

# 4 | Summary figures and information

## 4.1 Main events

### Extraordinary and M&A transactions

| The acquisition of the natural gas distribution concession in the Municipality of Olevano sul Tusciano (SA) was finalised on 28 January 2021 following the framework agreement signed between Italgas and CONSCOOP on 28 December 2020. The network spans around 26 kilometres, covering a potential catchment area of 2500 households overall. As part of the aforesaid agreement, on 13 July 2021, through its subsidiary, Medea, Italgas finalised the acquisition of the entire share capital of Isgastrentatrè, the company holding the concession for management of the natural gas service in Basin 33 in Sardinia. The scope of the company's assets includes: 242 km of network, around 700 active re-delivery points and an LNG plant covering 60 cubic metres. The enterprise value was € 25 million, equal to the estimated RAB for the company's assets. With completion of the transaction, the number of basins where Italgas operates in Sardinia rises to 18 (out of 38). The merger by incorporation of Isgastrentatrè into Medea was implemented on 4 November 2021, with effect for accounting and tax purposes as of 14 July 2021.

| the merger by incorporation of Toscana Energia Green S.p.A. into Seaside S.r.l. was completed on 26 April 2021, with effect for accounting and tax purposes as of 1 January 2021. On 2 August 2021, the transformation of Seaside into a joint stock company was resolved;

| on 23 June 2021, as a result of a partial and proportional demerger of Italgas Reti S.p.A, the company Bludigit S.p.A., 100% owned by Italgas S.p.A., was established, to which tangible and intangible assets and contracts relating to the IT area were contributed, with a view to streamlining the Group's business and assets in the IT area and proposing a commercial offer of IT services. The operation was completed on 29 June 2021 with the capital increase of Bludigit S.p.A. serving the contribution in kind by Italgas S.p.A. of its IT business unit, with effect as of 1 July 2021;

| on 15 July 2021, as part of the international public competitive bidding tender process for the sale of 100% of the shares of the company DEPA Infrastructure S.A. by Hellenic Republic Asset Development Fund S.A. (HRADF) and Hellenic Petroleum S.A. (HELPE), Italgas filed its binding offer for the acquisition of the company. On 9 September 2021, a memo from HRADF announced that, following the opening of the improved financial offer submitted by Italgas, the Board of Directors of HRADF and HELPE had declared Italgas the "Preferred Bidder". On 10 December 2021, the preliminary sale contract was signed for the equity investment for a price of € 733 million. Completion of the purchase is subject to the satisfaction of various conditions, namely approval of the operation by the Greek regulatory authority RAE and clearing by the Greek antitrust authority, HCC. DEPA Infrastructure currently holds 51% of Thessaloniki - Thessalia Gas Distribution S.A. (EDA Thess), 100% of Attiki Natural Gas Distribution Single Member Company S.A. (EDA Attikis) and 100% of Public Gas Distribution Networks S.A.

(DEDA), the three main players in gas distribution in Greece, which together operate 6,900 kilometers of network and 509,000 active redelivery points;

| on 1 December 2021, following the verification of the conditions envisaged in the purchase and sale agreement, the purchase of 100% of the capital of the ESCo Fratelli Ceresa S.p.A., company established in 1921 and specialised in the supply of energy services, with a portfolio of 3,700 customers (of which more than 800 condominiums) mainly located in the Turin area, was completed. The transaction is based on the valuation of the enterprise value at € 22 million, to be adjusted according to the net financial position.

### Anticorruption Certification

On 23 November 2021, Italgas S.p.A. and Italgas Reti S.p.A. achieved renewal for a further three-year period of the UNI ISO 37001:2016 certification "Anti-bribery management systems", for Italgas S.p.A. also obtaining the extension of its "anticorruption governance" to all Group companies. The anti-bribery management system, adopted on a voluntary basis, was audited by the independent certification body DNV GL - Business Assurance.

### New Corporate Governance Code

On 18 December 2020, the Italgas' Board of Directors resolved to adhere to the Corporate Governance Code approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, starting 1 January 2021. On 10 March 2021, on the basis of declarations given by the parties concerned, the following was ascertained: i) the existence of the independence requirements pursuant to the CLF and the Corporate Governance Code as at 31 December 2020 and ii) the existence of the independence requirements pursuant to the CLF and the New Corporate Governance Code as at 10 March 2021, also taking into account the quantitative and qualitative criteria applied to assess independence, as approved by the Board of Directors on 24 February 2021. In this regard, it is noted that at 10 March 2021, the Chairman was also independent, both in accordance with the CLF and in accordance with the Corporate Governance Code, as none of the circumstances described under Recommendation 7 of the Corporate Governance Code applied.

Lastly, the verification on the existence of independence requirements pursuant to the CLF and Corporate Governance Code was carried out on 09 March 2022, after which the six non-executive directors specified above were found to be independent.

## Innovation, digitisation of the corporate networks and processes

The pandemic still in progress, coupled with the extreme acceleration of the average rate of digital maturity of the population, has led to the even greater need to be able to rely on digital solutions and ecosystems. In addition to all this, there is the need to speed up the ecological transition to prepare the distribution network for the forthcoming challenges, which require a greater drive on the digitisation of assets and processes, as well as of people's skills and the world of employment.

In this context, the Digital Factory, operative since 2018, has continued to work, effectively adapting the agile model to suit the hybrid on-site and on-line working methods imposed by the pandemic.

In addition to the innovative solutions already released in 2020, the Digital Factory has intensified the work of the rooms, giving rise to various innovations that have allowed Italgas to further improve its everyday operations. These include:

- | introduction of tools based on machine learning in order to enable the smart maintenance of critical network components, such as smart meters and odourisation stations;
- | technological re-design and of the UX of all customer portals, for sales companies and end customers; start-up of the automation of commercial processes - inbound channel management;
- | re-design of the employee experience through the re-engineering of HR processes, the strengthening of collaboration and communication solutions and the optimisation of existing HR systems;
- | re-design of the supplier journey in order to increase the effectiveness and efficiency of the relationship between Italgas and its fleet of suppliers, redesigning supporting digital solutions and processes;
- | design of an innovative command and control system for the digitised GAS distribution network.

Further initiatives have helped make the impact of the Italgas digital transformation plan even more relevant in 2021, including: i) automation of routine operative processes, ii) architectural evolution of the main components of the application map, enabling the modularisation and management of micro-services, in line with the best practices and latest IT trends globally, iii) complete re-engineering of the landscape business solution for Gaxa, with the introduction of the Salesforce platform for the management of front office processes and iv) start-up of the complete re-engineering of the business solution landscape for Italgas Acqua, in order to modernise the entire fleet of solutions in support of the business and make a solid contribution to the improvement of the technical and commercial process management.

## Rating and optimization of the debt structure

- | on 5 February 2021, Italgas successfully completed the launch of the fixed-rate 7- and 12-year "dual-tranche" bond

issue, for a total of € 500 million each, with an annual coupon of 0% and 0.5% respectively, with a view to pre-funding prospective financial requirements and extending the maturity profile. On the same date, a bond buyback transaction was launched, relating to two bond issues - one for an original nominal value of € 750 million maturing in January 2022, and one for an original nominal value of € 650 million maturing in March 2024. The buyback was finalised on 16 February 2021 with a total nominal buyback value of approximately € 256.0 million;

- | on 15 September 2021, the Board of Directors resolved on the renewal of the EMTN Programme launched in 2016 and already renewed in 2017, 2018, 2019 and 2020, confirming the maximum nominal amount of € 6.5 billion, which was signed on 7 October 2021;
- | in October 2021, Italgas took out two fixed-rate bank loans with leading banks, in relation to the achievement of ESG targets, with a 3-year term, for a total of € 500 million;
- | on 25 November 2021, the rating agency Moody's confirmed the long-term credit rating of Italgas, as Baa2 with Stable outlook;
- | on 06 December 2021, the rating agency Fitch confirmed the long-term credit rating of Italgas, as BBB+ with Stable outlook.

## Capital transactions

On 10 March 2021, as part of the 2018-2020 Co-investment Plan approved by the Company's Ordinary and Extraordinary Shareholders' Meeting of 19 April 2018, the Italgas' Board of Directors resolved on the free allocation of a total of 632,852 new ordinary shares of the Company to the beneficiaries of the Plan itself and implemented the first tranche of the capital increase resolved on by the aforesaid Shareholders' Meeting, for a nominal amount of € 784,736.48, drawn from retained earning reserves. Following the increase, the share capital of the Company amounts to € 1,002,016,254.92, made up of 809,768,354 shares. Moreover, Italgas' Shareholders' Meeting of 20 April 2021 approved the 2021-2023 Co-investment Plan and the proposed free share capital increase, in one or more tranches, for the purposes of the aforesaid 2021-2023 Co-investment Plan for a maximum nominal amount of € 5,580,000.00, by means of the issuance of up to 4,500,000 new ordinary shares. These shares are to be assigned, in accordance with Article 2349 of the Italian Civil Code, for a corresponding maximum amount taken from retained earning reserves, to the beneficiaries of the Plan only; in other words, only to employees of the Company and/or of the companies in the Group.

## Winning of area tenders <sup>29</sup>

- | the bid review procedure for the tender for management of the natural gas distribution service in the territorial area of Turin 1, which encompasses the regional capital and the Municipalities of Moncalieri, Grugliasco, Rivoli, Rivalta di Torino and Nichelino, was officially concluded on 4 March 2021. The only bid received, which had been submitted by Italgas Reti, was deemed valid in all legal respects. The tender committee

<sup>29</sup> For more details, see the paragraph on "Municipal territories under concession and tenders for territorial areas" on page 93.

therefore proposed to award the tender to the Company. The contracting authority is currently carrying out the procedures in preparation for the final awarding of the tender. The awarding of the ATEM, consisting of approximately 560 thousand users, will allow Italgas Reti to seamlessly continue managing the service in an area where it has operated since 1837 and for which an investment plan worth around € 357 million has been envisaged. The contract for the network management service is expected to be signed in the first half of 2022;

| on 1 September 2021, the Plant Handover Report of the Valle d'Aosta ATEM was signed, officially confirming the start of the Service Contract and of management of the area, following the ruling by which the Regional Administrative Court of Lombardy rejected the appeal brought against the Municipality of Aosta by one of the other operators participating in the tender process contesting the awarding of the tender to Italgas Reti.

## Other agreements

| on 8 March 2021, a collaboration agreement was entered into with Jemena, a leading Australian company in the energy infrastructure sector. The agreement is aimed at exchanging knowledge and experience relating to network management, focusing on technological innovation and decarbonisation in particular;

| on 29 July 2021, a strategic agreement was signed with Salesforce, a global leader in Customer Relationship Management (CRM), aimed at maximising the productivity of the investment cycle (capital deployment) through the use of advanced digital solutions, involving Bludigit at the forefront. The agreement is part of the wider digital transformation process launched in 2017, thanks to which, following an investment of more than € 2 billion, Italgas is on its way to becoming the world's first gas distribution company to have a fully digital network;

| on 28 September 2021, Seaside and the Consorzio Intercomunale Torinese signed the framework agreement for the awarding of redevelopment work on 22 public housing buildings located in the municipalities of Turin, Mappano, Nichelino, Orbassano, Moncalieri, Caselle Torinese and Settimo Torinese. The operation has a total value of over € 57 million and will concern 926 homes in which 893 families reside. It aims to implement a series of energy efficiency and structural consolidation measures.

## Other events

During the evening of 11 December 2021, an explosion took place in the residential area of Ravanusa (AG) and the fire brigade informed the Italgas Integrated Supervision Centre, asking that emergency intervention be activated. The technical staff of Italgas Reti arrived promptly.

The intervention of the first separation of the network, in order to keep the pipe safe, began that same evening of 11 December, once the relevant authorisation had been given by the fire brigade, and was completed in just a few hours with the isolation of the segment of pipe crossing the area involved by the event.

The cathodically protected coated low pressure steel pipe, measuring 100 mm in diameter, was laid in 1988 by Siciliana Gas and is therefore well within its useful life as per ARERA requirements.

There were no Italgas Reti construction sites on the section of pipeline affected by the explosion, either at the time of the accident or in the weeks preceding it.

The previous week, Italgas Reti had not received any reports of any type to its Emergency Intervention service, complaining of gas leaks.

The whole of the Ravanusa network - including that installed in the area involved by the event - had been checked using the cutting-edge Picarro Surveyor technology, and in 2020 and 2021, no critical issues had arisen.

On 31 December 2021, the Public Prosecution of Agrigento issued ten notices of investigation to ten employees of Italgas Reti in order to be able to examine the unrepeatable technical assessments.

Italgas Reti has acknowledged these provisions, guaranteeing maximum collaboration during activities in support of investigators, just as it has since the outset.

During these technical assessments, a breakage of a steel pipe installed along the road involved by the explosion, was found. This breakage is currently being further investigated in metallurgical terms. At present, the causes of the breakage are not known, as neither are the causes of the event.

Following the incident a precautionary claim has been promptly opened with the insurance companies with which the "third party liability" and "property" policies had been stipulated, in order to assure the orderly management of any claims for compensation.

## 4.2 Key figures

In order to allow for a better assessment of economic and financial performance, the Directors' Report includes the reclassified financial statements and certain alternative performance indicators, including EBITDA, EBIT and net financial debt, in addition to the financial statements and conventional indicators laid out in IAS/IFRS. These figures are presented in

the tables below, the relative notes and the reclassified financial statements. For the definition of the terms used, when not directly specified, please refer to the chapter "Financial results, Non-GAAP Measures".

### KEY SHARE FIGURES

	u.o.m.	31.12.2020	31.12.2021
Number of shares of share capital	(million)	809,135,502	809,768,354
Closing price at the end of period	(€)	5.2	6.1
Average closing price in the period (a)	(€)	5.2739	5.4921
Market capitalisation (b)	(€ million)	4,267	4,447
Exact market capitalisation (c)	(€ million)	4,208	4,901

(a) Non-adjusted for dividends paid.

(b) The product of the number of shares outstanding (exact number) multiplied by the average closing price in the period.

(c) The product of the number of shares outstanding (exact number) multiplied by the closing price at the end of the period.

### KEY FINANCIAL FIGURES

(€ million)	2020 (*)	2021
Total revenues (**)	1,442.2	1,370.8
Adjusted total revenues (**)	1,333.8	1,370.8
<b>EBITDA</b>	<b>1026.1</b>	<b>1,008.9</b>
Adjusted gross operating margin	969.6	1,008.9
<b>Operating profit</b>	<b>605.6</b>	<b>583.2</b>
Adjusted operating profit	549.1	583.2
<b>Gross profit</b>	<b>557.9</b>	<b>525.3</b>
Adjusted gross profit	501.4	531.7
<b>Net profit</b>	<b>405.2</b>	<b>383.4</b>
Net profit attributable to the Group	384.6	362.8
<b>Adjusted net profit</b>	<b>365.6</b>	<b>388.3</b>
Adjusted net profit attributable to the Group	347.0	367.7
<b>Adjusted Earnings per share (***)</b>	<b>0.452</b>	<b>0.479</b>

(\*) Up until 31 December 2020, the Group capitalised costs relating to the legally required periodic checks of volume conversion devices under operating costs, where such devices are present in the meters installed at the re-delivery points. At 31 December 2021, the Group retrospectively classified expenses relating to these checks amongst operating costs, in accordance with current accounting standards. In order to ensure comparability with the income statement items, the items relating to Operating costs (-€ 1.8 million), Amortisation, depreciation and impairment (+€ 4.1 million) and Income taxes (-€ 0.7 million) were adjusted as of 31 December 2020.

(\*\*) Unlike the legal statement, the reclassified income statement requires the listing of Total revenues and Operating costs net of the impact of IFRIC 12 "Service concession agreements" (€ 772.0 and € 668.2 million respectively in 2021 and 2020), connection contributions (€ 19.6 and € 19.5 million respectively in 2021 and 2020) and other residual components (€ 0.8 and € 3.2 million respectively in 2021 and 2020).

(\*\*\*) The indicator is calculated as a ratio between the adjusted net profit and the total number of shares, which is 809,768,354 at 31 December 2021 and 809,135,502 at 31 December 2020.

(€ million)	31.12.2020 (*)	31.12.2021
Net invested capital at the end of the end of period	6,713.9	7,122.5
Shareholders' equity	1,977.4	2,142.5
Net financial debt (**)	4,736.5	4,980.0
Finance lease payables - IFRS 16	76.3	70.0
Net financial debt (**) (excluding the effects pursuant to IFRS 16)	4,660.2	4,910.0

(\*) Up until 31 December 2020, the Group capitalised costs relating to the legally required periodic checks of volume conversion devices under operating costs, where such devices are present in the meters installed at the re-delivery points. At 31 December 2021, the Group retrospectively classified expenses relating to these checks amongst operating costs, in accordance with current accounting standards. In order to ensure comparability with the balance sheet items, the item relating to shareholders' equity was adjusted as of 31 December 2020 (-€ 3.6 million).

(\*\*) At 31 December 2021, the item did not consider liabilities for € 5.6 million due to Conscoop, consisting of shareholder loans disbursed by it to Isgastrentatrè, later incorporated into Medea, insofar as they were considered part of the deferred purchase price settlement.

## NFS 4.3 Operating performance

### Infrastructure

Italgas is the leader in Italy in the industry of natural gas distribution and is the third largest operator in Europe. The distribution service consists of transporting gas through local pipeline networks, from points of delivery at the reduction and measurement stations interconnected with the transport networks ("city-gates") up to the final delivery points to customers (households, enterprises, etc.). Furthermore, Italgas is engaged in metering activities, which consist of determining, gathering, making available and archiving metering data on natural gas withdrawn over the distribution networks.

Collection cabins are equipment that link local distribution networks to the national gas pipeline network. They are complex systems that must perform different functions, including the measurement of the gas collected and a first reduction of the pressure to allow routing through the urban network. Currently Italgas has collection cabins equipped with advanced remote

control and smart metering systems. Remote control allows the fastest possible intervention in case of anomalies; smart metering allows the continuous detection of a series of parameters relative to the management of gas flows as well as the detection of the quantity of gas entering the networks.

The systems for the reduction of pressure are devices placed along the distribution network and have the task to bring the pressure of the gas at the right level in relation to the type of use.

### Investments

Technical investments were made in 2021 for a total of € 865.1 million, up by 11.5% compared to 2020 (€ 775.7 million), of which € 14.9 million related to investments accounted for in accordance with IFRS 16. Total investments do not include the acquisition of the concession for natural gas distribution in the municipality of Olevano sul Tusciano (SA) for a consideration of € 1.8 million.

(€ million)	2020	2021	Abs. change	Change %
<b>Distribution</b>	<b>569.0</b>	<b>718.3</b>	<b>149.3</b>	<b>26.2</b>
Network maintenance and development	455.8	604.4	148.6	32.6
of which digitisation	84.9	146.7	61.8	72.8
New networks	113.1	113.9	0.8	0.7
of which Sardinia	100.7	95.0	(5.7)	(5.7)
<b>Metering</b>	<b>119.0</b>	<b>76.5</b>	<b>(42.5)</b>	<b>(35.7)</b>
<b>Other investments</b>	<b>87.7</b>	<b>70.3</b>	<b>(17.4)</b>	<b>(19.8)</b>
of which Real Estate	41.7	24.0	(17.7)	(42.4)
of which ICT	25.4	27.5	2.1	8.3
of which due to the effect of IFRS 16	26.5	14.9	(11.6)	(43.8)
	<b>775.7</b>	<b>865.1</b>	<b>89.4</b>	<b>11.5</b>

Up until 31 December 2020, the Group capitalised costs relating to the legally required periodic checks of volume conversion devices under operating costs, where such devices are present in the meters installed at the re-delivery points. At 31 December 2021, the Group retrospectively classified expenses relating to these checks amongst operating costs, in accordance with current accounting standards. In order to ensure comparability with the details of the Investment items, the corresponding investment item (-€ 1.8 million) was adjusted accordingly as of 31 December 2020.

**Distribution investments** (€ 718.3 million, +26.2% compared to 2020) refer to initiatives for the development, maintenance and repurposing of the network as well as for the construction of new gas distribution networks, which involved the installation of a total of 732 km of pipeline. In 2021 a further 91 km of new network was constructed in Sardinia, bringing the total installed networks to 897 km, and a total of 53 LNG storage plants were installed, of which 50 were operative at 31 December 2021.

**Investments in digitisation** (€ 146.7 million, up +72.8%) relate to the installation of digital devices for the acquisition of data for the control and monitoring of the distribution network and plants.

**Metering investments** (€ 76.5 million, -35.7% compared to 2020) refer to the final stage of the plan to replace traditional meters pursuant to ARERA Resolution no. 631/2013/R/gas, as amended. In 2021, the Company installed 821 thousand new meters, of which 339 thousand to replace traditional G4/G6 meters, 468 thousand for the repair of digital meters with anomalies and 14 thousand to replace large-caliber meters. At 31 December 2021<sup>30</sup>, a total of 7.9 million smart meters have been installed as part of the plan to replace traditional meters with smart meters (91.7% of the total number of meters and practically all active meters).

<sup>30</sup> Also taking into account the affiliates, over which Italgas does not exercise control, 869 thousand new meters were installed during the period, bringing the total number of smart meters installed as a 31 December 2021 to 7.9 million (90.8% of the total number of meters and practically all active meters).



## Summary of the key operating figures

### KEY OPERATING FIGURES - ITALGAS GROUP

	u.o.m.	2020	2021	Abs. change	Change %
Active meters	(millions)	7.595	7.604	0.009	0.1
Installed meters	(millions)	8.515	8.563	0.048	0.6
Municipalities with gas distribution concessions	(no.)	1,826	1,837	11	0.6
Municipalities with gas distribution concessions in operation	(no.)	1,743	1,761	18	1
Distribution network	(kilometres)	71,184.8	72,503.1	1,318.3	1.9
Gas distributed	(million cubic metres)	8,477.0	8,886.7	409.7	4.8

### KEY OPERATING FIGURES - ITALGAS GROUP AND AFFILIATES

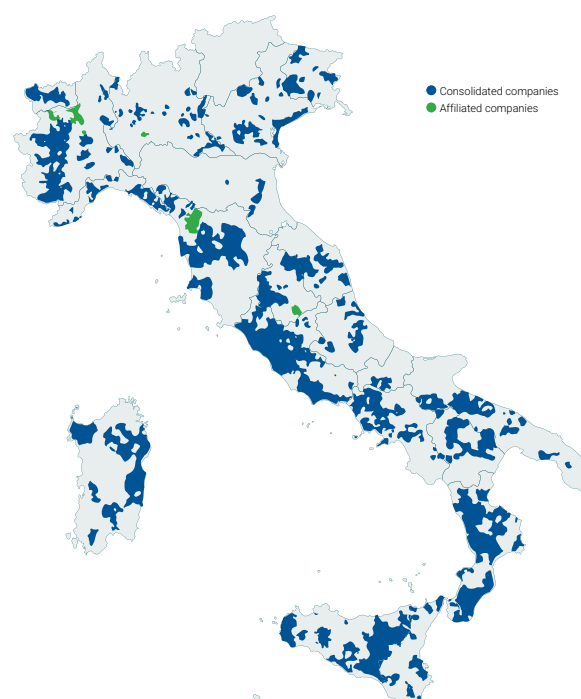
	u.o.m.	2020	2021	Abs. change	Change %
Active meters	(millions)	7.749	7.757	0.009	0.1
Installed meters	(millions)	8.684	8.733	0.049	0.6
Municipalities with gas distribution concessions	(no.)	1,887	1,898	11	0.6
Municipalities with gas distribution concessions in operation	(no.)	1,804	1,822	18	1
Distribution network	(kilometres)	73,057.8	74,396.6	1,338.8	1.8
Gas distributed	(million cubic metres)	8,727.4	9,194.1	466.7	5.3

## Situation at year end on tenders and contracts awarded <sup>31</sup>

The following figure shows the presence of the Italgas Group<sup>32</sup> in Italy. As at 31 December 2021, as a result of the regulatory framework envisaging the award of gas distribution services through local tenders (and not by individual municipality), 38 tender notices have been published, 27 of which were sent to the Authority as envisaged in Ministerial Decree no. 226/2011.

Of the 38 tender notices published to date:

- | Turin 3 - South West, Massa Carrara, Cremona 2 - Centre and Cremona 3 - South aggregates, Como 1 - Lariano Triangle and Brianza Comasca, Bergamo 3 - Suburbs West of Bergamo, Brescia 1 - North/West and Bergamo 2 - North/East have been suspended by the Contracting Authorities;
- | Venice 1 - Laguna Veneta and Alessandria 2 - Centre were cancelled by the State Council and by the Piedmont Regional Administrative Court (TAR) respectively;
- | Monza and Brianza 2 - West, Lucca and Trieste were revoked by the respective contracting authorities;
- | Turin 2 - Turin Plant, Valle D'Aosta, Belluno and Turin 1 - City of



<sup>31</sup> For more information on the regulation concerning the assignments of gas distribution service and the related call for tenders, please see the specific paragraph in the chapter "Legislative and regulatory framework".

<sup>32</sup> The territorial presence where Italgas exercises control is shown in blue, the presence through affiliates over which it does not exercise control is shown in green.



Turin, were officially awarded to Italgas Reti;

| La Spezia, for which the bids submitted by various operators, including Italgas Reti, are currently being assessed.

The public session on the "Open tender procedure for the concession of the natural gas distribution service in the Naples 1 - City of **Naples and coastal plant ATEM**" was held on 29 January 2021. This ATEM encompasses approximately 370,000 re-delivery points. In this context, the tender committee announced that it would verify the appropriateness of the bids received and suspended tender operations pending the outcome of these checks. On 14 April 2021, the tender committee acknowledged that both bids received had been found to be adequate and made a proposal to award the contract to another operator, having verified that the requirements declared during the tender had been met. Italgas Reti appealed before the Regional Administrative Court of Campania against the awarding of the tender to the other operator mentioned above. In particular, following the order of 15 September 2021 whereby it had rejected one of the claimed grounds for inadmissibility raised by the other operator, by judgement given on 6 October 2021, the Regional Administrative Court of Campania rejected the main petition at the first instance and the additional grounds proposed by Italgas for the cancellation of the award to another operator of the tender in the Minimum Territorial Area of Naples 1. On 11 November 2021, Italgas Reti filed an appeal to the Council of State against the judgement of the Regional Administrative Court of Campania, with an application for compensation for damages. Following the hearing on 13 January 2022 at the Council of State, the Municipality of Naples and the other operator undertook not to stipulate the contract before the publication of the ruling on the merits. The Council of State has scheduled the hearing for discussion of the merits for 7 April 2022.

On 11 October 2021, the Regional Administrative Court of Veneto rejected the appeal brought by another operator against the invitation to tender relating to the **Belluno ATEM**, thereby confirming the legitimacy of awarding the tender to Italgas Reti. Specifically, the Regional Administrative Court rejected all the objections expressed by the other operator, with reference both to the tender documents and the legitimacy of the offer and of the Committee's actions. The operator ap-

pealed against this judgement, without, however, submitting a petition for the interim suspension of the deeds challenged. The ruling of the Council of State is pending with reference to the rehearing requested by the municipalities belonging to the Belluno ATEM against the judgement of the Regional Administrative Court of Veneto, whereby the petition brought against the award of the tender to Italgas Reti, was rejected. Judgement is also pending by the Council of State on the appeal brought by the councils against another judgement whereby the Regional Administrative Court of Veneto had upheld the petition brought by Italgas Reti against the unlawful revocation of the delegation on the Council of Belluno, as Client.

## Legislative and regulatory framework <sup>33</sup>

| the Authority contested the ruling of the Regional Administrative Court of Lombardy that upheld the appeal brought by Italgas for annulment of **Resolutions no. 195/2017/S/gas** of 30 March 2017 and **no. 232/2017/S/gas** of 6 April 2017, with which the Authority had issued the company a fine of € 204,000 for breach of certain provisions of the Regulation of the Quality of Gas Distribution and Metering services for the 2014-2019 period, concerning obligations to replace the cast iron pipelines with hemp and lead joints that make up the distribution network in the Municipality of Venice. Italgas Reti filed an appearance and at present, the next hearing is scheduled for 26 April 2022;

| the Authority appealed against the judgement of 8 November 2021 of the Regional Administrative Court of Lombardy that upheld the appeal submitted by Italgas Reti against **Resolution no. 328/2019/S/gas**, whereby the Authority had applied a sanction of € 469,000 for breach of emergency gas intervention in the areas of Venice, Andria, Chiavari, Rome, Messina and Albano Laziale and partially cancelled **Resolution no. 163/2020/R/gas** relative to the determination of premiums and penalties (of € 361,320) for safety recoveries in 2016 in the areas of Andria and Venice and **Resolution no. 567/2020/R/gas** on premiums and penalties (equal to € 536,565) for safety recoveries in 2017 in the areas of Andria, Venice and Albano. Italgas filed an appearance and at present, the next hearing is scheduled for 29 March 2022.

<sup>33</sup> Further information is provided in Note 23 "Disputes and other measures" to the Notes to the Consolidated Financial Statements.