

PRESS RELEASE

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- **REVENUES OF EURO 11.74 MILLION, IN LINE WITH THE PREVIOUS YEAR**
- **NET PROFIT OF EURO 2.87 MILLION, IN LINE WITH THE PREVIOUS YEAR**
- **EBITDA OF EURO 2.48 MILLION, IN LINE WITH THE PREVIOUS YEAR**
- **NET FINANCIAL DEBT OF EURO 5.83 MILLION, A DECREASE OF EURO 3.14 MILLION COMPARED TO 31 DECEMBER 2018**
- **PROPOSED GROSS DIVIDEND OF EURO 1.80 PER SHARE**
- **THE SHAREHOLDERS' MEETING OF THE COMPANY IS CALLED FOR 20 APRIL 2020 ON FIRST CALL AND FOR 19 MAY 2020 ON SECOND CALL**

Riva del Garda, 17 March 2020 - Alto Garda Servizi S.p.A. announces that at the Board meeting held on 17 March 2020, the Board of Directors of the Company examined and approved the draft financial statements as at 31 December 2019.

ANNUAL FINANCIAL STATEMENTS AS AT 31.12.2019

Alto Garda Servizi S.p.A. does not draw up the consolidated financial statements as it is not required to do so by law. The financial statements at 31 December 2019 have been prepared in accordance with international accounting standards (EU IFRS).

Revenues

The production value indicated in the financial statements amounted to Euro 11.74 million, in line with the previous year. The following tables show the changes that occurred within the various sectors and will be examined further in the following paragraphs.

values in Euro millions	2019	2018	delta %
electricity	3.73	3.84	-2.86%
methane gas	2.53	2.42	4.55%
water/sewage	1.61	1.71	-5.85%
heat	3.37	3.27	3.06%
other revenues	0.50	0.52	-3.85%
Total	11.74	11.76	-0.17%

Investments

Investments made in 2019 amounted to Euro 0.862 million compared to Euro 1.027 million in the previous year.

values in Euro thousands	2019	2018	delta %
electricity service	557	592	-5.91%
gas service	58	86	-32.56%
water service	4	5	-20.00%
district heating	102	155	-34.19%
common services	141	189	-25.40%
Total	862	1,027	-16.07%

Economic and Financial Results

Alto Garda Servizi SpA closed the year 2019 with a net profit of Euro 2,874,199, down compared to Euro 3,020,292 in the previous year.

The net operating margin amounted to Euro 878,226, a decrease of 2% compared to 2018. Financial management showed a positive result of Euro 2,259,668, a decrease of Euro 152,155 compared to 2018.

The pre-tax result thus amounted to Euro 3,137,894, a decrease of Euro 169,063 compared to the previous year.

To better understand the results achieved by the Company, it may be useful to analyse the Income Statement through some indexes and margins. It is believed that the most significant are:

Index	Formula	2019	2018
ROE	Net Result / Equity	5.58%	6.10%
ROI	Operating Result / Total Assets	1.26%	1.26%
EBITDA EURO	Earnings Before Interest, Taxes, Depreciation and Amortisation	2,485,766	2,419,015

ROE (Return On Equity) allows measuring the return for shareholders of the investment made in the Company. In 2019, the index recorded a value of 5.58%, a decrease compared to 2018 (6.10%). ROI (Return On Investment) allows measuring the return of investments made in the company's core business. In 2019, the index was 1.26%, in line with the previous year.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) corresponds to the operating result before depreciation, amortisation and write-downs and highlights the amount generated from operations, net of notional cost items. EBITDA 2019 was 3% higher than the previous year.

Balance Sheet

AGS S.p.A. has a solid and balanced financial situation.

Fixed assets account for 86.27% of total assets and are covered by shareholders' equity for 85.87%. In order to better understand the Company's balance sheet structure, an analysis is provided below through the indices and margins considered most significant and all showing a positive trend compared to previous years.

Index	Formula	2019	2018
Debt and equity to asset	(Shareholders' Equity + Consolidated Liabilities) / Long-term Capital	116.42%	113.20%
Financial autonomy	(Current Financial Liabilities + Consolidated Financial Liabilities) /	16.70%	25.71%
Loan rigidity	Fixed Capital / Total Assets	86.27%	85.24%
Inventory turnover	Warehouse outgoing / Warehouse average value	0.85	0.79

Significant events after the reporting period

There were no significant events after the end of 2019.

Outlook

The Board of Directors believes that it will be able to confirm the same performance of ordinary operations, both economic and financial, for the 2020 financial year, substantially in line with 2019.

Relations with subsidiaries and associated companies

AGS S.p.A. exercises management and coordination activities over the subsidiary Ledro Energia S.r.l., with which it has a service contract in place for technical and administrative services, as well as a loan. These relations are settled at arm's length.

The Company opted for the consolidated tax return for direct taxes.

The associated company Alto Garda Power S.r.l., with registered and operational office in Riva del Garda, supplies to AGS S.p.A. the heat necessary for the supply of district heating to customers connected to the Riva del Garda network. AGS S.p.A. has recognized an interest-bearing loan towards Alto Garda Power S.r.l. under receivables from associated companies.

All contracts are stipulated at market conditions.

Bond

On 15 July 2014, the Company issued the "Alto Garda Servizi SpA AGS Spa 2014-2023 Bond". The loan is admitted to trading on the WBAH Regulated Market of the Vienna Stock Exchange.

CONVOCAZIONE OF THE SHAREHOLDERS' MEETING

The Board of Directors of the Company has resolved to convene the Ordinary Shareholders' Meeting at the Hotel Lido Palace in Viale Carducci in Riva del Garda on 1st call for 20 April 2020 at 11:30 a.m. and, if necessary, on 2nd call for 19 May 2020 at 11:30 a.m. with the agenda: 1) Approval of the Financial Statements as at 31.12.2019, accompanied by the Directors' report on operations, the report of the Board of Statutory Auditors and the report of the Independent Auditors; related and consequent resolutions. 2) Allocation of profit for the year; related and consequent resolutions. 3) Appointment of the Board of Statutory Auditors, Standing and Alternate Auditors and determination of remuneration. 4) Acquisition of shareholdings.

DIVIDEND

The positive results achieved in 2019, combined with a solid financial structure, make it possible to propose the distribution of a dividend of Euro 1.80 per share for this year.

Annexed are the financial statements of Alto Garda Servizi SpA, indicating that the report of the independent auditors has not yet been issued with regard to the figures reported.

For further information:

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The corporate information is published in the “Investor Relations” section of the website www.altogardaservizi.com.

BALANCE SHEET

Assets	Notes	31.12.2019	31.12.2018
Non-current assets			
Property, plant and equipment	7.1	34,229,368	34,360,041
Intangible assets	7.2	177,336	186,999
Equity investments	7.3	16,901,812	17,248,017
Non-current financial receivables	7.4	6,679,243	6,632,064
Deferred tax assets	7.5	2,009,218	2,113,474
Total non-current assets		59,996,977	60,540,595
Current assets			
Inventories	7.6	549,259	484,521
Trade receivables	7.7	5,108,894	4,626,123
Receivables from parent company, associated companies, subsidiaries	7.8	139,228	337,075
Current tax receivables	7.9	95,861	3,358
Other current assets	7.10	1,499,765	1,275,354
Cash and cash equivalents	7.11	2,157,894	3,753,708
Total current assets		9,550,901	10,480,138
Total Assets		69,547,878	71,020,733

Liabilities and Shareholders' Equity	Notes	31.12.2019	31.12.2018
Shareholders' Equity			
Share Capital	8.1	23,234,016	23,234,016
Reserves	8.1	25,413,986	23,247,663
Net result of the year	8.1	2,874,199	3,020,292
Total Shareholders' Equity		51,522,201	49,501,971
Non-current liabilities			
Non-current financial payables	8.2	7,046,668	7,985,874
Employee benefits	8.3	1,163,646	1,142,492
Provisions for risks and charges	8.4	0	0
Total non-current liabilities		8,210,314	9,128,366
Current liabilities			
Current financial payables	8.5	1,560,181	4,743,187
Trade payables	8.6	1,487,616	1,037,602
Payables to parent company, associated companies, subsidiaries	8.7	1,370,276	1,581,291
Tax payables	8.8	160,942	306,721
Other current payables	8.9	5,236,348	4,721,595
Total current liabilities		9,815,363	12,390,396
Total liabilities		18,025,677	21,518,762
Total Liabilities and Shareholders' Equity		69,547,878	71,020,733

INCOME STATEMENT

Figures in Euro	Notes	31.12.2019	31.12.2018
Revenues from sales and services	9.1	10,371,054	10,375,138
Other revenues and income	9.2	1,372,990	1,384,897
Total operating revenues and income		11,744,044	11,760,035
Cost of raw materials, consumables and goods	9.3	2,428,304	2,526,144
Costs for services	9.4	2,819,445	2,656,216
Leasehold improvements	9.5	485,725	562,105
Personnel costs	9.6	3,046,050	2,991,393
Amortization/Depreciation of fixed assets	9.7	1,607,540	1,523,881
Provisions and write-downs	9.8	0	0
Other operating expenses	9.9	1,075,075	1,103,631
Capitalized costs for internal works	9.10	(596,321)	(498,469)
Total operating expenses		10,865,818	10,864,901
GROSS OPERATING RESULT		878,226	895,134
Income from equity investments	10	1,274,846	1,081,047
Write-down of investments	11	140,405	0
Financial expenses	12	222,928	235,571
Financial income	13	117,355	139,947
Income and expenses from investments equity method	14	1,230,800	1,426,400

RESULT BEFORE TAXES	3,137,894	3,306,957
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Current and Deferred Tax	15	263,695	286,665
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NET RESULT OF THE YEAR	2,874,199	3,020,292
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Comprehensive Income Statement	31.12.2019	31.12.2018
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Result from Income Statement	2,874,199	3,020,292
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Amounts that will not be subsequently reclassified to profit/ (loss) for the year	(49,715)	343,220
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Amounts that will be subsequently reclassified to profit/ (loss) for the year	0	0
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RESULT OF THE PERIOD	2,824,484	3,363,512
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