

BIM GESTIONE SERVIZI PUBBLICI SPA

Via Tiziano Vecellio 27/29 – 32100 Belluno

INTERIM REPORT AS AT 30 June 2024

Report to the Interim Financial Statements as at 30 June 2024

Interim Financial Statements as at 30 June 2024

Balance Sheet as at 30 June 2024

Income Statement for the First Half of 2024

Explanatory Notes

Shareholders' meeting

1st Call 19 October 2024

2nd Call 21 October 2024

BIM GESTIONE SERVIZI PUBBLICI SPA

Registered Office in via TIZIANO VECELLIO 27/29 - 32100 Belluno - share capital EUR2,010,000.00
fully paid-in

INTERIM REPORT AS AT 30 June 2024

REPORT ON THE INTERIM FINANCIAL STATEMENTS

Dear Shareholders:

we submit for your examination and approval the Interim Financial Statements as at 30 June 2024, which closed with a profit for the period of EUR 1.3 million

The main results as at 30 June 2024 are set out below:

- Total revenue EUR 16.7 million, compared to EUR 15 million as at 30 June 2023
- Ebitda EUR 4 million, compared to EUR 2.2 million as at 30 June 2023
- Ebit EUR 2 million, compared to EUR 0.5 million as at 30 June 2023
- Net Profit EUR 1.3 million, compared to EUR 164 thousand as at 30 June 2023
- Investments EUR 7.6 million, compared to EUR 6.1 million as at 30 June 2023
- Financial position EUR 6 million (negative), compared to EUR 2.7 million (negative)
as at 31 December 2023.

While we refer you to the Explanatory Notes to the Financial Statements for clarifications on the data resulting from the Balance Sheet and Income Statement, we would like to present here some considerations on the Company's management, both with reference to the half-yearly position as at 30 June 2024 and future prospects, all in accordance with art. 2428 of the Italian Civil Code.

We present below the reclassified Income Statement and Balance Sheet, in order to allow a comparison not only with the final data of the previous period, but also with the forecast data defined as part of the 2024-2026 Three-Year Business Plan approved by the Shareholders' Meeting on 06/02/2024.

Significant events during the period and events after 30 June 2024

Following the signing, on 31 January 2024, of the deed of sale of the company branch relating to the natural gas distribution service of the Belluno ATEM, the related company Bim Belluno Infrastrutture S.p.A. transferred the natural gas branch to the incoming operator Italgas Reti S.p.A. and, consequently, the conditions necessary to implement the company merger were realised in order to pursue all possible synergies and the resulting cost savings.

The Related Company internally retains the hydroelectric plant production sector and the management of a biomass district heating network in the municipality of Santo Stefano di Cadore, activities that it acquired from Bim Gestione Servizi Pubblici S.p.A. as part of the transfer implemented in 2014, as a result of the need to separate the management of the Integrated Water Service, which was then affected by major economic-financial problems.

With the merger by incorporation into Bim Gestione Servizi Pubblici S.p.A., the management of these services, which is closely focused on bringing profit to the territory of the member municipalities, will benefit from significant savings in overhead costs and important synergies from a technical standpoint. The integrated water service will also benefit from integration, being able to rely directly on the self-production of electricity from renewable sources, which are being pushed from both a legislative and regulatory perspective.

On 16 September 2024, the Board of Directors approved the merger project, determining the share swap ratio as 0.26 shares of the merging company to be acquired for every 1 share of the merged company. The merger project was also approved on the same date by the administrative body of the merged company and was filed with the Register of Companies of the CCIAA (Chamber of Commerce, Industry, Craftsmanship and Agriculture) of Treviso-Belluno on 18 September 2024.

As far as ordinary operations are concerned, it should be noted that in the first half of the year, major problems occurred that blocked ordinary maintenance contracts in particular, resulting in fewer services rendered and consequently lower costs. More specifically, the delay in carrying out the works was caused by critical issues related to the management of contracts, resulting from the entry into force of Legislative Decree no. 36/2023. This legislation introduced the obligation of interoperability between the platforms for the execution of public tenders and ANAC's IT system, leading to inevitable slowdowns in the process of awarding works due to the timing of updating/adaptation of IT systems. These issues have now been resolved and the technical structure is busy catching up on the postponed work.

Moreover, on 20 August 2024, an anomalous spillage of hydrocarbons occurred inside the urban wastewater treatment plant located in Oselete, in the municipality of Sedico, which made it necessary to carry out a sampling campaign and related analyses to assess the degree of contamination; at the same time, cleaning operations were carried out with the removal of the sewage, with unforeseen costs subsequently incurred, which could amount to approximately EUR 300 thousand.

On the tariff front, it should be noted that on 10 September 2024, by means of Resolution no. 359/2024/R/idr, ARERA approved the regulatory scheme, containing the tariff arrangements for the period 2024-2029, proposed by the Dolomiti Bellunesi Basin Council in accordance with the resolution of the assembly no. 8 passed on 4 July 2024.

The tariff method approved for the fourth regulatory period, 2024-2029, (MTI-4) with ARERA Resolution 639/2023/R/IDR of 28 December 2023, entailed the recognition of the significant inflationary effect that has occurred in recent years, with a marked increase in the costs included in the tariff, improving the profitability of the management of the Integrated Water Service and its self-financing capacity.

RECLASSIFIED INCOME STATEMENT AS AT 30/06/2024

Figures in EUR thousands	Final balance 1st half 2024		Final balance 1st half 2023		Budget 1st half 2024		Δ Final balance 2024/ Final balance 2023	Δ Final balance 2024/ Budget 2024
Revenues from Integrated Water Service	14,545		13,018		14,634		1,528	(89)
Revenues from miscellaneous services	118		122		106		(4)	12
Total revenue from services	14,663		13,139		14,740		1,524	(77)
Increase in fixed assets	1,509		817		1,141		692	368
Other revenues	578		1,022		499		(444)	79
Total Revenues	16,750	100%	14,978	100%	16,380	100%	1,772	370
Purchase of materials	(1,289)		(803)		(924)		(486)	(365)
Purchase of services	(4,555)		(5,328)		(6,020)		772	1,464
Use of third party assets	(864)		(964)		(866)		101	3
Personnel costs	(5,619)		(5,451)		(5,795)		(168)	176
Other costs	(407)		(271)		(282)		(136)	(125)
Total Costs	(12,734)		(12,817)		(13,887)		83	1,153
EBITDA	4,017	24%	2,161	14%	24,93	15%	1,856	1,523
Amortisation of Investments	(1,633)		(1,500)		(1,690)		(133)	57
Allocation to Provision for Bad Debts	(100)		(100)		(100)		0	0
Other Provisions	(300)		(80)		(50)		(220)	(250)
Total Provisions	(2,033)		(1,680)		(1,840)		(353)	(193)
EBIT	1,984	12%	481	3%	653	4%	1,503	1,331
Net financial expenses	(32)		(287)		(213)		255	181
Ordinary EBT	1,952	12%	194	1%	440	3%	1,758	1,512
Extraordinary expenses	0		0		0		0	0
Extraordinary income	0		0		0		0	0
Extraordinary management	0		0		0		0	0
EBT before tax	1,952	12%	194	1%	440	3%	1,758	1,512
Taxes	(698)		(31)		(177)		(667)	(521)
Net Result	1,254	7%	164	1%	263	2%	1,091	991

Total revenues amounted to approximately EUR 16.7 million, an increase of EUR 1.8 million compared to the first half of 2023, mainly attributable to the tariff revaluation of costs that can be streamlined, carried out in accordance with the provisions of MTI-4 on the basis of the recognised inflation for the years 2023 and 2024. The variation, apparently negative with respect to the forecast figure, of the Integrated Water Service Revenues summarises the decrease in revenues due to lower external costs incurred in the period (EUR -435 thousand for electricity and EUR -285 thousand for sludge disposal) and the increase in revenue tariff components, deriving from the MTI-4 tariff calculation (EUR +631 thousand). Other revenues showed a decrease of EUR 444 thousand compared to the previous half-year, which included income for the tax credit on electricity used for the Integrated Water Service (EUR 267 thousand); there were also lower revenues for general services provided to the related company Bim Belluno Infrastrutture S.p.A. (EUR 100 thousand) as a result of the exit of the gas branch.

Total costs amounted to EUR 12.7 million; compared to the forecast, as mentioned above, lower costs for electricity were recorded (EUR -435 thousand) and for sludge disposal (EUR -285 thousand), with a direct impact on revenues for the period; costs for services also include lower costs for postponed services, relating to the repair of leaks (EUR -355 thousand) and ordinary maintenance (EUR -191 thousand), due to the critical issues arising from the entry into force of Legislative Decree no. 36/2023, mentioned in the section on significant events during the period. The increase in material purchase costs is related to the large supplies related to the PNRR (National Recovery and Resilience Plan) project 'Reduction of losses in water distribution networks, including digitisation and monitoring'. Personnel costs increased by EUR 170 thousand compared to 30/06/2023, mainly due to the increase in personnel.

The first half of 2024 closed with an **EBITDA** of EUR 4 million, which was EUR 1.9 million higher than in the

same period of the previous year, due to the aforementioned increase in revenues recognised by the MTI/4 tariff method and the simultaneous decrease in costs recorded for postponed services.

As regards **Provisions** for the half year, there was an increase compared to the forecast figure of EUR 250 thousand, related to the coverage of the risk of repetition of the tax credit for Research and Development accrued in the period 2017-2019 and used to offset, for which audits are currently being performed by the Revenue Agency.

EBIT, after depreciation, amortisation and provisions, amounted to EUR 2 million, an increase of EUR 1.3 million compared to the budget.

Net **financial expenses**, amounting to EUR 32 thousand, decreased significantly compared to 2023 due to higher interest income accrued for the use of liquidity, following the increase in interest rates.

The **net profit** as at 30 June 2024, after taxes recognised on an accrual basis in the amount of EUR 698 thousand, totalled EUR 1.3 million, a clear increase over both the previous period and the forecast figure.

RECLASSIFIED BALANCE SHEET AS AT 30/06/2024

Figures in EUR thousands	Final balance		Final balance		Budget		Δ Final balance 2024 / Final balance 2023	Δ Final balance 2024 / Budget 2024
	30/06/2024		31/12/2023		31/12/2024			
Tangible and intangible fixed assets	64,529		58,795		62,456		5,735	2,074
Financial fixed assets	346		348		347		(2)	(2)
NET FIXED ASSETS	64,875	96%	59,143	94%	62,803	91%	5,732	2,072
Receivables from customers	10,025		8,093		9,302		1,932	723
Receivables from customers - tariff adjustment	0		430		0		(430)	0
Receivables from customers with VRG adjustment	3,379		4,281		2,900		(902)	478
Warehouse	2,159		1,343		1,900		816	259
Deferred tax assets	1,073		1,101		1,193		(28)	(120)
Sundry receivables	4,110		4,846		11,966		(736)	(7,856)
Current assets	20,746		20,095		27,262		651	(6,516)
Trade payables	(8,678)		(10,149)		(15,040)		1,472	6,362
Tax payables	(794)		(433)		(350)		(362)	(444)
Sundry payables	(6,925)		(4,317)		(3,800)		(2,609)	(3,125)
Current Liabilities	(16,397)		(14,899)		(19,190)		(1,498)	2,792
NET WORKING CAPITAL	4,349	6%	5,196	8%	8,073	12%	(847)	(3,724)
Provisions	(1,942)	-3%	(1,657)	-3%	(1,821)	-3%	(285)	(121)
NET INVESTED CAPITAL	67,282	100%	62,682	100%	69,054	100%	4,600	(1,772)
Share Capital	(2,010)		(2,010)		(2,010)		0	0
Reserves	(57,967)		(57,223)		(57,320)		(743)	(647)
Net result	(1,254)		(743)		(319)		(511)	(936)
SHAREHOLDERS' EQUITY	(61,231)	91%	(59,977)	96%	(59,648)	86%	(1,254)	(1,583)
Medium/long-term financial payables	(28,740)		(30,875)		(26,216)		2,135	(2,524)
Financial payables to Bim Belluno Infrastrutture	(813)		(813)		(407)		0	(406)
Medium/long-term financial receivables	6,048		6,288		5,817		(241)	230
Short-term financial payables	0		0		0		0	0
Cash	17,455		22,694		11,400		(5,240)	6,055
NET FINANCIAL POSITION	(6,051)	9%	(2,706)	4%	(9,406)	14%	(3,345)	3,355
SOURCES OF FUNDING	(67,282)	100%	(62,682)	100%	(69,054)	100%	(4,600)	1,772

Net Invested Capital increased by EUR 4.6 million in the half, mainly due to the increase in Net Fixed Assets (EUR +5.7 million) as a result of investments, which, as of 30 June, are shown gross of the PNRR (National Recovery and Resilience Plan) contributions currently being accrued, contrary to the projected figure as of 31/12/2024. Among current assets, receivables from customers and inventory increased by EUR 1.5 million, offset by the decrease in sundry receivables, primarily due to the receipt of investment grants and the offsetting of the IRES credit with taxes for the half. The collection of the credit for tariff adjustment was completed in the first half of the year, with the finalisation of the invoicing of consumption for 2023, the last year of application of the surcharge on past items. As regards current liabilities, the decrease in trade payables is offset by the increase in sundry payables due to the recognition of the advance payment of 10% of the amount accepted for financing in connection with the PNRR loss-reduction project mentioned above (EUR 2 million), pending the recognition of this amount on an accrual basis as a reduction in the value of realised assets.

Sources of Financing recorded a similar change, split between the increase in Shareholders' Equity (EUR 1.3 million), for the amount of the profit for the period, and the decrease in the Net Financial Position (EUR 3.3 million), determined by the decrease in medium/long-term financial debts, which follow the trend of the relative amortisation schedules, and the progressive absorption of cash and cash equivalents.

Analysis of sector margins AND COMPARISON WITH FORECAST DATA

At Income Statement level, a summary report is provided for each individual Service, showing, as required by the Articles of Association, the comparison with the data contained in the Budget and commenting on any significant deviations.

The general services (e.g. legal bodies, administration, purchasing, etc.) are allocated to the managed services as shown in the line Share of general services expenses, based on criteria derived from the regulations on separate reporting (unbundling).

Figures in EUR thousands	Integrated Water Service		LPG		General services and other items		Total	
	Final balance - 1st half 2024	Forecast - 1st half 2024	Final balance - 1st half 2024	Forecast - 1st half 2024	Final balance - 1st half 2024	Forecast - 1st half 2024	Final balance - 1st half 2024	Forecast - 1st half 2024
Revenues from Integrated Water Service	14,545	14,634	0	0	0	0	14,545	14,634
Revenues from other services	0	0	118	104	0	3	118	106
Total revenue from services	14,545	14,634	118	104	0	3	14,663	14,740
Increase in fixed assets	1,500	1,141	0	0	8	0	1,509	1,141
Other revenues	395	324	7	3	176	173	578	499
Total Revenues	16,440	16,098	125	107	185	176	16,750	16,380
Purchase of materials	(1,046)	(691)	(66)	(56)	(177)	(178)	(1,289)	(924)
Purchase of services	(3,401)	(4,900)	(15)	(16)	(1,140)	(1,104)	(4,555)	(6,020)
Use of third party assets	(666)	(679)	(4)	(4)	(193)	(183)	(864)	(866)
Personnel costs	(4,273)	(4,581)	(26)	0	(1,320)	(1,213)	(5,619)	(5,795)
Other costs	(312)	(212)	(1)	(1)	(93)	(69)	(407)	(282)
Total Costs	(9,698)	(11,063)	(112)	(76)	(2,924)	(2,748)	(12,734)	(13,887)
EBITDA	6,743	5,035	13	31	(2,739)	(2,573)	4,017	2,493
Amortisation of Investments	(1,463)	(1,555)	(5)	(5)	(164)	(130)	(1,633)	(1,690)
Allocation to Provision for Bad Debts	(100)	(100)	0	0	0	0	(100)	(100)
Other Provisions	(300)	(50)	0	0	0	0	(300)	(50)
Total Provisions	(1,863)	(1,705)	(5)	(5)	(164)	(130)	(2,033)	(1,840)
EBIT (gross of general services)	4,880	3,330	8	26	(2,903)	(2,703)	1,984	653
General services expenditure share	(2,878)	(2,606)	(18)	(18)	2,896	2,623	0	0
EBIT (net of general services)	2,001	724	(10)	9	(7)	(79)	1,984	653
Net financial expenses							(32)	(213)
Ordinary EBT							1,952	440
Extraordinary expenses							0	0
Extraordinary income							0	0
<i>Extraordinary management</i>							0	0
EBT before tax							1,952	440
Taxes							(698)	(177)
Net Result							1,254	263

Revenues from the Integrated Water Service account for 98% of the total; for costs, the assumptions already presented in the commentary on the total *reclassified Income Statement* apply.

For the **LPG service**, there was a significant increase in management costs, assumed directly by the Company after 31 January 2024, the date until which the service benefited from the management synergies that the related company Bim Belluno Infrastrutture S.p.A. obtained from the simultaneous management of the methane gas distribution service.

INVESTMENTS

The following table shows the investments made in the first half of 2024, gross of grants and depreciation attributable on an accrual basis. The amounts do not include any advance payments to suppliers for investments to be made.

Fixed assets	Investments (in EUR thousands)
Other intangible assets (third-party plant)	523
Plant and machinery	519
Industrial and commercial equipment	1,151
Other assets	140
Concessions, licences, trademarks and similar rights	291
Land and buildings	46
Fixed assets in progress	4,907
Grand total	7,577

The main investments concern:

Municipality	Initiative	Amounts €/1000
Various	Reduction of losses in water supply distribution networks, including digitisation and monitoring (PNRR)	1,997
Rocca Pietore	Masarè sewer 1st VAIA section	1,118
Various	Replacement/installation of meters (utility meters)	954
Borca di Cadore	Sewerage collectors and purification plant serving the municipality of Borca di Cadore	390
Various	Overhead costs (mainly software investments and vehicles)	308
Various	Inventories	291
Falcade	Falcade network water supply system (PNRR)	264
Various	Connections	237
Various	Planned extraordinary maintenance works on water supply and sewerage networks, including in emergencies	236
Longarone	Construction of sludge dewatering plant (PNRR)	236
Seren	Seren and Porcen Sewer	163
Belluno	Marisiga plant upgrade (1st section) (PNRR)	126
Various	Waterworks extraordinary maintenance and safety works	125
Various	Purification plant extraordinary maintenance	115
Various	Rationalisation of sewer lines via Dendrofori - via Lambioi - river park (including overflows)	107
Various	Hydrogeological study for delimitation of source protection areas	105
Livinallongo del Col Di Lana	Extraordinary maintenance of Renaz purification plant	103

The table below compares the gross capital expenditure realised during the half-year period with the forecast figures.

Description of investments (amounts €/1000)	Final balance 30/06/2024	Budget 30/06/2024	Δ Final balance 2024/ Budget 2024	Budget t 2024	Δ Final balance 2024 / Budget 2024
PNRR (National Recovery and Resilience Plan) Works	2,359	3,764	(1,405)	101,32	(7,773)
Major IWS works	1,182	3,022	(1,840)	8,135	(6,953)
Minor IWS extraordinary maintenance	1,971	2,029	(59)	5,463	(3,492)
Capital goods	308	353	(45)	950	(642)
TOTAL Investment Expenditure IWS Programme	5,820	9,168	(3,348)	24,680	(18,860)
"Vaia" investments - IWS (with advance payment by the Operator)	1,200	120	1,081	322	878
Third-party PNRR investments	264	259	5	698	(434)
'ASCO' investments Feltre warehouse	293	451	(158)	1,213	(920)
LPG investments (connections and meters and capital goods)	0	2	(2)	6	(6)
TOTAL Company investments	7,577	10,000	(2,423)	26,919	(19,342)

There were delays in the execution of PNRR works (EUR 1.4 million) and major works (EUR 1.8 million), related to delays in the design and start-up of works.

The deviation noted was partially recovered with the 'Vaia' investments in the integrated water service (EUR 1.1 million), mainly for works on the sewerage system in Masarè (Alleghe) - 1st section.

COMPANY FINANCIAL POSITION

The Company's **Net Financial Position** as at 30 June 2024 is summarised below, with a comparison with 31/12/2023:

NET FINANCIAL POSITION (amounts €/'1000)	30/06/2024	31/12/2023	Changes
Bank and postal deposits	17,452	22,693	(5,241)
Cash and cash equivalents on hand	3	1	1
Cash and cash equivalents	17,455	22,694	(5,240)
Short-term portion of financial receivables (within 12 months)	647	445	201
Short-term portion of medium- to long-term financing (within 12 months)	(4,942)	(4,638)	(303)
Short-term portion of loans to Related Parties (within 12 months)	(813)	(406)	(407)
Net short-term financial debt	(5,108)	(4,599)	(509)
Short-term net financial position	12,347	18,096	(5,749)
Medium/long-term financial receivables (over 12 months)	5,401	5,843	(442)
Medium/long-term financial payables (over 12 months)	(23,799)	(26,237)	2,438
Medium/long-term financial payables to Related Parties (over 12 months)	0	(407)	407
Medium- and long-term net financial position	(18,398)	(20,801)	2,404
Net financial position	(6,051)	(2,706)	(3,345)

The positive **short-term net financial position** decreased by EUR 5.7 million, due to the progressive absorption of cash and cash equivalents and the increase in the short-term portion of medium/long-term loans, in compliance with their amortisation schedules.

The negative **medium- and long-term net financial position** decreased by EUR 2.4 million due to the repayment of loan instalments due in the first half of the year and the collection of receivables for the deferment of grants for investments awarded by the Consorzio BIM Piave Belluno.

The negative **total net financial position** amounted to EUR 6 million, a decrease of EUR 3.3 million compared to 31/12/2023.

For an analysis of the cash flows for the six-month period, please refer to the Cash Flow Statement, whose comparative data refer to the six-month period of the previous year, also showing the data for the year 2023 for a complete representation.

FINANCIAL COVENANTS

In the underwriting agreement for the Hydrobond 4 bonds issued in the year 2022, the following covenants are provided for, which, as of 30/06/2024, were largely respected:

- **EBITDA/Financial Costs** which amounted to **38.4** compared to the ≥ 2.50 required from 2021 to 2024 inclusive (from 2025 to the maturity date, the ratio is expected to be ≥ 3.50); the particularly high value is due not only to the increase in EBITDA, but also to the decrease in financial expenses net of financial income, which was highly positive in the period.
- **N.F.P./EBITDA** which was 2.1 compared to the ≤ 6.00 required from 2021 to 2024 inclusive (from 2025 to 2026 inclusive, the index is expected to sit at a value of ≤ 6.50 , while from 2027 inclusive to the maturity date the index is expected to sit at a value of ≤ 7.50).
- **N.F.P./Fixed Capital**, which was 17.1% compared to the $\leq 50\%$ required from 2021 to 2030 (from 2031 inclusive to the maturity date, however, the index is expected to sit at a value of $\leq 60\%$).

It is specified that, by means of a special Bondholders' Meeting held in February 2022, the Regulations of the Hydrobond 1 and 2 bonds were amended in order to align the financial covenants of the latter with the Regulations of the Hydrobond 4 bond, with the aim of ensuring the same protection for creditors.

CASH FLOW STATEMENT, INDIRECT METHOD

in EUR thousands	1st half 2024	1st half 2023	31/12/2023
A) Cash flow from operating activities (indirect method)			
Profit (loss) for the period	1,254	164	743
Income taxes	698	31	98
Interest expense/(income)	36	287	356
(Dividends)	(4)	0	(3)
1) Profit (loss) for the period before income tax, interest, dividends and capital gains/losses on disposal	1,984	481	1,194
Adjustments for non-monetary items not reflected in net working capital			
Provisions to funds	569	87	324
Amortisation/Depreciation of fixed assets	1,633	1,500	3,160
Total adjustments for non-monetary elements that did not have a contra-item in net working capital	2,202	1,587	3,484
2) Cash flow before changes in net working capital	4,186	2,069	4,678
Changes in net working capital			
Decrease/(Increase) in inventories	(816)	(260)	(376)
Decrease/(Increase) in trade receivables	(599)	755	2,543
Increase/(Decrease) in trade payables	(1,472)	(1,507)	1,032
Decrease/(Increase) in accrued income and prepaid expenses	(443)	(34)	10
Increase/(Decrease) in accrued expenses and deferred income	12	(7)	2
Other decreases/(Other Increases) in net working capital	3,508	548	(1,885)
Total changes in net working capital	191	(505)	1,327
3) Cash flow after changes in net working capital	4,377	1,564	6,005
Other adjustments			
Interest received/(paid)	(78)	(165)	(388)
(Income taxes paid)	0	0	(29)
Dividends received	4	3	3
(Use of provisions)	(284)	(16)	(372)
Total other adjustments	(358)	(177)	(785)
Cash flow from operating activities (A)	4,019	1,387	5,219

in EUR thousands	1st half 2024	1st half 2023	31/12/2023
B) Cash flows from investing activities			
<i>Tangible fixed assets</i>			
(Investments)	(2,670)	(1,873)	(4,763)
Divestments			11
<i>Intangible fixed assets</i>			
(Investments)	(4,700)	(2,103)	(7,145)
Divestments	2		11
<i>Financial fixed assets</i>			
(Investments)			(3)
Divestments	243	440	435
<i>Non-fixed financial assets</i>			
(Investments)			
Divestments			
Cash flow from investing activities (B)	(7,124)	(3,537)	(11,454)
C) Cash flows from financing activities			
<i>Third-party funding</i>			
New loans			
(Repayment of loans)	(2,135)	(1,974)	(3,909)
Equity			
Sale /(purchase) of own shares			(450)
Cash flow from financing activities (C)	(2,135)	(1,974)	(4,359)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(5,240)	(4,124)	(10,593)
Cash and cash equivalents at the beginning of the period	22,694	33,288	33,288
Cash and cash equivalents at the end of the period	17,455	29,164	22,694

During the first half of 2024, there was a decrease in cash and cash equivalents of EUR 5.2 million.

The Cash flow from operating activities amounted to EUR 4 million, which partially supported the outlays for net investments of EUR 7.1 million. Additional liquidity was absorbed by financial management for the repayment of loans maturing during the period (EUR 2.1 million).

EMPLOYMENT DATA

The following table shows the average company workforce, broken down by category, as at 30/06/2024 compared with the similar figure as at 31/12/2020, for the change over the six-month period, and with the figure at 30/06/2023, for the annual change.

Headcount		Average units at ¹		Six-month change	Average units at ¹ 30/06/2023	Annual change
		30/06/2024	31/12/2023			
Executives		1	1	0	1	0
Employees	Technicians	71.75	70.5	+1.25	67.5	+4.25
	Administrative staff	75.75	73	+2.75	74	+1.75
Workers		78	77	+1	71	+7
Total		226.5	221.5	+5	213.5	13

¹ no. of employees in relation to full-time staff on the date indicated (incidence of part-time contracts)

The workforce, expressed in full-time equivalent units employed as at 30/06/2024, increased compared to the same figure as at 31/12/2023. Note the significant change from 30/06/2023, as a result of the increase in staffing in the technical and operational departments.

The following table shows the number of full-time equivalent staff working on secondment at the related company Bim Belluno Infrastrutture S.p.A. and their change over time:

Headcount		Average units at ¹		Six-month change	Average units at ¹ 30/06/2023	Annual change
		30/06/2024	31/12/2023			
Seconded personnel		1.5	2.5	- 1	2.25	- 0.75

There is still the secondment of some figures to the related company, although reduced compared to the previous year, to manage activities related to residual obligations, concerning the management of the methane gas distribution service.

CONCLUSIONS

Dear Shareholders:

we submit for your review and approval the Interim Report as at 30 June 2024, as set out and illustrated in this document.

Belluno, 04 October 2024

For the Board of Directors

The Chairperson

Mr. Attilio Sommovilla



INTERIM FINANCIAL STATEMENTS AS AT 30 June 2024**BALANCE SHEET AS AT 30 June 2024**

	30/06/2024	31/12/2023
Assets		
B) Fixed Assets		
I - Intangible fixed assets		
4) concessions, licences, trade marks and similar rights	809,841	1,013,652
6) fixed assets in progress and advances	6,740,720	3,703,512
7) others	21,016,601	21,815,414
<i>Total intangible fixed assets</i>	<i>28,567,162</i>	<i>26,532,578</i>
II - Tangible fixed assets		
1) land and buildings	1,689,900	1,710,243
2) plant and machinery	21,745,231	22,190,161
3) industrial and commercial equipment	2,882,769	3,099,858
4) other assets	860,710	1,017,998
5) fixed assets in progress and advances	8,783,652	4,244,008
<i>Total tangible fixed assets</i>	<i>35,962,262</i>	<i>32,262,268</i>
III - Financial fixed assets		
1) investments in		
d-bis) other companies	218,495	218,495
<i>Total investments</i>	<i>218,495</i>	<i>218,495</i>
2) receivables		
d-bis) due from others	6,174,809	6,418,078
<i>Total receivables</i>	<i>6,174,809</i>	<i>6,418,078</i>
<i>Total financial fixed assets</i>	<i>6,393,304</i>	<i>6,636,573</i>
<i>Total fixed assets (B)</i>	<i>70,922,728</i>	<i>65,431,419</i>
C) Current assets		
I - Inventories		
1) raw/auxiliary materials and consumables	2,146,244	1,330,671
3) contract work in progress	12,275	12,275
<i>Total inventories</i>	<i>2,158,519</i>	<i>1,342,946</i>
II - Receivables		
1) trade receivables	13,403,730	12,804,608
5-bis) tax receivables	39,835	466,376
5-ter) prepaid tax assets	1,073,432	1,101,264
5-quater) due from others	3,321,929	4,073,967
<i>Total receivables</i>	<i>17,838,926</i>	<i>18,446,215</i>
IV - Cash and cash equivalents		
1) bank and postal deposits	17,452,284	22,693,275
3) cash and cash equivalents on hand	2,587	1,110
<i>Total cash and cash equivalents</i>	<i>17,454,871</i>	<i>22,694,385</i>
<i>Total current assets (C)</i>	<i>37,452,316</i>	<i>42,483,546</i>
D) Accruals and deferrals	748,627	305,770
<i>Total assets</i>	<i>109,123,670</i>	<i>108,220,735</i>

	30/06/2024	31/12/2023
Liabilities		
A) Shareholders' Equity		
I - Capital	2,010,000	2,010,000
III - Revaluation reserves	203,500	203,500
IV - Legal reserve	409,492	409,492
VI - Other reserves, separately indicated		
Extraordinary reserve	57,803,898	57,060,502
Various other reserves	(1)	(2)
<i>Total other reserves</i>	<i>57,803,897</i>	<i>57,060,500</i>
IX - Profit (loss) for the period	1,254,419	743,396
X - Negative reserve for treasury shares in portfolio	(450,000)	(450,000)
<i>Total Shareholders' Equity</i>	<i>61,231,308</i>	<i>59,976,888</i>
B) Provisions for risks and charges		
2) for taxes, including deferred taxes	107,125	109,425
4) others	1,578,122	1,278,122
<i>Total provisions for risks and charges</i>	<i>1,685,247</i>	<i>1,387,547</i>
C) Employee severance indemnity		
	256,611	269,274
D) Payables		
1) bonds	17,215,437	17,820,884
within the next financial year	1,300,000	1,240,000
beyond the next financial year	15,915,437	16,580,884
4) payables due to banks	11,524,623	13,054,178
within the next financial year	3,641,530	3,398,148
beyond the next financial year	7,883,093	9,656,030
6) payments on account	2,047,706	131,419
7) trade payables	8,677,706	10,149,319
12) tax payables	794,293	432,736
13) payables due to social security institutions	682,889	695,975
14) other payables	4,774,239	4,080,882
within the next financial year	4,774,239	3,673,557
beyond the next financial year	0	407,325
<i>Total payables</i>	<i>45,716,893</i>	<i>46,365,393</i>
E) Accruals and deferrals		
	233,611	221,633
<i>Total liabilities</i>	<i>109,123,670</i>	<i>108,220,735</i>

INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 June 2024

	30/06/2024	30/06/2023
A) Value of production		
1) revenue from sales and services	14,662,943	13,149,333
3) change in contract work in progress	-	(10,224)
4) increases in fixed assets for internal work	1,508,750	817,007
5) other revenues and income	578,560	1,022,342
<i>Total value of production</i>	<i>16,750,253</i>	<i>14,978,458</i>
B) Production costs		
6) for raw, auxiliary materials and consumables and goods	2,104,745	1,072,819
7) for services	4,555,491	5,327,888
8) for use of third party assets	863,598	964,365
9) for staff	5,618,697	5,450,996
10) depreciation, amortisation and write-down	1,732,577	1,599,861
11) changes in inventories of raw, auxiliary and consumable materials and goods	(815,573)	(269,867)
12) provisions for risks	300,000	80,000
13) other provisions	-	-
14) sundry operating expenses	406,587	270,953
<i>Total production costs</i>	<i>14,766,120</i>	<i>14,497,015</i>
Difference between value and cost of production (A - B)	1,984,133	481,443
C) Financial income and charges		
15) income from equity investments	4,048	3,373
16) other financial income	391,474	213,902
17) interest and other financial expenses	(427,478)	(504,086)
<i>Total financial income and charges (15 +16 -17 + -17-bis)</i>	<i>(31,956)</i>	<i>(286,811)</i>
20) Current, deferred and prepaid income taxes for the period	697,757	30,605
21) Profit (loss) for the period	1,254,419	164,028

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 June 2024

Foreword and Contents of the Interim Financial Statements

The Interim Financial Statements consist of the Balance Sheet, Income Statement and these Explanatory Notes. Together with the Report, they make up the Interim Report as at 30 June 2024, prepared for the purposes of Title V, Article 23 bis - "In-house providing engagements" - of the Articles of Association of the Company.

The structure of the financial statements as at 30 June 2024 is consistent and directly comparable with that of the annual financial statements. The Explanatory Notes, on the other hand, are presented in summary form and are therefore limited to the information necessary for an understanding of the economic and financial situation in the first half of 2024.

These Notes show the contents of the balance sheet and income statement items as of 30/06/2024, respectively compared with the balance sheet data resulting from the Financial Statements as of 31/12/2023 and with the income statement data for the first half of 2023, with comments on the main changes.

Unless otherwise stated, the figures in the Notes are in thousands of euro.

The reference accounting standards, as more fully explained in the paragraph below entitled *Criteria for the Drafting and Measurement of Financial Statements*, set forth that the disclosures in the interim financial statements are less detailed than those required for the preparation of the annual financial statements, without prejudice to the true and fair view of the company's financial position and results of operations for the period. Therefore, the disclosures in these interim financial statements should be read in conjunction with those in the Financial Statements for the year ended 31 December 2023, to which reference should be made.

Drafting and measurement criteria

In preparing this interim report as at 30 June 2024, account was taken of the regulatory provisions contained in the Italian Civil Code and national accounting standards, and in particular the accounting standard 'OIC 30 Interim Reporting'.

The valuations of recognised items were carried out on a going concern basis, as well as taking into account the economic function of the asset or liability item considered.

The measurement criteria, to the extent applicable, have not been changed from those applied for the financial statements of the previous year. It should be noted that no changes in accounting standards, measurement criteria or significant adjustments in accounting estimates have been adopted.

Dissimilar elements included in the individual items have been valued separately. Positive and negative items of income were considered on an accrual basis, regardless of the date of receipt or payment, taking into account the risks, losses and positive events accrued during the reporting period, as well as risks and losses accrued, even if they became known at a later date.

With regard to the accounting standards adopted by the Company, please refer to the Notes to the Financial Statements as at 31 December 2023.

Seasonality and use of estimates

As is known, the Company mainly operates in the Integrated Water Service sector, which does not show significant seasonality in the trend in volumes and margins when comparing the two halves of the financial year.

In preparing the Interim Financial Statements, certain estimates have been adopted in continuity with those adopted in preparing the Financial Statements for the year ended 31 December 2023. The main estimates concerned the assumptions about the reference tariff for identifying the revenues accrued by the Integrated Water Service, the estimated net realisable value of user receivables, the valuation of certain contingent liabilities, and income taxes for the period. The estimates are based on reasonable assumptions, but do not preclude the possibility that actual results may differ from those presented in the Interim Financial Statements as at 30 June 2024.

Assets**B) Fixed Assets****I. Intangible fixed assets**

Account Description	30/06/2024	31/12/2023
I) Intangible fixed assets	28,567	26,533
4) Concessions, licences, trade marks and similar rights	810	1,014
6) Fixed assets in progress and advances	6,741	3,704
7) Others	21,017	21,815

The item **Concessions, licences, trademarks and similar rights** mainly relates to licences for the use of application programmes provided to corporate structures.

Fixed assets in progress and advances mainly include costs related to improvements to municipally-owned facilities that had not yet come into operation at the end of the period.

The item **Other** mainly relates to improvements made to plants owned by the municipalities that were completed at the end of the period and for which the depreciation process had therefore begun; the same item also includes the value of the map databases relating to the Integrated Water Service networks.

II. Tangible fixed assets

Account Description	30/06/2024	31/12/2023
II) Tangible fixed assets	35,962	32,262
1) Land and buildings	1,690	1,710
2) Plant and machinery	21,745	22,190
3) Industrial and commercial equipment	2,883	3,100
4) Other Assets	861	1,018
5) Fixed assets in progress and advances	8,784	4,244

The item **Land and buildings** relates for EUR 1.5 million to industrial buildings, mainly related to new purification plants; the remainder relates to land acquired for the construction of water service and LPG plants.

The item **Plant and machinery** refers to:

- Networks and connections, water supply and sewerage;
- Purification plants;
- Water filtration and purification plants;
- Reservoirs;
- Intake works;
- Remote control system.

The item **Industrial and commercial equipment** concerns:

- Water meters and accessories;
- LPG meters and accessories;
- Technical equipment.

The item **Other assets** includes the following sub-items:

- Vehicles;
- Electronic machines and data processing centres;
- Office furniture and equipment;
- Mobile phone.

The item **Fixed assets in progress and advances** includes the following sub-items:

- Plants under construction of the Water Service.

Gross investments in intangible assets and property, plant and equipment in the half amounted to EUR 7.6 million. Fixed assets are shown net of capitalised contributions, which amounted to EUR 207 thousand, and depreciation, which amounted to EUR 1.6 million; this results in an overall increase in net fixed assets of EUR 5.7 million.

III. Financial fixed assets

Account Description	30/06/2024	31/12/2023
III) Financial fixed assets	6,393	6,637
1) Investments in:	218	218
d) Other companies	218	218
2) Receivables	6,175	6,418
d) From others	6,175	6,418

Investments

The following Equity investments are entered under the heading **Other Companies**:

- Dolomiti Ambiente S.p.A. for EUR 140 thousand;
- Bim Belluno Infrastrutture S.p.A. for EUR 55 thousand;
- Società Informatica Territoriale S.r.l. for EUR 16 thousand;
- Viveracqua S.c.a.r.l. for EUR 5 thousand.
- Network contract called Laboratori Viveracqua for EUR 3,000.

There were no changes to the values of the equity investments recognised in the balance sheet as at 31.12.2023.

Receivables

This item refers in part to the receivable due from Bim Piave Belluno Consortium, with a residual value of EUR 2.3 million, deriving from the payment in instalments of grants on account of plants granted to support the Integrated Water Service and LPG networks, of which EUR 245 thousand was collected during the half-year.

This item also includes the receivable of EUR 3.7 million related to the Credit Enhancement pledge provided as an overall guarantee for the Hydrobonds 1, 2 and 4 issues. Also included in the Hydrobond transactions is the receivable totalling EUR 76 thousand, attributable to the participation in the reserves established in the vehicle company Viveracqua Hydrobond 1 S.r.l. (EUR 46 thousand) and Viveracqua Hydrobond 2022 S.r.l. (EUR 30 thousand) due to common expenses being incurred related to the operations.

The remaining amount relates to deposits paid for works carried out on the networks of the Integrated Water Service.

C) Current assets**I. Inventories**

Account Description	30/06/2024	31/12/2023
I) Inventories	2,159	1,343
1) Raw/auxiliary materials and consumables	2,146	1,331
3) contract work in progress	12	12

They consist mainly of inventories of consumables, meters and components of water and sewerage networks. At the end of the period, there was a transitory increase in inventories, mainly related to the purchase of meters for mass replacements, particularly in the area affected by the installation of electronic meters under the PNRR.

II. Receivables

Account Description	30/06/2024	31/12/2023
II) Receivables	17,839	18,446
1) From customers	13,404	12,805
4 bis) For tax credits	40	466
4 ter) For prepaid tax assets	1,073	1,101
5) from others	3,322	4,074

The following table provides a breakdown of **receivables from customers**, for which there was an increase in the half-year of EUR 600 thousand:

Receivables from Customers	30/06/2024	31/12/2023	Changes
Water receivables for invoices issued	8,238	6,554	1,684
Water receivables for invoices to be issued	4,806	4,437	369
Water receivables for tariff adjustment 2004-2011	0	430	(430)
Water receivables for VRG adjustment	3,379	4,281	(902)
Total water receivables	16,423	15,702	720
Receivables from other sectors	185	207	(22)
Total receivables gross of write-down	16,607	15,909	698
Bad debt provision	(3,204)	(3,105)	(99)
Total receivables net of write-down	13,404	12,805	599

Receivables for invoices issued increased in the half-year (EUR 1.7 million) due to the development of the invoicing plan.

The **receivable for tariff adjustment**, including the six-monthly portion of accrued interest income, calculated at a rate of 3% for EUR 6 thousand, is zeroed due to the effect of the application in the bill of the surcharge to recover past items, applied starting from 2014 within the scope of the tariffs approved by AEEGSI Resolution 506/2013/R/IDR of 7 November 2013.

The water receivables for VRG adjustments include the deviations of the accrued turnover with respect to the Operator's Revenue Constraint (VRG), as well as the adjustment of external costs (e.g. electricity, derivation fees) in accordance with the regulatory framework. The recovery mechanism of these credits is envisaged through the application of a tariff variation starting from the second year following the year of formation or in the longer time-frame determined by the Local Authority with the tariff policies adopted, always respecting the economic-financial balance of the Operator.

Other receivables mainly include receivables for the wholesaling of water and transfer of industrial effluents, receivables for the sale of LPG in local networks, as well as trade receivables from Bim Belluno Infrastrutture S.p.A., which, as at 30/06/2023, amounted to EUR 105 thousand and refer to the share of general services for the first half.

Tax credits mainly relate to the excess of the advance on the substitute tax on severance pay paid in December 2023 over the balance recognised at year-end (EUR 17 thousand).

Deferred tax assets decreased due to the reversal of taxes, mainly related to the ACE (aid for economic growth) surplus not utilised in 2023 and carried forward to the following year.

Receivables due from others mainly include receivables for contributions on investments in the Water Service (EUR 227 thousand) and for financial advances granted to suppliers pursuant to law (EUR 2.5 million), an item that increased sharply in the first half of the year, also due to the effect of the credit lines connected to the PNRR projects; receivables due from banks are also recognised for interest income paid (EUR 318 thousand), which is credited annually.

IV. Cash and cash equivalents

Account Description	30/06/2024	31/12/2023
IV) Cash and cash equivalents	17,455	22,694
1) Bank and postal deposits	17,452	22,693
3) Cash and cash equivalents on hand	3	1

The balance represents cash and cash equivalents and valuables at the end of the financial year.

Cash and cash equivalents include EUR 11.4 million deposited in term current accounts with notice, which provide a better return.

It should be noted that the investment methods were selected on the basis of a liquidity management policy that the Company has adopted in order to minimise the risks on capital invested.

D) Accruals and deferrals

Account Description	30/06/2024	31/12/2023
D) Accruals and deferrals	749	306

Accrued income, equal to EUR 237 thousand, relates to portions of income accrued on temporary cash deposits and *Cash Collateral*, as provided for of the "Credit Enhancement Creditor Agreement" in the context of the Hydrobond 1, 2 and 4 transactions.

Prepaid expenses, amounting to EUR 512 thousand, are mainly determined by software and hardware support fees, surety commissions, and rental fees whose accrual period refers to the second half of 2024.

Liabilities**A) Shareholders' Equity**

The changes in shareholders' equity during the six-month period are shown below:

	Share Capital	Revaluation reserve	Legal reserve	Extraordinary reserve	Profit/(loss) for the period	Negative reserve for treasury shares in portfolio	Total
Values as at 01/01/2023	2,010	204	409	56,623	438		59,683
Allocation of previous year's profit				438	(438)		0
Other changes						(450)	0
Profit (loss) for the year 2023					743		743
Values as at 31/12/2023	2,010	204	409	57,061	743	(450)	59,977
Allocation of previous year's profit				743	(743)		0
Result for the period					1,254		1,254
Values as at 30/06/2024	2,010	204	409	57,804	1,254	(450)	61,231

The share capital consists entirely of 4,020 ordinary shares with a nominal value of EUR 500 each.

The result for the year 2023 was fully allocated to the extraordinary reserve, as per the shareholders' resolution of 21/06/2024.

B) Provisions for risks and charges

Account Description	30/06/2024	31/12/2023
B) Provisions for risks and charges	1,685	1,388
II) Provision for taxes	107	109
IV) Other	1,578	1,278

Provisions for taxes represent deferred tax liabilities related to taxable temporary differences.

Other provisions mainly include the provision related to probable charges arising from the regularisation of water concessions on state-owned areas and probable charges on the purification service, as a result of Italy's sentence of 6 October 2021 by the European Court involving the Falcade and Borca di Cadore sites. The item also includes the allocation of administrative penalties and charges arising from risks for pending lawsuits, of which EUR 250 thousand prudentially set aside in the first half of 2024 to cover the risk of repayment of the tax credit for Research and Development used in offsetting in the years 2017-2021, for which the Revenue Agency is currently carrying out audits.

C) Employee severance indemnity

Account Description	30/06/2024	31/12/2023
C) Employee severance indemnity	257	269

The provision allocated represents the Company's actual liability as of 30 June 2024 towards employees in the workforce at that date and corresponds to the indemnities accrued up to 31 December 2006, and does not include the indemnities accrued as of 1 January 2007, which are allocated to supplementary pension plans pursuant to Legislative Decree no. 252 of 5 December 2005, or transferred to the INPS treasury.

The utilisation in the half-year relates to advances and severance payments to employees in the period considered. The other changes are attributable to the portion of severance pay of newly hired staff who, in the first six months from the date of hire, did not choose a destination for their severance pay.

D) Payables

Payables are valued at their nominal value and are summarised below by balance sheet item.

Account Description	30/06/2024	31/12/2023
D) Payables	45,717	46,365
I) Bonds	17,215	17,821
IV) Due to banks	11,525	13,054
VI) Advances	2,048	131
VII) Trade payables	8,678	10,149
XII) Tax payables	794	433
XII) Payables due to social security institutions	683	696
XIV) Other payables	4,774	4,081

The item total decreased by EUR 649 thousand in the half-year, mainly due to the following changes:

- decrease in **bonds** payable of EUR 605 thousand, in connection with the repayment of instalments due during the half-year;
- decrease in **bank payables** of EUR 1.5 million, in connection with the repayment of loan instalments due during the half-year;
- increase in **advance payments** of EUR 1.9 million, mainly attributable to the recognition of the advance payment, in February 2024, of 10% of the amount accepted for financing in relation to the PNRR project "Reduction of losses in water distribution networks, including digitisation and monitoring". The portion of the grant received will be incorporated into the investments being made;
- decrease in **trade payables** of EUR 1.5 million;
- increase in **tax payables** of EUR 362 thousand.
- increase in **other payables** of EUR 693 thousand.

The balance of **payables to banks** consists entirely of medium- to long-term loans; there was no need for short-term credit lines during the period.

Trade payables as at 30/06/2024 consisted of EUR 4.6 million in invoices to be received (EUR 4.7 million as at 31/12/2023) and EUR 4.1 million in invoices due.

The item includes payables to Municipalities and Mountain Unions for EUR 127 thousand, mainly related to the Integrated Water Service; of these, EUR 74 thousand relate to invoices to be received and EUR 53 thousand relate to invoices received. These items will be settled in the second half of 2024.

The item **tax payables** includes the IRPEF withholdings made on employees' salaries and wages and on remuneration paid to collaborators and professionals (EUR 324 thousand) not yet paid to the Treasury as at

30/06/2024, the payable for current IRES and IRAP taxes calculated on the half-yearly result (EUR 274 thousand) and the VAT payable for the month of June paid on 16/07/2024 (EUR 176 thousand).

Payables to pension and social security institutions mainly include payables to INPS, INPDAP, INAIL and supplementary pension funds.

The item **other payables** includes the payable to the related company Bim Belluno Infrastrutture S.p.A. in the amount of EUR 813 thousand as the partial residual amount from taking over a loan in 2014, payables to personnel for accrued fees (EUR 1.2 million), payables for security deposits of Water Service Users (EUR 866 thousand), and payables for estimated concession fees not yet supported by a specific request for reimbursement (EUR 1.2 million).

E) Accruals and deferrals

Account Description	30/06/2024	31/12/2023
E) Accruals and deferrals	234	222

The item **Accrued expenses and deferred income** refers to the accrued interest expense pertaining to the first half of 2024, included in the repayment instalments of the bond loans and loans due in the second half of the year.

Income Statement**A) Value of production**

Description	1st half 2024	1st half 2023
Revenues from sales and services	14,663	13,143
Changes in contract work in progress	-	(10)
Increases in fixed assets for internal work	1,509	817
Other revenues and income	579	1,022
Grand total	16,750	14,978

Revenues from sales and services are broken down as follows:

Sector	Assets	1st half 2024	1st half 2023	Changes
Revenues from the integrated water service	Provision of Integrated Water Service - User Turnover	14,973	12,239	2,734
	Provision of Integrated Water Service - VRG Adjustment	(664)	535	(1,200)
	Provision of Integrated Water Service - wholesale disposals	122	116	5
	Various services - Integrated Water Service	114	137	(22)
	Revenues from the Integrated Water Service - Total	14,545	13,028	1,517
LPG service revenues	118	121	-3	
Miscellaneous revenues	0	1	(1)	
Grand total	14,663	13,149	1,514	

The **revenues of the Water Service** are commensurate with the Operator's revenue constraint (VRG) expected for 2024 based on the tariff definitively approved by ARERA, as mentioned in the commentary on the section "Significant events of the period and events subsequent to 30 June 2024", appropriately adjusted as a result of the external costs actually incurred in the period.

Revenues from the LPG service are valued on the basis of actual turnover at the current tariff and are in line with the same period in the financial year 2023.

Increases in fixed assets for internal works relate to the commissioning of meters and network components for the Water Service, as well as capitalisation of costs for the construction of works for the Water Service.

The item **Other revenues and income** includes the reimbursement of operating costs for EUR 195 thousand, the operating portion of the contributions for the connection of the Integrated Water Service and the LPG Service for EUR 126 thousand, revenues for services rendered to other companies for EUR 122 thousand (related companies and Eastenegy S.p.A.), and the reimbursement of personnel costs for personnel seconded to the related company Bim Belluno Infrastrutture S.p.A. for EUR 68 thousand.

B) Production costs

Description	1st half 2024	1st half 2023
For raw and ancillary materials, consumables and goods	2,105	1,073
For services	4,555	5,328
For use of third-party assets	864	964
For personnel	5,619	5,451
Amortisation, depreciation and write-downs	1,733	1,600
Changes in inventories of raw and auxiliary materials, consumables and goods	(816)	(270)
Provision for risks	300	80
Sundry operating charges	407	271
Grand total	14,766	14,497

Costs for raw, auxiliary materials and consumables and goods

The costs of raw and auxiliary materials, consumables and goods relate to the purchase of stock materials, mainly related to plant management and the construction and maintenance of networks and connections of the Integrated Water Service. This item also includes consumables for vehicles, stationery, printed material for users and items for office equipment.

The balance of costs for raw and auxiliary materials, consumables and goods increased compared to the same period last year. This increase is mainly attributable to the purchase of meters and other stock materials for mass replacement campaigns.

Costs for services

	1st half 2024	1st half 2023
Management and maintenance services	1,358	1,828
Electricity	1,173	1,512
Sludge disposal cost	402	650
Invoicing and collection services	297	278
Water analysis	223	180
Insurance	207	119
Personnel services	159	144
Dedicated Call Centre Service	60	68
Technical consultancy	46	54
Expenses for associated services	91	54
Telephony services	54	56
Personnel training	67	43
Services for office use	32	34
Legal services	39	33
Promotion and disclosure expenses	42	30
Expenses for payment reminders	43	27
Audit and control services	16	26
Administrative consultancy	56	25
Gas consumption	15	23
IT consultancy	41	22
Payroll processing services	21	17
Director's fees	14	14
Other costs	99	91
Total	4,555	5,328

The main costs for services relate to the cost of *operating and maintenance services for networks and plants* (EUR 1.4 million), down from the previous year's period due to the aforementioned problems with tenders, the supply of *electricity* (EUR 1.2 million, down from the previous year due to the trend in energy costs), and the *sludge disposal service* (EUR 402 thousand).

Services for invoicing and collections, consisting of meter reading, bill printing and delivery, and collection services, were in line with the previous year.

Personnel services consist mainly of the cafeteria service, established on the basis of union negotiations, provided to employees by means of meal vouchers (EUR 159 thousand).

Expenses for associated services refer to the operating costs of the Viveracqua Consortium in which the company participates.

Lease and rental costs

This item mainly includes fees for the use of the Water Service plants corresponding to the loans to be repaid to Municipalities (EUR 334 thousand), as well as state fees, fees for the derivation of drinking water and for water crossings (EUR 342 thousand), rentals and use of buildings (EUR 163 thousand), and for the rental of vehicles and equipment (EUR 24 thousand).

Personnel costs

Staff costs increased by EUR 168 thousand compared to the first half of 2023. It should be noted that overtime work and the use of holidays and leave are constantly monitored.

Amortisation, depreciation and write-downs

Description	1st half 2024	1st half 2023
Amortisation of intangible fixed assets	793	686
Depreciation of tangible fixed assets	839	814
Write-downs of receivables included in current assets and cash and cash equivalents	100	100
Grand total	1,733	1,600

Overall, depreciation and amortisation show a slight increase due to the commissioning of new works.

The provision for loan loss provisions is in line with the forecasts made at the end of the previous year and confirmed by the average degree of insolvency in the sectors concerned.

Sundry operating charges

The item mainly includes the operating fee of the Dolomiti Bellunesi Basin Council, which amounted to EUR 190 thousand in the first half of the year, in addition to taxes other than income taxes, duties, fees, and compensation to users and third parties; it also includes costs of an ordinary nature pertaining to previous years that arose in the current year and membership fees to trade associations.

C) Financial income and charges

Description	1st half 2024	1st half 2023
Income from equity investment	4	3
Sundry income	391	214
(Interest and other financial charges)	(427)	(504)
Grand total	(32)	(287)

Income from equity investments relates to a distribution of extraordinary reserves resolved by the related company Bim Belluno Infrastrutture S.p.A., in which the Company holds a small shareholding as a result of the contribution of the business unit at the end of 2013.

Sundry income consists of EUR 6 thousand from interest accrued on the tariff adjustment credit and EUR 280 thousand from bank interest income, partly obtained by pledging surplus liquidity on the "Time Deposit". The residual amount consists of interest accrued for the deferred collection of contributions granted by the Bim Piave Belluno Consortium, interest accrued on the interest rate differential applied to the bond loan, and interest applied on the bills of the Integrated Water Service in the event of delinquency.

Interest and other financial expenses relate to bonds for EUR 250 thousand and to payables to banks for EUR 163 thousand; the residual amount of EUR 14 thousand refers mainly to interest accrued by the related company Bim Belluno Infrastrutture S.p.A. for the Banca Intesa loan taken over on 25/09/2014.

D) Value adjustments on financial assets

No adjustments were made to financial assets during the period.

Income taxes for the period

Taxes pertaining to the half-year period were recognised, assessed on the basis of current rates (IRES 24%, IRAP 4.2%). The calculation of taxes for the first half of 2024 is not affected by anomalous elements in the determination of taxable income.

Taxes	1st half 2024	1st half 2023
Taxes for the financial year (current and deferred)	698	31

Other information

The total remuneration due to the Directors and members of the Board of Statutory Auditors is shown.

Qualification	1st half 2024	1st half 2023
Administrative Body	14	14
Board of Statutory Auditors	10	11
Independent Auditors	16	26

Belluno, 04 October 2024

For the Board of Directors

The Chairperson

Mr. Attilio Sommavilla

