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Interim Management Report as at 31 March 2022

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Report on Operations

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ACEA Organisational Model

ACEA is one of the major Italian multiutilities and has been listed on the stock exchange since 1999.

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 macrostructure is based around the corporate functions and seven industrial areas – Environment, Commercial and Trading, Water, Energy Infrastructure, Engineering and Services, Generation and Overseas.

The activities of each business segment are described below.

Environment

The Acea Group is one of the leading national players with around 1.52 million tonnes of waste processed each year. At the various treatment and disposal plants operated in seven regions there is a main waste-to-energy plant and the largest anaerobic digestion and composting plant in Lazio region. The Group pays particular attention to the development of investments in the waste-to-energy and waste-recycling business, which is considered to have high potential, in line with the strategic objective of environmental and energy enhancement of waste, as well as its recovery and recycling in the plastics, paper and metals sectors and in the production of high-quality compost.

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 on the market segments of medium-sized enterprises and households with the objective of improving the quality of the services offered with particular regard to web and social channels. It supervises the Group's energy management policies. The Segment also has the objective of developing and searching for innovations and start-ups to launch testing projects in the technological field.

Water

The Acea Group is the top Italian operator in the water sector serving 9 million people. The Group manages the integrated water service in Rome and Frosinone and in the respective provinces, as well as in other parts of Lazio, in Tuscany, Umbria, Campania and Molise. The Group is also present in Abruzzo as it has entered the natural gas distribution market in the Municipality of Pescara and in the province of L'Aquila.

Energy Infrastructure

The Acea Group is a major operator in Italy with about 9 TWh of electricity distributed in Rome. The Group also manages the public and artistic lighting of the capital for a total of more than 227,600 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.

Generation

The Acea Group is one of the main national operators in the field of generation from renewable sources and is involved in energy efficiency projects and energy solutions in the business segment, particularly focused on finding innovative approaches to managing production assets and implementing new production capacity that reduces the Group's carbon footprint.

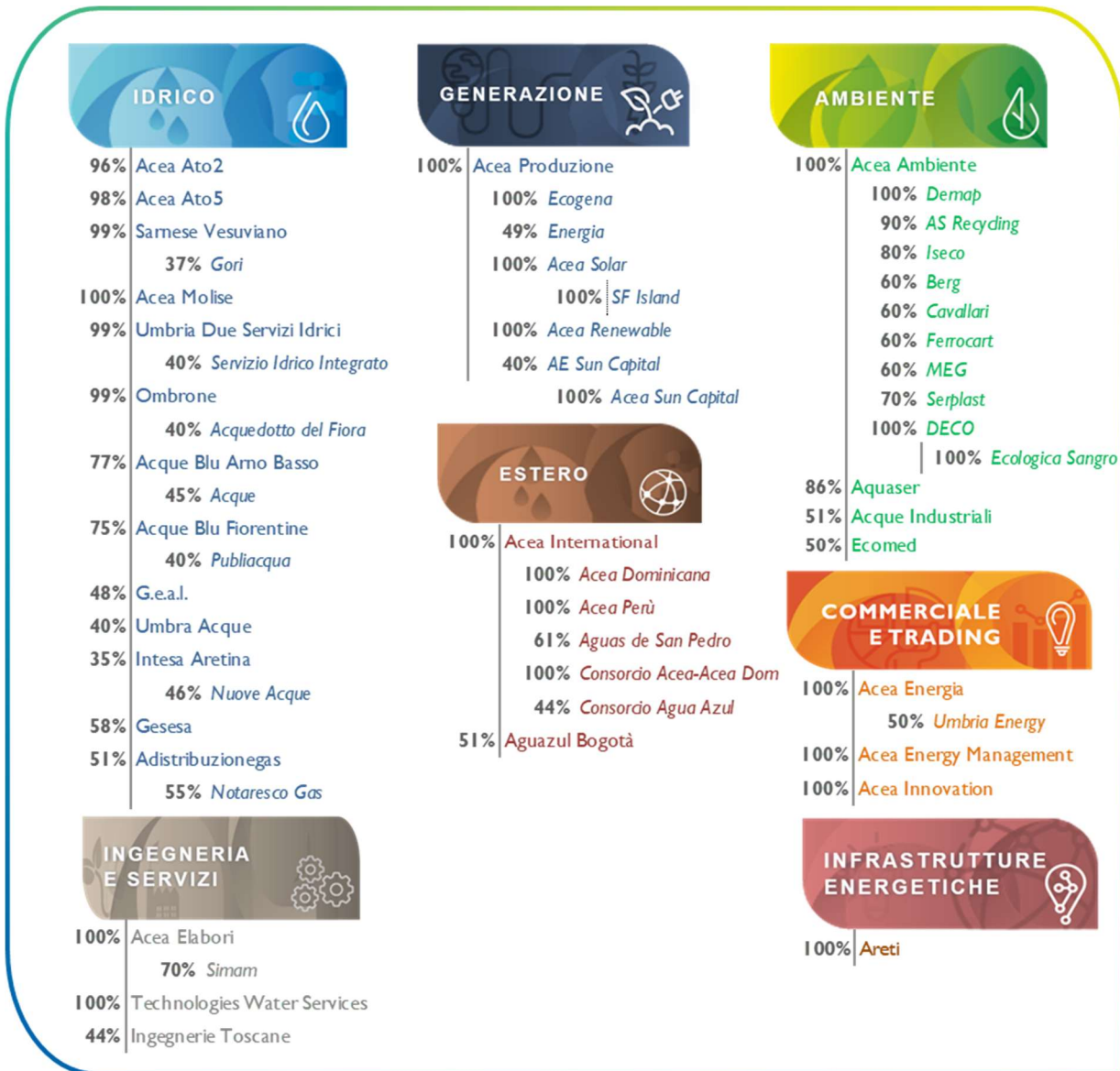
Engineering and Services

The Acea Group has developed know-how at the forefront in the design, construction and management of integrated water systems: from the source to the pipelines, from distribution to the sewer network, and treatment. It develops applied research projects aimed at technological innovation in the water, environmental and energy sectors. Laboratory and engineering consultancy services are of particular importance. The Acea Group is also engaged in the design and creation of plants for the environment and for the treatment of water and waste.

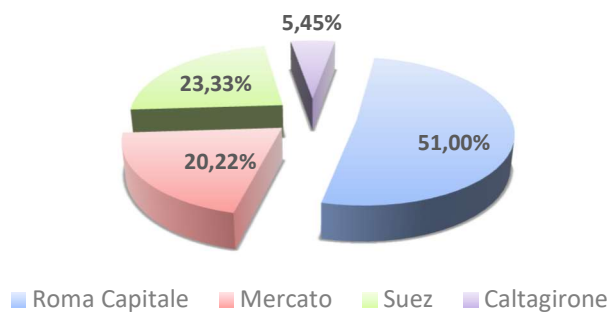
Overseas

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, Dominican Republic and Peru, serving a population of approximately 10 million inhabitants. 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.

The Group structure, in the various business segments, comprises the following main companies.



The share capital of ACEA S.p.A. at 31 March 2022 was made up as follows:



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

Corporate bodies

Board of Directors

Michaela Castelli	Chairperson
Giuseppe Gola	Chief Executive Officer
Alessandro Caltagirone	Director
Massimiliano Capece Minutolo Del Sasso	Director
Gabriella Chiellino	Director
Giovanni Giani	Director
Liliana Godino	Director
Giacomo Larocca	Director
Francesca Menabuoni*	Director

Board of Statutory Auditors*

Maurizio Lauri	Chairperson
Claudia Capuano	Standing Auditor
Leonardo Quagliata	Standing Auditor
Rosina Cichello	Alternate Auditor
Vito Di Battista	Alternate Auditor

Executive Responsible

Fabio Paris

**appointed by the Shareholders' Meeting on 27 April 2022*

Summary of Results

Income statement data (€ million)	31/03/2022	31/03/2021	Change	% Change
Consolidated Net Revenue	1,192.5	929.9	262.6	28.2 %
Consolidated Operating Costs	881.6	623.9	257.7	41.3 %
Profit / (loss) from non-financial equity investments	7.3	5.6	1.7	30.6 %
EBITDA	318.2	311.5	6.7	2.1 %
Operating profit/(loss)	153.8	155.5	(1.7)	(1.1%)
Net profit/(loss)	106.9	93.0	13.8	14.9 %
<i>Profit/(Loss) due to third parties</i>	7.5	10.0	(2.5)	(25.2%)
Net profit/(loss) attributable to the Group	99.4	83.1	16.4	19.7 %

EBITDA (€ million)	31/03/2022	31/03/2021	Change	% Change
Environment	21.9	15.0	6.9	45.9 %
Commercial and Trading	17.5	24.7	(7.2)	(29.2%)
Overseas	7.7	6.3	1.4	22.2 %
Water	165.2	163.0	2.3	1.4 %
Energy Infrastructure	86.5	89.7	(3.2)	(3.5%)
Generation	27.7	17.7	10.0	56.4 %
Engineering and services	2.1	3.2	(1.1)	(35.0%)
Corporate	(10.3)	(8.0)	(2.4)	29.6 %
Total EBITDA	318.2	311.5	6.7	2.1 %

Financial position data (€ million)	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Net Invested Capital	6,507.9	6,504.9	3.0	n.s.	6,069.2	438.6	7.2 %
Net Financial Debt	(3,890.3)	(3,988.4)	98.2	(2.5%)	(3,654.1)	(236.2)	6.5 %
Consolidated Shareholders' Equity	(2,617.6)	(2,516.4)	(101.2)	4.0 %	(2,415.1)	(202.5)	8.4 %

Net Financial Position (€ million)	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Environment	334.0	320.1	13.9	4.3 %	274.3	59.8	21.8 %
Commercial and Trading	(260.4)	(297.4)	37.0	(12.4%)	(58.1)	(202.3)	n.s.
Overseas	(23.2)	(18.9)	(4.2)	22.4 %	(12.0)	(11.1)	92.6 %
Water	1,683.1	1,681.4	1.7	0.1 %	1,513.4	169.7	11.2 %
Energy Infrastructure	1,602.9	1,583.9	19.0	1.2 %	1,343.7	259.3	19.3 %
Generation	79.4	237.0	(157.6)	(66.5%)	233.3	(153.9)	(66.0%)
Engineering and services	26.7	28.1	(1.4)	(4.8%)	26.5	0.2	0.7 %
Corporate	437.1	443.1	(5.9)	(1.3%)	313.0	124.1	39.7 %
Total Net Financial Position	3,879.9	3,977.2	(97.2)	(2.4%)	3,634.1	245.9	6.8 %

Investments (€ million)	31/03/2022	31/03/2021	Change	% Change
Environment	8.5	6.9	1.6	23.1 %
Commercial and Trading	10.7	16.1	(5.4)	(33.6%)
Overseas	0.6	1.7	(1.1)	(66.7%)
Water	121.9*	119.6	2.3	1.9 %
Energy Infrastructure	68.7	70.1	(1.4)	(2.0%)
Generation	8.4	11.0	(2.6)	(23.7%)
Engineering and services	0.9	1.5	(0.7)	(43.7%)
Corporate	5.2	3.5	1.6	45.6 %
Total Investments	224.7	230.5	(5.6)	(2.4%)

* The value of investments in the area is inclusive of financed investments amounting to € 2.4 million.

Summary of operations and income, equity and financial performance of the Group

Definition of alternative performance measures

On 5 October 2015, ESMA (European Securities and Markets Authority) published its guidelines (ESMA/2015/1415) on criteria for the presentation of alternative performance measures which replace, as of 3 July 2016, the CESR/05-178b recommendations. These guidelines were transposed into our system with CONSOB Communication no. 0092543 dated 3 December 2015. In addition, on 4 March 2021 ESMA published the guidelines on the disclosure requirements deriving from the new Prospectus Regulation (Regulation EU 2017/1129 and Delegated Regulations EU 2019/980 and 2019/979), which update the previous CESR Recommendations (ESMA/2013/319, in the revised version of 20 March 2013). Starting from 5 May 2021, on the basis of CONSOB Call for Attention No. 5/21, the aforementioned ESMA Guidelines also replace the CESR Recommendation on debt. Therefore, under the new provisions, listed issuers will have to present, in the explanatory notes to their annual and semi-annual financial statements published from 5 May 2021 onwards, a new statement on debt to be drafted in accordance with the instructions in paragraphs 175 and following of the above ESMA Guidelines.

The content and meaning of the non-GAAP measures of performance and other alternative performance indicators used in these financial statements are illustrated below:

- For the Acea Group, the EBITDA is an operating performance indicator and from 1 January 2014 also includes the condensed result of equity investments in jointly-controlled entities for which the consolidation method changed when the international accounting standards IFRS 10 and IFRS 11 came into force. EBITDA is determined by adding Operating profit/loss (EBIT) to “Amortisation, depreciation, provisions and impairment”, insofar as these are the main non-cash items;
- Financial debt is represented and determined in accordance with the aforementioned ESMA guidelines and in particular paragraph 127 of the recommendations of document No. 319 of 2013, implementing Regulation (EC) 809/2004. This indicator is determined as the sum of short-term borrowings (“Short-term loans”, “Current part of long-term loans” and “Current financial liabilities”) and long-term borrowings (“Long-term loans”) and the related derivative instruments (“Non-current financial liabilities”), net of “Cash and cash equivalents” and “Current financial assets”;
- the net financial position is an indicator of the ACEA Group's financial structure determined in continuation with previous years and used, as from this document, exclusively for information presented in the business areas in order to provide clear segment information that can be easily reconciled with the financial debt (ESMA) referred to above. This indicator is obtained from the sum of Non-current borrowings and Financial liabilities net of non-current financial assets (financial receivables and securities other than equity investments), Current financial payables and other Current financial liabilities net of current financial assets and Cash and cash equivalents;
- net invested capital is the sum of “Current assets”, “Non-current assets” and Assets and Liabilities held for sale, less “Current liabilities” and “Non-current liabilities”, excluding items taken into account when calculating the net financial position;
- net working capital is the sum of the current receivables, inventories, the net balance of other current assets and liabilities and current debts, excluding the items considered in calculating the net financial position.

Summary of Results: economic performance

Income statement data (€ million)	31/03/2022	31/03/2021	Change	% Change
Revenue from sales and services	1,167.2	892.0	275.1	30.8 %
Other revenue and proceeds	25.3	37.8	(12.5)	(33.0%)
Costs of materials and overhead	806.9	549.1	257.8	46.9 %
Staff costs	74.7	74.8	(0.1)	(0.1%)
Profit / (loss) from non-financial equity investments	7.3	5.6	1.7	30.6 %
EBITDA	318.2	311.5	6.7	2.1 %
Amortisation, depreciation, provisions and impairment charges	164.4	156.0	8.4	5.4 %
Operating profit/(loss)	153.8	155.5	(1.7)	(1.1%)
Financial operations	(21.9)	(22.6)	0.7	(3.3%)
Equity investments	20.7	0.0	20.7	n.s.
Profit/(loss) before tax	152.7	132.9	19.8	14.9 %
Income tax	45.8	39.9	5.9	14.9 %
Net profit/(loss)	106.9	93.0	13.8	14.9 %
Profit/(Loss) due to third parties	7.5	10.0	(2.5)	(25.2%)
Net profit/(loss) attributable to the Group	99.4	83.1	16.4	19.7 %

Compared to the situation recorded at 31 March 2021 the following changes occurred in the consolidation scope:

- on 22 April 2021, the deed of merger by incorporation of the company BioEcologia into the company Acea Ambiente was signed;
- on 19 May 2021, Acea Sun Capital acquired 100% of the shares of the photovoltaic company JB Solar which has two photovoltaic systems located in the province of Lecce, respectively with power of 891 kWp and 521 kWp, for total installed power of 1.4 MW;
- on 28 May 2021 Acea Renewable and Acea Green were incorporated by Acea Produzione;
- on 15 July 2021 Acea Sun Capital acquired 100% of the company Solarplant, owner of a ground-mounted photovoltaic plant with installed power of 0.99 MWp, located in Collesalveti (LI) and incentivised under the terms of the Second Energy Account;
- on 28 July 2021 Acea Sun Capital acquired 100% of the company PSL to which was contributed the business unit made up of a photovoltaic plant, located in the municipality of Belpasso (CT), with power of 0.99 MWp;
- on 3 August 2021 Acea Sun Capital acquired 100% of the company M2D owner of a ground-mounted photovoltaic plant located in the municipality of Leini (TO), with power of 0.994 MWp;
- on 6 October 2021, the Consorzio Acea Lima Sur was established by Acea Perù (99%) and ACEA Ato2 (1%) for the management of the water and sewer network in the Lima South zone, with a three-year contract;
- on 14 October 2021 Acea Ambiente acquired 60% of Meg, an operator active in Italy offering professional consultancy for the construction of municipal solid waste packaging treatment plants;
- on 30 November 2021 Acea Ambiente acquired 65% of DECO, a waste management company whose activities also include the construction and operation of relevant plants. The company also holds a 21.8% investment in Picena Ambiente and owns 100% of Ecologica Sangro, a company active in the integrated management of solid urban waste in the Frentano and Sangro Aventino district area. The company itself holds a 75% stake in the Ecofrentano consortium;
- on 22 December 2021 Acea Ambiente acquired 90% of AS Recycling, a company that is currently inactive but which will become a Corepla affiliated centre for secondary plastic SRF recycling (Breakdown of plastics into the various polymer categories for sorting).

Lastly, with reference to the 2022 financial year, it should be noted that:

- On 19 January 2022, the company AE Sun Capital was formed through the subscription of 40% of the shares by Acea Produzione until the conclusion of the agreement with the British fund Equitix Investment Management for the sale of photovoltaic assets already in operation;
- on 24 January 2022, Acea Solar acquired 100% of SF ISLAND with registered office in Acquapendente (Viterbo, Italy);
- on 8 February 2022, Acea Ambiente signed the deed of acquisition of 70% of the shares of S.E.R. Plast, a company operating in the recycling of plastic waste.

Finally, on 22 March 2022 the closing of the agreement with the British investment fund Equitix was finalised for the sale of a majority stake in the company Acea Sun Capital and its subsidiaries. With the closing of the operation, the newco AE Sun Capital S.r.l., 60% owned by Equitix and 40% by ACEA Produzione S.p.A., acquired 100% of Acea Sun Capital from ACEA Produzione S.p.A.

The table below shows the main economic impact of the change in the consolidation scope at 31 March 2022 (gross of intercompany adjustments).

€ million	Photovoltaic Companies	Meg	Deco	Ecologica Sangro, A.S. Recycling	S.E.R. Plast	Consorcio Acea Lima Sur	Total
Revenues	1.4	3.6	10.8	1.7	0.7	1.3	19.5
EBITDA	1.2	0.5	1.8	1.1	0.1	0.1	4.8
EBIT	1.2	0.2	0.2	0.9	(0.1)	0.0	2.4
EBIT	1.2	0.2	0.2	0.9	(0.1)	0.0	2.3
NP	1.0	0.1	0.1	0.5	(0.1)	0.0	1.6

As at 31 March 2022, revenues from sales and services come to € 1,167.2 million, up € 275.1 million (+ 30.8 %) on those in the same period of financial year 2021, mainly due to the increase in revenues from electricity sales (+ € 198.7 million) primarily attributable to higher unit prices offset to a small extent by lower quantities. Electricity sales on the Free Market totalled 1,489 GWh with a 6.4% reduction on the same period in the previous year, while electricity sales on the Greater Protection Service, down on March 2021, totalled 396 GWh with a 23.7% decrease on an annual basis. This reduction was affected by the automatic assignment of “small” customers and “micro” enterprises to the Gradual Protection Service, created starting from 1 January 2021 and in part to the decrease in the number of customers not adequately offset by the application of higher tariffs.

The following factors also contributed to the increase: **i)** revenues from gas sales (+ € 38.6 million) attributable mainly to Acea Energia (+ € 22.3 million) and Umbria Energy (+ € 14.1 million) due to the higher quantities sold (+ 6.5 million scm) and partly by the increase in prices; **ii)** revenues from integrated water services (+ € 11.4 million) mainly due to Gori (+ € 7.2 million), ACEA Ato5 (+ € 1.3 million) and SII (+ € 2.0 million); **iii)** revenues from waste delivery and landfill management (+ € 10.1 million) mainly due to the change in the consolidation scope (+ € 13.9 million), partly offset by the reduction recorded by Demap (- € 1.7 million), due to lower quantities entering the plant following the fire that occurred towards the end of December 2021, and Acea Ambiente (- € 1.7 million); **iv)** revenues from customer services (+ € 15.6 million) for the most part arising from the increase in the change of SIMAM inventories (+ € 7.8 million) and Acea Innovation (+ € 2.3 million); **v)** higher revenues from the e-Efficiency projects of Acea Innovation (+ € 3.0 million). Lower revenues from electricity incentives (GRIN) were also recorded by Acea Produzione (- € 4.9 million).

Other revenues show a decrease of € 12.5 million (- 33.0%) compared to the same period of the previous year. The change mainly derived from lower purchases of energy efficiency certificates by areti (- € 8.2 million) and from lower non-recurring gains deriving from energy items related to previous financial years (- € 6.7 million).

External costs increased overall by € 257.8 million (+ 46.9%) compared to 31 March 2021. The change was due mainly: **i)** to higher costs related to the supply of electricity, transport and metering (- € 232.2 million) in line with the trend recorded in revenues; **ii)** to higher costs for the purchase of materials (+ € 10.6 million) mainly attributable to SIMAM (+ € 7.2 million) and Umbria Energy (+ € 1.1 million) as well as the change in scope of the Environment Segment (+ € 1.4 million); **iii)** to higher costs for services (+ € 21.8 million) mainly attributable to the change in the scope of consolidation (+ € 10.0 million) and to Acea Innovation (+ € 4.1 million) deriving from the costs related to the e-Efficiency projects.

Overall, the change in external costs was influenced by the change in the scope of consolidation for € 12.2 million, mainly attributable to Deco (+ € 7.5 million) and Meg (+ € 2.8 million).

The cost of labour was in line with the same period in the previous financial year (- 0.1%), due to the offsetting effect of higher personnel costs (+ € 2.2 million) and increased capitalisation (+ € 2.3 million). The change in scope affected the increase in staff costs for € 2.3 million.

The average number of employees was 9,528 and increased by 243 compared to 31 March 2021, mainly due to the effect of the change in the scope of consolidation.

€ million	31/03/2022	31/03/2021	Change	% Change
Personnel costs including capitalised costs	123.0	120.7	2.2	1.8 %
Costs capitalised	(48.2)	(45.9)	(2.3)	5.0 %
Staff costs	74.7	74.8	(0.1)	(0.1%)

Income from equity investments of a non-financial nature represents the consolidated result according to the equity method included among the components forming the consolidated EBITDA of the strategic companies.

€ million	31/03/2022	31/03/2021	Change	% Change
EBITDA	35.9	30.5	5.4	17.9 %
Amortisation, depreciation, provisions and impairment charges	25.7	22.0	3.7	17.0 %
Financial operations	(0.6)	(0.8)	0.2	(23.6%)
Income tax	2.3	2.1	0.2	8.7 %
Income from equity investments of a non-financial nature	7.3	5.6	1.7	30.6 %

EBITDA rose from € 311.5 million at 31 March 2021 to € 318.2 million at 31 March 2022, recording an increase of € 6.7 million or 2.1%. The change in the consolidation scope accounted for € 4.8 million, due mainly to the line-by-line consolidation of Deco (+ € 1.8 million) and Ecologica Sangro (+ € 1.1 million), as well as the photovoltaic companies acquired in 2021 (+ € 1.2 million).

With the same scope, EBITDA therefore grew by € 1.9 million, arising mainly from opposite effects: **i)** increase in the water segment (+ € 2.3 million) especially attributable to ACEA Ato2 (+ € 4.0 million) due to lower operating costs and higher margins on sludge disposed of and to Acque (+ € 2.2 million) as a result of lower depreciation and amortisation and non-recurring gains offset in part by Gori (- € 3.5 million), lower capitalised personnel expenses and non-recognition of tariff components, as well as higher costs for maintenance and materials; **ii)** increase in the generation segment for € 10.0 million mainly due to Acea Produzione (+ € 8.4 million) and determined for € 6.6 million by the positive effect on the prices of hydroelectric production (+ € 144.82/MWh) partly offset by the lower quantities produced (- 52 GWh) and for the remainder by the lower margins made on thermoelectric production (+ € 1.6 million); **iii)** increase in the environment segment which contributed positively for € 3.4 million due to the combined effect of the increase recorded by Acea Ambiente (+ € 6.0 million) as a result of the higher margins generated by the sale of electricity, the positive effect on sale prices (+ € 112/Kwh) and the reduction in the margins of Demap due to the lower quantities entering the plant and the higher costs generated by the fire in December 2021 (the plant resumed operations in February 2022); **iv)** lower margins in the commercial and trading sector (- € 7.2 million) due to the sharp reduction in energy margins (- € 11.7 million) partly offset by the recognition of non-recurring gains due to non-existent liabilities and revenues for penalties and fines (+ € 3.3 million); **v)** reduction in the energy infrastructure segment for € 3.2 million as a result, among other things, of the effects deriving from energy balancing (- € 3.7 million) due in large part to the reduction of the WACC (from 5.9% to 5.2%), the lower margins deriving from the open fibre contract (- € 1.4 million) and the effects of the resilience plan (- € 1.3 million) partly offset by higher capitalised personnel costs (+ € 1.4 million), lower operating costs (- € 1.1 million) and higher connection fees (+ € 0.6 million); **vi)** reduction in the margins of the corporate segment (- € 2.4 million) attributable to the combined effect of higher costs, IT in particular, offset only partly by higher chargebacks of costs to Group companies. Lastly, other business areas recorded results that were in line with the same period the previous year.

EBIT decreased by € 1.7 million compared to the same period of the previous year. This decrease was influenced by growth in depreciation/amortisation (€ 10.3 million compared to 31 March 2021), of which € 2.2 million attributable to the change in the consolidation scope. Below are details of the items influencing EBIT.

€ million	31/03/2022	31/03/2021	Change	% Change
Depreciation/amortisation and impairment losses	140.7	130.4	10.3	7.9 %
Net write-downs (write-backs) of trade receivables	21.9	23.4	(1.6)	(6.7%)
Provisions and releases for risks and charges	1.8	2.2	(0.4)	(17.6%)
Amortisation, depreciation, impairment and provisions	164.4	156.0	8.4	5.4 %

The increase in depreciation and amortisation is associated, net of the changes in the scope, mainly with investments in the period. The increase was recorded in all business areas, with the exception of the Generation segment, and is mainly related to ACEA Ato2 (+ € 6.4 million) and Gori (+ € 1.2 million); the reduction in depreciation and amortisation in the Generation segment is due to the photovoltaic companies sold (see the dedicated section), which, as a result of the application of IFRS 5, did not identify amortisation, carrying out the measurement of the assets at the lower between historic cost, decreased by the related amortisation, depreciation or amortisation, and the estimated realisable value.

The decrease in the item impairment of receivables (- € 1.6 million) is mainly attributable to lower provisions made by Acea Energia. Provisions and releases for risks and charges saw a slight overall decrease compared to the same period in the previous year (- € 0.4 million).

Net gains/losses from financial operations showed net expenses of € 21.9 million, down by € 0.7 million compared to the same period in 2021. The change is mainly attributable to the higher costs reported by Consorcio Agua Azul (+ € 1.1 million) and to the higher income deriving from Gori (+ € 1.3 million) and ACEA Ato5 (+ € 0.7 million). The average overall all-in cost of the ACEA Group's debt stood at 1.40% compared to 1.44% in the same period in the previous year.

The amount of € 20.7 million was reported in the management of equity investments, which represents the net effect of the capital gain made following the sale of the disposal groups as at 31 December 2021; refer to the section "Application of the IFRS 5 standard" and to the Generation Segment section for more information.

The estimate of fiscal charges amounted to € 45.8 million, compared to € 39.9 million in the same period of the previous year. The total increase of € 5.9 million was mainly due to the higher pre-tax profit. The tax rate for 31 March 2022 was 30.0% (unchanged since 31 March 2021).

The net profit attributable to the Group was € 99.4 million, and showed an increase of € 16.4 million compared to the same period of the previous year.

Summary of results: trends in financial position and cash flows

Financial position data (€ million)	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Non-current Assets and Liabilities	7,181.3	7,200.1	(18.8)	(0.3%)	6,731.5	449.8	6.7 %
Net working capital	(673.4)	(695.3)	21.8	(3.1%)	(662.2)	(11.2)	1.7 %
Net Invested Capital	6,507.9	6,504.9	3.0	n.s.	6,069.2	438.6	7.2 %
Net Financial Debt	(3,890.3)	(3,988.4)	98.2	(2.5%)	(3,654.1)	(236.2)	6.5 %
Total Shareholders' Equity	(2,617.6)	(2,516.4)	(101.2)	4.0 %	(2,415.1)	(202.5)	8.4 %

Non-current Assets and Liabilities

Compared to 31 December 2021, the non-current assets and liabilities decreased by € 18.8 million (- 0.3%); the change refers to the effects of opposing trends, as shown below: **(i)** increase of fixed assets as a consequence of investments in the period; **(ii)** decrease in other non-current assets and liabilities mainly due to the deconsolidation of the photovoltaic companies, control of which was transferred to the British fund Equitix on 31 March 2022. At 31 December 2021, the item included the values of the assets and liabilities held for sale (equal to € 168.4 million and € 47.4 million respectively) in compliance with the provisions of international accounting standard IFRS 5 (for details see the specific section); **(iii)** the increase in provisions for risks as a consequence of the allocation related to the provisions for interim taxes for € 37.9 million.

€ million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Tangible/intangible fixed assets	6,801.2	6,705.2	96.0	1.4 %	6,349.4	451.8	7.1 %
Equity investments	308.1	295.2	12.8	4.3 %	286.9	21.1	7.4 %
Other non-current assets	826.0	969.6	(143.7)	(14.8%)	800.1	25.9	3.2 %
Employee severance indemnity and other defined-benefit plans	(114.8)	(120.2)	5.4	(4.5%)	(119.3)	4.5	(3.8%)
Provisions for risks and charges	(231.2)	(193.3)	(37.8)	19.6 %	(186.6)	(44.6)	23.9 %
Other non-current liabilities	(408.0)	(456.5)	48.5	(10.6%)	(399.1)	(8.9)	2.2 %
Non-current Assets and Liabilities	7,181.3	7,200.1	(18.8)	(0.3%)	6,731.5	449.8	6.7 %

The change in fixed assets was due to investments in the first quarter of 2022 (€ 224.7 million) and depreciation, amortisation and impairment, totalling € 140.7 million.

See the following table as regards the investments made in each Operating Segment.

Investments (€ million)	31/03/2022	31/03/2021	Change	% Change
Environment	8.5	6.9	1.6	23.1 %
Commercial and Trading	10.7	16.1	(5.4)	(33.6%)
Overseas	0.6	1.7	(1.1)	(66.7%)
Water	121.9	119.6	2.3	1.9 %
Energy Infrastructure	68.7	70.1	(1.4)	(2.0%)
Generation	8.4	11.0	(2.6)	(23.7%)
Engineering and services	0.9	1.5	(0.7)	(43.7%)
Corporate	5.2	3.5	1.6	45.6 %
Total Investments	224.7	230.5	(5.6)	(2.4%)

The Environment Segment made investments for € 8.5 million, up by € 1.6 million compared to 31 March 2021, mainly due to investments made by Acea Ambiente for system improvements carried out at the plants of San Vittore and Aprilia, at the WtE plant in Terni and the one in Monterotondo Marittima. The investments made by Cavallari for € 1.2 million for the purchase of an industrial shed and a shredder and the investments by Ecologica Sangro (€ 0.4 million) and S.E.R.Plant (€ 0.4 million) also contributed to the increase. These increases were partly offset by the lower investments recorded by Berg (- € 0.8 million) due to higher investments in 2021 related to the construction of a concentrator and Ferrocarril (- € 0.6 million).

The Commercial and Trading Segment recorded investments of € 10.7 million, down compared to 31 March 2021 (- € 5.4 million). Investment relates mainly to Acea Energia (€ 8.9 million) and includes the cost of acquiring new customers in accordance with IFRS15 (€ 5.4 million) for IT projects pertaining to developments and upgrades to system extensions for the new CRM platform, as well as major improvements to support systems for the management of contact centre operational processes and the analysis and monitoring of customer margins. Investments by Acea Innovation for e-mobility projects (€ 1.5 million) also contributed.

The Foreign Segment recorded a decrease of € 1.1 million attributable to Aguas de San Pedro (- € 0.8 million) and to Consorcio Lima Norte (- € 0.3 million), which in 2021 had started maintenance on the water and sewerage network in North Lima.

The Water Segment made total investments for € 121.9 million, in line with the same period in the previous year (€ 119.6 million). In particular, higher investments were made by ACEA Ato2 (+ € 8.3 million) and SII (+ € 0.8 million) partially offset by lower investments by Gori (- € 5.4 million) and ACEA Ato5 (- € 1.3 million). The investments of the Segment refer mainly to extraordinary maintenance work, reconstruction, modernisation and expansion of plants and networks, the reclamation and expansion of water and sewer pipes of the various Municipalities and work on purification and transport plants (ducts and feeders).

The Energy Infrastructures Segment contributed to the total of investments for € 68.7 million, a decrease compared to the same period of the previous year of € 1.4 million. The investments refer mainly to the expansion and upgrading of the HV, MV and LV grids, the

mass replacement of 2G metering groups, work on the primary stations, secondary substations and meters, and remote control equipment as part of the grid “Adequacy and Safety” and “Innovation and Digitalisation” projects. This was all intended to improve the quality of the service and increase resilience. Intangible investments refer to projects for the re-engineering of information and commercial systems.

The Generation Segment made investments for € 8.4 million, down on 31 March 2021 by € 2.6 million as a result of lower investments by Fergas Solar (- € 4.8 million), which in 2021 had built the plant in Ferrandina, offset by the higher investments by Acea Solar (+ € 1.4 million) for the construction of photovoltaic plants on both agricultural and industrial land as well as the consolidation of SFIsand which recorded investments for € 1.3 million. Lastly, the investments by Acea Produzione for € 1.7 million (- € 0.4 million) refer mainly to the requalification work on the hydroelectric plants, the extension and restoration of the district heating grid in the Mezzocammino district in the south of Rome and the construction of photovoltaic parks (Monte Mario).

The Engineering & Services Segment recognised investments of € 0.9 million, down by € 0.7 million, referring mainly to lower investments by SIMAM.

The Corporate Segment recorded an increase in investments of € 1.6 million compared to 31 March 2021. These investments relate mainly to software licences, IT and hardware developments, as well as investments made in the various company offices.

Equity investments and equity securities that do not constitute control, association or joint control, increased by € 12.8 million compared to 31 December 2021. The change is mainly determined by the increase in the valuation of companies consolidated with the equity method (€ 7.2 million), plus the change in the consolidation scope for € 3.6 million for the consolidation of the newco AE Sun Capital.

The stock of **employee severance indemnity and other defined benefit plans** recorded a decrease of € 5.4 million, owing mainly to an increase in the discounting rate applied (from 1% at 31 December 2021 to 1.77% at 31 March 2022).

The **provisions for risks and charges** increased by 19.6 % compared to the same period in the previous year. The details by nature of the provisions are shown below. The change refers mainly to provisions set aside for interim taxes (€ 37.9 million) offset in part by the utilisations (€ 2.1 million) recorded in the period and referable mainly to the provision for tax risks, insurance deductibles and for early retirements and the risk provision set aside in areti.

€ million	31/12/2021	Uses	Provisions	Release for Excess Provisions	Reclassifications/Other changes	31/03/2022
Legal	16.3	(0.2)	0.1	(0.1)	0.2	16.4
Taxes	7.3	(0.5)	0.0	0.0	0.0	6.7
Regulatory risks	31.0	0.0	0.5	0.0	0.0	31.4
Investees	7.5	0.0	0.0	0.0	0.0	7.5
Contributory risks	1.1	0.0	0.0	0.0	0.0	1.1
Insurance deductibles	10.9	(0.5)	0.8	0.0	0.0	11.2
Other risks and charges	26.1	(0.8)	0.4	(0.1)	(0.1)	25.5
Total Provision for Risks	100.1	(2.0)	1.8	(0.2)	0.1	99.8
Early retirements and redundancies	27.5	0.0	0.0	0.0	0.0	27.5
Post mortem	53.1	(0.1)	0.1	0.0	0.1	53.3
Provision for Expenses payable to others	12.6	0.0	0.0	0.0	0.0	12.6
Provisions for Interim Taxes	0.0	0.0	37.9	0.0	0.0	37.9
Provisions for Reinstatement Expenses	0.0	0.0	0.0	0.0	0.1	0.1
Total Provisions for Expenses	93.2	(0.1)	38.0	0.0	0.2	131.3
Total Provisions for Risks and Charges	193.3	(2.1)	39.8	(0.2)	0.3	231.1

Net working capital

The change in **net working capital** compared to 31 December 2021 is attributable mainly to the increase in current receivables of € 116.3 million, partly offset by the decrease in other current assets (- € 23.1 million) and by the increase in current payables (+ € 71.1 million) and other current liabilities (+ € 8.4 million).

€ million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Current receivables	1,187.9	1,071.6	116.3	10.9 %	1,072.8	115.2	10.7 %
- of which end users/customers	1,127.6	1,027.0	100.6	9.8 %	1,012.1	115.5	11.4 %
- of which Roma Capitale	47.9	34.5	13.4	38.9 %	50.0	(2.1)	(4.3%)
- of which from Subsidiaries and Associates	12.5	10.2	2.3	22.8 %	10.7	1.8	16.9 %
Inventories	94.5	86.4	8.1	9.3 %	87.6	6.8	7.8 %
Other Current Assets	388.9	412.0	(23.1)	(5.6%)	251.7	137.3	54.6 %
Current payables	(1,777.4)	(1,706.4)	(71.1)	4.2 %	(1,581.4)	(196.1)	12.4 %
- of which Suppliers	(1,705.5)	(1,637.7)	(67.8)	4.1 %	(1,513.4)	(192.1)	12.7 %
- of which Roma Capitale	(69.7)	(62.5)	(7.2)	11.6 %	(61.2)	(8.5)	13.9 %
- of which from Subsidiaries and Associates	(2.2)	(6.2)	4.0	(64.3%)	(6.8)	4.6	(67.6%)
Other current liabilities	(567.4)	(559.0)	(8.4)	1.5 %	(492.9)	(74.4)	15.1 %
Net working capital	(673.4)	(695.3)	21.8	(3.1%)	(662.2)	(11.2)	1.7 %

Receivables from users and customers, net of provisions for impairment of receivables, amounted to € 1,127.6 million (€ 1,027.0 million at 31 December 2021) and are up by € 100.6 million compared to 31 December 2021. The following are noted: i) an increase in receivables in the Commercial and Trading Segment for € 92.3 million attributable mainly to Acea Energia (+ € 79.9 million) and Umbria Energy (+ € 9.1 million) due mainly to the price effect; ii) an increase in receivables in the Water Segment for € 6.7 million referring mainly to ACEA Ato2 (+ € 4.7 million), to Acea Molise (+ € 2.5 million), to Gori (+ € 2.1 million) and to ACEA Ato5 (+ € 1.6 million) partially offset by the decrease recorded by SII (- € 4.4 million); iii) an increase in receivables in the Environment Segment for € 3.3 million, referring mainly to Deco (+ € 3.6 million); iv) a decrease in the receivables of areti for € 4.2 million.

Provisions for impairment of receivables at 31 March 2022 amounted to € 614.8 million with an increase of € 19.6 million compared to the end of 2021. Receivables totalling € 325.5 million were transferred without recourse during the first three months of 2022, of which € 73.9 million from the Public Administration.

As regards **relations with Roma Capitale**, the net balance at 31 March 2022, as highlighted in the table below was € 14.3 million payable by the Group (the payable balance at 31 December 2021 was € 32.2 million).

Trade and financial receivables saw an overall increase of € 25.2 million compared to the previous year, mainly due to the accrual of receivables in the period. The main changes in the period are as follows:

- higher receivables referable to ACEA Ato2 for the supply of water for € 13.5 million;
- higher receivables referable to the Public Lighting service for € 11.7 million;
- higher payables due to the recognition of the portion accrued in the period related to the ACEA Ato2 concession fee, for € 6.6 million.

It should also be noted that during the first quarter, areti extinguished debts for road excavation licences with various municipalities for a total amount of € 6.6 million.

The following table presents an analysis of receivables and payables, including those of a financial nature, with Roma Capitale, as regards both net credit exposure and debt exposure, including financial items.

Receivables due from Roma Capitale	31/03/2022	31/12/2021	Change
	A)	B)	A) - B)
Utility receivables	43.8	30.4	13.3
Provisions for impairment	(1.7)	(1.7)	(0.0)
Total receivables from users	42.0	28.7	13.3
Receivables for water works and services	2.3	2.3	0.0
Receivables for water works and services to be invoiced	2.0	2.0	0.1
Provisions for impairment	(2.2)	(2.2)	(0.0)
Receivables for electrical works and services	4.0	4.0	0.0
Provisions for impairment	(0.3)	(0.3)	0.0
Total receivables for works	5.9	5.8	0.1
Total trade receivables	47.9	34.5	13.4
Financial receivables for Public Lighting services billed	121.2	117.1	4.1
Provisions for impairment	(30.2)	(30.2)	0.0
Financial receivables for Public Lighting services to be billed	58.9	49.0	9.9
Provisions for impairment	(29.6)	(28.3)	(1.3)
M/L term financial receivables for Public Lighting services	7.4	8.3	(0.9)
Total Public Lighting receivables	127.7	115.9	11.7
Total Receivables	175.6	150.4	25.2

Payables due to Roma Capitale	31/03/2022	31/12/2021	Change
Electricity surtax payable	(13.2)	(13.2)	0.0
Concession fees payable	(44.1)	(37.5)	(6.6)
Other payables	(14.1)	(13.5)	(0.7)
Dividend payables	(118.4)	(118.4)	0.0
Total payables	(189.8)	(182.6)	(7.2)
Net balance receivables payables	(14.3)	(32.2)	17.9

Current payables rose mainly due to the increase in the stock of trade payables (+ € 67.8 million). This effect was recorded mainly with reference to the payables of Acea Energia (+ € 71.9 million), partly attributable to the increase in the prices of commodities.

Other Current Assets and Liabilities recorded a decrease of € 23.1 million and an increase of € 8.4 million respectively compared to 31 December 2021. In detail, other assets decreased as a result of the decrease in receivables for energy equalisation (- € 18.2 million), the decrease in VAT receivables (- € 7.2 million) and tax receivables (- € 9.1 million), partly offset by the increase in receivables deriving from the measurement of the derivatives on commodities (+ € 7.8 million) and from the increase in receivables from the OTAA (+ € 3.4 million).

The increase in other current liabilities refers to the increase in liabilities deriving from the measurement of derivatives on commodities (+ € 21.3 million), payables to employees (+ € 12.1 million) and accrued expenses and deferred income (+ € 3.5 million), partly offset by the reduction in payables to the equalisation fund (- € 18.3 million), the reduction in payables to social security institutions and the decrease in tax payables (- € 4.5 million).

Shareholders' equity

The **shareholders' equity** amounted to € 2,617.6 million. The changes, amounting to € 101.2 million, are detailed in the relevant table and are basically due to the distribution of dividends, the accrual of profits of the first three months of 2022, and the change in the cash flow hedge reserves and those formed by actuarial gains and losses as well as the change in the consolidation scope.

Net financial debt

Group debt recorded an overall decrease of € 98.2 million, going from € 3,988.4 million at the end of 2021 to € 3,890.3 million at 31 March 2022.

€ million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
A) Cash	694.1	680.8	13.2	1.9 %	1,277.8	(583.8)	(45.7%)
B) Cash equivalents	0.0	0.0	0.0	n.s.	0.0	0.0	n.s.
C) Other current financial assets	504.0	407.9	96.0	23.5 %	430.1	73.9	17.2 %
D) Liquidity (A + B + C)	1,198.1	1,088.8	109.3	10.0 %	1,708.0	(509.9)	(29.9%)
E) Current financial debt	(177.5)	(173.6)	(3.9)	2.2 %	(171.4)	(6.1)	3.5 %
F) Current portion of non-current financial debt	(426.3)	(111.6)	(314.6)	n.s.	(241.5)	(184.8)	76.5 %
G) Current financial debt (E + F)	(603.7)	(285.2)	(318.5)	111.7 %	(412.9)	(190.8)	46.2 %
H) Net current financial debt (G + D)	594.3	803.5	(209.2)	(26.0%)	1,295.0	(700.7)	(54.1%)
I) Non-current financial debt	(4,484.6)	(4,792.0)	307.4	(6.4%)	(4,949.2)	464.6	(9.4%)
J) Debt instruments	0.0	0.0	0.0	n.s.	0.0	0.0	n.s.
K) Trade payables and other non-current payables	0.0	0.0	0.0	n.s.	0.0	0.0	n.s.
L) Non-current financial debt (I + J + K)	(4,484.6)	(4,792.0)	307.4	(6.4%)	(4,949.2)	464.6	(9.4%)
Total financial debt (H + L)	(3,890.3)	(3,988.4)	98.2	(2.5%)	(3,654.1)	(236.2)	6.5 %

Non-current financial debt decreased by € 307.4 million compared with the end of the 2021 financial year. This change derives mainly from the decrease in bond loans (- € 301.6 million) and the decrease in payables for medium/long-term loans (- € 5.3 million), as shown in the following table:

€ million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Bonds	3,840.4	4,142.0	(301.6)	(7.3%)	4,142.8	(302.4)	(7.3%)
Medium/long-term borrowings	605.0	610.3	(5.3)	(0.9%)	742.6	(137.6)	(18.5%)
IFRS 16 financial payables	39.2	39.7	(0.5)	(1.3%)	63.8	(24.6)	(38.6%)
Non-current financial debt	4,484.6	4,792.0	(307.4)	(9.5%)	4,949.2	(464.6)	(64.4%)

Bonds of € 3,840.4 million decreased by a total € 301.6 million, mainly due to the reclassification into the short-term position of the 5-year bond issued by Acea on the Euro Medium Term Notes (EMTN) programme on 1 February 2018.

Medium/long-term loans of € 605.0 million recorded a total decrease of € 5.3 million due mainly to Gori (- € 2.4 million) and to Acquedotto del Fiora (- € 2.3 million) as a result of the measurement of the hedging derivative that was positive as at 31 March 2022 and which were partly offset by the increase due to the change in the consolidation scope following the acquisition of S.E.R. Plast (+ €

2.1 million). The following table shows medium/long-term and short-term borrowings (excluding the portion due to application of IFRS 16) by term to maturity and type of interest rate.

€ million	Total Residual Debt	By 31/03/2023	From 31/03/2023 to 31/03/2027	After 31/03/2027
fixed rate	187.2	32.9	121.7	32.5
floating rate	352.2	57.2	169.4	125.6
floating rate cash flow hedge	165.1	9.3	75.6	80.2
Total	704.4	99.4	366.7	238.3

The **fair value** of Gori's hedging derivatives was positive by € 2.4 million (€ 0.1 million at 31 December 2021) and Acquedotto del Fiora's instrument was positive by € 0.5 million (it was negative by € 1.9 million at 31 December 2021).

Current financial debt is positive by € 594.3 million, decreasing by € 209.2 million from the end of the 2021 financial year. Of this decrease, € 282.1 million is attributable to the parent company, partly offset by Acea Produzione and Adistribuzione gas for € 28.6 million and € 37.0 million respectively. The change in the parent company is generated mainly by the reclassification into the short-term position of the 5-year bond issued by Acea on the Euro Medium Term Notes (EMTN) programme on 1 February 2018.

Note that financial debt includes € 118.4 million in payables to Roma Capitale for dividends resolved to be distributed and does not include other payables of € 64.8 million relating to share purchase options of the companies already held.

At 31 March 2022 the Parent Company had unused committed credit lines of € 500.0 million, uncommitted lines of € 429.0 million of which € 21.7 million used, as well as unused and available medium/long term loan lines of € 250.0 million. No guarantees were granted in obtaining these lines.

It must be noted that the long-term Ratings assigned to ACEA by the International Ratings Agencies were:

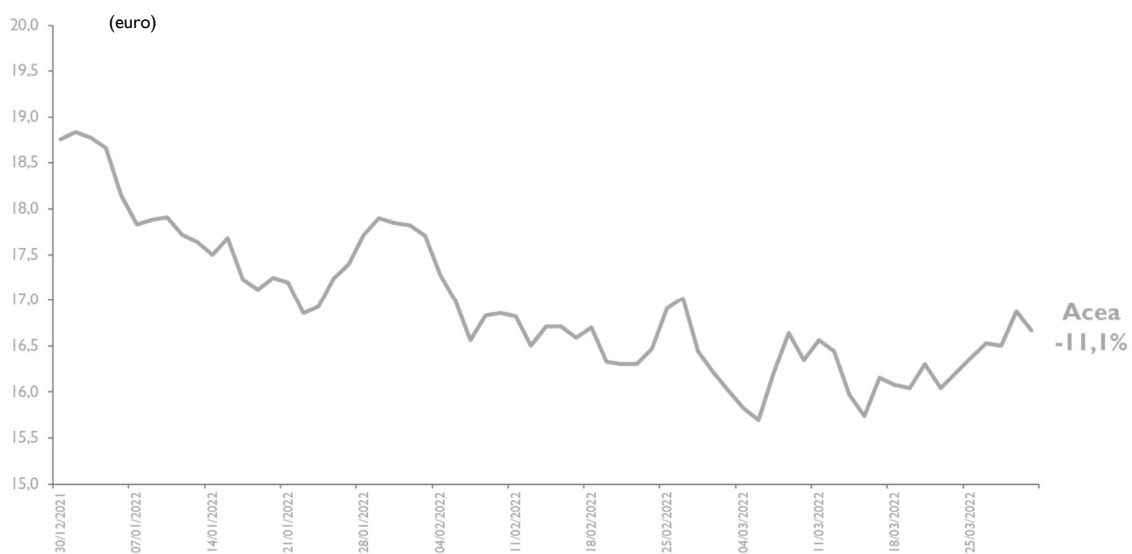
- Fitch "BBB+";
- Moody's "Baa2"

Reference context

Performance of the equity markets and the ACEA stock

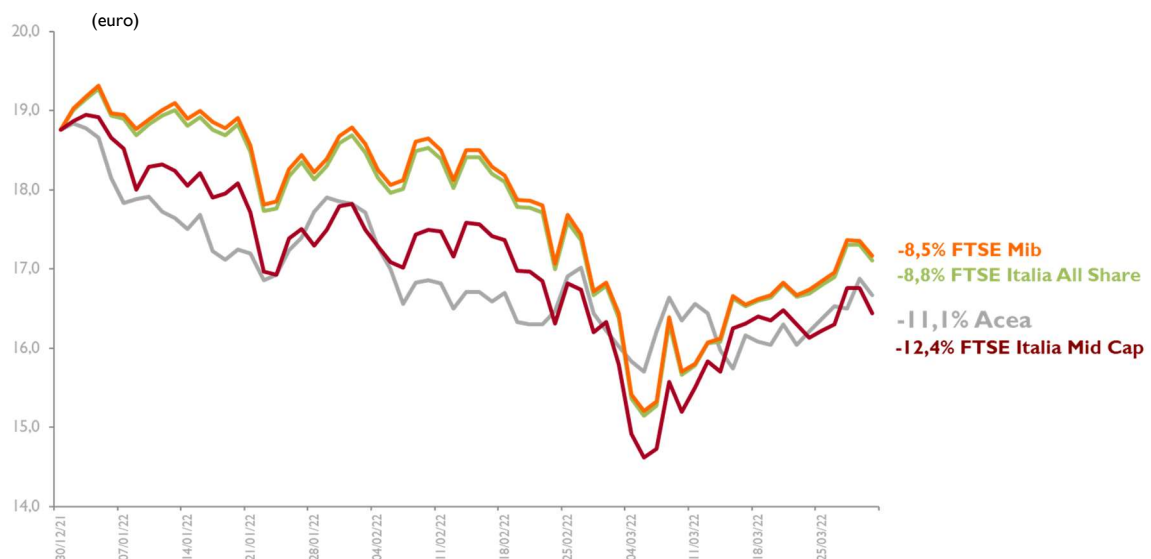
In the first quarter of 2022, the global stock markets saw overall negative performance. The analysis period was influenced mainly by: (i) the continuous and progressive increase in inflation which led the central banks to adopt restrictive monetary policies in order to combat the increase of prices; (ii) the conflict between Russia and Ukraine, which, as well as weakening the global GDP, caused further upward pressure, especially on energy prices; (iii) the spread of the Omicron variant of Covid-19 at the start of the year. The vaccination campaign nevertheless allowed for the gradual reduction of government restrictions in 2020 and in 2021, with the consequent recovery in economic and industrial activity.

In the period being analysed, Acea performed substantially in line with the Italian market, recording a decrease of 11.1% (FTSE Italia Mid Cap -12.4%). On 31 March 2022 (the last stock exchange session of the quarter), the share price closed at € 16.67, with a capitalisation of € 3,550 million. The maximum value of € 18.84 was reached on 3 January, while the minimum value of € 15.70 was reached on 7 March. During the first quarter of 2022, the daily average volumes traded were approximately 156,000 (in line with the same period in 2021).



(Source: Bloomberg)

The following normalised graph shows the ACEA stock values, compared to the performance of the Stock Market indices.



(grafico normalizzato ai valori di Acea – Fonte Bloomberg)

Change % 31/03/2022 (compared to 31/12/2021)	
Acea	(11.1%)
FTSE Italia All Share	(8.8%)
FTSE MIB	(8.5%)
FTSE Italia Mid Cap	(12.4%)

In the quarter around 30 studies/notes on ACEA were published.

Operating Segments

ACEA's macro structure is organised in corporate functions and seven operating segments: Water, Energy Infrastructure, Generation, Commercial and Trading, Environment, Overseas and Engineering and Services.



Trend of Operating segments

Economic results by segment

The results by segment are shown on the basis of the approach used by the management to monitor Group performance in the financial years compared in observance of IFRS 8 accounting standards. Note that the results of the "Other" segment include those deriving from ACEA corporate activities as well as inter-sectoral adjustments.

€ million	Environment	Commercial and Trading	Overseas	Water	Generation	Arete	IP	Adjustments	Total	Engineering and Services	Corporate	Consolidation adjustments	Consolidated Total
Revenues	75	707	21	321	50	135	12	0	147	35	35	(190)	1,200
Costs	53	689	13	156	22	48	13	0	60	33	45	(190)	882
EBITDA	22	17	8	165	28	87	(1)	0	87	2	(10)	0	318
Depreciation/amortisation and impairment losses	10	16	3	89	4	33	0	0	34	2	7	0	164
Operating profit/(loss)	12	2	4	76	23	54	(1)	0	53	0	(17)	0	154
Capex	9	11	1	122	8	69	0	0	69	1	5	0	225

The revenues in the above table include the condensed result of equity investments (of a non-financial nature) consolidated using the equity method, as well as results from equity investments in the gas distribution segment in Abruzzo.

€ million	Environment	Commercial and Trading	Overseas	Water	Generation	Arete	IP	Adjustments	Energy Infrastructure	Engineering and Services	Corporate	Consolidation adjustments	Consolidated Total
Revenues	52	449	18	316	28	148	8	0	157	31	33	(148)	936
Costs	37	424	12	153	10	58	9	0	67	28	41	(148)	624
EBITDA	15	25	6	163	18	91	(1)	0	90	3	(8)	0	312
Depreciation/amortisation and impairment losses	7	18	3	79	7	35	0	0	35	1	6	0	156
Operating profit/(loss)	8	6	3	84	11	56	(1)	0	55	2	(13)	0	156
Capex	7	16	2	120	11	69	1	0	70	2	4	0	230



Operating figures, equity and financial results for the period

Operating data	U.M.	31/03/2022	31/03/2021	Change	% Change
WTE conferment	KTon	90.8	104.4	(13.6)	(13.0%)
Landfilled waste	KTon	11.7	8.4	3.3	38.9%
Contributions to composting plants	KTon	44.2	46.5	(2.3)	(5.0%)
Contributions to Selection Plants	KTon	46.9	57.1	(10.2)	(17.9%)
Intermediated waste	KTon	40.3	36.0	4.3	11.9%
Liquids treated at Plants	KTon	92.1	126.0	(33.9)	(26.9%)
M&A contributions	KTon	88.0	0.0	88.0	n.s.
Net Electrical Energy transferred	GWh	82.9	83.1	(0.1)	(0.2%)
Waste produced	KTon	111.3	49.6	61.7	124.4%

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
Revenues	74.7	52.4	22.3	42.5%
Costs	52.8	37.4	15.4	41.1%
EBITDA	21.9	15.0	6.9	45.9%
Operating profit/(loss)	12.3	7.7	4.6	60.1%
Average Workforce	771	593	177	29.9%

Equity and financial results € million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Capex	8.5	36.1	(27.6)	(76.4%)	6.9	1.6	23.1%
Net Financial Position	334.0	320.1	13.9	4.3%	274.3	59.8	21.8%

EBITDA € million	31/03/2022	31/03/2021	Change	% Change
EBITDA – Environment Segment	21.9	15.0	6.9	45.9%
EBITDA – Group	318.2	311.5	6.7	2.1%
Percentage weight	6.9%	4.8%	2.1 p.p.	

Environment closed the first three months of 2022 with an EBITDA of € 21.9 million, up by € 6.9 million (+ 45.9%). The increase recorded is attributable to Acea Ambiente for € 6.0 million, due mainly to higher margins generated by the sale of electricity linked to the price effect (+ € 112/Kwh), partly attributable to CO2 rights and for € 3.5 million to the change in the scope following the consolidation of **Deco**, **MEG** and **Ecologica Sangro** which joined the Group in November 2021, and **S.E.R. Plast** acquired in February 2022. The increase is partially offset by **Demap** which recorded a decrease of € 2.0 million due to lower revenues generated from the lower quantities entering the plant and to higher costs as a direct consequence of the effects generated by the fire in late December 2021, and by **Berg** which recorded lower margins on liquid treatment for € 0.8 million. Demap's plant resumed operations in February, albeit initially with lower quantities compared to the site's real capacity.

The average number of employees at 31 March 2022 was 771, an increase of 177 employees compared with 31 March 2021, due mainly to the change in the scope of consolidation (+ 164 employees).

Investments in the Segment came to € 8.5 million, with an increase of € 1.6 million compared to 31 March 2021 due to the higher investments made by **Acea Ambiente** (+ € 1.1 million) for system improvements in the San Vittore and Aprilia plants, in the WtE plant in Terni and Monterotondo Marittima, **Cavallari** (+ € 1.2 million) mainly for the purchase of an industrial shed and a shredding machine and for the increase deriving from the change in scope (+ € 0.9 million). These increases were partly offset by the lower investments recorded by **Berg** (- € 0.8 million) due to higher investments in 2021 related to the construction of a concentrator and **Ferrocarril** (- € 0.6 million).

The net financial position amounted to € 334.0 million, up by € 13.9 million compared to 31 December 2021 and by € 59.8 million compared to 31 March 2021. The changes are attributable to the dynamics of operating cash flow and compared to 31 March 2021, are affected by the purchase of equity investments by **Acea Ambiente** which recorded a worsening of the net financial position for € 86.1 million, partly offset by the positive effect deriving from the consolidation of Ecologica Sangro which contributed positively for € 22.2 million.

Significant and subsequent events

In January, Acea Ambiente acquired 70% of Serplast, operating in the plastic recycling business, a segment which is downstream with respect to that of post-consumption plastic selection in which Acea is already present with the companies Demap, Cavallari and Meg. The Company is located in Cellino Attanasio in the province of Teramo.

Operating figures, equity and financial results for the period

Operating data	U.M.	31/03/2022	31/03/2021	Change	% Change
Electrical Energy sold - Free	GWh	1,488.8	1,591.0	(102.2)	(6.4%)
Electrical Energy sold - Protected	GWh	396.2	519.3	(123.1)	(23.7%)
Electricity - Free market customers (P.O.D.)	N/1000	489.0	475.5	13.5	2.8%
Electrical Energy - No. Protected Market Customers (P.O.D.)	N/1000	688.9	739.4	(50.5)	(6.8%)
Gas Sold	MSmc	96.1	89.7	6.5	7.2%
Gas - No. Free Market Customers	N/1000	229.0	222.5	6.5	2.9%

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
Revenues	706.8	448.8	258.0	57.5%
Costs	689.3	424.1	265.2	62.5%
EBITDA	17.5	24.7	(7.2)	(29.2%)
Operating profit/(loss)	1.5	6.4	(4.9)	(76.4%)
Average Workforce	431	430	1	0.2%

Equity and financial results € million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Capex	10.7	49.4	(38.7)	(78.4%)	16.1	(5.4)	(33.6%)
Net Financial Position	(260.4)	(297.4)	37.0	(12.4%)	(58.1)	(202.3)	n.s.

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
EBITDA – Commercial and Trading Segment	17.5	24.7	(7.2)	(29.2%)
EBITDA – Group	318.2	311.5	6.7	2.1%
Percentage weight	5.5%	7.9%	(2.4 p.p.)	

The Segment, responsible for the management and development of electricity and gas sales and related customer relationship activities as well as the Group's energy management policies, ended the first three months of 2022 with an EBITDA of € 17.5 million, down compared to the same period of 2021 by € 7.2 million. The decrease is attributable mainly to **Acea Energia** (- € 8.0 million), as a result of the reduction in energy and gas margins (- € 11.7 million) partially offset by the recognition of non-recurring gains due to non-existent liabilities and revenues for penalties and fines (+ € 3.3 million).

With regard to the effects on the primary margin, the decrease recorded by **Acea Energia** derives specifically: from the reduction in the energy margins related to the **free market** (- € 1.3 million compared to 31 March 2021) due mainly to a general drop in consumption (- 6%) and to the reduction of the unit margins in both the Retail sector (- 8%) and the Business sector (- 6%) despite a general 3% increase in customers; from the reduction in the energy margins related to the **protected market** (- € 1.1 million compared to 31 March 2021) which derives from the "natural" outflow of customers from the enhanced protection market (- 7%) to the free market, not offset by the application of higher margins; from the general reduction of the margins related to the **gas market** (- € 2.7 million compared to 31 March 2021) also in this case mainly as a result of the reduction in the unit margins in both the Retail sector and the Business sector, despite an increase in both customers (+ 3%) and consumption (+ 7%); and from the reduction in the energy margins concerning the **optimisation** of energy flows (- € 6.5 million compared to the same period in the previous year). This margin also includes activities of buying, selling, exchanging and trading electricity, heat, natural gas, methane and other fuels and energy carriers, from any source produced or acquired, for own use or for third parties.

Note that the significant reduction in the margins is attributable to the exceptional context of reference characterised by the global energy crunch and the current geopolitical situation related to the invasion of Ukraine, which is still ongoing as at 31 March 2022.

The operating profit/(loss) was lower (- € 4.9 million) than at 31 March 2021 mainly as a result of the lower margins achieved, partly offset by the reduction in depreciation and amortisation and provisions for risks, as well as the lower write-downs for the period, also including the reallocation of the costs associated with the process of objecting to the limitation period disputed by customers during the period net of the reimbursement received from the distributor.

With reference to the workforce, the average number at 31 March 2022 stood at 431 employees, substantially in line with 31 March 2021.

Investment in the Segment amounted to € 10.7 million, down by € 5.4 million compared to 31 March 2021 and relate mainly to **Acea Energia** (€ 8.9 million) in relation to the costs of acquiring new customers in accordance with IFRS15 (€ 5.4 million) and for IT projects pertaining to developments and upgrades to system extensions for the new CRM platform, as well as major improvements to support systems for the management of contact centre operational processes and the analysis and monitoring of customer margins. Investments by **Acea Innovation** for e-mobility projects (€ 1.5 million) also contributed.

The net financial position at 31 March 2022 was positive for € 260.4 million and recorded a worsening of € 37.0 million compared to 31 December 2021 and an improvement of € 202.3 million compared to 31 March 2021. The changes are mainly attributable to **Acea Energia** and mainly derive from the operating cash flow trends, while the change compared to 31 March 2021 is impacted by the positive effect deriving from the sale of the stakes held by **Acea Energia** in Acea Produzione to the parent company as part of the project to reorganise the Group's strategic equity investments for a sale value equal to the book value (€ 129 million).

Significant and subsequent events

With regard to the proceedings started by the **Antitrust Authority** and **ARERA**, the main updates are described below:

Fact-finding investigation concerning the financial items relating to electricity destined for States within Italy: pursuant to resolution 58/2019/E/eel, on 20 March 2019 the Authority initiated a fact-finding investigation in relation to Acea Energia with the aim of acquiring information and useful data concerning the management of the financial items relating to electricity destined for the dispatching point of export.

In accordance with this Resolution and pending the conclusion of the aforementioned investigation, the Authority has specified to the Italian Energy and Environmental Services Fund that it should proceed on a transitional basis and subject to adjustment with the equalisation of the costs incurred by Acea Energia for 2017 for the purchase and dispatching of electricity intended for standard-offer-market customers.

With Resolution 180/2019/C/EEL, the Authority decided to challenge the extraordinary appeal brought by the Azienda Autonoma di Stato per i Servizi Pubblici della Repubblica di San Marino for the annulment of Resolution 670/2018/R/eel (which updated the transmission tariffs for the year 2019) and Resolution 58/2019/R/eel.

Pending the conclusion of the investigation, the Authority asked the Cassa per i servizi energetici e ambiente – on a temporary basis and subject to adjustment – to suspend any disbursements relating to the equalisation of the costs incurred by Acea Energia for 2018 for the purchase and dispatching of electricity intended for standard-offer-market customers.

With Resolution no. 491/2019/E/eel the Authority closed the preliminary investigation by instructing Acea Energia and Areti on the actions to be taken by the end of 2019. Acea Energia informed the Authority that it had complied with the requirements. Resolution 491/2019/E/eel, moreover, gave a mandate (i) to Terna, the relevant distribution companies and CSEA to recalculate the charges for withdrawals of electricity destined for the dispatching point of export by applying the criteria highlighted in the preliminary findings attached to the same resolution (ii) to the Director of the Sanctions and Commitments Department of the Authority for the documents resulting from the evidence found. As a result of this, with Determination 5/2020/eel, the Authority initiated two sanction proceedings against Acea Energia and Areti. On 12 June 2020, Acea Energia sent ARERA its proposal of commitments, including waiver of the amount receivable accrued in relation to the system, payment of compensation to ARERA and the obligation to send two-monthly reporting for a period of ten years. With Resolution 262/2021, ARERA partially amended the methods for carrying out the recalculation activities indicated in Resolution 491/2019 and CSEA then sent the definitive recalculations to Acea Energia on 12 July 2021. The items must be settled at the end of the penalty proceedings initiated with Determination 5/2020/eel. Acea Energia submitted a proposal of commitments to ARERA on 4 March 2022. It was deemed appropriate to report an estimate of possible commitments among the provisions for risks and charges. Subsequently, ARERA published resolution 150/2022/S/eel with which it declared the proposal of commitments submitted by the Company to be admissible. Then began the phase during which third parties could submit their comments, to which Acea Energia must respond. After this phase, ARERA will publish the resolution of final approval of the commitments, thus ending the sanctioning procedure.

Proceeding PS11216 of the Antitrust Authority (AGCM): on 29 April 2021 the Antitrust Authority sent Acea Energia S.p.A. a request for information regarding the measures used by the company to prevent the charge of amounts potentially subject to biennial limitation in case of use by customers, direct debit or other automatic bill payment methods.

On 2 July 2021 Acea Energia received a communication with which the AGCM stated that at the meeting on 1 July 2021, on the basis of the information provided by the company itself on 21 May 2021, it was resolved that there was insufficient information for an in-depth investigation, and therefore it was decided to dismiss the case.

Proceeding PS12106 of the Antitrust Authority (AGCM): on 18 October 2021, the Antitrust Authority (hereinafter also "AGCM") sent Acea Energia an invitation to remove the profiles of possible unfairness of the commercial conduct, pursuant to Art. 4, paragraph 5, of the "Regulation on preliminary investigations concerning misleading and comparative advertising, unfair trade practices, violation of consumer rights in contracts, violation of the prohibition of discrimination and unfair terms" adopted by the Authority with resolution of 1 April 2015. On 19 November 2021 the Company responded to this request, accepting the Authority's invitation and communicating its willingness to update all the offers made on its website, clearly indicating, for each of them, the existence and amount of any additional components applied at the Company's discretion.

On 3 March 2022, the Company received a communication with which the AGCM stated that, at its meeting on 1 March 2022, it would close the application for intervention, the Company having ceased any incorrect commercial conduct reported in the communication of 18 October 2021 and related to the representation of all amounts due by customers for the supply of electricity and gas.

**Operating figures, equity and financial results for the period**

Operating data	U.M.	31/03/2022	31/03/2021	Change	% Change
Water Volumes	Mm3	10.2	9.1	1.0	11.1 %
Volumes fed into the grid	Mm3	19.0	19.6	(0.7)	(3.4%)
Number of customers (user accounts served)	Number	122,556.0	121,338.0	1,218.0	1.0 %

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
Revenues	20.6	18.3	2.3	12.4 %
Costs	12.9	12.0	0.9	7.3 %
EBITDA	7.7	6.3	1.4	22.2 %
Operating profit/(loss)	4.4	3.4	1.0	29.3 %
Average Workforce	2,331	2,281	50	2.2 %

Equity and financial results € million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Capex	0.6	4.6	(4.0)	(87.8%)	1.7	(1.1)	(66.7%)
Net Financial Position	(23.2)	(18.9)	(4.2)	22.4 %	(12.0)	(11.1)	92.6 %

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
EBITDA – Overseas Segment	7.7	6.3	1.4	22.2 %
EBITDA – Group	318.2	311.5	6.7	2.1 %
Percentage weight	2.4 %	2.0 %	0.4 p.p.	

The Segment currently includes the water companies that manage the integrated water service in Latin America. Specifically:

- Aguas de San Pedro (Honduras), 60.65% owned by the Group as of October 2016, when it was consolidated using the line-by-line method. The Company serves its customers in San Pedro Sula;
- Acea Dominicana (Dominican Republic), wholly owned by the Group, provides the service to the local Municipality known as CAASD (Corporation Aqueducto Alcantariado Santo Domingo);
- AguaAzul Bogotá (Colombia), of which the Group holds 51%, is consolidated on the basis of the equity method with effect from the 2016 financial statements as a result of a change in the composition of the Board of Directors;
- Consortio Agua Azul (Peru) is controlled by the Group which owns 44% and provides the water and discharge service in the north of the city of Lima. Control of the company was taken by virtue of the amendment of the shareholders' agreements and the purchase, on 13 January 2020, of additional shares in the company from the outgoing shareholder Impregilo International Infrastructures N.V., which increased the Group's shareholding from 25.5% to 44.0% (+18.5%);
- Acea Perú is wholly owned by Acea International and was established on 28 June 2018. This company was established with the specific intent to manage the aqueduct service in the city of Lima through consortia;
- Consortio Servicio Sur controlled by Acea International (50%), by ACEA Ato2 (1%) and by local partners Conhydra, Valio and India overall equal to 49%. The Consortio was established on 5 July 2018 with the specific aim of managing the corrective maintenance service for the drinking water and sewerage systems of the Directorate of Services Sur of Lima (Peru). The Consortio's activities ended during 2021 and it is currently in liquidation;
- Consortio ACEA controlled by Acea Perú (99%) and ACEA Ato2 (1%), established on 15 December 2020. Consortio ACEA signed a three-year contract for the management of pumping stations for drinking water in Lima Centro;
- Consortio Acea Lima Norte controlled by Acea Perú (99%) and ACEA Ato2 (1%), established on 5 January 2021. Consortio Acea Lima Norte signed a three-year contract for maintenance of the water and sewerage network in the northern zone of Lima.
- Consortio Acea Lima Sur controlled by Acea Perú (99%) and ACEA Ato2 (1%), established on 6 October 2021. Consortio Acea Lima Norte signed a three-year contract for corrective maintenance of the water and sewerage network in the Sud di Lima zone.

The Segment ended the first three months of 2022 with an EBITDA of € 7.7 million, up on 31 March 2021 (+ € 1.4 million) mainly due to the higher margins recorded by **Agua de San Pedro** (+ € 0.9 million) and **Consortio Agua Azul** (+ € 0.4 million).

The average number of staff at 31 March 2022 was 2,331, an increase of 50 people compared to 31 March 2021 mainly deriving from the opposite effects of the increase due to the change in scope in relation to the consolidation of **Consortio Acea Lima Sur** (+ 190 employees) and the decrease of **Consortio Servicio Sur** (- 178 people) as a consequence of the end of the management activity of the water and sewerage network of the Directorate of Services Sur di Lima.

Investments in the first three months of 2022 amounted to € 0.6 million, a decrease of € 1.1 million compared to the same period in the previous year. The change was mainly due to the company **Aguas de San Pedro** (- € 0.8 million) and to **Consortio ACEA Lima Norte** (- € 0.3 million).



Net financial position as at 31 March 2022 was positive, amounting to € 23.2 million, an improvement of € 4.2 million compared to 31 December 2021 and of € 11.1 million compared to 31 March 2021. These changes are attributable mainly to **Aguas de San Pedro** and are attributable to the dynamics of operating cash flow.

Significant and subsequent events

No significant events occurred in the period.

Operating figures, equity and financial results for the period

Operating data	U.M.	31/03/2022	31/03/2021	Change	% Change
Water volumes	Mm3	125.4	128.5	(3.1)	(2.4%)
Energy consumed	GWh	182.0	162.7	19.3	11.8 %
Sludge disposed of	KTon	47.0	43.9	3.0	6.9 %

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
Revenues	321.5	315.9	5.6	1.8 %
Costs	156.3	152.9	3.4	2.2 %
EBITDA	165.2	163.0	2.3	1.4 %
Operating profit/(loss)	76.4	83.8	(7.4)	(8.9%)
Average Workforce	3,488	3,480	8	0.2 %

Equity and financial results € million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Capex	121.9	522.0	(400.1)	(76.7%)	119.6	2.3	1.9 %
Net Financial Position	1,683.1	1,681.4	1.7	0.1 %	1,513.4	169.7	11.2 %

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
EBITDA – Water Segment	165.2	163.0	2.3	1.4 %
EBITDA – Group	318.2	311.5	6.7	2.1 %
Percentage weight	51.9 %	52.3 %	(0.4 p.p.)	

The EBITDA for the Segment stood at € 165.2 million at 31 March 2022, an increase of € 2.3 million compared to 31 March 2021 (+ 1.4 %). The increase is attributable mainly to **ACEA Ato2** (+ € 4.0 million) for lower operating costs and higher margins on sludge disposed of offset in part by Gori (- € 3.5 million) mainly due to lower capitalised personnel expenses and non-recognition of tariff components, as well as higher costs for maintenance and materials.

Finally, the contribution to EBITDA of water companies valued at equity, amounting to € 6.7 million, increased by € 2.1 million mainly due to the better margins of the **Gruppo Acque** (+ € 2.1 million) attributable as a consequence of the lower amortisation and depreciation and the non-recurring gains recorded in the period.

The contribution to EBITDA of the companies valued at shareholders' equity is detailed below:

€ million	31/03/2022	31/03/2021	Change	% Change
Publiacqua	1.8	1.5	0.3	17.2 %
Acque Group	4.3	2.2	2.1	94.3 %
Umbra Acque	0.5	0.6	(0.1)	(12.6%)
Nuove Acque and Intesa Aretina	0.1	0.2	(0.1)	(40.8%)
Geal	0.0	0.1	(0.1)	(66.8%)
Total	6.7	4.6	2.1	46.2 %

The quantification of revenues for the period deriving from the integrated water service is valued in line with the new MTI-3 method. The item includes the estimate of the tariff adjustments relating to the so-called carry-over items for the period that will be invoiced as from the current year. The following two tables in the section summarise on the one hand the status of the procedures for approving tariff proposals and on the other hand revenues from SII, broken down by company and component, as well as the considerations underlying the determination of revenues for the period.

The operating result was affected by the growth in amortisation and depreciation (+ € 10.3 million) mainly attributable to **ACEA Ato2** (+ € 6.4 million) and **Gori** (+ € 1.2 million) as a result of the increase in investments and due to the effects resulting from the entry into operation of the plants.

The average number of staff at 31 March 2022 was 3,473, an increase of 8 people compared to 31 March 2021, which represents the balance of new hires attributable to **ACEA Ato2** (+ 20 people) and leavers related to **Gori** (- 12 people).

Segment investments amounted to € 121.9 million, in line with the same period in the previous year (€ 119.6 million). The increase is due to higher investments made by **ACEA Ato2** (+ € 8.3 million) and **SII** (+ € 0.8 million) partially offset by lower investments by **Gori** (- € 5.4 million) and **ACEA Ato5** (- € 1.3 million). The investments of the Segment refer mainly to extraordinary maintenance work, reconstruction, modernization and expansion of plants and networks, the reclamation and expansion of water and sewer pipes of the various Municipalities and work on purification and transport plants (ducts and feeders).

The Segment's net financial position at 31 March 2022 stood at €1,683.1 million, a deterioration of € 1.7 million compared with 31 December 2021 and deterioration of € 169.7 million compared with 31 March 2021, mainly attributable to **ACEA Ato2** for investments in the period and the operating cash flow dynamics.

Significant and subsequent events

Progress of the procedure for approving the tariffs

The following table shows the updated situation of the procedure for approving IWS tariff provisions for Group companies relating to the 2016-2019 regulatory period, the 2018-2019 two-year tariff update, and tariff provisions for 2020-2023.

Company	Approval status (up to MTI2 "2016-2019")	Two-year update status (2018-2019)	Approval status MTI-3 2020-2023
ACEA Ato2	On 27 July 2016, the AGB approved the tariff inclusive of the bonus as per art. 32.1, subsection a) of Resolution 664/2015/R/IDR. <u>The ARERA then approved them in Resolution 674/2016/R/IDR, with some changes compared to the AGB's proposal; quality bonus confirmed.</u>	The Conference of Mayors approved the tariff update on 15 October 2018. On 13 November 2018, ARERA approved the 2018-2019 tariff update with Resolution 572/2018/R/IDR. On 10 December 2018, the Conference of Mayors adopted the provisions of the ARERA Resolution.	On 27 November 2020, the AGB approved the tariff for the 2020-2023 regulatory period with Resolution no. 6/2020 ARERA approved the 2020-2023 tariffs on 12 May 2021 with resolution 197/2021/R/IDR
ACEA Ato5	Tariff proposal submitted by the Operator on 30 May 2016, with request for recognition of the Opex _{qc} . ARERA warned the AGB on 16 November 2016 and the EGA approved the tariff proposal on 13 December 2016, rejecting, among others, the request for recognition of the Opex _{qc} . Approval by ARERA is awaited.	The Conference of Mayors approved the 2018-2019 tariff update on 1 August 2018. ARERA has not yet given its approval.	On 14 December 2020, the Operator submitted a tariff updated request pursuant to article 5, paragraph 5.5 of ARERA Resolution 580/2019/R/IDR MTI-3 of 27 December 2019. On 10 March 2021, the OTAA Conference of Mayors approved the proposed tariff for 2020-2023, with resolution 1/2021. ARERA has not yet given its approval. The Manager lodged an appeal with the Regional Administrative Court against this resolution, but the repeal was rejected. The Company lodged an appeal with the Council of State, which has not yet expressed a position on the matter and submitted an application for economic and financial rebalancing.
GORI	On 1 September 2016, the Extraordinary Commissioner of the AGB approved the tariff with Opex _{qc} as of 2017. Approval by ARERA is awaited.	On 17 July 2018 the Extraordinary Commissioner of the AGB approved the 2018-2019 tariff update. ARERA has not yet given its approval.	On 18 December 2020, the Operator submitted a tariff updated request pursuant to article 5, paragraph 5.5 of ARERA Resolution 580/2019/R/IDR MTI-3 of 27 December 2019. ARERA warned the EIC on 2 July 2021, which, with resolution no.35 of 12 August 2021, it approved the 2020-2023 tariff proposal. ARERA has not yet given its approval.
Acque	On 5 October 2017, the AIT approved the tariff with recognition of the Opex _{qc} . Approved by ARERA on 9 October 2018 (as part of the approval of the 2018-2019 update).	On 22 June 2018 the AIT Executive Council approved the 2018-2019 tariff update and, at the same time, the request to extend the duration of the 5-year contract, that is until 31 December 2031. With Resolution 502 of 9 October 2018, ARERA approved the 2018-2019 tariff update.	On 18 December 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 7. ARERA approval arrived with resolution 404/2021/R/IDR of 28 September 2021.
Publiacqua	On 5 October 2016, the AIT approved the tariff with recognition of the bonus as per art. 32.1, subsection a) of Resolution 664/2015/R/IDR. <u>On 12 October 2017, with resolution 687/2017/R/IDR ARERA approved the specific regulatory frameworks for the 2016-2019 period proposed by the AIT.</u>	On 7 December 2018 the AIT approved the 2018-2019 tariffs with the extension of the 3-year concession. ARERA approved the 2020-2023 tariff provisions and the 2018-2019 two-year update with Resolution 59/2021 of 16 February 2021.	On 26 June 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 3. ARERA approved the 2020-2023 tariff provisions with Resolution 59/2021 of 16 February 2021.
Acquedotto del Fiora	On 5 October 2016, the AIT approved the tariff with recognition of the Opex _{qc} . <u>On 12 October 2017, with resolution 687/2017/R/IDR ARERA approved the specific regulatory frameworks for the 2016-2019 period proposed by the AIT.</u>	The AIT Board of Directors approved the 2018-2019 tariff update in the session of 27 July 2018. Pending approval by ARERA, the AIT Board of Directors also approved the application to extend the concession to 31 December 2031, submitted by the Company in April 2019 and approved by the AIT Executive Council on 1 July 2019. The updated tariff proposal was then presented to extend it to 2031, which in any case confirmed the tariff increase (theta) and the Guaranteed Revenue Constraint (GRC) for the years 2018 and 2019, already approved by the AIT with its Resolution of July 2018. ARERA approved the two-yearly update (with a small correction of the recognised Opex _{QC}) and the extension of the concession with Resolution no. 465 of 12 November 2019.	On 26 November 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 6. ARERA provided approval with resolution 84/2021/R/IDR of 2 March 2021
Geal	On 22 July 2016, the AIT approved the tariff with recognition of the Opex _{qc} . <u>On 26 October 2017, with resolution 726/2017/R/IDR ARERA approved the specific regulatory frameworks for the 2016-2019 period proposed by the AIT.</u>	On 12 July 2018 ARERA approved the 2018-2019 tariff update proposed by AIT.	On 28 September 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 4, updated with Resolution nos. 13 and 14 of 30 December 2020. ARERA provided approval with resolution 265/2021/R/IDR of 22 June 2021.
Acea Molise	Following Resolution no. 664/2015/R/IDR, both for the Municipality of Campagnano di Roma (RM) and the Municipality of Termoli (CB), Municipalities where Crea Gestioni offers the IWS, neither the Granting Body nor the Area Authority of reference submitted a tariff proposal for the regulatory period 2016-2019, so the Company independently submitted tariff proposals. Currently approval by the ARERA is still pending.	The Company has submitted the data to the competent parties/AGB in order to update the 2018-2019 tariff. For the management of the IWS in the Municipality of Campagnano di Roma (RM), given the inaction of the designated parties the Company filed an application with ARERA in early January 2019 for a tariff adjustment in 2018-2019, also revising the 2016-2019 proposal. ARERA has not yet pronounced or issued a warning to the AGB and/or to the competent parties. For the management of the IWS in the Municipality of Termoli (CB), with a Resolution dated 17 December 2019 the Municipal Council of Termoli approved the alignment of the pre-existing Agreement to the Agreement template, extending its expiry to 31 December 2021, and confirmed the tariff increase (theta) and the Guaranteed Revenue Constraint (GRC) for 2018 and 2019, also revising the 2016-2019 proposal. ARERA has not yet given its approval.	The Municipality of Termoli approved the tariff provisions for 2020-2023 on 4 February 2021. These were sent by the EGAM on 4 March 2021. For the Municipality of Campagnano, the Operator sent the tariff provisions to ARERA on 30 March 2021 in accordance with the provisions under art. 5.5 of Resolution 580/2019/R/IDR.
Gesesa	On 29 March 2017 with Resolution no.8 of the Extraordinary Commissioner the OTAA1 approved the tariff provisions for the years 2016-2019. Currently approval by the ARERA is still pending.	The Company submitted the documentation relating to the 2018-2019 tariff review to the Area Authority and the preliminary investigation by the technical offices of the competent AGB (EIC-Campania Water Authority) was completed at the end of February 2020. The final	On 29 December 2020, the Operator submitted a tariff updated request pursuant to article 5, paragraph 5.5 of ARERA Resolution 580/2019/R/IDR MTI-3 of 27 December 2019.

approval of the EIC Executive Committee has not yet been given.

The CWA convened the Executive Committee for 22 July 2021. (minutes on closure of the activities of checking the minutes of 31/7/20) following the notice from ARERA received on 2 July 2021. In February 2022, a new District Council was appointed, which has not yet expressed a position on the tariff arrangements.

Nuove Acque	On 22 June 2018, the AIT Executive Council approved the rates	On 16 October 2018 with Resolution 520 ARERA approved the 2018-2019 tariff update proposed by the AIT.	On 27 November 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 5. ARERA provided approval with resolution 220/2021/R/IDR of 25 May 2021
Umbra Acque	On 30 June 2016, the AGB approved the tariff with recognition of the Opex _{ac} . <u>The ARERA then approved them in Resolution 764/2016/R/ldr dated 15 December 2016.</u>	In its session of 27 July 2018, the AURI Assembly approved the 2018-2019 tariff update. The ARERA approved the 2018-2019 tariffs with Resolution no. 489 of 27 September 2018	AURI approved the 2020-2023 tariff provisions with Resolution no. 10 of 30 October 2020. ARERA approved the same with Resolution 36/2021 of 2 February 2021.
SII Terni S.c.a.p.a.	On 29 April 2016, with Resolution no. 20, AURI approved the tariff multiplier for the 2016-2019 four-year period and with determination no. 57 it approved the adjustment for previous items. ARERA approved the 2016-2019 tariff provisions with resolution 290/2016 of 31 May 2016.	With resolution of the Board of Directors of AURI no. 64 of 28-12-2018, approval was given to the 2018-2019 two-year update. ARERA approved the biennial adjustment 2018-2019 with its resolution of 20 September 2018 464/2018.	AURI approved the 2020-2023 tariff structure with the resolution by the Assembly of Mayors 12 of 30 October 2020. ARERA provided approval with resolution 553/2020 of 15 December 2020.

Revenue from the Integrated Water Service

The table below indicates for each Company in the Water Segment the amount of revenue for the first three months of 2022 valued on the basis of the new MTI-3 Tariff Method. The data also include the adjustments of passing items and the Fo.NI component.

Company	Revenue from the IWS (pro quota values in € million)	FONI (pro quota values in € million)
ACEA Ato2	171.1	FNI = 12.2 AMM _{FONI} = 4.5
ACEA Ato5	20.9	FNI = 1.0 AMM _{FONI} = 1.5
GORI	59.6	-
Acque	18.2	FNI = 0.7 AMM _{FONI} = 1.1
Publiacqua	25.0	AMM _{FONI} = 4.1
AdF	28.4	AMM _{FONI} = 3.3
Gesesa	3.8	-
Geal	2.1	AMM _{FONI} = 0.2
Acea Molise	1.4	-
SII	10.1	AMM _{FONI} = 0.3
Umbra Acque	8.1	AMM _{FONI} = 0.3

Operating figures, equity and financial results for the period

Operating data	U.M.	31/03/2022	31/03/2021	Change	% Change
Electricity distributed	GWh	2,317.4	2,197.1	120.3	5.5 %
No. of Customers	N/1000	1,646.2	1,636.9	9.3	0.6 %
Km of Grid (MV/LV)	Km	31,319.8	30,857.0	462.8	1.5 %
2G Metering Groups	Number	75,793.0	65,376.0	10,417.0	15.9 %

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
Revenues	147.0	156.7	(9.7)	(6.2%)
Costs	60.5	67.0	(6.5)	(9.7%)
EBITDA	86.5	89.7	(3.2)	(3.5%)
Operating profit/(loss)	53.0	54.7	(1.7)	(3.2%)
Average Workforce	1,263	1,282	(19)	(1.5%)

Equity and financial results € million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Capex	68.7	274.5	(205.8)	(75.0%)	70.1	(1.4)	(2.0%)
Net Financial Position	1,602.9	1,583.9	19.0	1.2 %	1,343.7	259.3	19.3 %

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
EBITDA – Energy Infrastructure Segment	86.5	89.7	(3.2)	(3.5%)
EBITDA – Group	318.2	311.5	6.7	2.1 %
Percentage weight	27.2 %	28.8 %	(1.6 p.p.)	

The EBITDA for the segment at 31 March 2022 was € 86.5 million, a decrease of € 3.2 million compared to 31 March 2021. The EBITDA of **areti** decreased by € 3.4 million as a result, among other things, of the effects deriving from energy balancing (- € 3.7 million) due in large part to the reduction of the WACC (from 5.9% to 5.2%), the lower margins deriving from the open fibre contract (- € 1.4 million) and the effects of the resilience plan (- € 1.3 million) partly offset by the higher costs capitalised for personnel (+ € 1.4 million), by lower operating costs (+ € 1.1 million) and by higher connection fees (+ € 0.6 million). At 31 March 2022, **areti** distributed 2,317.4 GWh to end customers, up by 5.5% on the same period in the previous year.

The EBITDA of **public lighting**, a negative € 0.6 million, recorded a worsening of € 0.2 million compared to 31 March 2021 as a consequence of costs for extraordinary maintenance, modernisation, replacement and upgrading of the grid.

The average number of employees decreased slightly compared to the same period in the previous year (- 19 employees).

The operating profit/(loss) decreased by € 1.7 million, due to the aforementioned effects offset by lower depreciation, amortisation and provisions for the period (- € 1.5 million).

Investments amounted to € 68.7 million, a slight decrease compared to the same period of the previous year (- € 1.4 million). The investments refer mainly to **areti** for the expansion and upgrading of the HV, MV and LV grids, the mass replacement of 2G metering groups, work on the primary stations, secondary substations and meters, and remote control equipment as part of the grid “Adequacy and Safety” and “Innovation and Digitalisation” projects. This was all intended to improve the quality of the service and increase resilience. Intangible investments refer to projects for the re-engineering of information and commercial systems.

The net financial position stood at € 1,602.9 million as at 31 March 2022, showing an increase of € 19.0 million compared to 31 December 2021 and of € 259.3 million compared to 31 March 2021, primarily attributable to the operating cash flow dynamics.

Significant and subsequent events

GALA

The latest update on the long-running affair regarding the supply of **areti** as wholesaler for the transport service to Gala SpA. On 22 March 2022, Resolution no. 119/2022/R/eel was published, containing the provisions related to the unified mechanism to reimburse electricity distributors for receivables not collected and not otherwise recoverable in relation to general system charges (OGdS) and network charges (OdR). This Resolution, which repeals Resolution 50/2018/R/eel, sought to standardise the methods for requesting general system charges and network charges as part of a single application, the deadline for which is set for the first year of entry into force of such mechanism on 31 July 2022. Some of the most important developments introduced include the possibility to also request in the application receivables related to the specific tariff fee (CTS) from inadequate MV end users, since this is a fee pertaining to the transport service. Thanks to the resolution, it will therefore be possible to recover an additional portion of the Gala receivable, the amount of which will be paid by 30 November.



Operating figures, equity and financial results for the period

Operating data	U.M.	31/03/2022	31/03/2021	Change	% Change
Energy produced (hydro+thermal)	GWh	177.6	219.0	(41.4)	(18.9%)
of which hydro	GWh	94.9	146.9	(52.0)	(35.4%)
of which thermal	GWh	82.6	72.1	10.5	14.6%
Energy Produced (photovoltaic)	GWh	20.8	14.1	6.7	47.3%
Energy produced (cogeneration)	GWh	10.0	11.1	(1.1)	(9.6%)

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
Revenues	49.8	27.8	22.1	79.3%
Costs	22.2	10.1	12.1	119.4%
EBITDA	27.7	17.7	10.0	56.4%
Operating profit/(loss)	23.3	11.0	12.2	110.5%
Average Workforce	92	87	4	5.0%

Equity and financial results € million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Capex	8.4	39.4	(31.1)	(78.8%)	11.0	(2.6)	(23.7%)
Net Financial Position	79.4	237.0	(157.6)	(66.5%)	233.3	(153.9)	(66.0%)

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
EBITDA – Generation Segment	27.7	17.7	10.0	56.4%
EBITDA – Group	318.2	311.5	6.7	2.1%
Percentage weight	8.7%	5.7%	3.0 p.p.	

The EBITDA at 31 March 2022 was € 27.7 million, an increase of € 10.0 million compared to 31 March 2021, mainly attributable to **Acea Produzione** (+ € 8.4 million) due to the higher margins made on hydroelectric production (+ € 6.6 million) as a consequence of the increase in prices on the energy markets (+ € 144.82/MWh) partially offset by lower volumes produced (- 52.0 GWh) compared to the same period in the previous year and for the remainder by the higher margins made on thermoelectric production (+ € 1.6 million). Finally, EBITDA for the photovoltaic segment, identifiable with the scope of the operating subsidiaries of Acea Sun Capital and Acea Solar, was € 4.5 million, up by € 1.3 million compared to the same period in the previous year primarily due to the change in the scope of consolidation.

The average workforce increased slightly (+ 4 people) compared to the same period in the previous year. Note that the photovoltaic companies do not have employees.

The Segment made investments of € 8.4 million, down on 31 March 2021 by € 2.6 million as a result of lower investments by **Fergas Solar**, which in 2021 built the plant in Ferrandina (- € 4.8 million), offset by the higher investments by **Acea Solar** for the construction of photovoltaic plants on both agricultural and industrial land (+ € 1.4 million) and the consolidation of **SF Island** which recorded investments for € 1.3 million. Lastly, the investments by **Acea Produzione** for € 1.7 million (- € 0.4 million) refer mainly to the requalification work on the hydroelectric plants, the extension and restoration of the district heating grid in the Mezzocammino district in the south of Rome and the construction of photovoltaic parks (Monte Mario).

The net financial position stood at € 79.4 million at 31 March 2022, an improvement of € 157.6 million compared to 31 December 2021 and € 153.9 million compared to 31 March 2021, mainly attributable to the transfer of control of a photovoltaic holding company of the ACEA Group (Acea Sun Capital) and its subsidiaries to the newco AE Sun Capital, 40% owned by Acea Produzione and 60% by Equitix.

Significant and subsequent events

Sale to Equitix of a majority stake of the photovoltaic newco

At the end of March, Acea finalised the sale of the photovoltaic holding company (Acea Sun Capital) to the British investment fund Equitix. The agreement for the transfer of assets was signed on 24 December 2021. With the closing of the operation, the newco AE Sun Capital S.r.l., 60% owned by Equitix and 40% by Acea Produzione, acquired from Acea Produzione the photovoltaic holding company of the Acea Group, the holder, through a number of vehicles, of a portfolio of photovoltaic plants, with a total installed capacity of 105 MW, of which 46 MW incentivized on the basis of different Energy Accounts and 59 MW for new construction already connected or being connected to the network.

**Operating figures, equity and financial results for the period**

Operating data	U.M.	31/03/2022	31/03/2021	Change	% Change
Total number of analyses	Number	248,954.0	284,498.0	(35,544.0)	(12.5%)
Total number of samples	Number	8,704.0	9,151.0	(447.0)	(4.9%)
Worksite inspections	Number	3,999.0	4,364.0	(365.0)	(8.4%)
Number of projects	Number	20.9	26.6	(5.7)	(21.5%)
Number of EPC work sites	Number	20.0	18.0	2.0	11.1 %

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
Revenues	34.7	31.3	3.3	10.6 %
Costs	32.6	28.2	4.4	15.8 %
EBITDA	2.1	3.2	(1.1)	(35.0%)
Operating profit/(loss)	(0.1)	2.0	(2.0)	(103.6%)
Average Workforce	447	428	19	4.4 %

Equity and financial results € million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Capex	0.9	9.9	(9.0)	(91.4%)	1.5	(0.7)	(43.7%)
Net Financial Position	26.7	28.1	(1.4)	(4.8%)	26.5	0.2	0.7 %

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
EBITDA – Engineering and Services Segment	2.1	3.2	(1.1)	(35.0%)
EBITDA – Group	318.2	311.5	6.7	2.1 %
Percentage weight	0.6 %	1.0 %	(0.4 p.p.)	

The Segment ended the first three months of 2022 with EBITDA of € 2.1 million, down on the same period of the previous year by € 1.1 million (- 35.0%). The change is attributable to **Acea Elabori** (- € 0.7 million) due to a generalised reduction of the assets and the margins due to the tariff update for the year 2021 and to a lesser extent to **SIMAM** (- € 0.3 million) as a consequence of the reduction in margins related to water treatment.

The other companies included in the segment are: **Ingegnerie Toscane**, an engineering company consolidated with the equity method that provides technical support services in the water-environmental sector, and **TWS**, a company that operates mainly in the construction and renovation of works instrumental to the operation of the Integrated Water Service, and in particular of water treatment plants – drinking water and wastewater – as well as design and engineering services as they relate to plant construction. These companies recorded EBITDA of € 0.3 million and € 0.1 million, respectively.

The average workforce at 31 March 2022 stood at 447, an increase of 19 people compared to 31 March 2021 (428 employees). This increase is mainly attributable to **Acea Elabori** (+ 23 employees), partially offset by **SIMAM** (- 2 employees) and **TWS** (- 2 employees).

Investments amounted to € 0.9 million, a slight reduction (- € 0.7 million) compared to the same period in the previous year, mainly attributable to **SIMAM**.

Net financial position as at 31 March 2022 was € 26.7 million, an increase of € 1.4 million compared to 31 December 2021 and a decrease of € 0.2 million compared to 31 March 2021. The change is due to the dynamics of operating cash flow.

Significant and subsequent events

No significant events occurred in the period.

Operating figures, equity and financial results for the period

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
Revenues	34.5	32.6	1.9	6.0 %
Costs	44.8	40.5	4.3	10.6 %
EBITDA	(10.3)	(8.0)	(2.4)	29.6 %
Operating profit/(loss)	(16.9)	(13.5)	(3.4)	25.6 %
Average Workforce	705	704	2	0.2 %

Equity and financial results € million	31/03/2022	31/12/2021	Change	% Change	31/03/2021	Change	% Change
Capex	5.2	34.4	(29.2)	(85.0%)	3.5	1.6	45.6 %
Net Financial Position	437.1	443.1	(5.9)	(1.3%)	313.0	124.3	39.7 %

Equity and financial results € million	31/03/2022	31/03/2021	Change	% Change
EBITDA – Corporate Segment	(10.3)	(8.0)	(2.4)	29.6 %
EBITDA – Group	318.2	311.5	6.7	2.1 %
Percentage weight	(3.2%)	(2.6%)	(0.7 p.p.)	

Corporate ended the first three months of 2022 with a negative level of EBITDA of € 10.3 million, down on the same period of the previous year by € 2.4 million. The change is due to the combined effect of higher costs, particularly IT costs, offset only partly by the higher chargebacks to Group companies.

EBIT is a negative € 16.9 million, down by € 3.4 million on the same period in the previous year as a result of higher amortisation and depreciation relating to IT projects that came into operation in late 2021 and new developments, as well as the change attributable to the EBITDA described previously.

The average number of staff at 31 March 2022 was 705, in line with the same period in the previous year.

Investments amounted to € 5.2 million and increased by € 1.6 million, compared to 31 March 2021. The investments relate mainly to software licences, IT and hardware developments, as well as investments in the company offices.

Net financial debt at 31 March 2022 amounted to € 437.1 million, an increase of € 5.9 million compared to 31 December 2021 partly due to the collection of € 6.8 million in receivables from Milano '90 and a decrease of € 124.3 million compared to 31 March 2021, which was affected by the purchase of Acea Produzione, previously held by Acea Energia, as part of the reorganisation of the Group's strategic equity investments (€ 129 million).

Significant and subsequent events

No significant events are reported during the period observed.

Significant events during the period and afterwards

Acea. Gaia Rating confirms Acea's growth on the sustainability indicators

Gaia Rating gave ACEA a score of 82 out of 100 in its overall assessment of ESG performance. ACEA recorded a score increase for the fourth consecutive year, confirming its position among the best-performing companies in terms of sustainability.

Acea improves its position in the Bloomberg Gender-Equality Index (GEI) 2022

In 2022, Acea also confirms its presence in the "Bloomberg Gender-Equality Index" (GEI), an international index that measures companies' performance on gender equality through five criteria: female leadership, equal pay, inclusive culture, policies against sexual harassment, brand positioning as a pro-women company.

The Group, included in the index for the third consecutive time, obtained a score of 80.67 (on a scale of 0-100) this year, placing it well above the averages for the utility sector (71.21) and the sample analysed (71.11), with a significant improvement of 10.18 points compared to the 2021 result.

Acea's green transition at the heart of the 10-year plan

Acea has launched a process for the definition of a green transition plan that will chart the path of the company, in line with the long-term goals of the 2030 Agenda, to lay the groundwork for the update of the Business Plan that will have a ten-year time period.

Acea finalises the closing of the operation for the sale to Equitix of a majority stake in the newco that will manage the photovoltaic assets

On 22 March, Acea finalised the agreement with the British investment fund Equitix for the sale of a majority stake in a photovoltaic holding company (Acea Sun Capital) of the Acea Group, in which the photovoltaic assets of Acea already in operation or being connected to the network in Italy were transferred. The agreement for the transfer of the assets had already been signed on 24 December 2021. With the closing of the operation, the newco AE Sun Capital S.r.l., 60% owned by Equitix and 40% by Acea Produzione, acquired from Acea Produzione the photovoltaic holding company of the Acea Group, the holder, through a number of vehicles, of a portfolio of photovoltaic plants, with a total installed capacity of 105 MW, of which 46 MW incentivised on the basis of different Energy Accounts and 59 MW for new construction already connected or being connected to the network.

Acea signs final agreements for the design and marketing of the digital metering systems of the water service

Following on from the information disclosed to the market on 6 December 2021, on 29 March 2022, Acea and Suez signed the final contractual agreements for the creation of a joint venture for the design of an advanced smart metering system for the water service and its subsequent production and marketing in Italy and abroad on the basis of a specific commercial partnership.

Acea finalises the acquisition by the consortium, formed of Ascopiave, Acea and Iren, of a number of A2A concessions in the context of gas distribution

On 1 April, the consortium formed of Ascopiave (58%), Acea (28%) and Iren (14%) finalised the agreement with the A2A Group for the acquisition of a number of assets in the natural gas distribution service. The scope of activities covered by the transaction includes approximately 157 thousand users, distributed in 8 Italian Regions, belonging to 24 ATEMs, for about 2,800 km of network. Acea's perimeter of interest consists of concessions in 5 ATEMs, including 2 in Abruzzo, 2 in Molise and 1 in Campania, for a total of approximately 30,700 grid points. The Enterprise Value is € 35.8 million.

Arera publishes the first Technical Quality analysis of the water service in Italy: Years 2018-2019

For the first time in Italy, the water service was measured and judged, attributing rewards and penalties to managers, for results achieved and consolidated in 2018 and 2019. The ranking was published by ARERA with resolution 183/2022/R/idr and concludes the first two years of application of the incentive mechanism.

Water losses, service interruptions, quality of the water supplied, adequacy of the sewer system, quality of treated water and disposal of sludge are the 6 macro-indicators based on which each of the water service operators were analysed and ranked (for the first two-year period, interruptions were excluded from the incentive mechanism).

The complex data analysis system – launched in 2018 by ARERA with the resolution on the Technical Quality Regulation for the integrated water system (RQTI) – made it possible to codify the results achieved during these years by 203 operators, covering 84% of the nation's population. By analysing the data received up to 17 July 2020, the Authority was able to assign a bonus to those that reached, maintained and improved the pre-established objectives and a penalty to others.

For the Acea Group, the net amount came to around € 26 million.

The Shareholders' Meeting approves the Financial Statements as at 31 December 2021 and approves the payment of a dividend of € 0.85 per share

On 27 April, the Acea S.p.A. Shareholders' Meeting approved the Financial Statements and presented the Consolidated Financial Statements at 31 December 2021, which showed a net profit, following allocations to third parties, of € 313.3 million. The Consolidated Non-Financial Statement pursuant to Italian Legislative Decree 254/2016 was also presented to the Shareholders (2021 Sustainability Report).

The Meeting also approved the allocation of profit for the year as proposed by the Board of Directors and the distribution of the dividend. The total dividend (coupon no. 23) of € 180,665,720.95, equal to € 0.85 per share, will be paid starting from 22 June 2022 with coupon detachment on 20 June and record date 21 June.

The Shareholders' Meeting appointed the new Board of Statutory Auditors that will remain in office for three years and until the approval of the 2024 Financial Statements. The members of the supervisory body were elected through list voting, according to the methods established under articles 15 and 22 of the Articles of Association. In the new Board of Statutory Auditors, Maurizio Lauri (Chairperson), Claudia Capuano and Leonardo Quagliata were elected as standing auditors; Rosina Cichello and Vito Di Battista as alternate auditors.

Pursuant to art. 15.4 of the Articles of Association, the Shareholders' Meeting, at the proposal submitted by shareholder Suez International SAS, also appointed Francesca Menabuoni as Director, who will remain in office until the expiry of the current Board of Directors, i.e. with the approval of the Financial Statements as at 31 December 2022.

Business outlook

The results achieved by the Acea Group at 31 March 2022 are in line with the forecasts and so confirm the guidance disclosed to the market, which envisages:

- an increase in EBITDA between 2% and 4% compared to 2021;
- investments substantially in line with 2021;
- a net financial debt between € 4.2 and € 4.3 billion.

Acea confirms its strategy aimed at making major investments in infrastructure, with a positive impact on the Group's operating and economic performance, while maintaining a solid financial structure.

The Group's financial structure is solid for the years to come. At 31 March 2022, 86% of debt is fixed rate in order to ensure protection against any increases in interest rates as well as any financial or credit volatility. At 31 March 2022 the average duration of medium/long-term debt stood at 4.8 years. Note that the reduction of the average cost went from 1.42% of 31 December 2021 to 1.40% of 31 March 2022.

As is known, in February, Russia's invasion of Ukraine caused war between the two countries, forcing European governments and Member States of NATO to adopt economic and financial sanctions against Russia. The continuation of the war risks radically changing Italy's growth prospects, which are heavily impacted by the increase in energy prices and all commodities in general.

The Group does not have production activities in Russia, Ukraine or countries geopolitically aligned with Russia and has no direct relationships with Russian or Ukrainian companies in any case affected by the conflict. With reference to the Group's sales companies, the direct price risk and volume risk of commodities has been managed thanks to commodity risk management policies. Nevertheless, it cannot be ruled out that the continuation of the current crisis could provoke further tensions on the electricity market with growth effects on energy prices, especially in the enhanced protection market, exposed to spot markets, with a consequent possible deterioration of collection performances by companies.

With reference to the indirect risks associated with the possible embargo on gas flows from Russia, as investigated by the Ministry of Economy and Finance in the DEF, this would cause a scenario of lower volumes of gas injected into the national infrastructure and thus a difficulty achieving the necessary storage quota in order to address next winter; therefore, the Group could find itself implementing the Emergency Plan for the Italian natural gas system (Annex 2 to Ministerial Decree of 18 December 2019, as amended) with negative consequences on the volumes sold associated with the limits set on national consumption. Management is currently engaged in monitoring the situation on international markets and will continue its analysis of commodity price trends over the coming months as well as the trend of receivables that however do not represent critical elements at the moment.

With reference to raw materials, in addition to monitoring balances on the basis of fixed and variable price sales forecasts, Group companies only use high-standing counterparties that meet the requirements of their own commodity and counterparty risk procedures.

Form and Structure

General information

The Interim report on operations at 31 March 2022 of the ACEA Group was approved by Board of Directors' resolution on 11 May 2022, which also authorised its publication. The Parent Company ACEA is an Italian joint-stock company, with its registered office in Rome, at Piazzale Ostiense 2 and whose shares are traded on the Milan Stock Exchange. The ACEA Group's principal operating segments are described in the Report on Operations.

Compliance with IAS/IFRS

This Interim Report on Operations, drafted on a consolidated basis, has been drawn up in compliance with the international accounting standards effective on the reporting date, approved by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in Art. 6 of the regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to Art. 9 of Italian Legislative Decree no. 38/2005.

The international accounting standards include the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC), collectively the "IFRS".

In preparing this interim report, in compliance with IAS 34, applicable to interim financial reporting, the same accounting principles were applied as those for the preparation of the Consolidated Financial Statements at 31 December 2021, which see for a complete description, and must therefore be read together with the latter.

Basis of presentation

The Interim Report on Operations consists of the consolidated income statement, the comprehensive consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement and the statement of changes in consolidated shareholders' equity. The Report also includes illustrative and supplementary notes prepared under the IAS/IFRS currently in effect. The Report also includes notes prepared under the IAS/IFRS currently in effect. The consolidated income statement is classified according to the nature of the costs, the items of the consolidated balance sheet according to the criterion of liquidity, with the items classified as current and non-current, while the consolidated cash flow statement is presented using the indirect method.

The Interim Report on Operations is presented in Euros and all amounts are rounded off to the nearest thousand Euros unless otherwise indicated. This Interim Report on Operations is comparable with the same period in the previous year for the economic figures and with the previous year for the equity data.

Alternative performance measures

On 5 October 2015, ESMA (European Securities and Markets Authority) published its guidelines (ESMA/2015/1415) on criteria for the presentation of alternative performance measures which replace, as of 3 July 2016, the CESR/05-178b recommendations. These guidelines were transposed into our system with CONSOB Communication no. 0092543 dated 3 December 2015. In addition, on 4 March 2021 ESMA published the guidelines on the disclosure requirements deriving from the new Prospectus Regulation (Regulation EU 2017/1129 and Delegated Regulations EU 2019/980 and 2019/979), which update the previous CESR Recommendations (ESMA/2013/319, in the revised version of 20 March 2013). Starting from 5 May 2021, on the basis of CONSOB Call for Attention No. 5/21, the aforementioned ESMA Guidelines also replace the CESR Recommendation on debt. Therefore, under the new provisions, listed issuers will have to present, in the explanatory notes to their annual and semi-annual financial statements published from 5 May 2021 onwards, a new statement on debt to be drafted in accordance with the instructions in paragraphs 175 and following of the above ESMA Guidelines.

The content and meaning of the non-GAAP measures of performance and other alternative performance indicators used in these financial statements are illustrated below:

- For the ACEA Group, the EBITDA is an operating performance indicator and from 1 January 2014 also includes the condensed result of equity investments in jointly-controlled entities for which the consolidation method changed when the international accounting standards IFRS 10 and IFRS 11 came into force. *EBITDA* is determined by adding Operating profit/loss (EBIT) to "Amortisation, depreciation, provisions and impairment", insofar as these are the main non-cash items;
- *Financial debt* is represented and determined in accordance with the aforementioned ESMA guidelines and in particular paragraph 127 of the recommendations of document No. 319 of 2013, implementing Regulation (EC) 809/2004. This indicator is determined as the sum of short-term borrowings ("Short-term loans", "Current part of long-term loans" and "Current financial liabilities") and long-term borrowings ("Long-term loans") and the related derivative instruments ("Non-current financial liabilities"), net of "Cash and cash equivalents" and "Current financial assets";
- the *net financial position* is an indicator of the ACEA Group's financial structure determined in continuation with previous years and used, as from this document, exclusively for information presented in the business areas in order to provide clear segment information that can be easily reconciled with the financial debt (ESMA) referred to above. This indicator is obtained from the sum of Non-current borrowings and Financial liabilities net of non-current financial assets (financial receivables and securities other than equity investments), Current financial payables and other Current financial liabilities net of current financial assets and Cash and cash equivalents;
- *net invested capital* is the sum of "Current assets", "Non-current assets" and Assets and Liabilities held for sale, less "Current liabilities" and "Non-current liabilities", excluding items taken into account when calculating the *net financial position*;

☉ *net working capital* is the sum of the current receivables, inventories, the net balance of other current assets and liabilities and current debts, excluding the items considered in calculating the *net financial position*.

Use of estimates and assumptions

In application of IFRS, the preparation of the Interim Report on Operations requires the use of estimates and assumptions that have an effect on the values of revenues (including the estimate of the GRC as indicated in the Integrated Water Service Revenues in the management report), costs, assets and liabilities in the financial statements and on the information relating to contingent assets and liabilities at the reporting date. The main sources of uncertainty that could have an impact on the evaluation processes are also considered in making these estimates.

The actual amounts may differ from such estimates. Estimates are used to determine some sales revenues, provisions for risks and charges, provisions for impairment of receivables and other provisions for depreciation, amortisation, valuation of derivatives, employee benefits and taxes. The original estimates and assumptions are periodically reviewed and the impact of each change is immediately recorded in the Income Statement.

The estimates also took into account assumptions based on the parameters and market and regulatory information available at the time the financial statements were drafted. Current facts and circumstances influencing the assumptions on future development and events may change due to the effect, for example, of changes in market trends or the applicable regulations that are beyond the control of the Company. These changes in assumptions are also reflected in the financial statements when they occur.

In addition, it should be noted that certain estimation processes, particularly the more complex such as the calculation of any impairment of non-current assets, are generally performed in full only when drafting the annual financial statements, unless there are signs of impairment that call for immediate impairment testing.

Effects of the seasonality of transactions

For the type of business in which it operates, the ACEA Group is not subject to significant seasonality. Some specific operating segments, however, can be affected by uneven trends that span an entire year.

Risks connected to the Coronavirus Covid-19 emergency and the conflict in Ukraine

Please see the Report on Operations for a description on the main impacts the Covid-19 emergency had on the Group's activities. Note that at present these impacts have not had significant effects on the income statement, nor has it created uncertainties that would reflect negatively on the presumption of the business as a going concern.

Relative to the recoverability of receivables, no particular risks were identified. From the analysis done with regards to IFRS 9, no need was identified to carry out additional write-downs on the carrying values of receivables due to Covid-19.

Regarding the risks arising from the conflict, refer to the information described previously in this document.

Consolidation policies, procedures and scope

Consolidation policies

Subsidiaries

The scope of consolidation includes the Parent Company ACEA and the companies over which it directly or indirectly exercises control or when the Group is exposed or entitled to variable returns deriving from the relationship with the investee and has the capacity to influence its returns through the exercise of its power over the investee. Power is defined as the capacity to manage the significant activities of the subsidiary by virtue of existing substantial rights.

Subsidiaries are consolidated from the date on which control is effectively transferred to the Group and are de-consolidated from the date on which control is transferred out of the Group.

According to accounting standard IFRS 10, control is obtained when the Group is exposed or has the right to variable performance deriving from relations with the subsidiary and is able, through exercising power over the subsidiary, to influence its performance. Power is defined as the capacity to manage the significant activities of the subsidiary by virtue of existing substantial rights.

The existence of control does not depend exclusively on possession of the majority of the voting rights, but on the substantial rights of the investor over the investee. Consequently, the opinion of the management team is required to assess specific situations leading to substantial rights attributing to the Group the power to manage the significant activities of the subsidiary so as to influence its performance.

In order to assess the requirement of control, the management team analyses all facts and circumstances, including agreements with other investors, the rights deriving from other contracts and potential voting rights (call option, warrant, put option assigned to minority stakeholders, etc.). These other facts and circumstances may be particularly significant in the assessment, especially if the Group holds less than the majority of the voting rights or similar rights in the subsidiary.

The Group reviews the existence of control over a subsidiary when the facts and circumstances indicate that there has been a change in one or more elements considered in verifying its existence. Lastly, it must be noted that in assessing the existence of the control requirements, no situations of de facto control were encountered. Changes in the possession quota of equity investments in subsidiaries that do not imply the loss of control are recorded as capital transactions adjusting the quota attributable to the stakeholders of the Parent Company and that of third parties to reflect the change in the quota owned. The eventual difference between the amount received or paid and the corresponding fraction of the shareholders' equity acquired or sold is recorded directly in the consolidated shareholders' equity. When the Group loses control, any residual equity investment in the company previously controlled is re-measured at fair value (with counterpart in the income statement) on the date on which control is lost. Also, the quota of the OCI of the subsidiary over which control is lost is dealt with in the accounts as if the Group has directly disposed of the relevant assets or liabilities. Where there is loss of control of a consolidated company, the Consolidated Financial Statements include the results for the part of the reporting period in which the ACEA Group had control.

Joint ventures

A joint venture is a contractual arrangement in which the Group and other parties jointly undertake a business activity, i.e. a contractually agreed sharing of control whereby the strategic, financial and operating policy decisions can only be adopted with unanimous consent of the parties sharing control. The Consolidated Financial Statements include the Group's share of the income and expenses of jointly controlled entities, accounted for using the equity method.

According to IFRS 11, a joint venture is an arrangement over which one or more parties have joint control. Joint control is held when unanimous consent or that of at least two of the parties to the arrangement is required for decisions concerning the significant activities of the joint venture. A joint agreement can either be a joint venture or a joint operation. A joint venture is a joint control arrangement in which the parties holding joint control have all the rights over the net assets of the arrangement. On the other hand, a joint operation is a joint control arrangement in which the parties holding joint control have rights to the assets and obligations for the liabilities in the arrangement. To determine the existence of joint control and the type of joint arrangement, the opinion of the management team is required, which must assess the rights and obligations deriving from the arrangement. To this end, the management team considers the structure and legal form of the arrangements, the terms agreed between the parties in the contractual agreement and, if significant, other facts and circumstances. The Group reviews the existence of joint control when facts and circumstances indicate that there has been a change in one or more elements previously considered in verifying the existence of joint control and the type of joint control.

Associates

An associate is a company over which the Group exercises significant influence, but not control or joint control, through its power to participate in the financial and operating policy decisions of the associate. The Consolidated Financial Statements include the Group's share of the results of associates at Net equity, unless they are classified as held for sale, from the date it begins to exert significant influence until the date it ceases to exert such influence.

In determining the existence of significant influence, the opinion of the management team is required, which must assess all facts and circumstances.

The Group reviews the existence of significant influence when facts and circumstances indicate that there has been a change in one or more elements previously considered in verifying the existence of significant influence.

When the Group's share of an associate's losses exceeds the carrying amount of the investment, the interest is reduced to zero and any additional losses must be covered by provisions to the extent that the Group has legal or implicit loss cover obligations to the associate or in any event to make payments on its behalf. Any excess of the cost of the acquisition over the Group's interest in the fair

value of the associate's identifiable assets, liabilities and contingent liabilities at the date of the acquisition is recognised as goodwill. Goodwill is included in the carrying amount of the investment and is subject to *impairment* test together with the value of the investment.

Consolidation procedures

General procedure

The financial statements of the Group's subsidiaries, associates and joint ventures are prepared for the same accounting period and using the same accounting standards as those adopted by the Parent Company. Consolidation adjustments are made to align any dissimilar accounting policies applied.

All Intragroup balances and transactions, including any unrealised profits on Intragroup transactions, are eliminated in full. Unrealised losses are eliminated unless costs cannot be subsequently recovered.

The carrying amount of investments in subsidiaries is eliminated against the corresponding share of the shareholders' equity of each subsidiary, including any adjustments to reflect fair values at the acquisition date. Any positive difference is treated as "goodwill", while any negative difference is recognized through profit or loss at the acquisition date.

The minority interest in the net assets of consolidated subsidiaries is shown separately from shareholders' equity attributable to the Group. This interest is calculated on the basis of the percentage interest held in the fair value of assets and liabilities recognised at the original date of acquisition and in any changes in shareholders' equity after that date. Losses attributable to the minority interest in excess of their portion of shareholders' equity are subsequently attributed to shareholders' equity attributable to the Group, unless the minority has a binding obligation to cover losses and is able to invest further in the company to cover the losses.

Business combinations

Acquisitions of subsidiaries are accounted for under the acquisition method. The cost of the acquisition is determined as the sum of the fair value, at the date of exchange, of the assets acquired, the liabilities incurred or acquired, and the financial instruments issued by the Group in exchange for control of the acquired company.

The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition under IFRS 3 are accounted for at fair value on the date of acquisition, with the exception of non-current assets (or disposal groups), which are classified as held for sale under IFRS 5 and accounted for at fair value net of costs to sell.

If the business combination is achieved in stages, the fair value of the investment previously held has to be re-measured and any resulting gain or loss is recognised in profit or loss.

The purchaser has to recognise any contingent consideration at fair value, on the date of acquisition. The change in fair value of the contingent consideration classified as asset or liability is recognised according to the provisions included in IFRS9, in the income statement or among the other components of the comprehensive income statement.

The costs directly attributable to the acquisition are included in the income statement.

The purchase cost is allocated by recording the identifiable assets, liabilities and contingent liabilities of the acquisition at fair value on the date of acquisition. Any positive excess between the payment transferred, valued at fair value on the date of acquisition, and the amount of any minority interest, with respect to the net value of the amounts of the identifiable assets and liabilities of the acquisition valued at fair value is recorded as goodwill or, if negative, in the Income Statement.

For every business combination, the purchaser must value any minority stake in the acquired entity at fair value or in proportion to the share of the minority interest in net identifiable assets of the acquired entity.

It is specified that the price allocation process is provisionally allocated to assets and liabilities and definitively accounted for within 12 months from the date of acquisition as required by IFRS 3.

Consolidation procedure for assets and liabilities held for sale (IFRS 5)

Non-current assets and liabilities are classified as held for sale, in accordance with the provisions of IFRS 5.

Consolidation of foreign companies

The financial statements of investee companies operating in currencies other than the Euro, which is the functional currency of the Parent Company ACEA, are converted into Euro by applying the exchange rate at the end of the period to the assets and liabilities, and the average exchange rates for the period to income statement items and to the cash flow statement.

The exchange differences arising from the translation of the financial statements of investee companies operating in currencies other than the Euro are recognised directly in equity and are shown separately in a specific reserve of; this reserve is reversed to the income statement at the time of complete disinvestment or loss of control, joint control or significant influence over the investee company. In the case of partial disposal:

- without loss of control, the share of the exchange differences relating to the shareholding sold is attributed to the shareholders' equity pertaining to minority interests;
- without loss of joint control or significant influence, the portion of exchange differences relating to the shareholding sold is recognised in the income statement.

Scope of consolidation

The ACEA Group's Interim Report on Operations includes the financial statements of the Parent Company, ACEA, and the financial statements of the Italian and foreign subsidiaries, for which, in accordance with the provisions of IFRS 10, there is exposure to the variability of returns and of which a majority of voting rights in the ordinary meetings is held, either directly or indirectly, and

consequently the ability to influence the investee returns by exerting management power. Furthermore, the companies on which the Parent Company exercises joint control with other shareholders are consolidated using the equity method.

A) Changes in the consolidation scope:

Compared to the situation recorded at 31 March 2021 the following changes occurred in the consolidation scope:

- on 22 April 2021, the deed of merger by incorporation of the company BioEcologia into the company Acea Ambiente was signed;
- on 19 May 2021, Acea Sun Capital acquired 100% of the shares of the photovoltaic company JB Solar which has two photovoltaic systems located in the province of Lecce, respectively with power of 891 kWp and 521 kWp, for total installed power of 1.4 MW;
- on 28 May 2021 Acea Renewable and Acea Green were incorporated by Acea Produzione;
- on 15 July 2021 Acea Sun Capital acquired 100% of the company Solarplant, owner of a ground-mounted photovoltaic plant with installed power of 0.99 MWp, located in Collesalveti (LI) and incentivised under the terms of the Second Energy Account;
- on 28 July 2021 Acea Sun Capital acquired 100% of the company PSL to which was contributed the business unit made up of a photovoltaic plant, located in the municipality of Belpasso (CT), with power of 0.99 MWp;
- on 3 August 2021 Acea Sun Capital acquired 100% of the company M2D owner of a ground-mounted photovoltaic plant located in the municipality of Leini (TO), with power of 0.994 MWp;
- on 6 October 2021, the Consorcio Acea Lima Sur was established by Acea Perù (99%) and ACEA Ato2 (1%) for the management of the water and sewer network in the Lima South zone, with a three-year contract;
- on 14 October 2021 Acea Ambiente acquired 60% of Meg, an operator active in Italy offering professional consultancy for the construction of municipal solid waste packaging treatment plants;
- on 30 November 2021 Acea Ambiente acquired 65% of DECO, a waste management company whose activities also include the construction and operation of relevant plants. The company also holds a 21.8% investment in Picena Ambiente and owns 100% of Ecologica Sangro, a company active in the integrated management of solid urban waste in the Frentano and Sangro Aventino district area. The company itself holds a 75% stake in the Ecofrentano consortium;
- on 22 December 2021 Acea Ambiente acquired 90% of AS Recycling, a company that is currently inactive but which will become a Corepla affiliated centre for secondary plastic SRF recycling (Breakdown of plastics into the various polymer categories for sorting).

Lastly, with reference to the 2022 financial year, it should be noted that:

- On 19 January 2022, the company AE Sun Capital was formed through the subscription of 40% of the shares by Acea Produzione until the conclusion of the agreement with the British fund Equitix Investment Management for the sale of photovoltaic assets already in operation;
- on 24 January 2022, Acea Solar acquired 100% of the shares of the company SF ISLAND with registered office in Acquapendente (Viterbo, Italy);
- on 8 February 2022, Acea Ambiente signed the deed of acquisition of 70% of the shares of S.E.R. Plast, a company operating in the recycling of plastic waste.

Finally, on 22 March 2022 the closing of the agreement with the British investment fund Equitix was finalised for the sale of a majority stake in the company Acea Sun Capital and its subsidiaries. With the closing of the operation, the newco AE Sun Capital S.r.l., 60% owned by Equitix and 40% by ACEA Produzione S.p.A., acquired Acea Sun Capital from ACEA Produzione S.p.A.

B) Unconsolidated equity investments:

Tirana Acque S.c.a.r.l. in liquidation, 40% owned by ACEA, is recognised at cost. The subsidiary, entirely written off, is excluded from the consolidation scope as it is not operational and its relevance in qualitative and quantitative terms is not significant.

c) List of consolidated companies:

Denominazione	Sede	Capitale Sociale (in €)	Quota di partecipazione	Quota consolidato di Gruppo	Metodo di Consolidamento
Area Ambiente					
Acea Ambiente S.r.l.	Via G. Bruno 7 - Terni	2.224.992,0	100,00%	100,00%	Integrale
Aquaser S.r.l.	P.le Ostiense, 2 - Roma	3.900.000,0	97,86%	100,00%	Integrale
Iseco S.p.A.	Loc. Surpian n. 10 - 11020 Saint-Marcel (AO)	110.000,0	80,00%	100,00%	Integrale
Berg S.p.A.	Via delle Industrie, 38 - Frosinone (FR)	844.000,0	60,00%	100,00%	Integrale
Demap S.r.l.	Via Giotto, 13 - Beinasco (TO)	119.015,0	100,00%	100,00%	Integrale
Acque Industriali S.r.l.	Via Bellatalla, 1 - Ospedaletto (Pisa)	100.000,0	73,05%	100,00%	Integrale
Deco S.r.l.	Via Vomano, 14 - Spoltore (PE)	1.404.000,0	100,00%	100,00%	Integrale
AS Recycling S.r.l.	Via dei Trasporti, 14 - Carpi (MO)	1.000.000,0	90,00%	100,00%	Integrale
Ecologica Sangro	Strada Provinciale Pedemontana Km 10 Frazione Contrada Cerratina - Lanciano (CH)	100.000,0	100,00%	100,00%	Integrale
S.E.R. Plast S.r.l.	Contrada Stampalone, Cellino Attanasio (TE)	70.000,0	70,00%	100,00%	Integrale
Consorzio Servizi Ecologici del Frentano	Strada Provinciale Pedemontana Km 10 - 66034 Frazione Cerratina - Lanciano (CH)	10.329,1	75,00%	100,00%	Integrale
Meg S.r.l.	Via 11 Settembre, 8 - San Giovanni Illarione (VR)	10.000,0	60,00%	100,00%	Integrale
Ferrocant S.r.l.	Via Vanzetti, 34 - Terni	80.000,0	60,00%	100,00%	Integrale
Cavallari S.r.l.	Via dell'Industria, 6 - Ostra (AN)	100.000,0	60,00%	100,00%	Integrale
Area Commerciale e Trading					
Acea Energia S.p.A.	P.le Ostiense, 2 - Roma	10.000.000	100,00%	100,00%	Integrale
Cesap Vendita Gas S.r.l.	Via del Teatro, 9 - Bastia Umbra (PG)	10.000	100,00%	100,00%	Integrale
Umbria Energy S.p.A.	Via B. Capponi, 100 - Terni	1.000.000	50,00%	100,00%	Integrale
Acea Energy Management S.r.l.	P.le Ostiense, 2 - Roma	50.000	100,00%	100,00%	Integrale
ACEA Innovation S.r.l.	P.le Ostiense, 2 - Roma	10.000	100,00%	100,00%	Integrale
Estero					
Acea Dominicana S.A.	Avenida Las Americas - Esquina Mazoneria, Ensanche Ozama - Santo Domingo	644.937	100,00%	100,00%	Integrale
Aguas de San Pedro S.A.	Las Palmas, 3 Avenida, 20y 27 calle - 21104 San Pedro, Honduras	6.457.345	60,65%	100,00%	Integrale
Acea International S.A.	Avenida Las Americas - Esquina Mazoneria, Ensanche Ozama - 11501 Santo Domingo	9.089.661	100,00%	100,00%	Integrale
Acea Perú S.A.C.	Cal. Amador Merino Reyna , 307 MIRAFLORES - LIMA	177.582	100,00%	100,00%	Integrale
Consorzio ACEA-ACEA Dominicana	Av. Las Americas - Esq. Mazoneria - Ens. Ozama	67.253	100,00%	100,00%	Integrale
Consorzio Servicios Sur	Calle Amador Merino Reyna - San Isidro	33.834	51,00%	100,00%	Integrale
Consorzio Agua Azul S.A.	Calle Amador Merino Reina 307 - Lima - Perú	16.000.912	44,00%	100,00%	Integrale
Consorzio ACEA	Calle Amador Merino Reina 307 - Lima - Perú	225.093	100,00%	100,00%	Integrale
Consorzio ACEA Lima Sur	Calle Amador Merino Reyna 307 - Lima - Perú	0	100,00%	100,00%	Integrale
Consorzio ACEA Lima Norte	Calle Amador Merino Reina 307 - Lima - Perú	221.273	100,00%	100,00%	Integrale
Area Idrico					
ACEA Ato2 S.p.A.	P.le Ostiense, 2 - Roma	362.834.320	96,46%	100,00%	Integrale
ACEA Ato5 S.p.A.	Viale Roma snc - Frosinone	10.330.000	98,45%	100,00%	Integrale
Acque Blu Arno Basso S.p.A.	P.le Ostiense, 2 - Roma	8.000.000	76,67%	100,00%	Integrale
Acque Blu Fiorentina S.p.A.	P.le Ostiense, 2 - Roma	15.153.400	75,01%	100,00%	Integrale
Acea Molise S.r.l.	P.le Ostiense, 2 - Roma	100.000	100,00%	100,00%	Integrale
Acquedotto del Fiora S.p.A.	Via Mameli, 10 Grosseto	1.730.520	40,00%	100,00%	Integrale
Gesesa S.p.A.	Corso Garibaldi, 8 - Benevento	534.991	57,93%	100,00%	Integrale
GORI S.p.A.	Via Trentola, 211 - Ercolano (NA)	44.999.971	37,05%	100,00%	Integrale
Ombrone S.p.A.	P.le Ostiense, 2 - Roma	6.500.000	99,51%	100,00%	Integrale
Sarnese Vesuviano S.r.l.	P.le Ostiense, 2 - Roma	100.000	99,16%	100,00%	Integrale
Umbriade Servizi Idrici S.c.a.r.l.	Strada Sabbione zona ind. A72 - Terni	100.000	99,40%	100,00%	Integrale
Adistribuzione Gas S.r.l.	Via L. Galvani, 17/A - 47122 Forlì	583.644	51,00%	100,00%	Integrale
Servizi idrici Integrati ScPA	Via I Maggio, 65 Terni	19.536.000	40,00%	100,00%	Integrale
Agile Academy S.r.l.	P.le Ostiense, 2 - Roma	10.000	100,00%	100,00%	Integrale
Notaresco Gas S.r.l.	Via Padre Frasca, s.n., frazione Chieti Scalo Centro Dama	100.000	28,05%	100,00%	Integrale
Area Infrastrutture Energetiche					
arèti S.p.A.	P.le Ostiense, 2 - Roma	345.000.000	100,00%	100,00%	Integrale
Area Generazione					
Acea Produzione S.p.A.	P.le Ostiense, 2 - Roma	5.000.000	100,00%	100,00%	Integrale
Acea Liquidation and Litigation S.r.l.	P.le Ostiense, 2 - Roma	10.000	100,00%	100,00%	Integrale
Ecogena S.r.l.	P.le Ostiense, 2 - Roma	1.669.457	100,00%	100,00%	Integrale
SF ISLAND S.r.l.	Via G.B. Casti, 65 - Viterbo	10.000	100,00%	100,00%	Integrale
Acea Solar S.r.l.	P.le Ostiense, 2 - Roma	10.000	100,00%	100,00%	Integrale
Acea Renewable S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,00%	100,00%	Integrale
Area Ingegneria e Servizi					
ACEA Elabari S.p.A.	Via Vitorchiano - Roma	2.444.000	100,00%	100,00%	Integrale
SIMAMS.p.a.	Via Cimabue, 11/2 - 60019 Senigallia (AN)	600.000	70,00%	100,00%	Integrale
Technologies For Water Services S.p.A.	Via Ticino, 9 - 25015 Desenzano Del Garda (BS)	11.164.000	100,00%	100,00%	Integrale

Companies accounted for using the equity method as from 1 January 2014 in accordance with IFRS 11:

Denominazione	Sede	Capitale Sociale (in €)	Quota di partecipazione	Quota consolidato di Gruppo	Metodo di Consolidamento
Area Ambiente					
Picenambiente S.p.A.	Contrada Monte Renzo, 25 - 63074 San Benedetto del Tronto (AP)	5.500.000,0	21,80%	21,80%	Patrimonio Netto
Ecomed S.r.l.	P.le Ostiense, 2 - Roma	10.000,0	50,00%	50,00%	Patrimonio Netto
Area Idrico					
Acque S.p.A.	Via Garigliano, 1 - Empoli	9.953.116	45,00%	45,00%	Patrimonio Netto
Acque Servizi S.r.l.	Via Bellatalla, 1 - Ospedaletto (Pisa)	400.000	100,00%	45,00%	Patrimonio Netto
Geal S.p.A.	Viale Luporini, 1348 - Lucca	1.450.000	48,00%	48,00%	Patrimonio Netto
Intesa Aretina S.c.a.r.l.	Via B. Crespi, 57 - Milano	18.112.000	35,00%	35,00%	Patrimonio Netto
Nuove Acque S.p.A.	Patrignone Loc.Cuculo - Arezzo	34.450.389	46,16%	16,16%	Patrimonio Netto
Publiacqua S.p.A.	Via Villamagna - Firenze	150.280.057	40,00%	40,00%	Patrimonio Netto
Umbra Acque S.p.A.	Via G. Benucci, 162 - Ponte San Giovanni (PG)	15.549.889	40,00%	40,00%	Patrimonio Netto
Area Generazione					
AE Sun Capital	Piazzale Ostiense, 2 - Roma	10.000	40,00%	40,00%	Patrimonio Netto
KT 4 S.r.l.	Viale SS Pietro e paolo, 50 - Roma	250.000	40,00%	40,00%	Patrimonio Netto
Solaria Real Estate srl	Via Paolo da Cannobio, 33 - Milano	176.085	40,00%	40,00%	Patrimonio Netto
Acea Sun Capital S.r.l.	P.le Ostiense, 2 - Roma	10.000	40,00%	40,00%	Patrimonio Netto
Trinovolt S.r.l.	Viale Tommaso Columbo, 31/D - Bari (BA)	10.000	40,00%	40,00%	Patrimonio Netto
Marche Solar S.r.l.	Via Achille Grandi 39 - Concordia sulla Secchia (MO)	10.000	40,00%	40,00%	Patrimonio Netto
Fergas Solar S.r.l.	Via Pietro Piffetti, 19 - 10143 Torino	10.000	40,00%	40,00%	Patrimonio Netto
Euroline 3 S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	40,00%	40,00%	Patrimonio Netto
IFV Energy S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	40,00%	40,00%	Patrimonio Netto
PF Power of Future S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	40,00%	40,00%	Patrimonio Netto
JB Solar S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	40,00%	40,00%	Patrimonio Netto
M2D S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	40,00%	40,00%	Patrimonio Netto
PSL S.r.l.	Via Ruilio, 18/20 - Catania	15.000	40,00%	40,00%	Patrimonio Netto
Solarplant S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	40,00%	40,00%	Patrimonio Netto
Acea Green S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	40,00%	40,00%	Patrimonio Netto
Belaria S.r.l.	Via Luciano Manara, 15 - Milano	10.000	49,00%	49,00%	Patrimonio Netto
Energia S.p.A.	Via Barberini, 28 - 00187 Roma	239.520	49,90%	49,90%	Patrimonio Netto
Area Ingegneria e Servizi					
Ingegnerie Toscane S.r.l.	Via Francesco de Sanctis, 49 - Firenze	100.000	98,90%	44,10%	Patrimonio Netto
Visano S.c.a.r.l.	Via Lamarmora, 230 - 25124 Brescia	25.000	40,00%	40,00%	Patrimonio Netto

The following companies are also consolidated using the equity method:

Denominazione	Sede	Capitale Sociale (in €)	Quota di partecipazione	Quota consolidato di Gruppo	Metodo di Consolidamento
Area Ambiente					
Amea S.p.A.	Via San Francesco d'Assisi 15C - Paliano (FR)	1.689.000,0	33,00%	33,00%	Patrimonio Netto
Coema	P.le Ostiense, 2 - Roma	10.000,0	67,00%	33,50%	Patrimonio Netto
Estero					
Aguaazul Bogotà S.A.	Calle 82 n. 19*-34 - Bogotà- Colombia	652.361	51,00%	51,00%	Patrimonio Netto
Area Idrico					
Le Soluzioni Scarl	Via Garigliano, 1 - Empoli	250.678	80,84%	51,63%	Patrimonio Netto
Sogea S.p.A.	Via Mercatanti, 8 - Rieti	260.000	49,00%	49,00%	Patrimonio Netto
Umbria Distribuzione Gas S.p.A.	Via Bruno Capponi 100 - Terni	2.120.000	15,00%	15,00%	Patrimonio Netto
Area Generazione					
Citelum Napoli Pubblica Illuminazione S.c.a.r.l.	Via Monteverdi Claudio, 11 - Milano	90.000	32,18%	32,18%	Patrimonio Netto
Sienergia S.p.A. (in liquidazione)	Via Fratelli Cairoli, 24 - Perugia	132.000	42,08%	42,08%	Patrimonio Netto
Altro					
Marco Polo Srl (in liquidazione)	Via delle Cave Ardeatine, 40 - Roma	10.000	33,00%	33,00%	Patrimonio Netto

Accounting standards and measurement criteria

Measurement criteria

The accounting standards and criteria for reporting and evaluation adopted for the presentation of the Interim report on operations as at 31 March 2022 are those adopted to draft the 2021 Consolidated Financial Statements, to which the reader is referred for the description of the most significant ones with the exception of those specified below.

Accounting standards, amendments, interpretations and improvements applied as of 1 January 2022

“Amendment to IFRS 3 Business Combinations”

Issued on 14 May 2020, it updates the reference in IFRS 3 to the Conceptual Framework in the revised version, without entailing changes to the provisions of the standard.

“Amendment to IAS 16 Property, Plant and Equipment”

Issued on 14 May 2020, it does not allow deducting the amount received from the sale of goods produced before the asset was ready for use from the cost of the fixed asset. These sales revenues and related costs are recognised in the income statement. Amendments to IAS 16 are effective from the financial years beginning on or after 1 January 2022.

“Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets”

Issued on 14 May 2020, it clarifies which cost items must be considered to assess whether a contract will result in a loss.

“Annual Improvements 2018-2020”

Issued on 14 May 2020, it includes amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards, where a subsidiary that applies paragraph D16 of IFRS 1 is allowed to recognise cumulative conversion differences using the amounts recognised by its parent at the date of transfer of the parent company;
- IFRS 9 Financial Instruments, which provides clarification on which fees to include in the ten per cent test in section B3.3.6 when assessing whether to eliminate a financial liability;
- IAS 41 Agriculture, where, in order to ensure consistency with the requirements of IFRS 13, the paragraph under which entities did not include tax cash flows in the measurement of the fair value of a biological asset using the present value technique is deleted.
- The Illustrative Examples accompanying IFRS 16 Leases, eliminating Illustrative Example 13 in order to avoid confusion regarding the treatment of lease incentives due to how the incentives were illustrated in that example.

Amendments will be applicable from the financial years beginning 1 January 2022.

Accounting standards, amendments and interpretations applicable after closure of the year and not adopted in advance by the Group

“Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current”

Issued on 23 January 2020, it provides clarifications on the classification of liabilities as current or non-current. Amendments to IAS 1 are effective from the financial years beginning 1 January 2023.

“Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

Issued on 7 May 2021, their purpose is to make uniform the methods with which entities account for deferred taxes on operations such as leasing and the dismantling costs. The main change regards the introduction of an exception to the initial recognition exemption (IRE) of deferred taxation for assets and liabilities provided for in IAS 12. Specifically the exception provides for the non-applicability of the exemption of IAS 12 for initial recognition of all operations that originate equal or offset temporary differences. Limiting the exemption to only initial recognition, the impact will be a gradual improvement and comparability of the information for the benefit of users of the financial statements with reference to the fiscal impacts of leasing operations and to dismantling costs. The amendments are applicable from the financial years beginning 1 January 2023. Early application is permitted.

“IFRS 17 Insurance Contracts”

On 18 May 2017, the IASB issued IFRS 17 “Insurance Contracts” which defines the accounting of insurance contracts issued and reinsurance contracts held. The provisions of IFRS 17 that establish the criteria for recognition, measurement, presentation and disclosure of insurance contracts, supersede those currently provided for in IFRS 4 “Insurance Contracts” and have as their objective to guarantee to users of the financial statements to assess the effect that these contracts have on the financial position, the results and the cash flows of companies. The standard is to be applied for financial years that begin on 1 January 2023.

“Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies”

Issued on 12 February 2021, they require companies to provide relevant information about the accounting standards applied and suggest to avoid or limit unnecessary information. Amendments to IAS 16 are effective from the financial years beginning 1 January 2023.

“Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates”

Issued on 12 February 2021, they clarify, including through a number of examples, the distinction between estimate changes and accounting standard changes. The distinction is relevant since estimate changes are applied prospectively to future transactions and events, while accounting standard changes are generally applied retroactively. The amendments are applicable from the financial years beginning 1 January 2023. Earlier application is permitted.

The Acea Group is assessing the amendments and the standards indicated in relation to any impact on the financial statements or reporting.

Application of the IFRS 5 standard

On 22 March 2022, the agreement with the British investment fund Equitix was finalised for the sale of a majority stake in a photovoltaic holding company of the ACEA Group (Acea Sun Capital), in which the photovoltaic assets of ACEA already in operation or being connected to the network were transferred. The transfer took place through the establishment of the company AE Sun Capital, 40% owned by Acea Produzione and 60% by Equitix.

The agreement for the transfer of the assets was signed on 24 December 2021 and therefore the assets and liabilities directly related to this were considered as a disposal group, measured and presented in the balance sheet as at 31 December 2021 according to the provisions of international accounting standard IFRS 5 (see section “Significant events during the period and afterwards” for more information about the operation).

At 31 March 2022, Acea Renewable and a number of plants held by Acea Solar that were part of the second closing are included in this Interim Report in line with the provisions of IFRS 5 and in line with what was reported in the 2021 Consolidated Financial Statements, namely:

- the measurement of such assets was made at the lower between historical cost, decreased by the related accumulated depreciation or amortisation, and the estimated realisable value;
- the assets and liabilities closely associated with the group held for sale were measured and presented in the balance sheet in two specific items of the financial situation (“assets held for sale” and “liabilities closely associated with assets held for sale”). Neither IFRS 5 nor IAS 1 provide indications on the methods of presenting transactions between Continuing and Discontinued Operations. The method chosen led to presenting the reclassification of the asset and liability financial balances with the values net of the elimination of intragroup transactions;
- the economic items were presented in continuity with the previous year; from the date on which the changed destination of the assets has been resolved, depreciation and amortisation are no longer calculated.

The contribution of the operation to the equity situation of the Acea Group (in €/million) as at 31 March 2021 is presented below:

ASSETS	Effect of application of IFRS 5
NON-CURRENT ASSETS	6.2
CURRENT ASSETS	0.0
Non-current assets destined for sale	6.2

LIABILITIES	Effect of application of IFRS 5
NON-CURRENT LIABILITIES	0.0
CURRENT LIABILITIES	0.3
Liabilities closely associated with assets held for sale	0.3

Lastly, in relation to the closure of the first closing and to the assets and liabilities held for sale as at 31 March 2022, note that:

- the economic items of the first three months were presented in continuity with the previous year (line-by-line consolidation including intercompany elimination) and from the date on which the changed destination of the assets has been resolved, depreciation and amortisation were no longer recognised;
- the effects arising from the deconsolidation of the discontinued operations as at 31 December 2021 and the measurement of the assets and liabilities related to the second closing led to the recognition of a net capital gain for € 20.7 million.

Consolidated Income Statement

	31/03/2022	<i>Of which related party transactions</i>	31/03/2021	<i>Of which related party transactions</i>	Change
Revenue from sales and services	1,167,168		892,035		275,133
Other revenue and proceeds	25,341		37,830		(12,489)
Consolidated Net Revenue	1,192,509	30,629	929,865	24,372	262,644
Staff costs	74,730		74,817		(87)
Costs of materials and overhead	806,866		549,113		257,753
Consolidated Operating Costs	881,596	15,509	623,930	18,922	257,666
Net Income/(Expense) from commodity risk management	0		0		0
Profit / (loss) from non-financial equity investments	7,288		5,579		1,709
EBITDA	318,201	15,121	311,514	5,450	6,687
Net write-downs (write-backs) of trade receivables	21,869		23,432		(1,563)
Depreciation, amortisation and provisions	142,505		132,562		9,943
Operating profit/(loss)	153,828	15,121	155,520	5,450	(1,692)
Financial income	3,316	123	858	77	2,458
Financial charges	(25,201)	(0)	(23,486)	(0)	(1,715)
Profit/(Loss) on equity investments	20,747		36		20,710
Profit/(loss) before tax	152,689	15,243	132,928	5,527	19,761
Income tax	45,807		39,879		5,928
Net profit/(loss)	106,883	15,243	93,050	5,527	13,833
Net profit/(loss) from discontinued operations					
Net profit/(loss)	106,883	15,243	93,050	5,527	13,833
Profit/(loss) due to third parties	7,465		9,986		(2,521)
Net profit/(loss) attributable to the Group	99,418		83,064		16,353
Earnings (loss) per share attributable to Parent Company's shareholders					
<i>Base</i>	<i>0.46683</i>		<i>0.39004</i>		<i>0.07679</i>
<i>Diluted</i>	<i>0.46683</i>		<i>0.39004</i>		<i>0.07679</i>
Profit (loss) per share attributable to the shareholders of the Parent Company net of Treasury Shares					
<i>Base</i>	<i>0.46774</i>		<i>0.39080</i>		<i>0.07694</i>
<i>Diluted</i>	<i>0.46774</i>		<i>0.39080</i>		<i>0.07694</i>

Amounts in € thousand

Consolidated Statement of Comprehensive Income

	31/03/2022	31/03/2021	Change
Net profit/(loss) for the period	106,883	93,050	13,833
Gains/losses from the conversion of financial statements in foreign currency	4,498	2,151	2,347
Provision for exchange rate difference	4,277	4,492	(214)
Tax on exchange rate difference	(1,027)	(1,078)	51
Gains/losses from exchange rate difference	3,251	3,414	(163)
Effective portion of gains/(losses) on hedging instruments ("cash flow hedges")	(8,522)	(1,956)	(6,565)
Tax effect of other gains/(losses) on hedging instruments ("cash flow hedges")	3,383	545	2,838
Profit/(loss) from the effective portion on hedging instruments, net of tax	(5,139)	(1,411)	(3,727)
Actuarial profit/(loss) on staff benefits included in the Shareholders' Equity	2,149	890	1,258
Tax effect on the other actuarial profit/(loss) on staff benefits	(497)	(259)	(238)
Actuarial profit/(loss) on defined benefit pension plans, net of tax	1,652	631	1,021
Total of the comprehensive income components, net of tax	4,262	4,785	(523)
Total comprehensive profit/(loss)	111,145	97,835	13,310
Total comprehensive income (loss) attributable to:			
<i>Group</i>	<i>101,265</i>	<i>87,093</i>	<i>14,172</i>
<i>Third parties</i>	<i>9,880</i>	<i>10,742</i>	<i>(862)</i>

Amounts in € thousand

Consolidated Statement of Financial Position

	31/03/2022	<i>Of which related party transactions</i>	31/12/2021	<i>Of which related party transactions</i>	Change
ASSETS					
Tangible fixed assets	2,979,484		2,938,530		40,953
Real estate investments	2,299		2,314		(15)
Goodwill	256,239		251,477		4,762
Concessions and rights on infrastructure	3,110,755		3,048,190		62,565
Intangible fixed assets	399,359		411,607		(12,247)
Copyright	53,081		53,096		(15)
Equity investments in unconsolidated subsidiaries and associates	305,062		292,239		12,823
Other equity investments	2,992		2,980		12
Deferred tax assets	204,420		202,606		1,814
Financial assets	20,945	7,452	22,549	8,319	(1,603)
Other assets	594,355		576,065		18,290
Non-current assets	7,928,992	7,452	7,801,652	8,319	127,340
Inventories	94,457		86,406		8,051
Trade receivables	1,187,949	65,090	1,071,644	51,601	116,306
Other current assets	373,884		387,813		(13,929)
Current tax assets	15,048		24,183		(9,135)
Current financial assets	503,994	157,487	407,944	113,981	96,050
Cash and cash equivalents	694,063		680,820		13,244
Current assets	2,869,396	222,577	2,658,809	165,582	210,587
Non-current assets destined for sale	6,241		168,425		(162,185)
TOTAL ASSETS	10,804,628	222,577	10,628,886	173,901	175,742
LIABILITIES					
Share capital	1,098,899		1,098,899		0
Legal reserve	138,649		138,649		0
Other reserves	(100,436)		(123,433)		22,997
Retained earnings/(losses)	979,084		696,547		282,537
Profit (loss) for the year	99,418		313,309		(213,892)
Total Shareholders' Equity for the Group	2,215,613		2,123,971		91,642
Third parties Shareholders' Equity	401,988		392,449		9,539
Total Shareholders' Equity	2,617,602		2,516,420		101,181
Staff termination benefits and other defined benefit plans	114,785		120,150		(5,365)
Provisions for risks and charges	231,166		193,318		37,848
Borrowings and financial liabilities	4,484,574		4,791,979		(307,405)
Other non-current liabilities	407,715		409,064		(1,348)
Non-current liabilities	5,238,240		5,514,512		(276,271)
Borrowings	603,744	269,808	285,222	120,137	318,523
Payables to suppliers	1,777,424	58,526	1,706,363	51,965	71,061
Tax payables	15,894		18,962		(3,068)
Other current liabilities	551,468		540,005		11,462
Current liabilities	2,948,531	328,334	2,550,553	172,102	397,978
Liabilities closely associated with assets held for sale	256		47,402		(47,146)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,804,628	328,334	10,628,886	172,102	175,742

Amounts in € thousand

Consolidated Cash Flow Statement

€ thousand	31/03/2022	Related parties	31/03/2021	Related parties	Change
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax	152,689		132,928		19,761
Depreciation/amortisation and impairment losses	140,690		130,359		10,331
Revaluations/Impairment charges	(6,166)		17,817		(23,983)
Increase/(decrease) in provisions for liabilities	(4)		(4,379)		4,375
Net change in the provision for employee benefits	(3,805)		(3,663)		(142)
Net financial interest	21,885		22,628		(743)
Income taxes paid	(47)		0		(47)
Cash flow generated by operating activities before changes in working capital	305,244	0	295,691	0	9,553
Increase/Decrease in receivables included in current assets	(137,393)	(17,079)	(126,663)	(10,089)	(10,730)
Increase/Decrease in payables included in the working capital	73,975	(7,861)	(13,432)	(26,565)	87,407
Increase/Decrease in inventories	(7,575)		5,693		(13,267)
Change in working capital	(70,992)	(24,941)	(134,403)	(36,654)	63,411
Change in other assets/liabilities during the period	(34,820)		20,445		(55,266)
<i>Cash flow from operations of Disposal Groups/Assets held for sale</i>	0		0		0
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	199,431	(24,941)	181,733	(36,654)	17,698
CASH FLOW FROM INVESTMENT ACTIVITIES					
Purchase/sale of tangible fixed assets	(93,714)		(40,554)		(53,159)
Purchase/sale of intangible fixed assets	(131,036)		(189,824)		58,788
Equity investments	142,560		(8,435)		150,995
Collections/payments deriving from other financial investments	(94,437)	14,458	(45,113)	13,772	(49,323)
Dividends received	0		0		0
Interest income received	4,226		1,529		2,697
<i>Cash flow from investments of Disposal Groups/Assets held for sale</i>	0		0		0
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES	(172,400)	14,458	(282,397)	13,772	109,997
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of mortgages and medium/long-term borrowings	0		(783)		783
Provision of mortgages/other medium/long-term loans	0		902,500		(902,500)
Decrease/Increase in other financial debts	11,020	154,712	(143,293)	(20,795)	154,313
Interest expense paid	(25,811)		(24,320)		(1,491)
Dividends paid	0		0		0
<i>Cash flow from loans of Disposal Groups/Assets held for sale</i>	0		0		0
TOTAL CASH FLOW FROM FINANCING ACTIVITIES	(14,791)	154,712	734,104	(20,795)	(748,895)
CASH FLOW FOR THE PERIOD					
Net opening balance of cash and cash equivalents	680,820	144,229	633,441	(43,677)	(621,201)
Cash availability from acquisition	1,004		2,193		(1,190)
NET CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	694,063		1,277,843		(583,780)
Cash and cash equivalents at the end of the year <i>Disposal Groups/Assets held for sale</i>	16		0		16
Cash and cash equivalents at the end of the year <i>Continuing Operations</i>	694,048		1,277,843		(583,795)

Amounts in € thousand

Consolidated Statement of Changes in Shareholders' equity

	Share capital	Legal reserve	Other reserves	Profit for the period	Total	Third parties Shareholders' Equity	Total Shareholders' Equity
Balance at 1 January 2022	1,098,899	138,649	573,114	313,309	2,123,971	392,449	2,516,420
Income statement profit	0	0	0	99,418	99,418	7,465	106,883
Other comprehensive income (loss)	0	0	0	1,847	1,847	2,415	4,262
Total comprehensive income (loss)	0	0	0	101,265	101,265	9,880	111,145
Allocation of result for 2021	0	0	313,309	(313,309)	0	0	0
Distribution of dividends	0	0	0	0	0	(1,201)	(1,201)
Change in consolidation scope	0	0	(10,801)	0	(10,801)	271	(10,530)
Other changes	0	0	1,178	0	1,178	590	1,768
Balance as at 31 March 2022	1,098,899	138,649	876,801	101,265	2,215,613	401,988	2,617,602

	Share capital	Legal reserve	Other reserves	Profit for the period	Total	Third parties Shareholders' Equity	Total Shareholders' Equity
Balance at 1 January 2021	1,098,899	129,761	453,724	282,446	1,964,829	358,429	2,323,258
Income statement profit	0	0	0	83,064	83,064	9,986	93,050
Other comprehensive income (loss)	0	0	0	4,028	4,028	757	4,785
Total comprehensive income (loss)	0	0	0	87,093	87,093	10,742	97,835
Allocation of result for 2020	0	0	282,446	(282,446)	0	0	0
Distribution of dividends	0	0	0	0	0	(880)	(880)
Change in consolidation scope	0	0	0	0	0	(7,799)	(7,799)
Other changes	0	0	1,370	0	1,370	1,346	2,716
Balance as at 31 March 2021	1,098,899	129,761	737,540	87,093	2,053,292	361,838	2,415,130
Income statement profit	0	0	0	230,245	230,245	29,045	259,290
Other comprehensive income (loss)	0	0	0	25,527	25,527	1,325	26,852
Total comprehensive income (loss)	0	0	0	255,772	255,772	30,369	286,141
Allocation of result for 2020	0	8,888	(8,888)	0	0	0	0
Distribution of dividends	0	0	(170,038)	0	(170,038)	(12,726)	(182,764)
Change in consolidation scope	0	0	0	0	0	(1,227)	(1,227)
Other changes	0	0	(15,055)	0	(15,055)	14,195	(860)
Balance as at 31 December 2021	1,098,899	138,649	543,559	342,865	2,123,971	392,449	2,516,420

Amounts in € thousand

Declaration by the Manager Appointed to Prepare the Company Accounting Documents in accordance with the provisions of Article 154-bis, paragraph 2 of Italian Legislative Decree no. 58/1998

The Manager appointed to prepare the company accounting documents, Fabio Paris, declares in accordance with paragraph 154-bis, paragraph 2 of the Consolidated Finance Law, that the information contained in this Interim Report on Operations as at 31 March 2022, corresponds to results of the documents, books and accounting entries.