

PRESS RELEASE

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- **THE SHAREHOLDERS' MEETING OF THE COMPANY IS CALLED FOR 26 APRIL 2021 IN FIRST CALL AND FOR 25 MAY 2021 IN SECOND CALL**

Riva del Garda, 16 March 2021 - Alto Garda Servizi S.p.A. announces that at the Board meeting held today, the Board of Directors of the Company examined and approved the draft financial statements as at 31 December 2020.

ANNUAL FINANCIAL STATEMENTS AS AT 31.12.2020

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 2020 have been prepared in accordance with international accounting standards (EU IFRS).

Revenues

The production value indicated in the financial statements amounted to Euro 10.8 million, down Euro 1.0 million compared to the previous year. The following tables show the changes that occurred within the various sectors and will be examined further in the following paragraphs.

valori in milioni di euro	2020	2019	differenza	%
energia elettrica	3,2	3,5	-9,3%	
gas metano	2,4	2,7	-10,2%	
acqua / fognatura	1,5	1,6	-9,9%	
calore	2,9	3,4	-14,8%	
Altri ricavi	0,9	0,6	49,2%	
Totale	10,8	11,7	-8,2%	

The differences are mainly to be attributed to the effects of the pandemic that characterised 2020, in terms of both volumes distributed and sales.

Investments

Investments made in 2020 amounted to Euro 1.7 million compared to Euro 0.9 million in the previous year.

valori in migliaia di euro	2020	2019
servizio elettrico	556	557
servizio gas	532	58
servizio idrico	13	4
teleriscaldamento	161	102
Altri	391	141
Totale	1.653	862

ECONOMIC AND FINANCIAL RESULTS

Alto Garda Servizi SpA closed the year 2020 with a net profit of Euro 3,292,271, up compared to Euro 2,874,199 in the previous year.

The net operating margin amounted to Euro 557,675, a decrease of 36% compared to 2019. The reduction is mainly to be attributed to the effects of the pandemic that characterised 2020, in terms of both volumes distributed and volumes sold.

Net financial income was Euro 2,996,873, up by Euro 737,205 on 2019, mainly due to the measurement of the associate Alto Garda Power Srl at equity.

The pre-tax result thus amounted to Euro 3,554,549, an increase of Euro 416,655 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	2020	2019
ROE	Net Result / Equity	6.14%	5.58%
ROI	Operating Result / Total Assets	0.77%	1.26%

Index	Formula	2020	2019
EBITDA EURO	Earnings Before Interest, Taxes, Depreciation and Amortization	2,179,331	2,485,766

ROE (Return On Equity) allows measuring the return for shareholders of the investment made in the Company. In 2020, the index recorded a value of 6.14%, an increase compared to 2019 (5.58%). ROI (Return On Investment) allows measuring the return of investments made in the company's core business. In 2020, the index was 0.77%, an increase compared to 1.26% of the previous year.

EBITDA (Earnings Before Interest, Taxes, Depreciation and amortization) corresponds to the operating result before depreciation, amortization and write-downs and highlights the amount generated from operations, net of notional cost items. The 2020 EBITDA is down by 36% on the previous year due to the effects of the pandemic, which reduced the volumes distributed and sold.

Balance Sheet

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

Fixed assets account for 84 % of Total Assets and are covered by shareholders' equity for 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	2020	2019
Debt and equity to asset	(Shareholders' Equity + Consolidated Liabilities) / Long-term Capital	117.56%	116.42%
Financial autonomy	(Current Financial Liabilities + Consolidated Financial Liabilities) /	15.37%	16.70%
Loan rigidity	Fixed Capital / Total Assets	84.38%	86.27%
Inventory turnover	Warehouse outgoing / Warehouse average value	0.59	0.85

AGS operates principally in distribution services (electricity and gas), in the management of the integrated water cycle and in the sale of heat and is characterized by a significant amount of assets and equity.

Therefore, to understand whether the Company's structure is balanced, it may be useful to analyse the consistency between the duration of assets and liabilities.

The debt and equity to asset ratio relates the sum of shareholders' equity and consolidated debt capital at year-end with the value of fixed assets at year-end. A value greater than 100% indicates that the Company has covered the fixed asset items with resources that have the same time horizon. AGS presents an index of 117.56%, in line with the previous year.

The financial autonomy ratio relates the financial resources of third parties, both short and long-term (defined as exposure to banks and other financial institutions at year-end), with the shareholders' equity of the Company at year-end. The ratio should not be too high and in any case consistent with the cash flows, so as to avoid a situation of excessive exposure that would put the Company in difficulty to repay the debt capital. The index has a value of 15.37%, in line compared to 16.70% of the previous year.

The loan rigidity ratio relates long-term capital and total assets at year-end. The index allows understanding whether the structure of the Company is consistent with the type of business in which it operates, or whether it has anomalies. AGS S.p.A. is in line with the previous year, from 86.27% in 2019 to 84.38% in 2020.

Significant events after the reporting period

There were no significant events after the end of 2020.

Outlook

Operating and financial performance in 2021 will be conditioned by the course of the ongoing pandemic emergency.

Relations with subsidiaries and associated companies

AGS S.p.A. exercises management and coordination of its subsidiary Ledro Energia S.r.l., with which there is a service agreement governing services of a technical and administrative nature and a loan, as well as of STEA Progetti SRL, in which a 51% interest was acquired in 2020. 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.

CALLING OF THE SHAREHOLDERS' MEETING

The Board of Directors of the Company has resolved to convene the Ordinary Shareholders' Meeting on 1st call for 26 April 2021 at 11:30 a.m. and, if necessary, on 2nd call for 25 May 2021 at 11:30 a.m. with the agenda: 1) Approval of the Financial Statements as at 31.12.2020, 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.

As for the method of holding the General Shareholders' Meeting, given the current situation relating to the Covid-19 restrictions and the related legislative measures taken by the government, the Chairman is authorised to make all necessary amendments to the above notice of call.

DIVIDEND

The positive results achieved in 2020, combined with a solid financial structure, make it possible to propose the distribution of a dividend of Euro 1.40 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	31.12.2020	31.12.2019
Non-current assets			
Property, plant and equipment	7.1	34,461,490	34,229,368
Intangible assets	7.2	170,785	177,336
Equity investments	7.3	18,356,030	16,901,812
Non-current financial receivables	7.4	6,526,624	6,679,450
Deferred tax assets	7.5	1,830,813	2,009,218
Total non-current assets		61,345,742	59,997,184
Current assets			
Inventories	7.6	647,904	549,259
Trade receivables	7.7	5,687,117	5,032,063
Receivables from parent company, associated companies, subsidiaries	7.8	228,102	216,059
Current tax receivables	7.9	100,054	95,861
Other current assets	7.10	2,219,213	1,499,558
Cash and cash equivalents	7.11	2,468,204	2,157,894
Total current assets		11,350,594	9,550,694
Total Assets		72,696,336	69,547,878

Liabilities and Shareholders' Equity	Notes	31.12.2020	31.12.2019
Shareholders' Equity			
Share Capital	8.1	23,234,016	23,234,016
Reserves	8.1	27,086,406	25,413,986
Net result of the year	8.1	3,292,271	2,874,199
Total Shareholders' Equity		53,612,693	51,522,201
Non-current liabilities			
Non-current financial payables	8.2	7,535,589	7,046,668
Employee benefits	8.3	1,146,388	1,163,646
Provisions for risks and charges	8.4	0	0
Total non-current liabilities		8,681,977	8,210,314
Current liabilities			
Current financial payables	8.5	705,070	1,560,181
Trade payables	8.6	1,935,071	773,797
Payables to parent company, associated companies, subsidiaries	8.7	2,166,621	2,084,095
Tax payables	8.8	181,833	160,942
Other current payables	8.9	5,413,071	5,236,348
Total current liabilities		10,401,666	9,815,363
Total Liabilities		19,083,643	18,025,677

Total Liabilities and Shareholders' Equity		72,696,336	69,547,878
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INCOME STATEMENT

Figures in Euro	Notes	31.12.2020	31.12.2019
Revenues from sales and services	9.1	9,106,615	10,371,054
Other revenues and income	9.2	1,669,785	1,372,990
Total operating revenues and income		10,776,400	11,744,044
Cost of raw materials, consumables and goods	9.3	2,281,905	2,428,304
Costs for services	9.4	2,460,699	2,819,445
Leasehold improvements	9.5	312,171	485,725
Personnel costs	9.6	3,056,950	3,046,050
Amortization/Depreciation of fixed assets	9.7	1,621,656	1,607,540
Provisions and write-downs	9.8	0	0
Other operating expenses	9.9	1,012,038	1,075,075
Capitalized costs for internal works	9.10	(526,696)	(596,321)
Total operating expenses		10,218,724	10,865,818
GROSS OPERATING RESULT		557,675	878,226
Income from equity investments	10	1,194,651	1,274,846
Write-down of investments	11	127,132	140,405
Financial expenses	12	211,408	222,928

Financial income	13	206,362	117,355
Income and expenses from investments equity method	14	1,934,400	1,230,800
RESULT BEFORE TAXES		3,554,549	3,137,894
Current and Deferred Tax	15	262,278	263,695
NET RESULT OF THE YEAR		3,292,271	2,874,199

Comprehensive Income Statement		31.12.2020	31.12.2019
Result of the Income Statement		3,292,271	2,874,199
Amounts that will not be subsequently reclassified to profit/(loss) of the year		4,602	(49,715)
Amounts that will be subsequently reclassified to profit/(loss) for the year			0
RESULT FOR THE PERIOD		3,296,873	2,824,484