

INTERIM REPORT ON OPERATIONS AS AT 31 MARCH

2023

Ascopiave Group

Index

GENERAL INFORMATION	5
Corporate bodies and related information	5
MANAGEMENT REPORT	8
Foreword	8
The Ascopiave Group Structure	10
Ascopiave S.p.A. share price performance on the Stock Exchange	11
Controlling the company	12
Corporate Governance and Code of Ethics	13
Other important facts	18
<i>Efficiency and energy saving</i>	18
<i>Stipulation of a proposed agreement with the municipalities for the adoption of a shared procedure aimed at the agreed quantification of the 'Industrial Residual Value' of the networks</i>	18
<i>Litigation</i>	20
<i>Relations with the Income Tax Department</i>	25
<i>Territorial areas</i>	25
Dividend distribution	28
Own shares	28
Foreseeable development of operations	28
Group objectives and policies and description of risks	29
Other information	34
<i>Seasonality of the activity</i>	34
Comments on the economic and financial results for the first quarter of the financial year 2023	35
<i>Performance Indicators</i>	35
<i>Operating Performance - Key Operational Indicators</i>	35
<i>Operating Performance - The Group's Results of Operations</i>	36
<i>Operating Performance - The Financial Situation</i>	38
<i>Operating Performance - Investments</i>	40
Interim Management Statements	41
Consolidated Statement of Financial Position	42
Consolidated Income Statement and Consolidated Statement of Comprehensive Income	43
Statements of Changes in Consolidated Shareholders' Equity	44
Consolidated Cash Flow Statement	45
EXPLANATORY NOTES	46
Corporate information	46
General preparation criteria and expression of compliance with IFRS	46
Budget Schedules	47
Evaluation Criteria	47
Business Combinations	47
Scope and Criteria for Consolidation	48
Summaries of companies consolidated on a line-by-line basis	50
NOTES TO ITEMS IN THE CONSOLIDATED BALANCE SHEET	51
Non-current Assets	51
Current Assets	58
Consolidated net assets	63
Non-current liabilities	64
Current liabilities	68

NOTES TO THE MAIN ITEMS IN THE CONSOLIDATED INCOME STATEMENT	73
Revenues	73
Financial income and expenses	78
Taxes	79
Net result from assets held for sale	79
Non-recurring components	80
Transactions Resulting from Atypical and/or Unusual Transactions	80
Economic, equity and financial performance of companies held for sale	81
The economic results of companies held for sale	81
Business Combinations	82
Commitments and risks	83
Risk factors and uncertainty	83
Capital Management	85
Representation of Financial Assets and Liabilities by Category	86
Transactions with related parties	87
Financial statements presented in accordance with Consob Resolution 15519/2006	90
<i>Consolidated Statement of Financial Position</i>	90
<i>Consolidated Statement of Comprehensive Income</i>	91
<i>Consolidated Cash Flow Statement</i>	92
<i>Consolidated net financial debt</i>	93
Significant events after the end of the first quarter of the financial year 2023	94
Group Objectives and Policies	95

Attachments:

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

GENERAL INFORMATION

Corporate bodies and related information

Board of Directors and Board of Auditors

Name	Office	Duration of office	From	To
Cecconato Nicola	Chairman of the Board of	2020-2022	29/05/2020	18/04/2023
Pietrobon Greta	Indipendet Director	2020-2022	29/05/2020	18/04/2023
Quarello Enrico	Directors	2020-2022	29/05/2020	18/04/2023
Bet Roberto	Directors	2020-2022	29/05/2020	18/04/2023
Geronazzo Marachiara	Indipendet Director	2020-2022	29/05/2020	18/04/2023
Vecchiato Luisa	Indipendet Director	2020-2022	29/05/2020	18/04/2023
Novello Cristian	Indipendet Director	2020-2022	29/05/2020	18/04/2023
Cecconato Nicola	Chairman of the Board of	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	Directors	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

On 18 April 2023, the Ordinary Shareholders' Meeting appointed the new Board of Directors.

Name	Office	Duration of office	From	To
Salvaggio Giovanni	President of the Board of Auditors	2020-2022	29/05/2020	18/04/2023
Moro Barbara	Statutory Auditor	2020-2022	29/05/2020	18/04/2023
Biancolin Luca	Statutory Auditor	2020-2022	29/05/2020	18/04/2023
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

On 18 April 2023, the Ordinary Shareholders' Meeting appointed the new Board of Statutory Auditors.

Internal committees

In-Company Control Committee	From	To	In-Company Control Committee	From	To
Novello Cristian	08/06/2020	Approval of budget 2022	Pietrobon Greta	08/06/2020	Approval of budget 2022
Bet Roberto	08/06/2020	Approval of budget 2022	Quarello Enrico	08/06/2020	Approval of budget 2022
Geronazzo Marachiara	08/06/2020	Approval of budget 2022	Vecchiato Luisa	08/06/2020	Approval of budget 2022
Novello Cristian	11/05/2023	Approval of budget 2025	Vecchiato Luisa	11/05/2023	Approval of budget 2025
Bet Roberto	11/05/2023	Approval of budget 2025	Novello Cristian	11/05/2023	Approval of budget 2025
Vecchiato Luisa	11/05/2023	Approval of budget 2025	Pietrobon Greta	11/05/2023	Approval of budget 2025

Auditing Company

PriceWaterhouseCoopers S.p.A.

Investor relations

Tel. +39 0438 980098

Fax +39 0438 964778

e-mail: investor.relations@ascopiave.it

Registered office and company data

Ascopiave S.p.A.

Via Verizzo, 1030

I-31053 Pieve di Soligo - TV Italy

Tel: +39 0438 980098

Fax: +39 0438 964778

Capital stock: Euro 234,411,575 fully paid-in

VAT NO. 03916270261

Key economic and financial data of the Ascopiave Group

Economic Data

(Thousands of Euro)	First quarter			
	2023	% of revenues	2022	% of revenues
Revenues	40,719	100.0%	34,139	100.0%
Gross operative margin	20,261	49.8%	13,163	38.6%
Operating result	8,378	20.6%	2,886	8.5%
Result for the period	5,589	13.7%	11,963	35.0%
Net result for the period	5,631	13.8%	11,963	35.0%

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

Balance Sheet Data

(Thousands of Euro)	31 th March 2023	31 th December 2022
Net working capital	(22,486)	(17,005)
Fixed assets and other non current assets	1,397,194	1,378,338
Non-current liabilities (excluding loans)	(67,217)	(63,073)
Net invested capital	1,307,491	1,298,260
Net financial position	(433,333)	(411,857)
Total Net equity	(874,158)	(886,403)
Total financing sources	(1,307,491)	(1,298,260)

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

Monetary flow data

(Thousands of Euro)	First quarter	
	2023	2022
Net income of the Group	(4,868)	16,593
Cash flows generated (used) by operating activities	9,222	28,888
Cash flows generated/(used) by investments	(32,018)	(50,173)
Cash flows generated (used) by financial activities	8,886	104,277
Variations in cash	(13,910)	82,993
Cash and cash equivalents at the beginning of the period	76,917	42,539
Cash and cash equivalents at the end of the period	63,007	125,533

MANAGEMENT REPORT

Foreword

The Ascopiave Group closed the first quarter of the 2023 financial year with a consolidated net profit of Euro 5.6 million (Euro 12.0 million as at 31 March 2022), a decrease of Euro 6.3 million compared to the same period of the previous year.

Consolidated shareholders' equity as at 31 March 2023 amounted to EUR 874.2 million (EUR 886.4 million as at 31 December 2022), and net invested capital to EUR 1,307.5 million (EUR 1,298.3 million as at 31 December 2022).

During the first quarter of the year, the Group made investments of €13.8 million (€13.1 million in Q1 2022), mainly in the installation of electronic meters, as well as in the development, maintenance and modernisation of gas distribution networks and plants for €11.8 million (€10.8 million in Q1 2022). At the end of the reporting period, investments were made in plants for the production of energy from renewable sources for €1.7 million.

It should be noted that the share of Estenergy and Cogeide S.p.A. in the economic results of the Group 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 entrusting for the management of gas distribution in 308 municipalities, operating a distribution network that extends over approximately 14,750 kilometres and providing the service to approximately 879,000 users.

The Group is also present in the renewable energy sector, owning 28 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 over 100,000 inhabitants through a network of 880 km.

Strategic Objectives

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

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

Operating performance

The volumes of gas distributed through the networks managed by the Group amounted to 591.6 million cubic metres, with a decrease of 7.7% compared to the same period of the previous year, mainly related to the continuation of relatively mild temperatures in the first quarter of the year.

The distribution network as of 31 March 2023 had a length of 14,782 kilometres, an increase of 1,779 kilometres compared to 31 December 2022, mainly as a result of the acquisitions made on 1 April 2022 and the completion of the rationalisation of natural gas distribution concessions carried out with the Iren Group.

The 28 plants producing electricity from renewable sources, with a total installed capacity of 62.5 MW, produced 20.0 GWh during the first quarter of the financial year, showing an increase of 42.2% compared to the same period of the previous year. Even the production of the first quarter of 2023, despite the improvement recorded with respect to the comparative figure, was heavily affected by the significant drought experienced during the reporting period.

Economic results and financial situation

Consolidated revenues for the first quarter of 2023 amounted to EUR 40.7 million, compared to EUR 34.1 million in the first quarter of the previous year.

The Group's operating profit amounted to EUR 8.4 million, an increase of EUR 5.5 million compared to the first quarter of the previous year.

At EUR 5.6 million, the net result decreased by EUR 6.3 million compared to the first quarter of the previous year.

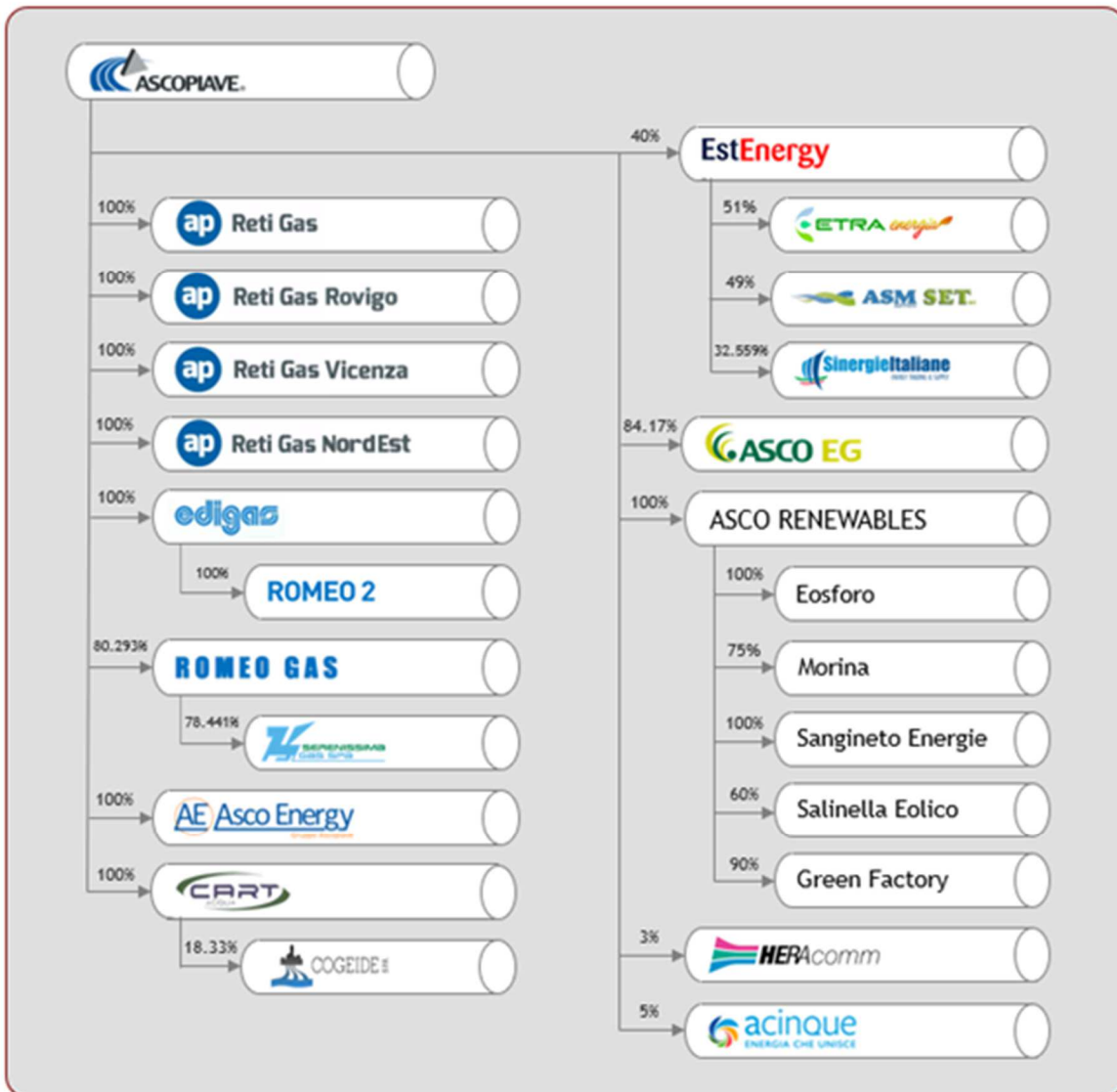
The Group's Net Financial Position as of 31 March 2023 was Euro 433.3 million, up Euro 21.5 million from Euro 411.9 million as of 31 December 2022.

The increase in financial debt is determined by the cash flow for the period (given by the sum of the net result and amortisation, depreciation and write-downs), which generated resources of €17.5 million, by the management of net working capital, which absorbed financial resources of €3.0 million, by investment activity, which led to an outlay of €37.7 million, and by the company acquisitions completed, which led to a decrease in the net financial position of €1.8 million.

The ratio of Net Financial Position to Shareholders' Equity as at 31 March 2023 was 0.50 (0.45 as at 31 March 2022).

The Ascopiave Group Structure

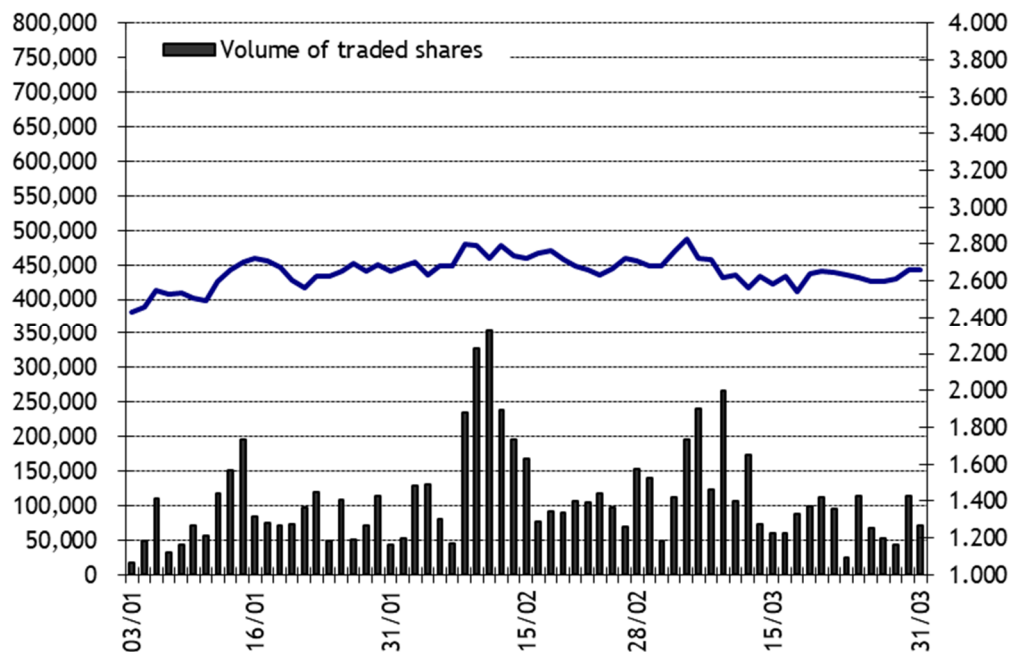
The following table highlights the corporate structure of the Ascopiave Group as at 31 March 2023.



Ascopiave S.p.A. share price performance on the stock exchange

As of 31 March 2023, the Ascopiave share price was quoted at Euro 2.660 per share, an increase of 9.5 percentage points with respect to the price at the beginning of 2023 (Euro 2.430 per share, referred to 2 January 2023).

Market capitalisation as at 31 March 2023 was EUR 623.53 million¹ (EUR 564.19 million as at 31 December 2022).



During the first quarter of the 2023 financial year, the share price showed an improved performance (+9.5%). During the same period, the FTSE Italia All Share and FTSE Italia Star indices showed an increase of 11.9% and 6.0% respectively. The FTSE Italia Utilities sector index recorded an increase of 8.2%.

The table below highlights the main share and stock market data as at 31 March 2023:

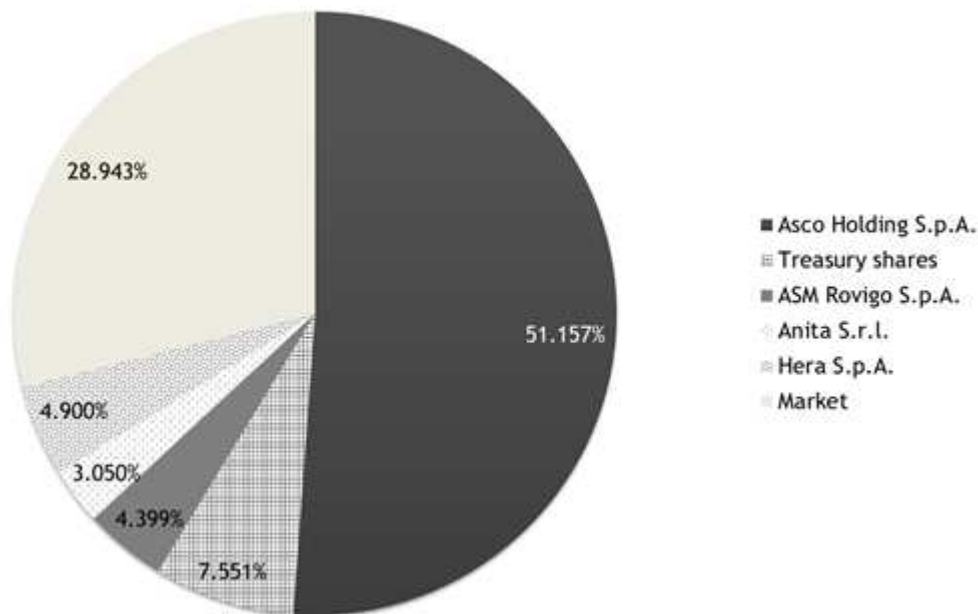
Share and stock-exchange data	31.03.2023	31.03.2022
Earning per share (Euro)	0.03	0.06
Net equity per share (Euro)	3.95	4.08
Placement price (Euro)	1.800	1.800
Closing price (Euro)	2.660	3.445
Maximum annual price (Euro)	2.825	3.630
Minimum annual price (Euro)	2.430	3.230
Stock-exchange capitalization (Million of Euro)	623.53	816.17
No. of shares in circulation	216,709,997	216,709,997
No. of shares in share capital	234,411,575	234,411,575
No. of own share in portfolio	17,701,578	17,701,578

¹ The stock market capitalisation of the main listed companies active in the local public services sector (A2A, Acea, Acinque, Hera and Iren) amounted to EUR 13.7 billion as at 28 February 2023. Official data taken from the Borsa Italiana website (www.borsaitaliana.it).

Control of the company

As of 31 March 2023, Asco Holding S.p.A. directly controlled the majority of Ascopiave S.p.A. capital as shown in the chart below.

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



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

Corporate Governance and Code of Ethics

During the first quarter of 2023, 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 Company's Board of Directors. In particular, the audit activities framed in the aforementioned activity plan, based on a prioritisation process of the main risks, concern both compliance areas and the corporate processes referable to the *business* areas considered most strategic.

Manager in charge

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

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

Ascopiave S.p.A. and most of its subsidiaries are equipped with an Organisation, Management and Control Model, updated by the Board of Directors on 11 November 2021; they have adhered to the Code of Ethics of the parent company Ascopiave. On 10 September 2021, the Board of Directors of Ascopiave S.p.A. approved an update to the Code of Ethics of the Ascopiave Group.

The Company, availing itself of the activity of the Supervisory Board, constantly monitors the effectiveness and adequacy of the Model adopted. Ascopiave S.p.A. approved the "Procedure for the management of Reports by the Ascopiave Group", adopted by all the Group's subsidiaries and an integral part of Model 231 (attachment 3 of Model 231). Reports are managed by a 'Reporting Committee'. The Company has also continued its activities to promote, raise awareness and understanding of the Code of Ethics among all its interlocutors, especially in the context of commercial and institutional relations. Please note that Model 231 and the Code of Ethics are available in the *corporate governance* section of the website www.gruppoascopiave.it.

Transactions with related and associated parties

The Group has the following transactions with related parties:

- ✓ Administrative services from the parent company Asco Holding S.p.A.;
- ✓ Maintenance services of heating and cooling systems by subsidiary Bim Piave Nuove Energie S.r.l.

The Group has the following transactions with related parties:

- ✓ Administrative and personnel services from Ascopiave S.p.A. with the parent company Asco Holding S.p.A.;
- ✓ Administrative, IT, personnel and facility services with its subsidiary Bim Piave Nuove Energie S.r.l.

During the first quarter of the financial year 2023, relations with affiliated companies generated revenues in connection with the following types of services:

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

It should be noted that these relations are based on the utmost transparency and on market conditions; please refer to the explanatory notes of this report for details on the individual relations.

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

(Thousands of Euro)	Trade receivables	Other receivables	Trade payables	Other payables	Costs			Revenues			
					Goods	Services	Other	Goods	Services	Other	
<i>Parent company</i>											
Asco Holding S.p.A.	56	184	27	0	0	15	0	0	39	0	
Total parent company	56	184	27	0	0	15	0	0	39	0	
<i>Affiliated companies</i>											
Bim Piave Nuove Energie S.r.l.	128	0	4	0	0	4	0	0	61	0	
Total affiliated companies	128	0	4	0	0	4	0	0	61	0	
<i>Subsidiary companies</i>											
ASM Set S.r.l.	33	0	0	0	0	0	0	0	1,506	0	
Etra Energia S.r.l.	37	0	0	0	0	0	0	0	125	0	
Estenergy S.p.A.	1,652	0	0	0	0	0	0	0	32,426	0	
Total subsidiary companies	1,721	0	0	0	0	0	0	0	34,057	0	
Total	1,905	184	32	0	0	20	0	0	33,957	0	

Significant events during the first quarter of the financial year 2023

Shareholders' agreements - updating of voting rights

On 7 January 2023, pursuant to the laws and regulations in force, an updated version of the key information relating to the shareholders' agreement signed on 16 March 2020 was published in the *Corporate Governance* section of the website www.gruppoascopiave.it. This update exclusively concerns the change in the number of voting rights held by some of the peaceful shareholders as a result of the intervening increase in voting rights, as last communicated by Ascopiave on 6 May 2022.

Pursuant to Articles 65-quinquies, 65-sexies and 65-septies of the Issuers' Regulations, the document is available to the public at the company's registered office, at Borsa Italiana S.p.A., on the authorised storage mechanism "eMarket STORAGE" (www.emarketstorage.com) of Teleborsa S.r.l., and in the Corporate Governance section of the website www.gruppoascopiave.it.

Completed the closing of the rationalisation of gas distribution concessions between Ascopiave and Iren

On 31 January 2023, Ascopiave and Iren finalised the transaction for the rationalisation of certain assets within the natural gas distribution service (see press release of 25 November 2022), following the fulfilment of the contractual conditions precedent.

In particular, the operation provided for:

- i) the transfer by the Ascopiave Group to the Iren Group of the entire share capital of Romeo 2 S.r.l., a company newly incorporated by the Ascopiave Group, into which the branches of business related to the management of the concessions of the Savona 1 and Vercelli ATEMs owned by Edigas S.p.A., a company of the Ascopiave Group, for about 19,000 PDR were previously transferred;
- ii) the sale by the Iren Group in favour of Ascopiave of its 19.7% stake in the capital of Romeo Gas S.p.A., a company that holds, directly and through its subsidiary Serenissima Gas S.r.l., concessions in Northern Italy for a total of 126,000 PDR;
- iii) the waiver by the Iren Group to acquire from Romeo Gas S.p.A. the business units related to the management of the concessions in the Piacenza 1 and Pavia 4 ATEMs;
- iv) the sale by Romeo Gas S.p.A. in favour of the Iren Group of the business units related to the management of the concessions of the Parma and Piacenza 2 ATEMs with about 3,200 RDCs;
- v) the waiver of the right to acquire from the A2A Group the business unit related to the management of the gas transportation network located in the province of Pavia currently held by Retragas, the latter upon the fulfilment of the condition for the acquisition (i.e. the prior reclassification from transportation network to distribution network); the acquisition from Retragas will therefore be completed by the Ascopiave Group.

Overall, the asset rationalisation transaction entailed the recognition of a monetary adjustment of €3.6 million in favour of the Ascopiave Group based on the different expected profitability. The transaction highlights the desire of the two companies to rationalise their gas distribution concessions by pursuing their strategic plan based on the territorial continuity of the assets.

Strategic Plan 2022-2026

On 9 February 2023, the Board of Directors approved the Group's Strategic Plan 2022-2026.

The plan confirms the strategic directions set out in the plan approved in 2022, outlining a sustainable growth path in the core businesses of gas distribution and renewable energies, and in new business areas.

The development will take place under conditions of a balanced financial structure, ensuring a remunerative dividend distribution.

Economic and financial highlights:

- ✓ EBITDA to 2026: EUR 133 million (+ EUR 55 million compared to 2022);
- ✓ Net profit to 2026: EUR 41 million (+ EUR 9 million compared to 2022);
- ✓ Net investments 2022-2026: EUR 873 million;
- ✓ Divestments of minority interests 2022-2026: EUR 497 million;
- ✓ Net debt to 2026: EUR 373 million;
- ✓ Financial leverage (Net Financial Position / Shareholders' Equity) to 2026: 0.40;

- ✓ Dividend forecast: 13 cents per share for the financial year 2022, increasing by 1 cent per share in the following years until 2026.

The plan presents a scenario that valorises the possible award by the Group of certain tenders for the gas distribution service 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 2026 of EUR 21 million and an increase in investment volume of EUR 220 million.

Adjustment of annual calendar of corporate events, pursuant to Article 2.6.2 of the Rules of the Markets Organised and Managed by Borsa Italiana S.p.A

On 23 February 2023, Ascopiave S.p.A. announced that the Board of Directors' meeting to approve the draft financial statements and consolidated financial statements for the year ended 31 December 2022, initially scheduled for 9 March 2023, was held on 7 March 2023, and that the Analyst Presentation, initially scheduled for 9 March 2023, was held on 7 March 2023. In addition, Ascopiave S.p.A. informed that the Board of Directors Meeting for the approval of the Half-Yearly Report as at 30 June 2023, initially scheduled for 3 August 2023, will be held on 27 July 2023, and that the Analyst Presentation, initially scheduled for 4 August 2023, will be held on 27 July 2023.

Hera Group and Ascopiave finalise the acquisition of 92% of Asco TLC

On 14 March 2023, Ascopiave S.p.A. announced that the Hera Group, through its subsidiary Acantho, and the Ascopiave Group finalised the acquisition of 92% of the shares of Asco TLC at the headquarters of Asco Holding in Pieve di Soligo (TV), with 36.8% and 55.2% stakes, respectively.

The closing follows the award at the end of November 2022 of the public tender procedure called by Asco Holding for the sale of 92% of the shares of Asco TLC, held by Asco Holding itself and by the Treviso-Belluno C.C.I.A., and the subsequent signing on 29 December 2022 of the related contractual documentation between the Hera Group and the Ascopiave Group. The acquisition price, settled in cash, is €37.2 million.

Asco TLC, a company that has been active since 2001 in the provision of ICT services mainly to corporate customers and public administrations, has a significant proprietary territorial network, located in the Veneto and Friuli-Venezia Giulia regions for more than 2,200 km of fibre optic backbones, 56 radio links and 24 xDSL exchanges in unbundling, and provides its services to more than 2,700 customers.

For the two groups, the transaction represents a strategic step in the evolution of the business portfolio in the IT-TLC sectors, in line with their respective industrial plans. Moreover, it is the first step in a broader transaction that would lead, through the merger of Asco TLC into Acantho, to the creation of a multi-regional operator with significant operational synergies compared to the stand-alone companies and benefits for customers as well.

Shareholders' agreements - three-year tacit renewal

Pursuant to current legal and regulatory provisions, on 20 March, Ascopiave disclosed to the public an updated version of the essential information relating to the shareholders' agreement signed on 16 March 2020 and published by the signatories of the agreements in the national daily newspaper "Italia Oggi" on 16 March 2023. This update concerns the tacit renewal of the shareholders' agreement for a further three-year period pursuant to Article 6 of the same agreement, which took place on 16 March 2023.

Significant events after the end of the first quarter of the financial year 2023

Shareholders' agreements - variation

On 12 April 2023, pursuant to current laws and regulations, Ascopiave S.p.A. shall disseminate to the public the extract of the shareholders' agreement transmitted to Ascopiave pursuant to Article 122, paragraph 1 of Legislative Decree no. 58 dated 24 February 1998, and published on 8 April 2023 by the signatories of the agreement in the national daily newspaper "Italia Oggi". Pursuant to Articles 65-quinquies, 65-sexies and 65-septies of the Issuers' Regulations, the aforementioned documentation is available to the public at the company's registered office, at Borsa Italiana S.p.A., on the authorised storage mechanism "eMarket STORAGE" (www.emarketstorage.com) of Teleborsa S.r.l., as well as in the Corporate Governance section of the website www.gruppoascopiave.it. In the Corporate Governance section of the website www.gruppoascopiave.it, a copy of the extract of the shareholders' agreement published in the aforementioned national daily newspaper has also been made available.

Ordinary Shareholders' Meeting dated 18 April 2023

On 18 April 2023, the Ordinary Shareholders' Meeting of Ascopiave S.p.A. met under the chairmanship of Mr. 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 2022 and resolved to distribute an ordinary dividend in the amount of EUR 0.13 per share, for a total of EUR 28.2 million, an amount calculated on the basis of the shares outstanding as at the end of the financial year 2022. The ordinary dividend was paid on 4 May 2023 with ex-dividend date on 2 May 2023 (record date 3 May 2023).

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

The Shareholders' Meeting also cast a favourable advisory vote on the second section of the report on remuneration policy and remuneration paid prepared pursuant to Article 123-ter of the Consolidated Law on Finance (i.e., the report on remuneration paid in the financial year 2022).

Following the expiry of the office terms of Ascopiave's corporate bodies, the Shareholders' Meeting resolved on the appointment of the members of the Board of Directors and the Board of Statutory Auditors, as well as determined their remuneration. The Shareholders' Meeting then appointed Messrs: Luisa Vecchiato, Nicola Ceconato, Federica Monti, Greta Pietrobon, Enrico Quarello, Giovanni Zoppas and Cristian Novello and, at the same time, appointed Mr. Nicola Ceconato as Chairman of the Board of Directors. Luca Biancolin, Barbara Moro and Giovanni Salvaggio were elected standing auditors by the Assembly, while Marco Bosco and Matteo Cipriano were elected alternate auditors. Dr. Giovanni Salvaggio is also the Chairman of the Board of Auditors. The new Board of Directors and the new Board of Statutory Auditors will be in office for the financial years 2023-2025.

Finally, the Shareholders' Meeting approved the authorisation to purchase and dispose of treasury shares, subject to revocation of the previous authorisation granted by the Shareholders' Meeting of 28 April 2022, for the portion not executed.

Sustainability Report 2022 approved

On 18 April 2023, Ascopiave S.p.A. announced that the 2022 Sustainability Report, approved by the Board of Directors of Ascopiave S.p.A. in its meeting of 13 April 2023, following the positive opinion of the Sustainability Committee, was published in the "Sustainability" section of its website. The Sustainability Report illustrates the Company's commitment with regard to "Environmental, Social and Governance" factors and provides an overview of the initiatives promoted by the Ascopiave Group with regard to corporate social responsibility.

Other important facts

Efficiency and energy saving

With regard to the targets to which the Group's natural gas distribution companies are obliged with regard to energy efficiency certificates (TEEs), with the publication of the Ministerial Decree dated 21 May 2021, the 2020 target was considerably reduced, the quantities of certificates subject to the targets for the four-year period 2021- 2024 were determined, and the normal deadline of 31 May for delivery of the certificates was postponed to 16 July (for the year 2021). As a result of the changes made by the decree itself to the 2020 target, with the delivery of 16 July 2021 and the advance payment of 30 November 2021, all group companies completed the 2019 target, fulfilled the minimum share of the 2020 target and delivered part of the 2021 target, the latter within the legal limits. With regard to the delivery of May 2022 (target 2021), approximately 9,200 securities were delivered, which, together with the advance payment of November 2021, made it possible for all obligated companies of the group to meet the minimum target of 60%.

In the November 2022 session, the 2020 target was completed for all obligated companies, with the exception of AP Reti Gas Nordest, and the down payment for the 2022 target was delivered.

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

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

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

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

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

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

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

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

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

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

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

With the aforementioned municipalities, Ascopiave therefore entered into an agreement that provided for the identification of an expert of recognised professionalism, competence and independence called 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 Industrial Residual Value of the natural gas distribution plants located in the municipalities currently served by Ascopiave S.p.A.", which was 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.

In 2013, Ascopiave S.p.A. transmitted the state of consistency and the valuation of the plants resulting from the application of the criteria defined in the Report, at the same time offering its willingness to enter into discussions with the municipalities to analyse the documents.

To date, at the outcome of the relevant technical discussion, 86 municipalities (unchanged from 31 December 2015) have approved the relevant enhancements.

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 thousand for 2013;
- Euro 5,268 thousand for 2014;
- Euro 5,258 thousand for 2015;
- Euro 5,079 thousand for 2016;
- Euro 5,190 thousand for 2017;
- Euro 5,258 thousand for 2018;
- Euro 5,482 thousand for 2019;
- Euro 5,467 thousand for 2020;
- Euro 5,430 thousand for 2021;
- Euro 5,023 thousand for 2022;

totalling Euro 67,155 thousand.

During 2015, Ascopiave S.p.A. made available to the Towns belonging to the Ambiti Territoriali Minimi (Minimum Territorial Tenders) Treviso 2 - Nord and Venezia 2 - Entroterra and Veneto Orientale (69 Towns out of 92) an update of the plant valuations as at 31 December 2014. Subsequently, in the biennium 2016-2017, the municipalities belonging to the Treviso 2 - North ambit and some municipalities of the Treviso 1 - South ambit were provided with an update as of 31 December 2015, applying the agreed valuation criteria and providing a count of the valuation of private contributions to be deducted from the residual industrial value pursuant to Law 9 / 2014.

The tenders of Treviso 2 - North and Venice 2 - Hinterland and Eastern Veneto sent to ARERA the valuations of the reimbursements of some municipalities for the purposes of the verifications required by the regulations. The Authority made some observations against which AP Reti Gas proposed its own 'counter-deductions'.

Litigation

DISPUTES ON PLANT VALUE - CIVIL JURISDICTION

As at 31 March 2023, there were no pending litigations.

PLANT VALUE DISPUTES - ARBITRATIONS

As at 31 March 2023, there were no pending litigations.

ADMINISTRATIVE / CIVIL LITIGATION - RELATING TO CONCESSIONS

As at 31 March 2023, they are pending:

TOWN OF SOVIZZO

A civil lawsuit initiated by the Town of Sovizzo, with a writ of summons served on AP Reti Gas S.p.A. on 21 February 2019. The Entity is claiming the payment of a concession fee, for Euro 65 thousand/year starting from 01 January 2013. The appearance hearing, initially set for 19 June 2019, was postponed to 10 September.

Reply briefs were filed in February and March 2020.

With a judgement dated 10 December 2021, the monocratic judge accepted the Municipality's request and ordered AP Reti Gas S.p.A. to pay €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 within the relevant time limit (16 January 2022).

The first hearing was held on 16 May 2022.

The Court of Appeal of Venice set a hearing on 12 June 2023 for the clarification of the conclusions.

MUNICIPALITIES OF CONCORDIA SAGITTARIA, FOSSALTA DI PORTOGRUARO AND TEGLIO VENETO

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

The Town of Concordia Sagittaria (at the urging of Ambito S.A.) forwarded a further GC Resolution (No. 3/2022) with which it approved another estimate that, even if marginally, further reduces the reimbursement value recognised to AP Reti Gas S.p.A. The Company, therefore, provided for the relative appeal with additional grounds.

Similarly, on 11/08/2022, the Town of Fossalta di Portogruaro 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. Even though 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 the appeal with additional grounds, duly filed and notified within the terms.

At this stage, there are no further court documents.

TOWN OF FOSSALTA DI PORTOGRUARO

A civil suit filed with the Court of Pordenone, by the Town of Fossalta di Portogruaro, with a writ of summons served on AP Reti Gas S.p.A. on 10 November 2022. The entity is requesting the payment of a concession fee of approximately € 72,000/year as of 1 January 2013, for a total of approximately € 700,000.

The company, believing that it owes nothing to the municipality, will enter an appearance in court to oppose the municipality's claim.

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

AP Reti filed its appearance on 17 March 2023.

MUNICIPALITIES OF ALBIGNASEGO AND CADONEGHE

Two administrative lawsuits, pending before the Veneto Regional Administrative Court, brought by Acegas-Aps-Amga (parent company of AP Reti Gas Nord Est), against the Municipalities of Albignasego and Cadoneghe, in relation to the

ownership of networks in parcelled areas.

With respect to the judgment with the Town of Cadoneghe, on 28 February 2023, a notice of imminent expiry was received.

AP Reti Gas Nord Est communicated its intention to allow the aforementioned time limit to run, with the consequent extinction of the proceedings.

The same will be done when the notice of expiry of the pending lawsuit with the Town of Albignasego is received.

ADMINISTRATIVE DISPUTES - NOT RELATING TO CONCESSIONS

As at 31 March 2023, they are pending:

ANAC DELIBERATIONS 214 and 215 of 2022

An appeal to the Regional Administrative Court for Lazio - Rome, 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 Nos. 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 operators) had requested and obtained the annulment of the Communiqué of the ANAC President of 16 October 2019. Said measure, in substance, extended the obligations proper to contracts subject to the application of Legislative Decree 50/2016 (e.g. acquisition of CIG and payment of 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 REGIONAL ADMINISTRATIVE COURT in two resolutions (Nos. 214 and 215 of 2022).

The measures were therefore challenged, for the most part, by re-proposing the 'substantive' complaints already prepared in the first judgement and not examined by the REGIONAL ADMINISTRATIVE COURT, 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.

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, promoted 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.

By means of an appeal on additional grounds, filed within the terms of the appeal (24 May 2021), an appeal was also lodged against ARERA Resolution No. 117/2021/R/gas published on 23 March 2021, bearing the "Determination of the definitive reference tariffs for gas distribution and metering services for the year 2020". In fact, the Companies considered that the measure, being part of the determinations resulting from the tariff regulation set forth in Resolution No. 570/2019, could be further detrimental to the Group's distribution companies.

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

Subsequently, Italgas itself, first initiated 'compliance' proceedings, aimed at enforcing the judgment, then appealed the same (evidently, for the parts not upheld).

Both measures were notified to AP Reti Gas, as an interested party. The Company, in order to protect its own legitimate interests, which are only partially congruent with those of Italgas Reti, decided to intervene in the two proceedings.

With respect to the appeal pending at the Council of state, on 16 February 2022, Italgas filed a declaration of supervening lack of interest in the continuation of the proceedings. The related litigation is therefore concluded and will not be mentioned in the next report.

ATEM "BELLUNO" TENDER ADJUDICATION and related access to documents procedure

Appeal brought before the Regional Administrative Court of Veneto by AP Reti Gas S.p.A. against the decision awarding the 'Belluno' tender to Italgas Reti, notified on 29 June 2020.

The main grounds relate essentially to anomalies, i.e. the actual sustainability of the bid by Italgas Reti. They also criticise, among others, some irregularities inherent in the procedure.

Following the results of the access to files carried out at two different times, two appeals for additional grounds were filed.

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

The appeal filed by AP Reti Gas S.p.A. pursuant to Article 116 of the Code of Administrative Procedure, to obtain access to the parts of the offer indicated by Italgas as covered by secrecy, was upheld by order dated 16 October 2020. Italgas Reti filed an appeal. By order published on 6 April 2021, the Council of state, upheld the appeal and, overturning the ruling of the Regional Administrative Court, denied access to the secret bid documents.

With respect to the main appeal, on 2 September 2020, the parties waived the discussion of the interlocutory application on the basis of the Municipality's commitment not to proceed with the conclusion of the Contract until the outcome of the litigation.

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

With Sentence No. 1202, published on 11 October 2021, the Regional Administrative Court rejected AP Reti Gas appeal and declared the Italgas Reti cross-appeal inadmissible.

AP Reti Gas S.p.A., after a thorough reading of the grounds, appealed to the Council of State (R.G. 10967/21).

The discussion hearing took place on 16 June 2022.

With Sentence No. 11465, published on 28 December 2022, the Council of State rejected the appeal (and declared the Italgas Reti cross-appeal inadmissible), thus confirming the first instance sentence. The costs of litigation were compensated.

In the next quarterly report, the litigation subject will no longer be mentioned.

CIVIL LITIGATION - NOT RELATED TO CONCESSIONS

As at 31 March 2023, they are pending:

CLAIM FOR DAMAGES FOR SUPPLY INTERRUPTION VS AP RETI GAS VICENZA

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

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

The hearing for closing arguments is set for 11 May 2023.

CLAIM FOR DAMAGES FOR CAR DAMAGE

A lawsuit, pending before the Court of Padua, brought against AP Reti Gas Nord Est, for compensation for damages resulting from a car accident, with damage to property only, verified at a network reclamation site in the Town of Padua (the injured party claimed approximately €16,000).

The Company, considering itself not liable for the event, took steps to file suit within the prescribed time limits. In addition, in exercising its negotiated indemnity, it requested that the contractor be sued, as well as its own insurance company, pursuant to the relevant contract.

EDELWEISS ENERGIA S.P.A.

A lawsuit before the Court of Bergamo (R.G. 3453/21), brought by Edelweiss Energia S.p.A. with a writ of summons dated 19 April 2021, against the then Eusebio Energia (now Asco EG), relating to the failure to finalise an agreement for the sale and purchase of the electricity produced in the year 2018, claiming that Eusebio Energia had failed to comply with its contractual obligations arising from a tacit agreement for the purchase, by Edelweiss, of the energy

produced by certain of Eusebio's plants. Edelweiss claimed to have suffered damages amounting to approximately Euro 485,000.

The Company disputes the merits of the claim for damages.

The first hearing took place on 20 July 2021.

The hearing for closing arguments is set for 10/04/2024.

The Parties finally reached a settlement agreement, which was formalised on 23-27/12/2022, resulting in the abandonment of the pending litigation.

The dispute can therefore be said to be definitively concluded and will therefore no longer be listed as pending in the next quarterly report.

INTERNATIONAL FACTORS ITALIA S.P.A.

A lawsuit c/o the Court of Appeal of Milan, for the annulment of Judgment No. 1945/20 of 2 March 2020, by which the Court of Milan rejected the claim initially brought by Epiù S.R.L. (a company subsequently merged into Eusebio Energia in November 2018), against International Factors Italia S.p.A. (IFI), for the payment of a sum of approximately Euro 260,000 as a result of a factoring contract, previously existing between Epiù and IFI, under which Epiù had assigned to IFI certain credit positions of former customers (with respect to gas and electricity supply relationships).

Eusebio Energia challenged the ruling before the Court of Appeal of Milan, considering it flawed in many parts. Among these, also the breach of Article 112 of the Code of Civil Procedure in that the court of first instance decided on the basis of exceptions that could not be raised ex officio and were not raised by the other party (which remained contumacious).

The first hearing was held on 24 March 2021.

By Ruling No. 1900/2022, the Court of Appeal of Milan rejected the appeal, confirming Ruling No. 1945/20 of the Court of Milan. The litigation is therefore concluded.

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

A lawsuit before the Court of Enterprises of Venice (R.G. 5768/22), initiated by Fin Energy S.A., a minority shareholder of Asco EG, against the same company, by means of an appeal notified on 03 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 hearing was set for 5 April 2023.

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 16/09/2022), against the measures of the Income Tax Department (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 questions of constitutionality and conformity with European law of the primary legislation were raised.

The public hearing for the discussion of the appeal on the merits took place on 04 April 2023. The Regional Administrative Court ordered the postponement to 18 July 2023.

AID DECREE (ARERA Resolution no. 266/2022 and GSE Notice of 07/07/202)

A lawsuit before the Regional Administrative Court of Lombardy in Milan (R.G. 1770/22), brought by Asco EG (notified on 08 September 2022), against ARERA Resolution No. 266/2022 and the GSE Communiqué of 07 July 2022, implementing Article 15 bis of Law Decree 4/2022, converted by Law 25/2022, and amended by Law Decree 115/2022, converted with amendments by Law 142/2022.

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

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

As a precautionary measure, pending the above-mentioned grounds, on 05 December 2022, the Company, together with the other plaintiffs, filed a further appeal on additional grounds, as a result of the supervening force of EU Regulation 2022/1854, for the annulment of all the 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 invalidity 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.

The Regional Administrative Court ruling was appealed by ARERA to the Council of State (RG 10025/22), with a request for suspension of the first instance ruling. By order of 17 January 2023, the Council of State granted the precautionary petition and therefore suspended the enforceability of the contested ruling. Following the aforementioned publication of the grounds of the first instance ruling, on 21 March 2023, the application to revoke the precautionary 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 5 December 2023.

PROVINCE OF VERBANO CUSIO OSSOLA (Appeal sanctions)

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

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

The Court of Verbania set the hearing for discussion on 23 May 2023.

It must be emphasised that, with regard to the same matter, the parent company Ascopiave, having a negotiated guarantee in the context of the sale and purchase of the shares in Sangineto Energie, at the same time as Sangineto Energie was notified of the appeal, sent the guarantor company a specific enforcement notice for the entire amount claimed by the Province (conditional on Sangineto Energie's possible loss).

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 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) regime.

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

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

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

Currently, they are:

- n. 3 files filed (hearings already scheduled and/or already under consideration);
- 8 files under enforcement;
- n. 1 file with critical procedural issues (e.g. with appeal and/or complaint rejected);
- n. 5 files under management (for which an appeal may therefore have to be filed);

The annual number of cases for which legal action is likely to be required in 2023, for all Group companies (including the latest, Romeo Gas and Serenissima Gas), can be roughly estimated at between 10 and 25 actions.

Relations with the Income Tax Department

ROBIN TAX

The companies Ascopiave, Ap Reti Gas Rovigo, Edigas Esercizio Distribuzione Gas, Unigas Distribuzione (merged into Ascopiave) and Asco Energy (formerly Veritas Energia) starting from the year 2008 were subject to the additional IRES (Robin Tax) introduced by Article 81 DL. 112/2008. Subsequently, during 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 supported also by an opinion formulated by a constitutional lawyer.

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

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

VENETO REGIONAL DIRECTORATE AUDIT

In the month of September 2019, summons were issued against the companies Ascopiave S.p.A. and Ascotrade S.p.A. (the latter merged into EstEnergy S.p.A. with effect from 1 October 2022) by the Veneto Regional Directorate of the Income Tax Department in relation to the Ires, Irap and Iva with respect to the years ranging from 2013 until 2019.

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 Income Tax Department of notices of assessment related to the contested matters, for which the company filed an appeal before the Provincial Tax Commission of Venice, which was upheld with the ruling dated 21 April 2021, providing for the annulment of the related contested acts. Against the first instance judge's ruling, on 15 November 2021, the Income Tax Department filed an appeal before the Regional Tax Commission of Venice; the company appeared on 30 December 2021 with a counter-argument and a contextual cross-appeal. The discussion of the appeal took place on 13.02.2023, as of today there are no further updates.

With reference to the 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 on 23 December 2020 the notices of assessment, subject to the subsequent appeal by the company before the Venice Provincial Tax Commission, which was accepted with the sentence of 23 February 2022, which provided for the annulment of the relative contested acts. On 27 October 2022, the Income Tax Department filed an appeal, which has not yet been discussed.

Finally, 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. To date, we are waiting for the Venice Provincial Tax Commission to set the hearing for discussion.

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

Territorial areas

In 2011, with the issuance of several ministerial decrees, the regulatory framework of the sector was further defined, with particular reference to area tenders.

In particular:

1. With the Decree of the Ministry of Economic Development of 19 January 2011, issued in agreement with the Ministry for Relations with the Regions and Territorial Cohesion, the Minimum Territorial Ambits (ATEMs) were identified for the carrying out of tenders for the entrusting of the gas distribution service, and with the subsequent Decree dated 18 December 2011, the municipalities belonging to each ambit were identified (the so-called Ambit Decrees);
2. With the Decree of the Ministry of Economic Development and the Ministry of Labour and Social Policies dated 21 April 2011, provisions were dictated to govern the social effects connected to the new assignments of gas

distribution concessions in implementation of Paragraph 6 of Article 28 of Legislative Decree No. 164 of 23 May 2000 (the so-called Employment Protection Decree);

3. The Decree of the Ministry for Economic Development No. 226 of 12 November 2011 approved the regulation for the tender criteria and the evaluation of the offer for the entrusting of the gas distribution service (the so-called Criteria Decree).

The issuance of the Ministerial Decrees has helped to give certainty to the competitive environment within which operators will move in the coming years, laying the groundwork for the market opening process, initiated with the transposition of the European directives, to concretely produce the desired benefits.

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

At the end of 2013, the Government issued Decree-Law No. 145 of 23.12.2013, making changes to the rules governing the determination of the redemption value of plants due to the outgoing operator at the end of the so-called "Transitional Period". The Decree was converted, with amendments, into Law No. 9/2014, which substantially changed the original provisions of the Decree.

The law converting the Decree (Law No. 9/2014) amended the content of Article 15 of Legislative Decree No. 164/2000, providing that, to the holders of the entrustments and concessions existing in the transitional period, a reimbursement shall be recognised at the expense of the new operator, calculated in compliance with the provisions set forth in the conventions and contracts and, for what cannot be deduced from the will of the parties as well as for the aspects not governed by the same conventions or contracts, based on 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, converted, with amendments, by Law No. 98 of 9 August 2013. In any case, private contributions relating to locational assets, valued according to the methodology of the tariff regulation in force, are deducted from the reimbursement value. If the reimbursement value is greater than ten per cent of the value of the net locality fixed assets 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 assessments of the reimbursement value to ARERA, gas and water system for verification prior to the publication of the call for tenders.

Law No. 9/2014 also provided that the deadlines set forth in paragraph 3 of Article 4 of Decree-Law No. 69 dated 21 June 2013, converted, with amendments, by Law No. 98 of 9 August 2013, be extended by a further four months and that the deadlines set forth in Annex 1 to the regulation referred to in the Decree of the Minister of Economic Development of 12 November 2011, No. 226 of 12 November 2011 (the so-called Criteria Decree), relating to the areas falling within the third grouping of the same annex 1, as well as the relevant deadlines referred to in Article 3 of the same regulation, are extended by four months.

On 6 June 2014, the Decree of the Minister of Economic Development dated 22 May 2014 was published in the Official Gazette, approving the "Guidelines on criteria and application methods for the valuation of the reimbursement value of natural gas distribution plants" pursuant to Article 4, paragraph 6, of Decree-Law No. 69/2013, converted, with amendments by Law No. 98/2013 and Article 1, paragraph 16, of Decree-Law No. 145/2013, converted, with amendments, into Law No. 9/2014. Pursuant to Law No. 9/2014, the "Guidelines on Criteria and Application Modalities for Assessing the Reimbursement Value of Natural Gas Distribution Facilities" define the criteria to be applied for assessing the reimbursement value of facilities in addition to those aspects that are not already provided for in the agreements or contracts and to the extent that they cannot be inferred from the will of the parties.

The 'Guidelines' have several critical aspects, not only in terms of the resulting enhancements, but also in terms of their scope of application, which the Ministry has extremely broadened, to the point of deeming all the plant valorisation agreements entered into between operators and municipalities after 12 February 2012 (the effective date of Ministerial Decree 226/2011). Moreover, the same Guidelines are in contrast with the provisions of Article 5 of the same Ministerial Decree 226/2011. This is contrary to the regulatory provision that refers to Article 4, paragraph 6 of Decree Law 69/2013, which, in turn, makes explicit reference to Article 5 of Ministerial Decree 226/2011.

In consideration of the aforesaid illegitimacy profiles, Ascopiave S.p.A. challenged the Ministerial Decree dated 21 May 2014, before the Regional Administrative Court Lazio. As part of the aforesaid suit, a question of constitutional legitimacy was raised with respect to the (substantially retroactive) interpretation of the new rules on the deduction of private contributions set forth in Law No. 9/2014.

Subsequently, with Resolution 310/2014/R/gas - "Provisions on the determination of the reimbursement value of natural gas distribution networks", published on 27 June 2014, the Authority for Electricity, Gas and the Water System approved

provisions on the determination of the reimbursement value of gas distribution networks, implementing the provisions of Article 1, paragraph 16, of Decree-Law No. 145 of 23 December 2013, converted, with amendments, by Law No. 9 dated 21 February 2014.

This provision provides that the granting Local Authority shall send the documentation with the detailed calculation of the reimbursement value (RAB) to the Authority for verification, if this value is more than 10% higher than the RAB of the locality. The Authority carries out the verifications provided for in Article 1, paragraph 16 of Decree-Law No. 145/13 within the ordinary term of 90 days from the date of receipt of the documentation by the Contracting Stations, guaranteeing priority according to the deadlines set for the publication of calls for tenders.

With Law No. 116/2014 of 11 August 2014 (conversion with amendments of Decree-Law No. 91 of 24 June 2014), the legislature provided for a further extension of the maximum deadlines for the publication of calls for tenders. Specifically, for the areas belonging to the first grouping in Annex 1 of Ministerial Decree 226/2011, the maximum deadline was postponed by eight months, for the areas belonging to the second, third and fourth groupings, the deadline was postponed by six months, and finally, for the areas belonging to the fifth and sixth groupings, the extension is four months.

On the other hand, these extensions do not apply to the areas that, although falling within the first six groupings, fall within the areas considered "earthquake-affected" because more than 15% of the redelivery points in the area fall within the municipalities affected by the earthquakes of 20 and 29 May 2012, in accordance with the provisions set forth in the annex to the Decree of the Minister of Economy and Finance of 1 June 2012.

Lastly, the same law, making a further amendment to Article 15 paragraph 5 of Legislative Decree No. 2000, established that the reimbursement value must be calculated in accordance with the provisions of the agreements or contracts, provided that the latter were entered into prior to the effective date of Ministerial Decree No. 226 of 12 November 2011, i.e. prior to the date of 12 February 2012, thereby affirming a principle of retroactivity of the application of the Guidelines, which had already been challenged in the judicial appeal filed against the Guidelines.

On 14 July 2015, the Decree of the Minister of Economic Development and the Minister of Regional Affairs and Autonomies No. 106 of 20 May 2015 was published in the Official Gazette, containing amendments to Decree No. 226 of 12 November 2011 concerning the tender criteria for the entrusting of the gas distribution service.

Among the most significant changes are:

1. the provisions concerning the valorisation of the reimbursement of the plants to be applied in the event of the absence of specific agreements between the parties entered into prior to the entry into force of Decree No. 226/2011, which largely reproduce what was already provided for in the "Guidelines".
2. an increase in the maximum threshold of the amount of annual fees that can be offered in tenders to local authorities, a threshold that has been raised from the previous 5% of the share of the tariff revenue constraint to cover the capital costs of localities, to the current 10%;
3. the regulation of some important technical-economic aspects related to energy efficiency investments on offer, concerning the valorisation of the amounts to be recognised to local authorities and the recognition of the coverage of costs to the operator that carries out the interventions and accrues the related energy efficiency certificates.

Finally, the conversion law of the so-called 'Decreto Mille Proroghe' (Law No. 21 of 25/02/2016) provided for another extension of the deadline for the publication of calls for tenders. Specifically, for the areas belonging to the first grouping in Annex 1 of Ministerial Decree 226/2011, the deadline was further extended by 12 months; for the areas belonging to the second grouping, 14 months; for those in the third, fourth and fifth groupings, 13 months; for the areas in the sixth and seventh lots, 9 months; and 5 months for the areas in the eighth grouping.

The same rule, regulated the timing of substitutive interventions by the regions, or, as a last resort, by the Mi.SE, and repealed the penalties for delay that had previously been imposed on municipalities.

During the two-year period 2015-2016, a number of calls for tenders were published to entrust the service with the Ambit procedure. Many of them did not follow the procedure envisaged by the regulations, which envisage, among other things, the prior examination by the Authority both of the reimbursement values of the plants due to the outgoing operators and of the overall contents of the notice and its annexes before publication. Most of the tenders, moreover, deviate, even significantly, from the indications contained in the ministerial regulations, also with regard to the criteria for evaluating the offers; according to the current regulation, these deviations should be the subject of a specific justification by the Contracting Stations.

In the situation that is now emerging, the standardisation of the tendering process required by the legislation is encountering serious difficulties in imposing itself, concretising the risk that procedures may come to a standstill due to the effect of extensive litigation.

Law No 124 of 4 August 2017 (Annual Market and Competition Law) introduced innovations concerning the natural gas distribution sector.

In particular, Article 1(93) amends the provisions of Article 15(5) of Legislative Decree 164/00, exempting Local Authorities from the obligation to send detailed assessments to the Authority if all the following conditions are jointly met:

- the grantor local authority may also certify through an appropriate third party that the reimbursement value has been determined by applying the provisions of the Guidelines of 7 April 2014;
- the aggregate VIR-RAB deviation does not exceed 8 per cent;
- the VIR-RAB deviation of the individual municipality does not exceed 20 per cent;

Article 1(93) provides that, in the event of a value of net fixed assets misaligned with respect to the sector averages as defined by the Authority, the value of net fixed assets relevant for the calculation of the deviation is to be determined by applying the parametric valuation criteria defined by the Authority (see, to date, Article 23(1) of the RTDG);

Finally, Article 1.94 stipulates that the Authority, by means of its own provisions, shall define simplified procedures for the evaluation of tender notices, applicable in cases where such notices have been drawn up in compliance with the standard contract notice, the standard specifications and the standard service contract, specifying that in any case, the tender documents may not deviate from the maximum scores provided for the tender criteria and sub-criteria by Articles 13, 14 and 15 of the aforementioned Decree No. 226/11, l except within the limits set forth by the same articles with regard to certain sub-criteria.

The Authority implemented the provisions of Law No. 124/2017 with Resolution 905/2017/R/gas of 27 December 2017. The Town of Belluno, the tender of the Ambito Territoriale Minimo in Belluno, after having followed the procedure required by the regulations, published the call for tenders for the concession of the service in December 2016. In September 2017, the AP Reti Gas S.p.A. Group company participated in the tender, submitting its offer.

The tender acts were challenged by an operator participating in the tender. With Sentence No. 886/2017, the Veneto Regional Administrative Court rejected the appeal. Against the decision, the appellant appealed to the Council of State, submitting an application for suspension of the first instance measure. The Council of State, with a ruling published on 22 January 2019, rejected the appeal.

In December 2018, the Town of Schio, tender of the Ambito Territoriale Minimo Vicenza 3 - Valli Astico Leogra e Timonchio, issued the call for tenders for the concession of the gas distribution service. The Ascopiave Group currently manages the service in 28 municipalities of the Ambito, for a total of approximately 80,000 users. The Group's companies, AP Reti Gas S.p.A. AP Reti Gas Vicenza S.p.A., holders of concessions in the Ambit, challenged the call for tenders due to irregularities, appealing to the Veneto Regional Administrative Court.

A hearing on the merits was held on 8 May 2019; however, there is no further evidence to date.

Dividend distribution

On 18 April 2022, the Shareholders' Meeting approved the financial statements and resolved to distribute an ordinary dividend of EUR 0.13 per share with an ex-dividend date of 2 May 2023, record date 3 May 2023 and payment on 4 May 2023.

Own shares

Pursuant to Article 40 of Legislative Decree 127, paragraph 2 d), it is acknowledged that as of 31 March 2023, the company held 17,701,578 treasury shares for a value of Euro 55,423 thousand, which are accounted for as a reduction of other reserves, as can be seen in the statement of changes in shareholders' equity.

Foreseeable development of operations

As far as gas distribution activities are concerned, in 2023 the Group will continue to be engaged in the normal management and running of the service and in carrying out preparatory activities for the next tenders for the awarding

of concessions. In the event that in 2023 the process of the tenders relative to the Ambits of interest to the Ascopiave Group should progress, given the time normally envisaged for submitting the offers and those required for their evaluation and for the adoption of the tender awards, it is believed that the possible start-up of the new management could take place after the end of the 2023 financial year and therefore will not be able to change the perimeter of the activities currently managed. It should be noted that a number of concessions held by Serenissima Gas ceased effective 1 April 2023, following the award of the related Ambit tender (Udine 2) to another operator. The 2021 RAB of these concessions, with over 4,300 users, amounts to about €2.6 million.

With regard to economic results, given the substantial stability of the regulatory framework, results are expected to be in line with those of the previous year.

With regard to energy efficiency obligations, the Decree dated 21 May 2021 of the Minister of Ecological Transition determined the national energy saving targets for the years 2021-2024. The estimated targets for 2023 for the Group's distribution companies are higher than the planned annual obligations for the year 2022.

As far as the production and sale of electricity from renewable sources is concerned, the effects of the decrees issued on the containment of energy prices will persist throughout the first half of 2023.

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 Est Energy 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 for 2023 may differ from those indicatively projected above due to various factors including: general macroeconomic conditions, the impact of energy and environmental regulations, the evolution of the ongoing health emergency, success in the development and application of new technologies, changes in stakeholder expectations and other changes in business conditions.

Group objectives and policies and description of risks

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 Environment and are set forth in the Network Codes, which dictate contractual clauses that reduce the risk of non-compliance by customers. The Codes provide, in particular, for the issuance of suitable guarantees 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 quarter of the year amounted to approximately 29.9% (20.8% at 31 December 2022) 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.

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

As of 31 March 2023, the Ascopiave Group holds 308 natural gas distribution concessions (306 as of 31 December 2022). In accordance with the provisions of the current regulations 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 according to the timeframes indicated in Attachment 1 to the Ministerial Decree on the criteria for tenders and evaluation of bids, issued on 12 November 2011, as subsequently amended. As the tenders progress, the Group may not be awarded one or more of the new concessions, or it may be awarded on less favourable terms than the current ones, with possible negative impacts on operations and on the Group's economic and financial position, without prejudice, in the case of non-tender, to the collection of the redemption value envisaged in favour of the outgoing operator for the municipalities currently managed by the company.

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 to be borne by the incoming operator is 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 dated 21 June 2013, converted, with amendments, by Law No. 98 of 9 August 2013. In any case, private contributions relating to locational assets, valued according to the methodology of the tariff regulation in force, are deducted from the reimbursement value. In addition, if the reimbursement value is 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 relating to the locality assets, the granting local authority shall forward the relevant detailed assessments 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 following 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 reimbursement 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 is 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 period of entrustment according to the redemption value, referred to in Article 5 of Decree No. 226/11, recognised to the outgoing operator at the time of the first entrustment per ambit, taking into account the depreciation and divestments recognised for tariff purposes during the period of entrustment b) residual value of new investments made during the period of entrustment 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 for tariff purposes, as provided for in Article 56 of the Regulation of Tariffs for Gas Distribution and Metering Services (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 the provisions of paragraph 3.1 of Resolution 573/2013/R/GAS, for the subsequent period.

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, failure of equipment or control systems, drop in plant performance, and exceptional events such as explosions, fires, or other similar events, lead to risks of infrastructure malfunctioning up to the possible unforeseen interruption of the distribution service. Such events could lead to a reduction in revenues and cause significant damage to people, property or the environment. The Group has stipulated specific insurance contracts to cover the risks described. Although the insurance lines activated are in line with the best policies, they may be insufficient to cover all the losses that the Group may incur due to possible increases in expenses and/or compensation to be paid.

Risks related to environmental protection, health and safety

The Group conducts its business in compliance with Italian and European Union regulations on environmental protection, observing the laws that regulate and govern environmental and safety issues. Despite the attention paid to this matter, it cannot be excluded with certainty that the Group may incur costs or liabilities, even of a significant entity. In fact,

it is difficult to foresee the economic and financial repercussions of any past environmental damage, also considering the possible effects of new laws and regulations for the protection of the environment, the impact of any technological innovations for environmental remediation, the possibility of disputes arising and the difficulty of determining their possible consequences, also in relation to the liability of other parties. The Group is engaged in activities for the remediation of contaminated sites substantially due to the removal and disposal of waste (mainly for the demolition of obsolete plant structures).

Risk associated with the installation of Smart Meters

For years, the Group has been implementing a plan to replace traditional meters with smart meters, initially involving meters of class higher than G6 and subsequently also those of a lower class. In the first phase of replacement, the new remote meters represented a technology that was still evolving. The construction characteristics set by the Authority meant that manufacturers had to design and produce a product dedicated solely to the Italian market in a time frame consistent with the obligations set by ARERA. Moreover, it should be noted that the reference technical standards drawn up by the CIG (Comitato Italiano Gas, a standard-setting body affiliated with UNI) have only been fully available since 2015. The Group has started the installation of these devices according to the timetable defined by ARERA (only the Group company AP Reti Gas Nord Est is behind schedule); therefore, there is a risk that levels of malfunctioning will be higher than the historical performance recorded for traditional meters and that greater maintenance costs will be generated for the company.

Risks associated with energy efficiency certificates

Article 16.4 of Legislative Decree No. 164/2000 provides that natural gas distribution companies pursue energy saving objectives in end-use and in the development of renewable sources; in return for the results achieved, distributors are assigned so-called Energy Efficiency Certificates, the cancellation of which entails a reimbursement by the Cassa per i Servizi Energetici e Ambientali (Energy and Environmental Services Fund) financed by funds constituted through the RE (Energy Saving) 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 the certificates and the recognised tariff contribution and/or the possible failure to achieve the assigned targets.

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 in the cost of the period of the concession. 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.

Regulatory risk

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

Of particular importance is the evolution of the criteria for determining the reference tariffs. Future changes in the regulations adopted by the European Union or at a national level cannot be excluded, which could have unforeseen repercussions on the reference regulatory framework and, consequently, on the Group's business and results.

Legal and non-compliance risk

The legal and non-compliance risk consists of the failure to comply, 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 penalties 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).

CLIMATE CHANGE RISK MANAGEMENT

Operating in the energy sector, the Ascopiave Group has a synergic 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 2022-2026, 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.

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 objective of "sustainable success" at the centre 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 which, in Principle I, promotes "sustainable success". In 2021, the Ascopiave Group also established the Sustainability Committee with investigative, propositional and advisory functions in the parent company's assessments and decisions on environmental sustainability and the so-called "energy transition". In addition to the Sustainability Committee, the Board of Directors also relies on the support of the Control and Risk Committee in evaluations and decisions relating to 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 the 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 2022-2026 Strategic Plan, approved by the Board of Directors on 9 February 2023, 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 destined for energy transition by focusing on gases defined as "green", as well as the development of new wind power plants.

Diversification within its business perimeter, besides making the Group more profitable and resilient to exogenous events, has pervasive effects on the Group's consciousness and responsibility. Growth in diversified areas can take place through the development of in-house expertise, participation in competitive processes, company acquisitions or, finally, through the establishment of partnerships with experienced players. The phenomenon of climate change forces companies to promote innovation and find solutions to increase energy efficiency within their business. In this regard, Ascopiave has achieved appreciable results on the energy efficiency front, implementing organisational and technological solutions functional both to improving the quality and reliability of the service and to containing costs.

Risk Management

With particular reference to risks and opportunities related to climate change, the Ascopiave Group relies on the support of the Board Committees, Sustainability Committee and Control and Risk Committee, and, starting from October 2022, on the figure of the Risk Manager. As will be specified in the following table of risks and opportunities, in line with the

recommendations of the TCFD, risk management includes the following phases: identification and assessment of risks/opportunities, definition of the response, periodic review and continuity/improvement of controls.

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 acknowledges the concept of assuming responsibility that the 2030 Agenda requires of every reality, not only for what it carries out at 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 general and specific risks-opportunities of the Group was carried out based on purely qualitative considerations. The identification of risks, and their attributability, could be difficult due to a limited knowledge of climate-related issues and/or the tendency to focus mainly on short-term risks. Therefore, an initial macro distinction between physical and transitional risks has been made:

- physical risk, i.e. the risk arising from progressively changing weather conditions, linked to long-term variations (chronic risk) and extreme weather events (acute risk). These risks expose the Group to damage or destruction of 'tangible capital' such as industrial buildings, plant and infrastructure, potential disruptions to essential supplies, and potential contraction of production and distribution capacity;
- Transition risk is related to legislative, regulatory and technological changes associated with the fight against climate change and the transition to a low-emission economy.

The Group, by means of the analysis performed, has generated a matrix identifying the following general and specific physical risks-opportunities:

Acute physical phenomena

The Group is exposed to acute physical phenomena such as the possible increase, single or combined, of the frequency or intensity of extreme weather phenomena or, the occurrence of abnormal heat waves. The former could damage assets owned (or managed) by the Group, including the natural gas distribution network, leading to an increase in the financial outlays required to restore the asset's functionality. Abnormal heatwaves, on the other hand, could affect the performance of plants, compromising their efficiency and causing an increase in operating costs and/or decreasing the plant's ability to generate revenues.

It should be noted that the occurrence of heatwaves could lead to temporary increases in the demand for electricity for the operation of cooling plants with a correlated increase in revenue.

Chronic physical phenomena

The Group is exposed to chronic physical phenomena such as the possible increase in average temperatures, the possible significant increase or decrease in annual rainfall and the possible change in the intensity, direction and/or frequency of wind. Rising average temperatures could in fact interfere with the efficiency of the plants.

It should be noted that an increase in the average temperature, should it be mainly caused by an increase in solar irradiation, would increase the production of electricity from photovoltaic sources with the consequent increase in revenue achievable.

A decrease in annual rainfall, or an excessive increase in rainfall, could lead to: in the first case, a decrease in revenue from hydroelectric power generation and, in the second case, require a significant increase in ordinary and/or extraordinary plant maintenance.

While changes in the direction, intensity or frequency of wind can lead to a reduction or increase in the amount of energy produced by managed wind turbines, with a consequent increase in their maintenance costs.

The Group, through the analysis performed, generated a matrix identifying the following general and specific transactional risks-opportunities:

Regulatory and policy-related

The directives and regulatory measures issued on this matter by the European Union and the Italian Government or other international bodies and, more generally, changes in the reference regulatory context may have an impact on the Group's operations, results of operations and financial balance.

Of particular importance is the development of incentives for investments in RES production and the changing regulatory framework for greenhouse gas emissions.

Future changes in the regulations adopted cannot be ruled out that could have unforeseen repercussions on the regulatory framework and, consequently, on the Group's business and results.

It should be noted that, should regulatory developments increase incentives or more capital be available for investment development, unlike the previous scenario, the Group's achievable revenues could increase.

Technology and Market

The Group is exposed to increased competitive pressure that could be generated by the development of new technologies and the discovery of new energy sources not currently managed by the organisation. In fact, the development of alternative technological innovations could lead to a reduction in the utilisation of existing infrastructures currently managed by the Group, with a consequent decrease in revenues that could be achieved.

Reputational

The actions taken by the Group to be an active part of the energy transition process and the development of a sustainable business by contributing to climate change mitigation could generate a positive reputational change. This could translate into an increase in market capitalisation as well as higher achievable revenues.

Other information

Seasonality of the activity

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

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

Commentary on the economic and financial results for the first quarter of the financial year 2023

Performance Indicators

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

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

Operating Performance - Key Operational Indicators

NATURAL GAS DISTRIBUTION	First quarter		Var.	Var. %
	2023	2022		
Ascopiave Group				
Number of Concessions	308	268	40	14.9%
Length of distribution network (km)	14,782	13,002	1,779	13.7%
Total active meters (no.)	879,511	777,573	101,938	13.1%
Volumes of gas distributed (cm/mln)	591.6	640.7	-49.1	-7.7%

PRODUCTION OF ENERGY FROM RENEWABLES SOURCES	First quarter		Var.	Var. %
	2023	2022		
Ascopiave Group				
Number of plants	28	28	0	0.0%
Installed power (MW)	62.5	62.5	0.0	0.0%
Volumes of electricity produced (GWh)	20.0	14.1	5.9	42.2%

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 far as gas distribution activities are concerned, during the first quarter of the year the volumes supplied through the networks managed by the companies of the Group amounted to 591.6 million cubic metres, a decrease of 7.7% compared to the same period of the previous year. This decrease is mainly attributable to the continuation of relatively mild temperatures in the first quarter of the year.

As of 31 March 2023, the number of redelivery points (PDR) managed by the companies of the Group is equal to 879,511. It should be noted that the significant change shown with respect to 31 March 2022 is mainly explained by the extraordinary operations that took place in the period April 2022-January 2023 and, specifically, the enlargement of

the perimeter that took place with the acquisition of Serenissima Gas S.p.A. and Romeo Gas S.p.A. and then the rationalisation operation of the natural gas distribution concessions finalised at the beginning of 2023.

The 28 plants producing electricity from renewable sources, with a total installed capacity of 62.5 MW, produced 20.0 GWh during the first quarter of the financial year, showing an increase of 42.2% compared to the same period of the previous year. The volume of GWh produced, despite the improvement shown compared to the quarter under comparison, was significantly affected by the weather that characterised the period, and in particular the persistent drought.

Operating Performance - The Group's Economic Results

(Thousands of Euro)	2023	% of revenues	2022	% of revenues
Revenues	40,719	100.0%	34,139	100.0%
Total operating costs	20,459	(50.2%)	20,976	(61.4%)
Gross operative margin	20,261	49.8%	13,163	38.6%
Amortization and depreciation	11,723	(28.8%)	10,275	(30.1%)
Provision for risks on credits	160	(0.4%)	2	(0.0%)
Operating result	8,378	20.6%	2,886	8.5%
Financial income	58	0.1%	16	0.0%
Financial charges	2,712	(6.7%)	852	(2.5%)
Evaluation of subsidiary companies with the net equity method	567	1.4%	10,831	31.7%
Earnings before tax	6,290	15.4%	12,880	37.7%
Taxes for the period	(702)	(1.7%)	(916)	(2.7%)
Result for the period	5,587	13.7%	11,963	35.0%
Net result from transfer/disposal of assets	44	0.1%	0	0.0%
Net result for the period	5,631	13.8%	11,963	35.0%
Group's Net Result	5,820	14.3%	12,184	35.7%
Third parties Net Result	(189)	(0.5%)	(221)	(0.6%)

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

In the first quarter of the financial year 2023, the Group realised revenues of Euro 40,719 thousand, an increase of 19.3% compared to the same period of the previous year. The following table provides a breakdown of revenues.

(Thousands of Euro)	First quarter	
	2023	2022
Revenues from gas transportation	30,158	26,197
Revenues from electricity sale	94	121
Revenues from connections	231	153
Revenues from heat supply	2	1
Revenues from distribution services	1,280	994
Revenues from services supplied to Group companies	1,592	1,639
Revenues from ARERA contributions	3,948	2,154
Revenues from hydro-electric plants	2,322	1,996
Other revenues	1,092	884
Revenues	40,719	34,139

Tariff revenues on gas distribution activities (which go from Euro 25,816 thousands to Euro 29,753 thousands) show a positive change equal to Euro 3,937 thousands compared to the first quarter of the previous financial year. The change

is mainly explained by the enlargement of the consolidation perimeter, which determined the inscription of the revenues from the companies acquired on 1 April 2022 for Euro 3,484 thousand.

The differential between tariff revenues and the item 'gas transportation revenues' shown in the table (as of 31 March 2023 equal to 405 thousand and as of 31 March 2022 equal to 382 thousand) is explained by the revenues recognised due to the chargeback of concession fees related to Article 46-bis. It should be noted that these revenues contribute to the formation of the other cost and revenue items described in the following disclosure.

At the end of the first quarter of the year, revenues from **wind-hydroelectric power plants amounted to Euro 2,322 thousand** and showed an increase of Euro 326 thousand compared to the same period of the previous year. The increase is mainly explained by the greater quantities of energy produced in the quarter of reference. Despite the increase in production, it should be noted that both periods under comparison were significantly affected by the persistent drought.

Revenues from energy efficiency certificates (which go from Euro 2,154 thousands to Euro 3,948 thousands) show a positive change equal to Euro 1,795 thousands compared to the first quarter of the previous financial year. The change is mainly explained by the inscription of the contributions accrued by the subsidiary AP Reti Gas Nord Est S.r.l. and by the increase of the energy saving objectives expected for the financial year 2023.

Operating income for the first quarter of 2023 amounted to Euro 8,378 thousand, an increase of Euro 5,492 thousand (+190%) compared to the previous year.

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

- positive change related to the enlargement of the scope of consolidation in the amount of Euro 115,000;
- increase in tariff revenues on gas distribution activity for Euro 476 thousand;
- increase in revenues from the production of energy from renewable sources for Euro 326 thousand;
- lower margin on energy efficiency bonds in the amount of Euro 48,000;
- positive change in other cost and revenue items of €4,624,000.

The positive change in other cost and revenue items, amounting to Euro 4,624,000, is due to

- higher other revenues for Euro 4,123,000 mainly related to the completion of the rationalisation transaction of natural gas distribution concessions concluded on 31 January 2023 with the Iren Group;
- lower costs for materials, services and miscellaneous charges in the amount of €758,000;
- lower personnel costs of Euro 101,000;
- higher depreciation on fixed assets and provisions of Euro 358,000.

Consolidated net profit for the first quarter of 2023 amounted to Euro 5,633 thousand, a decrease of Euro 6,330 thousand (-53%) 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 8,378 thousand;
- increase in financial income in the amount of Euro 42,000;
- increase in financial expenses for Euro 1,859 thousand;
- lower result of the companies consolidated under the equity method for Euro 10,264 thousand; this item is representative of Ascopiave's 40% shareholding in the EstEnergy Group and the 18.33% shareholding in Cogeide;
- lower taxes in the amount of Euro 214 thousand;
- higher net income from assets held for sale in the amount of €44,000.

The tax rate, calculated by normalising the pre-tax result of the consolidation effects of the consolidated company using the equity method and from the capital gain realised as part of the rationalisation of gas distribution concessions, rose from 44.7% in Q1 2022 to the current 41.8%.

Operating Performance - The Financial Situation

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

(Thousands of Euro)	31.03.2023	31.12.2022
Cash and cash equivalents	63,007	76,917
Equivalent to cash and cash equivalents	0	0
Other current financial assets	5,745	6,493
- of which related parties	0	0
Liquid assets (A) + (B) + (C)	68,752	83,410
Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt)	(133,817)	(98,917)
- of which related parties	0	0
- of which debt instruments current part	0	0
Current portion of non-current financial debt	(115,397)	(119,280)
- of which related parties	0	0
Current financial indebtedness (E) + (F)	(249,214)	(218,196)
Net current financial indebtedness (D) + (G)	(180,462)	(134,787)
Non-current financial debt (excluding the current portion and debt instruments)	(255,751)	(279,939)
Debt instruments	0	0
Trade payables and other non current payables	0	0
Non-current financial indebtedness (I) + (J) + (K)	(255,751)	(279,939)
Net financial indebtedness (H) + (L)	(436,213)	(414,726)

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

Net financial debt increased from Euro 414,726 thousand at 31 December 2022 to Euro 436,213 thousand at 31 March 2023, an increase of Euro 21,487 thousand.

The net financial position monitored by the Group, which also includes non-current financial receivables, increased by Euro 21,476 thousand, from Euro 411,857 thousand at 31 December 2022 to Euro 433,333 thousand at 31 March 2023.

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

(Thousands of Euro)	31.03.2023	31.12.2022
ESMA Net financial position	(436,213)	(414,726)
Non current financial assets	2,880	2,868
Net financial position monitored by the group	(433,333)	(411,857)

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

(Thousands of Euro)	First quarter	
	2023	2022
Net Income	5,633	11,963
Depreciations and amortizations	11,883	10,356
(a) Self financing	17,516	22,319
(b) Adjustments to reconcile net profit of changes in financial position generated by operating activities:	(3,042)	8,374
(c) Change in financial position generated by operating activities = (a) + (b)	14,474	30,693
(d) Change in financial position generated by investing activities	(37,720)	(58,442)
(e) Other financial position changes	1,770	(28,101)
Net financial position changes = (c) + (d) + (e)	(21,476)	(55,849)

The cash flow generated by operations (c), amounting to €14,474 thousand, was determined by self-financing in the amount of €17,516 thousand and other negative financial changes in the amount of €3,042 thousand, related to the management of net working capital in the amount of €2,475 thousand and the valuation of companies consolidated using the equity method in the amount of €567 thousand.

Net working capital management, which committed financial resources in the amount of Euro 2,475 thousand, was influenced by the change in net operating working capital, which generated financial resources in the amount of Euro 2,126 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 968 thousand, and by the negative change in the VAT position in the amount of Euro 20,459 thousand.

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

(Thousands of Euro)	First quarter	
	2023	2022
Inventories	(7,098)	(510)
Trade receivables and payables	(17,636)	(5,215)
Operating receivables and payables	26,860	22,575
In come from equity investments	(4,046)	0
Assets write-off and capita losses	899	49
Other changes in the income statement that don't generate cash flows	(2,347)	0
Severance pay and other funds	191	1,390
Current taxes	702	916
Change in net working capital	(2,475)	19,205

The investment activity generated a cash requirement of Euro 37,720 thousand, and interested investments in shareholdings for Euro 38,477 thousand and investments in intangible and tangible assets, mainly for interventions and developments of infrastructures suitable for the distribution of natural gas and for the development of plants in the renewable energy sector (wind and photovoltaic), for a total of Euro 13,588 thousand. With the completion of the rationalisation of natural gas distribution concessions carried out with the Iren Group, tangible and intangible fixed assets were sold for a total of Euro 14,345 thousand.

The enlargement of the consolidation perimeter to include the company Asco TLC S.p.A. led to a decrease in the Group's net financial position of €1,770,000.

Other changes in the financial position during the quarter are detailed in the table below:

(Thousands of Euro)	First quarter	
	2023	2022
Expansion of the consolidation perimeter	1,770	(28,101)
Other changes in financial position	1,770	(28,101)

Operating Performance - Investments

During the first quarter of the financial year the Group made investments in intangible and tangible fixed assets for Euro 13,818 thousands, an increase of Euro 753 thousands compared to the same period of the previous financial year. The increase recorded is mainly explained by the investments made during the quarter by the companies acquired on 1 April 2022 for Euro 737 thousand and concerning the natural gas distribution sector.

Net of the investments made by the companies included in the enlargement of the scope of consolidation, investments were substantially in line with those made in the first quarter of the previous year.

The investments made in infrastructures for the distribution of natural gas amounted to Euro 11,790 thousands at the end of the quarter. They are related to the installation and maintenance of the natural gas distribution network and plants for Euro 4,658 thousand, to the realisation of connections to the same for Euro 4,160 thousand and to the installation of measuring equipment for Euro 2,972 thousand.

Investments in renewable energy amounted to Euro 1,749,000 and related to the construction, not yet completed, of a wind farm and photovoltaic plants.

Other investments amounted to Euro 278,000 and mainly related to the purchase of hardware and software licences for Euro 67,000 as well as the purchase of company vehicles for Euro 103,000.

(Thousands of Euro)	First quarter	
	2023	2022
Connecting a gas users	4,160	3,555
Expansions, reclamations and network upgrades	4,254	4,273
Flowmeters	2,972	2,611
Maintenance	404	366
Raw material (gas) investments	11,790	10,805
Hydroelectric energy production plants	1,444	1,929
Wind farms	306	0
Investments in renewable energies	1,749	1,929
Land and buildings	67	43
Industrial and commercial equipment	35	18
Furniture	0	3
Vehicles	103	43
Hardware e Software	67	223
Other assets	7	0
Other investments	278	330
Investments	13,818	13,065

Ascopiave Group

Statements in the Interim Report
to 31 March 2023

Consolidated Statement of Financial Position

(Thousands of Euro)		31.03.2023	31.12.2022
ASSETS			
Non-current assets			
Goodwill	(1)	75,335	61,346
Other intangible assets	(2)	701,398	698,397
Tangible assets	(3)	149,079	138,432
Shareholdings in controlled companies	(4)	348,383	358,029
Shareholdings in other companies	(4)	78,257	78,257
Other non-current assets	(5)	4,607	4,625
Non current financial assets	(6)	2,880	2,868
Advance tax receivables	(7)	40,134	39,252
Non-current assets		1,400,074	1,381,206
Current assets			
Inventories	(8)	15,299	7,336
Trade receivables	(9)	25,709	20,104
Other current assets	(10)	130,891	133,880
Current financial assets	(11)	812	820
Tax receivables	(12)	4,305	4,100
Cash and cash equivalents	(13)	63,007	76,917
Current assets from derivative financial instrume	(14)	7,056	6,661
Current assets		247,079	249,818
Non-current assets disposal of assets		3,672	16,592
ASSETS		1,650,825	1,647,616
Net equity and liabilities			
Total Net equity			
Share capital		234,412	234,412
Own shares		(55,423)	(55,423)
Reserves		676,142	687,291
Net equity of the Group		855,130	866,280
Net equity of Others		19,028	20,123
Total Net equity	(15)	874,158	886,403
Non-current liabilities			
Provisions for risks and charges	(16)	1,071	996
Severance indemnity	(17)	5,441	5,011
Outstanding medium- and long-term bonds	(18)	83,581	94,033
Medium- and long-term bank loans	(19)	164,829	178,538
Other non-current liabilities	(20)	38,142	37,458
Non-current financial liabilities	(21)	7,341	7,368
Deferred tax payables	(22)	22,563	19,608
Non-current liabilities		322,969	343,012
Current liabilities			
Short-term outstanding bonds		10,163	0
Payables due to banks and financing institutions	(23)	233,097	183,285
Trade payables	(24)	167,376	180,195
Tax payables	(25)	2,941	1,336
Other current liabilities	(26)	34,168	17,507
Current financial liabilities	(27)	5,954	34,911
Current liabilities from derivative financial instru	(28)	0	164
Current liabilities		453,699	417,398
Liabilities held for sale			803
Liabilities		776,668	761,213
Net equity and liabilities		1,650,825	1,647,616

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

Consolidated Income Statement and Consolidated Statement of Comprehensive Income

(Thousands of Euro)	First quarter	
	2023	2022
Revenues	(30) 40,719	34,139
Total operating costs	20,618	20,978
Purchase costs for other raw materials	(31) 803	895
Costs for services	(32) 11,929	11,428
Costs for personnel	(33) 5,377	5,140
Other management costs	(34) 6,710	3,551
Other income	(35) 4,201	36
Amortization and depreciation	(36) 11,723	10,275
Operating result	8,378	2,886
Financial income	(37) 58	16
Financial charges	(37) 2,712	853
Evaluation of subsidiary companies with the net equity method	(37) 567	10,831
Earnings before tax	6,291	12,880
Taxes for the period	(38) (702)	(916)
Result for the period	5,589	11,963
Net result from transfer / disposal assets	(39) 44	0
Net result for the period	5,633	11,963
Group's Net Result	5,821	12,184
Third parties Net Result	(188)	(221)
Consolidated statement of comprehensive income		
1. Components that can be reclassified to the income statement		
Fair value of derivatives, changes in the period net of tax	(394)	1,731
Income tax relating to components of comprehensive income	(10,213)	2,678
Total comprehensive income	(4,974)	16,373
Group's overall net result	(4,868)	16,593
Third parties' overall net result	(106)	(221)
Base income per share	0.027	0.056
Diluted net income per share	0.027	0.056

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

Statements of Changes in Consolidated Shareholders' Equity

	Share capital	Legal reserve	Own shares	Reserves IAS 19 actuarial differences	Other reserves	Profits carried forward	Net result for the period	Group's net equity	Net result and net equity of others	Total net equity
Balance as of 1 st January 2023	234,412	46,882	(55,424)	(162)	454,997	152,910	32,664	866,280	20,123	886,403
Result for the period							5,821	5,821	(188)	5,663
Fair value of derivatives					(475)			(475)	81	(394)
Fair value of investments in other companies										
Fair Value of derivatives relating to associated companies					(10,213)			(10,213)		(10,213)
Severance indemnity IAS 19 discounting of the financial year										
Total result of overall income statement					(10,688)	(0)	5,821	(4,868)	(106)	(4,974)
Allocation of 2022 result						32,664	(32,664)	(0)		(0)
Change in equity investments in associated companies					(5,085)			(5,085)	(989)	(6,073)
Other movements					(1,198)			(1,198)	(0)	(1,198)
Balance as of 31 st March 2023	234,412	46,882	(55,424)	(162)	438,026	185,574	5,821	855,130	19,028	874,158

	Share capital	Legal reserve	Own shares	Reserves IAS 19 actuarial differences	Other reserves	Profits carried forward	Net result for the period	Group's net equity	Net result and net equity of others	Total net equity
Balance as of 1 st January 2022	234,412	46,882	(55,424)	(443)	436,954	160,836	45,326	868,544	(39)	868,505
Result for the period							12,184	12,184	(221)	11,963
Other movements					1,731			1,731		1,731
Fair Value of derivatives relating to associated companies					2,678			2,678		2,678
Total result of overall income statement				(0)	4,409	(0)	12,184	16,593	(221)	16,373
Allocation of 2021 result						45,326	(45,326)	(0)		(0)
Change in equity investments in associated companies								(0)	9,659	9,659
Other movements					3			3	4	7
Balance as of 31 st March 2022	234,412	46,882	(55,424)	(443)	441,366	206,162	12,184	885,140	9,404	894,544

Consolidated Cash Flow Statement

(Thousands of Euro)	First quarter	
	2023	2022
Net income of the Group	(4,868)	16,593
Cash flows generated (used) by operating activities		
Adjustments to reconcile net income to net cash		
Third-parties operating result	(106)	(221)
Fair value of derivatives relating to associated companies, changes in the period net of tax	(15) 10,213	(2,678)
Changes in HA reserves for MTM derivatives	(15) 394	(1,731)
Amortization	(34) 11,723	10,353
Bad debt provisions		160 2
Depreciation of fixed assets	(32) 899	49
Variations in severance indemnity	(17) 130	30
Current assets / liabilities on financial instruments	(14;27) (953)	(24)
Net variation of other funds	(16) 61	1,360
Evaluation of subsidiaries with the net equity method	(35) (567)	(10,831)
Capital gains on the sale of shareholdings	(35) (4,046)	0
Other changes in the income statement that do not generate cash flows	(28) (2,347)	0
Interests paid		(2,886) (636)
Interest expense for the period	(35) 2,712	775
Taxes for the period	(36) 702	916
Total adjustments	16,088	(2,636)
Variations in assets and liabilities		
Inventories	(8) (7,098)	(510)
Accounts payable	(9) (4,118)	(4,897)
Other current assets	(10) 4,480	779
Trade payables	(23) (13,518)	(318)
Other current liabilities	(25) 17,877	19,723
Other non-current assets	(5) 104	15
Other non-current liabilities	(19) 274	138
Total adjustments and variations	(1,999)	14,931
Cash flows generated (used) by operating activities	9,222	28,888
Cash flows generated (used) by investments		
Investments in intangible assets	(2) (11,714)	(11,051)
Realization of in intangible assets	(2) 13,538	0
Investments in tangible assets	(3) (1,874)	(2,012)
Realization of in tangible assets	(3) 807	(0)
Disposal / (acquisitions) in shareholdings and advances	(4) (32,775)	(37,110)
Cash flows generated/(used) by investments	(32,018)	(50,173)
Cash flows generated (used) by financial activities		
Net changes in short-term bank borrowings	(22) (15,567)	(25,616)
Net variation in current financial assets and liabilities	(11;26) (29,247)	(177)
Ignitions loans and mortgages	(18) 132,700	130,000
Redemptions loans and mortgages	(18) (79,000)	(70,000)
Ignitions outstanding medium- and long-term bonds	(18) 0	70,070
Cash flows generated (used) by financial activities	8,886	104,277
Variations in cash	(13,910)	82,993
Cash and cash equivalents at the beginning of the period	76,917	42,539
Cash and cash equivalents at the end of the period	63,007	125,533

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

EXPLANATORY NOTES

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 of 31 March 2023, the Company's share capital, equal to Euro 234,411,575, was held for the majority by Asco Holding S.p.A., the remainder was distributed among other private shareholders. Ascopiave S.p.A. has been listed since December 2006 on the Mercato Telematico Azionario - 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 Ascopiave Group's Interim Report as at 31 March 2023 was authorised by resolution of the Board of Directors on 11 May 2023.

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 308 municipalities (306 municipalities as of 31 December 2022), operating a distribution network that extends over 14,780 kilometres (14,580 kilometres as of 31 December 2022) and providing service to a catchment area of over one million inhabitants.

The Ascopiave Group holds 40% of the share capital of EstEnergy S.p.A., a company that sells natural gas and electric energy, and 18% of the share capital of Cogeide S.p.A., a company that operates in the field of water services in the Lombardy region.

The Group also operates in the renewable energy sector, in particular, in the hydroelectric, wind and photovoltaic sectors. Currently, the Group operates 28 power generation plants from renewable sources with a total installed capacity of 62.5 MW.

General preparation criteria and expression of compliance with IFRS

The Ascopiave Group's economic-financial results are prepared in accordance with IFRS, meaning all "International Financial Reporting Standards", all "International Accounting Standards" (IAS), all interpretations of the "International Financial Reporting Committee" (IFRIC), formerly known as the "Standing Interpretations Committee" (SIC) which, as of the closing date of the Interim Report as of 31 March 2023, have been endorsed by the European Union in accordance with the procedure set forth in Regulation (EC) no. 1606/2002 by the European Parliament and the European Council of 19 July 2002.

In preparing this Interim Report, the same accounting principles were applied as in the preparation of the Consolidated Financial Statements as at 31 December 2022.

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

The values used for consolidation are taken from the financial statements prepared by the Directors of the individual subsidiaries. These figures have been appropriately modified and reclassified, where necessary, to bring them into line with international accounting standards and the uniform classification criteria within the Group. This Interim Report as of 31 March 2023 was approved by the Company's Board of Directors on 11 May 2023.

Budget Schemes

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

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

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

Evaluation Criteria

Use of estimates

The preparation of the condensed consolidated financial statements for the first three months of the financial year 2023 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 2022.

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

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

Business Combinations

Completed the closing of the rationalisation of gas distribution concessions between Ascopiave and Iren

On 31 January 2023, Ascopiave and Iren finalised the transaction for the rationalisation of certain assets within the natural gas distribution service (see press release of 25 November 2022), following the fulfilment of the contractual conditions precedent.

In particular, the operation provided for:

- i) the transfer by the Ascopiave Group to the Iren Group of the entire share capital of Romeo 2 S.r.l., a company newly incorporated by the Ascopiave Group, into which the branches of business related to the management of the concessions of the Savona 1 and Vercelli ATEMs owned by Edigas S.p.A., a company of the Ascopiave Group, for about 19,000 PDR were previously transferred;
- ii) the sale by the Iren Group in favour of Ascopiave of its 19.7% stake in the capital of Romeo Gas S.p.A., a company that holds, directly and through its subsidiary Serenissima Gas S.r.l., concessions in Northern Italy for a total of 126,000 PDR;
- iii) the renunciation by the Iren Group to acquire from Romeo Gas S.p.A. the business units related to the management of the concessions in the Piacenza 1 and Pavia 4 ATEMs;
- iv) the sale by Romeo Gas S.p.A. in favour of the Iren Group of the business units related to the management of the concessions of the Parma and Piacenza 2 ATEMs with about 3,200 RDCs;
- v) the waiver of the right to acquire from the A2A Group the business unit related to the management of the gas transportation network located in the province of Pavia currently held by Retragas, the latter upon fulfilment of the condition for the acquisition (i.e. the prior reclassification from transportation network to distribution network); the acquisition from Retragas will therefore be completed by the Ascopiave Group.

Overall, the asset rationalisation transaction entailed the recognition of a monetary adjustment of €3.6 million in favour of the Ascopiave Group based on the different expected profitability. The transaction highlights the desire of the two

companies to rationalise their gas distribution concessions by pursuing their strategic plan based on the territorial continuity of the assets.

Ascopiave and the Hera Group finalise the acquisition of 92% of Asco TLC

On 14 March 2023, Ascopiave S.p.A. and the Hera Group, through its subsidiary Acantho, finalised the acquisition of 92% of the shares of Asco TLC, with 55.2% and 36.8% stakes, respectively.

The closing follows the award at the end of November 2022 of the public tender procedure called by Asco Holding for the sale of 92% of the shares of Asco TLC, held by Asco Holding itself and by the Treviso-Belluno C.C.I.A., and the subsequent signing on 29 December 2022 of the related contractual documentation between the Hera Group and the Ascopiave Group. The acquisition price, settled in cash, is €37.2 million.

Asco TLC, a company that has been active since 2001 in the provision of ICT services mainly to corporate customers and public administrations, has a significant proprietary territorial network, located in the Veneto and Friuli-Venezia Giulia regions for more than 2,200 km of fibre optic backbones, 56 radio links and 24 xDSL exchanges in unbundling, and provides its services to more than 2,700 customers.

Consolidation Area and Criteria

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

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

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

In the case of equity interests acquired subsequent to the acquisition of control (acquisition of minority interests), any positive difference between the acquisition cost and the corresponding portion 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, 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 the 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 Parent Company/Subsidiaries 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 Interim Report are those approved by their respective Boards of Directors. The figures of companies consolidated on a line-by-line basis or using the equity method are adjusted, where necessary, to homogenise them with the accounting standards used by the parent company, which are in accordance with the IFRS adopted by the European Union.

The companies included in the scope of consolidation as at 31 March 2023 and consolidated on a line-by-line basis or using the equity method are as follows:

Company name	Registered offices	Paid-up capital	Group interest	Direct controlling interest	Indirect controlling interest
Parent company					
Ascopiave S.p.A.	Pieve di Soligo (TV)	234,411,575			
100% consolidated companies					
AP Reti Gas S.p.A.	Pieve di Soligo (TV)	1,000,000	100.00%	100.00%	0.00%
AP Reti Gas Rovigo S.r.l.	Rovigo (RO)	7,000,000	100.00%	100.00%	0.00%
Edigas Esercizio Distribuzione Gas S.p.A.	Pieve di Soligo (TV)	3,000,000	100.00%	100.00%	0.00%
Asco Energy S.p.A.	Pieve di Soligo (TV)	1,000,000	100.00%	100.00%	0.00%
AP Reti Gas Vicenza S.p.A.	Pieve di Soligo (TV)	10,000,000	100.00%	100.00%	0.00%
AP Reti Gas Nord Est S.r.l.	Padova (PD)	15,000,000	100.00%	100.00%	0.00%
Cart Acqua S.r.l.	Nembro (BG)	50,000	100.00%	100.00%	0.00%
Romeo Gas S.p.A.	Pieve di Soligo (TV)	39,593,746	100.00%	100.00%	0.00%
Serenissima Gas S.p.A.	(3) Como (CO)	9,250,000	78.44%	0.00%	78.44%
Asco TLC S.p.A.	Pieve di Soligo (TV)	3,912,177	55.20%	55.20%	0.00%
Asco EG S.p.A.	Pieve di Soligo (TV)	57,000,000	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	60.00%	0.00%	60.00%
Green Factory S.r.l.	(1) Pieve di Soligo (TV)	10,000	90.00%	0.00%	90.00%
Sanginetto Energie S.r.l.	(1) Gavardo (BS)	20,000	100.00%	0.00%	100.00%
Morina S.r.l.	(1) Pezzaze (BS)	10,000	75.00%	0.00%	75.00%
Eosforo S.r.l.	(1) Gavardo (BS)	95,000	100.00%	0.00%	100.00%
Subsidiary companies consolidated with net equity method					
Estenergy S.p.A.	Trieste (TS)	1,718,096	40.00%	40.00%	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.

On 31 January 2023, Ascopiave and Iren today finalised the transaction for the rationalisation of certain assets within the natural gas distribution service the transaction envisaged:

- the transfer by the Ascopiave Group to the Iren Group of the entire share capital of Romeo 2 S.r.l., a company newly incorporated by the Ascopiave Group, into which the branches of business related to the management of the concessions of the Savona 1 and Vercelli ATEMs owned by Edigas S.p.A., a company of the Ascopiave Group, for about 19,000 PDR were previously transferred;

- the sale by the Iren Group in favour of Ascopiave of its 19.7% stake in the capital of Romeo Gas S.p.A., a company that holds, directly and through its subsidiary Serenissima Gas S.r.l., concessions in Northern Italy for a total of 126,000 PDR

On 14 March 2023, the Hera Group, through its subsidiary Acantho, and the Ascopiave Group today finalised the acquisition of 92% of the shares of Asco TLC at the headquarters of Asco Holding in Pieve di Soligo (TV), with stakes of 36.8% and 55.2% respectively. Asco TLC, a company active since 2001 in the provision of ICT services mainly to corporate customers and public administrations, has a significant proprietary territorial network, located in Veneto and Friuli-Venezia Giulia for over 2,200 km of fibre optic backbones, 56 radio broadcasting bridges and 24 xDSL exchanges in unbundling and provides its services to over 2,700 customers.

Summaries of fully consolidated companies

Description	Revenues from sales and service supply	Net result	Net equity	Net financial position (liquid assets)	Reference accounting principles
Parent company					
Ascopiave S.p.A.	2,370	(2,642)	833,393	284,535	IFRS
100% consolidated companies					
AP Reti Gas Nord Est S.r.l.	7,979	1,640	137,512	449	IFRS
AP Reti Gas S.p.A.	17,153	2,805	312,140	(4,277)	IFRS
Edigas Esercizio Distribuzione Gas S.p.A.	4,733	4,274	67,274	(2,144)	Ita Gaap
AP Reti Gas Vicenza S.p.A.	3,850	(69)	15,552	26,087	Ita Gaap
AP Reti Gas Rovigo S.r.l.	1,293	304	20,457	8,147	Ita Gaap
Asco Energy S.p.A.	376	(40)	510	7,164	Ita Gaap
Cart Acqua S.r.l.	127	(13)	3,964	(25)	Ita Gaap
Asco Renewables S.p.A.	0	(118)	(12,394)	15,958	Ita Gaap
Morina S.r.l.	34	(34)	(489)	2,813	Ita Gaap
Sanginetto Energie S.r.l.	91	(190)	(744)	1,736	Ita Gaap
Eosforo S.r.l.	147	(45)	5,421	3,193	Ita Gaap
Green Factory S.r.l.	0	(18)	(47)	850	Ita Gaap
Asco EG S.p.A.	2,141	(897)	56,401	(9,889)	Ita Gaap
Salinella Eolico S.r.l.		(127)	(5,485)	27,006	Ita Gaap
Romeo Gas S.p.A.	3,268	213	65,259	126	Ita Gaap
Serenissima Gas S.p.A.	1,700	70	15,583	(2,015)	IFRS
Asco TLC S.p.A.	2,458	263	15,057	(1,592)	IFRS

Information on consolidated subsidiaries with minority interests

The company Ascopiave S.p.A. holds shareholdings in consolidated subsidiaries that are owned by third parties. Please refer to the information table contained in the previous paragraph for an indication of the controlling share pertaining to each consolidated company. The interest that non-controlling interests have in the Ascopiave Group's assets and cash flows is considered by management to be insignificant.

NOTES TO THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

Non-current assets

1. Start-up

Goodwill, equal to €75,335 thousand at 31 March 2023, shows an increase of €13,989 thousand compared to 31 December 2022, due to the capital gain resulting from the acquisition of 55.22% of the shares of ASCO TLC S.p.A., a company operating in the telecommunications sector; for further details, please refer to the section 'Business Combinations' of this interim report. In this regard, it should be noted that the allocations made will be subject to further analysis and verification in order to determine, within the annual deadline required by accounting standards, the final accounting of business combinations.

The residual amount refers in part to the surplus value resulting from the contribution of the gas distribution networks made by member municipalities in the financial years between 1996 and 1999 and in part to the surplus value paid during the acquisition of some branches of the company related to natural gas distribution. These include the goodwill recognised following the merger of Unigas Distribuzione S.r.l. into Ascopiave S.p.A, for Euro 9,368 thousands, to the purchase of the entire share capital of the newly established company AP Reti Gas Nord Est S.r.l. for Euro 14,149 thousands, to the purchase of shares of Romeo Gas S.p.A. for Euro 4,853 thousands, a company operating in the distribution of natural gas, and finally to the purchase of shares of Eusebio Energia S.r.l. for Euro 7,220 thousands, a company operating in the production of energy from renewable sources.

For the purposes of determining recoverable value, goodwill is allocated to the Cash Generating Units consisting of the natural gas distribution business (Gas Distribution CGU) and the renewable energy generation business (Power Generation CGU).

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

(Thousands of Euro)	31 th December 2022	Increase	31 th March 2023
Distribution of natural gas	54,125	0	54,125
Sales of natural gas	7,220	0	7,220
Telecommunications	0	13,989	13,989
Total goodwill	61,346	13,989	75,335

The first months of 2023 are still characterised by the international crisis that started in February 2022 when the Russian-Ukrainian conflict flared up and is still ongoing. The inflationary trend that was revived in the wake of the crisis and that throughout 2022 continued its upward trend, primarily affecting the price of natural gas and oil and then affecting other consumer goods that require energy for manufacturing or transporting them, has slowed down, but an environment of high potential volatility remains. Having not yet significantly bent the inflation curve, moreover, the central banks' action on interest rates, which have been significantly raised since the last months of 2022 but could undergo further upward adjustments in the current year, is continuing.

As at 31 March 2023, the directors evaluated the Group's financial performance, assessed the macroeconomic environment and verified any changes in the external indicators and internal values used in the impairment tests performed when preparing the financial statements as at 31 December 2022. In view of the results achieved during the period of reference, the effects of the interventions carried out and the results of the impairment tests performed when preparing the financial statements as of 31 December 2022, the directors assessed the changes found in the external indicators and internal values, previously used to estimate the recoverable values of the individual cash-generating units, as not significant; consequently, they did not deem it necessary to perform a full impairment test on the carrying value of goodwill again.

2. Other intangible fixed assets

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

(Thousands of Euro)	31.03.2023				31.12.2022		
	Historic cost	Accumulated depreciation	Depreciation fund from impairment	Net value	Historic cost	Accumulated depreciation	Net value
Industrial patent and intellectual property rights	12,608	(6,875)	(10)	5,724	12,136	(6,454)	5,682
Concessions, licences, trademarks and similar rights	20,990	(17,035)	(276)	3,679	19,075	(15,701)	3,374
Other intangible assets	12,181	(4,884)	0	7,297	12,175	(4,905)	7,270
Tangible assets under IFRIC 12 concession	1,254,351	(616,763)	0	637,588	1,251,319	(615,411)	635,907
Tangible assets in progress under IFRIC 12 concession	47,069	0	0	47,069	45,934	0	45,934
Intangible assets in progress and advances payments	41	0	0	41	229	0	229
Other intangible assets	1,347,672	(645,988)	(286)	701,398	1,340,867	(642,470)	698,397

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

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

(Thousands of Euro)	31.12.2021							31.03.2022
	Net value	Change for the period	Enlargement of the consolidation perimeter	Decrease	Amortizations during the period	Depreciation of accumulated depreciation	Net value	
Industrial patent and intellectual property rights	3,370	3	0			108	3,265	
Concessions, licences, trademarks and similar rights	3,296	5	815			205	3,911	
Other intangible assets	5,537	0	1,775			54	7,258	
Tangible assets under IFRIC 12 concession	550,367	22,117	0	0	7,763		564,722	
Tangible assets in progress under IFRIC 12 concession	34,701	(11,234)	0	48	0		23,419	
Intangible assets in progress and advances payments	735	82	0		0		817	
Other intangible assets	598,007	10,973	2,590	49	8,130		603,391	

The enlargement of the consolidation perimeter, which took place with the acquisition of Asco TLC S.p.A., led to the posting of intangible fixed assets for Euro 548 thousand, while, due to the completion of the delivery of the natural gas distribution plants included in the Udine 2 Atem finalised on 1 April 2023, the related fixed assets were reclassified under the item 'assets held for sale' in compliance with the dictates of IFRS 5. The reclassification involved fixed assets under IFRIC 12 concessions, and fixed assets in progress under IFRIC 12 concessions, for a total of €3,583 thousand. With equal consolidation perimeter, investments realised during the first quarter of the year are equal to Euro 13,741,000 and are mainly related to costs sustained for the construction of infrastructures necessary for the distribution of natural gas.

Industrial Patent and Intellectual Property Rights

During the first quarter of the financial year, the item 'industrial patents and intellectual property rights' recorded investments amounting to Euro 183 thousand and amortisation charges amounting to Euro 192 thousand. The enlargement of the consolidation perimeter led to an increase in the item of Euro 50 thousand. The investments made with the same consolidation perimeter mainly related to the purchase of software licences.

Concessions, licences, trademarks and similar rights

The item mainly includes costs recognised to the granting bodies (municipalities) and/or to 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. With the same consolidation perimeter, during the first quarter of the financial year, the item recorded investments and amortisation shares equal to Euro 181 thousands. The concessions obtained, following the implementation of Legislative Decree No. 164/00 (Letta Decree), are amortised over a useful life of 12 years in accordance with the duration of the concession provided for by the decree itself.

The enlargement of the scope of consolidation resulted in the recognition of concessions, licences, trademarks and similar rights in the amount of Euro 486,000.

Other intangible fixed assets

With the same scope of consolidation, the item 'Other intangible assets' recorded investments of Euro 34 thousand and amortisation charges of Euro 7 thousand.

Plant and machinery under concession

The item includes costs incurred for the construction of plants and the natural gas distribution network, connections to the same, as well as for the installation of reduction units and meters. At the end of the first quarter of the financial year the item recorded an overall net positive change equal to Euro 1,681 thousand. Following the completion of the delivery of the natural gas distribution plants included in the Udine 2 Atem completed on 1 April 2023, the fixed assets related to them were reclassified under the item 'assets held for sale' in compliance with the provisions of IFRS 5 for Euro 3,548 thousand.

Net of the change described above, the item showed an increase mainly explained by the investments made in the first quarter of the year and the reclassification of investments made in the previous year but which came into operation during the reporting period. Capital expenditure, including reclassifications of assets under construction, amounted to €12,554 thousand. The increase was partially offset by depreciation for the period and decreases recorded during the period, particularly related to the replacement of meters.

The infrastructures located in municipalities where the concession for natural gas distribution has not been put out to tender are depreciated by applying the lower of the technical life of the plants and the useful life indicated by ARERA in the tariff framework. The technical life of the plants was subject to an external assessment by an independent expert who determined the technical obsolescence of the assets built.

Intangible assets under concession

The item includes the costs sustained for the construction of the plants and the natural gas distribution network partially carried out on a time and materials basis and not completed at the end of the reference quarter. The item recorded an increase equal to Euro 1,169,000 during the period. The reclassification carried out in compliance with the dictates of IFRS 5, and related to the delivery of the plants located in Atem Udine 2 already described in the previous paragraph, led to a decrease in the item equal to Euro 34 thousand.

Intangible fixed assets in progress

The item includes costs incurred for the purchase and development of management software not completed at the end of the first quarter of the financial year and related to the core business of natural gas distribution. The decrease recorded is mainly explained by the reclassification of investments made in previous years but which came into operation during the period of reference.

3. Tangible fixed assets

The following table highlights the development of the historical cost and accumulated depreciation of tangible fixed assets at the end of each period examined:

(Thousands of Euro)	31.03.2023				31.12.2022			
	Historic cost	Accumulated depreciation	Provision for impairment	Net value	Historic cost	Accumulated depreciation	Provision for impairment	Net value
Lands and buildings	52,796	(20,951)	(267)	31,578	51,292	(20,061)	(265)	30,966
Plant and machinery	183,639	(106,081)	(5,657)	71,902	161,419	(93,917)	(1,132)	66,371
Industrial and commercial equipment	5,527	(4,633)	(70)	824	5,250	(4,411)		838
Other tangible assets	35,425	(29,687)	(248)	5,491	23,715	(20,396)		3,319
Tangible assets in progress and advance payments	27,027	0	(55)	26,972	24,674	0	(55)	24,620
Rights of use	15,382	(3,069)		12,313	14,616	(2,297)		12,319
Other tangible assets	319,796	(164,421)	(6,296)	149,079	280,965	(141,082)	(1,451)	138,432

The following table highlights the changes in tangible assets in the first quarter of the year under review and in the previous year:

(Thousands of Euro)	31.12.2022				31.03.2023	
	Net value	Change for the period	Enlargement of the consolidation perimeter	Amortizations during the period	Net value	
Lands and buildings	30,966	0	989	313	31,578	
Plant and machinery	66,371	0	7,038	1,507	71,902	
Industrial and commercial equipment	838	12	5	32	824	
Other tangible assets	3,319	111	2,176	115	5,491	
Tangible assets in progress and advance payments	24,620	1,902	451	0	26,972	
Rights of use	12,319	52	246	304	12,313	
Other tangible assets	138,432	2,078	10,905	2,272	149,079	

(Thousands of Euro)	31.12.2021				31.03.2022	
	Net value	Change for the period	Enlargement of the consolidation perimeter	Amortizations during the period	Net value	
Lands and buildings	27,856	0	3,341	301	30,897	
Plant and machinery	14,512	114	57,014	33	71,607	
Industrial and commercial equipment	649	18	3	29	641	
Other tangible assets	2,646	24	43	105	2,608	
Tangible assets in progress and advance payments	297	(128)	1,953	0	2,122	
Rights of use	12,051	0	0	267	11,784	
Other tangible assets	58,012	28	62,354	736	119,658	

The enlargement of the scope of consolidation, which took place with the acquisition of Asco TLC S.p.A., resulted in the recognition of tangible fixed assets in the amount of €10,894 thousand. These mainly represent the book values of the telecommunication infrastructures such as the fibre optic network and related derivations as well as data centres for data management.

of the finalisation of the delivery of the natural gas distribution plants included in the Udine 2 Atem completed on 1 April 2023, the fixed assets related to them were reclassified under the item 'assets held for sale' in compliance with the dictates of IFRS 5. The reclassification affected the item land and buildings for Euro 64 thousand.

Land and buildings

The enlargement of the scope of consolidation led to the recognition of the values recorded in the item by the newly controlled company for a total of Euro 989 thousand. These mainly represent buildings and land related to the data centre. With the same consolidation perimeter, the item mainly includes buildings owned by the company headquarters, offices and peripheral warehouses. During the first quarter of the year, the item did not record any investments and depreciation charges amounted to Euro 313 thousand.

Plant and machinery

With the same scope of consolidation, in the first quarter of the year, the item plant and machinery did not record any investments and depreciation charges amounted to Euro 1,507 thousand. The item mainly includes the book values of hydroelectric plants managed by the Group.

The enlargement of the scope of consolidation led to an increase in the item of Euro 7,038,000, mainly by accepting the book values of fibre optic networks.

Industrial and commercial equipment

The item 'Industrial and commercial equipment', with equal consolidation perimeter, recorded investments for Euro 22 thousand. The item includes the costs sustained for the purchase of the instruments necessary for the maintenance service of the distribution plants and the measurement activity. The enlargement of the consolidation perimeter determined an increase in the voice equal to Euro 5 thousands.

Other Assets

In the first quarter of the year, with the same consolidation perimeter, capital expenditure amounted to Euro 111 thousand and was mainly explained by costs incurred for the purchase of hardware and company vehicles. The enlargement of the consolidation perimeter determined an increase in the item of €2,176,000, mainly including servers and hardware that make up the Company's Datacentres.

Tangible fixed assets under construction and advances

On a like-for-like basis, the item essentially includes costs sustained for the construction of plants for the production of energy from renewable sources, as well as, to a lesser extent, extraordinary maintenance work on company premises and/or peripheral warehouses, not completed at the end of the period. During the period, the item recorded a change of Euro 1,902 thousand, mainly related to the construction of a wind farm and the construction of a photovoltaic park. The enlargement of the scope of consolidation resulted in the recognition of assets under construction in the amount of Euro 451,000 as of 31 March 2023.

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.

The enlargement of the scope of consolidation resulted in the recognition of assets under construction for Euro 246,000 as of 31 March 2023.

4. Participations

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

(Thousands of Euro)	31 th December 2022	Variation of exercise	Equity valuation	31 th March 2023
Shareholdings in associated companies	358,029	0	(9,646)	348,383
Shareholdings in other companies	78,257	0	0	78,257
Shareholdings	436,287	0	(9,646)	426,640

In the first quarter of the year, the items related to participations decreased by a total of Euro 9,646,000 related to

participations in affiliated companies.

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Shareholdings in Estenergy S.p.A.	339,888	349,534
Shareholdings in Cogeide S.p.A.	8,496	8,496
Shareholdings in imprese collegate	348,383	358,029
Shareholdings in Hera Comm S.p.A.	54,000	54,000
Shareholdings in Banca di Credito Cooperativo del	24,254	24,254
Shareholdings iBanca Alto Vicentino	1	1
Shareholdings in ACSM - AGAM SPA	1	1
Shareholdings BCC Busto Garolfo e Buguggiate	1	1
Shareholdings A2A SECURITY	1	1
Shareholdings in other companies	78,257	78,257
Shareholdings	426,640	436,287

Holdings in subsidiaries and associates

At the end of the first quarter of the financial year 2023, investments in associated companies amounted to €348,383 thousand, an amount related to the 40% interest held in EstEnergy S.p.A. and the 19% interest held in Cogeide S.p.A.. The participation in Estenergy, equal to Euro 339,988 thousand, recorded a decrease of Euro 9,646 thousand. The change recorded during the quarter is explained by the valuation with the equity method of the consolidated results accrued in the period as well as the equity change recorded by reserves, in particular, the hedge accounting reserve. Concerning the shareholding in Cogeide, amounting to Euro 8,496 thousand, there were no changes.

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

(Values referred to pro-rata participation in Million of Euro)	First quarter 2023 pro-rata	First quarter 2023	First quarter 2022 pro-rata	First quarter 2022
Non-current assets	262.5	656.3	321.7	670.2
Current assets	267.8	669.6	306.4	638.4
Net equity of the group	270.8	676.9	365.0	760.3
Net equity of third parties	0.3	0.9	0.7	1.4
Non-current liabilities	203.7	509.3	29.7	62.0
Current liabilities	55.5	138.8	232.8	485.0
Revenues	154.8	322.6	269.0	560.5
Costs	148.0	308.3	250.3	521.5
Gross operative margin	6.8	14.2	18.7	38.9
Amortization and depreciation	5.1	10.6	4.9	10.2
Operating result	1.8	3.7	13.8	28.8
Net result of the group	(0.1)	(0.2)	11.3	23.5
Net result of third parties	0.0	0.1	0.1	0.3
NFP	49.3	123.2	(28.2)	(58.8)

Holdings in other companies

At the end of Q1 2023, equity investments in other companies amounted to Euro 78,257 thousand. The item includes equity investments consisting of Euro 53,331,000 in 3% of the share capital of Hera Comm, acquired following the signing of the commercial partnership with the Hera Group, finalised on 19 December 2019, Euro 24,923,000 in 5.00% of the share capital of Acsm Agam S.p.A, the value of which was reduced by Euro 1,806 thousand in the 2020 financial year, as well as the residual equity investments amounting to Euro 4 thousand relating to the shares in Banca Prealpi SanBiagio Credito Cooperativo - Soc. Coop. for Euro 1 thousand, in Banca Alto Vicentino S.p.A. for Euro 1 thousand, in BCC Busto Garolfo e Buguggiate for Euro 1 thousand and in A2A SECURITY for Euro 1 thousand.

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 that, at the end of the first quarter of the year, showed a zero fair value.

5. Other non-current assets

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Security deposits	2,460	2,457
Other receivables	2,148	2,169
Other non-current assets	4,607	4,625

At the end of the first quarter of the financial year 2023, non-current assets recorded an overall decrease compared to the previous year of €18,000.

The enlargement of the consolidation perimeter led to the recording of non-current assets in the amount of Euro 86 thousand, while with the same consolidation perimeter, a decrease of Euro 104 thousand was recorded, mainly explained by the reduction recorded in security deposits in the amount of Euro 83 thousand.

6. Non-current financial assets

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Other receivables of a financial nature over 12 months	2,880	2,868
Non-current financial assets	2,880	2,868

Non-current financial assets go from Euro 2,868 thousands for the year 2022 to Euro 2,880 thousands for the quarter of reference, showing an increase equal to Euro 12 thousands due to the change in the consolidation perimeter. The item includes financial receivables inscribed against local authorities and deriving from settlement agreements signed in previous financial years with them for the valorisation of natural gas distribution infrastructures. The value inscribed in the item non-current financial assets represents the amounts due beyond 12 months from the closing date of this interim report and due to the duration of the agreed instalment plan, the item has been subject to discounting.

The claim is in addition to the claim against the Town of Costabissara, with which a settlement agreement had been signed for the enhancement of the natural gas distribution infrastructure.

7. Deferred Tax Assets

The table below highlights the balance of deferred tax assets at the end of each period examined:

(Thousands of Euro)	31 th March 2023	31 th December 2022
Advance tax receivables	40,134	39,252
Advance tax receivables	40,134	39,252

At the end of the first quarter of financial year 2023, the item recorded an overall increase compared to the end of the previous financial year of Euro 882 thousand. The enlargement of the consolidation area resulted in the recognition of deferred tax assets in the amount of Euro 218 thousand.

With the same consolidation perimeter, deferred tax assets increased from Euro 39,252 thousand in the year 2022 to Euro 39,916 thousand in the reporting period, an increase of Euro 664 thousand. 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 of 31 March 2023 and the time when any temporary differences are estimated to be reversed.

Current Assets

8. Inventories

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

(Thousands of Euro)	31 th March 2023			31 th December 2022		
	Gross value	Bad debt provision	Net value	Gross value	Bad debt provision	Net value
Fuels and warehouse materials	9,447	(213)	9,234	7,372	(39)	7,333
Values of newly acquired companies	6,065	0	6,065	4	0	4
Fuels and warehouse materials	15,512	(213)	15,299	7,376	(39)	7,337

At the end of the first quarter of 2023, inventories amounted to Euro 15,299 thousand, an increase of Euro 7,963 thousand compared to 31 December 2022, partly explained, for Euro 941 thousand, by the change in the consolidation perimeter. With equal consolidation perimeter, the increase is mainly explained by the purchase of energy efficiency certificates for Euro 6,061 thousand.

Stock materials are used for maintenance work or for the construction of distribution systems. In the latter case, the material is reclassified under tangible assets following installation. With equal consolidation perimeter, the item recorded an increase of Euro 961,000, going from Euro 7,333,000 as of 31 December 2022, to Euro 9,234,000 in the reporting period.

Inventories are shown net of the provision for inventory write-downs, which amounted to Euro 213 thousand at the end of the period, in order to adjust their value to their possibility of realisation or use. It should be noted that the enlargement of the perimeter determined an increase in the posted provision of Euro 174 thousand.

9. Trade receivables

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Receivables from customers	7,837	11,500
Receivables for invoices to be issued	20,219	10,994
Bad debt provisions	(2,347)	(2,396)
Trade receivables	25,709	20,098

Trade receivables increased by Euro 5,611,000 from Euro 20,098,000 in 2022 to Euro 25,709,000 in the reporting period. The enlargement of the consolidation perimeter, which took place following the completion of the purchase of the shares of ASCO TLC S.p.A., led to an increase in the item of €1,506 thousand, of which Euro 1,268 thousand in receivables for invoices issued (net of the provision for risks set aside) and Euro 239 thousand related to invoices to be issued.

On a like-for-like basis, trade receivables recorded an increase of Euro 4,105 thousand. It should be noted that the negative balances recorded at the end of the period with customers due to credit notes issued to them were reclassified as trade payables. The significant amount of credit notes is mainly explained by the effects of the successive Aid Law Decrees, which provided for the application of discounts to mitigate bill increases. The regulation included the discount applied among the tariff components and, consequently, was regularised with them both with respect to sales companies operating in the territory where the Group's distribution company network is located and with respect to CSEA. The discount sanctioned and applied, being higher than the transportation tariff, led to the issuance of credit notes to sales companies, particularly in the last quarter of the year, a period in which consumption by end customers begins to intensify.

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

The provision for bad debts, equal to Euro 2,347 thousand, mainly represents the risks of the companies in the renewable energy sector (Euro 1,661 thousand) and the Group's distribution companies; the enlargement of the consolidation perimeter led to an increase for Euro 71 thousand and the decrease for Euro 120 thousand with equal consolidation perimeter is due to the utilisation of the fund for Euro 280 thousand and new provisions for Euro 160 thousand.

Changes in the provision for bad debts during the quarter are shown in the table below:

(Thousands of Euro)	31 th March 2023	31 th December 2022
Initial bad debt provision	2,396	698
Provisions	160	44
Change in the scope of consolidation	71	1,661
Use	(280)	(6)
Final bad debt provision	2,347	2,396

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Gross trade receivable invoices issued	7,837	11,500
- allowance for doubtful accounts	(2,347)	(2,396)
Net trade receivables for invoices issued	5,490	9,104
Aging of trade receivables for invoices issued		
- to expire	6,089	9,591
- expired within 6 months	659	700
- overdue by 6 to 12 months	158	465
- expired more than 12 months	930	745

10. Other current assets

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Tax consolidation receivables	204	289
Annual pre-paid expenses	3,733	1,185
Advance payments to suppliers	1,647	562
annual accrued income	52	19
Receivables due from CSEA	85,043	113,586
VAT Receivables	37,048	15,315
UTF and Provincial/Regional Additional Tax receivables	40	40
Other receivables	3,124	2,884
Other current assets	130,891	133,880

The enlargement of the consolidation perimeter, which took place following the completion of the purchase of the shares of ASCO TLC S.p.A., determined an increase in the item for Euro 1,491 thousand, of which Euro 1,435 thousand relative to annual prepayments. With equal consolidation perimeter, the decrease shown by the item is equal to Euro 4,480 thousand, going from Euro 133,880 thousand to Euro 129,400 thousand. The decrease is mainly explained by lower receivables from the Cassa Servizi Energetici ed Ambientali (Energy and Environmental Services Fund) for Euro 28,543 thousand, partly offset by higher VAT receivables for Euro 21,733 thousand, both items related to the issue of credit notes of significant amounts due to the different invoicing methods of the ancillary components of the gas distribution service, as well as by the increase in annual active prepayments for Euro 1,113 thousand and in advances to suppliers for Euro 1,058 thousand.

At the end of the first quarter of the financial year, the receivables from the Cassa Servizi Energetici e Ambientali (CSEA) amounted to Euro 85,043 thousand and were mainly made up of receivables related to the achievement of energy saving objectives for Euro 17,398 thousand, to receivables for tariff components applied to the natural gas distribution service for Euro 66,984 thousand, and to equalisation balances for the remainder. The former are counted by valuing the quantity of energy efficiency certificates delivered, net of the advance payments collected in relation to the same, as well as the quantity of certificates accrued up to 31 March 2023 but not yet delivered as of the same date. It should be noted that the unit contribution used for the economic quantification of compliance 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 accruing as of 31 March 2023, equal to €250 (€250 as of 31 December 2022).

11. Current financial assets

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Other financial current assets	812	820
Current financial assets	812	820

Current financial assets recorded a decrease of Euro 8 thousand, from Euro 820 thousand as of 31 December 2022 to Euro 812 thousand in the reporting period. The decrease is mainly explained by the change in the consolidation perimeter for Euro 10 thousand.

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

12. Tax Credits

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Receivables related to IRAP	1,070	1,021
Receivables related to IRES	2,929	2,745
Other tax receivables	306	333
Tax receivables	4,305	4,100

The enlargement of the consolidation perimeter, which took place following the finalisation of the purchase of the shares of ASCO TLC S.p.A., led to an increase in tax receivables of Euro 268 thousand, while with the same consolidation perimeter, the item recorded a decrease of Euro 62 thousand.

The item includes the remaining credit, of IRAP advances paid and IRES advances.

13. Cash and cash equivalents

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Bank and post office deposits	62,987	76,900
Cash and cash equivalents on hand	20	17
Cash and cash equivalents	63,007	76,917

The enlargement of the consolidation perimeter, which took place following the finalisation of the purchase of the shares of ASCO TLC S.p.A., determined the increase in the item for Euro 1,763 thousand. With the same consolidation perimeter, cash and cash equivalents decreased by €15,672 thousand from €76,917 thousand in 2022 to €61,245 thousand in the reporting period.

Cash and cash equivalents mainly refer to bank account balances and cash in hand. For a better understanding of the changes in cash flows during the period, please refer to the cash flow statement.

Net financial position

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Cash and cash equivalents	63,007	76,917
Current financial assets	5,745	6,493
Current financial liabilities	(16,117)	(34,911)
Payables due to banks and financing institutions	(233,097)	(183,285)
Net short-term financial position	(180,462)	(134,786)
Non current financial assets	2,880	2,868
Medium- and long-term bank loans	(164,829)	(178,538)
Outstanding medium- and long-term bonds	(83,581)	(94,033)
Non-current financial liabilities	(7,341)	(7,368)
Net medium and long-term financial position	(252,871)	(277,071)
Net financial position	(433,333)	(411,857)

For comments on the main dynamics that led to the change in the net financial position, please refer to the analysis of the Group's financial data reported in the section 'Comments on the economic and financial results of the first quarter of 2023' and in the section 'Medium- and long-term financing' of this Interim Report.

14. Current assets on derivative financial instruments

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Activity on commodity derivatives	2,123	988
Assets on interest rates derivatives	4,933	5,673
Current assets from derivative financial instrume	7,056	6,661

Current assets on derivative financial instruments mainly refer to interest rate hedging contracts underwritten by the parent company Ascopiave S.p.A., whose fair value at the end of the first quarter of the year was equal to Euro 4,933 thousand. The item also includes Euro 2,123 thousand representing the fair value of derivatives underwritten to hedge the price of electricity produced by the hydroelectric plants of the company Asco EG. With regard to assets and liabilities correlated to derivative activities, please refer to the section "Risk and Uncertainty Factors" of this Interim Report on Operations in which the related effects are highlighted.

It should be noted that at the end of the first quarter of the year, the item included receivables, in the amount of €51,000, related to financial instruments that had matured as of 31 March 2023 but had not been collected by the same date.

Derivative assets are represented by the fair value of the following derivatives outstanding as of 31 March 2023, the financial manifestation of which will be spread over the term of the underlying loan:

#	Counterpart	Type of instrument	Underlying Commodity	Trade date	Effective date	Expiry date	Position	Contractual notion	MtM (€/000)
1	BNL	Interest Rate Swap	Euribor 6M	09-Aug-19	09-Feb-20	09-Feb-25	Vanilla: Fixed - Float	12,000,000 €	507
2	Credit Agricole	Interest Rate Swap	Euribor 6M	27-Sep-19	01-Oct-19	27-Sep-24	Vanilla: Fixed - Float	4,500,000 €	169
3	Intesa Sanpaolo	Interest Rate Swap	Euribor 6M	30-Nov-20	30-Nov-20	30-Nov-23	Vanilla: Fixed - Float	50,000,000 €	1,690
4	Mediobanca	Interest Rate Swap	Euribor 3M	02-Dec-20	02-Dec-20	02-Dec-25	Vanilla: Fixed - Float	20,000,001 €	1,051
5	Mediobanca	Interest Rate Swap	Euribor 3M	23-Dec-21	23-Dec-21	23-Dec-26	Vanilla: Fixed - Float	17,777,778 €	1,120
6	Credit Agricole	Interest Rate Swap	Euribor 6M	31-Mar-22	31-Mar-22	31-Mar-27	Vanilla: Fixed - Float	8,000,000 €	395
7	Intesa Sanpaolo	Interest Rate Swap	Euribor 1M	06-Mar-15	06-Mar-15	27-Dec-29	Vanilla: Fixed - Float	2,756,641 €	216
8	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	05-Aug-22	01-Apr-23	30-Jun-23	Sell/Short	6,552 Mwh	1,185
9	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	05-Aug-22	01-Oct-23	31-Dec-23	Sell/Short	2,209 Mwh	371
9	Intesa Sanpaolo	Commodity Swap	Power IT Baseload	20-Apr-22	01-Jan-23	31-Dec-23	Sell/Short	7,344 Mwh	299
Total									7,005

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

Consolidated shareholders' equity

15. Shareholders' Equity

As of 31 March 2023, Ascopiave's share capital consisted of 234,411,575 ordinary shares, fully subscribed and paid-up, with a nominal value of Euro 1 each.

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Share capital	234,412	234,412
Legal reserve	46,882	46,882
Own shares	(55,423)	(55,423)
Reserves and profit carried forward	623,437	607,746
Group's Net Result	5,821	32,665
Net equity of the Group	855,130	866,280
Net equity of Others	19,028	20,123
Total Net equity	874,158	886,403

Consolidated shareholders' equity as of 31 March 2023 amounts to Euro 874,158 thousand and highlights a decrease of Euro 12,247 thousand compared to the year 2022. The changes in the consolidated shareholders' equity occurred in the period, excluding the result achieved, are mainly explained by the exit of the minority shareholders of Romeo Gas S.p.A. for Euro 12,819 thousand, by the entrance of the minority shareholders of ASCO TLC S.p.A. for Euro 6,745 thousand, by the change in the reserves on *hedge accounting* related to derivative instruments for Euro 394 thousand and by the decrease in the reserves on tax effects for Euro 1,219 thousand.

As of 31 March 2023 Ascopiave S.p.A. holds 17,701,578 treasury shares, equal to 7.551% of the share capital, for a total value of Euro 55,423 thousand.

The *hedge accounting* reserve posted at the end of the first quarter of 2023 represents the current value of the derivative financial instruments subscribed by Ascopiave S.p.A. and by the recently acquired companies active in the hydroelectric sector, to hedge possible fluctuations in interest rates related to the loans subscribed and in electricity prices. The same, as of 31 March 2023, shows a positive balance of Euro 4,322 thousand.

With regard to assets and liabilities related to derivative assets, please refer to the section "Risk and Uncertainty Factors"

of this report, in which the related effects are highlighted.

The Group's shareholders' equity also recorded a decrease of €10,213,000 related to changes in the shareholders' equity of associated companies, in particular the trend of the *hedge accounting* reserve recorded in relation to derivative contracts entered into to hedge commodity price fluctuations.

Non-current liabilities

16. Provisions for risks and charges

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Provisions for pension for gas sector employees	1,035	974
Other reserves for risks and charges	36	22
Reserves for risks and charges	1,071	996

The enlargement of the consolidation perimeter, which took place following the finalisation of the purchase of the shares of ASCO TLC S.p.A., resulted in a change of Euro 14 thousand.

With equal consolidation perimeter, provisions for risks and charges increased from Euro 996,000 in the previous year to Euro 1,057,000 in the quarter under review, an increase of Euro 61,000. The change is mainly explained by new allocations to the fund.

The following table highlights the changes during the period:

(Thousands of Euro)	
Severance indemnity as of 1 st January 2023	996
Expansion of the consolidation perimeter	14
Provisions for risks and charges	73
Use of provisions for risks and charges	(12)
Provisions for risks and charges as of 31st March 2023	1,071

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Provisions for retirement fund and similar obligations	1,057	877
Expansion of the consolidation perimeter	14	119
Provisions for risks and charges	1,071	996

The provision for pensions and similar obligations also includes commitments to employees and directors relating to long-term incentive plans for the cash portion.

17. Severance pay

The enlargement of the consolidation perimeter, which took place following the completion of the purchase of the shares of ASCO TLC S.p.A., led to an increase in the item of Euro 578 thousand.

On a like-for-like basis, severance pay decreased from Euro 5,011 thousand at 1 January 2023 to Euro 4,863 thousand at 31 March 2023, a decrease of Euro 148 thousand.

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

(Thousands of Euro)	
Severance indemnity as of 1 st January 2023	5,011
Expansion of the consolidation perimeter	578
Retirement allowance	(483)
Payments for current services and work	335
Provisions for risks and charges as of 31st March 2023	5,441

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

18. Long-Term Outstanding Bonds

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Outstanding medium- and long-term bonds	83,581	94,033
Outstanding medium- and long-term bonds	83,581	94,033

As part of the private placement 'Shelf' programme with Pricoa Capital Group, a company of the US group Prudential Financial Inc., the parent company Ascopiave S.p.A., as of 31 March 2023, has in place a first placement of ordinary non-convertible and unsecured bonds for €25 million, with a maturity of 10 years and an average duration of 8 years, and a second for €70 million, with a maturity of 10 years and an average duration of 6 years.

The bonds issued are unrated and are not listed on regulated markets. The issue is not backed by collateral. Ascopiave is required to comply with certain financial covenants, as per normal market practice, to be verified every six months. The change recorded with respect to 31 December 2023, equal to Euro 10,452 thousand, is explained by the reclassification of the portion that will mature naturally within twelve months from the closing date of this interim report.

19. Medium- and long-term financing

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Loans from Cassa Centrale Banca	5,205	5,412
Loans from Banca Europea per gli Investimenti	1,875	2,500
Loans from INTESA SAN PAOLO SPA	18,348	19,043
Loans from BPER	20,837	22,384
Loans from BANCO BPM	19,584	21,009
Loans from BNL	21,000	25,250
Loans from Cassa Centrale Banca-Credito Coop.It	24,638	25,525
Loans from CREDIT AGRICOLE FRIULADRIA	7,522	10,025
Loans from MEDIOBANCA	26,667	26,667
Loans from ICCREA	19,154	20,722
Medium and long-term bank loans	164,829	178,538
Current portion of medium and long-term bank loans	115,397	119,280
Medium and long-term bank loans	280,226	297,818

As at 31 March 2023 medium-long term loans, mainly represented by the Parent Company's debts to Intesa Sanpaolo for Euro 70,000 thousand, to Mediobanca for Euro 37,778 thousand, to BNL for Euro 29,500 thousand, to Cassa Centrale Banca for Euro 28,252 thousand, to BPER for Euro 26,977 thousand, to Banco BPM for Euro 25,500 thousand, to Iccrea Banca for Euro 25,371 thousand, by Credit Agricole Friuladria for Euro 12,500 thousand, by BCC Prealpi-Sanbiagio for Euro 6,030 thousand and by the subsidiary Asco EG's debt to Intesa Sanpaolo for Euro 9,739 thousand, go from Euro 297,818 thousand as of 31 December 2022 to Euro 280,226 thousand, with a decrease of Euro 17,592 thousand, mainly explained by the payment of instalments.

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

- the loan with Intesa Sanpaolo, disbursed in November 2020 for a total of €50,000 thousand, equal to the residual debt as of 31 March 2023, is recognised in full under bank borrowings and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified every six months on the Group's consolidated data prepared in accordance with IFRS;
- the loan with BPER, disbursed in September 2022 for a total of Euro 30,000 thousand, presents a residual debt as of 31 March 2023 equal to Euro 26,977 thousand, with the recording of Euro 6,140 thousand among payables to banks and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Cassa Centrale Banca, disbursed in March 2022 for a total of Euro 30,000 thousand, presents a residual debt as of 31 March 2023 equal to Euro 28,252 thousand, with the entry of Euro 3,545 thousand among payables to banks and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Banco BPM, disbursed in May 2022 for a total of €30,000 thousand, presents a residual debt as of 31 March 2023 of €25,500 thousand, with an entry of €6,000 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;
- the loan with Iccrea Banca, disbursed in June 2022 for a total of €30,000 thousand, shows a residual debt as of 31 March 2023 of €25,371 thousand, with €6,234 thousand recognised under bank borrowings and short-term loans;
- the loan with Intesa Sanpaolo, disbursed in November 2019 for a total of €50,000 thousand, presents a residual debt as of 31 March 2023 equal to €20,000 thousand, with the recognition of €10,000 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;
- the loan with Mediobanca, disbursed in December 2020 for a total of €30,000 thousand, presents a residual debt of €20,000 thousand as of 31 March 2023, with the recognition of €6,667 thousand among payables to banks and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified every six months on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Mediobanca, disbursed in December 2021 for a total of €20,000 thousand, presents a residual debt as of 31 March 2023 of €17,778 thousand, with the recognition of €4,444 thousand among payables to banks and short-term loans; the contract provides for the respect of certain financial parameters (financial covenants) to be verified every six months on the Group's consolidated data prepared in accordance with IFRS;
- the loan with BNL, disbursed in 2017 in the amount of €30,000 thousand, has a residual debt as of 31 March 2023 in the amount of €17,500 thousand, with the recognition of €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;
- the loan with BNL, disbursed in August 2019 for an amount of €30,000 thousand, presents a residual debt as of 31 March 2023 of €12,000 thousand, with the recognition of €6,000 thousand among bank borrowings and short-term loans; the contract provides for compliance with certain financial parameters (financial covenants) to be verified annually on the Group's consolidated data prepared in accordance with IFRS;
- the loan with Crédit Agricole Friuladria, disbursed in October 2019 for an amount of €30,000 thousand, presents a residual debt as of 31 March 2023 equal to €4,500 thousand, with the recognition of €3,000 thousand among payables to banks 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;

- the loan with Crédit Agricole Friuladria, disbursed in March 2022 for a total of €10,000 thousand, has a residual debt as of 31 March 2023 of €8,000 thousand, with the recognition of €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;
- the loan with the European Investment Bank, disbursed in two tranches during 2013 for a total of €45,000 thousand, presents a residual debt as of 31 March 2023 of €4,875 thousand, with the recognition of €3,000 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;
- the loan with BPER, originally disbursed by UBI Banca in May 2020 for an amount of Euro 20,000 thousand and transferred to BPER following the reorganisation that involved the bank, shows a residual debt as of 31 March 2023 equal to Euro 3,356 thousand, entirely recognised among bank borrowings and short-term loans;
- the loan with Cassa Centrale Banca, disbursed at the beginning of 2018 in the amount of Euro 10,000 thousand, has a residual debt as at 31 March 2023 in the amount of Euro 6,030 thousand, with the entry of Euro 825 thousand under bank borrowings and short-term loans;
- the loan with Intesa Sanpaolo underwritten by the subsidiary Asco EG shows a residual debt of €9,739,000 as of 31 March 2022, with an entry of €1,391,000 under bank borrowings and short-term loans.

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

20. Other non-current liabilities

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Security deposits	1,584	1,596
Multi-annual passive prepayments	35,166	34,470
Other payables	1,392	1,392
Other non-current liabilities	38,142	37,458

The enlargement of the consolidation perimeter, which took place following the completion of the purchase of the shares of ASCO TLC S.p.A., led to an increase in the item of €410 thousand relating to deferred income for deferred charges on the rights of use of cable ducts.

With the same scope of consolidation, other non-current liabilities increased from Euro 37,458 thousand in the previous year to Euro 37,732 thousand in the reporting period, an increase of Euro 274 thousand.

With equal consolidation perimeter, the item recorded an increase equal to Euro 286 thousand in relation to the trend of deferred income over the years, the same are recorded against revenues for contributions received from public or private entities for the construction of connections to the gas network, or of the distribution network itself, and linked to the useful life of the distribution plants. The suspension of revenues is explained by the content of Law 9/2014, which provided for the full decoupling of contributions from private parties from the value of technical assets held under concession in the field of gas distribution.

Security deposits posted at the end of the period recorded a decrease equal to Euro 12 thousand and refer to deposits received from natural gas sales companies operating in the territory in which the natural gas distribution network managed by the Group is located, for the raw material transportation service.

21. Non-current financial liabilities

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Debts for rights of use beyond 12 months	7,341	7,368
Non-current financial liabilities	7,341	7,368

The enlargement of the consolidation perimeter, which took place following the completion of the purchase of the shares of ASCO TLC S.p.A., led to an increase in the item of Euro 110 thousand.

With the same consolidation perimeter, other non-current financial liabilities decreased from Euro 7,368 thousand in the previous year to Euro 7,231 thousand in the reporting period, a decrease of Euro 137 thousand, mainly due to the payment of instalments related to operating leases.

22. Deferred Taxes Payable

The table below highlights the balance of the item at the end of each period examined:

(Thousands of Euro)	31 th March 2023	31 th December 2022
Deferred tax payables	22,563	19,608
Deferred tax payables	22,563	19,608

Payables for deferred taxes go from Euro 19,608 thousands for the previous financial year to Euro 22,563 thousands for the period of reference, recording an increase equal to Euro 2,956 thousands mainly related to the tax fund inscribed on the higher value attributed to the distribution plants relative to the company branches of the residual shares of Romeo gas S.p.A. acquired in the first quarter of the financial year.

Deferred tax liabilities mainly include the tax effects arising from the dynamics of depreciation on natural gas distribution networks. In calculating taxes, reference was made to the IRES rate and, where applicable, the IRAP rate in force, in relation to the tax period that includes the date 31 March 2023 and the time when any temporary differences are estimated to be reversed.

Current liabilities

23. Outstanding short-term bonds

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Pricoa bond loan	10,163	0
Short-term outstanding bonds	10,163	0

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

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

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Payables due to banks	117,700	64,005
Current portion of medium-long-term loans	115,397	119,280
Payables due to banks and financing institutions	233,097	183,285

Bank payables increased from Euro 183,285 thousand in the previous year to Euro 233,097 thousand in the reporting period, an increase of Euro 49,812 thousand. They consist of account balances due to credit institutions and the short-term portion of loans.

25. Trade payables

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Payables to suppliers	18,252	24,912
Payables to suppliers for invoices not yet received	37,179	32,997
Accounts payable by credit note	88,429	71,685
Accounts payable for credit note to be issued	23,516	50,601
Trade payables	167,376	180,195

On a like-for-like basis, trade payables recorded a decrease of Euro 13,664 thousand, mainly explained by lower credit notes to be issued to customers. The significant amount of credit notes is mainly explained by the effects of the, successive, Aid Law Decrees that provided for the application of discounts functional to calming bill increases. The regulation included the applied discount among the tariff components and, consequently, it was regularised with them both with respect to sales companies operating in the territory where the Group's distribution company network is located and with respect to CSEA. The discount sanctioned and applied, being higher than the transportation tariff, resulted in the issuance of credit notes to the sales companies, in particular, in the last quarter of FY2022 and in the first quarter of FY2023, the period in which consumption by end customers is concentrated.

The enlargement of the consolidation perimeter, which took place following the completion of the purchase of the shares of ASCO TLC S.p.A., led to an increase in the item of Euro 845 thousand.

Trade payables to customers, in relation to the dynamics described above, and concerning the effects of the aid law decrees, totalled Euro 111,945 thousand and showed a decrease of Euro 10,341 thousand compared to 31 December 2022, mainly due to the seasonality of consumption.

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 targets, and for the use of consulting services received during the reporting period.

It should be noted that payables related to the purchase of energy efficiency bonds, necessary to achieve the energy saving targets to which the Group's distribution companies are subject, are calculated by valuing the quantity of bonds accrued up to the closing date of this interim report. 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 31 March 2023 as Euro 258.6 (Euro 261.7 as of 31 December 2022).

26. Tax debts

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
IRAP payables	662	89
IRES payables	2,175	1,127
Other tax payables	104	119
Tax payables	2,941	1,336

The enlargement of the consolidation perimeter, which took place following the completion of the purchase of the shares of ASCO TLC S.p.A., led to an increase in the item of Euro 64 thousand.

With the same consolidation perimeter, tax payables decreased by Euro 1,542,000 from Euro 1,336,000 in the previous year to Euro 2,877,000 in the year under review.

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

27. Other current liabilities

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Advance payments from customers	864	1,065
Amounts due to parent companies for tax consolidat	(0)	505
Amounts due to social security institutions	1,391	1,931
Amounts due to employees	5,914	4,355
VAT payables	1,776	503
Payables to revenue office for withholding tax	814	1,253
Annual passive prepayments	10,534	1,000
Annual passive accruals	1,726	2,173
Payables due to CSEA	8,436	2,989
Other payables	2,713	1,732
Other current liabilities	34,168	17,507

The enlargement of the consolidation perimeter, which took place following the completion of the purchase of the shares of ASCO TLC S.p.A., led to an increase in the item of Euro 841 thousand.

With the same scope of consolidation, other current liabilities increased from Euro 17,507,000 in 2022 to Euro 33,326,000 in the reporting period, an increase of Euro 15,819,000.

The change, with the same consolidation perimeter, is mainly explained by the higher annual deferred income for Euro 9,490 thousands mainly related to the suspension of the capital gain recognised on the sale of the gas distribution branches of Serenissima Gas pertaining to the second quarter of the financial year 2023 and by the higher payables to the Cassa per i Servizi Energetici e Ambientali (CSEA) for Euro 5,447 thousands in relation to the tariff components related to natural gas transportation.

Advances from customers

Advances from customers represent the amounts paid by users as contributions for allotment and connection works and the construction of thermal power plants in progress as at 31 March 2023.

Social Security Payables

Social security payables include payables related to accrued charges to social security institutions in respect of

employees' and directors' employment accrued as of 31 March 2023 and not paid at the same date.

Payables to personnel

The item includes payables for untaken holiday days, monthly payments and bonuses accrued as of 31 March 2023 and not paid as of the same date, as well as the relevant contribution quota. The item highlights an increase of Euro 1,109 thousand, from Euro 4,354 thousand in 2022 to Euro 5,464 thousand in the reporting period, on a like-for-like basis.

VAT debts

On a like-for-like basis, VAT payables amounted to Euro 1,665 thousand and recorded an increase of Euro 1,162 thousand compared to the previous year, mainly related to the dynamics of VAT advances paid at the end of the year and the debt accrued.

Annual deferred income

At the end of the period examined, the item mainly includes the suspension of revenue, equal to Euro 9,477,000, resulting from the transfer of the gas distribution plants of Atem Udine 2 to the new concessionaire following the awarding of the tender.

The item also includes deferred income attributable to contributions received for the construction of the natural gas distribution network and connections to it.

Annual accrued expenses

Accrued expenses mainly refer to state fees and fees paid to the granting local authorities, for the extension of methane gas distribution concessions pending the celebration of tenders for allocation by area.

Other debts

At the end of the reporting period, this item showed a balance of Euro 2,601 thousand, with the same scope of consolidation, an increase of Euro 869 thousand compared to the previous year.

28. Current financial liabilities

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Financial payables within 12 months	685	29,744
payables to shareholders financial account	4,280	4,280
Payables to leasing companies within 12 months	997	887
Current financial liabilities	5,954	34,911

The enlargement of the consolidation perimeter, which took place following the completion of the purchase of the shares of ASCO TLC S.p.A., led to an increase in the item of Euro 60 thousand.

With the same consolidation perimeter, current financial liabilities decreased from Euro 34,911 thousand in the year 2022 to Euro 5,894 thousand in the reporting period, showing a decrease of Euro 29,017 thousand, mainly due to the termination of factoring transactions of receivables with IFIS BANCA carried out in the last month of the year 2022.

Financial payables related to the application of IFRS 16 recorded a change of €50,000 during the period mainly due to the payment of instalments on operating leases.

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

29. Current liabilities on derivative financial instruments

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Liabilities on interest rates derivatives	(0)	164
Current liabilities from derivative financial instruments	(0)	164

At the end of the first quarter of the year, no current liabilities on derivative financial instruments were recognised. At the end of the previous year, the item included the fair value of 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.

It is specified that 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 following table highlights the breakdown of the item by asset category for the periods considered:

(Thousands of Euro)	First quarter	
	2023	2022
Revenues from gas transportation	30,158	26,197
Revenues from the sale of electricity	94	121
Revenues from connections	231	153
Revenues from heat supply	2	1
Revenues from distribution services	1,280	994
Revenues from services supplied to Group companies	1,592	1,639
Revenues from ARERA contributions	3,948	2,154
Revenues from hydroelectric-wind power plant	2,322	1,996
Other revenues	1,092	884
Revenues	40,719	34,139

Substantially all of the Ascopiave Group's revenues were realised in Italy, and amounted to Euro 40,719 thousand, an increase of Euro 6,580 thousand with respect to the same period of the financial year under comparison (Euro 34,139 thousand as of 31 March 2022). The enlargement of the consolidation perimeter, which took place with the acquisitions finalised on 1 April 2022, resulted in the recognition of the revenues achieved during the first quarter of 2023 by the acquired companies, which amounted to Euro 4,485 thousand. With equal consolidation perimeter, the Group's revenues amounted to €36,234 thousand, showing an increase of €2,095 thousand compared to the quarter under comparison. The increase is mainly explained by the higher contributions recorded for the achievement of energy saving objectives for Euro 1,815 thousand.

With equal consolidation perimeter, the *natural gas transport* service on the distribution network generated revenues for Euro 26,674 thousands, showing an increase equal to Euro 476 thousands compared to the first quarter of the previous financial year. The enlargement of the consolidation perimeter, specifically the consolidation from 1 April 2022 of Romeo Gas S.p.A. and Serenissima Gas S.p.A., determined the inscription of the revenues achieved by them during the first three months of the financial year 2023, equal to Euro 3,484 thousands. The cap on total revenues is determined, for each year, according to the number of active redelivery points actually served in the year of reference by the company, as well as the reference tariff, whose values are set and published by ARERA.

With equal consolidation perimeter, revenues from *services provided by distributors*, amounting to Euro 785 thousand, show a decrease compared to the same period of the previous year, equal to Euro 208 thousand. The enlargement of the consolidation perimeter determined the inscription of the revenues achieved by Romeo Gas S.p.A. and Serenissima Gas S.p.A. during the first three months of 2023, amounting to Euro 495 thousands. The total revenues achieved by the Group at the end of the period are consequently equal to Euro 1,280 thousands.

On a like-for-like consolidation perimeter basis, revenues for services rendered to Group companies decreased by Euro 420 thousand compared to the first quarter of the previous year, reaching Euro 1,219 thousand as of 31 March 2023. The enlargement of the consolidation perimeter determined the recording of revenues for Euro 373 thousand and, consequently, the overall decrease recorded by the item was Euro 47 thousand. The change is mainly related to the termination of some services rendered by the parent company Ascopiave S.p.A. to the associated companies subject to the partnership carried out in the 2019 financial year with the Hera Group.

At the end of the first quarter of the financial year, the *contributions paid by the Regulatory Authority for Energy, Networks and Environment* amounted to Euro 3,948 thousands, showing an increase equal to Euro 1,795 thousands compared to the quarter under comparison. The increase is mainly explained by the increase in the efficiency and

energy saving objectives assigned to the Group's distribution companies compared to the previous year. In addition, during the 2022 financial year, the Authority formally assigned the efficiency and energy saving target also to the subsidiary AP Reti Gas Nord Est S.r.l., determining the recognition of the contributions accrued by the same. This assignment was made in the last months of the year and, consequently, in the period under comparison, the charge that the Company may have suffered was set aside among the provisions for risks and charges. In previous years, in fact, the Company, despite the fact that due to its size and volumes managed it was potentially obliged to achieve energy saving objectives, was not formally included among the obliged companies.

Contributions are recognised for the achievement of the energy saving targets set by the Authority itself and published by means of a resolution defining the specific primary energy saving obligations of obligated distributors. The contributions recorded as at 31 March 2023 are counted by valuing the quantities of energy efficiency certificates accrued with respect to the 2023 target (regulatory period June 2023 - May 2024). Consequently, the unit contribution used for the economic quantification of the fulfilment is equal to the fair value of the projected contribution for the accruing contributions, as of 31 March 2023 equal to Euro 250, in line with the figure as of 31 March 2022.

In the first quarter of the year, revenues from the sale of electrical energy produced from renewable sources, in particular hydroelectric and wind power, amounted to Euro 2,322 thousand, an increase of Euro 327 thousand compared to the same period of the previous year.

They were significantly impacted by the effects of the Sostenuto Decree (DL 4/2022) issued by the Government during the first quarter of the financial year 2022. The decree provides for the substantial establishment of a cap on the sale prices of electricity produced, also incorporating producers of energy from renewable sources. The decree is effective as of 1 February 2022 and will remain in force until 30 June 2023. The revenue adjustment has been quantified according to the provisions set out in the decree itself to plants that the Gestore Servizi Energetici (GSE) has indicated as being included in the scope of the decree.

The item *other revenues* increased by Euro 208 thousand from Euro 884 thousand in Q1 2022 to Euro 1,092 thousand in Q1 2023. It should be noted that the enlargement of the consolidation perimeter led to the posting of other revenues amounting to Euro 85 thousand and therefore, with equal consolidation perimeter, the item recorded an increase of Euro 123 thousand.

31. Costs for the purchase of other raw materials

The following table highlights the costs related to the purchase of other raw materials for the periods considered:

(Thousands of Euro)	First quarter	
	2023	2022
Purchase of other raw material	803	895
Purchase costs for other raw materials	803	895

At the end of the first quarter of the year, the costs incurred for the purchase of other raw materials amounted to Euro 803,000, a decrease of Euro 92,000 compared to the same period of the previous year.

This item mainly includes costs for the purchase of materials used for the maintenance of infrastructures for the distribution of natural gas and its odorization.

32. Costs for services

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

(Thousands of Euro)	First quarter	
	2023	2022
Costs for counting meters reading	258	232
Mailing and telegraph costs	1	60
Maintenance and repairs	980	936
Consulting services	711	1,653
Commercial services and advertisement	23	69
Sundry suppliers	1,195	819
Directors' and Statutory Auditors' fees	221	323
Insurances	326	267
Personnel costs	123	171
Other managing expenses	353	513
Costs for use of third-party assets	7,736	6,386
Costs for services	11,929	11,428

With the same consolidation perimeter, the costs for services incurred in the first quarter of the year amounted to Euro 9,942 thousand, a decrease of Euro 1,486 thousand compared to the previous year. The enlargement of the consolidation perimeter determined the recognition of the costs for services incurred by the companies acquired on 1 April 2022, which amounted to Euro 1,986 thousand as of 31 March 2023.

With equal consolidation perimeter, the costs incurred for meter reading, amounting to Euro 202 thousand, show a decrease of Euro 30 thousand compared to the first quarter of the previous year (Euro 232 thousand as of 31 March 2022). The enlargement of the consolidation perimeter led to the entry of costs amounting to Euro 56 thousand.

With equal consolidation perimeter, maintenance and repair costs decreased from Euro 936 thousand in the period under comparison to Euro 867 thousand in the reference quarter, a decrease of Euro 70 thousand. The enlargement of the perimeter determined the recording of costs amounting to €113 thousand. The item mainly includes costs related to software fees and costs incurred for ordinary plant maintenance.

The enlargement of the consolidation perimeter led to the posting of costs for consulting services in the amount of Euro 361 thousand. With equal consolidation perimeter, the costs for consulting services amounted to Euro 350 thousand, showing a decrease of Euro 1,302 thousand compared to the same period of the previous year. The change is partly explained by the costs incurred in connection with the extraordinary transactions carried out in the previous year.

With equal consolidation perimeter, the costs sustained for the supply of gas and electricity amounted to Euro 990 thousands at the end of the first quarter of the financial year, showing an increase equal to Euro 170 thousands compared to the first quarter of the previous year. The change recorded is mainly explained by the trend in natural gas and electricity tariffs. We point out that the enlargement of the consolidation perimeter determined the inscription of costs for utilities equal to Euro 206 thousands.

Costs for the use of third-party assets incurred in the first quarter of the financial year, with equal consolidation perimeter, amounted to Euro 6,644,000, substantially in line with the financial year under comparison. The enlargement of the consolidation perimeter determined the entry of costs for the use of third-party assets sustained by the companies acquired on 1 April 2022 for Euro 1,092 thousand. The item mainly includes fees paid to local entities for the management of natural gas distribution concessions and in relation to hydroelectric and wind power plants located in the municipal territories of the same entities.

33. Personnel costs

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

(Thousands of Euro)	First quarter	
	2023	2022
Wages and salaries	5,844	5,450
Social security contributions	1,847	1,829
Severance indemnity	335	396
Other costs	2	15
Capitalized personnel costs	(2,651)	(2,549)
Personnel costs	5,377	5,140

Personnel costs are expressed net of costs capitalised by natural gas distribution companies against increases in intangible fixed assets for work carried out on a time and materials basis; these are directly attributed to the construction of infrastructures suitable for natural gas distribution and entered under assets.

The enlargement of the consolidation perimeter resulted in the recognition of costs incurred during the first quarter of the year by the companies acquired on 1 April 2022, which amounted to €408 thousand. With equal consolidation perimeter, personnel costs decreased from Euro 7,689 thousand in the first quarter of 2022, to Euro 7,620 thousand in the quarter of reference, reporting a decrease of Euro 69 thousand.

It should be noted that as of 31 March 2023, costs accrued in the period for long-term incentive plans of Euro 95 thousand and short-term incentive plans of Euro 149 thousand were recognised. It should also be noted that, in accordance with IFRS 2, the cost of long-term incentive plans has been set off against equity reserves in the amount of €18 thousand for the portion to be paid in shares and against pension funds in the amount of €77 thousand for the portion to be paid in cash. The amounts recognised in relation to long-term incentive plans refer to the last year of the three-year period 2021-2023, the period defined by the plans for the vesting of the bonus.

With the same consolidation perimeter, capitalised personnel costs increased by Euro 32,000, from Euro 2,549,000 in the period under comparison, to Euro 2,581,000 in the reference period. Capitalised personnel costs of the companies subject to the enlargement of the consolidation perimeter amounted to Euro 70 thousand.

As a result, personnel costs increased by a total of Euro 237,000.

The table below highlights the average number of Group employees by category for the quarters under comparison:

Description	31.03.2023	Expansion of the perimeter	At the same perimeter	31.03.2022	Variation on a like-for-like perimeter
Managers (average)	13	0	13	14	-1
Office workers (average)	323	19	305	309	-5
Manual workers (average)	174	16	159	154	5
No. of persoal employed of the companies hel for sale	510	34	476	477	-1

The enlargement of the consolidation perimeter led to an increase in the Group's workforce of 34 employees. Please note that, in relation to the number of resources related to the enlargement of the consolidation perimeter, the above table represents the personnel of Romeo Gas S.p.A. and Serenissima S.p.A..

34. Other operating costs

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

(Thousands of Euro)	First quarter	
	2023	2022
Provision for risks on credits	160	2
Other provisions	0	31
Membership and ARERA fees	144	64
Capital losses	915	75
Extraordinary losses	14	16
Other taxes	538	340
Other costs	354	326
Costs of contracts	489	442
Energy efficiency certificates	4,097	2,254
Other management costs	6,710	3,551

With equal consolidation perimeter, other operating costs increased from Euro 3,551 thousand in Q1 2022 to Euro 6,710 thousand in Q1 2023, showing an increase of Euro 3,159 thousand. The recorded increase is mainly explained by higher costs incurred for the purchase of energy efficiency certificates (Euro +1,863 thousand) related to the higher efficiency and energy saving objectives to which the Group companies are obliged to comply with and by higher capital losses for Euro 839 thousand.

During the financial year 2022, the Authority formally assigned the efficiency and energy saving objective for the same year also to the subsidiary AP Reti Gas Nord Est S.r.l., determining the recognition of the relative costs. In previous years, the Company, despite the fact that due to its size and volumes managed it was potentially obliged to achieve energy saving objectives, was not formally included among the obligated companies. The burden that the Company could suffer was consequently set aside in the provisions for risks and charges. The recognition of costs related to the achievement of the 2023 calendar year targets, related to the first quarter, amounted to €978 thousand.

The costs recognised at year-end for the purchase of energy efficiency bonds are calculated by valuing the quantity of bonds accrued with respect to the 2023 target (regulatory period June 2023 - May 2024). The unit cost for the securities not purchased at the closing date of this report is equal to the fair value of the prices recorded in the reference market, calculated as of 31 March 2023 as Euro 258.61 (Euro 260 as of 31 March 2022).

Other operating expenses also recorded increases related to higher capital losses generated by the replacement of meters.

The enlargement of the scope of consolidation resulted in the recognition of other operating costs incurred by the companies acquired on 1 April 2022 in the amount of Euro 124,000.

35. Other operating income

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

(Thousands of Euro)	First quarter	
	2023	2022
Other income	4,201	36
Other income	4,201	36

At the end of the first quarter of the year, other operating income increased by Euro 4,165,000, from Euro 36,000 at 31 March 2022, to Euro 4,201,000 in the quarter under review.

The recorded increase is mainly explained by the inscription of the capital gain, equal to Euro 4,046 thousand, accrued in relation to the sale of Romeo 2 S.r.l., which took place within the broader operation of rationalisation of natural gas distribution concessions carried out with Iren S.p.A., described among the significant events of this interim report.

36. Depreciation and Amortisation

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

(Thousands of Euro)	First quarter	
	2023	2022
Intangible fixed assets	9,452	8,130
Tangible fixed assets	1,967	1,878
Amortization of rights of use	304	267
Amortization and depreciation	11,723	10,275

With equal consolidation perimeter, amortisation and depreciation recorded an increase of Euro 201 thousand compared to the first quarter of the previous financial year, going from Euro 10,275 thousand in the period under comparison, to Euro 10,476 thousand as of 31 March 2023. The enlargement of the consolidation perimeter determined the recording of the amortisation and depreciation quotas accrued in the first quarter of the year in the companies acquired on 1 April, equal to Euro 1,248 thousand.

Financial income and expenses

37. Financial Income and Expenses

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

(Thousands of Euro)	First quarter	
	2023	2022
Interest income on bank and post office accounts	33	0
Other interest income	14	16
Other financial income	11	0
Proventi finanziari	58	16
Interest expense on banks	595	81
Interest expense on loans	1,508	518
Other financial expenses	608	254
Financial charges	2,712	853
Evaluation of subsidiary companies with net equity method	567	10,831
Evaluation of subsidiary companies with the net equity method	567	10,831
Total net financial expenses	(2,086)	9,994

Financial income and expenses showed a negative balance of Euro 2,086 thousand at the end of the first quarter of the year, a decrease of Euro 12,080 thousand compared to the same period of the previous year, at the end of which it was positive for Euro 9,994 thousand. The decrease is mainly explained by the contraction of the results achieved by the companies accounted for using the net equity method, which recorded a decrease equal to Euro 10,263 thousand.

The enlargement of the scope of consolidation, with the recognition of the net financial expenses accrued by the companies acquired on 1 April 2022, resulted in the recognition of expenses of €44,000.

On a like-for-like basis, financial income at the end of the first quarter of the year showed an increase of Euro 42 thousand compared to the same period of the previous year.

With equal consolidation perimeter, financial expenses were Euro 2,712 thousand at the end of the period examined,

an increase of Euro 1,815 thousand compared to the first quarter of the financial year under comparison. The increase in financial expenses was mainly explained by higher interest expenses accrued on short-term and medium/long-term variable rate loans, due to the increase in interest rates starting from the last months of 2022, as well as by the increase in indebtedness.

The item profit/(loss) of companies accounted for using the net equity method includes the consolidated profits accrued by the affiliate Estenergy S.p.A., a company 40% owned by the Ascopiave Group, as well as Cogeide S.p.A. 18% owned by the Ascopiave Group. At the end of the first quarter, the consolidated results of the affiliated companies, amounting to Euro 567 thousands, show a decrease equal to Euro 10,263 thousands compared to the same period of the previous year.

Taxes

38. Taxes for the financial year

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

(Thousands of Euro)	First quarter	
	2023	2022
IRES current taxes	(985)	(1,026)
IRAP current taxes	(527)	(373)
(Advance)/Deferred taxes	817	490
Substitute tax	(7)	(7)
Taxes for the period	(702)	(916)

With equal consolidation perimeter, accrued taxes decreased from Euro 916 thousand in the first quarter of the previous year to Euro 735 thousand in the quarter under review.

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

(Thousands of Euro)	First quarter	
	2023	2022
Earnings before tax	6,291	12,880
Taxes for the period	(702)	(916)
Percentage of income before taxes	11.2%	7.1%

The tax rate recorded as of 31 March 2023 was 11.2%, compared to 7.1% in the previous year. The tax rate, calculated by normalising the pre-tax result of the effects of the consolidation of the company consolidated using the equity method and the capital gain realised as part of the rationalisation transaction of gas distribution concessions, went from 44.7% as at 31 March 2022 to 41.8% as at 31 March 2023.

Net result from assets held for sale

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

(Thousands of Euro)	First quarter	
	2023	2022
Result of assets held for sale	44	0
Net income from discontinued operations/discontinued operations	44	0

The net result of assets held for sale as of 31 March 2023 is equal to Euro 44 thousand. It includes the economic result achieved in January by the branches object of the rationalisation operation 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 related to the Udine 2 Atem.

For a better view of the economic and financial performance of the companies reclassified pursuant to IFRS 5, please refer to the section 'Economic and financial performance of companies held for sale'.

Non-recurring components

Pursuant to CONSOB Communication No. 15519/2005, we report the absence of non-recurring items in this Interim Report as at 31 March 2023.

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 quarter of the year.

Economic, equity and financial performance of companies held for sale

The economic results of companies held for sale

The table below highlights the income statement of the assets reclassified pursuant to IFRS 5 as held for sale. These data represent the result accrued during the month of January on the branches of Romeo Gas S.p.A. and Edigas Distribuzione Gas S.p.A., which were subject to sale as a result of the finalisation of the rationalisation agreement of the natural gas distribution concessions between Ascopiave and Iren on 31 January 2023.

They also represent the result accrued during the first quarter of the year from the natural gas distribution concessions that were subject to delivery on 1 April 2023 following the awarding of the tender related to the Udine 2 Atem.

(Thousands of Euro)	31.03.2023
Revenues	577
Total operating costs	381
Purchase costs for other raw materials	70
Costs for services	148
Costs for personnel	68
Other management costs	94
Other income	0
Amortization and depreciation	109
Operating result	87
Financial income	0
Financial charges	4
Share of profit/(loss) of accounted for companies	0
Earnings before tax	83
Taxes for the period	39
Result for the period	44

The table below highlights the balance sheet balances as of 31 March 2023 of assets reclassified pursuant to IFRS 5 as held for sale. These data represent the stocks related to the natural gas distribution concessions that were subject to delivery on 1 April 2023 following the award of the tender related to the Udine 2 Atem.

(Euro)	31.03.2023
ASSETS	
Non-current assets	
Other intangible assets	3,583
Tangible assets	64
Non-current assets	3,647
Current assets	
Current assets	0
ASSETS	3,647
Liabilities and Equity	
Net Assets	0
Non-current liabilities	0
Current liabilities	0
Liabilities	0

Business Combinations

ASCO TLC S.p.A.

On 14 March 2023, the Hera Group, through its subsidiary Acantho, and the Ascopiave Group finalised the acquisition of 92% of the shares of Asco TLC, with shares of 36.8% and 55.2%, respectively. The closing follows the award, at the end of November 2022, of the public tender procedure called by Asco Holding for the sale of 92% of the shares in Asco TLC, held by Asco Holding itself and the Treviso-Belluno Chamber of Commerce, and the subsequent signing on 29 December 2022 of the related contractual documentation between the Hera Group and the Ascopiave Group. The acquisition price, settled in cash, is Euro 37,168 thousand, of which Euro 22,301 thousand paid by Ascopiave S.p.A..

Asco TLC, a company that has been active since 2001 in the provision of ICT services mainly to corporate customers and public administrations, has a significant proprietary territorial network, located in the Veneto and Friuli-Venezia Giulia regions for more than 2,200 km of fibre optic backbones, 56 radio links and 24 xDSL exchanges in unbundling, and provides its services to more than 2,700 customers.

The higher value paid compared to the book values of equity at the acquisition date was prudentially allocated to goodwill.

The business combination was provisionally accounted for as of 31 March 2023 in accordance with IFRS 3.62.

Specifically, the fair values assigned to the identifiable assets and liabilities in ASCO TLC S.p.A. at the acquisition date are as follows:

(Thousands of Euro)	Pro-quota accounting values	Greater values allocated	Fair values encountered upon acquisition
Other Intangible assets	301		301
Tangible assets	6,083		6,083
Other non-current assets	47		47
Advance tax receivables	121		121
Non-current assets	6,552		6,552
Inventories	520		520
Trade receivables	929		929
Other current assets	823		823
Tax receivables	148		148
Cash and cash equivalents	973		973
Current assets	3,392		3,392
Assets	9,944		9,944
Provisions for risks and charges	8		8
Severance indemnity	319		319
Other non-current liabilities	226		226
Non-current financial liabilities	61		61
Non-current Liabilities	614		614
Commercial debts	486		486
Other current liabilities	464		464
Current financial liabilities	33		33
Current liabilities	1,019		1,019
Liabilities	1,633		1,633
Total assets / Liabilities of the acquired company			8,311
Goodwill arising from the acquisition			13,989
Total cost of the acquisition			22,301
Total net liquidity of the company			1,763
Payments			22,301
Net liquidity absorbed by the acquisition			20,538

For more information on the acquisition, please refer to the section 'Significant events during the first three months of the financial year 2023' of this interim report.

Romeo Gas S.p.A.

On 31 January 2023, Ascopiave and Iren finalised the transaction to rationalise some assets in the natural gas distribution service; in particular, with this transaction, the Ascopiave Group acquired the remaining shares of 19.7% of Romeo Gas S.p.A., thus holding 100% of the company.

The higher value paid with respect to the book values of the net worth was reflected in the higher value recognised in the acquired assets in the amount of Euro 3,357,000 net of the tax effect.

Commitments and risks

Guarantees given

The Group has provided the following guarantees as at 31 March 2023:

Guarantees held by companies within the scope of consolidation:

(Thousands of Euro)	31 th March 2023	31 th December 2022
Patronage su linee di credito	6,307	6,307
On execution of works (letter of comfort)	4,966	6,710
On distribution concession (letter of comfort)	6,691	6,206
On purchase/sale of shares (letter of comfort)	0	4,832
On lease agreements	0	13
On concessions for water derivations for hydroelectric use	53	912
On the sale of energy produced from renewable sources	120	120
On participation in the tender	231	0
on occupation of public spaces and areas	0	106
On renewable energy production plants	5,673	6,168
Total	24,042	31,374

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
On credit lines	0	0
Patronage to cover the obligations deriving from the related relationships	28,375	28,375
On UTF offices and regions for taxes on gas (letter of comfort)	1,850	1,850
Total	30,225	30,225

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

Risk factors and uncertainty

Information on agreements not shown in the balance sheet

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

Financial risk management: objectives and criteria

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

Operating activities, on the other hand, expose the Group to possible credit risks with counterparties. The Group is also subject to liquidity risk, as the available financial resources may not be sufficient to meet its financial obligations on the terms and deadlines envisaged. The Board of Directors reviews and agrees on policies to manage these risks, described below.

Interest rate risk

The Group manages its liquidity needs by means of temporary credit lines and short-term loans at variable rates, which, due to their continuous fluctuation, do not allow for easy hedging against interest rate risk, by means of medium/long-term loans with fixed and variable rates and by issuing bonds with fixed rates.

The medium/long-term loans managed by the Group, regulated at both variable and fixed rates, had a residual debt as of 31 March 2023 of €280,226,000 and maturities between 1 April 2023 and 24 March 2032.

The medium/long-term bank loans at variable interest rates have a repayment term between 2023 and 2030, and as of 31 March 2023 had a total residual debt of €204,740 thousand (€219,416 thousand as of 31 December 2022), of which €112,278 thousand was hedged by underwriting financial derivatives, for which the interest rate risk was therefore sterilised.

It should be noted that as of 31 March 2023, the derivative instruments hedging the risk of interest rate fluctuations, relative to the loans underwritten with BNL, Credit Agricole - Friuladria, Intesa Sanpaolo and Mediobanca, detailed in paragraphs no. 14 "Current assets on derivative financial instruments" and no. 29 "Current liabilities on derivative financial instruments", showed an overall positive mark-to-market of €5,149 thousand and were effective.

The loans underwritten with BNL, BPER (originally underwritten with UBI Banca, then transferred to BPER following the reorganisation of the bank), Cassa Centrale Banca and Intesa Sanpaolo with a total residual debt at the end of the period of Euro 75,138 thousand, as well as the bond loan with a residual debt at the end of the period of Euro 95,000 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, which have been met.

For further details, please refer to section no. 19 "Medium- and long-term loans".

Sensitivity analysis to interest rate risk

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

(Thousands of Euro)	I qtr 2023	
Net Financial Position 2018	(421,040)	
Borrowing rates of interest	0.926%	
Lending rates of interest	1.91%	
Borrowing rate of interest plus 200 basis points	2.93%	
Lending rates of interest plus 200 basis points	3.91%	
Borrowing rate of interest reduced of 50 basis points	0.43%	
Lending rates of interest reduced of 50 basis points	1.41%	
Net Financial Position recalculated with the increase of 200 basis points	(423,116)	
Net Financial Position recalculated with decrease of 50 basis points	(420,521) Total	
Effect on pre-tax result of the increase of 200 basis points	(2,076)	(2,076)
Effect on pre-tax result of the decrease of 50 basis points	519	519

The sensitivity analysis, obtained by simulating a variation in the interest rates applied to the Group's credit lines of 50 basis points in decrease (with a minimum limit of zero basis points), and 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 2,076 thousand and an improvement of Euro 519 thousand.

Credit risk

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

Liquidity risk

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

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

Risks specific to the business sectors in which the Group operates

Regulation

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

Capital Management

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

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

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

(Thousands of Euro)	31 th March 2023	31 th December 2022
Financial position in the short term	180,462	134,786
financial position in the medium-long term	252,871	277,071
Net Financial Position	433,333	411,857
Share capital	234,412	234,412
own shares	(55,423)	(55,423)
Reserves	689,348	674,750
Undistributed net profit	5,821	32,664
Total Net equity	874,158	886,403
Total sources of funding	1,307,491	1,298,260
Net financial position / Net equity ratio	0.50	0.46

The NFP/shareholders' equity ratio as at 31 March 2023 was 0.50, an increase compared to 31 December 2022.

The trend in this indicator is related to the combined effect of the change in Net Financial Position, which worsened by €21,476 thousand during the quarter, and in Shareholders' Equity, which decreased by €12,247 thousand, changes due to investments made, the result accrued in the period, and partly due to the normal flow related to ordinary activities.

Sector information

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

For the purposes of the information required by IFRS 8 "Segment Reporting Operating Segments" the company has identified the "gas distribution", "renewable energy" and "other" segments as the business segments subject to disclosure. Specifically, the "other" segment includes the activities of cogeneration, heat supply, water service and the results of the parent company.

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

The following tables present information regarding the Group's business segments for the first quarter of the financial year 2023 and the first quarter of the financial year 2022.

3M 2023 (Thousands of Euro)	31.03.2023					
	Gas Distribution	Renewables energies	Other	Values from new acquisitions	Elisions	Total
Net revenues to third party customers	33,600	2,412	377	4,330		40,719
Intragroup revenues between segments	1,411	0	1,585	155	(3,151)	0
Segment revenue	35,011	2,412	1,962	4,485	(3,151)	40,719

3M 2022 (Thousands of Euro)	31.03.2022					
	Gas Distribution	Renewables energies	Other	Values from new acquisitions	Elisions	Total
Net revenues to third party customers	30,421	2,014	1,703	0		34,139
Intragroup revenues between segments	1,220	1	1,163	0	(2,385)	0
Segment revenue	31,642	2,016	2,866	0	(2,385)	34,139

Transactions with related parties

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

(Thousands of Euro)	31.03.2023										
	Trade receivables	Other receivables	Trade payables	Other payables	Costs			Revenues			
					Goods	Services	Other	Goods	Services	Other	
Asco Holding S.p.A.	56	184	27	0	0	15	0	0	0	39	0
Total parent company	56	184	27	0	0	15	0	0	0	39	0
Bim Piave Nuove Energie S.r.l.	128	0	4	0	0	4	0	0	0	61	0
Total affiliated companies	128	0	4	0	0	4	0	0	0	61	0
ASM Set S.r.l.	33	0	0	0	0	0	0	0	0	1,506	0
Etra Energia S.r.l.	37	0	0	0	0	0	0	0	0	125	0
Estenergy S.p.A.	1,652	0	0	0	0	0	0	0	0	32,426	0
Total subsidiary companies	1,721	0	0	0	0	0	0	0	0	34,057	0
Total	1,905	184	32	0	0	20	0	0	0	33,957	0

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

Ascopiave S.p.A., AP Reti Gas S.p.A., AP Reti Gas Rovigo S.r.l., Edigas Esercizio Distribuzione Gas S.p.A. and Asco Energy S.p.A. had adhered to the consolidation of tax relations in the parent company Asco Holding S.p.A.. The same lapsed due to the change in the latter's financial year, 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.

The Group has the following transactions with related parties:

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

Concerning affiliated companies

- towards Bim Piave Nuove Energie S.r.l.:
 - o Trade receivables relate to administrative, IT, personnel and facility services provided by Ascopiave S.p.A.;
 - o Revenues for services refer to administrative, IT, personnel and facility services provided by Ascopiave S.p.A.;
 - o Trade payables relate to the maintenance service for heating and cooling systems supplied to Ascopiave S.p.A.;
 - o Service costs relate to the maintenance service of heating and cooling systems supplied to Ascopiave S.p.A..

Concerning affiliated companies:

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

It should be noted that:

- economic transactions between Group companies and subsidiaries and affiliated companies take place at market prices and are eliminated in the consolidation process;
- transactions undertaken 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-correlate-GruppoAscopiave-20101124.pdf>.

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

Financial statements presented in accordance with Consob Resolution 15519/2006

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

Consolidated Statement of Financial Position

(Thousand of Lungs)	31.03.2023	of which related parties						31.12.2022	of which related parties									
		A	B	C	D	Totale	%		A	B	C	D	Totale	%				
ASSETS																		
Non-current assets																		
Goodwill	75,335							61,346										
Other intangible assets	701,398							698,397										
Tangible assets	149,079							138,432										
Shareholdings in controlled company	348,383			348,383		348,383	100.0%	358,029		358,029		358,029	100.0%					
Shareholdings in other company	78,257							78,257										
Other non-current assets	4,607							4,625										
Non current financial assets	2,880							2,868										
Advance tax receivables	40,134							39,252										
Non-current assets	1,400,074			348,383		348,383	24.9%	1,381,206		358,029		358,029	25.9%					
Current assets																		
Inventories	15,299							7,336										
Trade receivables	25,709	56	128	1,721		1,905	7.4%	20,104	80	43	3,835		3,958	19.7%				
Other current assets	130,891	184				184	0.1%	133,880	174				174	0.1%				
Current financial assets	812							820										
Tax receivables	4,305							4,100										
Cash and cash equivalents	63,007							76,917										
Current assets from derivative financial instruments	7,056							6,661										
Current assets	247,079	240	128	1,721		2,089	0.8%	249,818	254	43	3,835		4,132	1.7%				
Non-current assets held for sale	3,672							16,592										
Assets	1,650,825	240	128	350,104		350,472	21.2%	1,647,616	254	43	361,864		362,161	22.0%				
NET EQUITY AND LIABILITIES																		
Total Net equity																		
Share capital	234,412							234,412										
Own shares	(55,423)							(55,423)										
Reserves and result for the period	676,142							687,291										
Net equity of the Group	855,130							866,280										
Net equity of Others	19,028							20,123										
Total Net equity	874,158							886,403										
Non-current liabilities																		
Provisions for risks and charges	1,071							996										
Severance indemnity	5,441							5,011										
Outstanding medium- and long-term bonds	83,581							94,033										
Medium- and long-term bank loans	164,829							178,538										
Other non-current liabilities	38,142							37,458										
Non-current financial liabilities	7,341							7,368										
Deferred tax payables	22,563							19,608										
Non-current liabilities	322,969							343,012										
Current liabilities																		
Short-term outstanding bonds	10,163							0										
Payables due to banks and financing institutions	233,097							183,285										
Trade payables	167,376	27	4	41,210		41,241	24.6%	180,195	37	66	34,875		34,978	19.4%				
Tax payables	2,941							1,336										
Other current liabilities	34,168							17,507										
Current financial liabilities	5,954							34,911										
Current liabilities from derivative financial instruments	0							164										
Current liabilities	453,699	27	4	41,210		41,241	9.1%	417,398	37	66	34,875		34,978	8.4%				
Non-current liabilities held for sale	0							803										
Liabilities	776,668	27	4	41,210		41,241	5.3%	761,213	37	66	34,875		34,978	4.6%				
Net equity and liabilities	1,650,825	27	4	41,210		41,241	2.5%	1,647,616	37	66	34,875		34,978	2.1%				

Related party column header legend:

A Parent companies

B Subsidiaries

C Associated and jointly controlled companies

D other related parties

Consolidated Statement of Comprehensive Income

(Thousands of Euro)	First quarter 2023							First quarter 2022						
	A	B	C	D	Totale	%	A	B	C	D	Totale	%		
Revenues	40,719	39	61		100	0.20%	34,139	45	17	14,241	14,303	41.90%		
Total operating costs	20,618	15	4	34,057	320	34,396	166.80%	20,978	12	187	17	149	365	1.70%
Purchase costs for other raw materials	803						895							
Costs for services	11,929	15	4	34,057	221	34,297	287.50%	11,428	12	187	17	52	268	2.30%
Costs for personnel	5,377				99	99	1.80%	5,140				97		
Other management costs	6,710						3,551							
Other income	4,201						36							
Amortization and depreciation	11,723						10,275							
Operating result	8,378	24	57	(34,057)	(320)	(34,296)	(409.40%)	2,886	33	170	14,224	149	13,938	483.00%
Financial income	58						16							
Financial charges	2,712						853							
Evaluation of subsidiary companies with the net equity method	567			567		567	100.00%	10,831		10,831			10,831	100.00%
Earnings before tax	6,291	24	57	(33,490)	(320)	(33,729)	(536.10%)	12,880		25,055			25,055	194.50%
Taxes for the period	(702)						(916)							
Result for the period	5,589						11,963							
Net income from discontinued operations/discontinued operations	44						0							
Net result for the period	5,633						11,963							
Group's Net Result	5,821						12,184							
Third parties Net Result	(188)						(221)							
Consolidated statement of comprehensive income														
1. Components that can be reclassified to the income statement														
Fair value of derivatives, changes in the period net of tax	(394)						1,731							
Fair value of derivatives relating to associated companies, changes in the period net of tax	(10,213)						2,678							
2. Components that can not be reclassified to the income statement														
Actuarial (losses)/gains from remeasurement on defined-benefit obligations net of tax														
Fair value valuation of investment in other companies														
Total comprehensive income	4,974						16,373							
Group's overall net result	(4,868)						16,593							
Third parties' overall net result	(106)						(221)							
Base income per share	0.027						0.056							
Diluted net income per share	0.027						0.056							

Related party column header legend:

A Parent companies

B Subsidiaries

C Associated and jointly controlled companies

D other related parties

Consolidated Cash Flow Statement

(Thousands of Euro)	First	of which related parties					First	of which related parties				
	quarter	A	B	C	D	Totale	quarter	A	B	C	D	Totale
2023	2022						2022					
Net income of the Group	(4,868)						16,593					
Cash flows generated (used) by operating activities												
Adjustments to reconcile net income to net cash						0						0
Third-parties operating result	(106)						(221)					
Fair value of derivatives relating to associated companies, changes in the period net of tax	10,213					0	(2,678)					0
Changes in HA reserves for MTM derivatives	394					0	(1,731)					0
Amortization	11,723					0	10,353					0
Bad debt provisions	160					0	2					0
Depreciation of fixed assets	899					0	49					0
Variations in severance indemnity	130					0	30					0
Current assets / liabilities on financial instruments	(953)					0	(24)					0
Net variation of other funds	61					0	1,360					0
Evaluation of subsidiaries with the net equity method	(567)			(567)		(567)	(10,831)			(19,892)		(19,892)
Capital gains on the sale of shareholdings	(4,046)					0						0
Other changes in the income statement that do not generate cash flows	(2,347)					0						0
Interests paid	(2,886)					0	(636)					0
Interest expense for the period	2,712					0	775					0
Taxes for the period	702					0	916					0
Total adjustments	16,088					0	(2,636)					0
Variations in assets and liabilities												
Inventories	(7,098)					0	(510)					0
Accounts payable	(4,118)	24	(85)	2,114		2,053	(4,897)	(22)	119	(7,915)		(7,818)
Other current assets	4,480	(10)				(10)	779	427				427
Trade payables	(13,518)	(10)	(62)	6,335		6,263	(318)	(24)	(12)	800		764
Other current liabilities	17,877					0	19,723					
Other non-current assets	104					0	15					
Other non-current liabilities	274					0	138					
Total adjustments and variations	(1,999)	4	(14)	8,449	0	8,306	14,931	380	107	(7,115)	0	(6,627)
Cash flows generated (used) by operating activities	9,222	4	(147)	7,882	0	7,739	28,888	380	107	(27,007)	0	(26,519)
Cash flows generated (used) by investments												
Investments in intangible assets	(11,714)					0	(11,051)					0
Realization of in intangible assets	13,538					0	0					0
Investments in tangible assets	(1,874)					0	(2,012)					0
Realization of in tangible assets	807					0	0					0
Disposal / (acquisitions) in shareholdings and advances	(32,775)					0	(37,110)					0
Cash flows generated/(used) by investments	(32,018)					0	(50,173)					0
Cash flows generated (used) by financial activities												
Net changes in short-term bank borrowings	(15,567)					0	(25,616)					0
Ignitions outstanding medium- and long-term bonds	0					0	70,070					0
Net variation in current financial assets and liabilities	(29,247)					0	(177)					0
Ignitions loans and mortgages	132,700					0	130,000					0
Redemptions loans and mortgages	(79,000)					0	(70,000)					0
Cash flows generated (used) by financial activities	8,886					0	104,277					0
Variations in cash	13,910	0	0	0	0	0	82,993	0	0	0	0	0
Cash and cash equivalents at the beginning of the period	76,917					0	42,539					0
Cash and cash equivalents at the end of the period	63,007					0	125,533					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)	First quarter 2023	of which related parties						First quarter 2022	of which related parties					
		A	B	C	D	Totale	%		A	B	C	D	Totale	%
A Cash and cash equivalents	63,007					0		76,917					0	
B Equivalent to cash and cash equivalents	0					0		0					0	
C Other current financial assets	5,745					0		6,493					0	
- of which related parties	0					0		0					0	
D Liquid assets (A) + (B) + (C)	68,752	0	0	0	0	0		83,410	0	0	0	0	0	0
E Current financial liabilities (including debt instruments, but excluding the current portion of non-current financial debt)	(133,817)					0		(98,917)					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	(115,397)					0		(119,280)					0	
-of which related parties	0					0		0					0	
G Current financial indebtedness (E) + (F)	(249,214)	0	0	0	0	0		(218,197)	0	0	0	0	0	0
H Net current financial indebtedness (D) + (G)	(180,462)	0	0	0	0	0		(134,787)	0	0	0	0	0	0
I Non-current financial debt (excluding the current portion and debt instruments)	(255,751)					0		(279,939)					0	
J Debt instruments	0					0		0					0	
K Trade payables and other non-current payables	0					0		0					0	
L Non-current financial indebtedness (I) + (J) + (K)	(255,751)	0	0	0	0	0		(279,939)	0	0	0	0	0	0
M Net financial indebtedness (H) + (L)	(436,213)	0	0	0	0	0		(414,726)	0	0	0	0	0	0

Related party column header legend:

A Parent companies

B Subsidiaries

C Associated and jointly controlled companies

D other related parties

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

Group A - parent companies:

- Asco Holding S.p.A.

Group B - Associated Companies:

- Bim Piave Nuove Energie S.r.l.

Group C - Associated and jointly controlled companies:

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

Group D - other related parties:

- Board of Directors
- Mayors
- Strategic managers

Significant events after the end of the first quarter of the financial year 2023

Shareholders' agreements - variation

On 12 April 2023, pursuant to current laws and regulations, Ascopiave S.p.A. shall disseminate to the public the extract of the shareholders' agreement transmitted to Ascopiave pursuant to Article 122, paragraph 1 of Legislative Decree no. 58 of 24 February 1998, and published on 8 April 2023 by the signatories of the agreement in the national daily newspaper "Italia Oggi". Pursuant to Articles 65-quinquies, 65-sexies and 65-septies of the Issuers' Regulations, the aforesaid documentation is available to the public at the company's registered office, at Borsa Italiana S.p.A., on the authorised storage mechanism "eMarket STORAGE" (www.emarketstorage.com) of Teleborsa S.r.l., as well as in the Corporate Governance section of the website www.gruppoascopiave.it. In the Corporate Governance section of the website www.gruppoascopiave.it, a copy of the extract of the shareholders' agreement published in the aforementioned national daily newspaper has also been made available.

Ordinary Shareholders' Meeting dated 18 April 2023

On 18 April 2023, the Ordinary Shareholders' Meeting of Ascopiave S.p.A. met under the chairmanship of Mr. 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 2022 and resolved to distribute an ordinary dividend of EUR 0.13 per share, for a total of EUR 28.2 million, an amount calculated on the basis of the shares outstanding at the end of the financial year 2022. The ordinary dividend will be paid on 4 May 2023 with detachment of the coupon, identified with the number 198, on 2 May 2023 (record date 3 May 2023).

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

The Shareholders' Meeting also cast a favourable advisory vote on the second section of the report on remuneration policy and remuneration paid prepared pursuant to Article 123-ter of the Consolidated Law on Finance (i.e., the report on remuneration paid in the financial year 2022).

The Ordinary Shareholders' Meeting resolved on the appointment of the members of the Board of Directors and the Board of Statutory Auditors of the Company, who will remain in office for three financial years until the approval of the financial statements as at 31 December 2025. The Board of Directors appointed by the Shareholders' Meeting is composed of 7 directors elected on the basis of the candidate lists submitted by the Shareholders.

Given the result of the voting, out of no. 312,032,351 votes represented at the Shareholders' Meeting, list no. 1 presented by Asco Holding S.p.A. obtained no. 254,132,776 votes equal to 81.444% of the voting participants and equal to 64.439% of the total voting rights; list no. 2 presented by ASM Rovigo S.p.A. obtained no. 56,329,419 votes equal to 18.052% of the voting participants and equal to 14.283% of the total voting rights.

Therefore, in compliance with the provisions of Article 15.12 of the Bylaws, from the list presented by the majority shareholder Asco Holding S.p.A., owner of 51.157% of the share capital and equal to 60.813% of the voting capital, Messrs. Luisa Vecchiato, Nicola Ceconato, Federica Monti, Greta Pietrobon, Enrico Quarello, and Giovanni Zoppas were elected as directors. From the list presented by the shareholder ASM Rovigo S.p.A., which resulted second in terms of number of votes obtained, Mr. Cristian Novello, the first candidate on the list, was elected director. The Shareholders' Meeting also appointed Mr. Nicola Ceconato as Chairman of the Board of Directors.

The Shareholders' Meeting also resolved to set at Euro 380,000 the total annual remuneration due to the Board of Directors to be paid, in compliance with the laws in force, Euro 80,000 to the Chairman and Euro 50,000 to each of the other directors, starting from the date of assumption of office and until the end of the mandate, without prejudice to the Board's right to determine a further remuneration for directors holding special offices in compliance with the Articles of Association pursuant to Article 2389, paragraph 3 of the Italian Civil Code.

Given the outcome of the voting, for the appointment of the Board of Statutory Auditors out of no. 312,032,351 votes represented at the Shareholders' Meeting, list no. 1 presented by Asco Holding S.p.A. obtained no. 254,132,776 votes equal to 81.444% of the voting participants and equal to 64.439% of the total voting rights; list no. 2 presented by ASM Rovigo S.p.A. obtained no. 56,325,392 votes equal to 18.051% of the voting participants and equal to 14.282% of the total voting rights.

Therefore, the Board of Statutory Auditors appointed by today's Shareholders' Meeting was elected on the basis of the candidate lists submitted by the Shareholders. Pursuant to Article 22.5 of the Articles of Association, from the list

presented by the majority shareholder Asco Holding S.p.A., owner of 51.157% of the share capital and equal to 60.813% of the voting capital, which obtained the highest number of votes, Mr. Luca Biancolin and Ms. Barbara Moro were elected as standing auditors and Mr. Matteo Cipriano as alternate auditor. From the list presented by the shareholder ASM Rovigo S.p.A., owner of 4.399% of the share capital and equal to 5.229% of the voting capital, Dr. Giovanni Salvaggio was elected standing auditor and Chairman of the Board of Statutory Auditors, and Dr. Marco Bosco alternate auditor.

The Shareholders' Meeting also set the remuneration of the Board of Statutory Auditors, pursuant to Article 2402 of the Italian Civil Code, in the amount of Euro 50,000 gross per annum for the Chairman of the Board of Statutory Auditors and Euro 32,000 gross per annum for each Statutory Auditor.

Finally, the Shareholders' Meeting approved the authorisation to purchase and dispose of treasury shares, subject to revocation of the previous authorisation granted by the Shareholders' Meeting of 28 April 2022, which was scheduled to expire on 28 November 2023.

Sustainability Report 2022 approved

On 18 April 2023, Ascopiave S.p.A. announced that the 2022 Sustainability Report, approved by the Board of Directors of Ascopiave S.p.A. in its meeting of 13 April 2023, following the positive opinion of the Sustainability Committee, was published in the "Sustainability" section of its website. The Sustainability Report illustrates the Company's commitment with regard to "Environmental, Social and Governance" factors and provides an overview of the initiatives promoted by the Ascopiave Group with regard to corporate social responsibility.

Group objectives and policies

As regards the natural gas distribution segment, the Group intends to enhance its portfolio of concessions by aiming to reconfirm itself in the management of the service in the minimum territorial areas in which it has a significant presence, and to expand into other areas, with the goal of increasing its market share and strengthening its local leadership. The Group also intends to enhance its investment in renewable energy sources by increasing its presence in this sector as well, in line with the 2022-2026 strategic plan approved in the first quarter of the year. With regard to the natural gas and electricity sales segment, Ascopiave, at the end of 2019, entered into a commercial partnership with the Hera Group, through the common participation in Estenergy. This company, which heads a Group with more than one million customers, is a primary reality with a strong territorial presence in the Triveneto region. Ascopiave intends to give continuity to the partnership, counting however on being able to exercise the put option held on its shares should the need arise to finance new investment opportunities in sectors that the Group deems to be of greater interest, as indicated in the 2022-2026 strategic plan approved and presented to the market on 9 February 2023.

Pieve di Soligo, 11 May 2023

The Chairman of the Board of Directors
Nicola Ceconato

DECLARATION
(Translation from the original issued in Italian)

Certification of the Interim Quarterly Report
as of 31st March 2023

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

I the undersigned, dr. Riccardo Paggiaro, in my position as Manager Designate for preparing the financial and company documents of Ascopiave S.p.A. herein declare, to the best of my 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 31st March 2023 tallies with the documental results, book-keeping entries and the accounting records.

Pieve di Soligo, 11th May 2023

Ascopiave S.p.A.
dott. Riccardo Paggiaro

Gruppo Ascopiave

Via Verizzo, 1030 - 31053 Pieve di Soligo (TV) - Italia
Tel: +39 0438 980098 - Fax: +39 0438 82096
Email: info@ascopiave.it - www.gruppoascopiave.it