

## Press release

Price sensitive

**Increase of the shareholding in AGS S.p.A. by the Municipality of Arco towards the exchange of the natural gas network and other infrastructure and the agreement of a Developing Activity Plan in the territory of the Municipality.**

- THE BOARD OF DIRECTORS OF AGS AND THE GOVERNING BODY OF THE MUNICIPALITY OF ARCO APPROVE THE TRANSACTION FOR A TOTAL VALUE OF MORE THAN 3.8 MILLIONS OF EURO
- THE MUNICIPALITY OF ARCO GOES UP TO 6.10% OF THE EQUITY CAPITAL OF AGS
- AGS ACQUIRES THE NATURAL GAS NETWORK OF THE MUNICIPALITY AND EXCHANGES NUMBER 27.058 OF ITS OWN SHARES FOR A VALUE OF 128.50 EURO EACH AND A FURTHER AMOUNT IN CASH
- AGREED THE DEVELOPING ACTIVITY PLAN FOR A FURTHER INCREASE OF THE INFRASTRUCTURE IN THE TERRITORY OF THE MUNICIPALITY OF ARCO BY AGS IN A MIDDLE TERM

The Municipality of Arco, shareholder of Alto Garda Serviçi S.p.A. with a previous shareholding of 0.0448% of the entire equity capital, currently of 446,808 shares, increases its own shareholding up to 6.10%, becoming the second public shareholder following the Municipality of Riva del Garda.

AGS S.p.A, mixed private-public company, controlled by the Municipality of Riva del Garda and with shareholders all the Municipality of the so-called Alto Garda and Ledro area, sold the Municipality of Arco the shareholding of its own shares, equal to number 27,058 shares, of a value 128.50 Euro per share; as exchange, AGS S.p.A. received, with a off-set in cash, the natural gas network and the other infrastructure previously owned by the Municipality on its territory.

Such network is of 54.789 km of pipes, which increase the 17,206 km of pipes already owned by AGS S.p.A. in the municipality territory.

Following the transaction, AGS's natural gas will be of more than 216 km of pipes.

AGS is an important and strategical enterprise in the frame of the so-called Alto Garda and Ledro area, for its role in the energetic field, from the district heating to the alternative sources, as well as operating in other fields and infrastructures of network, by way of example the optic fiber.

The company's work in the district heating sector is particularly significant with the construction over the last ten years of the network in the Municipality of Riva del Garda and the participation in a special company (Alto Garda Power srl) which supplies AGS Spa with the necessary heat to the supply of district heating to customers connected to the Riva del Garda network, in addition to the development of other production in the field of alternative energy through the subsidiary Ledro Energia Srl, a company operating in the territory of Ledro, a hamlet of Tiarno di Sopra, where it has built a biomass cogeneration plant with its district heating network.

In order to implement infrastructural interventions and specific investments in the municipal area to develop the use of alternative energy, to disseminate the services to networks, technology networks and more, AGS Spa has proposed a Development Activities Plan that concerns in the middle term the territory of the Municipality of Arco.

This is a strategic document shared with the Municipality that significantly qualifies the entire operation of increasing participation, significantly supporting its purposes. This is not an operational plan, but a document of intent in which are briefly reported some actions that the Company intends to pursue.

The same refers to economically sustainable projects that the company, in compliance with current regulations, intends to activate in the energy field such as: **a)** the construction of one or more high efficiency cogeneration plants and a district heating network, in certain areas of the municipal territory, an initiative that, in the light of the community discipline and the directives adopted by the Autonomous Province of Trento, is part of the so-called "intelligent" interventions from the environmental point of view as sustainable and high-tech eco; **b)** construction of mini plants producing energy from renewable sources (photovoltaic, hydroelectric, cogeneration) and heat distribution; **c)** infrastructures of the territory with fiber optic networks (ultra wide band), **d)** implementation of energy efficiency measures and solutions to face energy-environmental problems in favor of subjects and bodies operating in the municipal territory; and **e)** installation and management of electric charging points for mobility.

The Municipality of Arco considered important to increase its participation in the AGS Spa in order to better orientate certain structural interventions in the territory to the benefit of the community of Arco and in the perspective that it could increasingly become an instrument for the management of certain public services of an economic nature, as well as being a company that has always operated in a strategic sector for the territory, such as energy and renewable sources.

Consolidating participation in a company that operates strongly in the field of alternative energy development, allows the Municipality to better pursue the objectives set by the Provincial Environmental Energy Plan and ultimately by the provisions of the same Community policies and directives on the matter. incentives for the realization on the territory of plants powered by renewable sources, cogeneration plants and in the energy field, as well as directing choices and investments in the field of district heating and other network infrastructures also on its territory in favor of the general interest of the citizenship, thus pursuing its institutional aims.

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