

PRESS RELEASE

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- **THE SHAREHOLDERS' MEETING OF THE COMPANY IS CALLED FOR 26/04/2022 IN FIRST CALL AND FOR 03/05/2022 IN SECOND CALL**

Riva del Garda, 21 March 2019 - Alto Garda Servizi S.p.A. announces that at the Board meeting held on 28 March 2022, the Board of Directors of the Company examined and approved the draft financial statements as at 31 December 2021.

ANNUAL FINANCIAL STATEMENTS AS AT 31.12.2021

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 2021 have been prepared in accordance with international accounting standards (EU IFRS).

Revenues

The production value indicated in the financial statements amounted to Euro 11.6 million, up by Euro 0.8 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	2021	2020	differenza %
energia elettrica	3,4	3,2	6,2%
gas metano	2,6	2,4	8,3%
acqua / fognatura	1,6	1,5	6,7%
calore	3,7	2,9	27,6%
Altri ricavi	0,3	0,8	-62,5%
Totale	11,6	10,8	7,4%

Investments

Investments made in 2021 amounted to Euro 1.8 million compared to Euro 1.7 million in the previous year.

valori in migliaia di euro	2021	2020
servizio elettrico	568	556
servizio gas	770	532
servizio idrico	13	13
teleriscaldamento	252	161
Altri	198	391
Totale	1.801	1.653

ECONOMIC AND FINANCIAL RESULTS

Alto Garda Servizi SpA closed the year 2021 with a net profit of Euro 3,095,158, down compared to Euro 3,292,271 in the previous year.

The net operating margin amounted to Euro 229,863 and decreased by 58% compared to FY 2020 mainly due to the increase in personnel costs and the increase in gas distribution charges as a result of the reduction in the gas revenue constraint.

Financial management showed a positive result of Euro 2,996,660, in line with 2020.

The pre-tax result thus amounted to Euro 3,226,524, a decrease of Euro 328,025 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	2021	2020
ROE	Net Result / Equity	5.77	6.14%
ROI	Operating Result / Total Assets	0.32%	0.77%
EBITDA EURO	Earnings Before Interest, Taxes, Depreciation and Amortisation	1,910,707	2,179,331

ROE (Return On Equity) allows measuring the return for shareholders of the investment made in the Company. In 2021, the index recorded a value of 5.77%, a decrease compared to 2020 (6.14%). ROI (Return On Investment) allows measuring the return of investments made in the company's core business. In 2021, the index was 0.32%, a decrease compared to 0.77% of 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 2021 was 12% lower than the previous year.

Balance Sheet

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

Fixed assets account for 85 % of Total Assets and are covered by shareholders' equity for 89%.

In order to better understand the Company's balance sheet structure, an analysis is provided below through the indices and margins considered most significant, which all show a positive trend compared to previous years.

Index	Formula	2021	2020
Debt and equity to asset	(Shareholders' Equity + Consolidated Liabilities) / Long-term Capital	111.98	117.56%

Financial autonomy	(Current Financial Liabilities + Consolidated Financial Liabilities) /	13.48	15.37%
Loan rigidity	Fixed Capital / Total Assets	85.17	84.38%
Inventory turnover	Warehouse outgoing / Warehouse average value	0.63	0.59

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 characterised 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 111.98%, down from 117.56% in 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 13.48%, in line compared to 15.37% 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 84.38% in 2020 to 85.17% in 2021.

Significant events that occurred after the end of the year

It should be noted that on 10 March 2022 the company acquired the majority of Gruber Srl, a company operating in the maintenance/production of thermo-hydraulic systems, through a capital increase of Euro 1 million and a contextual shareholders' loan of Euro 1.350 million, which will be converted into share capital upon achievement of certain balance sheet objectives for 2021.

At the end of February 2022, the company subscribed the share capital increase of Bel Coredo Spa through the conversion of part of the receivables acquired from the pool of banks, becoming the majority shareholder with 60% of the share capital.

It should be noted that, in March 2022, the company collected Euro 11.5 million as a result of the withdrawal from Dolomiti Energia Holding Spa.

There were no other significant events after the end of the year.

Outlook

The operating and financial performance in 2022 will be conditioned by the evolution of the pandemic emergency and the ongoing Russia-Ukraine conflict.

The 2022 budget, approved by the Board of Directors, nevertheless envisages a recovery in sales and EBITDA to close to pre-Covid levels, a profit at the annual level and appreciable cash flow generation.

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 recognised 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 Company's Board of Directors has resolved to convene the Ordinary Shareholders' Meeting on first call at the Company's registered office on 26 April 2022 at 8:00 a.m. and, if necessary, on second call on 3 May 2022, at the Hotel Lido Palace in Via Carducci in Riva del Garda, with the following 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. 2) Appointment of administrative body and determination of fees.

DIVIDEND

The positive results achieved in 2021, 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	31.12.2021	31.12.2020
Non-current assets			
Property, plant and equipment	7.1	34,483,917	34,461,490
Intangible assets	7.2	197,487	170,785
Equity investments	7.3	21,663,999	18,356,030
Non-current financial receivables	7.4	4,788,421	6,526,624
Deferred tax assets	7.5	1,789,821	1,830,813
Total non-current assets		62,923,645	61,345,742
Current assets			
Inventories	7.6	580,368	647,904
Trade receivables	7.7	6,082,359	5,687,117
Receivables from parent company, associated companies, subsidiaries	7.8	210,959	228,102
Current tax receivables	7.9	213,130	100,054
Other current assets	7.10	1,903,540	2,219,213
Cash and cash equivalents	7.11	1,967,464	2,468,204
Total current assets		10,957,820	11,350,594

Total Assets		73,881,465	72,696,336
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Liabilities and Shareholders' Equity	Notes	31.12.2021	31.12.2020
Shareholders' Equity			

Share Capital	8.1	23,234,016	23,234,016
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Reserves	8.1	29,495,268	27,086,406
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Net result of the year	8.1	3,095,158	3,292,271
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Total Shareholders' Equity		55,824,442	53,612,693
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Non-current liabilities			
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Non-current financial payables	8.2	6,114,630	7,535,589
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Employee benefits	8.3	1,156,005	1,146,388
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Provisions for risks and charges	8.4	0	0
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Total non-current liabilities		7,270,635	8,681,977
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Current liabilities			
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Current financial payables	8.5	1,412,893	705,070
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Trade payables	8.6	1,245,417	1,935,071
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Payables to parent company, associated companies, subsidiaries	8.7	2,970,162	2,166,621
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Tax payables	8.8	206,396	181,833
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Other current payables	8.9	4,951,520	5,413,071
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Total current liabilities		10,786,388	10,401,666
Total Liabilities		18,057,023	19,083,643

Total Liabilities and Shareholders' Equity		73,881,465	72,696,336
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INCOME STATEMENT

Figures in Euro	Notes	31.12.2021	31.12.2020
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Revenues from sales and services	9.1	10,372,445	9,106,615
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Other revenues and income	9.2	1,268,203	1,669,785
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Total operating revenues and income		11,640,648	10,776,400
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Cost of raw materials, consumables and goods	9.3	2,798,880	2,183,261
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Costs for services	9.4	2,755,457	2,559,344
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Leasehold improvements	9.5	451,720	312,171
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Personnel costs	9.6	3,187,774	3,056,950
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Amortisation/Depreciation of fixed assets	9.7	1,680,843	1,621,656
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Provisions and write-downs	9.8	0	0
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Other operating expenses	9.9	1,099,161	1,012,038
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Capitalised costs for internal works	9.10	(563,050)	(526,696)
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Total operating expenses		11,410,785	10,218,724
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GROSS OPERATING RESULT		229,863	557,675
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Income from equity investments	10	1,249,377	1,194,651
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Write-down of investments	11	126,831	127,132
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Financial expenses	12	470,674	211,408
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Financial income	13	99,988	206,362
Income and expenses from investments equity method	14	2,244,800	1,934,400
RESULT BEFORE TAXES		3,226,524	3,554,549
Current and Deferred Tax	15	131,366	262,278
NET RESULT OF THE YEAR		3,095,158	3,292,271

Comprehensive Income Statement		31.12.2021	31.12.2020
Result of the Income Statement		3,095,158	3,292,271
Amounts that will not be subsequently reclassified to profit/(loss) of the year		(57,878)	4,602
Amounts that will be subsequently reclassified to profit/(loss) for the year			
RESULT FOR THE PERIOD		3,037,280	3,296,873