **MUNICIPALITY OF SOVIZZO**

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

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

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

The first hearing was held on 16 May 2022 and the hearing for the statement of conclusions was held on 12 June 2023.

In a ruling dated 12 December 2023, the Venice Court of Appeal rejected AP Reti Gas's appeal, upholding the first instance ruling.

The Company paid the claimed sum, but also appealed in the Court of Cassation.

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

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

The Municipality of Concordia Sagittaria (again upon the Ambito S.A.'s urging) 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 criteria were complete (and therefore usable to update the estimates). To this end, it appointed CTUs, while the company and the municipality appointed their own CTPs. The hearing to discuss the outcome of the verification is set for 9 October 2024.

The verifier, at the outcome of the in-depth investigations carried out, established, in brief, that: "From the supplementary deed to the original agreement signed on 1 December 2011 and from the appraisal report acquired at the general protocol of the Municipality of Teglio Veneto no. 8309 dated 18 December 2009 - all the methodological elements for the calculation and verification of the reimbursement value can be deduced (with the possibility of adjusting the reimbursement value, also following any updates to the state of consistency) with the exception of the actual consistency of the network sections affected by the protection work not indicated. This aspect, in any case, affects the valuation of the network to a very limited extent, below 2%.

For the disputes with the municipalities of Fossalta di Portogruaro and Concordia Sagittaria, the Regional Administrative Court set a hearing pursuant to Article 72 bis CPA (simplified judgement) for 22 May 2024, which was then postponed to 19 November 2024.

In view of the hearing, AP Reti Gas filed its final pleadings, explicitly referring to the conclusions of the Teglio Veneto verification, in order to emphasise the absolute homogeneity of the negotiation and expert regulation.

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

As at 30 September 2024, the following cases are pending:

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

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

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

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

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

The measures were therefore appealed, for the most part, by re-proposing the 'substantive' complaints already prepared in the first judgement and not examined by the TAR, not because they were considered unfounded, but because the Court, pursuant to the CPA, considered the ruling of lack of jurisdiction to be absorbent and exhaustive. By Resolution No. 584/2023, ANAC formally repealed Resolutions Nos. 214 and 215, but re-proposed entirely similar rules, albeit with some peculiarities. By means of an appeal 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.

At present, there are no further court proceedings.

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

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

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

### 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:

- as a result of their non-exercise, the Comunità Montana di Valle Trompia forfeited the hydroelectric concession granted 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, granted by the same Province with its own executive determination no. 4501 of 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).

The Province and the Mountain Community entered an appearance to resist the company's action.

### 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 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 certain appeals brought by other companies before the Tax Commission, the question of jurisdiction was raised, pending before the Court of Cassation, in addition to the question of constitutionality, which was resolved by the Court of Cassation, which, with the U.S. Sentence No. 12491/2023, published on 19/10/2023, established the jurisdiction of the Administrative Judge.

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 dated 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 dated 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 dated 17 January 2023, the Council of State granted the precautionary petition and therefore suspended the enforceability of the contested 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 dated 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**

An action before the Tribunale Superiore Delle Acque Pubbliche (the Superior Court of Public Waters) (R.G. 136/2023), brought by Asco EG S.p.A. on 16 June 2023, against Lombardy Region, for the annulment of the Lombardy Regional Council's Resolution of 12 April 2023 no. XII/136 "Determinations regarding the updating of the fixed component of the fee due by large hydroelectric derivations for the year 2023 pursuant to Article 20, paragraph 2, of Regional Law no. 5 of 8 April 2020, as amended", published in Boll. Uff. Lombardy Region, 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 short, 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 demand for payment of the 2024 fee was received. The company filed an appeal on additional grounds against these additional payment notices.

Moreover, the company nevertheless paid the fees (2023 and 2024) in the amount allegedly owed by the Region, accompanying the payment with a notice of non acquiescence, highlighting the continuation of the dispute, and therefore of the litigation, in place.

The next hearing is scheduled for 23 April 2025.

### **CHALLENGE TO THE ACTS OF THE TENDER FOR 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 June 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 (AZA and Edison) will also be dealt with.

At the hearing, the Adviser-Rapporteur called all the judgments relating to the tender, asking the claimants' lawyers whether they were willing to waive the interlocutory applications in return for an effort by the Judge to shorten the time of the judgments, with the scheduling of the hearing on the merits shortly. The company's lawyers agreed to the proposal.

The Court rejected the interlocutory application 'reiterated' by another applicant and set the hearing for the discussion of the merits for 27 November 2024.

In the meantime, the company applied for an extension of the deadline for submitting bids (set in the tender documents as 18 October 2024), giving the relevant reasons. The region, however, rejected the request.

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

As at 30 September 2024, the following cases 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, (Build and Design in Lombardy), brought by Ariston Cavi S.p.A.

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

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

In its judgement 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. (Asco EG Capital Increase)**

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 to be unfounded, entered an appearance within the time limit.

The first two hearings took place on 21 December 2022 and 19 July 2023. The hearing for the examination of witnesses 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.

In its judgement of 02/10/2024, the Court of Venice rejected Fin-Energy's claims in their entirety and ordered the latter to pay Asco EG's costs.

### **CLAIM FOR COMPENSATION OF FORMER DIRECTOR**

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 the claimant, 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 entered as a plaintiff, contesting the claim, with both procedural and substantive arguments. The next hearing is set for 6th February 2025.

### **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 had set the hearing on 23 May 2023, then postponed it 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 Sant'Anna S.r.l.'s status as owner of the land/construction 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 groundlessness of the entity's claims. In view of the hearing on 8 October 2024, the Province's lawyers asked the judge to postpone the hearing on 8 October in order to attempt an amicable settlement of the matter. The lawyers of the other parties, including those of the company, acceded to the request. As a result, the hearing was postponed to 15 November 2024.

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

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

The distribution companies of the Ascopiave Group, in fulfilment of their regulatory obligation to do so (with particular reference to Article 40.2a 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 such initiatives are unsuccessful (and limited to users with AC > 500 std. cubic meter/year), the commencement of emergency legal actions.

Currently, they are:

- 9 files filed (hearings already scheduled and/or already under consideration);
- no. 11 files under enforcement;
- No. 1 file with critical procedural issues (e.g. with appeal and/or complaint rejected);
- No. 7 files under management (for which an appeal may therefore have to be filed).

With Resolution No. 379-2024-R-gas ARERA introduced extremely significant changes to the regulation. In a nutshell, the withdrawal limit beyond which the distributor is required to initiate legal action (for forced access to the meter) from 500 smc/year to as many as 5,000 smc/year. This will lead, in essence, to the near-zeroing of the related practices. The Resolution also provides for the abandonment of pending (not already decided) proceedings.

Thus, the annual number of cases for which legal action is likely in 2025, for all Group companies, can be roughly estimated at between 1 and 3.



## Relations with the Revenue Agency

### 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 communicated, with the rejection by the Constitutional Court of the appeal promoted by AP Reti Gas Rovigo and Edigas Esercizio Distribuzione Gas, which proceeded with the presentation of the appeal to the European Court of Human Rights. In September 2024, the negative orders were announced, with the rejection by the Constitutional Court of the appeal promoted by Ascopiave and Asco Energy.

### VENETO REGIONAL DIRECTORATE AUDIT

In September 2019, a short access started against the companies Ascopiave S.p.A. and Ascotrade S.p.A. (the latter merged into EstEnergy S.p.A. effective as of 1 October 2022) by the Veneto Regional Directorate of the Veneto Revenue Agency in relation to IRES, IRAP and VAT for the years from 2013 to 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 of 21 April 2021, which envisaged 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 dated 23 February 2022, which envisaged 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. On 9 October 2024, the Veneto Court of Tax Appeals of second instance filed judgment no. 751/2024 in which it rejected the appeal brought by the Agenzia delle Entrate, ordering it to pay the costs of the dispute.

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 Venice Tax Court of First Instance filed judgment no. 315/2023 in which it accepted the appeal and sentenced the Agenzia delle Entrate to pay the litigation costs and the lump-sum reimbursement of general expenses. Upon the appeal filed by the Revenue Agency on 5 February 2024, the Veneto Court of Second Instance Tax Court filed ruling no. 752/2024 on 9 October 2024 in which it rejected the appeal filed by the Revenue Agency, ordering it to pay the costs of the litigation.

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

## 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 of 21 April 2011, implementing Paragraph 6 of Article 28 of Legislative Decree No. 164 dated 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 of 12 November 2011 (the so-called Criteria Decree), containing the regulation concerning the tender criteria and the scores resulting from the evaluation of the offer for the entrusting of the gas distribution service.

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

Subsequently, however, the disciplinary context was further modified.

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

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

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

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

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

In consideration of these profiles of alleged illegitimacy, Ascopiave S.p.A., together with other leading operators, challenged the Ministerial Decree of 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(5) of Legislative Decree 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 of entry into force of Ministerial Decree 226/2011, i.e. before the date of 12 February 2012, thereby "endorsing" the retroactivity of the application of the Guidelines.

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

1. a partial amendment of the provisions on VR to be applied in the absence of specific agreements between the parties. In substance, it largely takes over what was already envisaged 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” (Urgent Extensions Decree) envisaged 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 envisaged 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 envisaged 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 criteria.

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

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

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

The Authority implemented the provisions of Law 124/2017 with Resolution 905/2017/R/gas dated 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 envisaged 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 envisaged 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 “*ope 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, envisaged 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 envisaged 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 rationality 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 this 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 nine months of the financial year 2024**

### **Summon of the Extraordinary Shareholders' Meeting**

Notice is hereby given that, today, the Board of Directors of Ascopiave S.p.A. resolved to convene the Extraordinary Shareholders' Meeting on 16 December 2024 in first call and on 19 December 2024 in second call, at 3:00 p.m., at the Office of Notary Federico Tassinari, in Bologna (BO), Via Galliera, no. 8.

The Extraordinary Shareholders' Meeting will be called upon to resolve on a proposal to amend the Articles 6 (Shares), 12 (Chairman and conduct of the Shareholders' Meeting), 21 (Remuneration of the Board of Directors) and renumbering of paragraphs of Article 22 (Composition and appointment of the Board of Statutory Auditors) of Ascopiave S.p.A.'s By-laws.

## Distribution dividends

On 18 April 2024, the Shareholders' Meeting approved the annual financial statements and resolved to distribute an ordinary dividend of EUR 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 September 2024, the company held 17,973,719 treasury shares for a value of Euro 55,987 thousand, which are 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 engaged in the normal management and running of the service and in carrying out preparatory activities 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 of 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 nine months of the financial year were 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 subside. 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 counter-measures introduced by the central banks and government 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 compared to the previous year.

The ECB gradually increased the reference rate until it reached a plateau of 4.5%. Interest rate basically confirmed until September 2024 when the ECB announced the first of two cuts, both of 0.25%, the first in September and the second in October.

During the first half of the year, Istat recorded an inflationary trend of 0.7 % 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, 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 the risks associated with liquidity management, interest rates, credit rating, derivatives, etc;
- Operational Risks: these are risks related to the ownership of assets and the operation of business activities, processes and procedures, and human capital management;
- Legal & Compliance Risks: these are the risks related to the management of legal-regulatory developments, the management of litigation and the organisational and governance framework;
- HSE risks: these are risks related to occupational health and safety management and environmental issues.

### STRATEGIC OPERATIONS RISKS

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

As at 30 September 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 criteria 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 the more or 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 conventions and contracts and, for what cannot be deduced from the will of the parties as well as for aspects not governed by the same conventions or contracts, according to the guidelines on criteria and operating methods for the evaluation of the reimbursement value referred to in Article 4, paragraph 6, of Decree-Law No. 69 of 21 June 2013, converted, with amendments, by Law No. 98 of 9 August 2013.

In any case, the private contributions relating to locational assets, which are valued according to the methodology of the tariff regulation in force, are deducted from the reimbursement value. In addition, should the reimbursement value be greater 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 the private contributions related to the locality assets, the granting local authority shall transmit the relevant detailed evaluations of the reimbursement value to the Regulatory Authority for Energy Networks and Environment for verification prior to the publication of the call for

tenders.

The Decree of the Minister of Economic Development No. 266 of 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 criteria used by the Authority to determine the distribution tariffs (RAB). On this point, it should be noted that the Authority intervened with Resolution 367/2014/R/gas, providing that, the redemption value, pursuant to Article 14, paragraph 8, of Legislative Decree No. 164/00, at the end of the first period of entrustment of the area be determined as the sum of :

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

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 the risk, the Group has set up dedicated structures to monitor regulation, legislation and their evolution plans, and actively participates in consultations called by regulatory bodies through trade associations. In addition, it 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. In addition to these measures, the Group, through its Strategic Plan, has defined a diversification path outlining a sustainable growth path in the field of renewable energies.

## **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 nine months of the year amounted to approximately 4.6% (7.6% 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 and management plan, and for controlling and reporting Financial Risks. Financial planning is carried out on an annual time horizon and is done at least weekly, sometimes with mid-week updates.

## **OPERATIONAL RISKS**

Ascopiave oversees the company's processes and activities with respect for 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 deal 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 taken out specific insurance contracts to cover the risks described, which help to limit any negative effects caused by accidents and/or service interruptions.

### **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 Board) financed from the funds set up through the RE (Energy Savings) component of distribution tariffs.

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

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

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

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

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

**Regulatory risk**

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

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

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

The Group has dedicated structures to monitor regulations, legislation and their evolution plans. Regulatory developments are therefore constantly monitored to enable a rapid understanding of the effects and the implementation of the necessary organisational, technical or process changes to ensure compliance with laws, rules and regulations.

**Legal and non-compliance risk**

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

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

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

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

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

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

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

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

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

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

## Additional information

### 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. Following the acquisitions made in the sector of electric energy production from renewable sources, as well as the investments made in the same field, 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.

## Comments on the economic and financial results for the first nine months of the financial year 2024

### Performance Indicators

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

- **EBITDA:** is defined by the Group as the result before depreciation, amortisation, bad debts, financial management and taxes.
- **Operating 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 Board).

## Operating Performance - Main operating indicators

	Nine month		Var.	Var. %
	2024	2023		
<b>NATURAL GAS DISTRIBUTION</b>				
<b>Ascopiave Group</b>				
Number of Concessions	301	304	-3	-1.0%
Length of distribution network (Km)	14,714	14,716	-2	0.0%
Total active meters (no.)	870,830	873,792	-2,962	-0.3%
Volumes of gas distributed (scm/mln)	968.9	967.2	1.7	0.2%
<b>PRODUCTION OF ENERGY FROM RENEWABLES SOURCES</b>				
<b>Ascopiave Group</b>				
Number of plants	29	28	1	3.6%
Installed power (MW)	84.1	62.5	21.6	34.5%
Volumes of electricity produced (GWh)	170.0	102.3	67.7	66.2%

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 regards gas distribution activities, during the first nine months of the year, the volumes supplied through the networks managed by Group companies totalled 968.9 million cubic metres, an increase of 0.2% compared to the same period of the previous year.

As at 30 September 2024, the number of redelivery points (PDR) operated by Group companies was 870,830.

As at 30 September 2024, the distribution network had a length of 14,714 kilometres, a decrease of 15 kilometres compared to 31 December 2023, mainly due to the transfer, effective from 1 January 2024, of certain concessions in the ownership of Romeo Gas; compared to 30 September 2023, the length of the network managed by the Group decreased by 2 kilometres.

The 29 plants producing electricity from renewable sources, with a total installed capacity of 84.1 MW, produced 170.0 GWh during the first nine months of the year, showing an increase of 66.2% 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 nine months of 2023, characterised by a significant drought.

## Operating Performance - The Economic Results of the Group

(Thousands of Euro)	Nine month			
	2024	% of revenues	2023	% of revenues
Revenues	146,292	100.0%	125,153	100.0%
Total operating costs	74,397	(50.9)%	69,584	(55.6)%
<b>Gross operative margin</b>	<b>71,895</b>	<b>49.1%</b>	<b>55,569</b>	<b>44.4%</b>
Amortization and depreciation	37,714	(25.8)%	35,435	(28.3)%
Provision for risks on credits	0	0.0%	296	(0.2)%
<b>Operating result</b>	<b>34,181</b>	<b>23.4%</b>	<b>19,838</b>	<b>15.9%</b>
Financial income	4,848	3.3%	5,862	4.7%
Financial expense	12,461	(8.5)%	9,857	(7.9)%
Evaluation of subsidiary companies with the net equity method	8,094	5.5%	910	0.7%
<b>Earnings before tax</b>	<b>34,662</b>	<b>23.7%</b>	<b>16,753</b>	<b>13.4%</b>
Taxes for the period	(8,051)	5.5%	(2,375)	1.9%
<b>Profit / (loss) of the group's period</b>	<b>26,611</b>	<b>18.2%</b>	<b>14,378</b>	<b>11.5%</b>
Net result from transfer/disposal of assets	0	0.0%	56	0.0%
<b>Profit / (loss) of the period</b>	<b>26,611</b>	<b>18.2%</b>	<b>14,435</b>	<b>11.5%</b>
Group's Net Result	25,712	17.6%	12,881	10.3%
Result of the minority	899	0.6%	1,554	1.2%

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

In the first nine months of the financial year 2024, the Group realised revenues of Euro 146,292 thousand, an increase of 16.9% compared to the same period of the previous year. The table below provides a breakdown of revenues.

(Thousands of Euro)	Nine month	
	2024	2023
Revenues from gas transportation	104,430	91,754
Revenues from electricity sale	161	137
Revenues from connections	677	702
Revenues from distribution services	3,345	3,348
Revenues from general services to other companies	1,588	2,984
Revenues from ARERA contributions	12,267	11,885
Revenues from hydro-electric plants	20,586	11,756
Other revenues	3,239	2,587
<b>Revenues</b>	<b>146,292</b>	<b>125,153</b>

**Tariff revenues on gas distribution activity** (which go from Euro 90,540 thousands to Euro 103,217 thousands) show a positive change equal to Euro 12,677 thousands compared to the first nine months of the previous financial 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 September 2024 equal to 1,213 thousand and as of 30 September 2023 equal to 1,214 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 as stated.

At the end of the first nine months of the financial year, revenues from **wind-hydroelectric power plants** amounted to Euro 20,586 thousand and showed an increase of Euro 8,830 thousand compared to the same period of the previous year.



The increase is mainly explained by the higher quantities of energy produced in the reporting period, as well as by the discontinuation of regulatory measures, applied throughout 2022 and until 30 June 2023, which envisaged a price cap on part of the energy sold. The difference between the revenues commented on here and those shown in the table refers to revenues recognised for the accrual of GO Certificates recognised for the production of energy from renewable sources.

**Revenues from energy efficiency certificates** (which increased from Euro 11,885 thousand to Euro 12,267 thousand) showed a positive change of Euro 382 thousand compared to the first nine months of the previous year.

**Operating result** for the first nine months of 2024 amounted to Euro 34,181 thousand, an increase of Euro 14,343 thousand (+72.3%) compared to the same period of the previous year.

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

- increase in tariff revenues on gas distribution activity for Euro 12,677 thousand;
- increase in revenues from the production of energy from renewable sources for Euro 9,288,000;
- higher margin on energy efficiency bonds in the amount of Euro 241,000;
- negative change in other cost and revenue items of Euro 7,864,000.

The negative change in other cost and revenue items, amounting to Euro 7,864,000, was due to

- lower revenues of Euro 1,207 thousand;
- higher costs for materials, services and miscellaneous charges in the amount of Euro 5,828,000;
- lower personnel costs of Euro 1,154,000;
- higher depreciation on fixed assets and provisions in the amount of Euro 1,983,000.

Consolidated net profit for the first nine months of 2024 amounted to Euro 26,611 thousand, an increase of Euro 12,176 thousand (+84%) 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 14,343 thousand;
- decrease in financial income of Euro 1,014,000;
- an increase in financial expenses of Euro 2,604,000;
- higher results of companies consolidated under the equity method for Euro 7,184 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 5,676 thousand;
- 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 33.7% in the first nine months of 2023 to the current 36.1%.

## Operating performance - Financial Situation

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

(Thousands of Euro)	30.09.2024	31.12.2023
Cash and cash equivalents	16,871	52,083
Current financial assets	1,687	3,818
Current financial liabilities	(1,029)	(1,562)
Payables due to banks and financing institutions	(142,857)	(140,642)
Outstanding short-term bonds	(7,605)	(7,708)
<b>Net short-term financial position</b>	<b>(132,933)</b>	<b>(94,011)</b>
Non current financial assets	2,671	2,507
Non current-bank loans	(188,801)	(204,064)
Outstanding medium- and long-term bonds	(78,762)	(86,347)
Non-current financial liabilities	(6,958)	(7,448)
<b>Net medium and long-term financial position</b>	<b>(271,849)</b>	<b>(295,352)</b>
<b>Net financial position</b>	<b>(404,782)</b>	<b>(389,363)</b>

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

(Thousands of Euro)	Nine month	
	2024	2023
Net Income	26,611	14,435
Capital losses / (capital gains)	0	(4,046)
Dividends from equity investments	(4,251)	(4,228)
Other changes in the income statement that do not generate cash flows	0	(286)
Evaluation of subsidiary companies with the net equity method	(8,094)	(910)
Depreciations and amortizations	37,714	35,731
<b>(a) Self financing</b>	<b>51,980</b>	<b>40,696</b>
<b>(b) Adjustments to reconcile net profit of changes in financial position generated by operating activities</b>	<b>1,901</b>	<b>(88,168)</b>
<b>(c) Change in financial position generated by operating activities = (a) + (b)</b>	<b>53,881</b>	<b>(47,472)</b>
<b>(d) Change in financial position generated by investing activities</b>	<b>(51,588)</b>	<b>(62,275)</b>
<b>(e) Other financial position changes</b>	<b>(17,713)</b>	<b>(4,246)</b>
<b>Net financial position changes = (c) + (d) + (e)</b>	<b>(15,419)</b>	<b>(113,994)</b>

The cash flow generated by operations (c), amounting to Euro 53,881 thousand (+), was determined by self-financing in the amount of Euro 51,980 thousand (+) and other positive financial changes in the amount of Euro 1,901 thousand (+), related to net working capital management.

Net working capital management, which generated financial resources in the amount of Euro 1,901 thousand (+), was influenced by the change in net operating working capital, which absorbed financial resources in the amount of Euro 27,332 thousand (-), by the positive change in the position with the tax authorities for the accrual of IRES and IRAP taxes in the amount of Euro 4,917 thousand (+), and by the positive change in the VAT position in the amount of Euro 22,727 thousand (+).

The table below shows the changes in net working capital in the first nine months:

(Thousands of Euro)	Nine month	
	2024	2023
Inventories	(5,742)	(5,855)
Trade receivables and payables	5,816	(116,482)
Operating receivables and payables	(27,406)	49,841
Impairment of assets	1,825	2,288
Severance pay and other funds	(1,414)	207
Change in equity investments in subsidiaries companies	0	2,162
Current taxes	8,051	2,375
Taxes paid	(1,984)	(92)
Tax receivables and payables	22,756	(22,612)
<b>Change in net working capital</b>	<b>1,901</b>	<b>(88,168)</b>

Investment activity generated a cash requirement of Euro 51,588 thousand (-) and relates to interventions and development of infrastructures for the distribution of natural gas and the development of plants in the renewable energy sector (wind, photovoltaic and other green energy plants).

Other changes in the Net Financial Position, negative and equal to Euro 17,713 thousand (-), are mainly represented by dividends, i.e., the balance between dividends distributed (Euro -30,339 thousand) and dividends received from associated companies (Euro +13,269 thousand).

The table below shows the other changes in the financial position that occurred in the first nine months:

(Thousands of Euro)	Nine month	
	2024	2023
Purchase of treasury shares	(648)	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	13,269	23,225
Cash payments by minorities into controlled companies	5	0
Enlargement of the consolidation perimeter	0	1,592
<b>Other changes in financial position</b>	<b>(17,713)</b>	<b>(4,246)</b>

## Operating performance - Investments

During the first nine months of the financial year, the Group made investments in intangible and tangible fixed assets for Euro 51,588 thousand, down Euro 3,676 thousand compared to the same period of the previous financial year. The decrease is mainly explained by lower investments made during the period by companies active in the renewable energy sector (-Euro 5,231 thousand), against higher investments made in gas distribution (+Euro 754 thousand).

The investments made in infrastructures for the distribution of natural gas are equal to Euro 40,531 thousand at the end of the first nine months. They are related to the installation and maintenance of the natural gas distribution network and plants for Euro 19,493 thousand, to the realisation of connections to the same for Euro 11,882 thousand and to the installation of measuring equipment for Euro 9,156 thousand.

Investments in renewable energy amounted to Euro 9,217 thousand. They are mainly related to the costs incurred for the completion of a wind farm in the amount of Euro 1,514 thousand, for the maintenance and upgrading of hydroelectric plants in the amount of Euro 1,219 thousand, for the construction of photovoltaic plants in the amount of Euro 3,736 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 2,748 thousand.

Other investments realised amounted to Euro 1,840,000. They mainly relate to the purchase of hardware material and software licences for Euro 764 thousand, the purchase of company vehicles for Euro 427 thousand, the purchase of equipment for Euro 383 thousand, and improvements and/or extraordinary maintenance on company premises for Euro 255 thousand.

(Thousands of Euro)	Nine month	
	2024	2023
Connecting a gas users	11,882	11,859
Expansions, reclamations and network upgrades	18,005	16,171
Flowmeters	9,156	10,159
Maintenance	1,488	1,588
<b>Raw material (gas) investments</b>	<b>40,531</b>	<b>39,777</b>
Hydroelectric energy production plants	1,219	270
Wind farms	1,514	5,098
Solar energy production plants	3,736	2,160
Other green energy plants	2,748	6,920
<b>Investments in renewable energies</b>	<b>9,217</b>	<b>14,448</b>
Land and buildings	255	233
Industrial and commercial equipment	383	132
Furniture	11	3
Vehicles	427	274
Hardware e Software	764	390
Other assets	0	7
<b>Other investments</b>	<b>1,840</b>	<b>1,039</b>
<b>Investments</b>	<b>51,588</b>	<b>55,264</b>

# Ascopiave Group

Financial Statements of the Interim Report as at

30 September 2024

## Consolidated Statement of Financial Position

(Thousands of Euro)		30.09.2024	31.12.2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	(1)	61,727	61,727
Other intangible assets	(2)	715,203	704,627
Property, plant and equipment	(3)	158,501	156,475
Equity-accounted investments	(4)	210,807	211,074
Shareholdings in other companies	(4)	97,256	97,257
Other non-current assets	(5)	3,404	3,478
Non current financial assets	(6)	2,671	2,507
Deferred tax assets	(7)	38,440	39,301
<b>Non-current assets</b>		<b>1,288,008</b>	<b>1,276,446</b>
<b>Current assets</b>			
Inventories	(8)	14,018	8,276
Trade receivables	(9)	26,384	33,382
Other current assets	(10)	87,668	80,831
Current financial assets	(11)	845	1,743
Current tax assets	(12)	6,876	4,017
Cash and cash equivalents	(13)	16,871	52,083
Current assets from derivative financial instruments	(14)	1,320	4,821
<b>Current assets</b>		<b>153,982</b>	<b>185,153</b>
Non-current assets held for sale	(38)	0	385
<b>ASSETS</b>		<b>1,441,990</b>	<b>1,461,984</b>
<b>Net equity and liabilities</b>			
<b>Total Net equity</b>			
Share capital		234,412	234,412
Treasury shares		(55,987)	(55,423)
Reserves		660,104	665,764
<b>Net equity of the Group</b>	(15)	<b>838,528</b>	<b>844,753</b>
<b>Net equity of the Minorities</b>	(15)	<b>10,289</b>	<b>9,529</b>
<b>Total Net equity</b>	(15)	<b>848,817</b>	<b>854,282</b>
<b>Non-current liabilities</b>			
Provisions for risks and charges	(16)	861	2,020
Employee benefits	(17)	4,028	4,751
Long term outstanding bonds	(18)	78,762	86,347
Non-current bank loans	(19)	188,801	204,064
Other non-current liabilities	(20)	41,881	39,360
Non-current financial liabilities	(21)	6,958	7,448
Deferred tax liabilities	(22)	17,126	17,618
<b>Non-Current liabilities</b>		<b>338,417</b>	<b>361,608</b>
<b>Current liabilities</b>			
Short term outstanding bonds	(23)	7,605	7,708
Payables due to banks and financing institutions	(24)	142,857	140,642
Trade payables	(25)	71,643	73,026
Current tax liabilities	(26)	10,216	795
Other current liabilities	(27)	21,253	22,114
Current financial liabilities	(28)	1,029	1,562
Current liabilities from derivative financial instruments	(29)	153	0
<b>Current liabilities</b>		<b>254,756</b>	<b>245,847</b>
Non-current liabilities disposal of liabilities	(38)	0	247
<b>Liabilities</b>		<b>593,173</b>	<b>607,702</b>
<b>Net equity and liabilities</b>		<b>1,441,990</b>	<b>1,461,984</b>

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

## Consolidated Statement of Comprehensive Income

(Thousands of Euro)	Nine month	
	2024	2023
<b>Revenues</b>	(30) 146,292	125,153
<b>Total operating costs</b>	74,397	69,881
Raw materials, consumables, supplies and goods	(31) 1,541	1,234
Costs for services	(32) 39,062	36,840
Personnel expenses	(33) 15,053	16,207
Other management costs	(34) 19,164	19,870
Other income	(35) 423	4,269
<b>Amortization and depreciation</b>	(36) 37,714	35,435
<b>Operating result</b>	34,181	19,838
Financial income	(37) 4,848	5,862
Financial expense	(37) 12,461	9,857
Share of profit of equity-accounted investees	(37) 8,094	910
<b>Earnings before tax</b>	34,662	16,753
Income taxes	(38) (8,051)	(2,375)
<b>Result of the period</b>	26,611	14,378
Net result from transfer/disposal of assets	(39) 0	56
<b>Net result for the period</b>	26,611	14,435
Group's Net Result	25,712	12,881
Minorities' Net Result	899	1,554
<b>Consolidated statement of comprehensive income</b>		
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	(2,234)	(3,190)
- Share of comprehensive income of investments valued using the equity method	859	(11,082)
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	(117)
<b>Total comprehensive income</b>	25,704	45
Result attributable to the shareholders of the parent company	24,949	(1,510)
Result attributable to third party investments	755	1,556
Diluted net income per share	0.119	0.059

Pursuant to Consob Resolution No. 15519 dated 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.

The tax effect related to OCI items are as follows:

- Euro 316 thousand related to the effective portion of the change in fair value of cash flow hedging instruments;
- Euro 0.3 thousand in relation to the portion of the statement of comprehensive income of investments accounted for using the equity method;
- 184 thousand in relation to actuarial (Loss)/Gain on defined benefit plans net of tax effect.

## Consolidated Statements 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
<b>Balance as of 1<sup>st</sup> January 2024</b>	<b>234,412</b>	<b>46,882</b>	<b>(55,424)</b>	<b>(239)</b>	<b>425,544</b>	<b>157,402</b>	<b>36,176</b>	<b>844,753</b>	<b>9,529</b>	<b>854,282</b>
Result for the period							25,712	25,712	899	26,611
Fair value derivatives					(2,082)			(2,082)	(152)	(2,234)
Fair value of derivatives relating to affiliated companies					859			859		859
IAS 19 actuarial gain (losses)				460				460	9	468
<b>Total result of overall income statement</b>				<b>460</b>	<b>(1,223)</b>	<b>(0)</b>	<b>25,712</b>	<b>24,949</b>	<b>755</b>	<b>25,704</b>
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)
Incentive plans			291		(270)			21		21
Purchase of treasury shares			(855)					(855)		(855)
Other changes								(0)	5	5
<b>Balance as of 30<sup>th</sup> September 2024</b>	<b>234,412</b>	<b>46,882</b>	<b>(55,987)</b>	<b>221</b>	<b>429,887</b>	<b>157,402</b>	<b>25,712</b>	<b>838,528</b>	<b>10,289</b>	<b>848,817</b>

	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
<b>Balance as of 1<sup>st</sup> January 2023</b>	<b>234,412</b>	<b>46,882</b>	<b>(55,424)</b>	<b>(162)</b>	<b>454,997</b>	<b>152,910</b>	<b>32,664</b>	<b>866,280</b>	<b>20,123</b>	<b>886,403</b>
Result for the period							12,881	12,881	1,554	14,435
Other changes					(3,189)			(3,189)	(1)	(3,190)
Fair value of derivatives relating to affiliated companies					(11,082)			(11,082)		(11,082)
IAS 19 actuarial gain (losses)				(120)				(120)	3	(117)
<b>Total result of overall income statement</b>				<b>(120)</b>	<b>(14,271)</b>	<b>(0)</b>	<b>12,881</b>	<b>(1,510)</b>	<b>1,556</b>	<b>45</b>
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					(71)			(71)	1	(70)
Variation Affiliated companies' shareholdings					(8,974)			(8,974)	1,710	(7,263)
<b>Balance as of 30<sup>th</sup> September 2023</b>	<b>234,412</b>	<b>46,882</b>	<b>(55,424)</b>	<b>(282)</b>	<b>403,509</b>	<b>185,574</b>	<b>12,881</b>	<b>827,554</b>	<b>22,500</b>	<b>850,054</b>



## Consolidated Cash Flow Statement

(Thousands of Euro)	Nine month	
	2024	2023
<b>Cash flows generated (used) by operating activities</b>		
<b>Total comprehensive income</b>	<b>25,704</b>	<b>45</b>
<b>Adjustments to reconcile net income to net cash</b>		
Fair value change in derivatives related to affiliated companies, change for the period net of the tax effect	(15)	11,082
Fair value of derivatives, changes in the year	(15)	3,190
Non-monetary changes in employee benefits	(15)	117
Amortization	(36)	35,435
Bad debt provisions	(34)	296
Credit losses	(34)	0
Impairment of assets	(34)	2,288
Change in employee benefits	(17)	(84)
Current assets / liabilities on financial instruments	(14)	(1,788)
Net change in other funds	(16)	291
Net equity evaluation method of subsidiaries	(37)	(910)
Losses / (gains) on disposals of fixed assets	(35)	(3,154)
Capital (gains) / losses on shareholdings disposal	(35)	(892)
Dividends from equity investments	(37)	(4,228)
Other changes in the income statement that do not generate cash flows		(286)
Interests paid		(9,543)
Taxes paid		(92)
Interest expense for the period	(37)	9,857
Taxes for the period	(38)	2,375
<b>Total adjustments</b>	<b>36,368</b>	<b>43,954</b>
<b>Variations in assets and liabilities</b>		<b>0</b>
Inventories	(8)	(5,855)
Trade receivables	(9)	(4,070)
Other current assets	(10)	31,547
Trade payables	(25)	(112,412)
Other current liabilities	(27)	(3,973)
Other non-current assets	(5)	931
Other non-current liabilities	(20)	1,418
Operating flows from discontinued assets / liabilities	(39)	(4)
<b>Total variations in assets and liabilities</b>	<b>(7,498)</b>	<b>(92,420)</b>
<b>Cash flows generated (used) by operating activities</b>	<b>54,574</b>	<b>(48,420)</b>
<b>Cash flows generated (used) by investments</b>		
Investments in intangible assets	(2)	(38,133)
Realisable value of intangible assets	(2)	9,412
Investments in property, plant and equipment	(3)	(15,406)
Realisable value of property, plant and equipment	(3)	64
Purchase of shareholding	(4)	(38,053)
Disposal of shareholdings and prepayments	(4)	21,036
Dividends received	(4)	23,225
Payments in cash by minorities in subsidiaries	(15)	2,162
Investment flows from discontinued assets / liabilities	(39)	(772)
<b>Cash flows generated/(used) by investments</b>	<b>(38,112)</b>	<b>(36,465)</b>
<b>Cash flows generated (used) by financial activities</b>		
Net changes in non-current financial liabilities	(21)	(641)
Net changes in short-term loans	(24)	(50,803)
Net changes in current financial assets and liabilities	(11 ; 28)	(29,490)
(Purchase) / Sale of treasury shares	(15)	0
New non-current loans	(19)	585,522
Repayment of non-current loans	(19)	(448,300)
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	(39)	90
<b>Cash flows generated (used) by financial activities</b>	<b>(51,673)</b>	<b>27,316</b>
<b>Cash flow for the year</b>	<b>(35,212)</b>	<b>(57,568)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>52,083</b>	<b>76,917</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16,871</b>	<b>19,349</b>

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

## EXPLANATORY NOTES

### Corporate Information

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

As at 30 September 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 Milan's Electronic Stock Market - STAR Segment - organised and managed by Borsa Italiana S.p.A..

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

The publication of the Interim Management Statements as at 30 September 2024 was authorised by resolution of the Board of Directors on 7 November 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, operating 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 preparatory benchmarks and expression of conformity with IFRS

This Interim Report on Operations for the period ended 30 September 2024 has been prepared in accordance with 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 the 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 notes are expressed in thousand Euro, unless otherwise indicated.

This Interim Report as at 30 September 2024 was approved by the Board of Directors of the Company on 7 November 2024.

### Schedules of 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 criterion, 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 policies adopted in the preparation of this Consolidated Interim 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 standards, amendments and interpretations that have been applied for the first time by the Group as of 1 January 2024, which are described below.

## Evaluation Benchmarks

### Use of estimates

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

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

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

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

## Consolidation Area and Criteria

The interim report for the nine months ended 30 September 2024 includes the financial statements of all the subsidiaries. The Group controls an entity when the Group is exposed, or has the right, to the variability of results from that entity and has the ability to influence those results through the exercise of power over the entity. The financial statements of subsidiaries are included in the consolidated report from the date control is assumed until such control ceases to exist. Costs incurred in the acquisition process are expensed in the period in which they are incurred. The assets and liabilities, expenses and income of companies consolidated on a line-by-line basis are recognised in full in the consolidated financial statements; the carrying amount of equity investments is eliminated against the shareholders' equity of the investee companies. Receivables and payables, as well as costs and revenues arising from transactions between companies included in the scope of consolidation, are fully eliminated; capital losses and gains arising from transfers of fixed assets between consolidated companies, losses and gains arising from transactions between consolidated companies relating to the sale of assets that remain as inventories with the acquiring company, write-downs and reversals of write-downs of investments in consolidated companies, and intragroup dividends are also eliminated.

At the date control is acquired, the net assets of the investee companies are determined by assigning their current value to the individual assets and liabilities. Any positive difference between the 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 net assets acquired is recognised in equity; similarly, the effects of the sale of minority interests without loss of control are recognised in 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 for under the equity method are eliminated in accordance with the value of the Group's interest in the investee company; unrealised losses are eliminated, except where they represent impairment.

The financial statements of the Subsidiaries used to prepare the Annual Financial Report are those approved by their respective Boards of Directors. The figures of the companies consolidated on a line-by-line basis or using the equity method are adjusted, where necessary, to homogenise them with the accounting standards used by the Parent Company, which are in accordance with the IFRS adopted by the European Union.

The companies included in the scope of consolidation as at 30 September 2024 and consolidated on a line-by-line basis or using the equity method are as follows:

Company name	Registered offices	Paid-up capital	Group interest	Direct controlling interest	Indirect controlling interest
<b>Parent company</b>					
Ascopiave S.p.A.	Pieve di Soligo (TV)	234,411,575			
<b>Fully consolidated subsidiaries</b>					
AP Reti Gas S.p.A.	Pieve di Soligo (TV)	1,000,000	100.00%	100.00%	0.00%
AP Reti Gas Rovigo S.r.l.	Rovigo (RO)	7,000,000	100.00%	100.00%	0.00%
Edigas Esercizio Distribuzione Gas S.p.A.	Pieve di Soligo (TV)	3,000,000	100.00%	100.00%	0.00%
AP Reti Gas Vicenza S.p.A.	Pieve di Soligo (TV)	10,000,000	100.00%	100.00%	0.00%
AP Reti Gas Nord Est S.r.l.	Padova (PD)	15,000,000	100.00%	100.00%	0.00%
Cart Acqua S.r.l.	Pieve di Soligo (TV)	50,000	100.00%	100.00%	0.00%
Romeo Gas S.p.A.	Pieve di Soligo (TV)	27,664,637	100.00%	100.00%	0.00%
Serenissima Gas S.p.A.	(3) Pieve di Soligo (TV)	9,250,000	100.00%	0.00%	100.00%
Asco EG S.p.A.	Pieve di Soligo (TV)	54,001,422	84.17%	84.17%	0.00%
Asco Renewables S.p.A.	Pieve di Soligo (TV)	100,000	100.00%	100.00%	0.00%
Salinella Eolico S.r.l.	(1) Pieve di Soligo (TV)	10,000	100.00%	0.00%	100.00%
Green Factory S.r.l.	(1) Pieve di Soligo (TV)	10,000	90.00%	0.00%	90.00%
<b>Jointly controlled companies accounted with the equity method</b>					
Estenergy S.p.A.	Trieste (TS)	299,925,761	25.00%	25.00%	0.00%
Cogeide S.p.A.	(2) Mozzanica (BG)	16,945,026	18.33%	0.00%	18.33%

(1) Equity investments through Asco Renewables S.p.A.

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

(3) Holdings through ROMEO GAS S.p.A.

## Summary data of fully consolidated companies

Description	Revenues from sales and service supply	Net result	Net equity	Net financial position (liquid assets)	Reference accounting principles
<b>Parent company</b>					
Ascopiave S.p.A.	48,794	31,895	838,491	169,338	IFRS
<b>Fully consolidated subsidiaries</b>					
AP Reti Gas Nord Est S.r.l.	26,329	5,366	135,212	25,574	IFRS
AP Reti Gas S.p.A.	57,018	10,612	309,399	20,072	IFRS
Edigas Esercizio Distribuzione Gas S.p.A.	15,376	2,227	62,663	14,373	Ita Gaap
AP Reti Gas Vicenza S.p.A.	12,522	(1,361)	13,296	40,798	Ita Gaap
AP Reti Gas Rovigo S.r.l.	4,712	1,162	20,211	14,399	Ita Gaap
Cart Acqua S.r.l.	499	213	4,041	(215)	Ita Gaap
Asco Renewables S.p.A.	12,284	183	33,012	(1,718)	Ita Gaap
Green Factory S.r.l.		(56)	52	10,269	Ita Gaap
Asco EG S.p.A.	16,877	5,764	64,904	(26,343)	Ita Gaap
Salinella Eolico S.r.l.	2,414	(196)	3,274	31,169	Ita Gaap
Romeo Gas S.p.A.	9,540	1,931	66,419	12,627	Ita Gaap
Serenissima Gas S.p.A.	4,925	1,252	18,472	5,574	IFRS

## NOTES TO THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

### Non-current assets

#### 1. Goodwill

Goodwill, equal to Euro 61,727,000 as of 30 September 2024, is unchanged compared to 31 December 2023. The amount refers in part to the surplus value resulting from the contribution of the 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 the distribution of natural gas. These include the goodwill recognised following the merger by incorporation of Unigas Distribuzione S.r.l. into Ascopiave S.p.A., for Euro 9,368,000, following the purchase of the entire share capital of the newly established company AP Reti Gas Nord Est S.r.l. for Euro 14,149,000, 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 relative 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 table below shows the balance of goodwill recorded at the end of the periods considered:

(Thousands of Euro)	30.09.2024	31.12.2023
Distribution of natural gas	54,506	54,506
Energy production from renewable sources	7,220	7,220
<b>Total goodwill</b>	<b>61,727</b>	<b>61,727</b>

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 table below shows the evolution of the historical cost and accumulated amortisation of other intangible assets at the end of the periods considered:

(Thousands of Euro)	30.09.2024			31.12.2023		
	Historic cost	Accumulated depreciation	Net value	Historic cost	Accumulated depreciation	Net value
Industrial patent and intellectual property rights	13,000	(8,099)	4,901	12,994	(7,339)	5,655
Concessions, licences, trademarks and similar rights	19,075	(16,652)	2,423	19,075	(16,382)	2,693
Other intangible assets	12,226	(5,352)	6,875	12,213	(5,137)	7,076
Tangible assets under IFRIC 12 concession	1,336,868	(670,466)	666,402	1,292,708	(643,199)	649,509
Tangible assets in progress under IFRIC 12 concession	33,937	0	33,937	39,498	0	39,498
Intangible assets in progress and advances payments	664	0	664	196	0	196
<b>Other intangible assets</b>	<b>1,415,771</b>	<b>(700,568)</b>	<b>715,203</b>	<b>1,377,109</b>	<b>(672,482)</b>	<b>704,627</b>

The table below shows the changes in intangible assets in the period considered and in the previous year:

	31.12.2023						30.09.2024
(Thousands of Euro)	Net value	Change for the period	Decrease	Amortizations during the period	Depreciations of accumulated depreciation		Net value
Industrial patent and intellectual property rights	5,655	6	0	760			4,901
Concessions, licences, trademarks and similar rights	2,693	0	0	270			2,423
Other intangible assets	7,076	14	0	215			6,875
Tangible assets under IFRIC 12 concession	649,509	47,113	(3,111)	28,436	1,326		666,402
Tangible assets in progress under IFRIC 12 concession	39,498	(5,549)	(12)	0			33,937
Intangible assets in progress and advances payments	196	468	0	0			664
<b>Other intangible assets</b>	<b>704,627</b>	<b>42,052</b>	<b>(3,122)</b>	<b>29,681</b>	<b>1,326</b>		<b>715,203</b>

	31.12.2022						30.09.2023	
(Thousands of Euro)	Net value	Change for the period	Enlargement of the consolidation perimeter	Decrease	Delivery of Atem Udine 2 systems	Amortizations during the period	Depreciations of accumulated depreciation	Net value
Industrial patent and intellectual property rights	5,682	201	0			623		5,260
Concessions, licences, trademarks and similar rights	3,374	(0)	0			545		2,830
Other intangible assets	7,270	0	0	(3)		171	0	7,096
Tangible assets under IFRIC 12 concession	635,907	47,410	763	(3,380)	(6,225)	27,272	1,290	645,913
Tangible assets in progress under IFRIC 12 concession	45,934	(9,491)	0	(6)	(44)	0		36,393
Intangible assets in progress and advances payments	229	14	0			0		242
<b>Other intangible assets</b>	<b>698,397</b>	<b>38,133</b>	<b>763</b>	<b>(3,389)</b>	<b>(6,269)</b>	<b>28,611</b>	<b>1,291</b>	<b>697,734</b>

At the end of the first nine months of the financial year, intangible assets amounted to Euro 715,203 thousand, an increase of Euro 10,576 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 nine months of the year, the item 'Industrial Patent Rights and Intellectual Property Rights' did not record any significant investments and the change, amounting to Euro 760,000, is explained by the amortisation charges for the period.

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

The item mainly includes the costs recognised to the granting 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 costs for the acquisition of user licences.

During the first nine months of the reporting year, the item did not record any investments and depreciation charges amounted to Euro 270,000.

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

#### Other intangible assets

Other intangible assets recorded investments of Euro 14 thousand and amortisation for the period amounted to Euro 215 thousand.

#### Tangible assets under IFRIC 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 nine months of the financial year the item recorded an overall net positive change equal to Euro 16,893 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 reference period. Investments, including reclassifications of assets under construction, are equal to Euro 47,113 thousand. The increase was partially offset, in the amount of Euro 28,436 thousand, by depreciation charges for the period. The net decreases recognised, amounting to Euro 1,784 thousand, are mainly related to the disposal of meters.

Infrastructure in municipalities where the natural gas distribution concession 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.

#### 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 September 2024.

This item recorded a net decrease of Euro 5,549,000 in the first nine months of the financial year 2024. 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 nine months of the financial year. The investments made during the period concerned are equal to Euro 468 thousand.

### 3. Property, plant and equipment

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

(Thousands of Euro)	30.09.2024				31.12.2023			
	Historic cost	Accumulated depreciation	Provision for impairment	Net value	Historic cost	Accumulated depreciation	Provision for impairment	Net value
Lands and buildings	58,094	(22,031)	(265)	35,798	58,136	(21,200)	(265)	36,671
Plant and machinery	196,089	(105,267)	(1,132)	89,691	161,926	(99,933)	(1,132)	60,862
Industrial and commercial equipment	5,812	(4,658)	0	1,154	5,428	(4,545)		883
Other tangible assets	25,246	(22,003)	0	3,243	24,589	(21,280)		3,308
Tangible assets in progress and advance payments	16,585	0	(55)	16,531	41,719	0	(55)	41,665
Rights of use	16,495	(4,410)		12,085	16,488	(3,403)		13,085
<b>Property, plant and equipment</b>	<b>318,320</b>	<b>(158,368)</b>	<b>(1,451)</b>	<b>158,501</b>	<b>308,286</b>	<b>(150,360)</b>	<b>(1,451)</b>	<b>156,475</b>

The table below shows the changes in tangible assets in the first nine months of the reporting period and in the previous period:

(Thousands of Euro)	31.12.2023					30.09.2024	
	Net value	Change for the period	Decrease	Amortizations during the period	Depreciations of accumulated depreciation	Net value	
Lands and buildings	36,671	56		929		35,798	
Plant and machinery	60,862	34,094	(29)	5,236	0	89,691	
Industrial and commercial equipment	883	384		113		1,154	
Other tangible assets	3,308	657		722		3,243	
Tangible assets in progress and advance payments	41,665	(25,134)		0		16,531	
Rights of use	13,085	32		1,032		12,085	
<b>Property, plant and equipment</b>	<b>156,475</b>	<b>10,089</b>	<b>(29)</b>	<b>8,034</b>	<b>0</b>	<b>158,501</b>	

(Thousands of Euro)	31.12.2022				30.09.2023		
	Net value	Change for the period	Decrease	Delivery of Atem Udine 2 systems	Amortizations during the period	Net value	
Lands and buildings	30,966	2		(64)	938	29,966	
Plant and machinery	66,371	(0)			4,514	61,856	
Industrial and commercial equipment	838	132			99	871	
Other tangible assets	3,319	54			349	3,024	
Tangible assets in progress and advance payments	24,620	15,219	(43)		0	39,882	
Rights of use	12,319	292			924	11,687	
<b>Property, plant and equipment</b>	<b>138,432</b>	<b>15,699</b>	<b>(43)</b>	<b>(64)</b>	<b>6,824</b>	<b>147,286</b>	

Tangible assets increased from Euro 156,475 thousand at 31 December 2023 to Euro 158,501 thousand at 30 September 2024, an increase of Euro 2,206 thousand.



#### 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 nine months of the year, the item recorded insignificant investments, while depreciation charges amounted to Euro 929,000. Capital expenditures are mainly explained by 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 nine months of the reporting year, the item recorded an increase of Euro 28,829 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 period amounted to Euro 5,236,000.

#### Industrial and commercial equipment

The item 'Industrial and Commercial Equipment' recorded investments of Euro 384 thousand.

The item includes the costs incurred for the purchase of instruments necessary for the maintenance service of distribution plants and measurement activities. The amortisation quotas for the period are equal to Euro 113,000.

#### Other tangible Assets

Capital expenditure in the first nine months of the year amounted to Euro 657,000 and was mainly explained by costs incurred for the purchase of company vehicles and hardware. Depreciation for the period amounted to Euro 722 thousand.

#### Tangible assets in progress and advances payments

This item essentially includes costs incurred for the construction of plants producing 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 nine months of the year.

During the period, this item recorded a net decrease of Euro 25,134 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 year.

#### 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 nine months of the financial year, this item recorded an increase of Euro 32 thousand and depreciation charges of Euro 1,032 thousand.

## 4. Equity-accounted investments

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

	31.12.2023	variation of the exercise	Measurement with the equity method	30.09.2024
<b>(Thousands of Euro)</b>				
Shareholdings in associated companies	211,074	(8,361)	8,094	210,807
Shareholdings in other companies	97,257	(1)		97,256
<b>Shareholdings</b>	<b>308,331</b>	<b>(8,362)</b>	<b>8,094</b>	<b>308,063</b>

During the first nine months of the year, items related to investments recorded an overall decrease of Euro 268,000 in associated companies.

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

(Thousands of Euro)	30.09.2024	31.12.2023
Shareholdings in Estenergy S.p.A.	202,389	202,838
Shareholdings in Cogeide S.p.A.	8,418	8,236
<b>Shareholdings in associated companies</b>	<b>210,807</b>	<b>211,074</b>
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 Prealpi SanBiagio Credito Coop.	1	1
Shareholdings in BCC Busto Garolfo e Buguggiate	0	1
Shareholdings in A2A SECURITY	1	1
<b>Shareholdings in other companies</b>	<b>97,256</b>	<b>97,257</b>
<b>Shareholdings</b>	<b>308,063</b>	<b>308,331</b>

#### Equity-accounted investments

At the end of the first nine months of the financial year 2024, investments in associated companies amounted to Euro 210,807,000. 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 202,389 thousand as at 30 September 2024, recorded a decrease equal to Euro 449 thousand explained by the receipt of dividends for Euro 9,018 thousand, by movements on reserves in hedge accounting for Euro 859 thousand and by the evaluation with the net equity method for Euro 7,711 thousand. The difference between the book value of Euro 202,389 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.

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

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

(Values inclusive of consolidation entries and expressed in millions of Euro)	Nine months 2024 pro-rata	Nine months 2024	Nine months 2023 pro-rata	Nine months 2023
Non-current assets	160.2	640.6	261.0	652.5
Current assets	75.9	303.7	70.3	175.7
Net equity of the Group	159.2	636.7	251.7	629.2
Net equity of the Minorities	0.3	1.2	0.4	1.0
Non-current liabilities	19.9	79.6	26.2	65.6
Current liabilities	56.7	226.7	52.9	132.4
Revenues	210.0	840.1	319.3	665.2
Costs	191.5	765.8	302.9	631.0
Gross operative margin	18.6	74.3	16.4	34.3
Amortization and depreciation	7.9	31.6	12.2	25.3
Operating result	10.7	42.7	4.3	8.9
Group's Net Result	8.5	33.9	0.8	1.6
Third parties Net Result	0.1	0.4	0.1	0.2
NFP	(23.4)	(93.6)	(32.4)	(80.9)

It should be noted that in the table above, the income statement and balance sheet data as of 30 September 2024 are shown considering a 25% pro-rata share, while the data compared to 30 September 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 nine months of the financial year 2024, shareholdings in other companies amounted to Euro 97,256 thousand 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 for Euro 3,300 thousand in the financial year 2023, and Euro 22,301 thousand from 11.35% of Acantho S.p.A.'s share capital.

With reference to the latter, it should be noted that the Hera Group and the Ascopiave Group approved on 27 July 2023, at the Extraordinary Shareholders' Meetings of the subsidiaries Acantho and Asco TLC, the merger by incorporation of the latter into Acantho. The merger, which took effect retroactively for accounting and tax purposes as of 1 January 2023, took effect as of 1 October 2023 and, following the transaction, the shareholders of Acantho hold 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.

We point out 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 nine months of the current financial year, these options were not recognised in the financial statements because their fair value was lower than the current recoverable value of the equity investments.

## 5. Other non-current assets

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

<b>(Thousands of Euro)</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
Security deposits	1,080	1,060
Other receivables	2,324	2,419
<b>Other non-current assets</b>	<b>3,404</b>	<b>3,478</b>

At the end of the first nine months of the financial year 2024, non-current assets recorded an overall decrease compared to the previous year of Euro 74,000.

Non-current receivables recognised at the end of the reporting period relate to security deposits in the amount of Euro 1,080 thousand and other receivables in the amount of Euro 2,324 thousand.

## 6. Non-current financial assets

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

(Thousands of Euro)	30.09.2024	31.12.2023
Other receivables of a financial nature over 12 months	2,671	2,507
<b>Non-current financial assets</b>	<b>2,671</b>	<b>2,507</b>

Non-current financial assets increased from Euro 2,507,000 in 2023 to Euro 2,671,000 in the reporting period, an increase of Euro 164,000.

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

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

The post has been discounted.

## 7. Deferred Tax Assets

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

(Thousands of Euro)	30.09.2024	31.12.2023
Deferred Tax Assets	38,440	39,301
<b>Deferred Tax Assets</b>	<b>38,440</b>	<b>39,301</b>

Deferred tax assets decreased from Euro 39,301 thousand in the year 2023 to Euro 38,440 thousand at the end of the first nine months of the year 2024, a decrease of Euro 861 thousand.

In calculating taxes, reference was made to the current IRES rate and, where applicable, the current IRAP rate, in relation to the tax period encompassing the date 30 September 2024 and the time when any temporary differences are expected to reverse.

## Current Assets

### 8. Inventories

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

(Thousands of Euro)	30.09.2024			31.12.2023		
	Gross value	Bad debt provision	Net value	Gross value	Bad debt provision	Net value
Fuels and warehouse materials	9,283	(39)	9,244	8,315	(39)	8,276
Energy efficiency certificates	4,774	0	4,774	0	0	0
<b>Inventories</b>	<b>14,057</b>	<b>(39)</b>	<b>14,018</b>	<b>8,315</b>	<b>(39)</b>	<b>8,276</b>

At the end of the first nine months of the financial year 2024, inventories amounted to Euro 14,018 thousand, an increase of Euro 5,742 thousand compared to 31 December 2023. The increase is mainly explained by the purchase of energy efficiency bonds purchased by the Group and not sold at the closing date of this interim report (+Euro 4,774 thousand compared to 31 December 2023).

Inventories of fuels and materials in stock register an increase of Euro 968,000, from Euro 8,276,000 as of 31 December 2023 to Euro 9,244,000 for 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 tangible assets following installation.

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

## 9. Trade receivables

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

(Thousands of Euro)	30.09.2024	31.12.2023
Receivables from customers	12,697	13,506
Receivables for invoices to be issued	14,276	20,472
Bad debt provisions	(590)	(597)
<b>Trade receivables</b>	<b>26,384</b>	<b>33,382</b>

Trade receivables decreased from Euro 33,382 thousand in the year 2023 to Euro 26,384 thousand in the reporting period, a decrease of Euro 6,998 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. Net of the effect described above, the variation recorded by the item at the end of the reference period is equal to Euro 18,212 thousand. The decrease is mainly explained by the decrease in subscribers to customers and, mainly related, to the distribution of natural gas consumption during the year that is concentrated in the winter months. The decrease is also explained by lower quantities of electricity produced from renewable sources related to the lower rainfall during the summer quarter. Trade receivables are shown net of invoice advances and are all due within the next 12 months. The allowance for doubtful accounts, equal to Euro 590,000, represents the risks of the Group's distribution companies. The change is due to the use of the fund for Euro 7 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 table below:

(Thousands of Euro)	30.09.2024	31.12.2023
Initial bad debt provision	597	2,396
Provisions	0	305
Use	(7)	(2,104)
<b>Final bad debt provision</b>	<b>590</b>	<b>597</b>

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

(Thousands of Euro)	30.09.2024	31.12.2023
Gross trade receivable invoices issued	12,697	13,506
- allowance for doubtful accounts	(590)	(597)
<b>Net trade receivables for invoices issued</b>	<b>12,107</b>	<b>12,909</b>
<b>Aging of trade receivables for invoices issued</b>		
- to expire	10,478	12,128
- expired within 6 months	1,196	785
- overdue by 6 to 12 months	250	16
- expired more than 12 months	774	577

## 10. Other current assets

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

(Thousands of Euro)	30.09.2024	31.12.2023
Tax consolidation receivables	151	433
Annual pre-paid expenses	3,396	856
Advance payments to suppliers	1,453	1,822
Annual accrued income	252	36
Receivables due from CSEA	66,950	39,908
VAT Receivables	12,177	34,918
UTF and Provincial/Regional Additional Tax receivables	40	40
Other receivables	3,248	2,818
<b>Other current assets</b>	<b>87,668</b>	<b>80,831</b>

Other current assets increased by Euro 6,837,000 from Euro 80,831,000 in 2023 to Euro 87,668,000 in the reporting period.

The increase is mainly explained by the increase in receivables due from the Cassa Servizi Energetici ed Ambientali (Energy and Environmental Services Fund) in the amount of Euro 27,042 thousand, partially offset by lower VAT receivables recognised at the end of the period in the amount of Euro 22,741 thousand.

At the end of the first nine months of the financial year 2024, the receivables due from the Cassa Servizi Energetici e Ambientali (CSEA) amounted to Euro 66,950 thousand and mainly consisted of receivables related to the achievement of energy saving objectives and for security contributions for a total of Euro 38,860 thousand, equalisation balances for Euro 24,621 thousand and receivables recorded due to tariff components applied to the natural gas distribution service for Euro 3,470 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 September 2024 but not yet delivered by that date.

It should be noted that the unit contribution used for the economic quantification of the fulfilment is equal to the final contribution set for the targets related to closed regulatory periods, while it is equal to the fair value of the projected contribution for the contributions being accrued as of 30 September 2024 equal to Euro 250 (Euro 250 as of 31 December 2023).

## 11. Current financial assets

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

(Thousands of Euro)	30.09.2024	31.12.2023
Other financial current assets	845	1,743
<b>Current financial assets</b>	<b>845</b>	<b>1,743</b>

Current financial assets recorded a decrease of Euro 898,000, from Euro 1,743,000 at 31 December 2023 to Euro 845,000 in the reporting period.

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

We also report that at the end of the period, the item also includes the short-term portion of the receivable due from Hera S.p.A. relating to the excise tax settlement agreement for Euro 400 thousand, the receivable due from the municipality of Creazzo for Euro 138 thousand, the receivable due from the municipality of Santorso for Euro 111 thousand, and the receivable due from the municipality of Costabissara in the amount of Euro 165,000, which arose as a result of the settlement agreement reached with the local authority during the 2019 financial year.

## 12. Current Tax Assets

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

(Thousands of Euro)	30.09.2024	31.12.2023
Receivables related to IRAP	1,434	449
Receivables related to IRES	740	1,376
Other tax receivables	4,703	2,192
<b>Current tax assets</b>	<b>6,876</b>	<b>4,017</b>

Tax receivables increased from Euro 4,017,000 in 2023 to Euro 6,876,000 in the reporting period, an increase of Euro 2,859,000.

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

## 13. Cash and cash equivalents

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

(Thousands of Euro)	30.09.2024	31.12.2023
Bank and post office deposits	16,858	52,067
Cash and cash equivalents on hand	13	16
<b>Cash and cash equivalents</b>	<b>16,871</b>	<b>52,083</b>

Cash and cash equivalents decreased from Euro 52,083,000 in 2023 to Euro 16,871,000 in the reporting period, a drop of Euro 35,212,000.

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

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

## Net financial position

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

<b>(Thousands of Euro)</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
A Cash and cash equivalents	16,871	52,083
B Equivalent to cash ad cash equivalents	0	0
C Other current financial assets	845	1,743
- of which related parties	0	0
<b>D Liquid assets (A) + (B) + (C)</b>	<b>17,716</b>	<b>53,826</b>
E Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt)	(71,036)	(61,562)
- of which related parties	0	0
- of which debt instruments current part	0	0
F Current portion of non-current financial debt	(80,455)	(88,350)
- of which related parties	0	0
<b>G Current financial indebtedness (E) + (F)</b>	<b>(151,491)</b>	<b>(149,912)</b>
<b>H Net current financial indebtedness (D) + (G)</b>	<b>(133,775)</b>	<b>(96,086)</b>
I Non-current financial debt (excluding the current portion and debt instruments)	(274,520)	(297,859)
J Debt instruments	0	0
K Trade payables and other non current payables	0	0
<b>L Non-current financial indebtedness (I) + (J) + (K)</b>	<b>(274,520)</b>	<b>(297,859)</b>
<b>M Net financial indebtedness (H) + (L)</b>	<b>(408,295)</b>	<b>(393,945)</b>

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

Net financial debt increased from Euro 393,945 thousand at 31 December 2023 to Euro 408,295 thousand at 30 September 2024, an increase of Euro 14,350 thousand.

The net financial position monitored by the Group, which also includes non-current financial receivables and assets and liabilities related to interest rate derivatives, showed an increase of Euro 15,419 thousand, from Euro 389,363 thousand at 31 December 2023 to Euro 404,782 thousand at 30 September 2024.

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

<b>(Thousands of Euro)</b>	<b>30.09.2024</b>	<b>31.12.2023</b>
ESMA Net financial position	(408,295)	(393,945)
Non current financial assets	2,671	2,507
Assets on interest rate derivative financial instruments	842	2,074
<b>Net financial position monitored by the Group</b>	<b>(404,782)</b>	<b>(389,363)</b>

For comments on the main dynamics that led to the change in the net financial position, please refer to the analysis of the Group's financial data reported in the section "Comments on the economic and financial results for the first nine months of the financial year 2024" and in the section "Medium- and long-term financing" of this Interim Report on Operations as of 30 September 2024.



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

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

(Thousands of Euro)	30.09.2024	31.12.2023
Assets on commodity derivatives	478	2,747
Assets on interest rates derivatives	842	2,074
<b>Current assets from derivative financial instruments</b>	<b>1,320</b>	<b>4,821</b>

Current assets from derivative financial instruments refer for Euro 478 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 842 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 the derivative contracts in place as well as the portion accrued at the end of the first nine months of the financial year but not yet settled at the end of the financial year in the amount of Euro 55,000.

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

Derivative assets are represented by the fair value of the following derivatives outstanding as at 30 September 2024, the financial manifestation of which will be broken down according to the duration of the following:

#	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 €	344
2	Mediobanca	Interest Rate Swap	Euribor 3M	02-Dec-20	02-Dec-20	02-Dec-25	Vanilla: Fixed - Float	10,000,000 €	208
3	Credit Agricole	Interest Rate Swap	Euribor 6M	31-Mar-22	31-Mar-22	31-Mar-27	Vanilla: Fixed - Float	6,000,000 €	106
4	BNL	Interest Rate Swap	Euribor 6M	09-Aug-19	09-Feb-20	09-Feb-25	Vanilla: Fixed - Float	6,000,000 €	41
5	Intesa Sanpaolo	Interest Rate Swap	Euribor 1M	06-Mar-15	06-Mar-15	27-Dec-29	Vanilla: Fixed - Float	2,285,655 €	87
6	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	13-Oct-23	01-Jan-24	31-Dec-24	Sell/Short	13,202 Mwh	155
7	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	14-Jun-23	01-Jan-24	31-Dec-24	Sell/Short	6,601 Mwh	78
8	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	13-Oct-23	01-Oct-24	31-Dec-24	Sell/Short	2,209 Mwh	94
9	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Oct-24	31-Dec-24	Sell/Short	2,209 Mwh	68
10	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	22-May-22	01-Oct-24	31-Dec-24	Sell/Short	2,209 Mwh	65
11	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	07-Aug-24	01-Jan-25	31-Mar-25	Sell/Short	4,318 Mwh	18
<b>Total</b>									<b>1,265</b>

Financial instruments measured at fair value belong to valuation hierarchy level 2.

## Consolidated net equity

### 15. Net Equity

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

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

(thousand Euro)	30 September 2024	31 December 2023
Share Capital	234.412	234.412
Legal reserve	46.882	46.882
Own shares	(55.987)	(55.423)
Reserves and retained earnings	587.508	582.705
Group result for the period	25.712	36.176
<b>Group shareholders' equity</b>	<b>838.528</b>	<b>844.753</b>
<b>Minority Equity</b>	<b>10.289</b>	<b>9.529</b>
<b>Net assets Total</b>	<b>848.817</b>	<b>854.282</b>

Consolidated net equity as at 30 September 2024 amounted to Euro 848,817 thousand and showed a decrease of Euro 5,465 thousand compared to the year 2023.

The changes in consolidated net equity in the first nine months of FY2024, excluding the result achieved, were mainly explained by the distribution of dividends for Euro 30,339 thousand, the movement in hedge accounting reserves related to derivative instruments for Euro 2,234 thousand, share-based payments related to long-term incentive plans, and the purchase of 365,213 ordinary treasury shares at an average price per share of 2.342.

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 note that as of 30 September 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 55,987 thousand.

The hedge accounting reserve posted at the end of the first nine months 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 September 2024, shows a positive balance of Euro 502 thousand net of the tax effect.

With regard to assets and liabilities related to derivative activities, please refer to the section "Risk and Uncertainty Factors" of this Interim Report as at 30 September 2024, in which the related effects are highlighted.

The Group's shareholders' equity also recorded an increase of Euro 859,000 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 table below shows the breakdown of the item at the end of each period considered:

(Thousands of Euro)	30.09.2024	31.12.2023
Provisions for pension for gas sector employees	304	1,463
Other reserves for risks and charges	556	556
<b>Provisions for risks and charges</b>	<b>861</b>	<b>2,020</b>

Provisions for risks and charges, decreased from Euro 2,020 thousand in the previous year to Euro 861 thousand in the period under review, recording a decrease of Euro 1,159 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 made for the achievement of objectives, not determinable at the closing date of this report and that will be measured in the following year, totalling Euro 89,000 were still outstanding.

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

(Thousands of Euro)	
Reserves for risks and charges as of 1 <sup>st</sup> January 2024	2,020
Provisions for risks and charges	0
Use of provisions for risks and charges	(1,135)
Other variations	(24)
<b>Provisions for risks and charges as of 30<sup>th</sup> September 2024</b>	<b>861</b>

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

(Thousands of Euro)	30.09.2024	31.12.2023
Provisions for retirement fund and similar obligations	304	1,463
Other funds	556	556
<b>Provisions for risks and charges as of 30<sup>th</sup> September 2024</b>	<b>861</b>	<b>2,020</b>

### 17. Employee benefits

The severance pay decreased by Euro 723 thousand from Euro 4,751 thousand as of 1 January 2024 to Euro 4,028 thousand as of 30 September 2024.

The table below summarises the changes in the fund during the period considered:

(Thousands of Euro)	
Severance indemnity as of 1 <sup>st</sup> January 2024	4,751
Liquidations	(1,355)
Cost related to current work performance	1,176
Actuarial loss/(profits) of the period*	(545)
<b>Employee benefits as of 30<sup>th</sup> September 2024</b>	<b>4,028</b>

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

## 18. Long-Term Outstanding Bonds

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

(Thousands of Euro)	30.09.2024	31.12.2023
Pricoa bond loan	78,762	86,347
<b>Long term outstanding bonds</b>	<b>78,762</b>	<b>86,347</b>

As part of the "Shelf" private placement programme with Pricoa Capital Group, a company of the US group Prudential Financial Inc, as of 30 September 2024, the parent company Ascopiave S.p.A. had a first placement of ordinary non-convertible and unsecured bonds for Euro 25 million, with a maturity of 10 years and an average duration of 8 years, and a second one for a residual amount of Euro 62.2 million, with a maturity of 10 years and an average duration of 6 years, with the posting of Euro 7,720 thousand among short-term bonds payable.

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 ≥ EUR 450 million, with the possibility of overruns in the presence of particular extraordinary transactions), to be verified every six months, which were met as at 30 September 2024.

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

## 19. Non-current bank loans

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

(Thousands of Euro)	30.09.2024	31.12.2023
Loans from Banca Prealpi SanBiagio	3,938	4,576
Loans from European Investment Bank	0	1,250
Loans from Prelios	0	7,652
Loans from INTESA SAN PAOLO SPA	51,842	63,609
Loans from BPER	11,391	16,150
Loans from BANCO BPM	10,534	15,051
Loans from BNL	11,250	16,750
Loans from Cassa Centrale Banca -Credito Coop.It	19,232	21,951
Loans from CREDIT AGRICOLE FRIULADRIA	26,955	5,013
Loans from MEDIOBANCA	10,000	15,556
Loans from ICCREA	31,389	36,507
Loans from Banca Popolare dell'Alto Adige	12,270	0
<b>Medium- and long-term bank loans</b>	<b>188,801</b>	<b>204,064</b>
Current portion of medium and long-term bank loans	72,850	80,642
<b>Non current bank loans</b>	<b>261,651</b>	<b>284,705</b>

Medium- and long-term loans, represented at 30 September 2024 mainly by the Parent Company's payables to: Intesa Sanpaolo for Euro 73,000 thousand, Credit Agricole for Euro 35,000 thousand, Mediobanca for Euro 21,111 thousand, Cassa Centrale Banca for Euro 22,910 thousand, BNL for Euro 16,750 thousand, BPER for Euro 17,720 thousand, Banco BPM for Euro 16,500 thousand, Iccrea Banca for Euro 15,993 thousand, Volksbank for Euro 15,000 thousand, BCC Prealpi-Sanbiagio for Euro 4.786 thousand and the subsidiary Salinella Eolico's debt to Iccrea Banca for Euro 23,509 thousand, went from Euro 284,705 thousand at 31 December 2023 to Euro 283,537 thousand at the end of the first nine 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 given 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 of Euro 68,000 thousand at 30 September 2024, 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 were respected at 30 June 2024;
- 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 September 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, presents a residual debt as of 30 September 2024 equal to Euro 22,910 thousand, with the recognition of Euro 3,644 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 BPER, disbursed in September 2022 for a total of Euro 30,000 thousand and maturing in June 2027, shows a residual debt as of 30 September 2024 of Euro 17,720 thousand, with the recognition of Euro 6,329 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 Iccrea Banca, disbursed in June 2022 for a total of Euro 30,000 thousand and expiring in March 2027, shows a residual debt of Euro 15,993 thousand as of 30 September 2024, with Euro 6,342 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 with a maturity date in June 2027, shows a residual debt of Euro 16,500 thousand as of 30 September 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 September 2024, provides for the recognition of Euro 2,717 thousand among bank borrowings and short-term loans;
- the loan with BNL, disbursed in 2017 in the amount of Euro 30,000 thousand with maturity in February 2030, presents a residual debt as of 30 September 2024 in the amount of Euro 13,750 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 with a maturity date in December 2026, presents a residual debt of Euro 11,111 thousand at 30 September 2024, with the recognition of Euro 4,444 thousand among bank borrowings and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified every six months on the Group's consolidated data prepared in accordance with IFRS, which were respected at 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 September 2024, with the recognition of Euro 6,667 thousand among bank borrowings and short-term loans; the contract provides for the observance 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 met as of 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 5,000 thousand at 30 September 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 at 31 December 2023;
- the loan with BNL, disbursed in August 2019 in the amount of Euro 30,000,000, has a residual liability as of 30 September 2024 in the amount of Euro 3,000,000, which is fully recognised in payables to banks and short-

- term loans maturing in February 2025; the agreement requires 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 equal to Euro 10,000 thousand with maturity in February 2030, presents a residual debt as of 30 September 2024 equal to Euro 4,786 thousand, with the recording of Euro 848 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 September 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 were respected as of 30 June 2024;
  - the loan with Iccrea Banca, granted under the project finance formula to the subsidiary Salinella Eolico in July 2023 for an amount of Euro 24,522 thousand and expiring in June 2040, shows a residual debt of Euro 23,509 thousand as of 30 September 2024, with the recognition of Euro 1,486 thousand among bank borrowings and short-term loans.

As a guarantee of the fulfilment of the obligations deriving from the financing agreement signed with BNL in 2017, having a residual debt of Euro 13,750,000, the Parent Company transferred to the lending bank a portion of the future credit deriving from the repayment of the residual value of the assets related to the Gas Distribution Concessions held by the subsidiary AP Reti Gas S.p.A..

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

## 20. Other non-current liabilities

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

(Thousands of Euro)	30.09.2024	31.12.2023
Security deposits	2,272	1,908
Multi-annual passive prepayments	38,313	36,108
Other payables	1,296	1,344
<b>Other non-current liabilities</b>	<b>41,881</b>	<b>39,360</b>

Other non-current liabilities increased from Euro 39,360 thousand in the previous year to Euro 41,881 thousand in the reporting period, an increase of Euro 2,521 thousand.

Multi-year deferred income posted as of 30 September 2024 recorded an increase equal to Euro 2,205 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 envisaged the full decoupling of contributions from private parties from the value of technical assets held under concession in the gas distribution sector.

Security deposits posted as of 30 September 2024 recorded an increase equal to Euro 364,000 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 table below shows the breakdown of this item at the end of each period considered:

(Thousands of Euro)	30.09.2024	31.12.2023
Financial liabilities for leasing	6,958	7,448
<b>Non-current financial liabilities</b>	<b>6,958</b>	<b>7,448</b>

Other non-current financial liabilities decreased from Euro 7,448 thousand in the previous year to Euro 6,958 thousand at the end of the reporting period, a decrease of Euro 490 thousand, mainly related to the reclassification to short-term portion of the amounts that will be paid within the next twelve months from the closing date of this report.

## 22. Deferred taxes liabilities

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

(Thousands of Euro)	30.09.2024	31.12.2023
Deferred tax liabilities	17,126	17,618
<b>Deferred tax liabilities</b>	<b>17,126</b>	<b>17,618</b>

Deferred tax liabilities decreased from Euro 17,618 thousand in the previous year to Euro 17,126 thousand in the reporting period, a decrease of Euro 492 thousand.

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

## Current liabilities

### 23. Short term outstanding bonds

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

(Thousands of Euro)	30.09.2024	31.12.2023
Pricoa bond loan	7,605	7,708
<b>Short term outstanding bonds</b>	<b>7,605</b>	<b>7,708</b>

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

## 24. Payables due to banks and financing institutions

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

(Thousands of Euro)	30.09.2024	31.12.2023
Payables due to banks	70,007	60,000
Current portion of medium-long-term loans	72,850	80,642
<b>Payables due to banks and financing institutions</b>	<b>142,857</b>	<b>140,642</b>

Bank borrowings increased from Euro 140,642 thousand in the previous year to Euro 142,857 thousand in the reporting period, an increase of Euro 2,215 thousand.

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

## 25. Trade payables

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

(Thousands of Euro)	30.09.2024	31.12.2023
Payables to suppliers	24,711	27,904
Payables to suppliers for invoices not yet received	46,932	45,122
<b>Trade payables</b>	<b>71,643</b>	<b>73,026</b>

Trade payables decreased by Euro 1,383 thousand from Euro 73,026 thousand in the previous year to Euro 71,643 in the first nine months of the reporting year.

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 nine months of the financial year of reference.

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

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

## 26. Current tax liabilities

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

(Thousands of Euro)	30.09.2024	31.12.2023
IRAP payables	2,189	780
IRES payables	3,574	0
Other tax payables	4,452	15
<b>Current tax liabilities</b>	<b>10,216</b>	<b>795</b>

Taxes payable increased from Euro 795 thousand in the previous year to Euro 10,216 thousand in the first nine months of the year, an increase of Euro 9,421 thousand.

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



## 27. Other current liabilities

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

(Thousands of Euro)	30.09.2024	31.12.2023
Advance payments from customers	1,097	1,588
Amounts due to social security institutions	1,585	1,698
Amounts due to employees	4,225	4,892
VAT payables	29	44
Payables to revenue office for withholding tax	1,440	1,120
Annual passive prepayments	1,259	1,094
Annual passive accruals	3,656	5,049
Payables due to CSEA	6,552	4,918
Other payables	1,410	1,711
<b>Other current liabilities</b>	<b>21,253</b>	<b>22,114</b>

Other current liabilities decreased from Euro 22,114 thousand in 2023 to Euro 21,253 thousand in the reporting period, a decrease of Euro 861 thousand. The change is mainly explained by the decrease in advances received from customers, the decrease in payables recognised to personnel, and lower payables recognised for accrued liabilities. These were partly offset by the increase in payables recorded to the Cassa per i Servizi Energetici e Ambientali (CSEA).

### Advances payments from customers

Advances from customers represent the amounts paid by users as contributions for allotment and connection works and the construction of thermal power stations in progress as of 30 September 2024. At the end of the period the item showed a decrease equal to Euro 491 thousand.

### Amounts due to social security institutions

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

### Amounts due to employees

The item includes payables for untaken holiday days, months' pay and bonuses accrued as of 30 September 2024 and not paid at the same date, as well as the relevant contribution quota. The item shows a decrease of Euro 667 thousand from Euro 4,892 thousand in 2023 to Euro 4,225 thousand in the first nine months of the reporting year.

### VAT payables

VAT payables amounted to Euro 29,000, a decrease of Euro 15,000 compared to the previous year, mainly related 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 the assignment tenders by area. At the end of the reference period, the item showed a decrease equal to Euro 1,393 thousand.

### Payables due to CSEA

At the end of the period, payables to the Cassa Servizi Energetici Ambientali amounted to Euro 6,552 thousand. The item is made up of payables to the Cassa per i Servizi Energetici e Ambientali 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 as established by the Regulatory Authority for Energy, Networks and Environment.

## 28. Current financial liabilities

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

(Thousands of Euro)	30.09.2024	31.12.2023
Leasing liabilities	1,029	1,562
<b>Current financial liabilities</b>	<b>1,029</b>	<b>1,562</b>

Current financial liabilities decreased from Euro 1,562 thousand in 2023 to Euro 1,029 thousand in the reporting period, a decrease of Euro 533 thousand. They represent financial payables due within twelve months for operating lease contracts signed for the rental of company premises and motor vehicles.

## 29. Current liabilities on derivative financial instruments

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

(migliaia di Euro)	30 settembre 2024	31 dicembre 2023
Liabilities on raw material derivatives	153	(0)
<b>Current liabilities on financial derivatives</b>	<b>153</b>	<b>(0)</b>

Current liabilities on derivative financial instruments relate to hedging contracts on the price of electricity produced by Asco EG's hydroelectric plants. With regard to assets and liabilities related to derivative assets, please refer to the section "Risk and Uncertainty Factors" of this Interim Report on Operations, in which the related effects are highlighted.

The liabilities on derivatives underwritten by the Parent Company are represented by the fair value of the following derivatives outstanding as at 30 September 2024, the financial manifestation of which will be broken down according to the term of the following loan:

#	Counterpart	Type of instrument	Underlying Commodity	Trade date	Effective date	Expiry date	Position	Contractual notion	MtM (€/000)
1	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	12-Apr-24	01-Jan-25	31-Dec-25	Sell/Short	26280 Mwh	153
<b>Total</b>									<b>153</b>

Financial instruments measured at fair value belong to valuation hierarchy level 2

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

### Revenues

#### 30. Revenues

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

(Thousands of Euro)	Nine months	
	2024	2023
Revenues from gas transportation	104,430	91,754
Revenues from the sale of electricity	161	137
Revenues from connections	677	702
Revenues from distribution services	3,345	3,348
Revenue from general services to other companies	1,588	2,984
Revenues from ARERA contributions	12,267	11,885
Revenues from hydroelectric-wind power plant	20,586	11,756
Other revenues	3,239	2,587
<b>Revenues</b>	<b>146,292</b>	<b>125,153</b>

Substantially all of the Ascopiave Group's revenues are in Italy, and at the end of the first nine months of the financial year, amounting to Euro 146,292 thousand, they recorded an increase equal to Euro 21,139 thousand compared to the same period of the reference financial year (Euro 125,153 thousand as of 30 September 2023). The increase is mainly explained by the increase in revenues from gas transportation (+Euro 12,676 thousand) and revenues from wind-hydroelectric power plants (+Euro 8,830 thousand). They have been partially offset by the decrease in revenues from services rendered to other companies (-Euro 1,396 thousands).

At the end of the first nine months of the financial year, the voice gas transport revenues is equal to Euro 104,430 thousand and shows an increase compared to the first nine months of the previous financial year equal to Euro 12,676 thousand.

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 by the monetary revaluation of capital and tariff operating costs.

Revenues from services rendered as natural gas distributors, amounting to Euro 3,345 thousand, are substantially in line with the period under comparison.

Revenues from services rendered to other companies showed a decrease of Euro 1,396 thousand compared to the same period of the previous year, amounting to Euro 1,588 thousand as of 30 September 2024. The item includes revenues from the provision of administrative and financial, technical, information and facility services rendered to other companies. The decrease is mainly explained by the termination of the service contracts signed with Romeo 2 S.r.l. as part of the rationalisation operation of natural gas distribution concessions finalised in January 2023 with Iren S.p.A..

During the first nine months of the financial year 2024, revenues from the sale of electrical energy produced from renewable sources, in particular hydroelectric and wind power sources, amounted to Euro 20,586 thousand and showed an increase of Euro 8,830 thousand compared to the same period of the previous financial year. The increase is mainly explained by the higher rainfall recorded in the reporting period, as well as by the commissioning of an additional wind farm of the subsidiary Salinella Eolico S.r.l., located in Calabria, whose installed capacity amounts to 21.6 MW. It should also be noted that revenues in comparison 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 by Euro 659 thousand from Euro 2,580 thousand in the first nine months of 2023 to Euro 3,239 thousand in the reporting period.

### 31. Raw materials, consumables, supplies and goods

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

(Thousands of Euro)	Nine months	
	2024	2023
Raw material, consumables, supplies and goods	1,541	1,234
<b>Raw material, consumables, supplies and goods</b>	<b>1,541</b>	<b>1,234</b>

At the end of the first nine months of the reporting year, costs incurred for the purchase of other raw materials amounted to Euro 1,541,000, an increase of Euro 307,000 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.

### 32. Costs for services

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

(Thousands of Euro)	Nine months	
	2024	2023
Costs for counting meters reading	1,582	1,551
Maintenance and repairs	3,368	2,967
Consulting services	2,516	2,328
Commercial services and advertisement	103	92
Sundry suppliers	2,256	2,301
Directors' and Statutory Auditors' fees	1,163	1,049
Insurances	978	892
Personnel costs	519	492
Other managing expenses	1,178	1,527
Costs for use of third-party assets	25,400	23,602
<b>Costs for services</b>	<b>39,062</b>	<b>36,840</b>

Costs for services incurred during the first nine months of 2024 amounted to Euro 39,062 thousand, an increase of Euro 2,222 thousand compared to the same period of the previous year. The increase is mainly explained by higher costs incurred for the use of third party assets (+ Euro 1,790 thousand) and for maintenance and repairs (+ Euro 401 thousand).

Costs incurred for meter reading, amounting to Euro 1,582 thousand, show an increase of Euro 31 thousand compared to the first nine months of the previous year (Euro 1,551 thousand as of 30 September 2023). The increase was affected by the effects of ARERA Resolution No. 269/2022/R/GAS of 21 June 2022, which came into force in April 2023 and provides for the revision of the regulation of the metering service, envisaging indemnities 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 increased from Euro 2,967,000 in the comparative period to Euro 3,368,000 in the first nine months of 2024, an increase equal to Euro 401 thousand. 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, costs incurred for consulting services, amounting to Euro 2,516 thousand, showed

an increase of Euro 188 thousand compared to the same period of the previous year.

At the end of the first nine months of the reference financial year, utility costs amounted to Euro 2,256 thousand, showing a decrease of Euro 45 thousand compared to the first nine months of the previous financial 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 nine months of the financial year show an increase of Euro 1,798 thousand compared to the same period of the previous financial 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.

### 33. Personnel expenses

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

(Thousands of Euro)	Nine months	
	2024	2023
Wages and salaries	16,263	16,999
Social security contributions	5,219	5,250
Severance indemnity	1,176	1,145
Other costs	5	5
<b>Total Personnel expenses</b>	<b>22,663</b>	<b>23,399</b>
Capitalized personnel costs	(7,610)	(7,192)
<b>Personnel expenses</b>	<b>15,053</b>	<b>16,207</b>

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 23,399 thousand in the first nine months of 2023 to Euro 22,663 thousand in the reporting period, a decrease of Euro 736 thousand.

It should be noted that as of 30 September 2024, costs accrued during the year for short-term incentive plans in the amount of Euro 476,000 were recognised, while the period under comparison included costs accrued for long-term incentive plans in the amount of Euro 376,000 and short-term incentive plans in the amount of Euro 447,000.

Capitalised personnel costs increased by Euro 418,000 from Euro 7,192,000 in the first nine months of the reporting period to Euro 7,610,000 in the first nine months of the reporting period.

As a result, personnel costs decreased by a total of Euro 1,154,000.

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

Description	30.09.2024	30.09.2023	Variation
Managers (average)	13	13	0
Office workers (average)	309	318	-9
Manual workers (average)	178	174	4
<b>No. of staff employed (average)</b>	<b>500</b>	<b>505</b>	<b>-5</b>

### 34. Other management costs

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

(Thousands of Euro)	Nine months	
	2024	2023
Provision for risks on credits	0	296
Membership and ARERA fees	1,048	554
Capital losses	1,667	2,351
Extraordinary losses	33	769
Other taxes	1,443	1,526
Other costs	955	769
Costs of contracts	1,740	1,465
Energy efficiency certificates	12,279	12,139
<b>Other management costs</b>	<b>19,164</b>	<b>19,870</b>

Other management costs decreased from Euro 19,870 thousand in the first nine months of the financial year 2023 to Euro 19,164 thousand in the first nine months of the financial year 2024, a decrease of Euro 706 thousand. The change is mainly explained by lower allocations made for risks on receivables (- Euro 296 thousand) and by the decrease in capital losses recorded (- Euro 684 thousand). These changes were partially offset by the increase in costs for ARERA membership contributions (+ Euro 494 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 September 2024 to be Euro 252.50 (Euro 258.61 as of 30 September 2023).

### 35. Other income

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

(Thousands of Euro)	Nine months	
	2024	2023
Other income	423	4,269
<b>Other income</b>	<b>423</b>	<b>4,269</b>

At the end of the first nine months of the financial year 2024 the other operating incomes show a decrease equal to Euro 3,846 thousands going from Euro 4,269 thousands of the first nine months of the same period to Euro 423 thousands of the reference period. The decrease is mainly explained by the inscription, during the first nine months of the financial year 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 for the area and equal to Euro 3,154 thousand.

The comparative figure also included the capital gain, equal to Euro 892,000, accrued in relation to the sale of Romeo 2 S.r.l., which also took place during the first nine months of the previous year, as part of the broader rationalisation operation of natural gas distribution concessions carried out with Iren S.p.A..

### 36. Amortization and depreciation

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

(Thousands of Euro)	Nine months	
	2024	2023
Intangible fixed assets	29,681	28,611
Tangible fixed assets	7,001	5,900
Amortization of rights of use	1,032	924
<b>Amortization and depreciation</b>	<b>37,714</b>	<b>35,435</b>

At the end of the first nine months of the year, depreciation and amortisation recorded an increase of Euro 2,279 thousand compared to the same period of the previous year, going from Euro 35,435 thousand as of 30 September 2023, to Euro 37,714 thousand in the reporting period. The recorded increase is mainly explained by the amortisation quotas pertaining to the investments realised during the previous financial year and in the first nine months of 2024.

## Financial income and expenses

### 37. Financial income and expenses

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

(Thousands of Euro)	Nine months	
	2024	2023
Interest income on bank and post office accounts	258	148
Other interest income	338	1,438
Distribution of dividends from controlled companies	4,251	4,228
Other financial income	0	48
<b>Financial income</b>	<b>4,848</b>	<b>5,862</b>
Interest expense on banks	2,843	4,053
Interest expense on loans	7,898	4,267
Other financial charges	1,720	1,537
<b>Financial charges</b>	<b>12,461</b>	<b>9,857</b>
Share of profit / loss from equity-accounted investments	8,094	910
<b>Share of profit / loss from equity-accounted investments</b>	<b>8,094</b>	<b>910</b>
<b>Total net financial (charges) / income</b>	<b>481</b>	<b>(3,085)</b>

At the end of the first nine months of the year, financial income and expenses showed a positive balance of Euro 481 thousand, an improvement of Euro 3,566 thousand compared to the negative balance of the previous year (- Euro 3,085 thousand). The change is mainly explained by the higher results achieved by the companies consolidated with the net equity method (+ Euro 7,184 thousand), which was partially offset by the worsening of the net balance of financial income and expenses (- Euro 3,642 thousand).

The worsening of 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 reporting period, recorded a total increase of Euro 7,184 thousand compared to the same period of the previous year.

## Taxes

### 38. Income Taxes

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

(Thousands of Euro)	Nine months	
	2024	2023
IRES current taxes	5,710	4,286
IRAP current taxes	2,184	1,333
(Advance)/Deferred taxes	1,095	(2,821)
Substitute tax	22	68
Taxes previous years	(961)	(491)
<b>Income taxes</b>	<b>8,051</b>	<b>2,375</b>

Accrued taxes increased from Euro 2,375 thousand in the previous period to Euro 8,051 thousand in the reporting period, an increase of Euro 5,676 thousand. The increase is partly explained by the higher taxable base achieved.

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

(Thousands of Euro)	Nine months	
	2024	2023
Earnings before tax	34,662	16,753
Income taxes	8,051	2,375
<b>Percentage of income before taxes</b>	<b>23.2%</b>	<b>14.2%</b>

The tax rate for the nine months ended 30 September 2024 was 23.2%, whereas it was 14.2% at the end of the first nine months of the previous year. The tax rate, calculated by normalising the pre-tax results of the periods concerned by the effects of the consolidation of the company consolidated using the equity method, the dividends received, and the capital gain realised as part of the rationalisation operation of gas distribution concessions, rose from 33.7% as of 30 September 2023 to 36.1% as of 30 September 2024.

## Net result from transfer/disposal of assets

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

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

(Thousands of Euro)	Nine months	
	2024	2023
Result of assets held for sale	0	56
<b>Net result from transfer/disposal of assets</b>	<b>0</b>	<b>56</b>

At the end of the first nine 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 interim report for the period ended 30 September 2024.

## Transactions resulting from atypical and/or unusual operations

Pursuant to Consob Communication No. DEM/6064296 of 28 July 2006, it should be noted that no atypical and/or unusual transactions took place during the first nine months of the financial year.

## Commitments and risks

### Guarantees given

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

Guarantees held by companies within the scope of consolidation:

(Thousands of Euro)	30.09.2024	31.12.2023
On credit lines	8,067	6,307
On execution of works (letter of comfort)	10,552	10,983
On distribution concession (letter of comfort)	6,095	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	8,712	8,175
<b>Total</b>	<b>34,096</b>	<b>32,659</b>

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

(Thousands of Euro)	30.09.2024	31.12.2023
Patronage to cover the obligations deriving from the related relationships	7,936	10,798
On UTF offices and regions for taxes on gas (letter of comfort)	0	1,850
<b>Total</b>	<b>7,936</b>	<b>12,648</b>

## Risk factors and uncertainty

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

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

### Financial risk management: objectives and criteria

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

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

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

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

### Interest rate risk

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

The medium- and long-term bank loans managed by the Group, regulated at both variable and fixed rates, present a residual debt as of 30 September 2024 of Euro 261,651 thousand and maturities between 1 October 2024 and 30 June 2040.

The medium/long-term bank loans at variable interest rates have repayment dates between 2024 and 2030, and as of 30 September 2024 had a total residual debt of Euro 215,252 thousand (Euro 202,393 thousand as of 31 December 2023), of which Euro 29,104 thousand was hedged by entering into financial derivatives, for which the interest rate risk was therefore sterilised.

It should be noted that, as of 30 September 2024, the derivative instruments hedging the risk of changes in interest rates, relative to 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 842 thousand and were effective.

The loans signed by the Parent Company with BNL and Cassa Centrale Banca and the loan signed by the subsidiary Salinella Eolico with Iccrea Banca, with residual debt at year-end of Euro 46,399 thousand, as well as the bond loan with residual debt at 30 September 2024 of Euro 86,367 thousand, are not exposed to interest rate risk, as they envisage the application of a fixed rate.

The loans represented are subject to financial covenants.

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

### Sensitivity analysis to interest rate risk

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

(Thousands of Euro)	I qtr 2024	II qtr 2024	III qtr 2024	
Net Financial Position 2024	(400,761)	(408,882)	(405,376)	
Borrowing rates of interest	1.59%	1.80%	2.11%	
Lending rates of interest	3.41%	3.43%	3.45%	
Borrowing rate of interest plus 200 basis points	3.59%	3.80%	4.11%	
Lending rates of interest plus 200 basis points	5.41%	5.43%	5.45%	
Borrowing rate of interest reduced of 50 basis points	1.09%	1.30%	1.61%	
Lending rates of interest reduced of 50 basis points	2.91%	2.93%	2.95%	
Net Financial Position recalculated with the increase of 200 basis points	(402,737)	(410,921)	(407,419)	
Net Financial Position recalculated with decrease of 50 basis points	(400,267)	(408,372)	(404,865)	<b>Total</b>
Effect on pre-tax result of the increase of 200 basis points	(1,976)	(2,039)	(2,044)	(6,059)
Effect on pre-tax result of the decrease of 50 basis points	494	510	511	1,515

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 6,059 thousand and an improvement of Euro 1,515 thousand.

### Credit risk

Within the gas distribution business, the Group provides its business services to a limited number of gas operators, whose non-payment or delayed payment of fees could negatively affect their economic results and financial equilibrium, but credit protection is supported by the application of the guarantee mechanisms envisaged in 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 where 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, as of 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)	30.09.2024	31.12.2023
Short-term net financial position	132,933	94,011
Medium / long-term net financial position	271,849	295,352
<b>Net Financial Position</b>	<b>404,782</b>	<b>389,363</b>
Share capital	234,412	234,412
Own shares	(55,987)	(55,423)
Reserves	644,681	639,117
Undistributed net profit	25,712	36,176
<b>Total Net equity</b>	<b>848,817</b>	<b>854,282</b>
<b>Total sources of funding</b>	<b>1,253,600</b>	<b>1,243,645</b>
<b>Net financial position / Net equity ratio</b>	<b>0.48</b>	<b>0.46</b>

The NFP/shareholder's equity ratio as at 30 September 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 15,419 thousand during the first nine months of the year, and Net Equity, which decreased by Euro 5,465 thousand, changes due to the investments made, the result accrued in the period, and partly to the normal flow related to ordinary activities.

## Representation of financial assets and liabilities by category

The breakdown of financial assets and liabilities by category and their fair value (IFRS 13) as at 30 September 2024 and 31 December 2023 is as follows:

(Thousands of Euro)	A	B	C	D	30.09.2024	
					Total	Fair value
Participations			308,063		308,063	308,063
Other non-current assets			2,373		2,373	2,373
Non-current financial assets			2,671		2,671	2,671
Trade receivables and other current assets			109,202		109,202	109,202
Current financial assets			845		845	845
Cash and cash equivalents			16,871		16,871	16,871
Current assets from derivative financial instruments		1,320			1,320	1,320
						0
Long term outstanding bonds				78,762	78,762	78,762
Medium- and long-term financing				188,801	188,801	188,801
Other non-current liabilities				3,568	3,568	3,568
Non-current financial liabilities				6,958	6,958	6,958
Outstanding short-term bonds				7,605	7,605	7,605
Bank debts and loans				142,857	142,857	142,857
Trade payables and other current liabilities				90,540	90,540	90,540
Current financial liabilities				1,029	1,029	1,029
Current liabilities from derivative financial instruments		153			153	153

(Thousands of Euro)	A	B	C	D	31.12.2023	
					Total	Fair value
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
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

A - Assets and liabilities at fair value through profit or loss

B - Assets and liabilities at fair value through equity (including hedging derivatives)

C - Loans and receivables (including cash and cash equivalents)

D - Financial liabilities recognised at amortised cost

## Sector information

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

For the purposes of the information required by IFRS 8 “Operating Segments”, the company identified the 'gas distribution', 'renewable energy' and 'other' segments as the business areas 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 table below present information regarding the Group's business segments for the first nine months of the financial year 2024 and the first nine months of the financial year 2023.

9M 2024 (Thousands of Euro)	Gas Distribution	Renewables energies	Other	30.09.2024 values from new acquisitions	Elision	Total
Net revenues to third-party customers	122,164	22,236	1,892	0		146,292
Intra-group revenues among the segment	8,257	9,340	5,007	0	(22,604)	0
<b>Segment revenue</b>	<b>130,421</b>	<b>31,576</b>	<b>6,899</b>	<b>0</b>	<b>(22,604)</b>	<b>146,292</b>
<b>Result before taxes</b>	<b>27,628</b>	<b>8,152</b>	<b>(1,118)</b>	<b>0</b>		<b>34,662</b>

9M 2023 (Thousands of Euro)	Gas Distribution	Renewables energies	Other	30.09.2023 values from new acquisitions	Elision	Total
Net revenues to third-party customers	105,324	12,365	3,134	4,330		125,153
Intra-group revenues among the segment	4,665	1	11,887	155	(16,708)	0
<b>Segment revenue</b>	<b>109,989</b>	<b>12,366</b>	<b>15,021</b>	<b>4,485</b>	<b>(16,708)</b>	<b>125,153</b>
<b>Result before taxes</b>	<b>23,208</b>	<b>370</b>	<b>(7,585)</b>	<b>760</b>		<b>16,753</b>

## Transactions with related parties

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

(Thousands of Euro)	30.09.2024				Revenues			Costs		
	Trade receivables	Other receivables	Trade payables	Other payables	Goods	Services	Other	Goods	Services	Other
Asco Holding S.p.A.	115	174	32	0	0	154	0	0	49	0
<b>Total parent company</b>	<b>115</b>	<b>174</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>154</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>0</b>
Bim Piave Nuove Energie S.r.l.	172	0	9	0	0	245	0	0	14	0
<b>Total affiliated companies</b>	<b>172</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>245</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>0</b>
ASM Set S.r.l.	1	0	0	0	0	1,738	0	0	0	0
Etra Energia S.r.l.	1	0	0	0	0	123	0	0	0	0
Estenergy S.p.A.	318	0	0	0	0	38,347	0	0	0	0
Cogeide S.p.A.	33	0	0	0	0	399	0	0	0	0
<b>Total subsidiary companies</b>	<b>352</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,606</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>640</b>	<b>174</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>41,005</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>

### Relations arising from the tax consolidation with Asco Holding S.p.A.:

Ascopiave S.p.A., AP Reti Gas S.p.A., AP Reti Gas Rovigo S.r.l., Edigas Esercizio Distribuzione Gas S.p.A. and Asco Energy S.p.A. had accepted the consolidation of tax relations under the parent company Asco Holding S.p.A.. It 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 Dividends are resolved by the shareholders' meeting;
  - 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 are related to the natural gas transportation service on the distribution network registered by AP Reti Gas S.p.A.;
  - o Revenue from services relates to revenue 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..
- towards Cogeide S.p.A.:
  - o Revenues relate to mapping and consulting services related to the water network with Cart Acqua S.r.l.;
  - o Dividends are resolved by the shareholders' meeting;

It should be noted that:

- economic transactions between Group companies and subsidiaries and associated 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 of 24 February 1998, no transactions in potential conflict of interest with Group companies were carried out by members of the board of directors.

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

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

For the contents of the Procedure, please refer to the document available on the Issuer's website at the following address: <http://www.gruppoascopiave.it/wp-content/uploads/2015/01/Procedura-per-le-operazioni-con-parti-related-GroupAscopiave-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 envisaged 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 dated 27 July 2006:

### Consolidated Statement of Financial Position

(Thousands of Euro)	30.09.2024	of which related parties						31.12.2023	of which related parties								
		A	B	C	D	Total	%		A	B	C	D	Total	%			
<b>ASSETS</b>																	
<b>Non-current assets</b>																	
Goodwill	61,727						61,727										
Other intangible assets	715,203						704,627										
Property, plant and equipment	158,501						156,475										
Equity-accounted investments	210,807			210,807		210,807	100.0%	211,074		211,074			211,074	100.0%			
Shareholdings in other companies	97,256						97,257										
Other non-current assets	3,404						3,478										
Non current financial assets	2,671						2,507										
Deferred tax assets	38,440						39,301										
<b>Non-current assets</b>	<b>1,288,008</b>			<b>210,807</b>		<b>210,807</b>	<b>16.4%</b>	<b>1,276,446</b>		<b>211,074</b>			<b>211,074</b>	<b>16.5%</b>			
<b>Current assets</b>																	
Inventories	14,018						8,276										
Trade receivables	26,384	115	172	352		640	2.4%	33,382	63	128	15,565		15,756	47.2%			
Other current assets	87,668	174				174	0.2%	80,831	174				174	0.2%			
Current financial assets	845						1,743										
Current tax assets	6,876						4,017										
Cash and cash equivalents	16,871						52,083										
Current assets from derivative financial instruments	1,320						4,821										
<b>Current assets</b>	<b>153,982</b>	<b>289</b>	<b>172</b>	<b>352</b>		<b>813</b>	<b>0.5%</b>	<b>185,153</b>	<b>237</b>	<b>128</b>	<b>15,565</b>		<b>15,930</b>	<b>8.6%</b>			
Non-current assets held for sale	0						385										
<b>ASSETS</b>	<b>1,441,990</b>	<b>289</b>	<b>172</b>	<b>211,160</b>		<b>211,621</b>	<b>14.7%</b>	<b>1,461,984</b>	<b>237</b>	<b>128</b>	<b>226,639</b>		<b>227,004</b>	<b>15.5%</b>			
<b>Net equity and liabilities</b>																	
<b>Total Net equity</b>																	
Share capital	234,412						234,412										
Treasury shares	(55,987)						(55,423)										
Reserves	660,104						665,764										
<b>Net equity of the Group</b>	<b>838,528</b>						<b>844,753</b>										
<b>Net equity of the Minorities</b>	<b>10,289</b>						<b>9,529</b>										
<b>Total Net equity</b>	<b>848,817</b>						<b>854,282</b>										
<b>Non-current liabilities</b>																	
Provisions for risks and charges	861						2,020										
Employee benefits	4,028						4,751										
Long term outstanding bonds	78,762						86,347										
Non-current bank loans	188,801						204,064										
Other non-current liabilities	41,881						39,360										
Non-current financial liabilities	6,958						7,448										
Deferred tax liabilities	17,126						17,618										
<b>Non-Current liabilities</b>	<b>338,417</b>						<b>361,608</b>										
<b>Current liabilities</b>																	
Short term outstanding bonds	7,605						7,708										
Payables due to banks and financing institutions	142,857						140,642										
Trade payables	71,643	32	9			41	0.1%	73,026	16	7	67		90	0.1%			
Current tax liabilities	10,216						795										
Other current liabilities	21,253						22,114										
Current financial liabilities	1,029						1,562										
Current liabilities from derivative financial instruments	153						0										
<b>Current liabilities</b>	<b>254,756</b>	<b>32</b>	<b>9</b>			<b>41</b>	<b>0.0%</b>	<b>245,847</b>	<b>16</b>	<b>7</b>	<b>67</b>		<b>90</b>	<b>0.0%</b>			
Non-current liabilities disposal of liabilities							247										
<b>Liabilities</b>	<b>593,173</b>	<b>32</b>	<b>9</b>			<b>41</b>	<b>0.0%</b>	<b>607,702</b>	<b>16</b>	<b>7</b>	<b>67</b>		<b>90</b>	<b>0.0%</b>			
<b>Net equity and liabilities</b>	<b>1,441,990</b>	<b>32</b>	<b>9</b>			<b>41</b>	<b>0.0%</b>	<b>1,461,984</b>	<b>16</b>	<b>7</b>	<b>67</b>		<b>90</b>	<b>0.0%</b>			

#### Related party column header legend:

*A Parent companies*

*B Subsidiaries*

*C Associated and jointly controlled companies*

*D other related parties*

## Consolidated Statement of Comprehensive Income

(Thousands of Euro)	Nine months 2024	of which related parties						Nine months 2023	of which related parties					
		A	B	C	D	Total	%		A	B	C	D	Total	%
<b>Revenues</b>	<b>146,292</b>	<b>154</b>	<b>245</b>	<b>40,606</b>		<b>41,005</b>	<b>28.0%</b>	<b>125,153</b>	<b>114</b>	<b>244</b>	<b>40,509</b>		<b>40,867</b>	<b>-32.7%</b>
- of which non-recurring														
<b>Total operating costs</b>	<b>74,397</b>	<b>49</b>	<b>14</b>		<b>725</b>	<b>787</b>	<b>1.1%</b>	<b>69,881</b>	<b>48</b>	<b>14</b>		<b>775</b>	<b>837</b>	<b>1.2%</b>
Raw materials, consumables, supplies and goods	1,541							1,234						
Costs for services	39,062	49	14		360	423	1.1%	36,840	48	14		365	427	1.2%
Personnel expenses	15,053				364	364	2.4%	16,207				410	410	2.5%
Other management costs	19,164							19,870						
Other income	423							4,269						
- of which non-recurring														
<b>Amortization and depreciation</b>	<b>37,714</b>							<b>35,435</b>						
<b>Operating result</b>	<b>34,181</b>	<b>106</b>	<b>231</b>	<b>40,606</b>	<b>(725)</b>	<b>40,218</b>	<b>117.7%</b>	<b>19,838</b>	<b>66</b>	<b>230</b>	<b>40,509</b>	<b>(775)</b>	<b>40,030</b>	<b>201.8%</b>
Financial income	4,848							5,862						
Financial expense	12,461							9,857						
Share of profit of equity-accounted investees	8,094			8,094		8,094	100.0%	910			910		910	100.0%
<b>Earnings before tax</b>	<b>34,662</b>	<b>106</b>	<b>231</b>	<b>48,701</b>	<b>(725)</b>	<b>48,313</b>	<b>139.4%</b>	<b>16,753</b>	<b>66</b>	<b>230</b>	<b>41,419</b>	<b>(775)</b>	<b>40,940</b>	<b>244.4%</b>
Income taxes	(8,051)							(2,375)						
<b>Result of the period</b>	<b>26,611</b>							<b>14,378</b>						
Net result from transfer/disposal of assets	0							56						
<b>Net result for the period</b>	<b>26,611</b>							<b>14,435</b>						
Group's Net Result	25,712							12,881						
Minorities' Net Result	899							1,554						
<b>Consolidated statement of comprehensive income</b>														
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	(2,234)							(3,190)						
- Share of comprehensive income of investments valued using the equity method	859							(11,082)						
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							(117)						
<b>Total comprehensive income</b>	<b>25,704</b>							<b>45</b>						
Result attributable to the shareholders of the parent company	24,949							(1,510)						
Result attributable to third party investments	755							1,556						
Diluted net income per share	0.119							0.059						

### 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)	Nine months 2024	of which related parties					Nine months 2023	of which related parties				
		A	B	C	D	Totale		A	B	C	D	Totale
<b>Cash flows generated (used) by operating activities</b>												
Total comprehensive income	25,704						45					
<b>Adjustments to reconcile net income to net cash</b>												
Fair value change in derivatives related to affiliated companies, change for the period net of the tax effect	(859)					0	11,082					0
Fair value of derivatives, changes in the year	2,234					0	3,190					0
Non-monetary changes in employee benefits	(468)					0	117					0
Amortization	37,714					0	35,435					0
Bad debt provisions	0					0	296					0
Credit losses	336					0	0					0
Impairment of assets	1,825					0	2,288					0
Change in employee benefits	(255)					0	(84)					0
Current assets / liabilities on financial instruments	1,420					0	(1,788)					0
Net change in other funds	(1,159)					0	291					0
Net equity evaluation method of subsidiaries	(8,094)			(8,094)		(8,094)	(910)		(910)			(910)
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	(4,251)					0	(4,228)					0
Other changes in the income statement that do not generate cash flows	0					0	(286)					0
Interests paid	(10,440)					0	(9,543)					0
Taxes paid	(1,984)					0	(92)					0
Interest expense for the period	12,298					0	9,857					0
Taxes for the period	8,051					0	2,375					0
<b>Total adjustments</b>	<b>36,368</b>					<b>(8,094)</b>	<b>43,954</b>	<b>0</b>	<b>0</b>	<b>(910)</b>	<b>0</b>	<b>(910)</b>
<b>Variations in assets and liabilities</b>												
Inventories	(5,742)					0	(5,855)					0
Trade receivables	6,998	(52)	(44)	15,213		15,116	(4,070)	(460)	70	7,983		7,593
Other current assets	(6,699)					0	31,547		(10)			(10)
Trade payables	(1,383)	16	2	(67)		(49)	(112,412)	(51)	(74)	(60,968)		(61,093)
Other current liabilities	(3,269)					0	(3,973)					0
Other non-current assets	75					0	931					0
Other non-current liabilities	2,522					0	1,418					0
Operating flows from discontinued assets / liabilities	0	0	0	0	0	0	(4)	0	0	0	0	0
<b>Total variations in assets and liabilities</b>	<b>(7,498)</b>	<b>(36)</b>	<b>(42)</b>	<b>15,146</b>	<b>0</b>	<b>15,067</b>	<b>(92,420)</b>	<b>(521)</b>	<b>(4)</b>	<b>(52,985)</b>	<b>0</b>	<b>(53,510)</b>
<b>Cash flows generated (used) by operating activities</b>	<b>54,574</b>	<b>(36)</b>	<b>(42)</b>	<b>7,051</b>	<b>0</b>	<b>6,973</b>	<b>(48,420)</b>	<b>(521)</b>	<b>(4)</b>	<b>(53,895)</b>	<b>0</b>	<b>(54,420)</b>
<b>Cash flows generated (used) by investments</b>												
Investments in intangible assets	(41,074)					0	(38,133)					0
Realisable value of intangible assets	0					0	9,412					0
Investments in property, plant and equipment	(10,514)					0	(15,406)					0
Realisable value of property, plant and equipment	0					0	64					0
Purchase of shareholding	201					0	(38,053)					0
Disposal of shareholdings and prepayments	0					0	21,036					0
Dividends received	13,269					0	23,225					0
Payments in cash by minorities in subsidiaries	5					0	2,162					0
Investment flows from discontinued assets / liabilities	0	0	0	0	0	0	(772)					0
<b>Cash flows generated/(used) by investments</b>	<b>(38,112)</b>						<b>(36,465)</b>					
<b>Cash flows generated (used) by financial activities</b>												
Net changes in non-current financial liabilities	(491)					0	(641)					0
Net changes in short-term loans	(65,659)					0	(50,803)					0
Net changes in current financial assets and liabilities	367					0	(29,490)					0
(Purchase)/Sale of treasury shares	(648)					0	0					0
New non-current loans	229,000					0	585,522					0
Repayment of non-current loans	(176,125)					0	(448,300)					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	90	0	0	0	0	0
<b>Cash flows generated (used) by financial activities</b>	<b>(51,673)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,316</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash flow for the year</b>	<b>(35,212)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(57,568)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the year	52,083					0	76,917					0
Cash and cash equivalents at the end of the period	16,871					0	19,349					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)	30.09.2024	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	16,871					0		52,083					0	
B Equivalent to cash and cash equivalents	0					0		0					0	
C Other current financial assets	845					0		1,743					0	
- of which related parties	0					0		0					0	
<b>D Liquid assets (A) + (B) + (C)</b>	<b>17,716</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>53,826</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
E Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt)	(71,036)					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	(80,455)					0		(88,350)					0	
- of which related parties	0					0		0					0	
<b>G Current financial indebtedness (E) + (F)</b>	<b>(151,491)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(149,912)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>H Net current financial indebtedness (D) + (G)</b>	<b>(133,775)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(96,086)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
I Non-current financial debt (excluding the current portion and debt instruments)	(274,520)					0		(297,859)					0	
J Debt instruments	0					0		0					0	
K Trade payables and other non-current payables	0					0		0					0	
<b>L Non-current financial indebtedness (I) + (J) + (K)</b>	<b>(274,520)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(297,859)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>M Net financial indebtedness (H) + (L)</b>	<b>(408,295)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>(393,945)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

### Related party column header legend:

*A Parent companies*

*B Subsidiaries*

*C Associated and jointly controlled companies*

*D other related parties*

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

#### Group A - Parent company:

- 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), associated company

#### Group D - other related parties:

- Board of Directors
- Auditors
- Strategic managers

## Significant events after the end of the first nine months of the financial year 2024

### Summon of the Extraordinary Shareholders' Meeting

Notice is hereby given that, today, the Board of Directors of Ascopiave S.p.A. resolved to convene the Extraordinary Shareholders' Meeting on 16 December 2024 in first call and on 19 December 2024 in second call, at 3:00 p.m., at the Office of Notary Federico Tassinari, in Bologna (BO), Via Galliera, no. 8.

The Extraordinary Shareholders' Meeting will be called upon to resolve on a proposal to amend the articles 6 (Shares), 12 (Chairman and conduct of the Shareholders' Meeting), 21 (Remuneration of the Board of Directors) and renumbering of paragraphs of Article 22 (Composition and appointment of the Board of Statutory Auditors) of the Articles of Association of Ascopiave S.p.A.

The Company has decided to avail itself of the option envisaged in Article 106(4) of the Decree-Law dated 17 March 2020, No. 18 concerning "Measures to strengthen the National Health Service and provide economic support to families, workers and businesses related to the epidemiological emergency caused by COVID-19", converted into law with amendments by Law No. 27 of 24 April 2020 (the "D.L. Cura Italia"), the effectiveness of which was lastly extended by paragraph 2 of Article 11 of Law No. 21/2024. In particular, as indicated in the notice of call that will be made available to the public within the terms of the law, participation in the Shareholders' Meeting by those entitled to attend may take place exclusively by granting proxy (or sub-delegation) to the representative designated by the Company.

It is hereby announced that the Notice of Shareholders' Meeting will be made available to the public at the company's registered office, on Teleborsa S.r.l.'s authorised storage mechanism "eMarket Storage" ([www.emarketstorage.com](http://www.emarketstorage.com)), as well as on the website [www.gruppoascopiave.it](http://www.gruppoascopiave.it), and an extract of the Notice of Shareholders' Meeting will be published in a daily newspaper with national circulation.

Lastly, it should be noted that further documentation relating to the aforesaid Shareholders' Meeting will be made available to the public, within the terms and in the manner envisaged by applicable laws and regulations, at the Company's registered office, on the Company's website [www.gruppoascopiave.it](http://www.gruppoascopiave.it) and at the authorised storage mechanism "eMarket Storage" ([www.emarketstorage.com](http://www.emarketstorage.com)) of Teleborsa S.r.l.

## Group Objectives and Policies

In 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 2024-2027 strategic plan approved in early 2024.

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 provide 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 2024-2027 strategic plan approved and presented to the market on 18 March 2024.

Pieve di Soligo, 7 November 2024

The Chairman of the Board of Directors  
Nicola Ceconato

## DECLARATION

*(Translation from the original issued in Italian)*

### **CERTIFICATION OF THE QUARTERLY REPORT as of 30<sup>th</sup> September 2024**

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

The undersigned, dr. Riccardo Paggiaro, in his position as Manager Designate for preparing the financial and company documents of Ascopiave S.p.A. herein declares, to the best of his knowledge, pursuant to the provisions of Article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the accounting information stated in the Quarterly Report as of 30<sup>th</sup> September 2024 tallies with the documental results, book-keeping entries and the accounting records.

Pieve di Soligo, 7<sup>th</sup> November 2024

Ascopiave S.p.A.  
dott. Riccardo Paggiaro



**Ascopiave Group**

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