

2020

FINANCIAL STATEMENTS OF ACEA SPA

ACEA GROUP CONSOLIDATED
FINANCIAL STATEMENTS



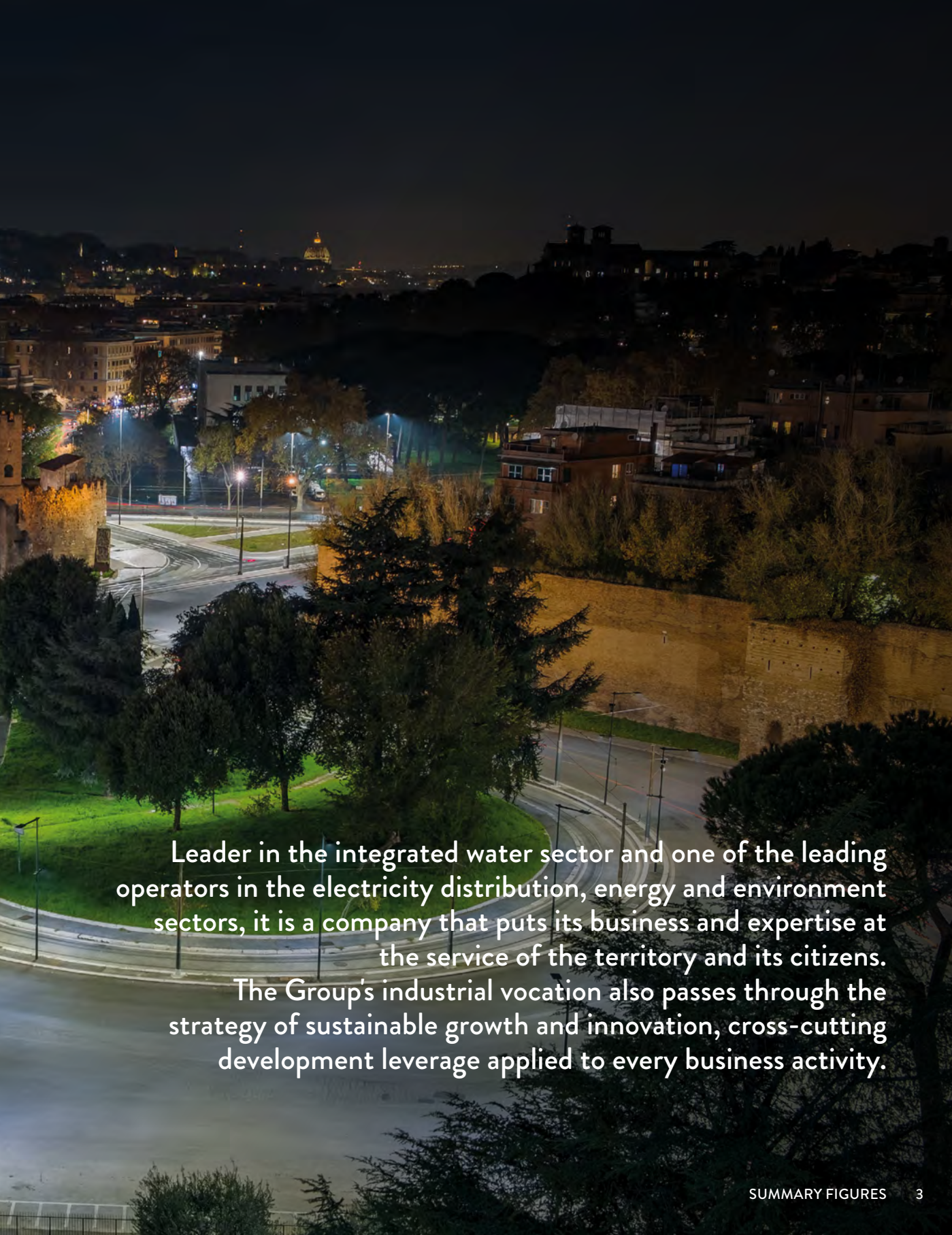
SUMMARY FIGURES

acea

WHO WE ARE

**A LEADING INTEGRATED MULTIUTILITY
IN THE ITALIAN MARKET
THAT INVESTS IN SUSTAINABILITY,
A PRIMARY FACTOR GUIDING
THE GROUP'S BUSINESS STRATEGIES,
COMBINING ECONOMIC GROWTH
AND VALUE CREATION.**

**WE INVEST IN INNOVATION,
DIGITISATION AND STRENGTHEN
OUR COMMITMENT TO THE ENERGY
TRANSITION PROCESS.**

A nighttime photograph of a cityscape. In the foreground, a road curves through a green area with several trees. A stone wall runs along the right side of the road. In the background, a city is illuminated with lights, and a large dome is visible on a hill. The sky is dark.

Leader in the integrated water sector and one of the leading operators in the electricity distribution, energy and environment sectors, it is a company that puts its business and expertise at the service of the territory and its citizens. The Group's industrial vocation also passes through the strategy of sustainable growth and innovation, cross-cutting development leverage applied to every business activity.

LETTER TO SHAREHOLDERS



DEAR SHAREHOLDERS,

The year ended 31 December 2020 was made historic year by the spread of a pandemic that has not only overwhelmed the whole of the human race in terms of health, but has unbalanced much that was thought to be unshakeable.

Our company faced the crisis with an extraordinary response which deserves to be read beyond the numbers represented here, but which are also an expression of the commitment made.

This effort, combined with our financial strength and the strength of our operating businesses allowed us, despite the situation, to achieve results that grew compared to the previous year.

The considerable increase in EBITDA is mainly attributable to the positive performance of the regulated activities of water and electricity distribution. This demonstrates the effectiveness of a strategy aimed at achieving sustainability objectives that combines economic growth and value creation.

In fact, the experience of this past year highlights how essential sustainability is for a new development model on a global level and how crucial the role of utilities is to enable this evolution and to relaunch the economy in our country.

Once again Acea has outlined its sustainable growth plan in the new 2020-2024 Business Plan, which shows, in presenting substantial aspects of continuity with respect to the previous plan, notable elements of change, especially with regard to the significant growth in the production of electricity from renewable sources, particularly in regard to the photovoltaic sector, and activities carried out in view of smart city concepts, to contribute to the energy transition and decarbonisation in an increasingly pronounced way.

Therefore, the position of the Group as an operator with a strong industrial vocation has been further consolidated and the desire to make major investments has been strengthened that, while maintaining the robustness of the financial structure, have a positive impact on the Group's operating and economic performance.

Additionally, the constant drive towards innovation should be highlighted, with further investments in digitisation and



the creation of intelligent management systems for grids and services.

At the same time, the commitment to protect water resources and to prevent and mitigate the effects of climate change continues, together with infrastructural growth in the waste treatment sector and in the circular economy, expanding know-how in asset management and bringing value through the application of new technologies.

Precisely by virtue of the role performed in these essential sectors, Acea worked from the earliest evidence that Covid-19 was spreading, to define and implement all the measures necessary to guarantee the continuity and quality of service, while at the same time adopting prevention protocols for the safety of its people working in the territory, in the plants, in the offices and in branches open to the public, and taking care to also protect customers,

users, suppliers and in general anyone who had access to the Group locations.

The forecast for 2021 is for even more growth, even though it is still a complex scenario.

The success of the Green Bond placement last January confirms that sustainability is a structural factor that guides strategic business choices and operational management, with a view to consolidation and strengthening through new opportunities for positioning the Group in the sectors of reference.

Thank you to everyone who dedicated their time not only to achieving these results, but also for having contributed to making Acea a company that is reliable and worthy of its customers' and stakeholders' trust. By talking and listening to us, our customers and stakeholders have seen a distinctive element in our company that we trust will continue to grow over time.

The Chief Executive Officer
Giuseppe Gola

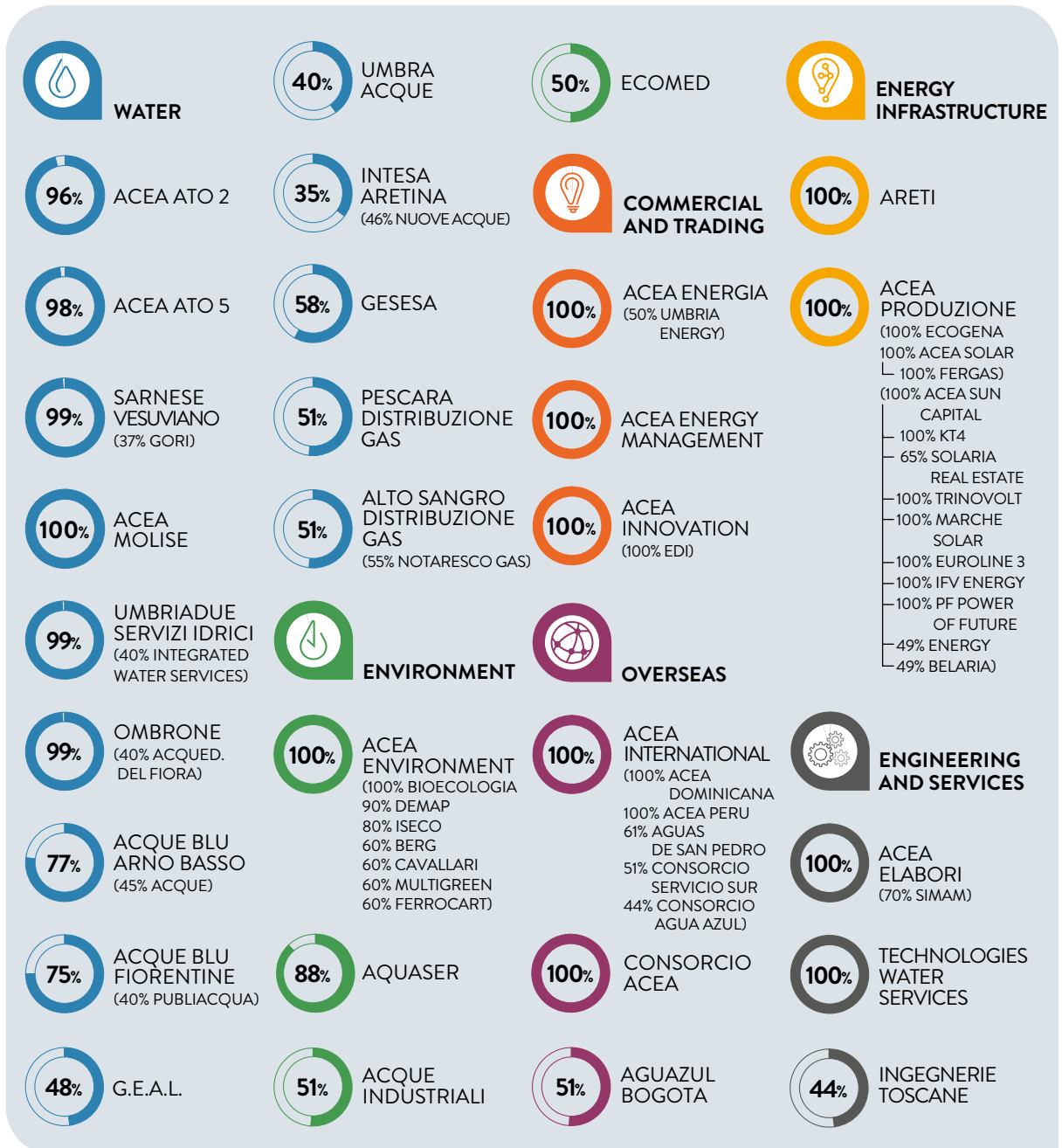
The Chairperson
Michaela Castelli





GROUP STRUCTURE

THE GROUP STRUCTURE, IN ITS VARIOUS BUSINESS SEGMENTS, COMPRISES THE FOLLOWING MAIN COMPANIES.



INVESTOR RELATIONS

THE SHARE CAPITAL OF ACEA SPA AT 31 DECEMBER 2020 WAS MADE UP AS FOLLOWS:

51,00%

Roma Capitale

23,33%

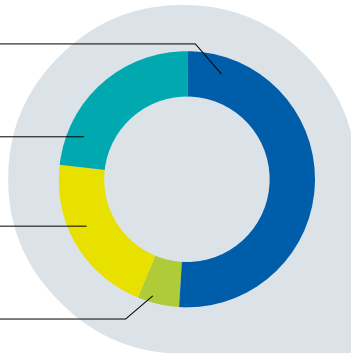
Suez

20,22%

Market

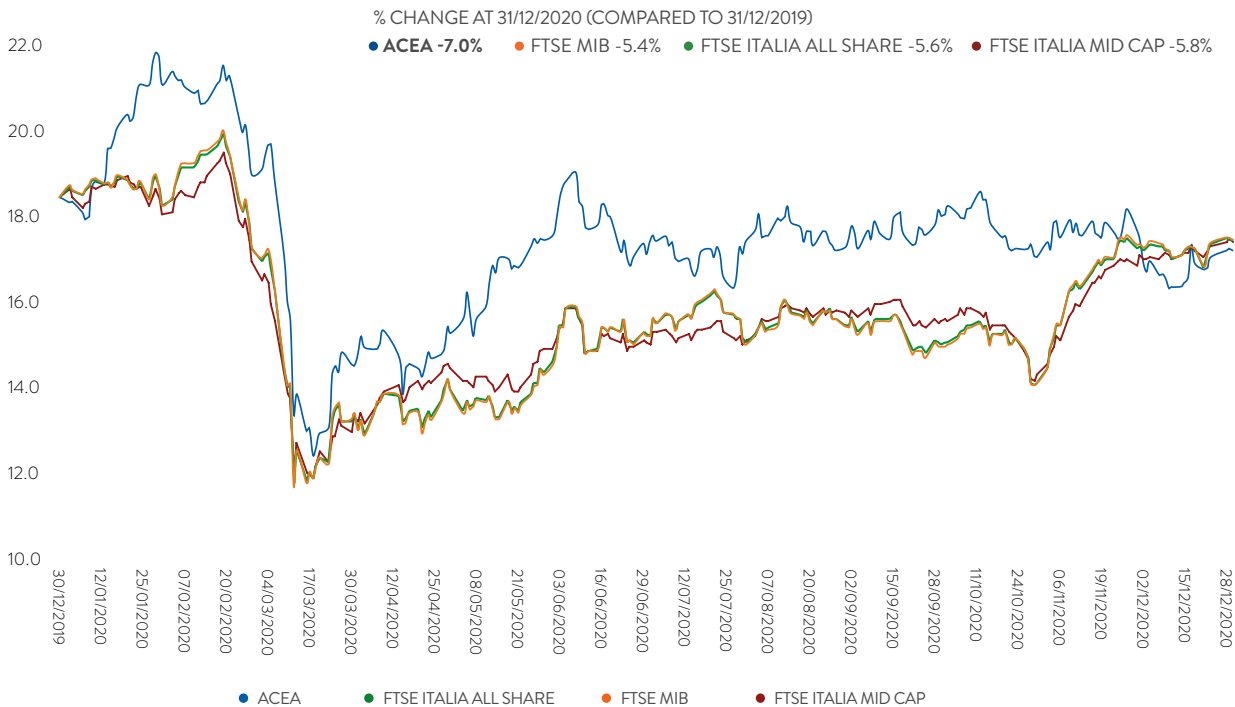
5,45%

Caltagirone



The above chart only shows equity investments of more than 3%, as confirmed by CONSOB data.

ACEA STOCK PERFORMANCE IN 2020



(Graph normalised to Acea values. Source: Bloomberg)



Acqua potabile, trattata e refrigerata (DLgs 181/2003)
Drinking water, treated and refrigerated

Acqua a erogazione gratuita
Water for free

NATURALE
Still

FRIZZANTE
Sparkling

acqua





CORPORATE HIGHLIGHTS



WATER

NUMBER ONE OPERATOR

in Italy for water services

With around **9 mln**

residents served in Lazio, Tuscany, Umbria, Campania and Molise



ENERGY INFRASTRUCTURE

ONE OF THE LEADING

energy distribution operators in Italy

With over **9 TWh**

of electricity distributed



COMMERCIAL AND TRADING

ONE OF THE LEADING

national players in the energy market

With around **7.1 TWh**

of electricity sold



ENVIRONMENT

ITALY'S LEADING OPERATOR

in Waste Management

With around **1.45 mln tonnes**

of waste managed



OVERSEAS

A TOTAL OF

5 companies operating in water services

7 mln residents served in Latin America



ENGINEERING AND SERVICES

FOUR DEDICATED COMPANIES

448,185 drinking water analyses

214,819 waste water analyses

FINANCIAL HIGHLIGHTS

FIGURES IN MILLIONS OF EUROS

CONSOLIDATED REVENUES



EBITDA



EBIT



PROFIT/(LOSS) BEFORE TAX



NET PROFIT/(LOSS) OF THE GROUP



GROUP INVESTMENTS



THE ORGANISATIONAL MODEL

Acea adopts an operational model based on an organisational layout in line with the Strategic Business Plan consolidating its role to govern, guide and control the Holding not only with the current business portfolio focused on areas of greater value, but also on the strategic development of the Group in new business segments and territories.

Acea's macro structure is organised in corporate functions and six operating segments: Water, Energy Infrastructure, Commercial and Trading, Environment, Overseas and Engineering and Services. The activities of each business segment are described below.

EBITDA 2020
1,155 €mln

85%

REGULATED
ACTIVITIES

15%

UNREGULATED
ACTIVITIES

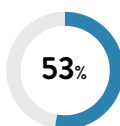


WATER

The Acea Group is the top Italian operator in the water sector serving around 9 million people. The Group manages the Integrated Water Services in Rome and Frosinone and in the respective provinces, as well as in other parts of Lazio, in Tuscany, Umbria, Campania and Molise.

NUMBER ONE OPERATOR IN ITALY

- Around 9 million residents served and 1,397 million cubic metres of water supplied annually
- Around 58,700 km of drinking water supply network and 23,700 km of sewer network managed
- Management of the entire integrated water cycle supply chain from collection of water through to its return to the environment
- Design, construction and operation of distribution plants and networks using innovative technologies
- Focus on protecting water resources and sustainability



53% of consolidated EBITDA

EBITDA +21.7%



INVESTMENTS +25.2%





FIGURES IN MILLIONS OF EUROS

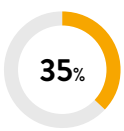


ENERGY INFRASTRUCTURE

The Acea Group is a major operator in Italy with over 9 TWh of electricity distributed in Rome and Formello. The Group also manages the public and artistic lighting of the capital for a total of 226,635 lights. The Acea Group is committed to energy efficiency projects and the development of new technologies, such as smart grids and electric mobility, through particularly innovative pilot projects.

ONE OF THE LEADING OPERATORS IN ITALY

- Electricity distributed: 9.1 TWh in the city of Rome
- Energy generated: 469 GWh
- Management of public and artistic lighting in Rome: 200,765 lights
- Energy efficiency projects
- Hydroelectric power stations: 121 MW
- Thermoelectric plants: 97 MW
- Photovoltaic plants: 52 MWp



of consolidated EBITDA

EBITDA +5.4%



INVESTMENTS +13%



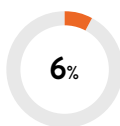


COMMERCIAL AND TRADING

The Acea Group is one of the leading Italian players in the sale of electricity and offers innovative and flexible solutions for the supply of electricity and natural gas with the objective of consolidating its positioning as a dual fuel operator. It operates in the market segments of medium-sized companies and households with the aim of evolving from a commodity supplier to a multi-service partner (e-mobility, efficiency, circular economy). It supervises the Group's energy management policies.

ONE OF THE LEADING OPERATORS IN ITALY

- Electricity sold: 7.1 TWh
- Free market customers: 0.44 million
- Protected market customers: 0.75 million
- Gas customers: 0.21 million



6% of consolidated EBITDA

EBITDA +4.8%



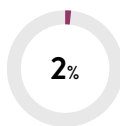
INVESTMENTS +2.5%



OVERSEAS

Through this Area, the Acea Group manages water activities in Latin America and its objective is to make the most of development opportunities in other businesses related to those already held in Italy. It is present in Honduras, the Dominican Republic and Perù, serving approximately 7 million people. The activities are carried out in partnership with local and international partners, including through staff training and the transfer of know-how to local entrepreneurs.

- Water management in Latin America



2% of consolidated EBITDA

EBITDA +50%



INVESTMENTS -56%





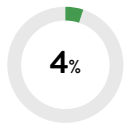
ENVIRONMENT

The Acea Group is one of the leading players in Italy with more than 1.45 million tonnes of waste managed each year. It manages the main waste-to-energy plant and the largest composting plant in the Region of Lazio. The Group pays particular attention to investments in the waste to energy sector, deemed to have high potential, consistent with the strategic objective of environmental and energy recovery from waste products, while also focussing attention and awareness on plastic recycling and the production of high quality compost.

NUMBER ONE OPERATOR IN ITALY

Umbria, Lazio, Tuscany, Piedmont,
Valle d'Aosta and Marche

- Waste managed: 1.45 million tonnes
- Electricity transferred (WTE): 320 GWh
- Energy produced: 373 GWh



4% of consolidated EBITDA

EBITDA -3%



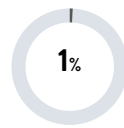
INVESTMENTS -55%



ENGINEERING AND SERVICES

The Acea Group has developed cutting-edge know how for laboratory analysis, design, construction and management of networks and plants for Integrated Water Services, waste processing and recovery and electricity production and distribution.

- Analytical testing of water destined for human consumption: 448,185 potable water, mainly Acea Ato 2 and Acea Ato 5
- Laboratory analyses of wastewater: 214,819
- Worksite inspections: 14,904



1% of consolidated EBITDA

EBITDA +13%



INVESTMENTS









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GRUPPO.ACEA.IT