



ACEA Group Presentation
**“Italian Infrastructure &
Energy Day”**

Borsa Italiana Euronext Group

Milan September 7th, 2023

acea



STRATEGIC GUIDELINES



H1 2023 RESULTS



ANNEX H1 2023



ANNEX



STRATEGIC GUIDELINES



H1 2023 RESULTS






ANNEX H1 2023



ANNEX

ACEA Group: infrastructure operator with a strong presence in regulated sectors¹

 Water #1 by customer base	 Electricity #2 by customer base	 Environment #4 by waste managed
<p>Italy:</p> <ul style="list-style-type: none">• ~9m customers• ~59,000 km network• <30% water leaks in Rome <p>South America:</p> <ul style="list-style-type: none">• 3 countries• ~10m customers <p>Sources: 2022 Annual Report, 2022 Sustainability Report</p>	<p>Power grids:</p> <ul style="list-style-type: none">• ~1.7m PODs² for 32,000 km of grid• ~6% grid losses <p>Generation:</p> <ul style="list-style-type: none">• ~0.7 TWh generated <p>Commercial:</p> <ul style="list-style-type: none">• ~1.4m customers <p>Sources: 2022 Annual Report, 2022 Sustainability Report</p>	<p>Waste management:</p> <ul style="list-style-type: none">• ~1.7m tonnes waste managed <p>Waste to energy:</p> <ul style="list-style-type: none">• ~47% recycling rate <p>Waste to materials:</p> <ul style="list-style-type: none">• ~340 GWh of energy produced <p>Sources: 2022 Annual Report, 2022 Sustainability Report</p>

Highly challenging outlook for the sector in the coming years



Water¹

Importance of protecting water resources

~18% of GDP directly/indirectly linked to the availability of **water**

High leakage rate in Italian system

~42% leakage rate in Italy vs. European average of **~23%**

Limited public awareness

66% of Italians underestimate their water consumption



Electricity²

Energy transition

60-65 GW growth in renewables by 2030, of which **~80% solar**

Electrification and role of grids

Consumption up 1.5x in 10 years, with need to guarantee system resilience

Significant need for flexibility

10GW of energy storage expected by 2030



Environment³

Circular economy drive

+10 pp of plastic waste recyclable in Europe by 2030

Developments in the regulatory framework

Progressive **regulation of waste in Italy**

New forms of treatment

Waste-to-Chemical and special waste thanks to recent technological developments



Engineering

High demand for **technical expertise** to support the **country's infrastructure investment**

ACEA vision: infrastructure growth to support the country, enabled by people

- High level of service for the **community** (customers, citizens, towns, provinces, regions)
- Development opportunities for **personnel**
- **Shareholder** returns

- **Renewables** (photovoltaic plants)
- **Decarbonisation**, waste recycling, carbon capture
- **Smart cities** (public lighting)



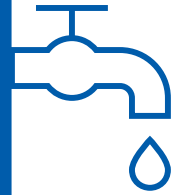
- **National in the integrated water cycle** (internationally scalable)
- **Local in power grids** (Rome)
- **Regional in the environment sector** (central Italy, replicable on a national scale)

- **Major projects** (Peschiera, Waste-to-Energy)
- **On field activities excellence** (digital, AI)

Water: strategic pillars

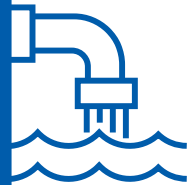
Consolidating the Italian market, positioning the Group as a **Water market leader**, leveraging:

- Solid **track record for delivering services** to 9m inhabitants
- Opportunities to **deliver major strategic projects** for the country



Strengthening the presence in municipal water supply systems in Italy

Infrastructure development (e.g., doubling the Peschiera aqueduct), **geographical expansion, new technologies** (smart meters), incentives to **protect water resources**



Growth in industrial water services

Positioning in the industrial water services market, leveraging **existing assets and distinctive water-related expertise**



Assessment of overseas opportunities

Potential for targeted growth in existing businesses, with scope for partnerships with other operators

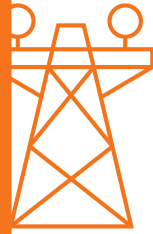


Electricity: Strategic pillars

Guaranteeing a **resilient grid** and **protecting quality of service** in the city of Rome

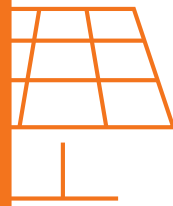
Developing **new renewable capacity** in response to energy transition

Consolidating **retail market performance and service**



Focus on electricity grids in Rome

Boosting the grid's **resilience** and **digitalisation**, improving **service quality**, incentivising **distributed flexibility** and **local dispatching** and offering **smart city services**



Growth in renewables

Developing **photovoltaic plants** to balance the Group's consumption, achieve our **SBTi targets** by cutting emission intensity and contribute to **the country's energy transition**



Consolidate retail market performance and service

Boosting **digital channels**, optimising the **customer management** model, ensuring the **effective transition** of customers to the free market

Environment: Strategic pillars

Consolidating / expanding our leadership in central Italy throughout the waste management chain

Meeting future demand for new Waste-to-Energy plants to dispose waste in central Italy



Consolidation in central Italy

Optimising our existing **industrial footprint**, through **geographical expansion** in **synergy with other businesses**



Growth in Waste-to-Energy

Revamping and developing new lines, leveraging **the Group's extensive experience** in Waste-to-Energy (e.g., expansion and revamping of San Vittore)



Strengthening capabilities in materials recycling

Boosting capabilities and quality in materials recycling to close the waste cycle, assessing **opportunities in new segments** (e.g., Waste-to-Chemical)

ACEA commitment to ESG

E | **Confirmation of our SBTi targets** for cutting CO₂ emissions

Strengthening **the waste recycling chain**

Reducing water leakage

S | Commitment to **gender equality**

Boosting **youth employment**

Boosting **personnel development and training** opportunities

G | **ESG criteria** fully embedded in Risk & Compliance processes

Support supply chain to enable ESG performance

Expand on the **ESG KPIs** monitored by the Group



STRATEGIC GUIDELINES



H1 2023 RESULTS



ANNEX H1 2023



ANNEX

H1 2023 highlights

GROWTH IN REGULATED BUSINESSES AND OPERATIONAL DISCIPLINE

REVENUE

Water, Energy Infrastructure
and Environment

+5%



Group revenue of €2.3bn, including approximately €1.2bn from Water, Energy Infrastructure and Environment sectors (+5% vs H1 2022)

EBITDA

excluding non recurring
items and change in scope

+3%



Organic EBITDA of €663m, up €18m vs H1 2022 driven by organic growth in regulated businesses (+6% Water and +3% Energy Infrastructure) and ongoing operating efficiencies

NET PROFIT ADJUSTED

+6%



Reported net profit of €142m (adjusted Net Profit of €144m - €138m in H1 2022), EBITDA growth offsets the rising finance costs caused by higher interest rates and the increase in depreciation related to previous years capex

CAPEX

Water, Energy Infrastructure
and Environment

+8%



Capex of €503m, up across regulated businesses in line with investment plans and with the average for H1 and H2 2022

FREE CASH FLOW

+175%

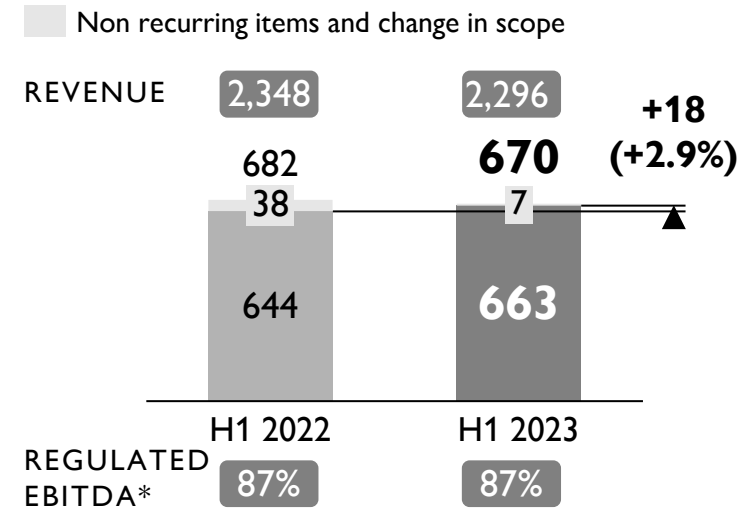


Free cash flow of €103m, up €65m vs H1 2022, enabling the Group to maintain a solid financial structure: Net Debt/EBITDA of 3.7x fully compliant to guidance (<3.8x)
Increase in debt (+€359m) influenced by dividends, taxation and finance costs

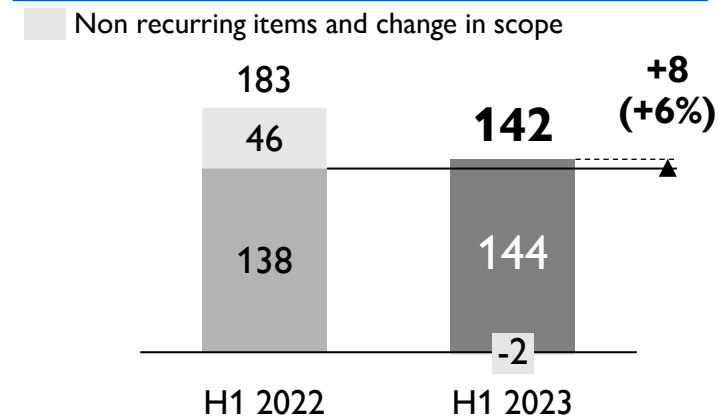
Overview of H1 2023 results

GROWTH AND DELIVERY OF INVESTMENT PLAN CONTINUE

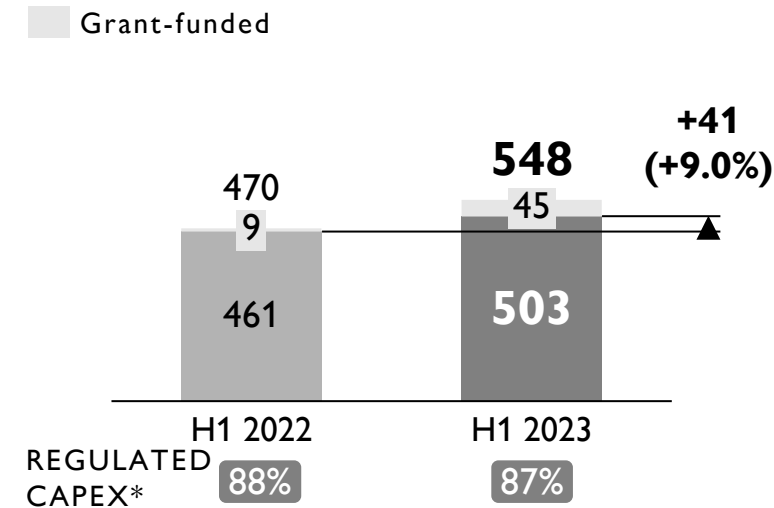
EBITDA (€m)



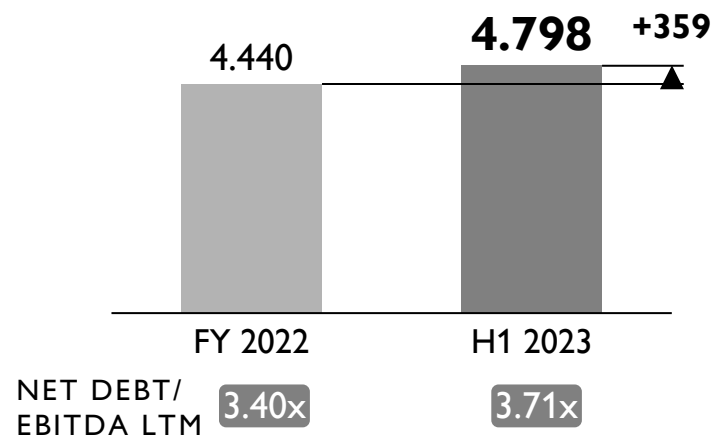
NET PROFIT (€m)



CAPEX (€m)



NET DEBT (€m)



Organic EBITDA growth despite lower revenue thanks to **organic growth of regulated businesses** and **operational efficiency**

Delivery of **investment plan** in sectors key to the quality of life of citizens
NET DEBT/EBITDA outperforms the guidance

GUIDANCE 2023

EBITDA
 +2%/+4%
 vs 2022

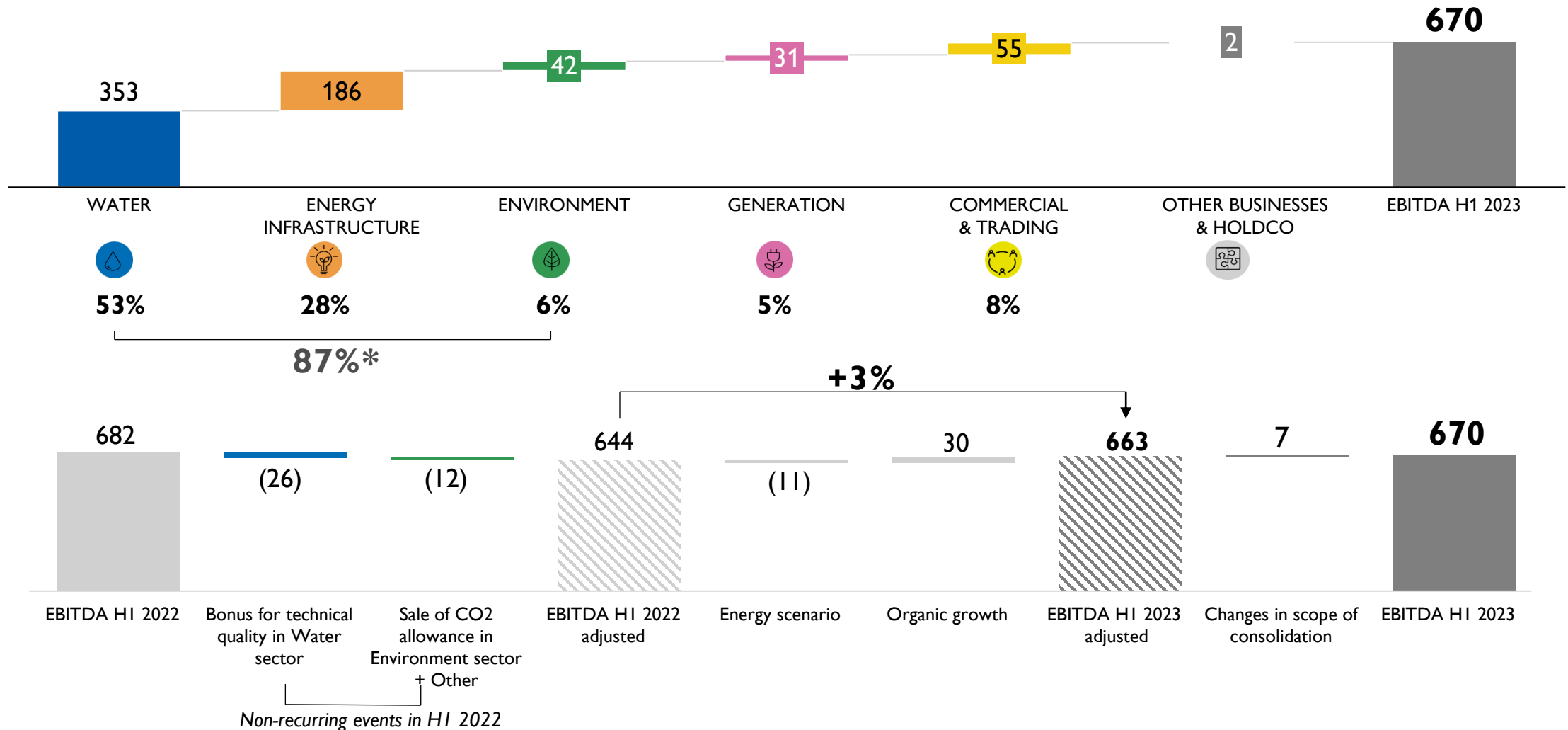
NET DEBT/EBITDA
 < 3.8X

CAPEX
 In line with 2022

EBITDA H1 2023

ORGANIC GROWTH +3%

EBITDA (€m)

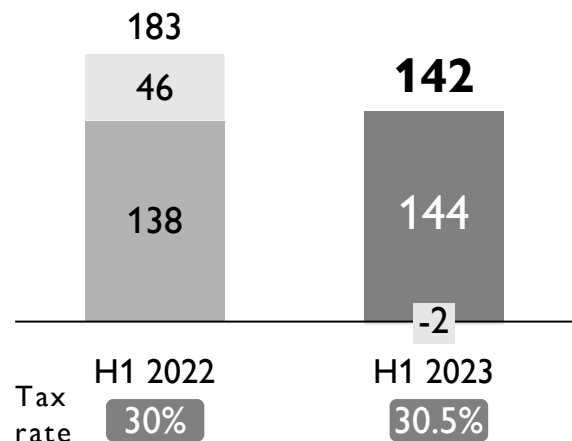


Net Profit H1 2023

OPERATIONAL PERFORMANCE OUTWEIGHS INCREASE IN DEPRECIATION AND FINANCE COSTS

NET PROFIT (€m)

■ Non recurring items and change in scope



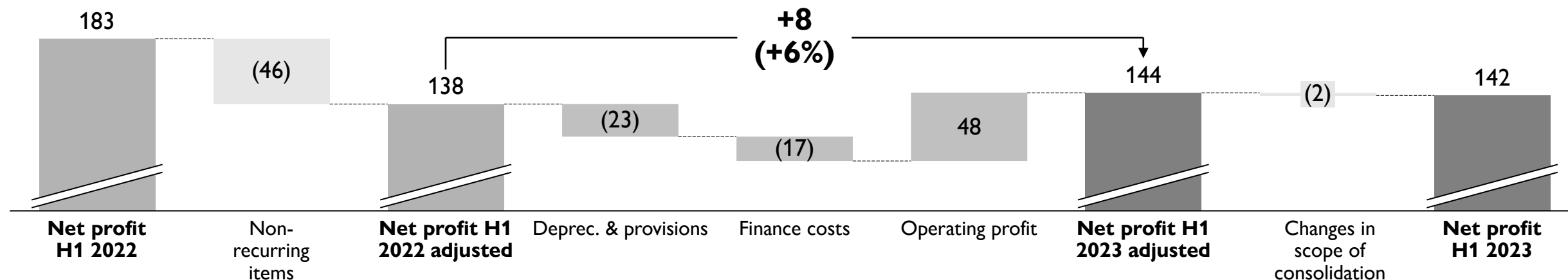
Efficiency improvements and growth of regulated businesses outweigh increase in depreciation and interest rates (rise in rates began in H2 2022)

Profit for H1 2023 (€142m) ahead of average for H1 and H2 2022 (€140m)

Non-recurring events in H1 2022 (-€46m):

- Recognition in H1 2022 of gain on sale of stake in photovoltaic assets (-€19m)
- Release from Terni plant's obligation to purchase CO2 allowances (-€8m)
- Bonus for technical quality in Water sector in H1 2022 (-€18m)

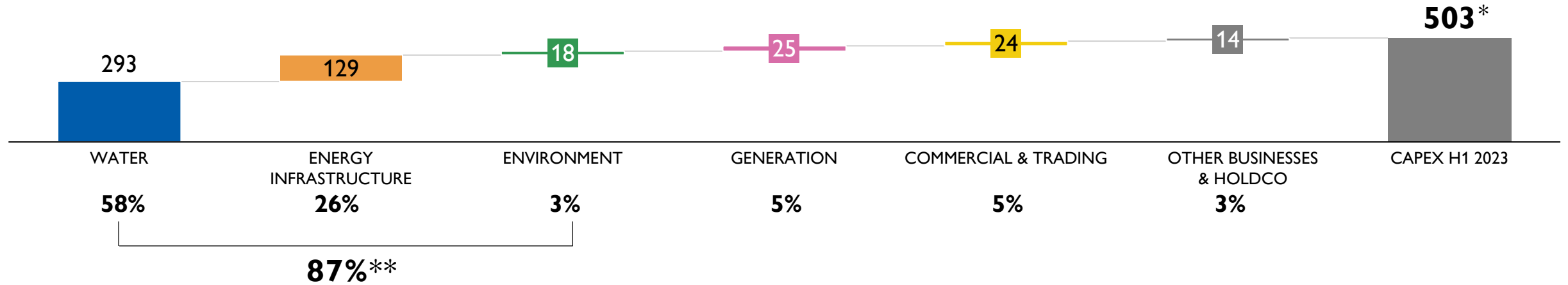
N.B.: determination of "Bonus for technical Quality in Water sector 2020-21" in H2 2023



CAPEX H1 2023

CAPEX IN LINE WITH AVERAGE FOR H1 AND H2 2022 WITH FOCUS ON REGULATED BUSINESSES

CAPEX (€m)



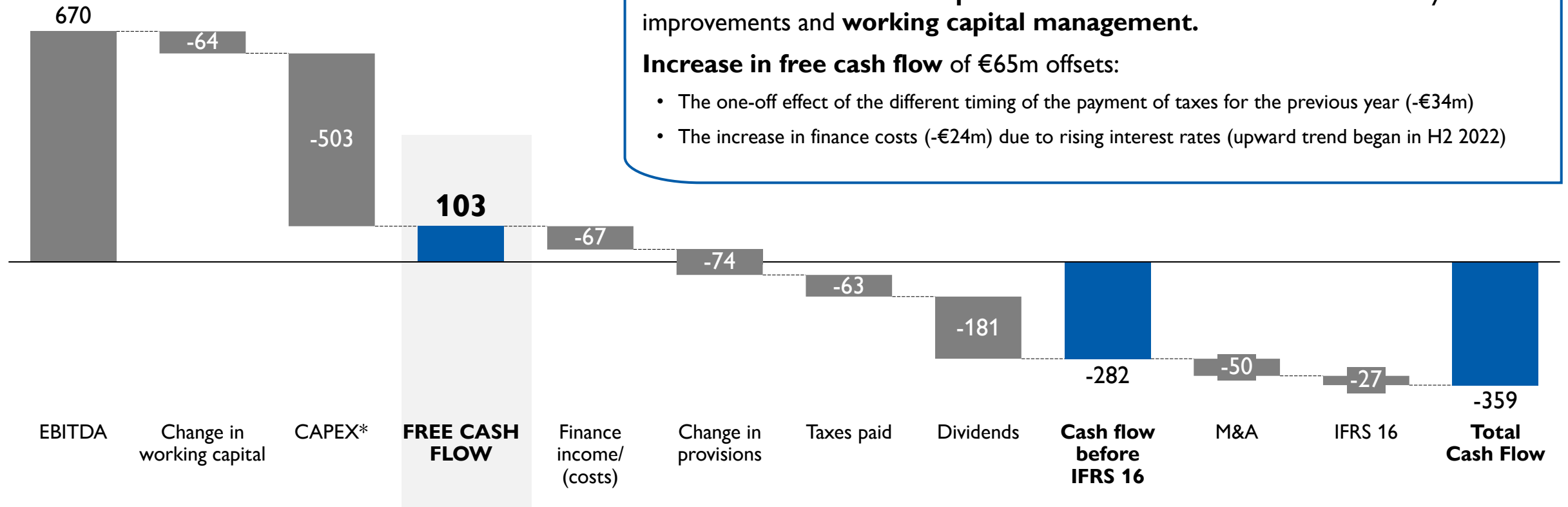
WATER	ENERGY INFRASTRUCTURE	ENVIRONMENT	GENERATION	COMMERCIAL & TRADING	OTHER
<ul style="list-style-type: none"> REPAIR AND WIDENING OF WATER AND SEWER PIPES EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS WORK ON TREATMENT PLANTS CHANGE IN SCOPE OF CONSOLIDATION 	<ul style="list-style-type: none"> UPGRADE OF THE GRID WORK ON PRIMARY AND SECONDARY SUBSTATIONS INSTALLATION OF 2G METERS 	<ul style="list-style-type: none"> WORK ON SAN VITTORE, TERNI AND MONTEROTONDO MARITTIMO PLANTS CONSTRUCTION OF PLASTIC SORTING PLANT CHANGE IN SCOPE OF CONSOLIDATION 	<ul style="list-style-type: none"> UPGRADE OF HYDROELECTRIC PRODUCTION PLANTS CONSTRUCTION OF PHOTOVOLTAIC PLANTS 	<ul style="list-style-type: none"> CUSTOMER ACQUISITION SMART SERVICES AND E-MOBILITY PROJECTS 	<ul style="list-style-type: none"> CORPORATE: IT PROJECTS

Cash Flow H1 2023

INCREASE IN CASH INFLOW THANKS TO EBITDA GROWTH AND WORKING CAPITAL MANAGEMENT

CASH FLOW (€m)

H1 2023



Free cash flow of €103m up €65m versus H1 2022 thanks to efficiency improvements and **working capital management**.

Increase in free cash flow of €65m offsets:

- The one-off effect of the different timing of the payment of taxes for the previous year (-€34m)
- The increase in finance costs (-€24m) due to rising interest rates (upward trend began in H2 2022)

	EBITDA	Change in working capital	CAPEX*	FREE CASH FLOW	Finance income/(costs)	Change in provisions	Taxes paid	Dividends	Cash flow before IFRS 16	M&A	IFRS 16	Total Cash Flow
H1 2022	682	(183)	(462)	38	(44)	(80)	(29)	(181)	(295)	80	(8)	(223)
Δ H1 2023 VS H1 2022				+65	(23)	+6	(34)	0	+13			

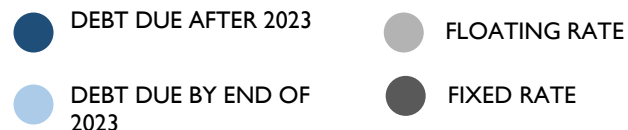
Financial structure H1 2023

LEVERAGE GUIDANCE FULLY CONFIRMED

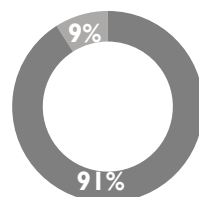
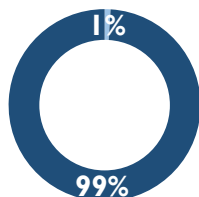
(€m)	CONS H1 2023	DEC 2022	CONS H1 2022	CONS H1 2023 vs DEC 2022	CONS H1 2023 vs H1 2022
NET DEBT	4,798	4,440	4,212	359	586
Long-term debt	5,400	4,723	4,685		
Short-term debt	406	619	679		
Cash and cash equivalents	(1,007)	(902)	(1.152)		

STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 30 JUNE 2023)



% OF DEBT FIXED RATE	AVERAGE COST	AVERAGE TERM
91%	2,02%	4,6 ANNI



LEVERAGE

NET DEBT/EBITDA LTM 30 JUNE 2023	NET DEBT/EBITDA 31 DECEMBER 2022
3.7x	3.4x

RATING

FitchRatings «**BBB+**»

MOODY'S «**Baa2**»

Negative outlook

Negative outlook

17 JANUARY 2023

Successful placement of a GREEN BOND worth €500m, paying coupon interest of 3.875% and maturing on 24 January 2031

3 FEBRUARY 2023

Successful completion of the €200m TAP ISSUE of the GREEN BOND launched on 17 January 2023 (coupon interest of 3.875% and maturing on 24 January 2031)

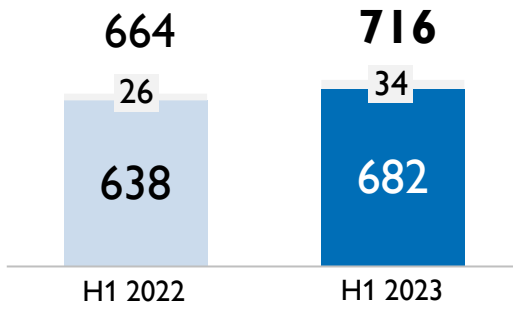
6 JULY 2023

€435m EIB loan

REVENUE +7%

(€m)

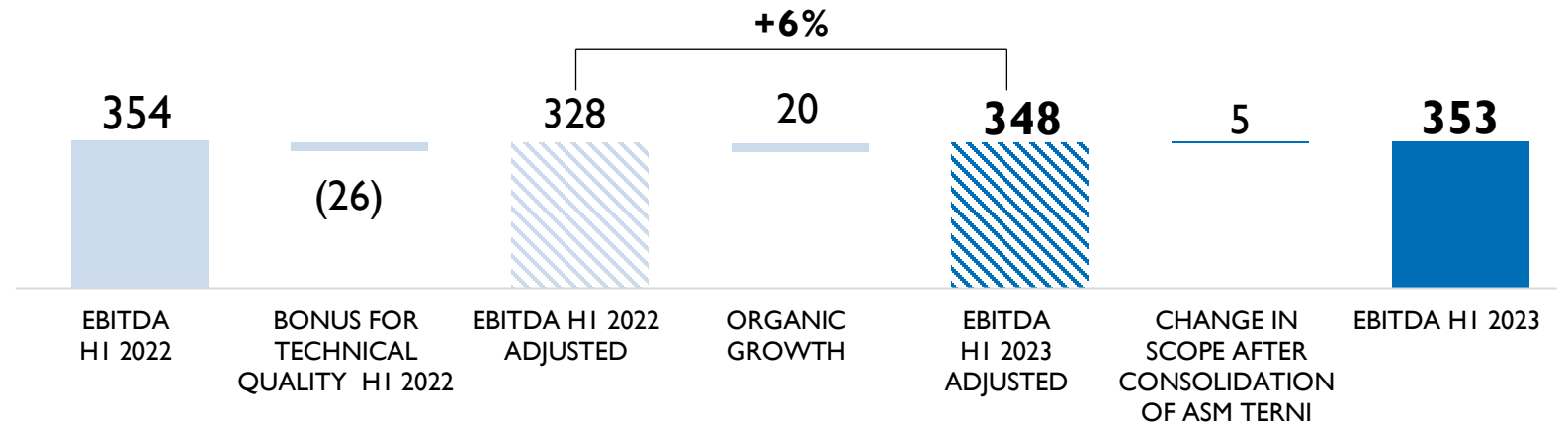
■ Non recurring items and change in scope



EBITDA ORGANIC GROWTH* +6%

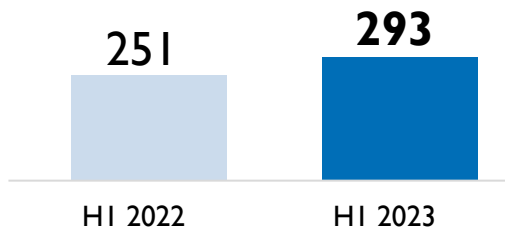
MAIN DRIVERS

(€m)



CAPEX** +17%

(€m)



COMBINATION WITH ASM TERNI

- ✓ closing of first phase (6 December 2022)
- ✓ closing of second phase completing the transaction (20 April 2023)

Acea's stake in ASM Terni rises to 45%

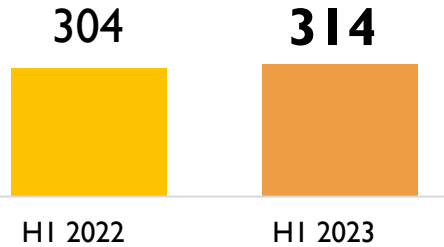


Energy infrastructure: EBITDA growth +3%

DELIVERY OF INVESTMENT PLAN CONTINUES

REVENUE +3%

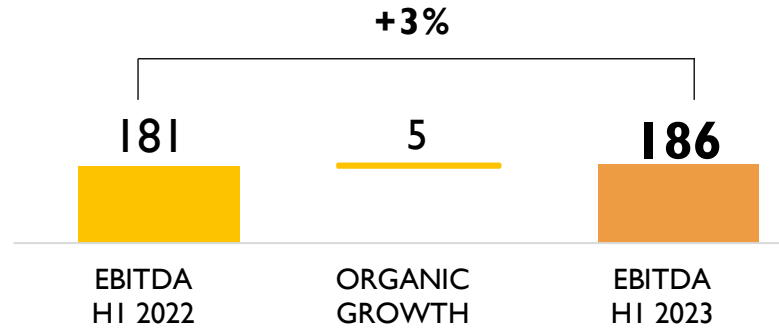
(€m)



EBITDA +3%

MAIN DRIVERS

(€m)



2G ELECTRICITY METERS

Installed at 30 June 2023

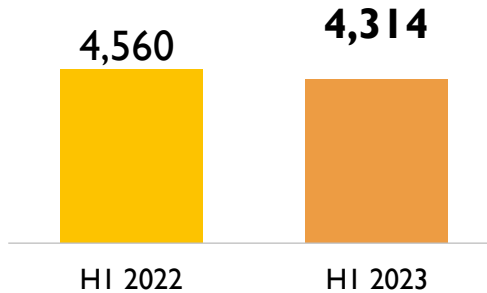
~ 804k

CAPEX -5%

(€m)

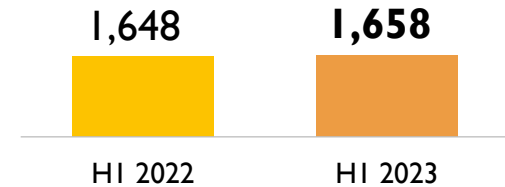


TOTAL ELECTRICITY DISTRIBUTED (GWh)



NUMBER OF PODs

('000s)



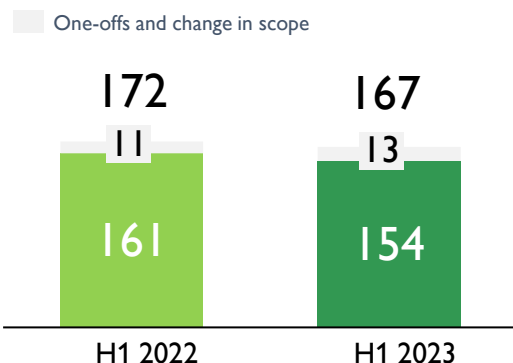


Environment: increase in waste treated +8%

ONGOING INTEGRATION OF PLANTS ACQUIRED IN 2022

REVENUE -4%

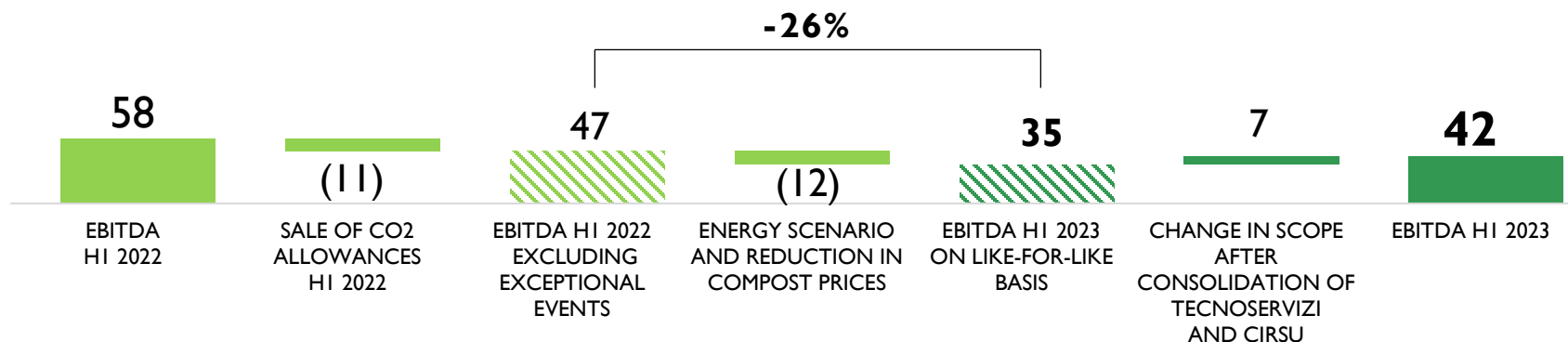
(€m)



EBITDA -27%

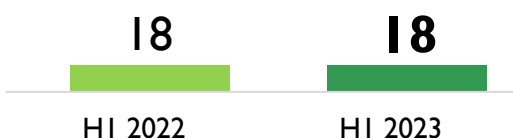
MAIN DRIVERS

(€m)



CAPEX

(€m)



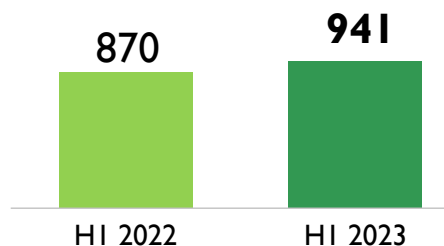
ACQUISITION OF 35% OF DECO

✓ ACEA has increased its stake in Deco, a waste management company in Abruzzo, to 100% (January 23rd, 2023)

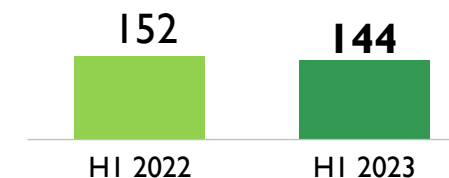
ACQUISITION OF 70% OF TECNOSERVIZI

✓ Tecnoservizi (province of Rome) operating in the mechanical treatment and recovery of urban waste and non-hazardous special waste (3 October 2022)

TREATMENT AND DISPOSAL (KTONNES)



WTE ELECTRICITY SOLD (GWh)





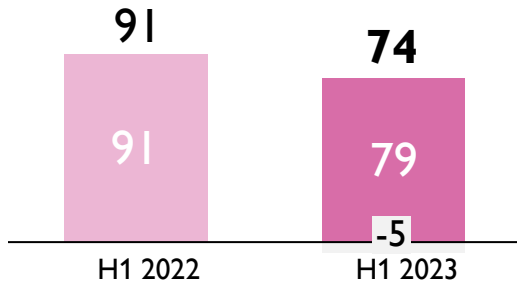
Generation: increase in electricity production +11%

OVER 200MW OF READY-TO-BUILD PHOTOVOLTAIC PLANTS

REVENUE -13%

(€m)

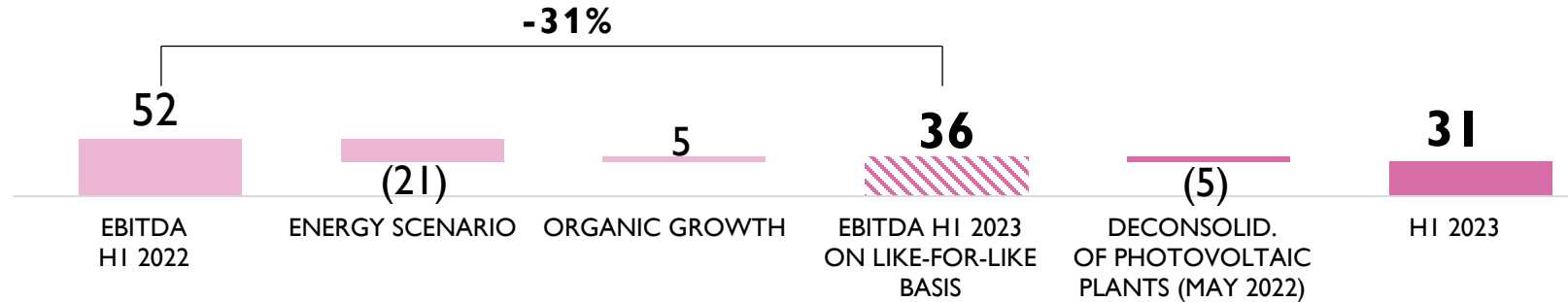
■ Non recurring items and change in scope



EBITDA -41%

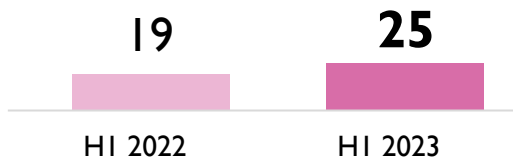
MAIN DRIVERS

(€m)



CAPEX +30%

(€m)



STATUS OF PHOTOVOLTAIC PLANTS

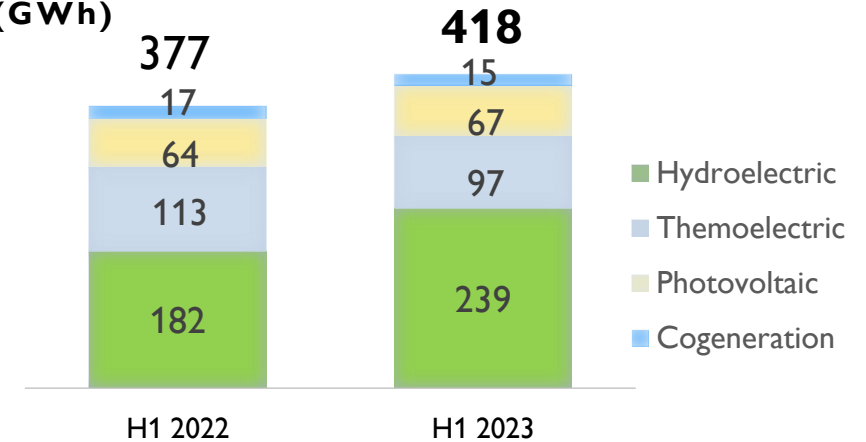
Total pipeline of 860 MW

- consents obtained for 208 MW (under construction + ready to build)
- 652 MW awaiting consents

Installed capacity 98 MW

TOTAL ELECTRICITY PRODUCED

(GWh)



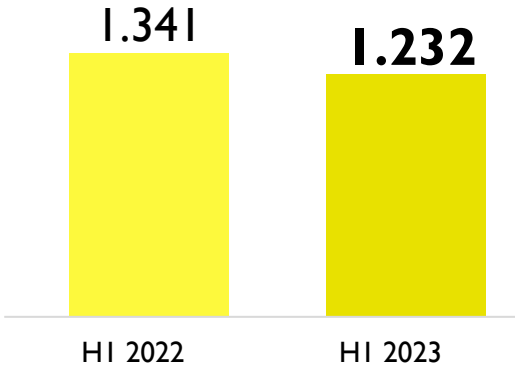


Commercial & Trading: EBITDA growth +45%

FREE MARKET CUSTOMER BASE INCREASING

REVENUE -8%

(€m)

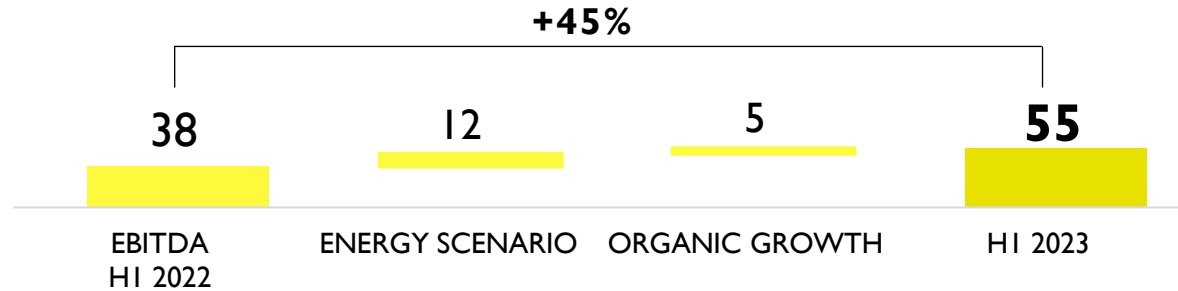


EBITDA +45%

MAIN DRIVERS

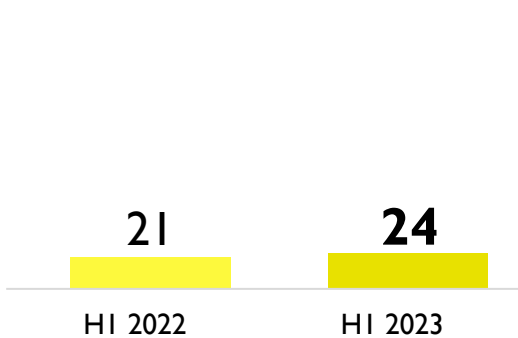
(€m)

○ FREE MKT ◌ EN. PROT. MKT

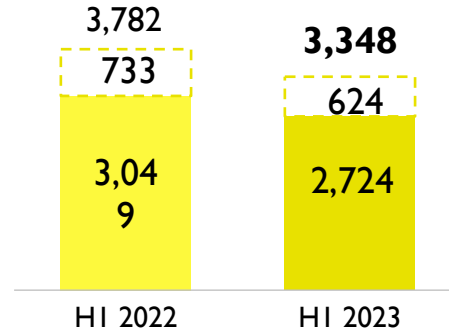


CAPEX +15%

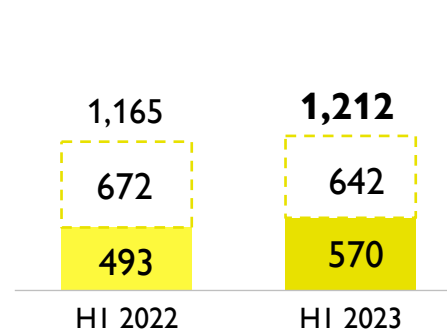
(€m)



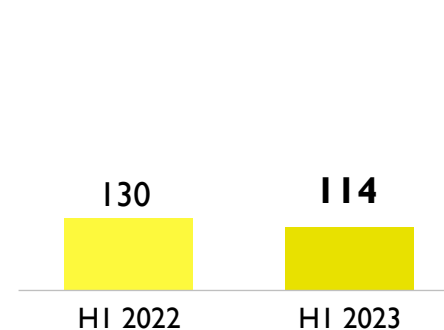
TOTAL ELECTRICITY SOLD (GWH)



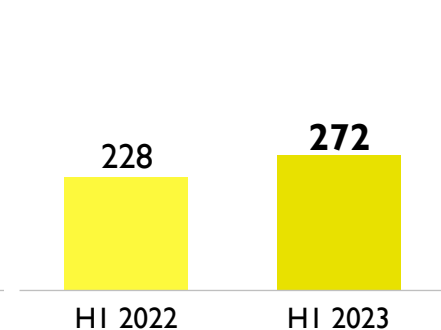
NUMBER OF ELECTRICITY CUSTOMERS ('000s)



TOTAL GAS SOLD (MMC)



NUMBER OF GAS CUSTOMERS ('000s)





STRATEGIC GUIDELINES



H1 2023 RESULTS



ANNEX H1 2023



ANNEX

Key events in H1 2023

DECO

January 2023

Completion of the acquisition of the remaining 35% of DECO (waste management in the Abruzzo region).

New WTE in Rome

March 2023

Expression of interest in bidding for the contract for the new Santa Palomba WTE plant (Rome) submitted together with Suez, Hitachi Zosen Inova and Vianini Lavori.

Combination with ASM Terni

April 2023

Closing of the second phase of the business combination involving ACEA, ASM Terni and the Municipality of Terni.

SIMAM

April 2023

Completion of the acquisition of the remaining 30% of SIMAM, specialising in engineering, the construction and operation of water and waste treatment plants and in environmental and remediation projects).

WMS (Waidy Management System)

May 2023

WMS, ACEA's technology platform for sustainable water cycle management, receives award in the Service Design category.

Partnership with Acquedotto Pugliese

June 2023

Signature of a Memorandum for the development of joint projects for the protection of water resources and technological innovation.

EIB loan

July 2023

€435m EIB loan obtained.

Safeguarding legality

July 2023

Signature with the Ministry of Internal Affairs of a «National Framework Agreement for the safeguarding of legality».

Sustainable growth pathway

MAJOR PROGRESS IN ESG

Top Employers Italia 2023

January 2023

Acea obtains «Top Employers Italia 2023» certification.

Gender-Equality Index

January 2023

Confirmation of inclusion in the «Gender Equality Index», with a score of 81.58.

FSE Top Utility for Research and Innovation

March 2023

Winner of the award as «RSE Top Utility for Research and Innovation».

People and Participation Charter

May 2023

Signature with the labour unions of a “People and Participation Charter”.

Standard Ethics

July 2023

Standard Ethics upgrades ACEA’s Corporate Standard Ethics Rating (SER) to “EE+” from the previous “EE” with a “Positive” outlook.

Sustainability ratings



62/100



**«EE+»
Positive outlook**



**«B»
Management
Level**



«A»



81.58/100



**«Leader ESG
Identity»**



**ESG risk
Rating
20.1**

DISCLAIMER

THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT REFLECT THE COMPANY'S MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES.

THESE FORWARD-LOOKING STATEMENTS ARE BASED ON ACEA S.P.A.'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS. BECAUSE THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES, ACTUAL FUTURE RESULTS OR PERFORMANCE MAY MATERIALLY DIFFER FROM THOSE EXPRESSED THEREIN OR IMPLIED THEREBY DUE TO ANY NUMBER OF DIFFERENT FACTORS, MANY OF WHICH ARE BEYOND THE ABILITY OF ACEA S.P.A. TO CONTROL OR ESTIMATE PRECISELY, INCLUDING CHANGES IN THE REGULATORY FRAMEWORK, FUTURE MARKET DEVELOPMENTS, FLUCTUATIONS IN THE PRICE AND AVAILABILITY OF FUEL AND OTHER RISKS.

YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN, WHICH ARE MADE ONLY AS OF THE DATE OF THIS PRESENTATION. ACEA S.P.A. DOES NOT UNDERTAKE ANY OBLIGATION TO PUBLICLY RELEASE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS PRESENTATION.

THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES OF THE COMPANY. THIS PRESENTATION DOES NOT CONTAIN AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES ISSUED BY ACEA S.P.A. OR ANY OF ITS SUBSIDIARIES.

PURSUANT TO ART. 154-BIS, PAR. 2, OF THE LEGISLATIVE DECREE N. 58 OF FEBRUARY 24, 1998, THE EXECUTIVE IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AT ACEA, SABRINA DI BARTOLOMEO - CFO OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.



STRATEGIC GUIDELINES



H1 2023 RESULTS



ANNEX H1 2023



ANNEX



REGULATION



Q1 2023 RESULTS



2022 RESULTS



STRATEGIC GUIDELINES



H1 2023 RESULTS



ANNEX H1 2023



ANNEX



REGULATION



Q1 2023 RESULTS



2022 RESULTS

TARIFF REGIME FOR THE THIRD REGULATORY PERIOD (2020-2023)

ARERA Resolution 639/2021 – 2022/2023 period

- **WACC: 4.8% (previously 5.2%)**
- **Real risk-free rate cut from 0.5% to 0.13%.**
- **Water Utility Risk Premium held at 1.7%.**
- **Cost of Debt reduced from 2.8% to 2.4%.**
- **Level of inflation to be applied to allowed costs in 2021 equal to 0.1% and in 2022 equal to 0.2%.**
- **RAB deflator for 2021 is 0.5% and 0.4% for 2022.**

EXPIRY OF CONCESSIONS

EXPIRY OF CONCESSIONS	
ATO2 Lazio Centrale (Acea ATO2)	2032
ATO5 Frosinone (Acea ATO5)	2033
ATO3 Regione Campania (Gori)	2032
ATO4 Alto Valdarno (Nuove Acque - province of Arezzo and Siena)	2027
ATO2 Basso Valdarno (Acque - province of Pisa, Lucca, Florence, Pistoia, Siena)	2031
ATO3 Medio Valdarno (Publiacqua - province of Florence, Arezzo, Prato, Pistoia)	2024
ATO6 Ombrone (Acquedotto del Fiora - prov. Siena, Grosseto)	2031
Municipality of Lucca (Geal)	2025
ATO1 Perugia (Umbra Acque)	2031
ATI4 Umbria (Integrated Water Service – I.W.S.)	2031
ATO1 Campania Calore Irpino (Gesesa)	2023
ATO Molise (Acea Molise)	2037



Energy infrastructure

REGULATION: ELECTRICITY DISTRIBUTION

ARERA Resolution 614/2021 – «Rate of return on invested capital for infrastructure services in the electricity and gas sectors for the period 2022-2027»

- Confirmation of regulatory period of 6 years (2022-2027), with an interim review after 3 years.
- Increase in Beta for electricity distribution and transmission and gas transmission.
- Increase in taxation from 28% to 29.5%.
- Reduction in weight of new Debt in the period 2022-2024 from 50% to 33.3% and, from 2025, from 75% to 66.6%.
- Revised method for calculating Risk-Free Rate.

Areti's concession expires in 2030

ELECTRICITY DISTRIBUTION

WACC REGULATORY PERIOD: SIX YEARS 2022-2027

- **WACC for 2022-2024: 5.2%**

WACC REGULATORY PERIOD: SIX YEARS 2016-2021

- WACC for 2016-2018: 5.6%
- WACC for 2019-2021: 5.9%

WACC FOR OTHER ACTIVITIES

ELECTRICITY TRANSMISSION

Electricity transmission WACC 2019-2021: 5.6 % **WACC 2022-2024: 5.0%**

GAS NETWORKS

Gas transmission WACC 2020-2021: 5.7% **WACC 2022-2024: 5.1%**

Gas distribution WACC 2020-2021: 6.3% **WACC 2022-2024: 5.6%**

Gas storage WACC 2020-2021: 6.7% **WACC 2022-2024: 6.0%**



ARERA RESOLUTION 363/2021 (MTR-2) – REGULATORY PERIOD 2022-2025

- The earlier method has been confirmed for the regulatory period 2022-2025, after a number of changes designed to encourage its application, promote economic and environmental efficiency targets and limit discretionary behaviour by local authorities. The changes have introduced an **initial attempt to regulate access plants involved in closure of the cycle**.
- The scope of application covers **treatment plants used in the «recovery and disposal» of all urban waste**, regardless of how it is subsequently classified. **Recycling chains**, managed by recycling consortia and other entities, are, on the other hand, **not addressed**.
- **Regional planning** has been given a decisive role in **defining plants involved in closure of the cycle**, operating in structurally rigid markets (insufficient capacity to meet demand for treatment), **as «minimum»**. These plants will be subject to **revenue caps**: the prices applied in 2021 (which will form the basis for the entire regulatory period) will be adjusted on the basis of allowable costs in accordance with ARERA's method. A cap on annual tariff increases has also been introduced.
- Vice versa, plants not classified as «minimum» as part of the planning process will be considered **«additional»**: these plants **will not be subject to regulated tariffs** but will only be subject to disclosure requirements.
- In a later resolution (68/2022/R/rif dated 22 February 2022), ARERA determined, in line with the approach adopted when setting the TIWACC for the energy sectors, the WACC for the regulatory period 2022-2025 – save for any intra-period adjustments – as 6% for facilities not integrated into the waste cycle (the WACC for the integrated cycle is instead 5.6%).
- With Determination 01/DRIF/2022 of 22 April 2022, ARERA approved the standard formats for the documents constituting the tariff proposal that the operators of "minimum" plants submit to the competent bodies, i.e., EGATOs or regional authorities. Reference is made, in particular, to financial plans and the accompanying report.
- **Certain regions have published resolutions defining "minimum« plants**. In DGR 290/2022 dated 27 April 2022, Lazio Regional Authority nominated the San Vittore nel Lazio, Aprilia and Sabaudia plants; in DGR 375/2022 dated 12 May, Umbria Regional Authority nominated the Orvieto plant (landfill, MBT and composting); whilst Abruzzo Regional Authority has yet to make an announcement in this regard.
- However, following the legal challenges brought before Lombardy Regional Administrative Court by a number of operators, based on the belief that with the regulatory framework set out in MTR-2 ARERA is encroaching on the role of the state, assigning regional authorities powers that they are not entitled to, **a number of regional authorities, including Umbria, have announced that they have halted the rate-setting process**. There has instead been no update from Lazio Regional Authority regarding the San Vittore and Aprilia plants.
- ARERA has published resolution 91/2023/C/RIF announcing its appeal before the Council of State, **requesting injunctive relief**, against the judgements handed down by Lombardy Regional Administrative Court because, according to the regulator, "the above judgements [...] are based on an erroneous interpretation of the relevant facts and legislation". The **Council of State has subsequently turned down the request** for injunctive relief and set a date of **7 November for the hearing on the merits**.



UPDATE ON MTR-2 AND OTHER DEVELOPMENTS

- ARERA has published resolution 389/2023/R/rif, containing the **Two-yearly update (2024-2025) of the waste tariff regime (MTR-2)**, which follows DCO 275/2023/R/rif. A summary of the resolution is provided below, showing aspects of direct interest regarding the regulation of tariffs for plants **in bold**:
 - **confirmation of the need to update financial plans for the period 2024-205 for minimum plants on the basis provided for in resolution 363/2021/R/rif**;
 - compliance with Council of State judgement 7196/23 (see the attached email): the resolution provides for unbundling of the costs/revenue attributable to the pre-cleaning, pre-sorting or pre-treatment of plastic packaging from separate waste collection – as this was introduced as an urgent measure, observations on this point may be submitted by 15 September this year;
 - **the update of certain tariff components for the two-year period 2024-2025**:
 - **the inflation rates used to adjust operating costs: $I_{2023}=4.5\%$ and $I_{2024}=8.8\%$ (0 in 2025)**;
 - **the deflator for gross fixed investment ($dfl_{2022/2023}$) = 1.034**;
 - **the planned inflation rate $rpia$ = 2.7%**;
 - **confirmation of the values of beta and gearing (for the WACC)**;
 - introduction of a correction factor (named *CRI*) capped at 7% - and in any event within the limits set by the previous cap for integrated management – to take into account the potential impact of price movements liable to exceed the tariff cap;
 - the possibility of revising above-cap rates for the years following the regulatory period (to be validated by local regulatory authorities, or ETCs);
 - **quantification of the κ factor to reflect monitoring** in accordance with resolution 387/2023/R/RIF Monitoring obligations and transparency on the efficiency of separate waste collection and urban waste treatment plants (a specific note will follow given that the resolution was published today);
 - introduction of more accurate indicators to evaluate the performance of waste recovery under the proposals set out in DCO 214/2023/R/rif.
- The following developments should also be noted:
 - **Resolution 387/2023/R/rif - Monitoring obligations and transparency on the efficiency of separate waste collection and urban waste treatment plants**. This resolution impacts the operators of treatment plants regardless of the definition of "minimum« plant. The resolution has introduced specific obligations for operators, who are required:
 - > to report and update their websites with minimum disclosures (art. 21 of Annex A) on the performance of the indicators introduced, and contact details and communications on the service and on any changes;
 - > to submit the required disclosures and data to ARERA and the local regulatory authority;
 - > to prepare and publish a register on a specific IT platform containing data and disclosures regarding the indicators.
 - **Resolution 386/2023/R/rif – Equalisation systems for the waste sector**: this does not currently impact plant operators.
 - **Resolution 385/2023/R/rif – Standard service agreement**, by which ARERA has adopted an agreement regulating relations between grantors and urban waste service providers. This establishes the essential minimum terms required by existing legislation, without affecting the ability of the parties to agree on the terms applicable to additional services, in accordance with existing legislation and regulatory requirements. This does not currently impact plant operators.



San Vittore del Lazio Lines 2 and 3	<p>Lines 2 and 3 entered service in April 2011 and July 2011, respectively.</p> <p>These currently qualify for an incentive associated with capacity above 23.2 MW; it is supported by the Incentive (GRIN, ex-GC system) regulated by art. 19 of the MD of 6 July 2012 (conversion of GCs into Incentive), the value of which in the current year is based on the average sale price of electricity in the previous year. Estimated value: €42.85/MWh, based on the portion of the energy qualifying for the incentive (approximately 47% of the electricity fed into the grid).</p>
San Vittore del Lazio Line 1	<p>Line 1 entered service on 1 October 2016.</p> <p>The incentive (FER-E system) is determined in accordance with the detailed rules provided by the MD of 6 July 2012. Estimated value: €0.00/MWh, solely with regard to the portion of the energy qualifying for the incentive (approx. 47% of the electricity fed into the grid, provided that it is type-C biomass).</p>
Terni	<p>A WTE plant that entered service in December 2012.</p> <p>This currently qualifies for the Incentive (GRIN ex-GC system) regulated by art. 19 of the MD of 6 July 2012 (conversion of GCs into Incentive), the value of which in the current year is based on the average sale price of electricity in the previous year. Estimated value: €42.85/MWh, based on the portion of the energy qualifying for the incentive (approximately 41% of the electricity fed into the grid).</p>
Orvieto (biogas from landfill)	<p>The plant has two sections: M1 and M2, which entered service in November 2007 and March 2013, respectively.</p> <p>Section M2 currently qualifies for the Incentive (GRIN ex-GC system), regulated by art. 19 of the MD of 6 July 2012 (conversion of GCs into Incentive), the value of which in the current year is based on the average sale price of electricity in the previous year, reduced by multiplying factor «k», amounting to 0.80 (for M2). Estimated value: $k \times €42.85/\text{MWh}$, based on the electricity sold above the threshold of 6999.4 MWh/year, reduced by a multiplying factor of 0.9 (for M2).</p>
Orvieto (biogas from anaerobic digestion)	<p>The plant has two sections: M1 and M2, both of which entered service in November 2015.</p> <p>The incentive (FER-E system) is determined in accordance with the detailed rules provided by the MD of 6 July 2012 and consists of a feed-in tariff (all-inclusive $P < 1$ MW) of €174.44/MWh, based on the portion of the energy qualifying for the incentive (approximately 95% of the electricity fed into the grid).</p>

Estimated incentives and tariffs



Incentives applicable to Acea's plants

Type of plant	MD 6 July 2012	MD 23 June 2016
Biogas plant between 0.6 and 1 MW	€178/MWh	€160/MWh
Biogas plant between 1 and 5 MW	€125/MWh	€112/MWh
WTE plants > 5 MW	€125/MWh	€119/MWh

Feed-in tariffs (*final amounts for 2022*)

Plant	Ref.	Incentive/Tariff	Value	Expiry	Fixed/variable
Terni	GRIN ex-GC, MD 6 July 2012	Incentive	€42.85/MWh	2028	Variable (SP)*
San Vittore d. Lines 2 e 3 (P < 23,2)	GRIN ex-GC, MD 6 July 2012	Incentive	€42.85/MWh	2026	Variable (SP)*
San Vittore d. Linea1	FER-E, MD 6 July 2012	Incentive	€0.00/MWh	2036	Variable (ZP)**
Orvieto Discarica	GRIN ex-GC, MD 6 July 2012	Incentive	€34.28/MWh	2028 M2	Variable (SP)*
Orvieto Landfill + Composting	FER-E, MD 6 July 2012	Feed-in tariff	€174.44/MWh	2035	Fixed



STRATEGIC GUIDELINES



H1 2023 RESULTS



ANNEX H1 2023



ANNEX



REGULATION



Q1 2023 RESULTS



2022 RESULTS

ONGOING SOLID OPERATING AND FINANCIAL PERFORMANCE

POSITIVE TREND IN CLOSING MONTHS OF 2022 CONTINUES IN Q1 2023 IN A MARKET ENVIRONMENT THAT REMAINS CHALLENGING

EBITDA
+6%



Q1 2023 SAW ACEA CONTINUE TO DELIVER STRONG OPERATING PERFORMANCE, THANKS TO THE ACTIONS TAKEN – FROM LATE 2022 - TO OPTIMIZE COSTS AND BOOST OPERATIONAL EFFICIENCY. IMPROVEMENT IN MARGINS IN A «CHALLENGING» MARKET ENVIRONMENT.

NET
PROFIT*
in line



NET PROFIT AFFECTED BY EXTERNAL FACTORS, INCLUDING INCREASE IN FINANCE COSTS FOLLOWING A PROGRESSIVE RISE IN INTEREST RATES FROM THE SECOND HALF OF 2022.

THE RESULT FOR Q1 2022 BENEFITTED FROM A GAIN OF €20.7M ON THE SALE OF A MAJORITY STAKE IN ACEA'S PHOTOVOLTAIC ASSETS.

NET DEBT/
EBITDA LTM
3.3 x



SOLID CAPITAL STRUCTURE THANKS TO RIGOROUS APPROACH ADOPTED FROM THE END OF 2022.

- OPTIMISED INVESTMENT AND REVIEW OF PROCUREMENT PROCEDURES.
- STRONG CASH COLLECTION IN COMMERCIAL & TRADING SEGMENT, DUE TO CREDIT RISK CONTAINMENT FOLLOWING THE ADOPTION OF PREVENTIVE MEASURES AND CUSTOMER PORTFOLIO MANAGEMENT.

OPTIMISED OPERATING AND FINANCIAL PERFORMANCE – Q1 2023

CONTINUATION OF THE EFFICIENCY MEASURES LAUNCHED IN THE CLOSING MONTHS OF 2022

**A MAJOR INDUSTRIAL PLAYER,
WITH CONSTANT IMPROVEMENT
IN OPERATING PERFORMANCE**

REVENUE

€1,240 M

+4%

EBITDA

€336 M

+6%

NET PROFIT

€73 M

IN LINE WITH EXPECTATIONS

**OPTIMISATION OF INVESTMENT,
FOCUSING ON REGULATED
BUSINESSES**

CAPEX

€247 M*

+11%

NET DEBT

€4,339 M

-2%

(versus 31 December 2022)

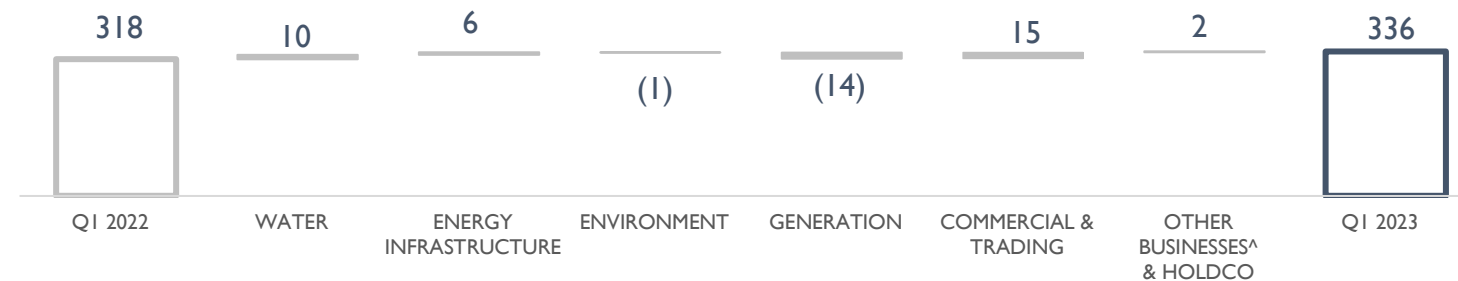
LEVERAGE

NET DEBT/ EBITDA^{LTM}

3.3 x

EBITDA Q1 2023

(€m) **EBITDA +6%**



ORGANIC GROWTH (+€20m)

EBITDA 175 92 21 14 33 1

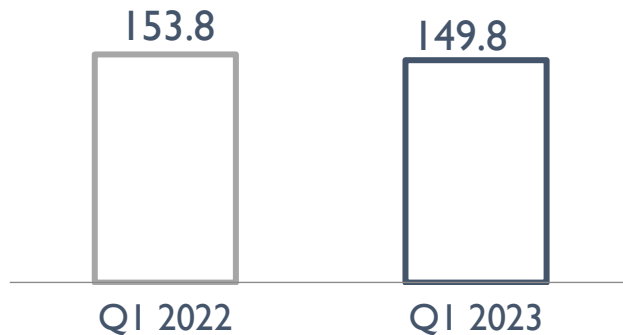


CHANGES IN SCOPE OF CONSOLIDATION

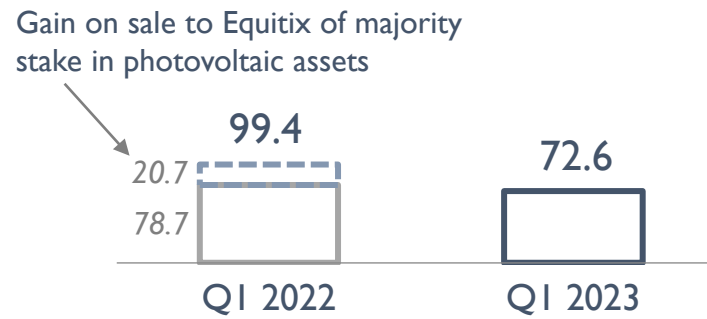
EBITDA (€m)	Change
S.E.R.PLAST	+0.3
TECNOSERVIZI	+0.6
ASM TERNI	+3.0
DECONSOLID. PHOTOVOLTAIC	-4.9
TOTAL	-1.0

EBIT AND NET PROFIT Q1 2023

EBIT (€m)



NET PROFIT (€m)



TAX RATE Q1 2023 30%

MAIN EFFECTS ON NET PROFIT

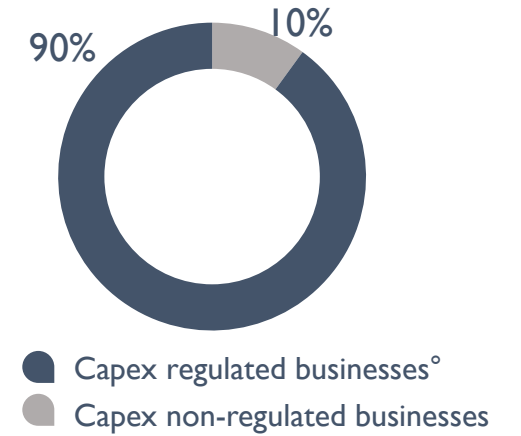
- ✓ EBITDA growth (+€12m)
- ✓ Increased depreciation, risk provisions and credit loss provisions (-€15m)
- ✓ Higher financial costs (-€8m)
- ✓ Recognition in Q1 2022 of the gain on the sale to Equitix of a majority stake in photovoltaic assets (-€21m)

(€m)	Q1 2023	Q1 2022	% CHANGE
DEPRECIATION	159.0	140.7	+13.0%
CREDIT LOSS PROVISIONS	23.4	21.9	+6.8%
PROVISIONS FOR RISKS	3.7	1.8	n/s
TOTAL	186.1	164.4	+13.2%

➤ INCREASE IN DEPRECIATION DUE TO HIGHER INVESTMENT

➤ RATIO OF LOSS PROVISIONS TO REVENUE BROADLY UNCHANGED

CAPEX Q1 2023



<p>WATER</p> <ul style="list-style-type: none"> • REPAIR AND EXPANSION OF WATER AND SEWER PIPES • EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS • WORK ON TREATMENT PLANTS 	<p>ENERGY INFRASTRUCTURE</p> <ul style="list-style-type: none"> • UPGRADE OF THE GRID • WORK ON PRIMARY AND SECONDARY SUBSTATIONS • INSTALLATION OF 2G METERS 	<p>ENVIRONMENT</p> <ul style="list-style-type: none"> • WORK ON SAN VITTORE, TERNI AND MONTEROTONDO MARITTIMO PLANTS • CONSTRUCTION OF PLASTIC SORTING PLANT • CHANGE IN SCOPE OF CONSOLIDATION 	<p>GENERATION</p> <ul style="list-style-type: none"> • MAINTENANCE OF PRODUCTION PLANTS • CONSTRUCTION OF PHOTOVOLTAIC PLANTS 	<p>COMMERCIAL & TRADING</p> <ul style="list-style-type: none"> • CUSTOMER ACQUISITION • SMART SERVICES AND E-MOBILITY PROJECTS 	<p>OTHER</p> <ul style="list-style-type: none"> • CORPORATE: IT PROJECTS
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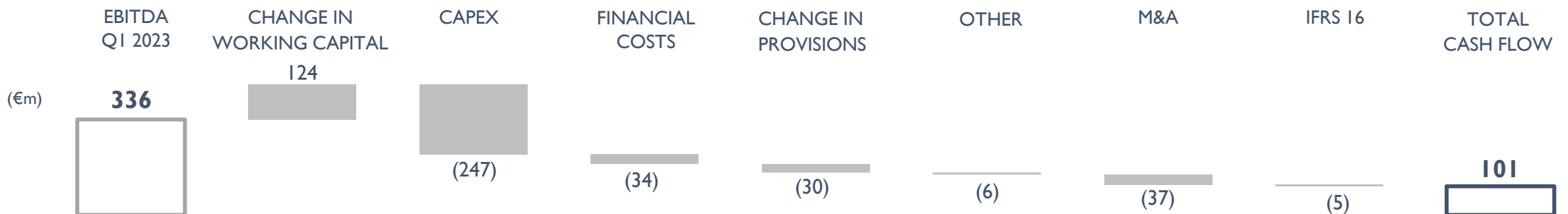
CASH FLOW Q1 2023

CASH FLOW (€m)

	Q1 2023	Q1 2022
EBITDA	336	318
CHANGE IN WORKING CAPITAL	124	(81)
CAPEX*	(247)	(222)
FREE CASH FLOW	213	15
FINANCE INCOME/(COSTS)	(34)	(22)
CHANGE IN PROVISIONS	(30)	(29)
OTHER	(6)	(7)
M&A	(37)	145 [^]
IFRS 16	(5)	(4)
TOTAL CASH FLOW	101	98

TOTAL CASH FLOW: €101m

- ↑ REDUCED COMMODITY COSTS AND TURNOVER AT ACEA ENERGIA (SNP down)
- ↑ REINTRODUCTION OF GENERAL SYSTEM COSTS
- ↓ INCREASE IN FINANCIAL COSTS
- ↓ CHANGES IN SCOPE OF CONSOLIDATION



CAPITAL STRUCTURE Q1 2023

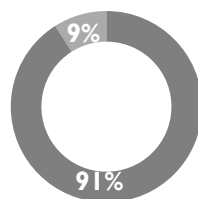
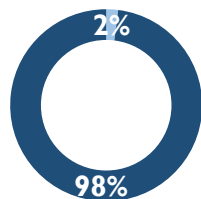
(€m)	31 Mar 2023 (A)	31 Dec 2022 (B)	31 Mar 2022 (C)	Change (A-B)	Change (A-C)
NET DEBT	4,338.6	4,439.7	3,890.3	(101.1)	448.3
Medium/long-term	5,425.2	4,722.3	4,484.6	702.9	940.6
Short-term	(1,086.6)	(282.6)	(594.3)	(804.0)	(492.3)

STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 31 MARCH 2023)

- DEBT FALLING DUE AFTER 2023
- DEBT FALLING DUE BY END OF 2023
- FLOATING RATE
- FIXED RATE

FIXED RATE: 91%
 AVERAGE COST: 1.98%
 AVERAGE TERM: 4.8 YEARS



17 JANUARY 2023

Successful placement of a €500m GREEN BOND, paying coupon interest of 3.875% and maturing on 24 January 2031

3 FEBRUARY 2023

Successful completion of the €200m TAP ISSUE of the GREEN BOND launched on 17 January 2023 (coupon interest of 3.875% and maturing on 24 January 2031)

LEVERAGE

NET DEBT / EBITDA LTM 31 Mar 2023	NET DEBT / EBITDA 31 Dec 2022
3.3x	3.4x

RATINGS

FitchRatings «**BBB+**»
Negative Outlook

MOODY'S «**Baa2**»
Negative Outlook

SUSTAINABILITY RATINGS

Gaia RATING
 62/100

standard ethics
 «EE»
Positive Outlook

CDP
 DISCLOSURE INSIGHT ACTION
 «B»
Management Level

Bloomberg Gender Equality Index
 81.58/100

INTEGRATED GOVERNANCE INDEX
 «Leader ESG Identity»

SUSTAINALYTICS
 20.1
ESG risk rating

MSCI
 «A»

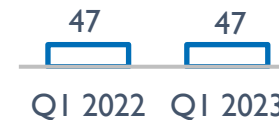


WATER INCLUDING GAS DISTRIBUTION

FINANCIAL HIGHLIGHTS Q1 2023

(€m)	Q1 2023 (A)	Q1 2022 (B)	% change (A/B)
EBITDA	174.7	165.2	+5.8%
- ACEA ATO2	113.3	109.9	+3.1%
- ACEA ATO5	7.9	8.6	-8.1%
- Gori	20.5	17.7	+15.8%
- Adf	16.5	16.3	+1.2%
- SII Terni	3.8	3.4	+11.8%
Other consolidated water companies	**4.3	1.1	n/s
Equity-accounted water companies	6.3	6.7	-6.0%
Gas distribution	2.1	1.5	+40.0%
CAPEX*	150.1	119.5	+25.6%

SLUDGE DISPOSAL
(ktonnes)



BUSINESS COMBINATION WITH ASM TERNI

- ✓ closing of first phase (6 December 2022)
- ✓ closing of second phase completing the transaction (20 April 2023)
Acea's stake in ASM Terni rises to 45%

EBITDA

Main drivers



+6%

ACEA ATO2



Organic growth

+€3.4m

GORI



Organic growth

+€2.8m

CHANGE IN SCOPE OF CONSOLIDATION



ASM Terni

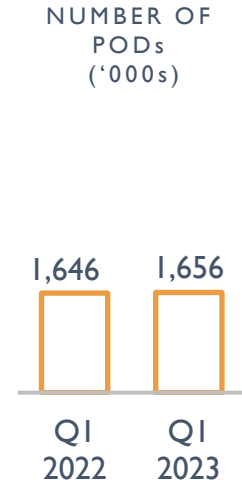
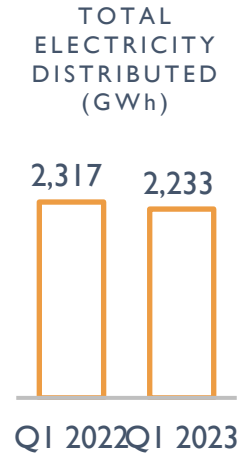
+€3.0m



ENERGY INFRASTRUCTURE

FINANCIAL AND OPERATIONAL HIGHLIGHTS Q1 2023

(€m)	Q1 2023 (A)	Q1 2022 (B)	% change (A/B)
EBITDA	92.4	86.5	+6.8%
- Distribution	91.8	87.1	+5.4%
- Public lighting	0.6	(0.6)	n/s
CAPEX	64.5	68.7	-6.1%



EBITDA Main drivers



+7%



ELECTRICITY DISTRIBUTION

Organic growth

+€4.7m

2G ELECTRICITY METERS

Installed at 31 March 2023

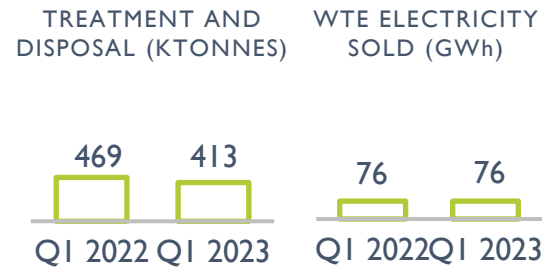
~ 725k



ENVIRONMENT

FINANCIAL AND OPERATIONAL HIGHLIGHTS Q1 2023

(€m)	Q1 2023 (A)	Q1 2022 (B)	%change (A/B)
EBITDA	20.8	21.9	-5.0%
CAPEX	7.6	8.5	-10.6%



ACQUISITION OF 35% OF DECO

✓ ACEA has increased its stake in Deco, a waste management company in Abruzzo, to 100% (23 January 2023)

ACQUISITION OF 70% OF TECNOSERVIZI

✓ Tecnoservizi (province of Rome) operating in the mechanical treatment and recovery of urban waste and non-hazardous special waste (3 October 2022)

EBITDA Main drivers




ENERGY MARKET SCENARIO

 Lower prices for WTE electricity

-€1.9m

CHANGE IN SCOPE OF CONSOLIDATION

 SerPlast (Feb 2022) +€0.3m
Tecnoservizi (Oct 2022) +€0.6m

+€0.9m

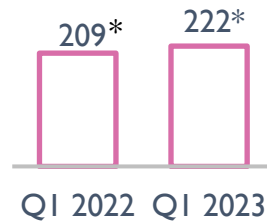


GENERATION

FINANCIAL AND OPERATIONAL HIGHLIGHTS Q1 2023

(€m)	Q1 2023 (A)	Q1 2022 (B)	% change (A/B)
EBITDA	13.6	27.7	-50.9%
CAPEX	4.4	8.4	-47.6%

TOTAL ELECTRICITY PRODUCED (GWh)*



EBITDA Main drivers



-51%

- ACEA PRODUZIONE**
- Effect of lower energy prices, partly offset by increase in volumes produced
 - Impact of «Sostegni» Decree on Sant'Angelo hydroelectric plant
- €8.6m**

- DECONSOLIDATION OF PHOTOVOLTAIC ASSETS**
- €4.9m**

STATUS OF PHOTOVOLTAIC PLANTS

- Total pipeline of 877 MW
- authorizations obtained for 210 MW (under construction + ready to build)
 - 667 MW awaiting authorization
- Installed capacity: 97 MW

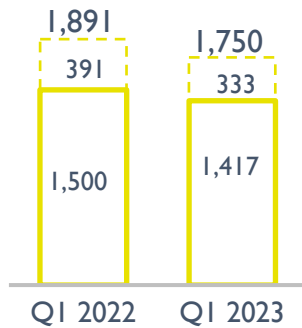


COMMERCIAL & TRADING

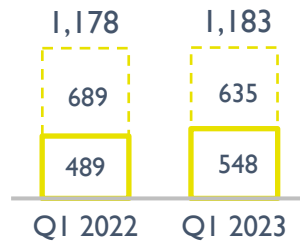
FINANCIAL AND OPERATIONAL HIGHLIGHTS Q1 2023

(€m)	Q1 2023 (A)	Q1 2022 (B)	%change (A/B)
EBITDA	32.8	17.5	+87.4%
CAPEX	12.5	10.7	+16.8%

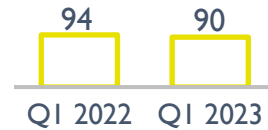
TOTAL ELECTRICITY SOLD (GWH)



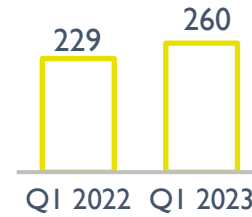
NUMBER OF ELECTRICITY CUSTOMERS ('000s)



TOTAL GAS SOLD (Mm³)



NUMBER OF GAS CUSTOMERS ('000s)



○ FREE MKT ○ EN. PROT. MKT

EBITDA Main drivers



+87%



ACEA ENERGIA

Increased EBITDA from free electricity market (+€3.3m)
Increased EBITDA from gas (+€7.5m)
Energy Management (+€3.9m)

+€14.7m



ACEA INNOVATION

Increased revenue from Energy Efficiency projects

+€1.1m



ANNEX



REGULATION



Q1 2023 RESULTS



2022 RESULTS

PERFORMANCE AND DELIVERY 2022

POSITIVE RESULTS DESPITE THE UNCERTAIN AND VOLATILE SCENARIO

NET PROFIT AFFECTED BY EXTERNAL FACTORS

REVENUE	EBITDA	EBIT	NET PROFIT	}  Windfall tax
€5,138m +29%	€1,305m +4%	€566m -3%	€280m -11%	

LEVERAGE IMPACTED BY ENERGY SCENARIO AND WINDFALL TAX

CAPEX	NET DEBT	LEVERAGE
€1,001m* +8%	€4,440m +11%	NET DEBT/ EBITDA 3.4 x

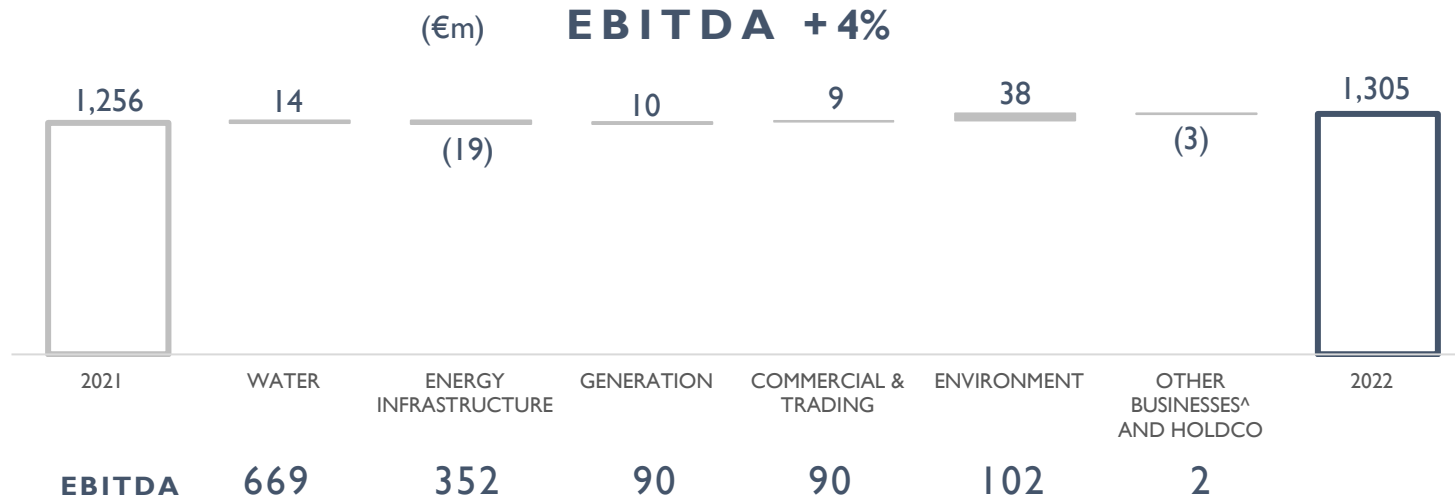
DIVIDEND FLAT IN A «CHALLENGING» ENVIRONMENT

DPS 2022[^]	PAY OUT^{**}	DIVIDEND YIELD^{***}
0.85€	~65%	6.6%

GUIDANCE 2023

EBITDA	CAPEX	NET DEBT/EBITDA
+2%/+4% VERSUS 2022	BROADLY IN LINE WITH 2022	Below 3.8X

EBITDA 2022

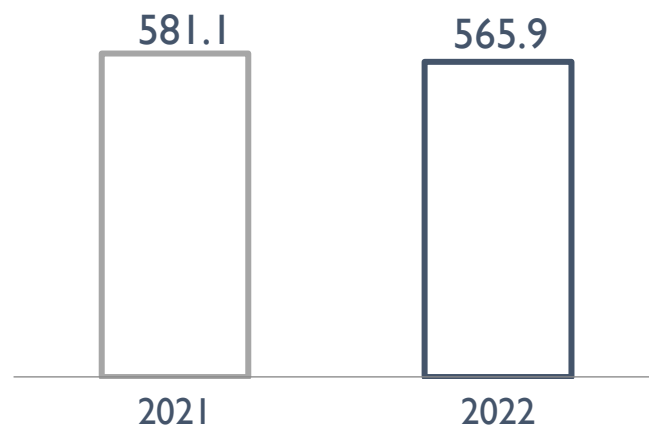


- ### MAIN DRIVERS
- ✓ Impact of electricity distribution regulation (-€26m)
 - ✓ Impact of energy scenario (+€37m)
 - ✓ Technical quality bonus for water services (+€27m)
 - ✓ Release of Terni plant from obligation to purchase CO2 allowances (+€18m)

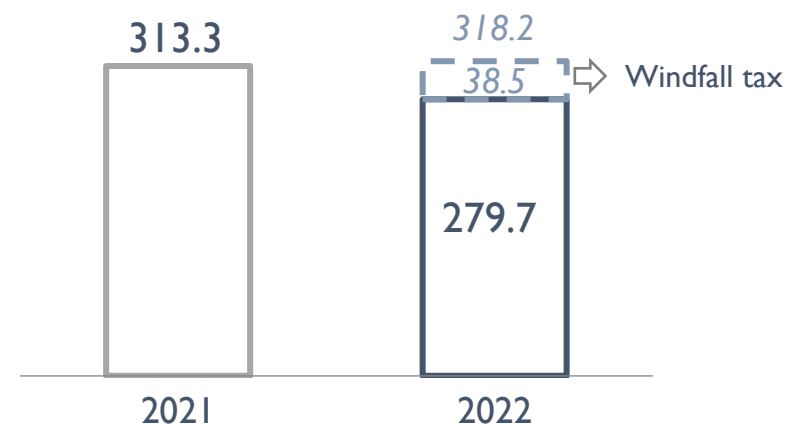


EBIT AND NET PROFIT 2022

EBIT (€m)



NET PROFIT (€m)



(€m)	2022	2021	% CHANGE
DEPRECIATION	594.6	546.6	+8.8%
CREDIT LOSS PROVISIONS	113.4	86.2	+31.6%
PROVISIONS FOR RISKS	31.2	42.1	-25.9%
TOTAL	739.2	675.0	+9.5%

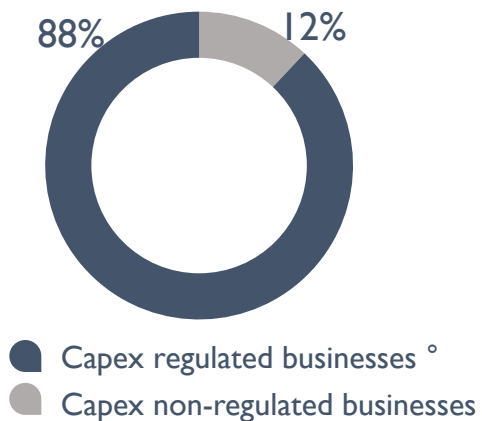
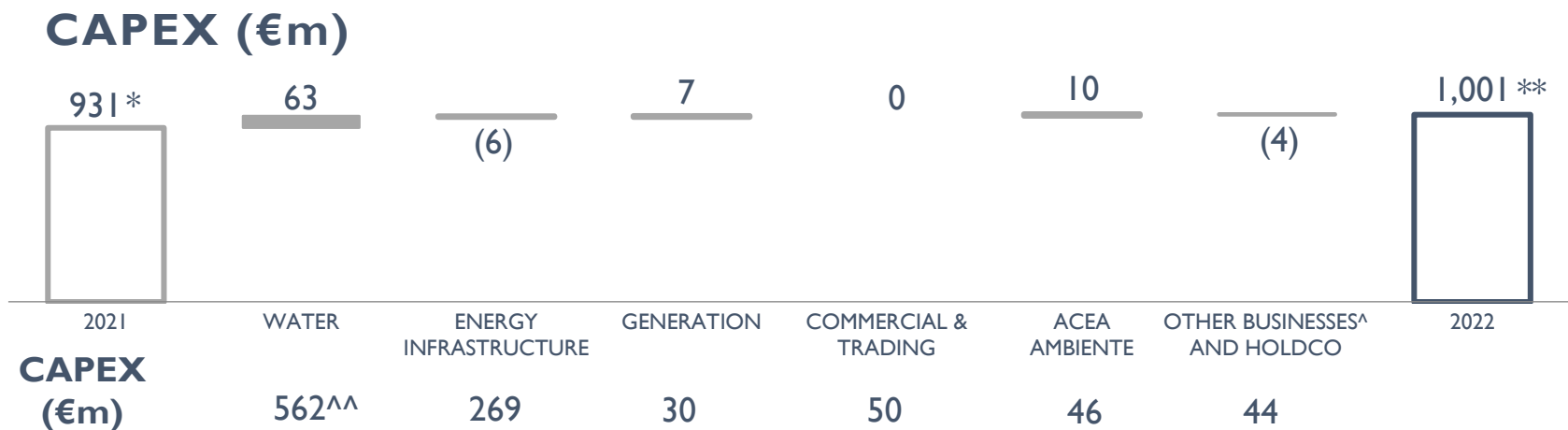
INCREASE IN PROVISIONS FOR POTENTIAL DETERIORATION IN THE ECONOMIC SITUATION

TAX RATE 2022 37.6%

(tax rate 2021: 30.0%)

NORMALISED TAX RATE FOR 2022, AFTER ADJUSTING FOR WINDFALL TAX: 29.8 %

CAPEX 2022







WATER	ENERGY INFRASTRUCTURE	GENERATION	COMMERCIAL & TRADING	ENVIRONMENT	OTHER
<ul style="list-style-type: none"> • MAINTENANCE AND EXPANSION OF WATER AND SEWER PIPES • EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS • WORK ON TREATMENT PLANTS 	<ul style="list-style-type: none"> • UPGRADE OF THE GRID • WORK ON PRIMARY AND SECONDARY SUBSTATIONS • INSTALLATION OF 2G METERS 	<ul style="list-style-type: none"> • EXTRAORDINARY MAINTENANCE OF PRODUCTION PLANTS • CONSTRUCTION OF PHOTOVOLTAIC PLANTS 	<ul style="list-style-type: none"> • CUSTOMER ACQUISITION • E-MOBILITY PROJECTS 	<ul style="list-style-type: none"> • WORK ON SAN VITTORE, TERNI AND MONTEROTONDO MARITTIMO PLANTS • CHANGE IN SCOPE OF CONSOLIDATION 	<ul style="list-style-type: none"> • CORPORATE: IT PROJECTS

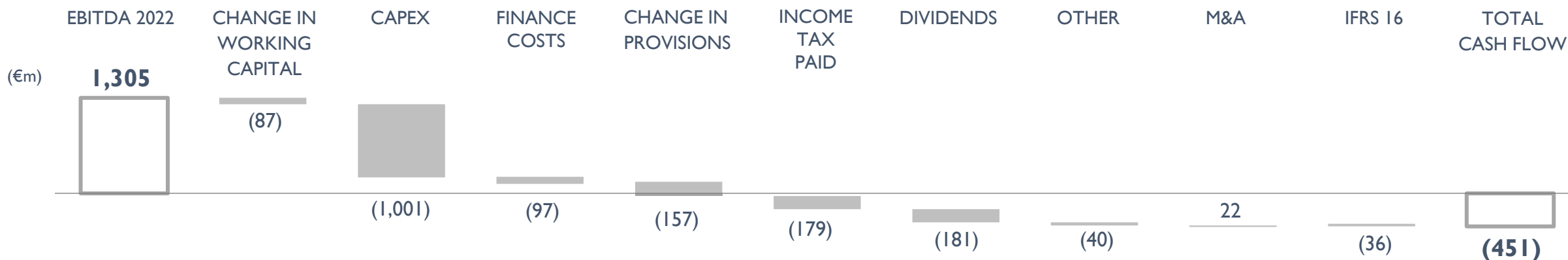
CASH FLOW 2022

CASH FLOW (€m)

	2022	2021
EBITDA	1,305	1,256
CHANGE IN WORKING CAPITAL	(87)	(95)
CAPEX*	(1,001)	(931)
FREE CASH FLOW	217	230
FINANCE INCOME/(COSTS)	(97) ^o	(86)
CHANGE IN PROVISIONS	(157)	(127)
INCOME TAX PAID	(179)	(180)
DIVIDENDS	(181)	(170)
OTHER	(40)	(43)
M&A	22 [^]	(69)
IFRS 16	(36)	(15)
TOTAL CASH FLOW	(451)	(460)

FREE CASH FLOW

-  SALE OF PHOTOVOLTAIC ASSETS
-  COLLECTION OF TECHNICAL QUALITY BONUS (WATER)
-  EFFECT OF ENERGY SCENARIO
-  WINDFALL TAX



* Net of grant-funded investments and investments linked to deconsolidated photovoltaic assets.

^o This figure excludes income from the discounting of Gori's debt (€11m).

[^] This figure reflects proceeds from the sale to Equitix of a majority stake in ACEA's photovoltaic assets (~€150m).

FINANCIAL STRUCTURE 2022

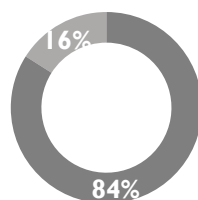
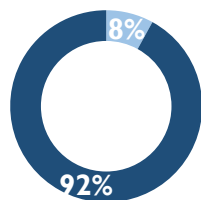
(€m)	31 Dec 22 (A)	31 Dec 21 (B)	30 Sept 22 (C)	Change (A-B)	Change (A-C)
NET DEBT	4,439.7	3,988.4	4,393.0	451.3	46.7
Medium/long-term	4,722.3	4,792.0	4,706.2	(69.7)	16.1
Short-term	(282.6)	(803.6)	(313.2)	521.0	30.6

STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 31 DECEMBER 2022)

- DEBT FALLING DUE AFTER 2023
- DEBT FALLING DUE BY END OF 2023
- FLOATING RATE
- FIXED RATE

FIXED RATE	AVERAGE COST	AVERAGE TERM
84%	1.44%	4.4 YEARS



LEVERAGE

NET DEBT / EBITDA	NET DEBT / EBITDA	NET DEBT / RAB	NET DEBT / RAB
31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
3.4x	3.2x	0.69	0.65

RATINGS

FitchRatings **BBB+**
Stable Outlook
(rating and outlook affirmed in July 2022)

MOODY'S **Baa2**
Negative Outlook
(rating affirmed and outlook downgraded from Stable to Negative in August 2022)

17 JANUARY 2023

Successful placement of a €500m GREEN BOND, with coupon of 3.875% and maturing on 24 January 2031

3 FEBRUARY 2023

Successful completion of the €200m TAP ISSUE of the GREEN BOND launched on 17 January 2023 (coupon of 3.875% and maturing on 24 January 2031)

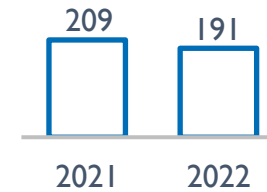


WATER INCLUDING GAS DISTRIBUTION

FINANCIAL HIGHLIGHTS 2022

(€m)	2022 (A)	2021 (B)	% change (A/B)
EBITDA	669.0	655.3	+2.1%
- ACEA ATO2	452.3	436.6	+3.6%
- ACEA ATO5	30.2	33.7	-10.4%
- Gori	70.5	79.0	-10.8%
- Adf	63.5	62.8	+1.1%
- SII Terni	14.4	13.8	+4.3%
Equity-accounted water companies	25.6	16.7	+53.3%
Other consolidated water companies	5.8	5.8	=
Gas distribution	6.7	6.9	-2.9%
CAPEX*	562.1	499.3	+12.6%
RAB	3,886	3,670	+5.9%

SLUDGE DISPOSED OF (ktonnes)



EBITDA main drivers



+2%



TECHNICAL
QUALITY BONUS
(years 2018/2019)

+€26.9m



ACEA ATO2

Operational efficiency
Technical quality bonus
(€23.6m)

+€15.7m



EQUITY-
ACCOUNTED
WATER COMPANIES

+€8.9m



GORI

Increased sludge disposal
costs and absence of
tariff increase

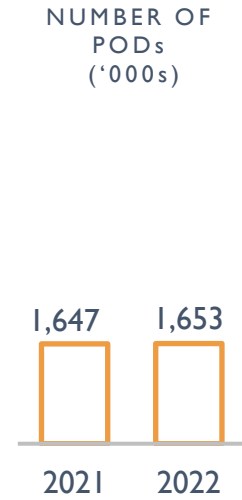
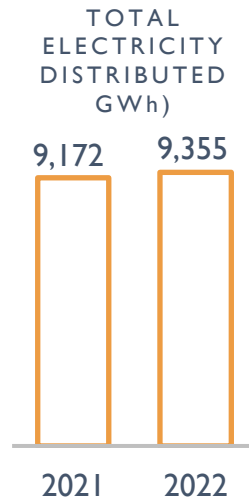
-€8.5m



ENERGY INFRASTRUCTURE

FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

(€m)	2022 (A)	2021 (B)	%change (A/B)
EBITDA	352.2	371.6	-5.2%
- areti	351.3	374.6	-6.2%
- Public lighting	0.9	(3.0)	n/s
CAPEX	268.8	274.5	-2.1%
RAB	2,539	2,464	+3.0%



EBITDA main drivers



-5%

ELECTRICITY DISTRIBUTION ARETI



70-bps reduction in WACC from 5.9% to 5.2%

-€26m

2G ELECTRICITY METERS

Number installed at 31 December 2022

~ 650k

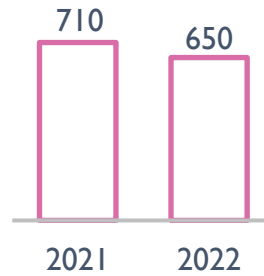


GENERATION

FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

(€m)	2022 (A)	2021 (B)	% change (A/B)
EBITDA	89.8	79.5	+13.0%
CAPEX	30.3	**23.4	+29.5%

TOTAL ENERGY PRODUCED (GWh)*



EBITDA main drivers



+13%



PRICE AND VOLUME EFFECTS

Effect of energy price rises (+€298/MWh), partly offset by reduction in hydroelectric volumes (-95 GWh)

+€21.0m



DECONSOLIDATION OF PHOTOVOLTAIC ASSETS

-€10.2m

Situation of photovoltaic plants:

Total pipeline: 1,070 MW

➤ consents obtained for 211 MW (under construction + ready to build)

➤ 859 MW awaiting consents

Installed capacity: 96 MW



Introduction of cap on sale price of electricity. Impact on Sant'Angelo power plant

-€18.3m

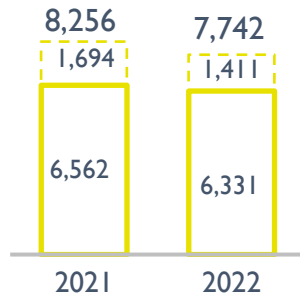


COMMERCIAL & TRADING

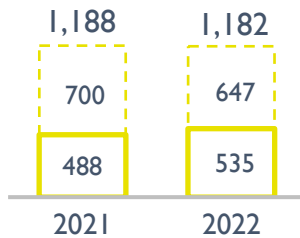
FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

(€m)	2022 (A)	2021 (B)	%change (A/B)
EBITDA	90.0	80.5	+11.8%
CAPEX	49.6	49.4	+0.4%

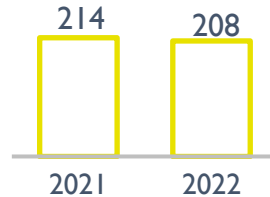
TOTAL ENERGY SOLD
(GWH)



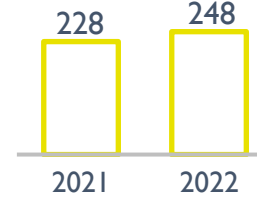
NUMBER OF
ELECTRICITY
CUSTOMERS ('000s)



TOTAL GAS SOLD
(Mm³)



NUMBER OF GAS
CUSTOMERS ('000s)



○ FREE MKT ○ EN. PROT. MKT

EBITDA Main drivers



+12%

↑ ACEA ENERGIA

Small reduction in energy margin (-€0.8m) and increase in VAS (up €4.1m)

+€3.6m

↑ ACEA INNOVATION

Increased revenue from Energy Efficiency projects

+€5.8m

↓ CUSTOMERS LOST

Result of auction for “small” and “micro” enterprises on enhanced protection mkt

-18k CUSTOMERS

↑ CUSTOMER ACQUISITIONS (effect to be seen in 2023)

Result of auction for “small” and “micro” enterprises on enhanced protection mkt

+148k CUSTOMERS

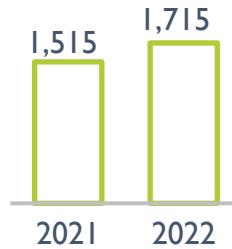


ENVIRONMENT

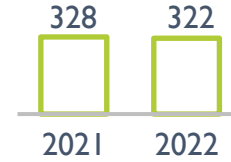
FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

(€m)	2022 (A)	2021 (B)	%change (A/B)
EBITDA	101.6	63.7	+59.5%
CAPEX	46.2	36.1	+28.0%

TREATMENT AND DISPOSAL (KTONNES)



ELECTRICITY SOLD (GWh)



EBITDA Main drivers



+60%

EBITDA FROM WTE PLANTS



Higher prices received for electricity produced by San Vittore and Terni plants

+€16.0m

CHANGE IN SCOPE OF CONSOLIDATION



Deco group (Nov 2021) €8.9m
Meg (Oct 2021) €1.6m
SerPlast (Feb 2022) +€0.9m
Italmacero (Nov 2022) +€1.0m

+€12.4m

CO2 ALLOWANCES



Release from obligation to purchase CO2 allowances for Terni plant

Allowances sale in 2022 (€12m) and avoided cost versus 2021 (€6m)

+€18m

KEY ESG HIGHLIGHTS

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND ECONOMIC PERFORMANCE



WATER

8.6m

Inhabitants served,
Italy's largest water
company

30 Mm³

Water loss reduction
(-6%)



ENVIRONMENT

36

GWh of energy
produced (+16%) from
approx. 20,027 kNm³
of biogas produced

37,000

Tonnes of quality compost
produced (+31%)



ENERGY INFRASTRUCTURE

9,355

GWh of electricity
distributed

~605k

2G smart meters
installed



COMMERCIAL & TRADING

42%

Green energy sold
out of total energy
sold on free market



GENERATION*

941

GWh of electricity gross
production, 68% from
renewable sources

18k

Prosumers (+14%) with
97.3 GWh of energy
produced and fed into the
grid, 74% from PTV



ENGINEERING & SERVICES

365k

Analytical
determinations on
drinking water at ATO 2

KEY ESG HIGHLIGHTS

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND ECONOMIC PERFORMANCE

COMMUNITY



- ACEA'S Covid-19 **VACCINATION HUB** delivered over 171k doses (closed from 1 January 2023)
- **166 WATER KIOSKS**, over 37.8m litres of water dispensed, saving 774 tonnes of plastic per year, equal to 2,000 tonnes of CO₂ not emitted into the atmosphere

WORKFORCE



- **QUALITY JOBS'**:
 - 99% of employees are permanent
 - 427 new recruits in 2022, 43% aged 30 or under.
- **CERTIFIED «Top Employers Italia 2023»** (January 2023)
- **DIVERSITY & INCLUSION**
 - An Equality, Diversity & Inclusion Committee set up and an Equality, Diversity & Inclusion policy adopted
 - First listed Italian multiutility to obtain UNI/PdR 125: 2022 certification of gender equality

SUPPLIERS



- **78% of QUALIFIED SUPPLIERS** have completed a self-assessment questionnaire on aspects relating to sustainability
- **339 SUPPLIERS** rated by **ECOVADIS** (+129%)
- **Over 14,700 INSPECTIONS** of work sites conducted

SUSTAINABLE FINANCE



- Issuance of €500m **GREEN BOND**, with a coupon of 3.875%, maturing 24 January 2031 (January 2023)
- **TAP ISSUE** of €200m, with coupon of 3.875%, yield 3.820%, maturing 24 January 2031 (February 2023)
- **SUSTAINABILITY RATING LINKED REVOLVING CREDIT FACILITY** for €200m, with a 3-year duration, linked to two target ESG ratings assigned by Standard Ethics and EticaNews (August 2022)