Acea Group Guidebook

April 2024

Agenda

ACEA GROUP

- Acea: Infrastructural operator with low leverage
- @28: Green Diligent Growth
- Sustainability

2024-2028 Projections

- Water
- Electricity
- Environmen
- Engineering
- Production

KPI REGOLATION

- Water
- Electricity Distribution
- Environment

RESULTS

- FY2023

ACEA GROUP

- **Acea: Infrastructural operator with low leverage**
- **28: Green Diligent Growth**
- **Sustainability**

ACEA GROUP

- **Acea: Infrastructural operator with low leverage**
- **28: Green Diligent Growth**
- **Sustainability**

Acea: Infrastructural operator with low leverage

Key numbers, 2023

WATER

10 Mln **people served** in Italy (20mln including foreign countries)

ELECTRICITY

1.7 Mln **PODs** in Rome, the largest city grid in Europe (over 32,000 km)

1.5 Mln **customers**

ENVIRONMENT

1.8 Mln tons of **waste treated**, with 25 plants in 8 regions

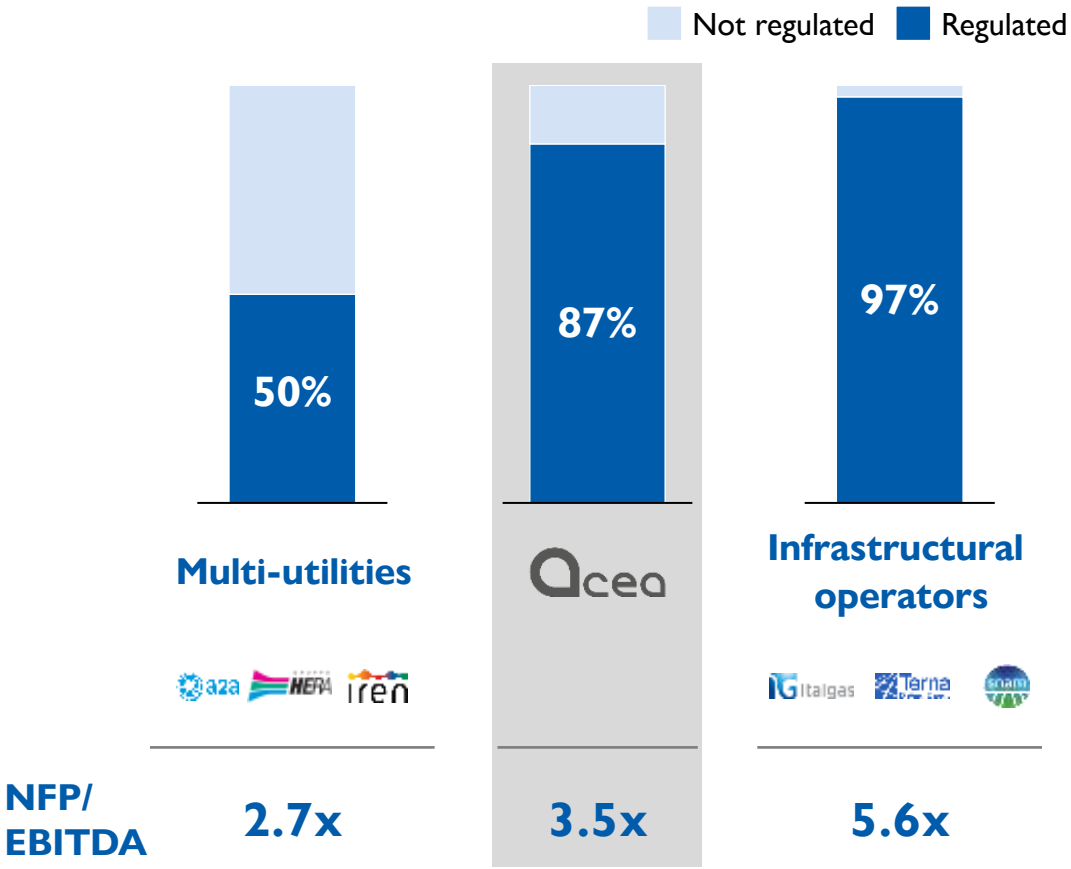
ENGINEERING

400+ **Engineers** with distinctive technical skills

PRODUCTION

330 MW of **installed capacity**, including 220 from renewables

Regulated EBITDA[1], % of total



Source: Bloomberg

1 Includes, on top of the regulated businesses Water Italy and Grids, the Public Lighting and Environment businesses; 2023 figures

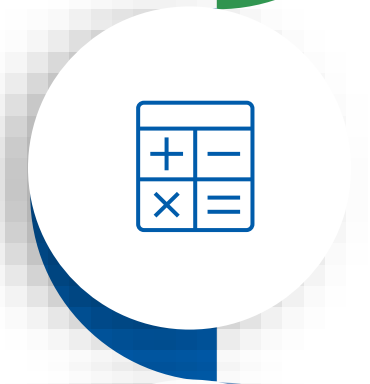
ACEA GROUP

- **Acea: Infrastructural operator with low leverage**
- **28: Green Diligent Growth**
- **Sustainability**

2028| Green Diligent Growth: Strategy

Green

- Focus on regulated infrastructure businesses by strengthening positioning and expanding into adjacent segments
- ESG across businesses



Diligent

- People at the center
- Operation excellence with strong cost and investment discipline to sustain cash generation
- Optimization of financial structure and capital allocation

Growth

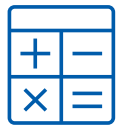
- Capex increase (also in innovation)
- Shareholder value growth (RAB/ Net Profit/ Dividends)

Q28| Green Diligent Growth: Targets

From (2020-2023)…… **to** (2028)

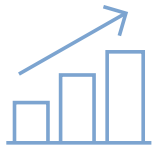
Green

% regulated EBITDA[1]	87%	90%	Focus on regulated infrastructures
ESG linked Capex (yearly)	0.4 bn€	1.0 bn€	ESG across businesses



Diligent

EBITDA margin	30%	43%	Operational excellence
NFP/ EBITDA	3.5x	3.1x	Optimization of financial structure

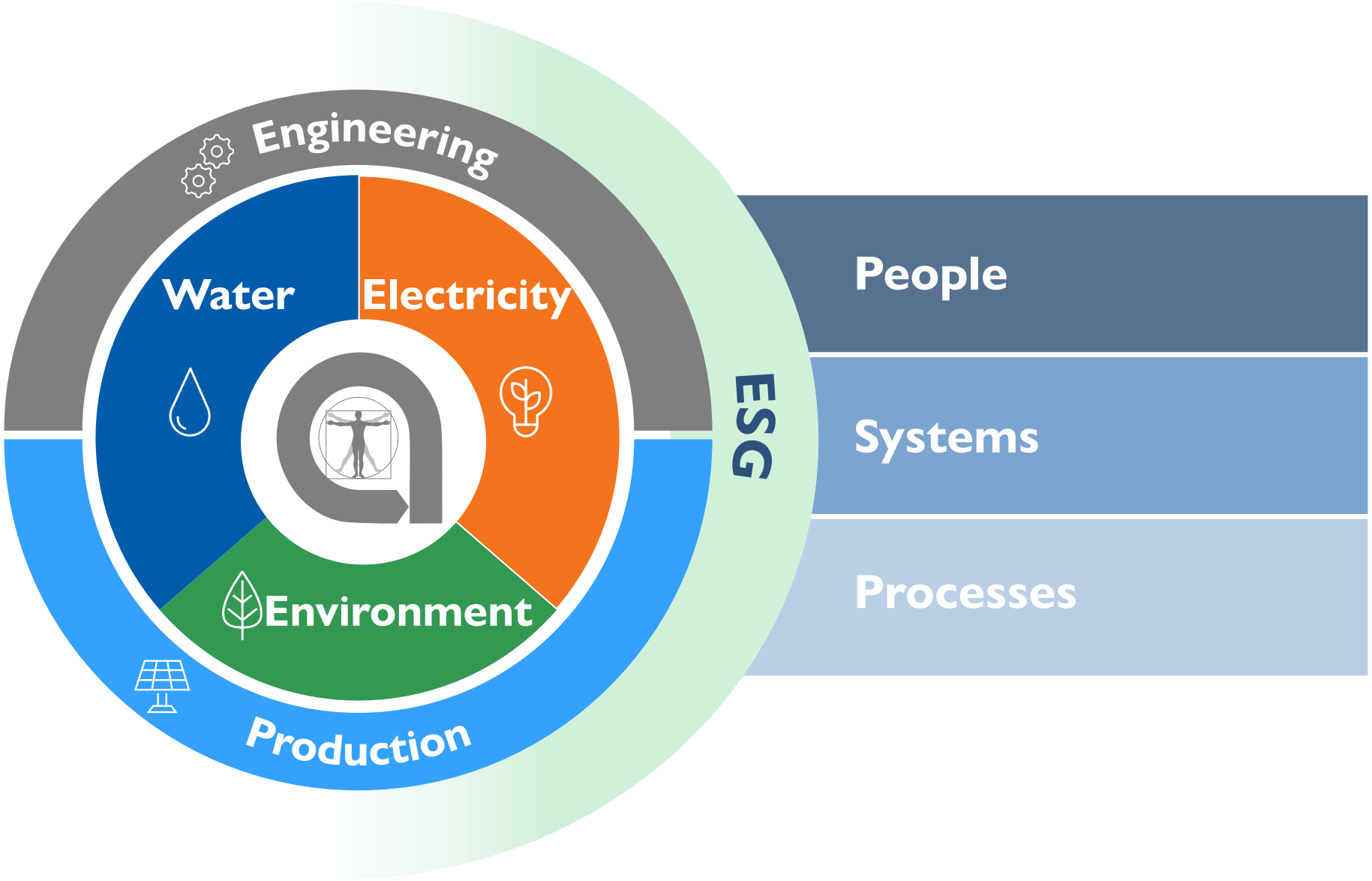


Growth

Total Capex (yearly)	1.0 bn€	1.5 bn€	Capex increase
Net Profit (CAGR)	1%	5%	Shareholder value growth

1. Regulated Includes, in addition to the regulated businesses Water Italy and Networks, the Public Lighting and Environment businesses

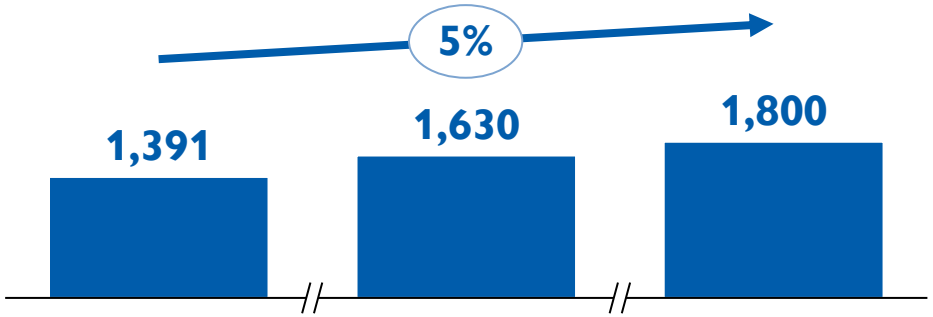
2028| Green Diligent Growth: Operational framework



Targets 2028: Steady growth

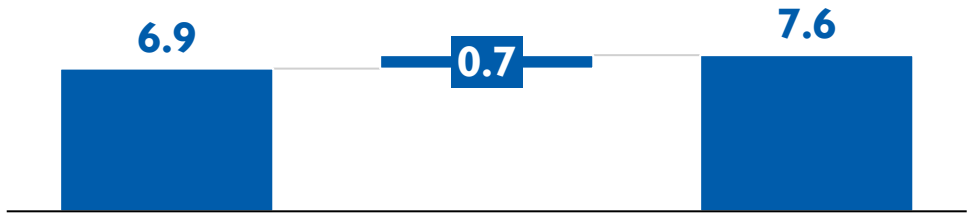
xx% CAGR '23-'28

EBITDA, mln€



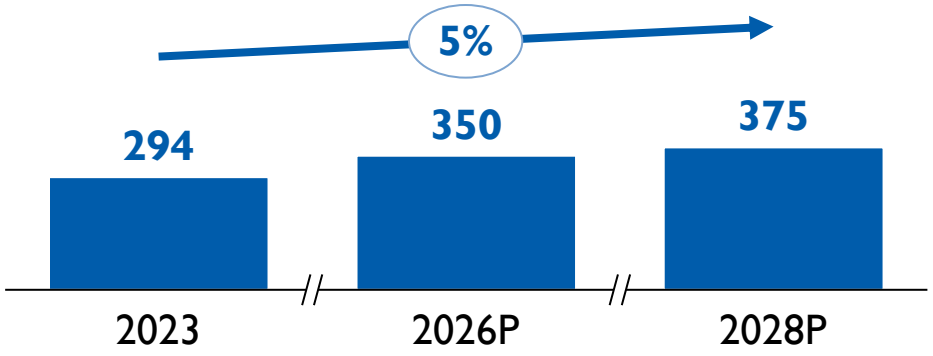
	2023	2026P	2028P
Regulated[1]	~87%	~90%	~90%

Cumulated Capex[2] 2024-28P, bn€

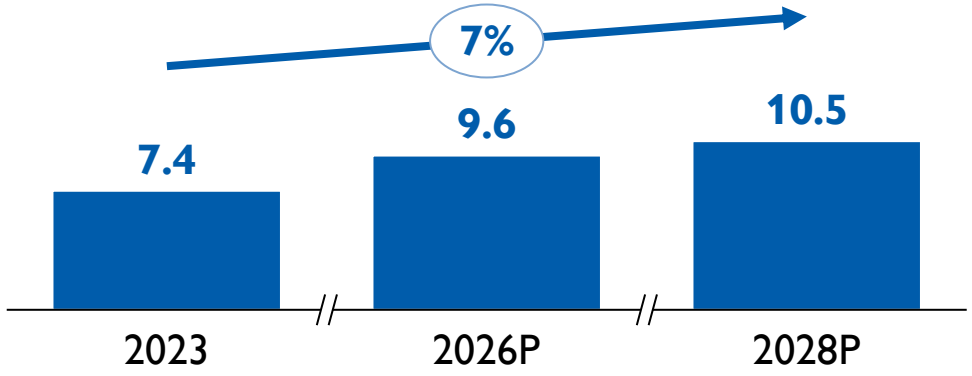


	Regulated	Not regulated	Total
% of the Tot.	~91%	~9%	100%

Net profit, mln€



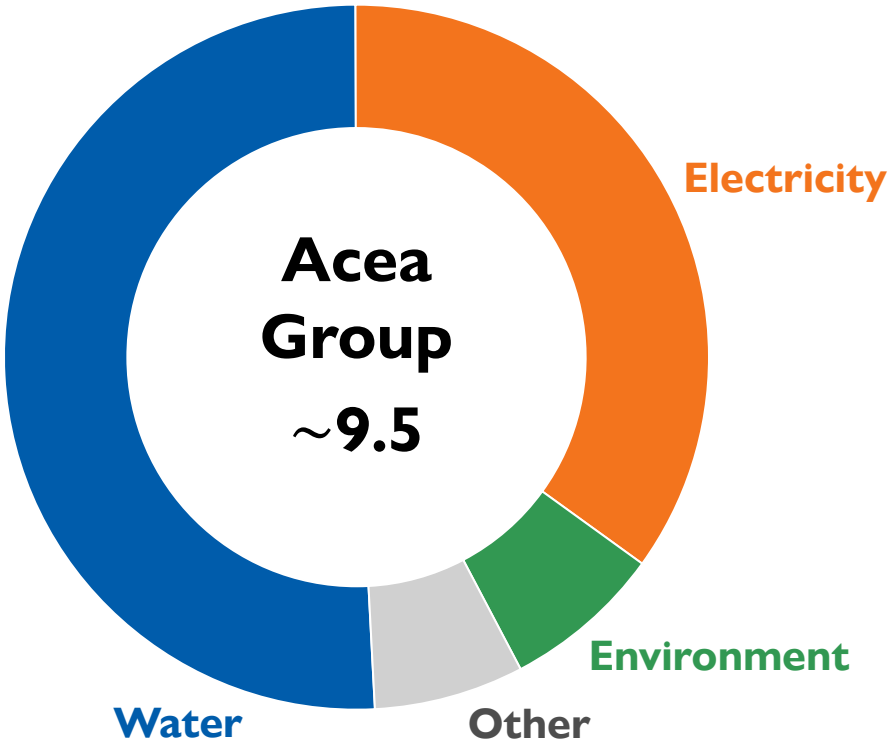
RAB[3], bn€



1. Regulated includes, in addition to the regulated businesses Water in Italy and Grids, the Public Lighting and Environment businesses | 2. Gross of public contributions (e.g., PNRR) | 3. Includes the pro-rata value of the RAB of the companies consolidated using the equity method.

Targets 2028: Returns by business

Invested Capital[1], bn€



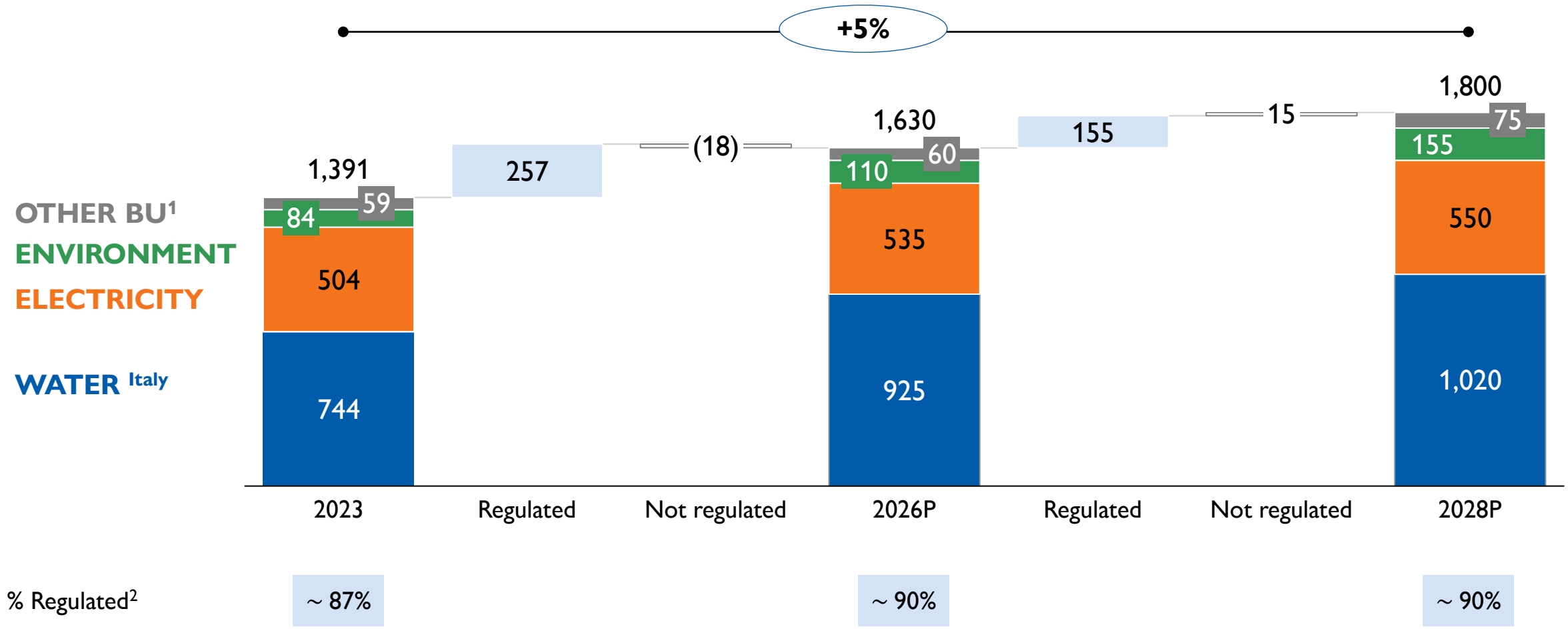
ROIC[2], pre-tax

	From (2022-23)	… A (2028)
Acea Group	7.9%	8.4%
Water[2]	7%	9%
Electricity[3]	8%	9%
Environment	10%	12%

1. Shareholders Equity + NFP | 2. The regulated WACC has been considered for regulated businesses Grids and Water Italy; Water refers to activities in Italy | 3. Includes Grids, Public Lighting, Commercial Area excluding Acea Innovation

Growth driven by regulated business…

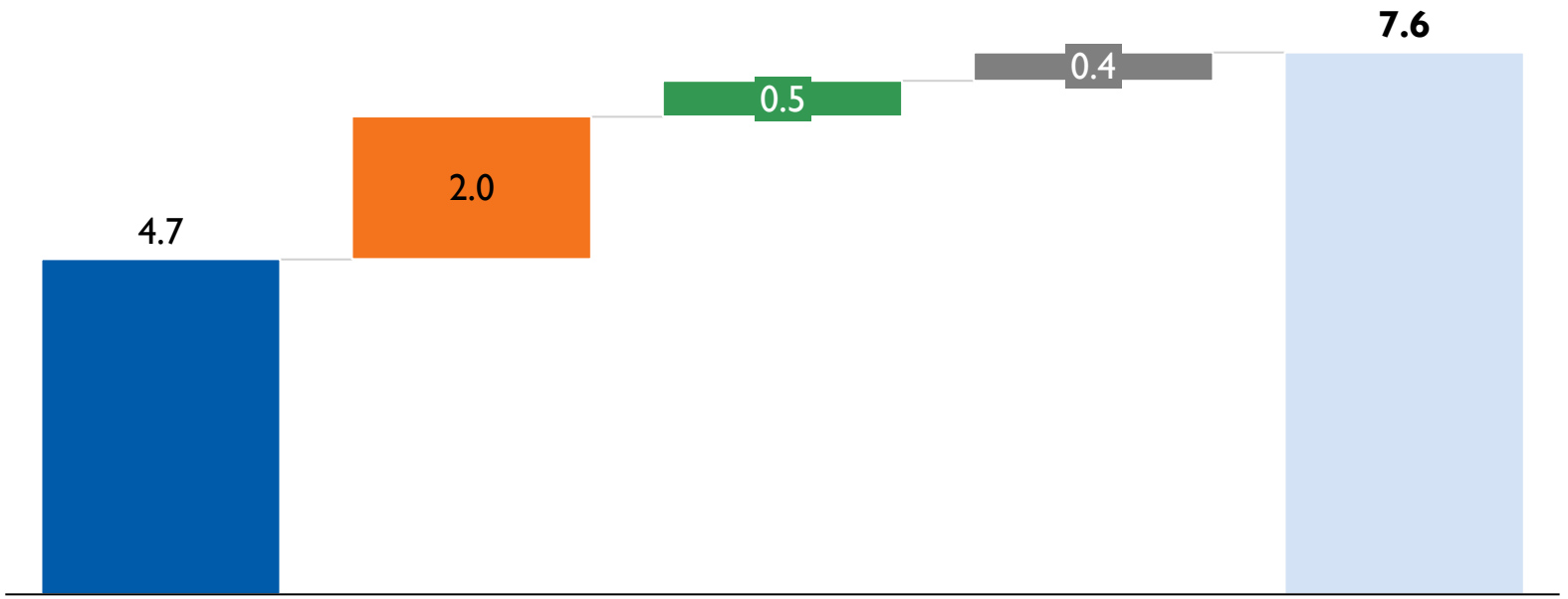
EBITDA, mln€



1. Other Business Units (BUs) includes Production, Water International, Engineering and Corporate | 2. Regulated Includes, in addition to the regulated businesses Water Italy and Networks, the Public Lighting and Environment businesses

…and from investments in infrastructures…

Cumulated capex[1] 2024-28P, bn€



% Regulated[3] ~91%

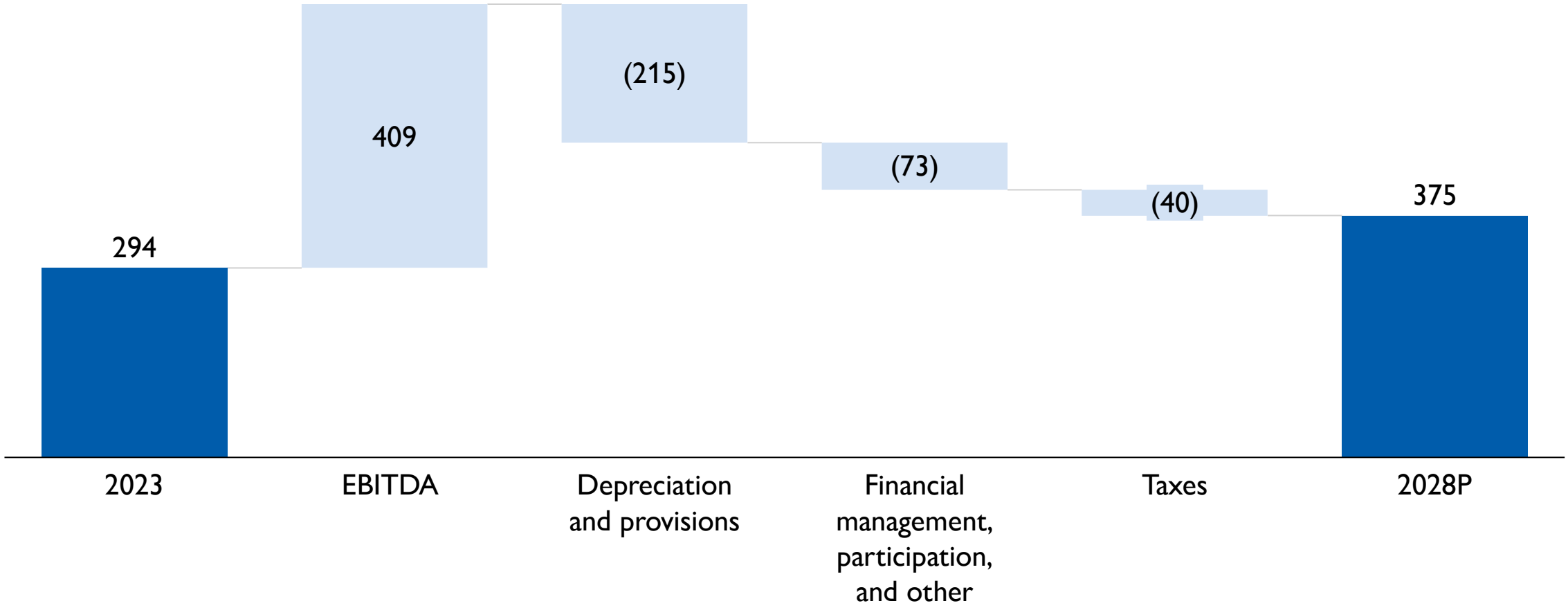
RAB[4], bn€

Areas	2023	2028P
WATER Italy	4.6	6.9
GRIDS	2.8	3.7
TOTAL	7.4	10.5

1. Gross of public contribution (e.g., PNRR) | 2. Includes Production, Water International, Engineering and Corporate | 3. Regulated includes, in addition to the regulated businesses Water in Italy and Grids, the Public Lighting and Environment businesses | 4. Values expressed gross of public contribution. Acqua Italia includes the pro-rata value of the RAB of the companies consolidated using the equity method; for GRIDS it represents the accounting value of RAB | Note: values subject to rounding

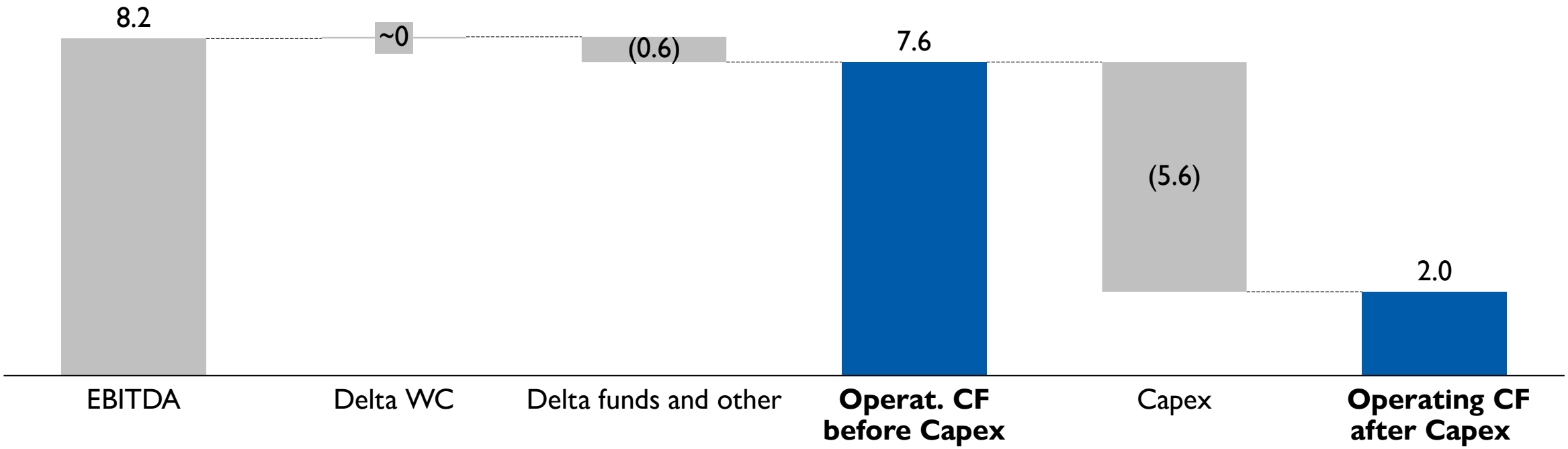
…ensures value creation for shareholders

Net profit, (Δ 2023-28P) mln€



Robust and improving financial structure (1/3)

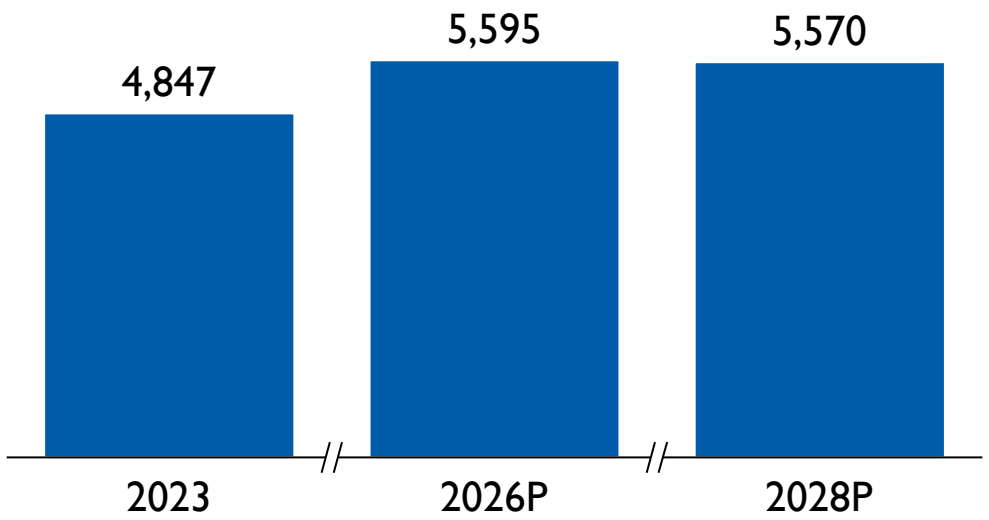
Operating Cash Flow (2024-28P), mln€



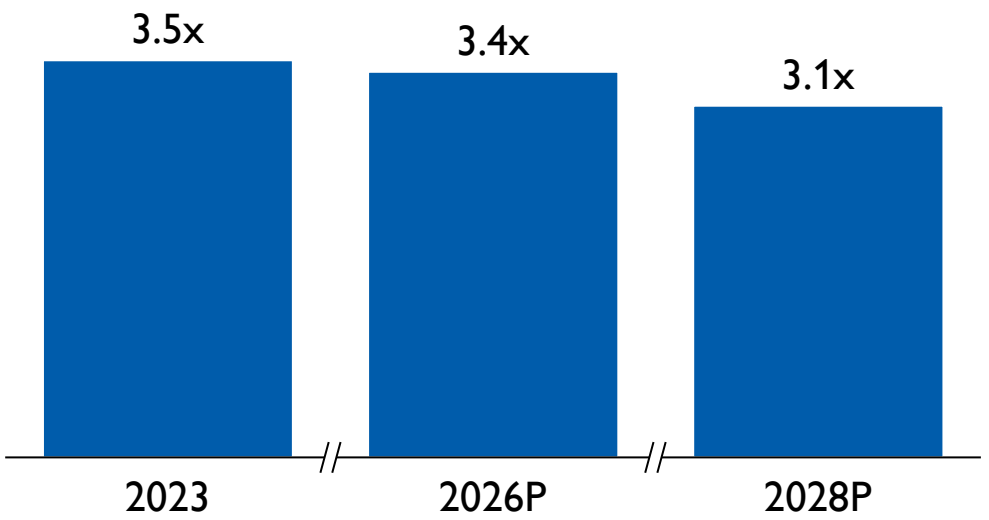
1. Includes change in regulatory receivables (Grids accounting and Water adjustments)

Robust and improving financial structure (2/3)

NFP, mln€

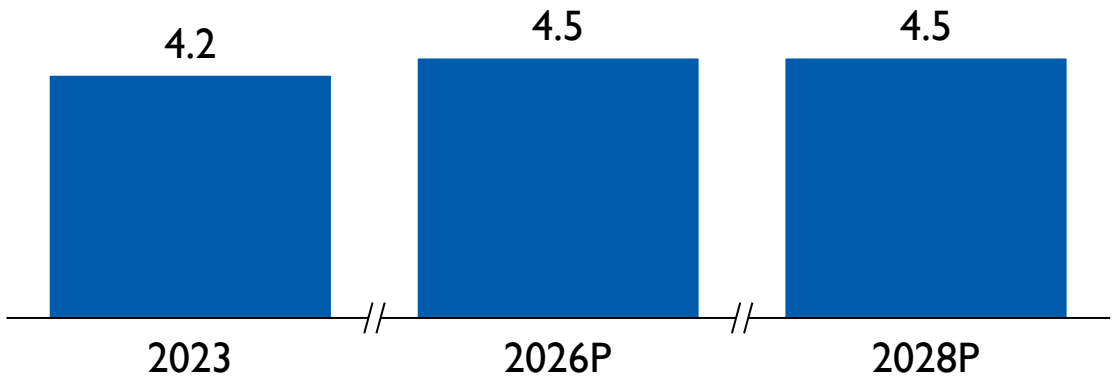


NFP/ EBITDA

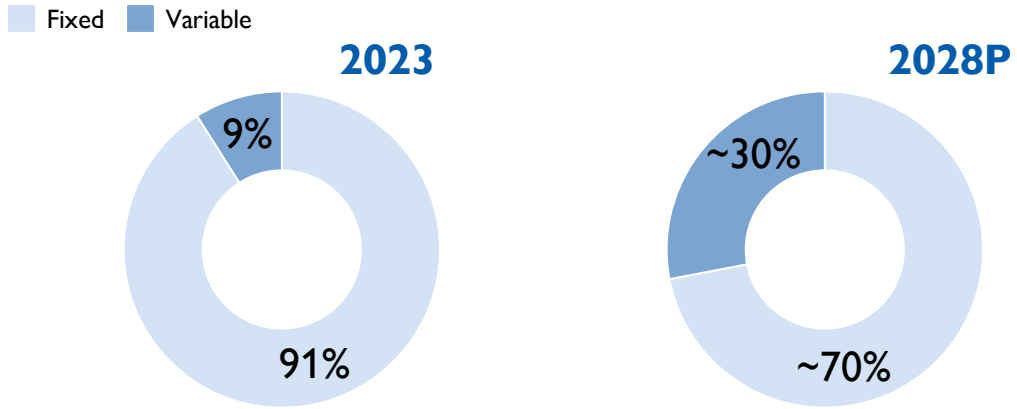


Robust and improving financial structure (3/3)

Average duration of debt, years



Debt structure

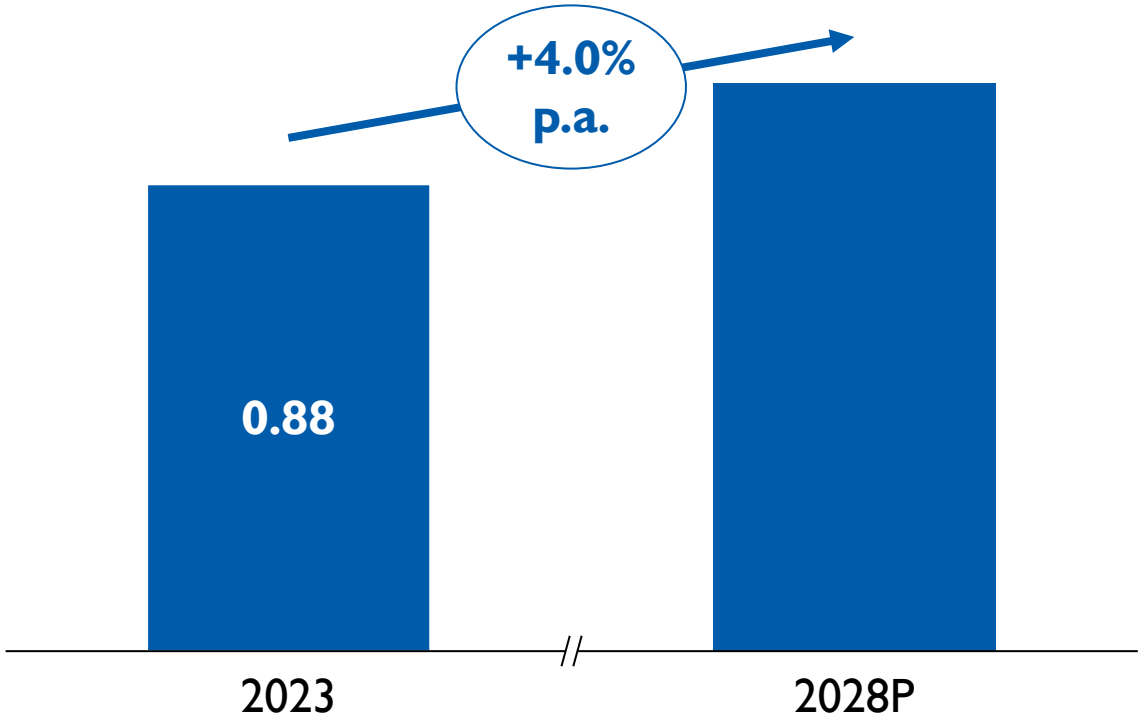


Key Optimization Levers

- **Increase of the average duration of debt** through **refinancing** of expiring debt with:
  - bond issues (~8 years bullet) and
  - **long-term** financing (~15 years amortizing)
- **Reduction of the fixed-rate component** in line with **the changed market context**
  - interest rates steadily rising since late 2020, with an expectation of reduction in the coming years

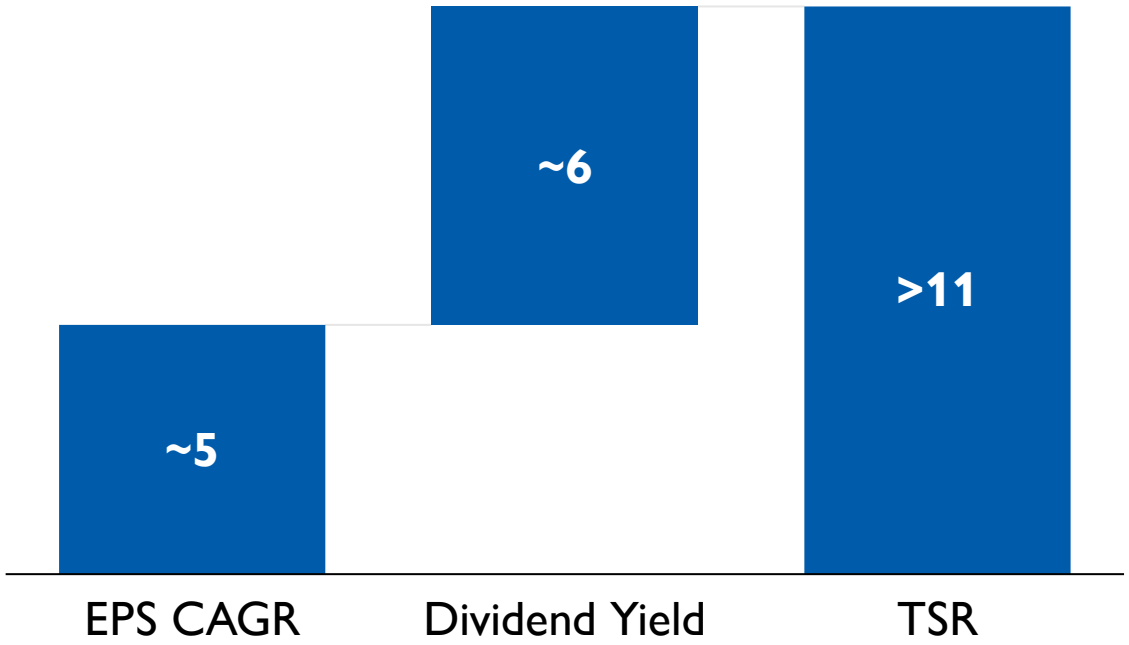
Targets 2028: More value to shareholders

DPS[1], €



Annual dividend growth = 4.0%
Over 1 bn€ in dividends throughout the business plan horizon

Average annual TSR, %



Average annual return for shareholders exceeding 11%

1. Expressed on an accrual basis (e.g., the DPS 2023 is calculated based on the distribution of profits in 2023, which will occur in 2024)

Potential further strategic upside from asset rotation

Asset disposal/ partnership

- **Disposal of non-core** assets characterized by **higher** result **volatility, limited cash conversion, regulatory incentives for sale**
- Set-up of **partnerships** and potential **opening of capital to partners** in selected businesses, while maintaining control and operational management

Selective allocation of proceeds to core and regulated sectors

New tenders and agreements in the management of the **integrated water service, selective growth abroad** and in **new segments**

Consolidation as DSO and **growth** in **public lighting** and **smart city services**

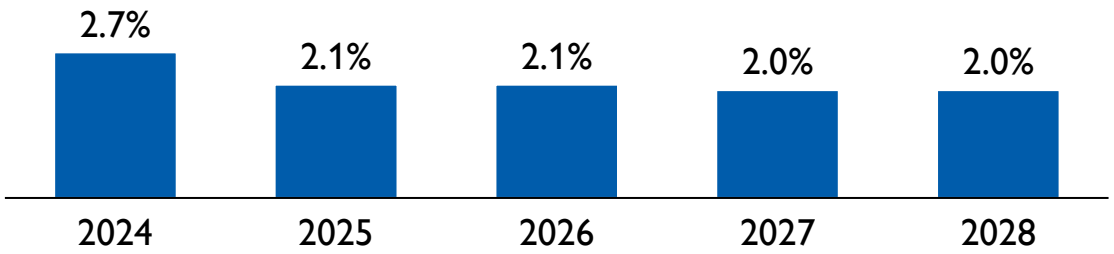
Growth in WtE and **new acquisitions** for closing the **treatment** cycle and **new technologies**

Internalization of **engineering** / **EPC expertise** and **partnerships in renewables**

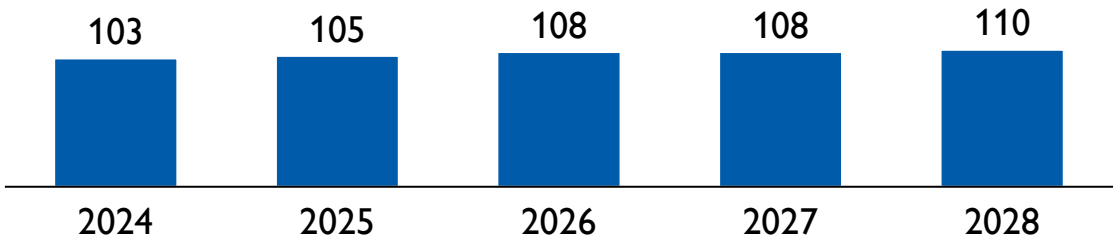
Potential additional EBITDA + safeguarding NFP improvement

Key assumptions of the Plan

Inflation[1], %



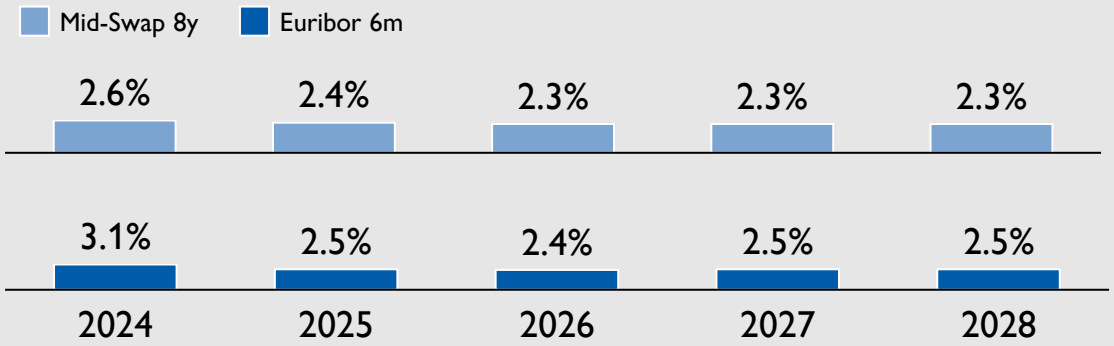
NSP[2], €/ MWh



Regulatory scenario

Areas	Indicators	2024	2025-28
WATER Italy	**WACC**	**6.1%**	**6.1%**
	Deflator	**2.8%**	**0%**
GRIDS	**WACC**	**6.0%**	**5.7%**
	Deflator	**5.9%**	**1%**

Interest rates[3], %



1. AFRY source, Q4-2023 update | 2. Forecasts for 2024 and 2025 based on forward prices observed in December 2023 @European Energy Exchange, (ii) forecast for 2026-2028 based on AFRY Q4-23 projections (weighted average 85% central scenario and 15% low scenario) | 3. Forecasts for 2024 - 2028 based on forward prices observed in December 2023 @Bloomberg

Guidance 2024

Strong growth in investments and EBITDA already in the first year of the plan

	Guidance 2024
Capex:	
– Total	**1.5 bn€**
– Net contributions	**1.1 bn€**
EBITDA	**+3 / 5%**
NFP/EBITDA	**3.5x**

ACEA GROUP

- **Acea: Infrastructural operator with low leverage**
- **@28: Green Diligent Growth**
- **Sustainability**

ESG: Our Vision

ESG across corporate businesses

E

- **SBTi targets of emission reduction in 2032** (Scope 1, 2, 3)
- Focus on **"green" funding**
- Strengthening policy on **biodiversity**

S

- Strengthening commitment on **people development**
- Introduction of **social impact assessment** on **welfare** initiatives
- Formalization **of a Group policy on human rights**

G

- **Management incentive scheme** with increased focus on ESG
- Full integration of **ESG criteria** into **Risk and Compliance** processes
- Promoting **ESG performance** along the **supply chain**

2028 | ESG: SBTi targets 2032[1]

Scope	SBTi targets 2032	
Scope 1	-56%[2]	emission intensity reduction (tCO2/MWh)
Scope 2	-32%[3]	absolute emissions reduction (tCO2)
Scope 1 + Scope 3	-56%[4]	emission intensity reduction from energy production and sale (tCO2/MWh)
Scope3	-30%[5]	absolute emissions reduction from gas distribution and sales (tCO2)

Enabling levers

Confirmed SBTi commitment for CO_2 emissions reduction to be achieved also through:

- Green energy **generation** and **management**/ development of renewable energy plants
- **Green** energy **sales** and progressive electrification of consumption

1. vs Baseline 2020. | 2. Baseline 2020 equal to 0.70 tCO2/MWh. | 3. Baseline 2020 equal to 301,000 tCO2. | 4. Baseline 2020 equal to 0.42 tCO2/MWh. | 5. Baseline 2020 equal to 440,000 tCO2.

2028 | ESG: Investments related to sustainability targets 2024-28

SDG Goals of the Plan

Investments related to sustainability targets[1], 2024-2028

Around 5.5 bn€[2] of investments related to sustainability targets aligned with SDGs during the plan period:

SDGs related to investment in business

- **1,210 mln€** water loss reduction, modernization, energy efficiency, digitization
- **1,270 mln€** resilience of the aqueduct system
- **1,050 mln€** optimization of sewage-depuration sector
- **90 mln€** electric smart meter installation (2G)
- **1,000 mln€** resilience, modernization, efficiency of power grids and innovation in a smart city logic
- **470 mln€** increase in treated waste from a circular economy perspective
- **10 mln€** infrastructure for electric mobility
- **370 mln€** increase in green power generation

1. Capex of the Group main Companies (Acea Ato 2, Environment business, Areti, Acea Produzione, including photovoltaic development, Acea Innovation) associated with sustainability targets | 2. Gross of public contributions (e.g. PNRR) and M&A for photovoltaic

Sustainability ratings *(updated FY2023)*

64/100	"EE+" Positive Outlook	"A-" Leadership	"A"

81,58/100	"Leader ESG Identity"	19,7 ESG risk rating	

2024-2028 PROJECTIONS:

- **Water**
- **Electricity**
- **Environment**
- **Engineering**
- **Production**

2024-2028 PROJECTIONS :

- **Water**
- **Electricity**
- **Environment**
- **Engineering**
- **Production**

a28| WATER: 1st operator in Italy and leader in Europe

20 mln clients served…

 # Customers **10** mln + **10** mln

- Peru
- Honduras
- Dominican Rep.

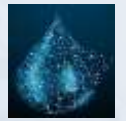
EBITDA **780** mln€

…with innovative skills…

IP 100% Acea
Cloud native
Data driven

"Waidy - Water Management System": platform for network analysis, monitoring and intervention planning

"Workforce Management System": platform for dispatching / field force routing optimization



"*Calix* - Smart Meter": for real-time measurement of water consumption and pressure

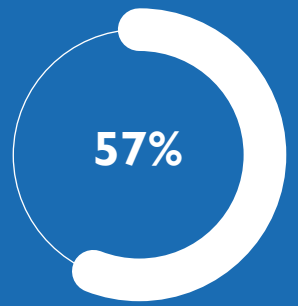
…and across the entire value chain

Capture and potabilization	Distribution and adduction	Wastewater collection	Treatment and purification	Re-introduction in the environment	River water	Industrial water
						
~ 1.3 bn m³ of drinkable water	**56,000+ km** of water network	**23,000+ km** of sewege network	**~900 mln m³** of wastewater treated	**Reuse of purified water in agriculture**	Distinctive competencies in **restoration**	Distinctive competencies in **treatment**

WATER: Our vision

International diversified operator

Weight on EBITDA '28



Water net zero

- Ensuring the **availability** of the resource
- Monitoring/increasing the **quality** of the resource

Local approach and leadership in innovation

- Aspiring to be the:
  - **Go-to operator** at **local** level, ensuring **maximum attention** to **local communities** and **people**
  - Leading operator in terms of **innovation**, **research** and **development**

2028 | WATER: Our strategy

Strengthening

SERVICE LEVEL INCREASE IN ITALY

- **Increasing water systems' resilience**
- **Optimizing and innovating network management**
- **Developing collection and potabilization processes**
- **Simplifying the Water's corporate structure to promote higher operational efficiencies** (via a new sub-holding)

Development[1]

SELECTIVE GROWTH IN ITALY AND ABROAD

- **Growing via tenders and partnerships aiming at aggregating local water utilities** (leveraging on distinctive capabilities in concession management)
- **Consolidating activities in Peru and Honduras**
  Valuating growth opportunities in Europe, Africa, Middle East, also via partnerships (design, construction, and operation of networks/plants for potabilization/depuration/treatment of municipals, industrial and agricultural water)

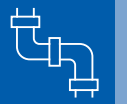
1. Potential upside with respect to plan targets

a28 | WATER: Main lines of intervention

Increase in water system resilience

- **Implementation of strategic infrastructure works** – Peschiera and large aqueducts
- Implementation of aqueduct **interconnection systems** within and between areas
- Engineering of a **vulnerability model** for **climate risk** assessment of the entire water system

Optimization and innovation of water network management



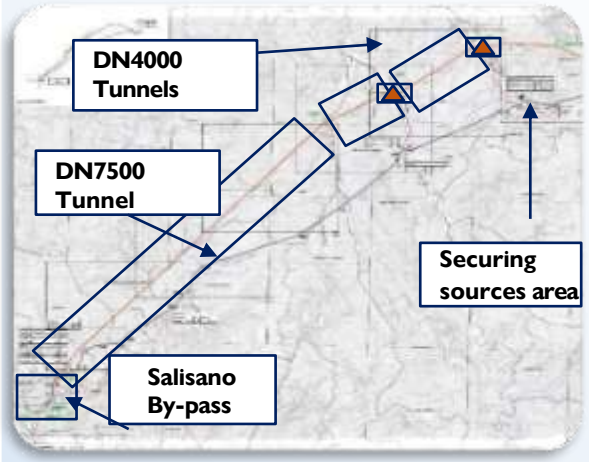
- **Districtualization of the water network**
- **Implementation of network efficiency measures** – PNRR and REACT EU
- **Increase in automation and machine learning** in water volume management
- **Implementation of technology for predictive maintenance**
- **Development of water quality monitoring systems** also adopting new filtration systems
- **Development of innovative systems for desalination and potabilization**

Development of collection and purification processes

- Districtualization of **sewerage network**
- **Centralization** of **purification** plants
- Reduction of **sewage sludge** produced
- Reuse of **wastewater**

28| WATER: Project examples

Major works



NEW PESCHIERA ALTO

Securing Rome's water supply

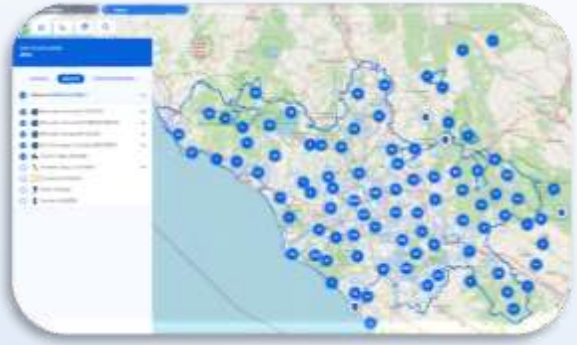
Purification/sludge treatment

Circular sludge management

Centralization of sewage treatment plants

Laboratory/reuse

Fregene: reuse wastewater, purifier



Water Management System, network digitization and smart metering

28| WATER: Major works examples

Intervention	Description	KPIs
 **Peschiera Aqueduct**	Construction of an upper section **second line** with **high anti-seismic** standards and possibility of **maintenance without** flow **discontinuity** (~10 m3/sec)	• Length: **~25 km** • Population served: **>2 mln** • Investment: **~0.7 bn€** during plan period
 **Marcio Aqueduct**	Upgrade of Rome's **second adduction** system for **greater resilience,** possibility of **inspection/maintenance activities**, and **sanitary protection** of the resource	• Length: **~7.5km** • Population served : **<1 mln** • Investment: **~0.2 bn€**
 **Ottavia-Trionfale**	Creation of **new connection line** to ensure **alternatives** for **water supply** to Rome and replenishment of Monte Mario reservoir	• Length: **~5km** • Population served: **<1 mln** • Investment: **~0.1 bn€**

Q28 | WATER: Partnership examples in agriculture

Bonifiche Ferraresi example

A — Optimizing water use in agriculture

- Identify **new technologies,** including artificial intelligence, to **improve water use in agriculture**
- Focus on **sustainable irrigation practices** based on EU, national and regional regulations

B — Synergies in water and energy

Develop synergies in water and energy, for example:

- **Recovery consortia:** design, implementation and management of infrastructural works and actions for environmental protection and disaster prevention
- **Storage and pumping reservoirs**: including installation of renewable electricity generation plants

C — International expansion

Explore **new opportunities in foreign markets** with a focus on:

- **Technologies and know-how** with high growth potential
- **Spillovers on local** agricultural, water and energy **communities**
- **Support for institutions** (central and local)

D — Circular economy

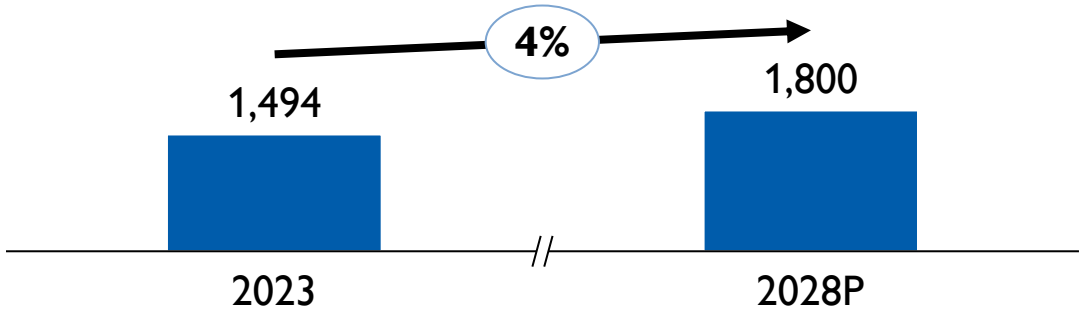
Promoting circular economy models, aimed at:

- Recovering **resources from Acea supply chain** (e.g., wastewater treatment and composting plants) with **applications in the agricultural supply chain**
- Recovering **byproducts from the agricultural supply chain to feed Acea's plants**

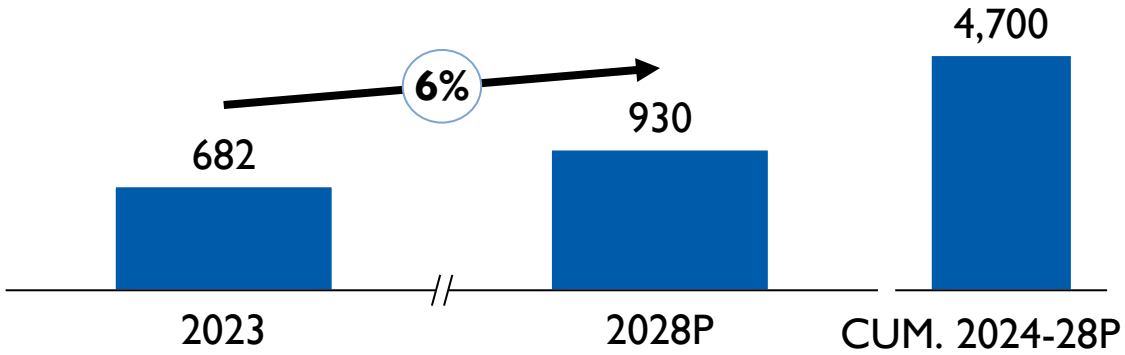
WATER Italy: 2023-28 Projections

xx% CAGR '23-'28

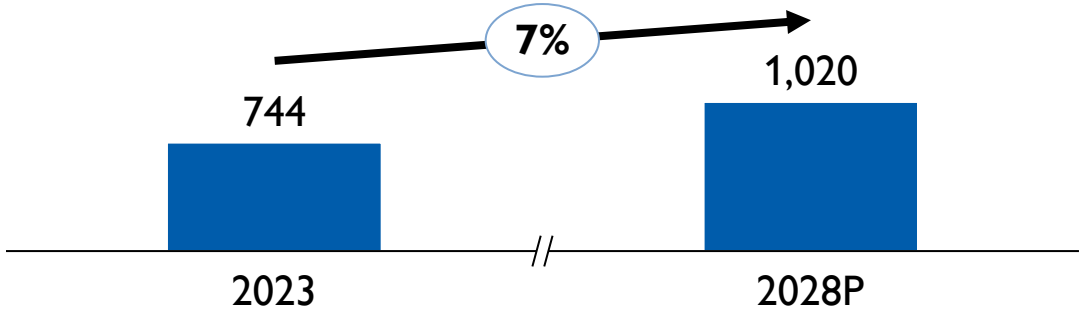
Revenues[1], mln€



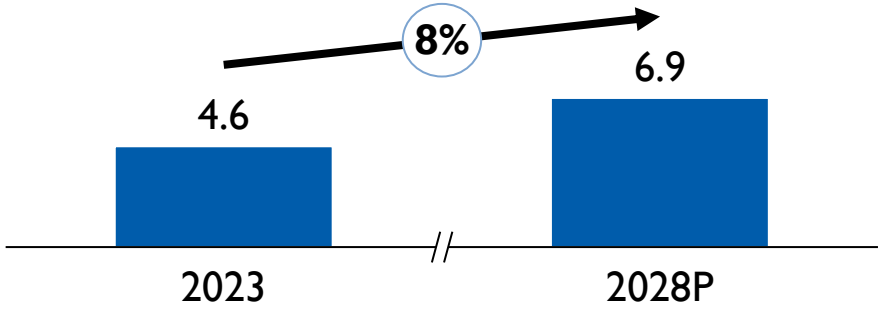
Capex[2], mln€



EBITDA, mln€



RAB[3], bn€



1. Includes the synthethic result of non-financial participation consolidated by the equity method | 2. Gross of public contributions (e.g., PNRR) | 3. Includes the pro-rata value of RABs of companies consolidated by the equity method

2024-2028 PROJECTIONS :

- **Water**
- **Electricity**
- **Environment**
- **Engineering**
- **Production**

28 | ELECTRICITY: Infrastructural operator active in three areas

1. Grids (Rome)

2nd Italian distributor for POD

1.7 mln PODs in Rome

Managed with innovative solutions

Rome Flex: distributed flexibility management systems for smart grids

2. Public Lighting (Rome and Terni)

Italy's largest city grid (Rome)

250,000 light points

5,000 installations

3. Commercial

7th operator by energy sold

1.5 mln customers[1]

800+ charging stations authorized in 2023

1. Includes companies in the non-financial consolidated statement and main subsidiaries

ELETRICITY: Our vision

2nd operator in Italy focused on grid management and innovative services

Weight on EBITDA '28

Service quality

- **Ensuring an orderly energy transition** aiming at a significant strengthening and modernization of the grid
- **Promoting the decentralization and smartization** of the grid also via Artificial Intelligence

Resilience and safety

- **Maximizing the investments on grid resilience** to support the electrification of consumptions
- **Protecting the grid from any threat**, physical and virtual

28 | ELECTRICITY: Our strategy

Strengthening

INCREASE IN SERVICE LEVEL

Networks/ Public Lighting: "Rome ready for 2030" by:

- **Upgrading Rome's LV grid**
  (increase resilience, available power and hosting capacity of 800MW)
- **Modernizing the MV/LV grid to increase safety**
  (advanced diagnostics, remote control and automation)
- **Smarting the grid for dynamic management,** control over PODs with 2G smart meters, and large-scale demand response via AI and IoT)
- **Developing Smart Public Lighting**

Commercial: strengthening positioning by increasing performance and service level

Development[1]

DEVELOPMENT OF SMART CITY SERVICES AND SELECTIVE GROWTH ON GRIDS

- **Developing other smart city infrastructures**
  (surveillance infrastructure, environmental sensing, artistic lighting)
- **Aggregating,** where possible, **distribution grids in small municipalities**
- **Promoting an Extraordinary Plan for Rome**
  (including electrification of public services, cyber security, advanced connectivity)

1. Possible upside vs. industrial plan target

28| ELECTRICITY: "Rome ready for 2030", major investments

Rome LV network upgrading	• **Increased power available** to customers • **LV network reinforcement** - 230 V vs. 400 V grid transformation for 70k POD (PNRR scope) • **Hosting Capacity increase of 800 MW** (PNRR Scope)
Modernization of MV/ LV grid to increase security	• Maximizing **telecontrol and automation** • **Increased "meshing" of MV and LV grid** - closure of LV network in antenna • **Reduction in customers served for MV line** • **MV cable diagnostics** • **MV and LV grid Asset Management** • **Selective modernization of MV and LV** grid with increasing volumes during plan period
Grid digitization for dynamic management	• **100% of PODs equipped with 2G smart meters** • **100% MV lines with automation** by 2026 • **100% telecontrol** of **MV-side secondary cabins** by 2028 • **40% telecontrol** of **LV-side secondary cabins** to 2028 • Implementation **optimized dynamic network management and massive demand response via AI and IoT platform**
Smart Public Lighting Development	• **Projects development for "smart" Public Lighting** to serve cities

28| ELECTRICITY: Project examples (1/2)

Grids

Telecontrol

Resilience

2G meter installation

Artistic lighting

Piazza della Repubblica

Domus Tiberiana

Innovation

Romeflex

Drones: grid Inspection

28 | ELECTRICITY: Project examples (2/2)

Illustrative

Remote control
granular on all light points

Smart sensors
for adoptive public lighting

Surveillance cameras
for video-streaming and video analysis

Video-mapping
for promotional and awareness campaigns

Environmental sensors
aimed at measuring pollution levels

Fiber optics
for low-latency service delivery and free WiFi connection

2028 | ELECTRICITY: Growth in performance and service level of commercial business

Performance growth in Retail market

- Increased **commercial push to support a full transition** of AceaEnergia **towards the free market**
- **Profound business transformation** with channel remix and strong push on pull and partnership channels

Service level growth

- **Optimization of the customer management model** by ensuring an effective customers' transition to the deregulated market

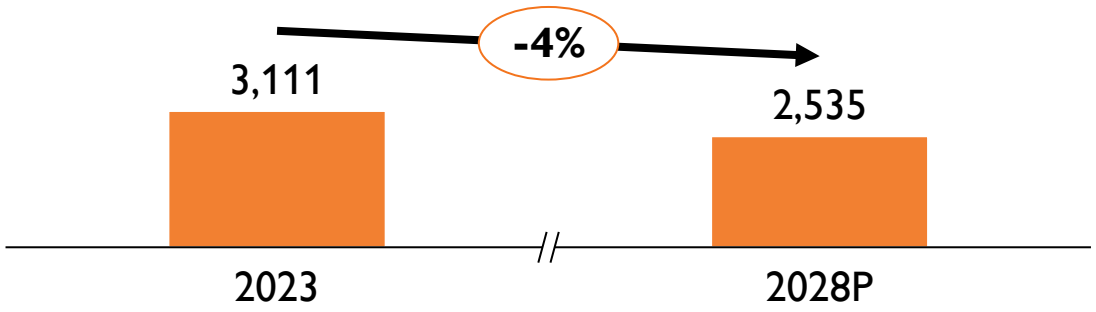
E-mobility

- **Completion of the installation of charging stations**

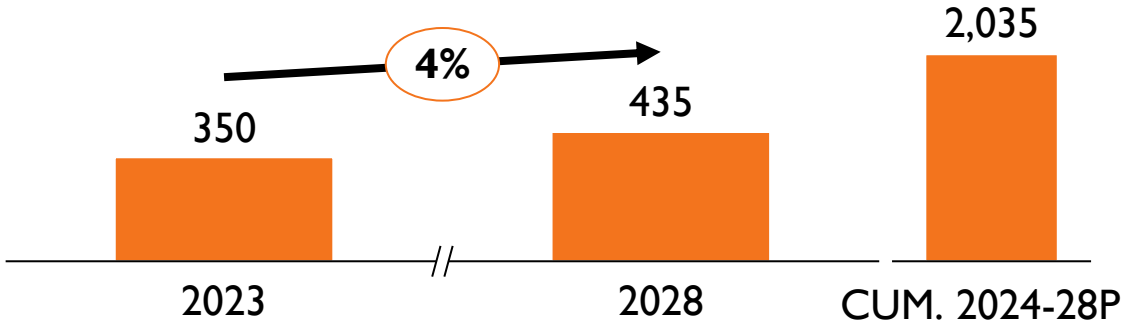
a28 | ELECTRICITY: 2023-28 Projections

xx% CAGR '23-'28

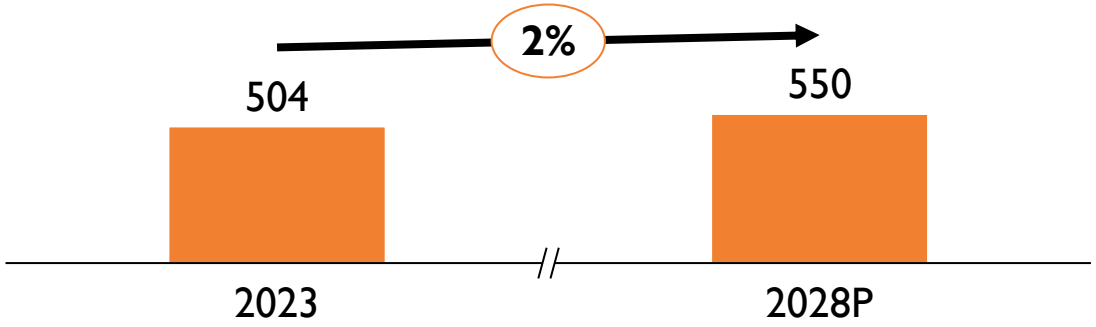
Revenues, mln€



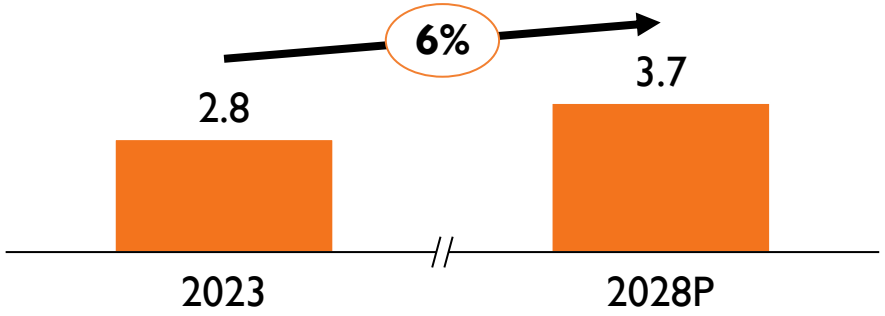
Capex[1], mln€



EBITDA, mln€



RAB[2], bn€



1. Gross of government contributions (e.g., PNRR) | 2. Represented the value of RAB accounting

2024-2028 PROJECTIONS :

- **Water**
- **Electricity**
- **Environment**
- **Engineering**
- **Production**

2028 | ENVIRONMENT: 5th operator in Italy

Presence in segments with high margins...

25
Facilities

1.8
Mton of waste managed

25%
EBITDA Margin

...in 8 regions...

Valle d'Aosta
Lombardy
Tuscany
Marche
Veneto
Lazio
Umbria
Abruzzo

... and along the entire waste chain

Midstream (Waste treatment)

Collection
ASM Terni only

Pre-processing
Drying, sorting, separation, granulation, pelletizing

Waste-to-Material
Conversion of waste into **recycled materials** and composting

Waste-to-Energy
Conversion of waste in **energy and/or heat/steam/gas**

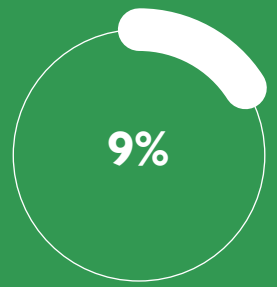
Waste-to-Chemical
Conversion of waste to **gas, fuel, chemicals** *(in development)*

Waste-to-Landfill
Waste discharge and **landfill gas** recovery

ENVIRONMENT: Our vision

Operator of increasing national relevance

Weight on EBITDA ‘28



Increased coverage of the entire waste cycle

- **Maximizing circularity** focusing on the **re-use of resources**
- **Designing and managing new plants end-to-end** with the highest industry standards

Simplification and synergies

- **Simplifying the organization** to maximize efficiency and efficacy
- **Maximizing the synergies** in the management of facilities

28 | ENVIRONMENT: Our strategy

Strengthening

REORGANIZATION OF WASTE TREATMENT ACTIVITIES

Simplifying the corporate structure in 5 treatment activities
(Waste-to-Energy, Composting, Landfills and TMB, Plastic Sorting and Recycling, and Industrial Waste)

Expanding and revamping the existing plants
(WtE, other plants)

Closing the treatment cycle with EoW (End-of-Waste) initiatives
(Heavy ashes of San Vittore, HTC, sludge, products from plastic synthesis)

Consolidating the plastic supply chain aiming at increasing marginality
(partnership to ensure the offtake of products generated by plants)

Development[1]

SELECTIVE GROWTH IN ITALY AND ABROAD

Developing and managing, also in partnership, new plants with the highest industry standards

Promoting new advanced technologies
(CO_2 capture/ storage and recovery of heavy ashes)

1. Possible upside vs. industrial plan target

Q28| ENVIRONMENT: Project examples

WtE – Energy recovery

Expansion of Waste-to-Energy activities (~200 kton)

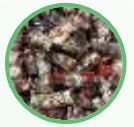
San Vittore: IV line construction + II line revamping

Terni: revamping fumes line

Recycling – Material recovery

Consolidation of the plastics supply chain (~170 kton)

JV with chemical partner to ensure plant output products sales



Innovative plants (circular economy)

Valle d'Aosta: hydrothermal carbonization with End-of-Waste biolignite production

Q28 | ENVIRONMENT: New ancillary plants example (WtE)

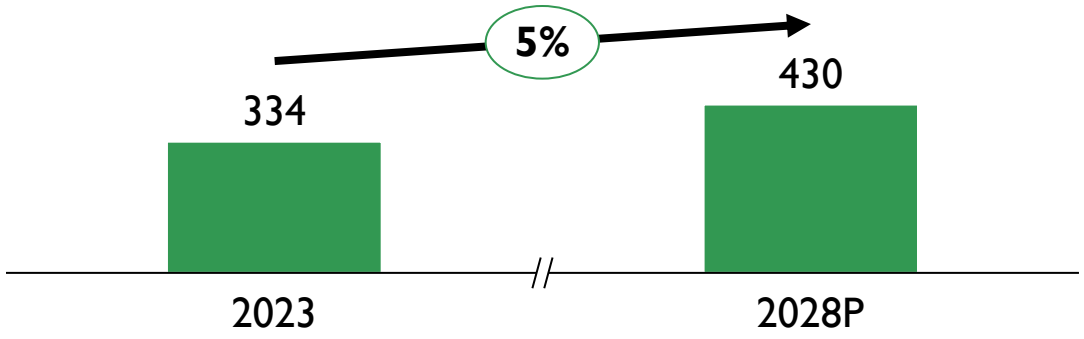
Illustrative

Ancillary plants

WtE	Carbon Capture	Heavy ash Recovery	District heating	Photovoltaic Plant
Moving grate incineration technology	Experimental plants for **CO2 capture** **CO2 storage** through specific partnerships with external operators	**Heavy ash recovery plant** **Dry treatment** (metal separation, size reduction, sorting, mixing with concrete and water, finalized to End-of-Waste)	**Construction of a district heating network** aimed at providing thermal energy for the local community (civilian use) and potential steam for industrial use	Photovoltaic plant, aimed at **producing renewable energy** and developing a Renewable Energy Community for local utilities

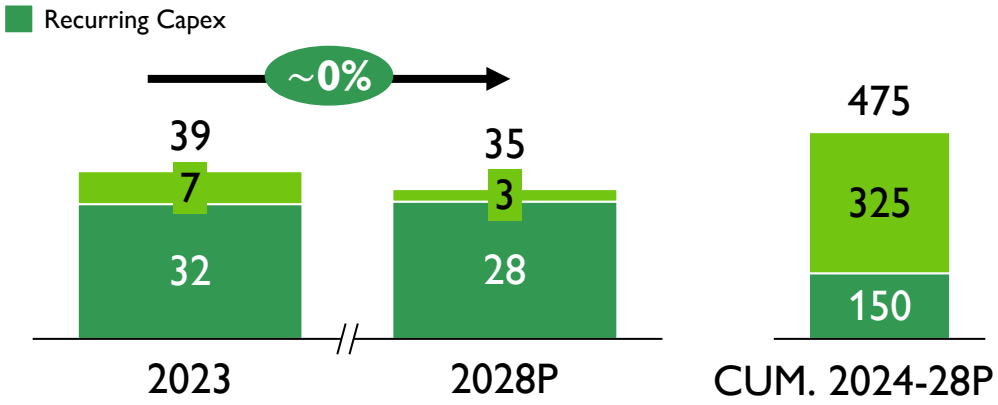
@28| ENVIRONMENT: 2023-28 Projections

Revenues[1], mln€

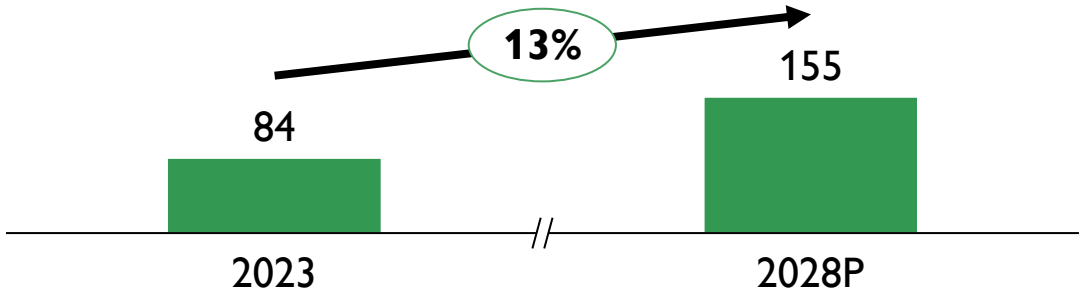


Capex[2], mln€

xx% CAGR '23-'28

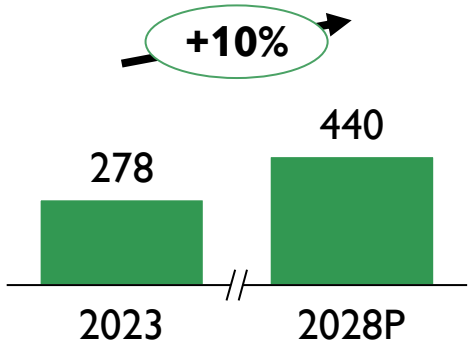


EBITDA, mln€

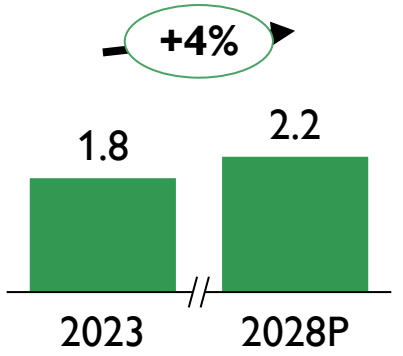


Operational KPIs

Energy produced by WtE[3], GWh/year



Waste treated Mton/year



1. Includes the synthethic result of non-financial participation consolidated by the equity method | 2. Gross of public contributions (e.g., PNRR); major investments for interventions on the WTE of San Vittore and Terni in 2026, not on Rome WTE | 3. Value expressed net of self-consumption

2024-2028 PROJECTIONS:

- **Water**
- **Electricity**
- **Environment**
- **Engineering**
- **Production**

28| ENGINEERING: 1st operator in Acea's "core sectors"

Highly specialized center of excellence…

400+ Engineers

3 Companies[1]

116 mln€ Revenues

… with strong internal R&D...

National leadership in the water sector in testing methods and advanced instruments for laboratory analysis

… and focus on design/studies in the captive market

Positioning along the value chain

Acea focus

Design	Studies, permits and research	Construction management & safety	Delivery
>60 projects for **200 mln€** value of works	**>200 specialized assignments** for studies, permits and researches	**>20 Construction** sites and **>500 Safety** controls **>16,000 inspections**	**>40 construction sites** (40 mln€ revenues)

Laboratory tests

34,000 tests with mobile laboratories
30,000 samples analyzed

1. Excluding Ingegnerie Toscane, consolidated with Equity Method

ENGINEERING: Our vision

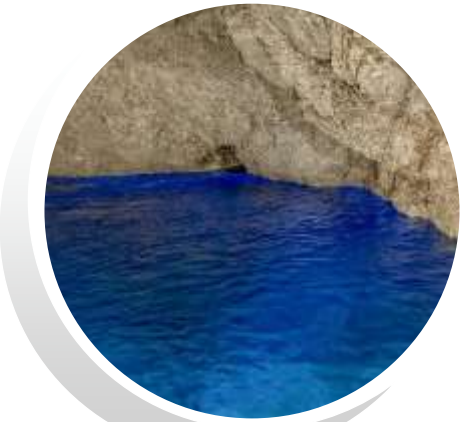
Center of excellence in Engineering

Internal competences and partnerships

- Growing **internal competencies** in advanced **technologies/engineering**
- Strategic partnerships with industry leaders for **know-how** development

Internal support and services

- Maximizing the **control on the entire life cycle** of major projects
- Increasing **quality assurance services** also externally



28| ENGINEERING: Our strategy

Strengthening

SINGLE CENTER OF EXCELLENCE WITH FOCUS ON MAJOR PROJECTS

Acea Infrastructure: integrating different companies in a unique center of excellence to manage major works:

- **Water**: Peschiera *(130 km)*, PNRR projects
- **Environment**: revamping current plants and new WtE *(upgrading S. Vittore in Lazio: ~500 kton at full production)*
- **Production**: photovoltaic pipeline *(870 MW in development)*

Development[1]

ENHANCEMENT OF INTERNAL COMPETENCES AND SERVICE DEVELOPMENT

Expanding specialized internal skills along the investment lifecycle, also via partnerships with industry operators *(Engineering, tender management, project and construction management)*

Increase in laboratory services also for third parties to guarantee quality Water/Environment

2024-2028 PROJECTIONS:

- **Water**
- **Electricity**
- **Environment**
- **Engineering**
- **Production**

28 | PRODUCTION: Highly specialized operator

Good mix of renewables…

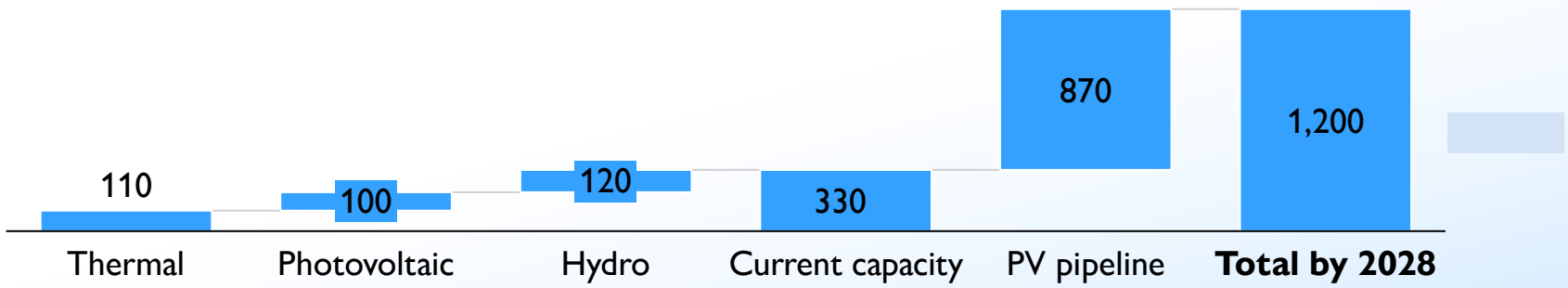
	Current capacity[1], %
Hydroelectric	37%
Photovoltaic	30%
Thermoelectric	33%

… to cover internal consumption…

30%

Internal consumption coverage (current)

… and with a strong PV pipeline, MW



1. Does not include capacity from WtE facilities

PRODUCTION: Our vision

Operator highly focused on renewables

Carbon neutrality

- **Reducing CO_2 emissions** to meet SBTi targets

Energy Balance

- Achieving **full balance** of Group energy **production/ consumption**

2028 | PRODUCTION: Our strategy

Strengthening

DEVELOPMENT AND MANAGEMENT OF PV PLANTS

Deploying the existing solar pipeline also leveraging on financial partners
(870 MW, of which 210 already authorized)

Development[1]

SELF-CONSUMPTION SOLUTIONS AND ACHIEVEMENT OF SBTi TARGETS

Implementing self-consumption solutions: installation (for the Group/third parties) of stations for the water distribution pressure reduction for energy recovery, and installation of in-situ or rooftop photovoltaic fields

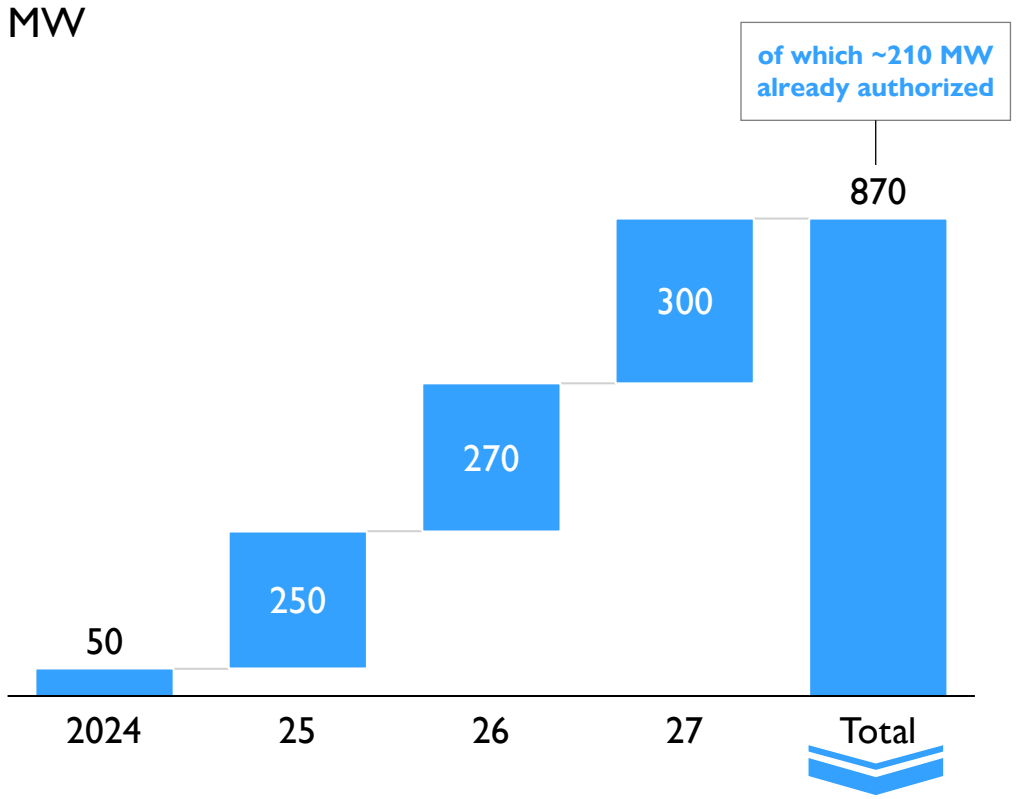
Increasing generation capacity also from other renewable sources (market and/or tenders)

Asset management: strengthening skills for facilities under management

1. Possible upside vs. industrial plan target

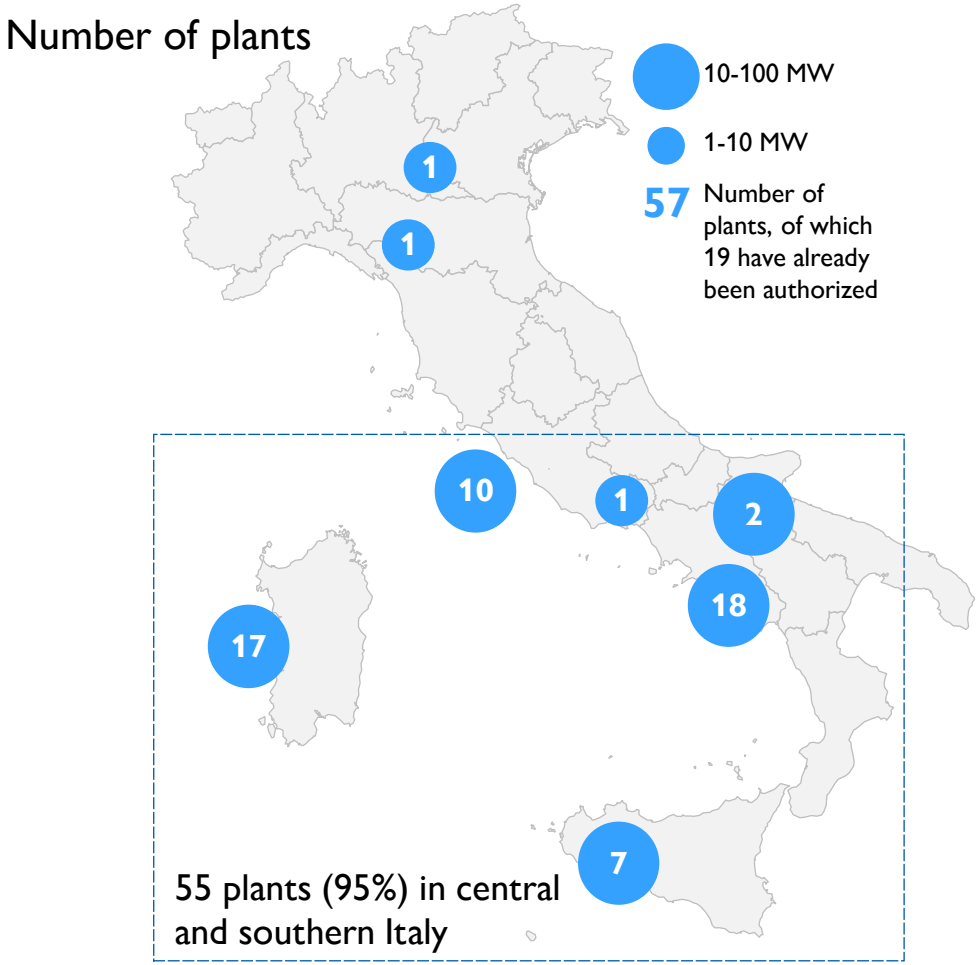
2028 | PRODUCTION: Launched projects

Pipeline as of 31.12.2023



Facilities prepared to **add storage systems** even at a later stage

Geographical distribution



Pipeline sufficient to meet SBTi targets by 2032 (without considering impact of WtE Rome)

KPI REGULATIONS

- **Water**
- **Electricity distribution**
- **Environment**

KPI REGULATIONS

- **Water**
- **Electricity distribution**
- **Environment**

TARIFF REGIME FOR THE FOURTH REGULATORY PERIOD (*MTI*-4) 2024 - 2029
ARERA RESOLUTION: 639/2023

- CONFIRMED THIRD REGULATORY PERIOD GENERAL OVERVIEW AND REVENUE CALCULATION METHODOLOGY (i.e. Guaranteed Revenue Constraint (*VRG*)).

- **Greater visibility:** regulatory period of 6 years (2024-2029), with potential two-year revision of RF (Real Risk-free), WRP (Water Utility Risk Premium) and Kd (cost of debt expressed in real terms) parameters
- **Allowed return: 6.13%** (compared to *MTI*-3 allowed return of 4.8%), determined based on the sum of 4.31% for the financial charge component and 1.82% for the tax charge component. Recognition of a 1% time lag on investments from 2012 confirmed
- **Revenues cap for the 6 regulatory schemes**: maximum annual variations between 5.95% (scheme 2) and 9.95% (scheme 6). As regards scheme 5, which includes ATO2, the annual limit is 8.45% (compared to 6.2% during the 2020-2023 regulatory period)
- **Expected inflation:** 2.7%
- **RAB deflator**: 3.4% for 2023, 2.8% for 2024
- **Inflation rates applied for revision of allowed opex:** 4.5% for 2023, 8.8% for 2024
- Increase in **late-payment cost** component
- **Introduction of an incentive mechanism**, for the first two years of the regulatory period (2024-2025), **in favour of energy and environmental sustainability** (wastewater reuse and reduction of energy costs)
- **WIPs pertaining to non-strategic works**: remuneration to cover financial charges for 4 years (1st year at 4.31%, up to the minimum level represented by the Kd for the 4th year)

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

* Operated under prorogatio regime

Water

ALLOWED RETURNS

WATER	2020-2021 580/2019	2022-2023 639/2021	2024-2025 639/2023
Allowed returns	**5.2%**	**4.8%**	**6,1%**
CS/CnS	1	1	1
Risk-free Rate	0.0050	0.0013	0.0158
Kd	0.0284	0.0240	0.0300
WRP	0.0170	0.0170	0.0200
Levered beta	0.79	0.79	0.79
ERP	0.04	0.04	0.04
RPI	0.017	0.017	0.027
TC	0.24	0.24	0.24
TC	0.319	0.319	0.319
Time lag	0.01	0.01	0.01
Km	0.02153	0.01827	0.02930
Alpha	0.01580	0.01580	0.01383
OF rate	**3.73%**	**3.41%**	**4.31%**
RAI rate	0.06264	0.05786	0.07564
TC RAI rate	1.50%	1.39%	1.82%

Water

Acea's investments in the main water companies in: Lazio, Umbria, Campania and Tuscany

LAZIO		UMBRIA		CAMPANIA
ATO 2 Central Lazio **(concession expires 2032)**	**ATO 5 Frosinone** **(concession expires 2033)**	**ATO1 Perugia** **includes municipalities in the province of Perugia (concession expires 2031)**	**ATI 4 Umbria** **includes 32 municipalities in the province of Terni (concession expires 2031)**	**ATO3 Regione Campania** **includes municipalities in the provinces of Naples and Salerno (concession expires 2032)**
Ato 2 (Acea 96%) provides the integrated water service in Rome and in another 111 municipalities in the surrounding province.	**Ato 5** (Acea 98%) provides the integrated water service in Frosinone and in another 86 municipalities in the surrounding province.	**Umbra Acque** (Acea 40%)	**ASM Terni** (Acea 3.4%, TWS 14.1%, Acea Ambiente 20.2%, Acea Molise 7.6%) **owns 99.4% of Umbriadue Servizi Idrici, which in turn owns 40% of SII,** which manages the integrated water service in ATI4 Umbria	**Sarnese Vesuviano** (Acea 99%) **controls 37% of Gori.** Other investors in Gori are Ente d'Ambito Sarnese Vesuviano and ASM Azienda Speciale.

TUSCANY				
ATO4 Alto Valdarno **includes municipalities in the provinces of Arezzo and Siena (concession expires 2027)**	**ATO6 Ombrone** **includes municipalities in the provinces of Siena and Grosseto (concession expires 2031)**	**ATO2 Basso Valdarno** **includes municipalities in the provinces of Pisa, Lucca, Florence, Pistoia and Siena (concession expires 2031)**	**ATO3 Medio Valdarno** **includes municipalities in the provinces of Florence, Arezzo, Prato and Pistoia (concession expires 2024)**	**Municipality of Lucca** **Integrated water service Municipality of Lucca (concession expires 2025)**
Intesa Aretina (Acea 35%) **controls 46% of Nuove Acque,** with remaining 54% controlled by municipalities, the Provincial Authority and others.	**Ombrone** (Acea 99.5%) **controls 40% of Acquedotto del Fiora.** Other investors in Acquedotto del Fiora are Municipality of Grosseto, Municipality of Siena and other Municipalities.	**Acque Blu Arno Basso** (Acea 87%) **controls 45% of Acque.** Other investors in Acque are Alia Servizi Ambientali, Cerbaie and GEA.	**Acque Blu Fiorentine** (Acea 75%) **controlls 40% of Publiacqua.** Other shareholders of Publiacqua are Alia Servizi Ambientali and other Municipalities.	**Acea holds 48% of GEAL**, which provides the integrated water service in the municipality of Lucca. The remaining interest is held by Lucca Holding (Municipality of Lucca).

Acea's investments in gas

ABRUZZO	ABRUZZO – MOLISE CAMPANIA
Adistribuzione gas* Operates in the Province of L'Aquila (concessions expiring between 2020 and 2024)	**Concessions in 5 ATEM: 2 in Abruzzo 2 in Molise 1 in Campania Tot. approximately 30,700 PDR**

Acea owns 51% of Adistribuzionegas.
The remaining shares are held by Mediterranea Energia (24.5) and ALMA-C.I.S. (24.5%)

- On May 4th 2021, the merger deed of Pescara Distribuzione Gas Srl into Alto Sangro Distribuzione Gas Srl was approved. Subsequently, on August 3rd 2021 the company name was changed from Alto Sangro Distribuzione Gas Srl to ADISTRIBUZIONEGAS S.R.L.
  ADISTRIBUZIONEGAS S.R.L. holds 55% of Notaresco Gas Srl (the remaining part is held by Verducci Distribuzione Gas Srl)

KPI REGULATIONS

- Water
- **Electricity distribution**
- Environment

Electricy Distribution

REGULATION (1/2)

Areti's concession expires in 2030

ARERA RESOLUTION 556/2023 – «Revision of rate of return on invested capital for infrastructure services in the electricity and gas sectors for the year 2024»

- **2024 WACC** electricity distribution: **6.0%**

ARERA RESOLUTION 497/2023 – «Application Criteria for Spending and Service Objectives (*ROSS*) for the transport of natural gas and the transmission, distribution and metering of electricity. Amendments to *TIROSS* 2024-2031 and RTTG 6PRT»

- Application of the *ROSS*-base solution from 2024 for electricity distributors serving at least 25K PODs
- Capital costs of 2G smart meters excluded from the scope of application
- Work in progress included in the RAB
- Reduction in the time lag for CPI and deflator

ARERA RESOLUTION 616/2023 – «Tariff regulation of electricity distribution and metering services for the period 2024-2027»

Operator combination incentives

- Both in the case of operators subject to the parametric regime (serving less than 25K PODs) and the *ROSS*-base regime (serving at least 25K PODs) and in the case of combinations involving a distributor serving between 25K and 100K PODs and one serving over 100K PODs.

Rationalisation of HV grid assets

- Proposed one-off bonus to be paid to the selling distributor, expressed as a percentage (decreasing according to the year of sale: 4% by 2025, 3% by 2026 and 2027) compared with the revalued historical cost of the power lines/cables being sold.

- 2024 allowed opex

- Baseline of unit operating costs confirmed for each company according to the eligible operating costs effectively incurred in 2022. This baseline is revalued considering 2023 and 2024 inflation (provisionally inferred from the Bank of Italy's publication "Macroeconomic Projections for the Italian Economy", respectively corresponding to 6.0% and 1.9%)
- RAB deflator: reduction of time lag to 1 year (the deflator for 2024 tariffs will take account of the values referring to both 2022 and 2023, namely respectively 4.2% and 1.6%, as shown in the Draft Budgetary Plan)

Electricy Distribution

REGULATION (2/2)

ARERA RESOLUTION 617/2023 – «Approval of output-based regulations and the commercial quality of electricity distribution and metering services, with effect from 1 January 2024»

Incentives for the use of non-repayable funding

- Bonus for the use of non-repayable funding by electricity distributors equal to 10% (as opposed to the current approximate figure of 8.6%).
- Output-based incentives
- Output-based incentive for distribution grid development interventions: reserved for operators serving over 100K PODs who have the obligation to draw up grid development plans. The resolution sets the incentive mechanism for 2024, whereas the mechanism pertaining to the three years 2025-2027 will be defined by way of a subsequent measure.
- Incentives for the implementation of compensation arrangements for reactive energy input in critical areas
- The right to receive a bonus corresponding to the reactive energy input tariff charges paid by the company in the 24 months preceding the entry into service of the arrangement and during the month in question.

KPI REGULATIONS

- **Water**
- **Electricity distribution**
- **Environment**

Environment

REGULATION

ARERA RESOLUTION 363/2021 (MTR-2) – «Approva of the tariff regime for waste (MTR-2) for the second regulatory period 2022-2025»

- 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 are subject to revenue caps.
- 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.

ARERA RESOLUTION 487/2023 – «Evaluation of the parameters forming the basis for calculating the cost of capital, in implementation of ARERA Resolution 389/2023/R/rif, concerning the two-yearly review (2024-2025) of the Waste Tariff Regime (MTR-2)»

- Confirmation at the time of initial application of the amounts for determining the rate of return.
- Any future revisions taking into account determinations regarding the trigger mechanism referred to in art. 8 of the TIWACC (contained in Annex A to Resolution 614/2021/R/COM) are unaffected.

ARERA RESOLUTION 7/2024 – «Compliance with the sentences of State Council, regarding the tariff regulation of waste treatment plants, referred to Arera's resolution 363/2021, and further provisions»

- Amendments to waste regulatory scheme MTR-2 (2nd regulatory period 2022-2025):
- **Regulation for essential treatment plants has been confirmed**, due to provisions reported in the national waste management plan "PNGR" (Ministerial Decree 24 June 2022, n. 257).
- The tariff regulation for the two-year period 2022-2023 has been removed, with consequent first application from the two-year period 2024-25 (pursuant to resolution 389/2023/R/rif), with substantial confirmation of the already adopted methodology.
- Following the activation of the trigger mechanism envisaged for gas and power regulated sectors, the **WACC for essential non-integrated plants for the years 2024 and 2025 has been upgraded from 6.0% to 6.6%.**

Regulations regarding incentives for renewable sources other than photovoltaic contained in **Min. for Econ. Dev. Decree of 23 June 2016**, have revised the previous ministerial decree of 6 July 2012 providing for the following forms of incentive:

Feed-in tariff, being the total revenue generated from electricity fed into the grid and from the incentive (only for plants with capacity below a set amount, equal to 500 kW);

Incentive, being additional revenue linked to electricity fed into the grid, as more fully described in the above decree.

The feed-in tariff and the incentive have different purposes:

Energy source (wind, biomass, geothermal, hydro, biogas, etc.) and type (e.g., biomass type A, B, C and D)

Type of project (new plant, reconstruction, reactivated, repowering, total or partial upgrade)

Plant capacity (nominal capacity in MW resulting from the sum of the electric capacity of the alternators, obtained by multiplying the apparent capacity expressed in MVA by the nominal capacity)

MD 6 July 2012 (GRIN system ex-GCs)	Conversion of the right to GCs into an incentive is introduced by art. 19 of the Ministerial Decree ("MD") of 6 July 2012. The incentive is added to revenue generated by the electricity fed into the grid, and is equal to: $I = k \cdot (180 - Re) \cdot 0.78$ Factor k is defined by the regulation based on the type of source and intervention (for San Vittore and Terni k = 1.3). The term Re indicates the average sale price for electricity registered and communicated annually by ARERA.
MD 6 July 2012 and MD 23 June 2016 (FER-E system)	These decrees have established, among other things, the method for computing the incentive and the feed-in tariff (the second is valid only if the capacity of the plant is below a specific ceiling) in relation to the energy source, the type of intervention (namely: new plant, reconstruction, etc.) and the plant's capacity.

San Vittore del Lazio Lines 2 and 3	Lines 2 and 3 entered service in April 2011 and July 2011, respectively.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: €0.00/MWh, based on the portion of the energy qualifying for the incentive (approximately 41% of the electricity fed into the grid).
San Vittore del Lazio Line 1	Line 1 entered service on 1 October 2016. The incentive (FER-E system) is determined in accordance with the detailed rules provided by the MD of 6 July 2012. Estimated value: €3.12/MWh, solely with regard to the portion of the energy qualifying for the incentive (approx. 45% of the electricity fed into the grid, provided that it is type-C biomass).
Terni	A WTE plant that entered service in December 2012. 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: €0.00/MWh, based on the portion of the energy qualifying for the incentive (approximately 44% of the electricity fed into the grid).
Orvieto (biogas from landfill)	The plant has two sections: M1 and M2, which entered service in November 2007 and March 2013, respectively. 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 x €0.00/MWh, based on the electricity sold above the threshold of 6999.4 MWh/year, reduced by a multiplying factor of 0.9 (for M2).
Orvieto (biogas from anaerobic digestion)	The plant has two sections: M1 and M2, both of which entered service in November 2015. 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).

Estimated incentives and tariffs

Environment

REGULATION - TARIFFS FOR ACEA'S PLANTS

Reference 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 2023*)

Plant	Ref.	Incentive/Tariff	Value	Expiry	Fixed/variable
Terni	GRIN ex-GC, MD 6 July 2012	Incentive	€0.00/MWh	2028	Variable (SP)*
San Vittore d. Lines 2 e 3 (P < 23,2)	GRIN ex-GC, MD 6 July 2012	Incentive	€0.00/MWh	2026	Variable (SP)*
San Vittore d. Linea1	FER-E, MD 6 July 2012	Incentive	€3.12/MWh	2036	Variable (ZP)**
Orvieto Discarica	GRIN ex-GC, MD 6 July 2012	Incentive	€0.00/MWh	2028 M2	Variable (SP)*
Orvieto Landfill + Composting	FER-E, MD 6 July 2012	Feed-in tariff	€174.44/MWh	2035	Fixed

* Sale price (previous year)
** Zonal price (current year)

Overall view of electricity production plants

Treatment plant	FER e.e.	Number of sets	Installed capacity (MW)	Gross production 2023 (GWh)
Terni	SSF (pulper)	1	13.6	69.52
Paliano[3]	-	-	-	-
San Vittore del Lazio	SSF (ex RDF)	3	43.8	247.95
Orvieto [1]	biogas	4	3.125	16.59
Monterotondo M. [2]	biogas	1	0.834	6.26
Sabaudia [3]	-	-	-	-
Aprilia [2]	biogas	3	3.0	15.13

[1] Plants owned by Orvieto Ambiente s.r.l. (A) Biogas plant using waste from landfill, 2 sets with total capacity of 2.127 MW and (B) Biogas plant using anaerobically treated waste, 2 sets with total capacity of 0.998 MW. - [2] Production plant to be built as part of expansion; one biogas-fueled set for Monterotondo (834 kW nominal) and 3 biogas-fueled sets for Aprilia (total nominal capacity of approx. 3,000 kW). - [3] Plant not expected to produce electricity.

Financial Results

FY2023 Results

«Evolving» market environment

FALLING PRICES AND DEFINITION OF NEW REGULATORY PERIOD PARAMETERS FOR WATER AND NETWORKS

Regulation

- **Release of *MTI-4*** (Resolution 639/2023) defining the integrated water service tariff rules for the 4th regulatory period (2024-2029), with an **increase in WACC from 4.8% to 6.1%** and higher tariff caps by around 2pp starting **from 2024**
- Definition of **new *ROSS* tariff rules** for electricity distribution based on recognition of Total Spending (Resolution 497/2023/R/com) for the 6th regulatory period (2024-2027). Increase in **WACC from 5.2% to 6.0% starting from 2024**

Commodity prices and inflation

- Energy price (**SNP**) **in 2023** falling **to 127€/MWh** (approximately -176€/MWh vs 2022) in line with 2021 levels, offsetting the record increases posted in 2022
- Gas price (***PSV* index**) down to **43€/MWh** (-82€/MWh vs 2022), substantially in line with 2021 levels
- **2023 inflation +5.7%** (+8.1% in 2022). Prices up by **5.3%** (+4.1% in 2022) **excluding the energy component**

Interest rates

Higher financial costs compared to 2022:

- **Mid Swap 4Y - 5Y December 2023 3.2% - 3.1%**
- Mid Swap 4Y - 5Y December 2022 1.7% - 1.7%

FY2023 Highlights

Regulated Revenue[1] +6%
vs 2022

EBITDA[2] +7%
vs 2022

Net profit[2] +22%
vs 2022

CAPEX[3] +9%
vs 2022

OPERATING CF 148M€

GROWTH IN EBITDA AND INVESTMENTS IN REGULATED BUSINESSES[1] AND CONSTANT OPERATIONAL DISCIPLINE

Group revenue equal to €4.6bn of which around €2.4bn related to Water Italy and Grids and Public Lighting, and Environment business, up by +6% compared to 2022

Organic EBITDA equal to €1,347m, +€87m compared to 2022 driven by the growth in the regulated businesses, +10% Water Italy and +7% Grids and Public Lighting, by the higher volumes of energy produced mainly from renewable sources and operating efficiencies, which more than offset the unfavourable energy scenario. EBITDA margin up by 5pp (from 25% to 30%)

Reported net profit equal to €294m, +5% compared to 2022**.** The growth in EBITDA allows to tackle the rise in financial costs caused by higher interest rates and the increase in depreciation linked to the investments

Net capex equal to €993m in line with 2022. Water, Grids and Public Lighting and Environment sectors reported a growth of +95M€ vs 2022 supported by public funding (+€101m vs 2022)

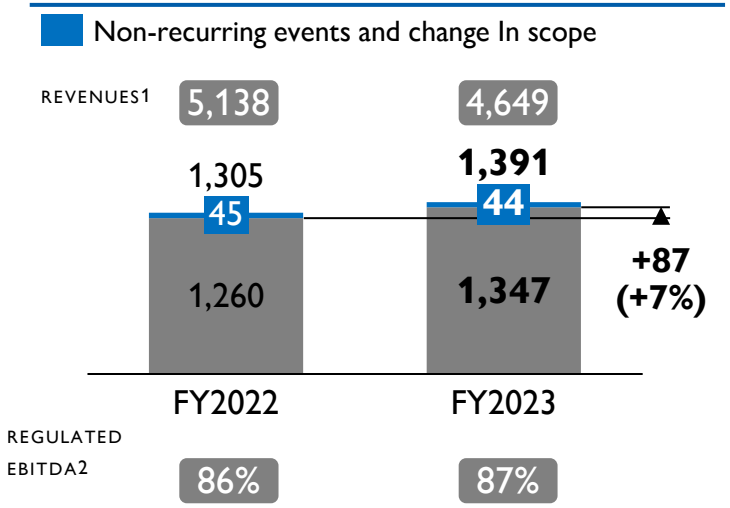
Positive operating cash flow corresponding to €148m, +€129m compared to 2022, manly driven by improved working capital, which allowed us to keep a sound financial structure: NFP/EBITDA 3.49x

1. Includes, in addition to the Water Italy and Grids regulated businesses, the Public Lighting and Environment businesses; | 2. Excludes one-offs and changes in scope; | 3. Water Italy, Grids and Public Lighting and Environment, gross of Public Subsidies

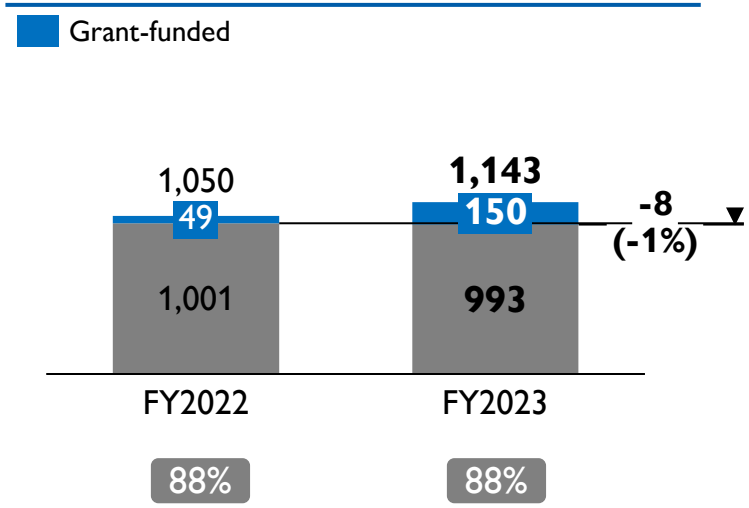
Overview of FY2023 results

ORGANIC GROWTH AND RELAUNCH OF INVESTMENTS

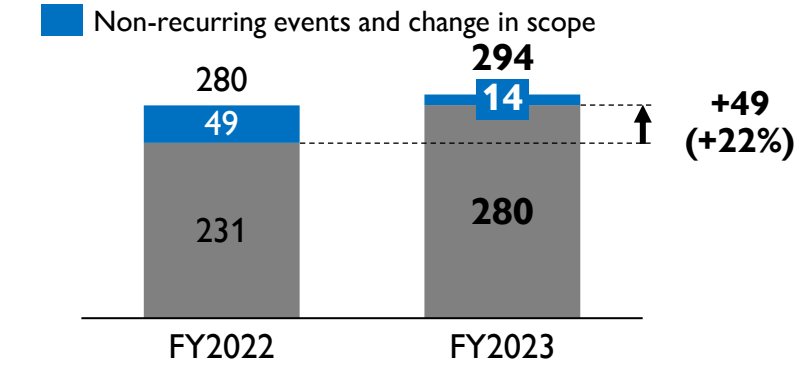
EBITDA, €m



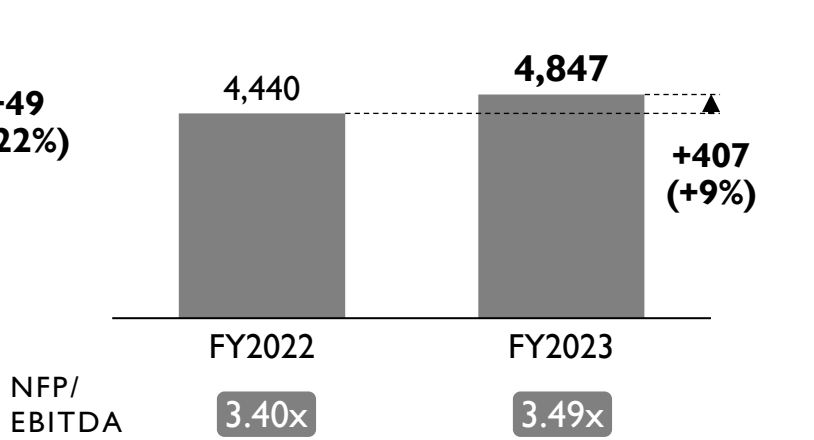
CAPEX, €m



Net profit, €m



NFP, €m



Organic EBITDA growth mainly driven by regulated businesses and efficiency initiatives, offsetting the negative impact of the energy scenario

Relaunch of investments in the Water Italy, Grids and Public Lighting businesses

Operating performance has more than offset increases in depreciation and financial costs

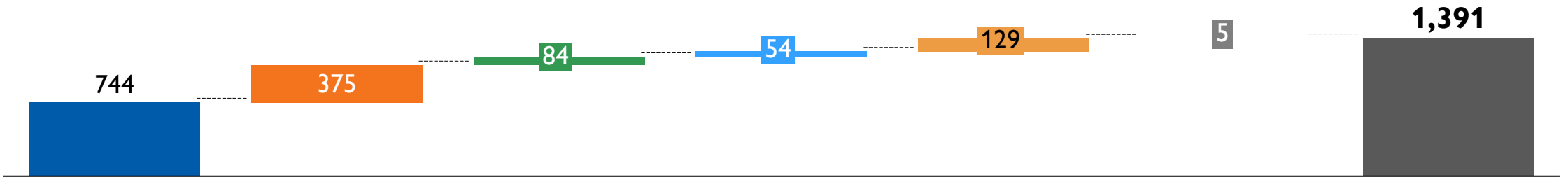
Significant reduction in **NET DEBT/EBITDA** ratio compared with 2023 guidance (<3.8x)

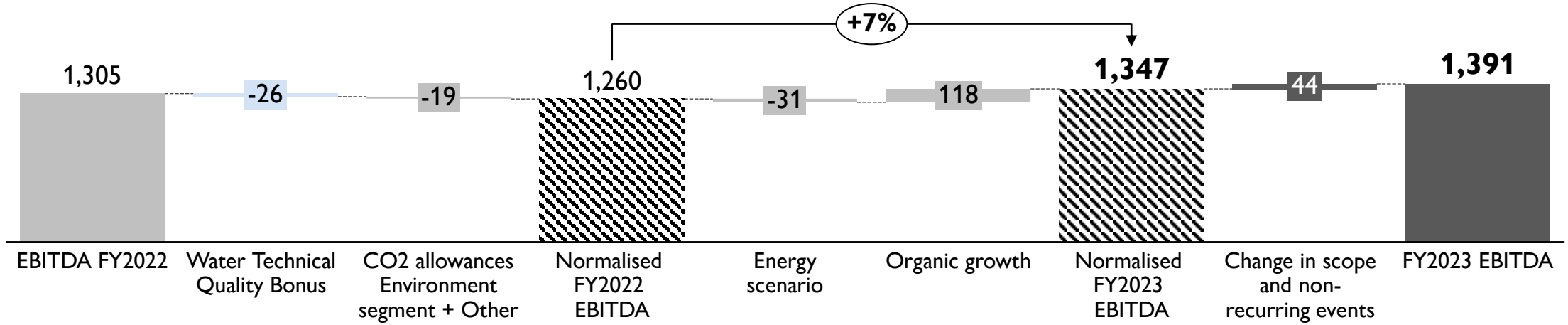
1, Revenues after adjusting for non-recurring events and changes in scope; | 2. Includes, in addition to the regulated Water Italy and Grids businesses, the Public Lighting and Environment businesses

EBITDA FY2023

IMPROVEMENT DRIVEN BY ORGANIC GROWTH OF REGULATED BUSINESSES

EBITDA, €m



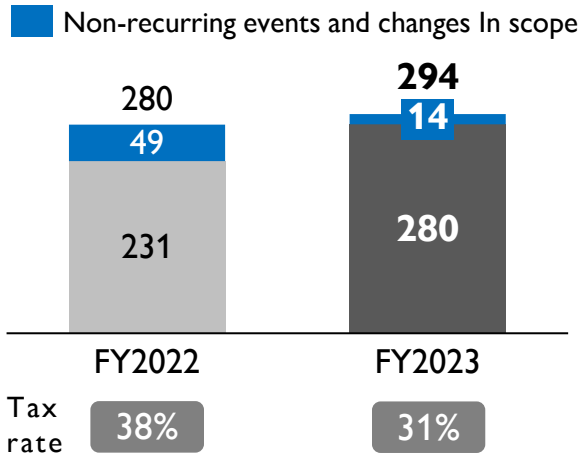


1. Includes, in addition to the regulated Water Italy and Grids businesses, the Public Lighting and Environment businesses| 2. Overseas Water, Engineering & Infrastructure Projects and Corporate

FY2023 NET PROFIT

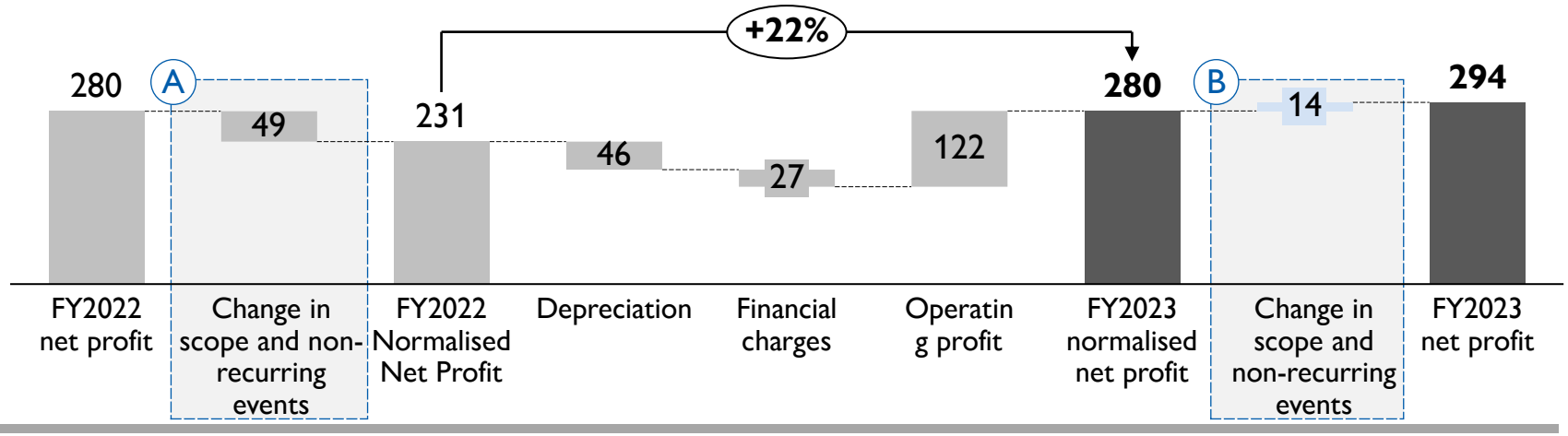
OPERATING EFFICIENCIES AND ORGANIC GROWTH HAVE OFFSET INCREASES IN DEPRECIATION AND FINANCIAL COSTS

Net profit, €m



Actions aimed at **efficiency recovery** and **growth in the regulated businesses more than offset the increase in depreciation and interest rates** (rise in rates began in H2 2022).

FY22-23 net profit bridge, €m



A FY 2022 non-recurring events (€49m), primarily including:

- *Gain on sale of stake in photovoltaic assets (€16m)*
- *Exemption from obligation to purchase CO2 allowances for Terni plant (€8m)*
- *"Water Technical Quality Bonus" (€18m)*
- *income from the discounting of Gori's debt (€4m)*
- *Capital gain from sale of SIMAM (€3m)*

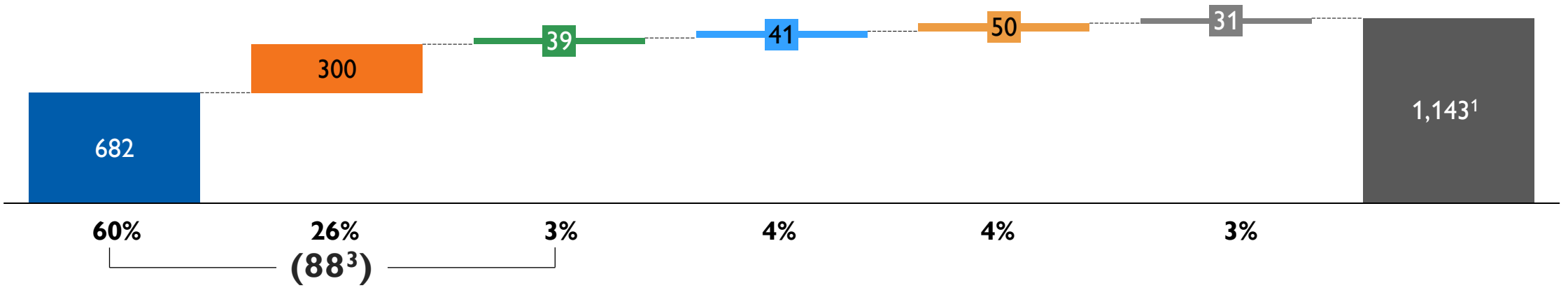
B FY2023 non-recurring events (€14m), primarily including:

- *"Water Technical Quality Bonus" (€18m)*
- *Capital gain from sale of SIMAM (€2m)*
- *Change in scope (€3m)*
- *FTV Revamping - Energy Box (€-9m)*

FY2023 CAPEX

INVESTMENT PLAN CONTINUES WITH FOCUS ON REGULATED BUSINESSES

CAPEX, €m



- REPAIR AND WIDENING OF WATER AND SEWER PIPES
- EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS
- WORK ON TREATMENT PLANTS
- CHANGE IN SCOPE OF CONSOLIDATION

- UPGRADE OF THE GRID
- WORK ON PRIMARY AND SECONDARY SUBSTANTIONS
- INSTALLATION OF 2G METERS

- WORKS ON SAN VITTORE AND TERNI PLANTS
- CONSTRUCTION OF PLASTIC SORTING PLANT
- CHANGE IN SCOPE OF CONSOLIDATION

- UPGRADE OF HYDROELECTRIC POWER PLANTS
- CONSTRUCTION OF PHOTOVOLTAIC PLANTS

- CUSTOMER ACQUISITION
- SMART SERVICES AND E-MOBILITY PROJECTS

- CORPORATE: IT PROJECTS

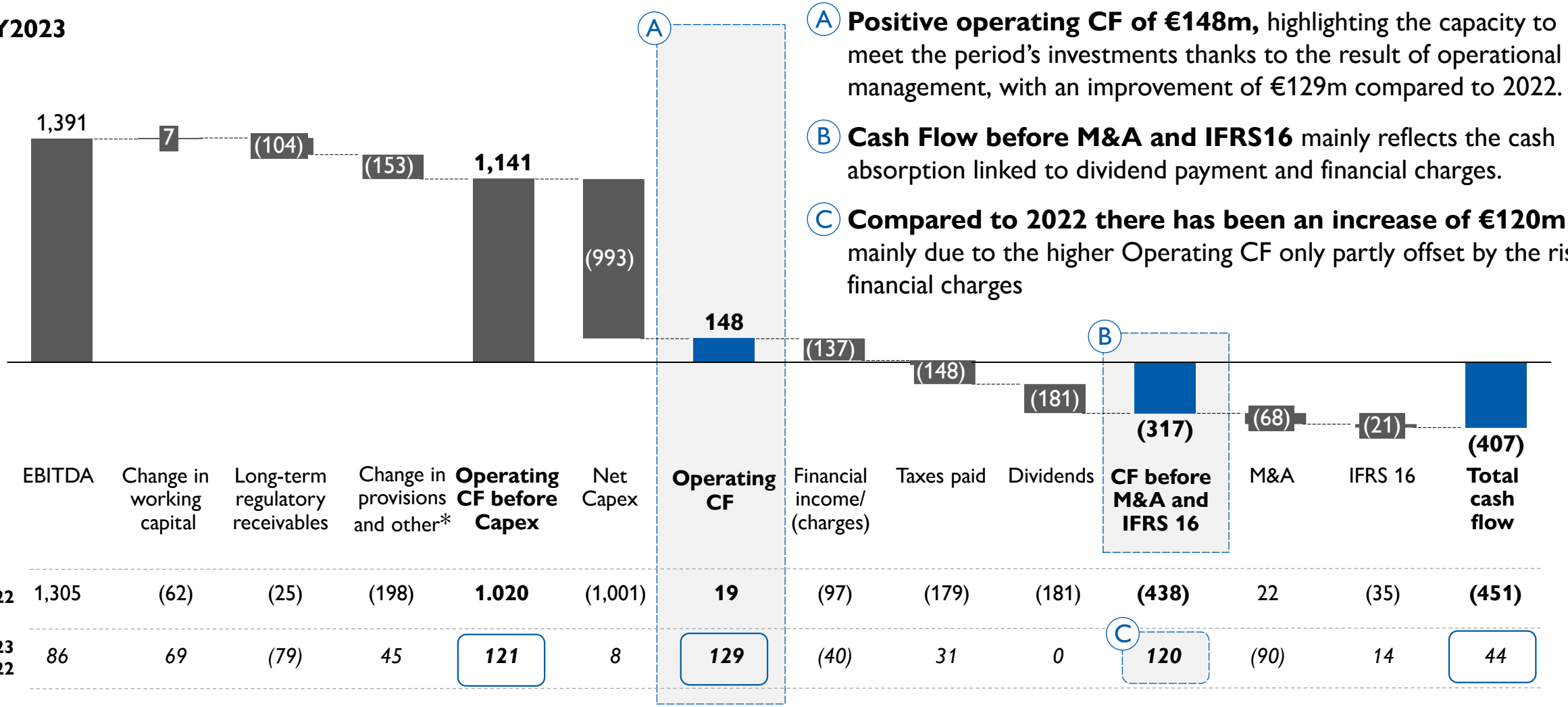
1. Including financial investments totalling €150m | 2. Overseas Water, Engineering & Infrastructure Projects and Corporate | 3. Includes, in addition to the regulated Water Italy and Grids businesses, the Public Lighting and Environment businesses

FY2023 Cash Flow

IMPROVEMENT IN FREE CASH FLOW

CASH FLOW, €m

FY2023



	EBITDA	Change in working capital	Long-term regulatory receivables	Change in provisions and other*	**Operating CF before Capex**	Net Capex	**Operating CF**	Financial income/ (charges)	Taxes paid	Dividends	**CF before M&A and IFRS 16**	M&A	IFRS 16	**Total cash flow**
FY22	1,305	(62)	(25)	(198)	**1.020**	(1,001)	**19**	(97)	(179)	(181)	**(438)**	22	(35)	**(451)**
Δ FY2023 VS FY2022	*86*	*69*	*(79)*	*45*	***121***	*8*	***129***	*(40)*	*31*	*0*	***120***	*(90)*	*14*	*44*

A **Positive operating CF of €148m,** highlighting the capacity to meet the period's investments thanks to the result of operational management, with an improvement of €129m compared to 2022.

B **Cash Flow before M&A and IFRS16** mainly reflects the cash absorption linked to dividend payment and financial charges.

C **Compared to 2022 there has been an increase of €120m** mainly due to the higher Operating CF only partly offset by the rise in financial charges

* Provision for expected credit losses reclassified from Change in Provisions to Change in WC

FY2023 Financial Structure

LEVERAGE GUIDANCE CONFIRMED, AVERAGE COST OF DEBT 2%

FY22-FY23 NFP, €m

	CONS DEC 22	CONS DEC 23	Δ CONS DEC 23 vs DEC 22
NFP	**4,440**	**4,847**	**407**
Long-term debt	4,722	4,771	
Short-term debt	620	923	
Cash and cash equivalents	(902)	(847)	

Leverage

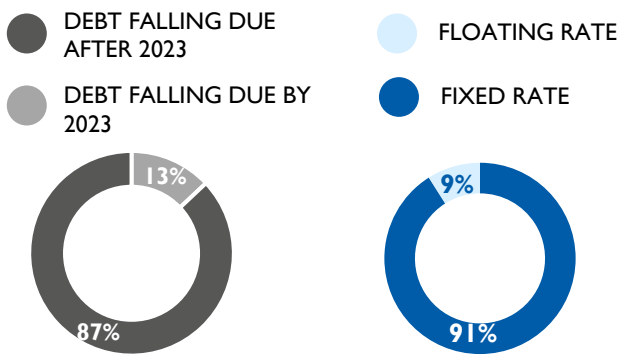
NET DEBT/EBITDA 31/12/2023	NET DEBT/EBITDA 31/12/2022
3.49x	**3.40x**

Rating

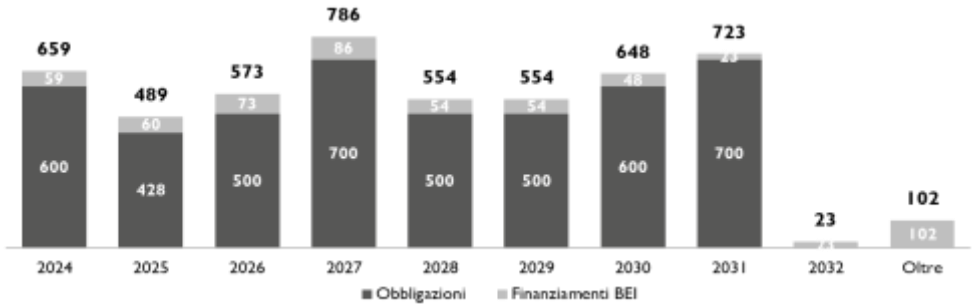
FitchRatings «BBB+»	Moody's «Baa2»
Outlook Stable	Outlook Stable

Debt structure (Maturity and interest rates as at 31/12/2023)

%FIXED RATE DEBT	AVERAGE COST	AVERAGE TERM
91%	**2.08%**	**4.2 ANNI**



Long-term debt main maturity profile, €m



17 JANUARY 2023
Placement of a new green bond worth €500m, paying coupon interest of 3.875% and maturing on 24 January 2031

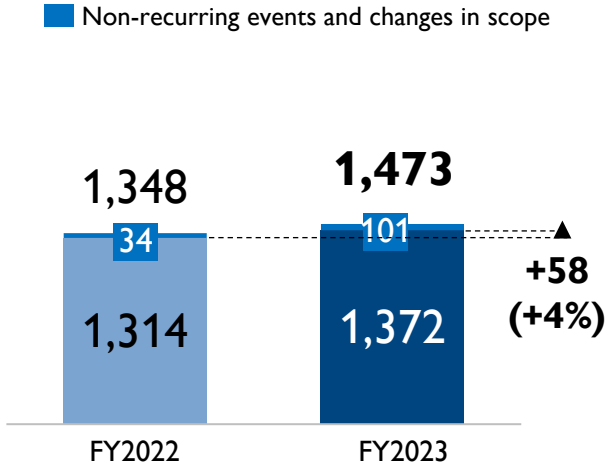
3 FEBRUARY 2023
Completion of the €200m «tap» issue of January's Green Bond on the same terms (coupon and maturity)

6 JULY 2023
€435m EIB loan to be used to fund investments in improving the coverage and quality of integrated water services, cutting water losses and boosting energy efficiency

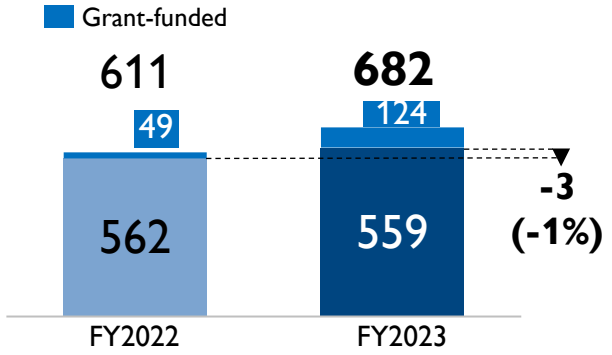
Water Italy[1]: organic EBITDA growth +10%

VALUE CREATION THROUGH INVESTMENT

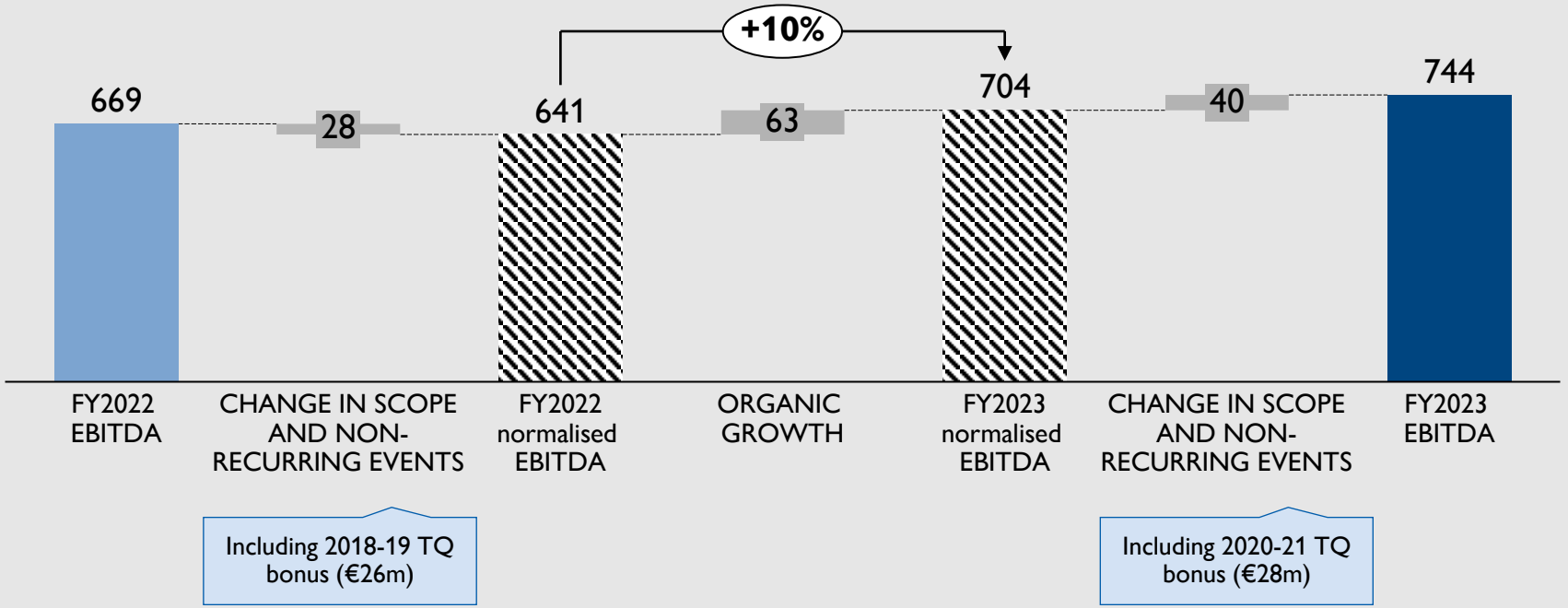
Revenue, €m



Capex, mln€



EBITDA main drivers, €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%

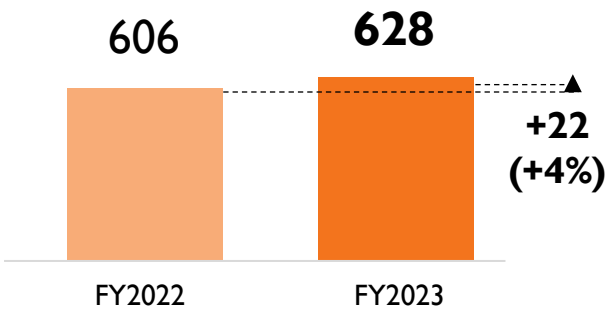
RAB[2] 31 December 2023: €4.6 bn

1. Including gas distribution business| 2. Value gross of grants and proportionate RAB for the companies consolidated at equity

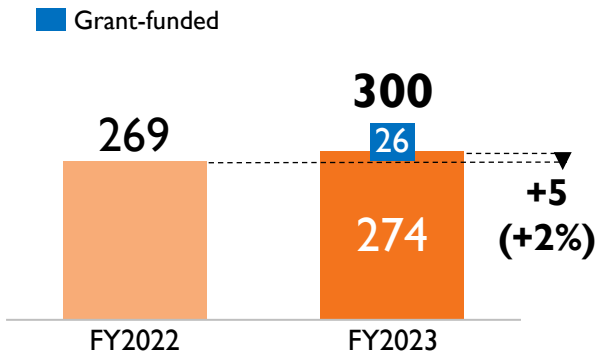
Grids and Public Lighting: EBITDA growth +7%

FOCUS ON RESILIENCE AND DIGITALISATION OF THE GRID

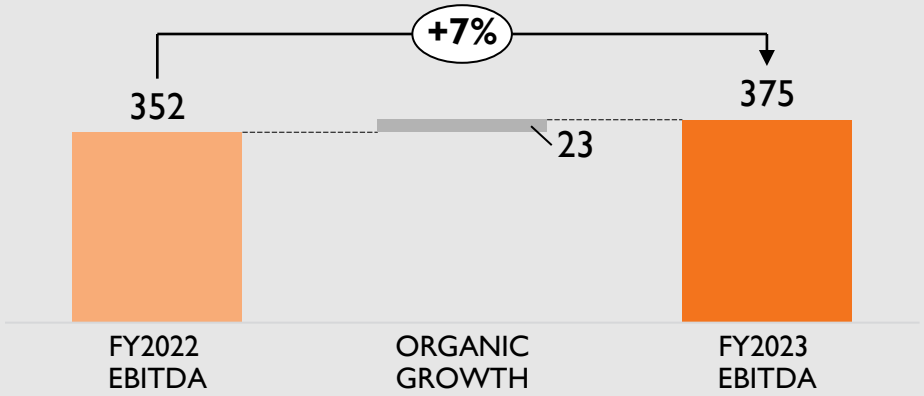
Revenue, €m



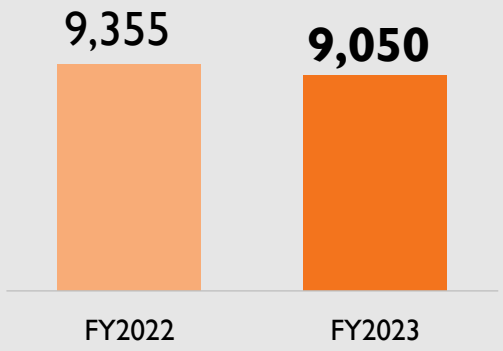
Capex, mln€



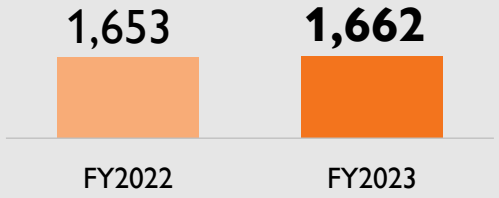
EBITDA, €m



Total Electricity Distributed (GWh)



Number of PODs ('000)



2G ELECTRICITY METERS

Installed during FY2023

~ 334K

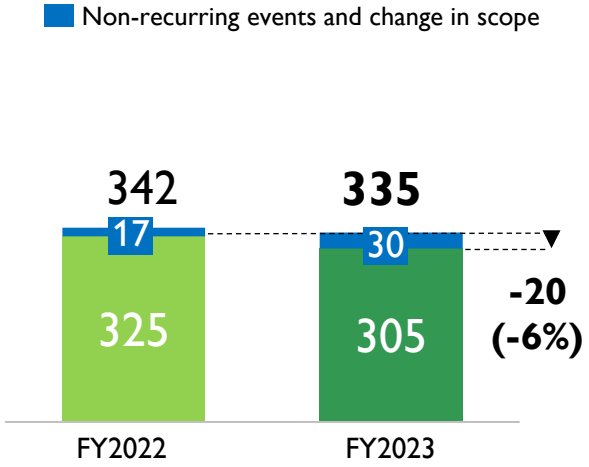
RAB[1] 31 December 2023: €2.8 BN

1. Gross of grants

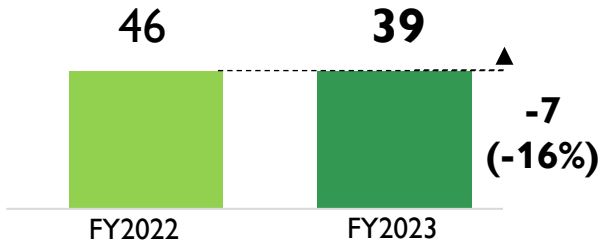
Environment: increase in treated waste +7%

ONGOING INTEGRATION OF PLANTS ACQUIRED IN CENTRAL ITALY

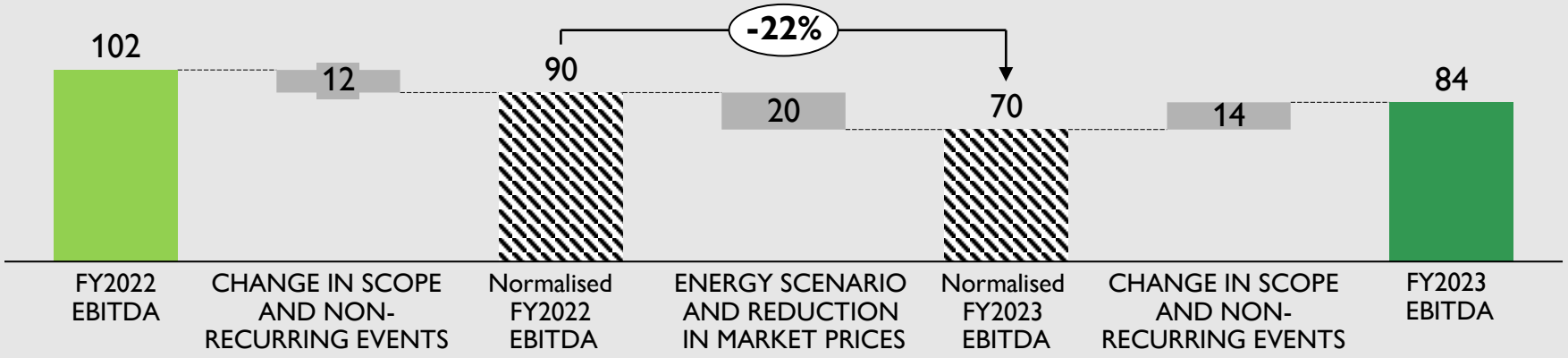
Revenue, €m



Capex, €m



EBITDA main drivers, €m

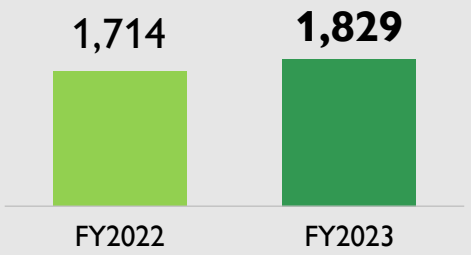


Including CO2 allowances (€11m)

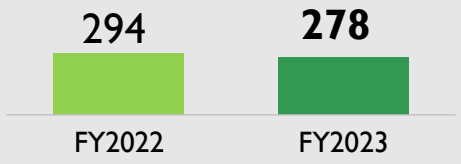
ACQUISITION OF 35% OF DECO

✓ Completed acquisition of Deco, a company operating in the waste sector in Abruzzo (23 January 2023)

Treatment and disposal (Ktonnes)



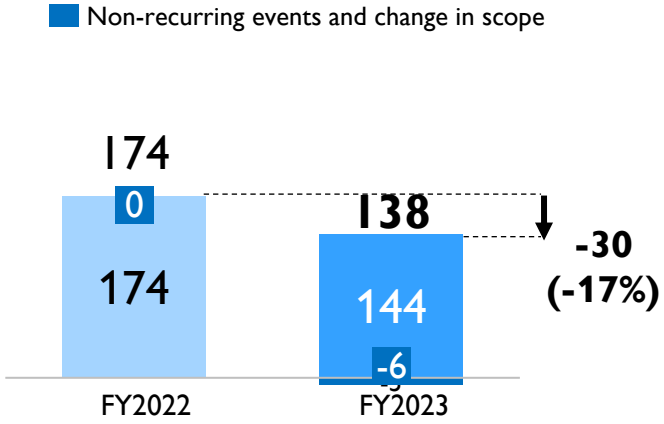
Wte electricity sold (GWh/year)



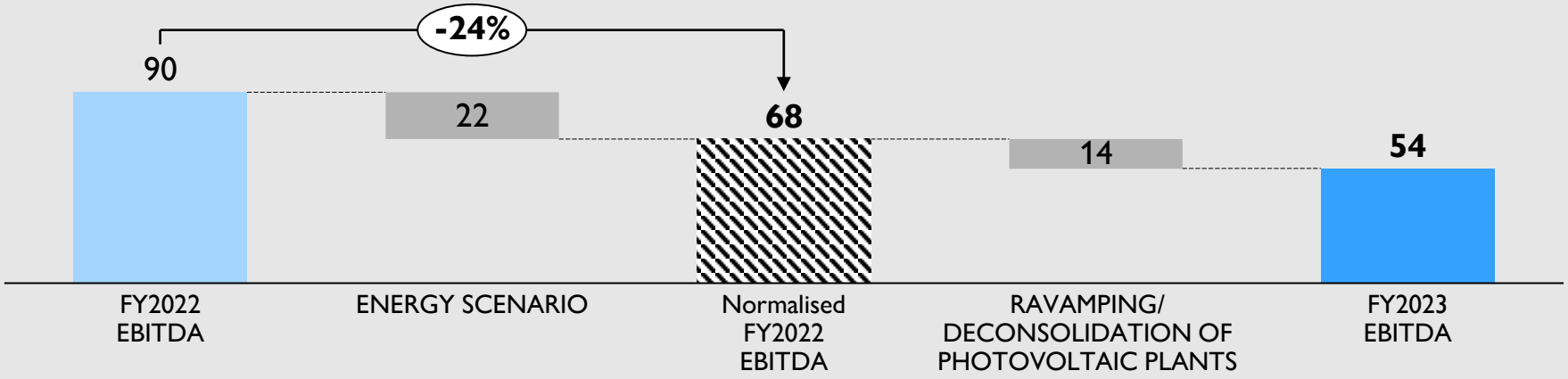
Production: increase in electricity output +13%

OVER 200MW OF PHOTOVOLTAIC PLANTS AUTHORISED (READY TO BUILD)

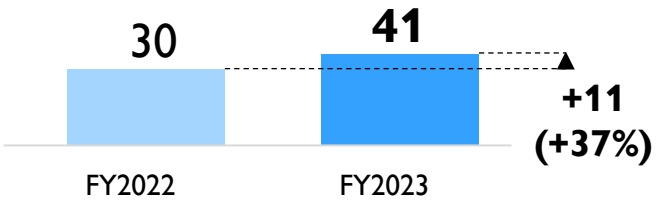
Revenue, €m



EBITDA main drivers, €m



Capex, €m



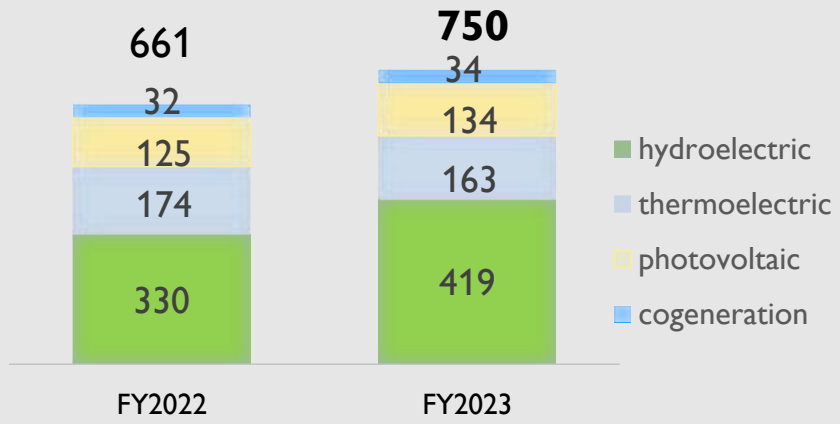
Photovoltaic plants update

Total pipeline of 871 MW

- ✓ 179 MW shovel ready (under construction + ready to build)
- ✓ 30 MW authorised
- ✓ 662 MW being authorised

Installed capacity 101 MW

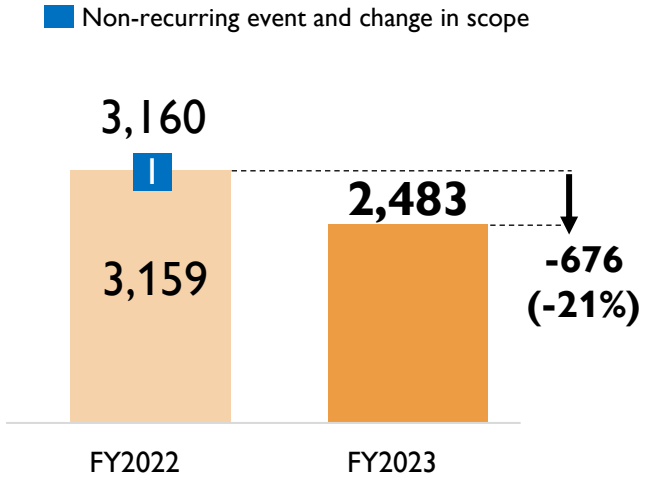
Total energy produced (GWh)



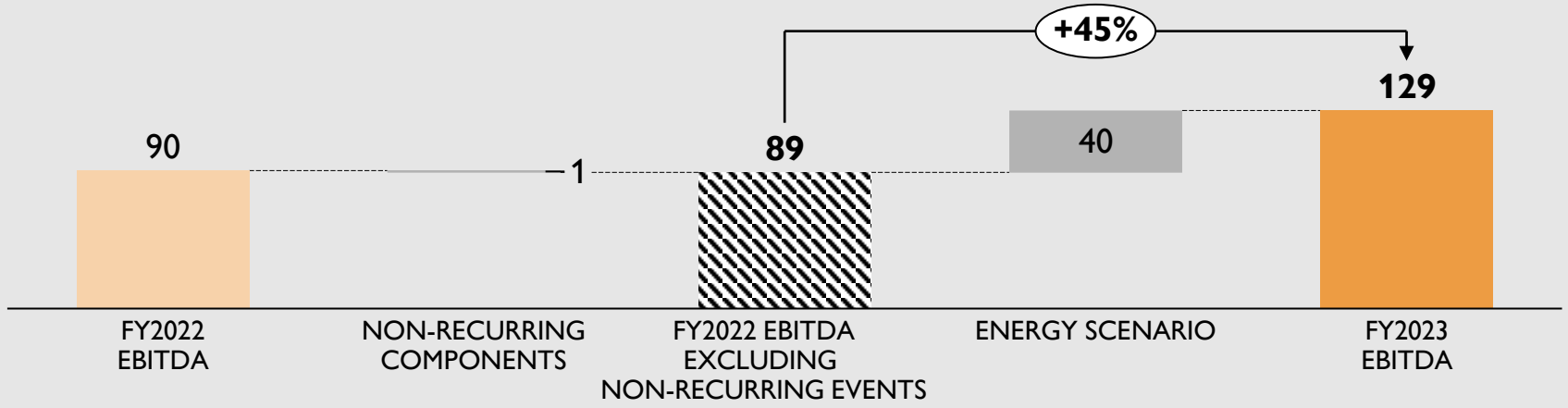
Commercial: EBITDA growth +45%

GROWTH IN FREE MARKET CUSTOMER BASE

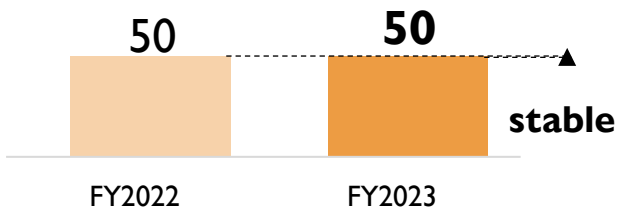
Revenue, €m



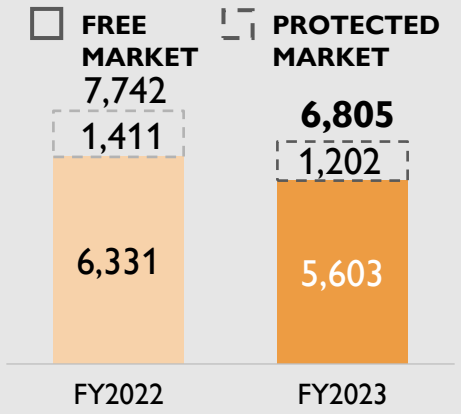
EBITDA main drivers, €m



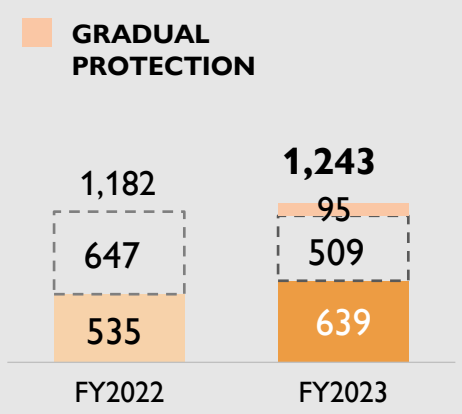
Capex, €m



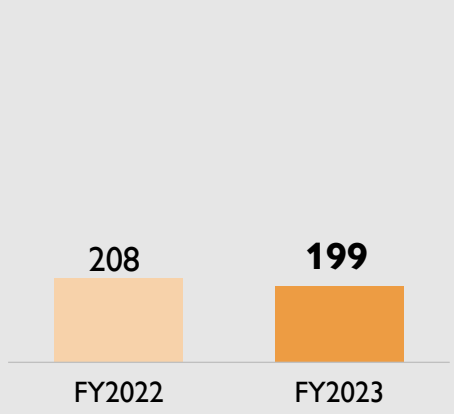
Total electricity sold (GWh)



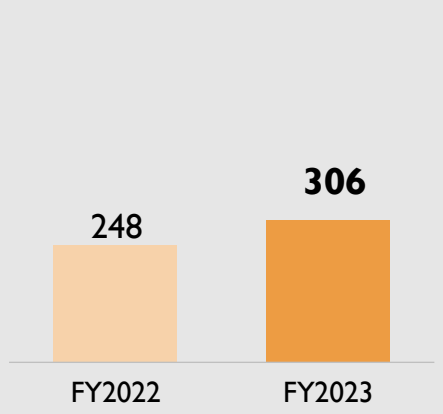
Number of electricity customers ('000)



Total gas sold (Mmc)



Number of gas customers ('000)



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/OR ENERGY AND OTHER RISKS.
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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.

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