

# **CONSOLIDATED INTERIM MANAGEMENT REPORT**

**AT 30 SEPTEMBER 2023**

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## Corporate bodies

### Board of Directors\*

Barbara Marinali	Chairperson
Fabrizio Palermo**	Chief Executive Officer
Antonella Rosa Bianchessi	Director
Alessandro Caltagirone	Director
Massimiliano Capece Minutolo Del Sasso	Director
Antonino Cusimano	Director
Thomas Devedjian	Director
Elisabetta Maggini	Director
Luisa Melara	Director
Angelo Piazza	Director
Alessandro Picardi	Director
Vincenza Patrizia Rutigliano	Director
Nathalie Tocci	Director

### Board of Statutory Auditors

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

### Executive Responsible

Sabrina Di Bartolomeo\*\*\*

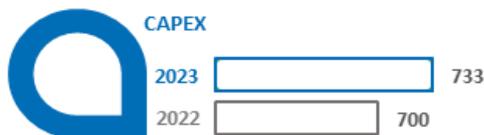
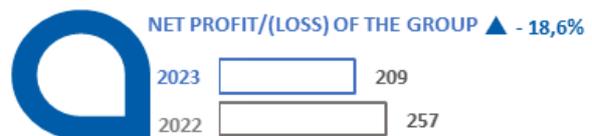
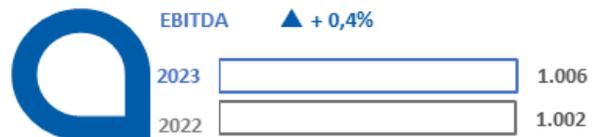
*\*appointed by the Shareholders' Meeting on 18 April 2023*

*\*\*appointed by the Board of Directors on 3 May 2023*

*\*\*\*appointed by the Board of Directors on 23 June 2023*

## Financial Highlights

### RESULT NET OF NON-RECURRING ITEMS

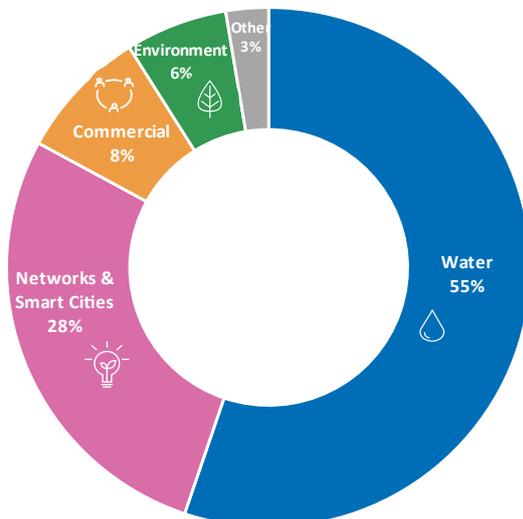


\* The value of investments is shown net of investments financed, equal to € 50.0 million for 2023 and € 15.4 million for 2022.

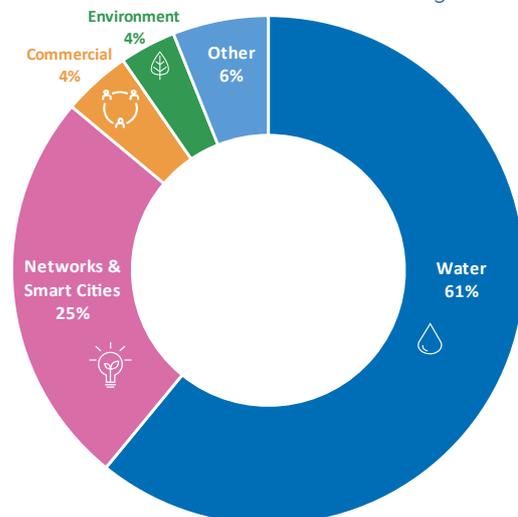
EBITDA for 2023 is influenced by the change in the scope for € 14 million, while in 2022 it was impacted by the following non-recurring items: **i)** € 11 million for sales of 2021 CO2 quotas **ii)** € 26 million for the Water Service Technical Quality Bonus **iii)** € 1 million for penalties receivable in the commercial area.

Net profit for 2023 is influenced by the change in scope for € 2 million, while in 2022 it was impacted by the following non-recurring items: **i)** € 27 million reflecting non-recurring effects on EBITDA after taxes; **iv)** € 19 million in capital gains associated with the disposal of photovoltaic systems; **v)** € 8 million for income from discounting Gori's financial debt

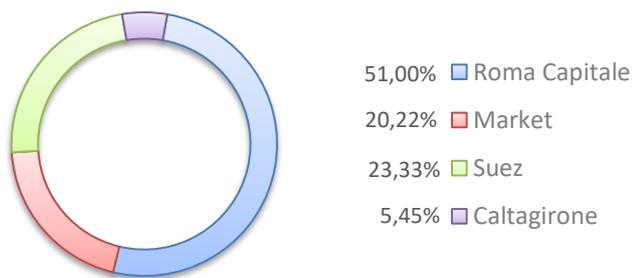
**EBITDA**  
Contribution to the Consolidated Figure



**CAPEX**  
Contribution to the Consolidated Figure



## ACEA Organisational Model



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

ACEA is one of the major Italian multiutilities, and has been listed on the stock exchange since 1999. ACEA has adopted an organisational structure and operating model based on strategic guidelines, founded on growth in the water market through infrastructure development, geographic expansion, strengthening technology and protecting water resources; the resilience of the electricity network and quality of service in the city of Rome; developing new renewable capacity to help face the energy transition; a push towards the circular economy with geographic expansion, also in synergy with other businesses. ACEA's macro structure is organised in Corporate functions and six operating segments listed below:

### WATER

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

The area also includes the companies that manage water activities in Latin America and its objective is to make the most of development opportunities in other businesses related to those already held in Italy. It is present in Honduras, Dominican Republic and Peru, serving a population of approximately 10 million inhabitants. The activities are carried out in partnership with local and international partners, including through staff training and the transfer of know-how to local entrepreneurs.

### NETWORKS & SMART CITIES

The Acea Group is a leading national operator with around 9.4 TWh of electricity distributed in Rome. The Group also manages the public and artistic lighting of the capital for a total of more than 227,600 lights (figure: 2022). The Acea Group is committed to energy efficiency projects and the development of new technologies, such as smart grids and electric mobility, through particularly innovative pilot projects.

### ENVIRONMENT

The Acea Group is one of the leading national players with around 1.70 million tonnes of waste processed each year. Among the various treatment and disposal plants operated in seven regions there is a main waste-to-energy plant and the largest anaerobic digestion and composting plant in Lazio region. The Group pays particular attention to the development of investments in the waste-to-energy and waste-recycling business, which is considered to have high potential, in line with the strategic objective of environmental and energy enhancement of waste, as well as its recovery and recycling in the plastics, paper and metals sectors and in the production of high-quality compost.

### COMMERCIAL

The Acea Group is one of the leading Italian players in the sale of electricity and offers innovative and flexible solutions for the supply of electricity and natural gas with the objective of consolidating its positioning as a dual fuel operator. It operates on the market segments of medium-sized enterprises and households with the objective of improving the quality of the services offered with particular regard to web and social channels. It supervises the Group's energy management policies. The Segment also has the objective of developing and searching for innovations and start-ups to launch testing projects in the technological field.

### PRODUCTION

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

### ENGINEERING & INFRASTRUCTURE PROJECTS

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

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

### Definition of alternative performance measures

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

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

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

## Summary of Results

Income statement data (€ million)	30/09/2023	30/09/2022	Change	% Change
<b>Consolidated Net Revenue</b>	<b>3,400.3</b>	<b>3,793.8</b>	<b>(393.6)</b>	<b>(10.4%)</b>
<b>Consolidated Operating Costs</b>	<b>2,413.3</b>	<b>2,847.9</b>	<b>(434.5)</b>	<b>(15.3%)</b>
Net Income/(Expense) from commodity risk management	0.0	34.5	(34.5)	(100.0%)
Profit / (loss) from non-financial equity investments	19.5	21.8	(2.4)	(10.9%)
<b>EBITDA</b>	<b>1,006.4</b>	<b>1,002.3</b>	<b>4.1</b>	<b>0.4%</b>
<b>Operating profit/(loss)</b>	<b>442.7</b>	<b>484.7</b>	<b>(42.0)</b>	<b>(8.7%)</b>
<b>Net profit/(loss)</b>	<b>236.7</b>	<b>283.7</b>	<b>(47.1)</b>	<b>(16.6%)</b>
<i>Profit/(Loss) due to third parties</i>	27.2	26.3	0.9	3.4%
<b>Net profit/(loss) attributable to the Group</b>	<b>209.4</b>	<b>257.4</b>	<b>(48.0)</b>	<b>(18.6%)</b>

Financial position data (€ million)	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Net Invested Capital	7,620.1	7,194.9	425.1	5.9%	6,994.4	625.7	8.9%
Net Financial Debt	(4,843.1)	(4,439.7)	(403.4)	9.1%	(4,393.0)	(450.1)	10.2%
<b>Consolidated Shareholders' Equity</b>	<b>(2,777.0)</b>	<b>(2,755.2)</b>	<b>(21.7)</b>	<b>0.8%</b>	<b>(2,601.4)</b>	<b>(175.6)</b>	<b>6.7%</b>

EBITDA (€ million)	30/09/2023	30/09/2022	Change	% Change
Environment	63.4	83.2	(19.7)	(23.7%)
Commercial	81.9	58.0	23.9	41.2%
Water (Abroad)	27.5	25.2	2.3	9.3%
Water	528.0	515.8	12.2	2.4%
Networks & Smart Cities	279.1	264.1	15.0	5.7%
Production	48.2	78.5	(30.4)	(38.7%)
Engineering & Infrastructure Projects	4.5	7.9	(3.4)	(42.5%)
Corporate	(26.3)	(30.4)	4.1	(13.6%)
<b>Total EBITDA</b>	<b>1,006.4</b>	<b>1,002.3</b>	<b>4.1</b>	<b>0.4%</b>

Investments (€ million)	30/09/2023	30/09/2022	Change	% Change
Environment	27.8	27.5	0.3	1.0%
Commercial	33.8	31.0	2.8	8.9%
Water (Abroad)	3.7	3.2	0.5	16.5%
Water	473.4	410.9	62.5	15.2%
Networks & Smart Cities	197.5	191.9	5.5	2.9%
Production	30.7	26.0	4.8	18.4%
Engineering & Infrastructure Projects	3.3	3.0	0.2	7.6%
Corporate	13.2	21.5	(8.3)	(38.5%)
<b>Total Investments</b>	<b>783.5</b>	<b>715.2</b>	<b>68.3</b>	<b>9.6%</b>

\*The figure for investments in the segment is shown gross of € 50.0 million for 2023 and € 15.4 million for 2022 referred to the investments financed.

## Summary of Results: economic performance

Below the economic results at 30 September 2023 are illustrated, compared with those from the same period in 2022.

Income statement data (€ million)	30/09/2023	30/09/2022	Change	% Change
Revenue from sales and services	3,291.4	3,677.8	(386.5)	(10.5%)
Other revenue and proceeds	108.9	116.0	(7.1)	(6.1%)
Costs of materials and overhead	2,154.1	2,623.7	(469.6)	(17.9%)
Staff costs	259.3	224.2	35.1	15.7%
Net Income/(Expense) from commodity risk management	0.0	34.5	(34.5)	(100.0%)
Profit / (loss) from non-financial equity investments	19.5	21.8	(2.4)	(10.9%)
<b>EBITDA</b>	<b>1,006.4</b>	<b>1,002.3</b>	<b>4.1</b>	<b>0.4%</b>
Amortisation, depreciation, provisions and impairment charges	563.7	517.6	46.1	8.9%
<b>Operating profit/(loss)</b>	<b>442.7</b>	<b>484.7</b>	<b>(42.0)</b>	<b>(8.7%)</b>
Financial operations	(103.2)	(58.5)	(44.8)	76.6%
Equity investments	1.1	19.6	(18.5)	(94.6%)
<b>Profit/(loss) before tax</b>	<b>340.5</b>	<b>445.8</b>	<b>(105.3)</b>	<b>(23.6%)</b>
Income tax	103.9	162.1	(58.2)	(35.9%)
<b>Net profit/(loss)</b>	<b>236.7</b>	<b>283.7</b>	<b>(47.1)</b>	<b>(16.6%)</b>
Profit/(Loss) due to third parties	27.2	26.3	0.9	3.4%
<b>Net profit/(loss) attributable to the Group</b>	<b>209.4</b>	<b>257.4</b>	<b>(48.0)</b>	<b>(18.6%)</b>

The table below shows the main impact of the change in the consolidation scope at 30 September 2023 (gross of intercompany adjustments). For more details, see the paragraph "Scope of consolidation".

€ million	Tecnoservizi	ASM Terni	Energy Box	Polo Cirsu Business Unit	Total
Consolidated Net Revenue	14.8	50.1	(5.8)	13.9	<b>73.0</b>
Consolidated Operating Costs	12.4	42.4	(1.1)	5.3	<b>59.0</b>
<b>EBITDA</b>	<b>2.4</b>	<b>7.8</b>	<b>(4.7)</b>	<b>8.5</b>	<b>14.0</b>
<b>Operating profit/(loss)</b>	<b>0.1</b>	<b>2.6</b>	<b>(4.5)</b>	<b>4.0</b>	<b>2.2</b>

As at 30 September 2023, revenue from sales and services amounted to € 3,291.4 million, a decrease of € 386.5 million (- 10.5%) compared to the same period of the previous year. This decrease is attributable to lower revenues from sales of electricity (- € 481.2 million) and gas (- € 15.4 million) due to the increase in unit prices seen in 2022, as well as lower quantities and lower revenues from managing the electricity incentive payment (GRIN) due to different scheduling for GRIN incentives by the GSE (- € 5.0 million). This change was offset by:

- greater revenue from waste disposal and landfill operations (+€ 42.3 million), almost entirely attributable to the change in the scope of consolidation (+€ 41.3 million);
- greater revenue from the Integrated Water Service (€ 20.8 million), partially due to the effects of the increase in tariff revenue, also influenced by the biennial tariff update for 2022-2023 as well as the estimate for adjustments for pass-through items (electricity, wholesale water, etc.);
- greater revenue from customer services (+ € 18.2 million), in part deriving from the change in contract work in progress for energy efficiency projects for Acea Innovation (+ € 3.0 million) and Umbria Energy (+ € 4.7 million), the increase from the change in inventories linked to Simam multi-year contracts (+ € 2.2 million) and, in part, from the change in the scope of consolidation (+ € 3.6 million);
- greater revenues from sustainable development (+ € 28.0 million) deriving from sales, installation and customer services in the context of energy efficiency projects, smart services and smart comp.

Electricity sales on the Free Market totalled 4,330 GWh with a 9.7% reduction on the previous year, while electricity sales on the Greater Protection Service totalled 817 GWh with a 25.7% decrease on an annual basis. This reduction was affected by the automatic assignment of "small" customers and "micro" enterprises to the Gradual Protection Service, created starting from 1 January 2021 and in part to the decrease in the number of customers.

Other revenue shows a decrease of € 7.1 million (-6.1%) compared to the same period of the previous year. This change derives from contrasting effects and is for the most part influenced by lower revenues deriving from the recognition in 2022 of the technical quality bonus for companies in the water sector (€ 26.9 million) for the 2018-2019 period (Resolution 183/2022/R/idr of 26 April 2022). These

effects were partially offset by **i)** greater revenues from Gori due to the recognition of the contributions for Regional Works for the years 2018-2021 (+ € 5.3 million); **ii)** greater revenues for CMOR indemnities claimed by Acea Energia (+ € 4.7 million); **iii)** greater revenues from the IFRIC 12 margin (+ € 2.8 million) following greater investments; **iv)** greater contingent assets (+ € 3.1 million).

**External costs** decreased overall by € 469.6 million (- 17.9%) compared to 30 September 2022. The change is due to the reduction in costs associated with electricity and gas procured on the free market and the gradual protection market (- € 540.2 million) in line with that seen in revenues. This reduction was offset by the increase:

- costs for services and contract work (+ € 55.1 million), of which € 27.0 million attributable to the change in scope, with the remaining part linked to energy efficiency projects and smart services (+ € 39.6 million), in part counteracted by a general decrease in other spending items, including lower advertising and sponsorship costs (- € 3.7 million) and lower maintenance fees (- € 4.4 million);
- costs to purchase materials (+ € 6.8 million) attributable to higher Simam inventories;
- concession fees (+ € 1.2 million) and the cost of leased assets (+ € 8.0 million), due in part to higher costs for software licenses and in part to higher indemnities for easements and public land rent.

The **cost of labour** rose by € 35.1 million (+ 15.7%) with respect to the same period the previous year, mainly influenced by the change in scope (+ € 18.2 million), as well as the increase in salaries and wages deriving from the incremental effect on payment components and the changes in national collective labour contracts.

The average number of employees was 10,402 and increased by 726 compared to the same period in the previous year, owing mainly to the change in scope (468 employees).

€ million	30/09/2023	30/09/2022	Change	% Change
Personnel costs including capitalised costs	404.7	367.5	37.2	10.1%
Costs capitalised	(145.4)	(143.3)	(2.1)	1.4%
<b>Staff costs</b>	<b>259.3</b>	<b>224.2</b>	<b>35.1</b>	<b>15.7%</b>

The **net income/(expense) from commodity risk management** shows a net balance. The previous year it included net income on hedging derivatives closed in the period, in line with IFRS 9.

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

€ million	30/09/2023	30/09/2022	Change	% Change
<b>EBITDA</b>	<b>116.3</b>	<b>112.2</b>	<b>4.1</b>	<b>3.6%</b>
Amortisation, depreciation, provisions and impairment charges	83.8	79.4	4.4	5.6%
Financial operations	(5.3)	(2.5)	(2.8)	109.3%
Equity investments	0.0	0.0	0.0	n.s.
Income tax	7.6	8.3	(0.7)	(8.3%)
<b>Income from equity investments of a non-financial nature</b>	<b>19.5</b>	<b>21.9</b>	<b>(2.4)</b>	<b>(11.2%)</b>

Income from equity investments for these companies fell by € 2.4 million, mainly due to greater amortisation/depreciation.

**EBITDA** rose from € 1,002.3 million at 30 September 2022 to € 1,006.4 million at 30 September 2023, recording an increase of € 4.1 million or 0.4%. EBITDA net of the change in scope (€ 14.0 million) and non-recurring items for 2022 (€ 38.4 million), involving sales of CO<sub>2</sub> rights after resolution no. 66/22 (€ 11.1 million), recognition of technical quality bonuses for companies in the water sector (- € 26.2 million) for 2018-2019 and the recognition of penalties receivable (€ 1.2 million), is up by 3% (+ € 28.7 million). The change is therefore due to the following counterbalancing effects:

- lower margins for WTEs due in part to the energy situation (- € 8.7 million) and in part due to lower amounts of energy sold (- € 1.9 million);
- lower margins from composting activity (- € 4.9 million) and TBM and landfill (- € 2.9 million) due to both lower tariffs and lower quantities;
- lower margins from hydroelectrical production (- € 18.5 million), mainly impacted by the price effect (- € 31 million) and partially offset by greater quantities (+ € 12 million);
- lower margins on sales of energy coming from photovoltaic systems (- € 5.5 million), mainly impacted by the price effect;
- higher margins from the increase in water tariff revenue, relative to non-pass-through items (+ € 25 million), in part influenced by the biennial tariff update for 2022-2023;
- the recognition by Gori of contributions for Regional Works for the years 2018-2021 (+ € 5.3 million);
- greater margins from energy balancing (+ € 11.9 million) and management of the public lighting services in the Municipality of Rome (+ € 1.9 million), following extraordinary maintenance and safety activities;

- an increase in the margin on sales of electricity and gas on the free market (respectively + € 29 million and + € 17 million), offset by the reduction in the energy margin on the protected market (- € 5 million) and the margin from energy management activities (- € 19 million);
- an increase in margins for added value services (+ € 4 million), in relation work done in the energy efficiency area.

**EBIT** amounted to € 442,7 million and decreased by € 42.0 million compared to the same period of the previous year. Below are details of the items influencing EBIT.

€ million	30/09/2023	30/09/2022	Change	% Change
Depreciation/amortisation and impairment losses	490.4	435.9	54.6	12.5%
Net write-downs (write-backs) of trade receivables	64.1	73.9	(9.8)	(13.3%)
Provisions and releases for risks and charges	9.2	7.9	1.3	16.7%
<b>Amortisation, depreciation, impairment and provisions</b>	<b>563.7</b>	<b>517.6</b>	<b>46.1</b>	<b>8.9%</b>

The increase in **depreciation, amortisation and impairment** (+€ 54.6 million) is mainly linked to investments in the period and the ongoing entry into operation of assets previously under construction, with particular reference to companies in the water segment (+€ 30.3 million) and in Networks & Smart Cities (+ € 7.5 million). The increase was also driven by greater amortisation/depreciation recorded by Acea Energia (+ € 5.2 million) in relation to greater investments in application software and the amortisation of the contract cost, as well as greater amortisation/depreciation recognised by Acea Ambiente (+ € 4.5 million) also due to effects of the acquisition of the business unit known as “Polo Cirsu”. For this item, the change in the consolidation scope accounts for a total of € 6.8 million.

**Net write-downs (write-backs) of trade receivables**, although down with respect to the same period the previous year (- € 9.8 million), essentially had the same impact on the Group's consolidated revenues (1.9% in September 2023, 1.9% in September 2022). This result, in the absence of any particular problems in terms of collections during the period in question, is substantially due to the following reasons: for the Commercial area (- € 5.5 million), the reduction in sales volumes due to commodities price trends; for the Water area (- € 4 million), the combined effects of business growth and the presence of a non-recurring component recognised by Gori in 2022 (settlement with EIC for previous items equal to around + € 5.6 million). Finally, as in previous periods, the “stress scenario” introduced in 2022 for the main Group companies was maintained, intended to anticipate potential issues with customer standing not identifiable from current performance but based on satellite models utilising macroeconomic e-business information.

**Provisions and releases for risks and charges** was up with respect to the same period the previous year (+ € 1.3 million). The change was mainly influenced by areti provisioning (+ € 3.2 million) in relation to the application of a fixed rate contribution pursuant to article 28.1 of the TIC from the distribution company Unareti S.p.A. for address change requests; this change was partially offset by the release of the ACEA Ato5 legal risks provision for € 1.2 million following the Frosinone Civil Court judgement of 31 May 2023 which, in particular, declared that the debt due to AAT05 from ACEA Ato5 for concession fees for the period 2007/2011 had been extinguished based on the payments made.

**Financial management** shows net expense of € 103.2 million, up with respect to the same period in 2022 by € 44.8 million due to the combined effects of higher interest rates and the increase in the average debt during the period. In particular, the increase in financial expense suffered from: **i)** greater interest recorded by the parent company on bond loans, mainly due to the parent company's new € 700 million issue (+ € 18.2 million) and greater interest on medium/long-term borrowings (+ € 9.9 million); **ii)** greater expenses recognised by Acea Energia in relation to interest on arrears for € 6.6 million and greater interest on security deposits for € 3.4 million. With reference to financial income we note **i)** the € 11.0 million reduction in relation to discounting income recognised by Gori in 2022; **ii)** greater interest on parent company short-term deposits for € 8.9 million.

**Income and expense from equity** investments show net income of € 1.1 million, down by € 18.5 million compared to the same period in the previous year. This reduction is due to the recognition in 2022 of net capital gains (€ 18.8 million) following the sale of a group of photovoltaic plants as part of the agreement signed with the British investment fund Equitix. The effects, following deconsolidation of the decommissioned assets at 31 December 2021, also included the provisional appraisal of the assets and liabilities relative to the second closing, classified with respect to IFRS 5.

The **estimated tax burden** is € 103.9 million, compared to € 162.1 million in the same period of the previous year. The reduction is due to the combined effects of lower before tax profit and a lower tax rate, impacted in 2022 by the extraordinary solidarity contribution pursuant to article 37 of Decree Law 21/2022 (“extra-profit contribution”). The tax rate at 30 September 2023 was 30.5% (36.4% as at 30 September 2022).

The **net profit attributable to the Group** was € 209.4 million, and showed a decrease of € 48.0 million compared to the same period of the previous year. The change net of one-off effects for 2022 (€ 55 million) and the change in the scope (€ 2 million) shows an increase of around € 5 million (+ 3%).

## Summary of results: trends in financial position and cash flows

Financial position data (€ million)	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Non-current Assets and Liabilities	8,138.0	7,846.9	291.0	3.7%	7,484.0	654.0	8.7%
Net working capital	(517.9)	(652.0)	134.1	(20.6%)	(489.6)	(28.3)	5.8%
Net Invested Capital	7,620.1	7,194.9	425.1	5.9%	6,994.4	625.7	8.9%
Net Financial Debt	(4,843.1)	(4,439.7)	(403.4)	9.1%	(4,393.0)	(450.1)	10.2%
<b>Total Shareholders' Equity</b>	<b>(2,777.0)</b>	<b>(2,755.2)</b>	<b>(21.7)</b>	<b>0.8%</b>	<b>(2,601.4)</b>	<b>(175.6)</b>	<b>6.7%</b>

### Non-current Assets and Liabilities

With respect to 31 December 2022, non-current assets and liabilities increased by € 291.0 million (+ 3.7%), below is a breakdown of the item:

€ million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Tangible/intangible fixed assets	7,704.3	7,383.0	321.3	4.4%	7,053.0	651.3	9.2%
Equity investments	368.6	351.9	16.7	4.8%	378.1	(9.5)	(2.5%)
Other non-current assets	931.5	844.6	86.9	10.3%	886.7	44.8	5.0%
Employee severance indemnity and other defined-benefit plans	(109.4)	(113.0)	3.6	(3.2%)	(112.5)	3.1	(2.8%)
Provisions for risks and charges	(317.4)	(218.0)	(99.4)	45.6%	(305.1)	(12.3)	4.0%
Other non-current liabilities	(439.7)	(401.5)	(38.1)	9.5%	(416.3)	(23.3)	5.6%
<b>Non-current Assets and Liabilities</b>	<b>8,138.0</b>	<b>7,846.9</b>	<b>291.0</b>	<b>3.7%</b>	<b>7,484.0</b>	<b>654.0</b>	<b>8.7%</b>

The increase in **fixed assets** (+ € 321.3 million) mainly derives from investments, totalling € 783.5 million, offset by amortisation/depreciation and writedowns for a total of € 490.4 million.

88% of investments during the period are linked to regulated businesses. The change with respect to the same period the previous year is € 68.3 million and mainly involves the Water area (+ € 62.5 million); the change in the scope of consolidation had an impact of € 3.8 million, relative to ASM Terni and Tecnoservizi.

The investments made by each Industrial Area are shown below.

Investments (€ million)	30/09/2023	30/09/2022	Change	% Change
Environment	27.8	27.5	0.3	1.0%
Commercial	33.8	31.0	2.8	8.9%
Water (Abroad)	3.7	3.2	0.5	16.5%
Water	473.4	410.9	62.5	15.2%
Networks & Smart Cities	197.5	191.9	5.5	2.9%
Production	30.7	26.0	4.8	18.4%
Engineering & Infrastructure Projects	3.3	3.0	0.2	7.6%
Corporate	13.2	21.5	(8.3)	(38.5%)
<b>Total Investments</b>	<b>783.5</b>	<b>715.2</b>	<b>68.3</b>	<b>9.6%</b>

**Equity investments** increased by € 16.7 million compared to 31 December 2022. The change was caused by the increase in the measurement of equity measured consolidated companies during the period, which contribute to EBITDA (+ € 19.5 million) and the change in scope (+ € 5.5 million), net of the effects of dividend distribution (- € 7.4 million) and the impact of the change in the "other comprehensive income" reserves (- € 2.0 million).

The stock of **employee severance indemnity and other defined benefit plans** reported a decrease of € 3.6 million, mainly due to the increase in the rate used (from 3.95% at 31 December 2022 to 4.24% at 30 September 2023).

**Provisions for risks and charges** increased by € 99.4 million with respect to the end of the previous year, due to allocations for taxes during the period for € 108.2 million. Uses in the period amounted to € 20.4 million.

The details by nature of the provisions are presented below:

€ million	31/12/2022	Uses	Provisions	Release for Excess Provisions	Reclassifications/ Other changes	30/09/2023
Legal	14.6	(1.6)	1.1	(1.7)	0.3	12.6
Taxes	5.7	(0.5)	0.2	0.0	0.0	5.4
Regulatory risks	31.6	(0.5)	2.1	(0.5)	0.6	33.2
Investees	8.2	(2.1)	0.5	0.0	1.9	8.5
Contributory risks	1.5	0.0	0.0	0.0	(0.0)	1.5
Insurance deductibles	10.9	(2.0)	1.4	0.0	0.0	10.3
Other risks and charges	28.0	(2.3)	6.9	(1.2)	(3.0)	28.4
<b>Total Provision for Risks</b>	<b>100.4</b>	<b>(9.1)</b>	<b>12.2</b>	<b>(3.4)</b>	<b>(0.2)</b>	<b>99.9</b>
Early retirements and redundancies	28.0	(10.3)	0.0	0.0	0.0	17.8
Post mortem	68.3	(0.3)	0.0	0.0	3.5	71.5
Provision for Expenses payable to others	21.1	(0.8)	0.4	0.0	(1.0)	19.8
Provisions for Interim Taxes	0.0	0.0	108.2	0.0	0.2	108.4
Provisions for Reinstatement Expenses	0.1	0.0	0.0	0.0	(0.0)	0.1
<b>Total Provisions for Expenses</b>	<b>117.6</b>	<b>(11.4)</b>	<b>108.6</b>	<b>0.0</b>	<b>2.7</b>	<b>217.5</b>
<b>Total Provisions for Risks and Charges</b>	<b>218.0</b>	<b>(20.4)</b>	<b>120.7</b>	<b>(3.4)</b>	<b>2.5</b>	<b>317.4</b>

**Other non-current assets** increased by € 86.9 million, mainly due to the rise in long-term receivables from regulatory accounting and tariff adjustments (+ € 60.1 million) and receivables for deferred taxes (+ € 36.4 million), partially counteracted by the decrease in accrued income and prepaid expenses and receivables due from Roma Capitale. The increase in **other non-current liabilities** (+ € 38.1 million) instead mainly refers to greater accrued expenses (€ 38.9 million).

#### Net working capital

The change in net working capital compared to 31 December 2022 results from the combined effect of an increase in current receivables of € 28.8 million, a decrease in other current assets (-€ 19.7 million), a decrease in current payables of € 180.5 million and an increase in other current liabilities of € 77.0 million.

€ million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Current receivables	1,296.3	1,267.4	28.8	2.3%	1,334.8	(38.5)	(2.9%)
- of which end users/customers	1,217.2	1,216.1	1.1	0.1%	1,269.1	(51.9)	(4.1%)
- of which Roma Capitale	59.7	37.7	22.1	58.6%	52.4	7.3	13.9%
- of which from Subsidiaries and Associates	19.4	13.7	5.7	41.6%	13.2	6.1	46.3%
<b>Inventories</b>	<b>126.0</b>	<b>104.5</b>	<b>21.5</b>	<b>20.5%</b>	<b>108.0</b>	<b>17.9</b>	<b>16.6%</b>
<b>Other Current Assets</b>	<b>465.4</b>	<b>485.1</b>	<b>(19.7)</b>	<b>(4.1%)</b>	<b>598.4</b>	<b>(133.0)</b>	<b>(22.2%)</b>
Current payables	(1,669.4)	(1,850.0)	180.5	(9.8%)	(1,824.4)	155.0	(8.5%)
- of which Suppliers	(1,627.7)	(1,802.6)	174.9	(9.7%)	(1,750.1)	122.5	(7.0%)
- of which Roma Capitale	(31.6)	(40.3)	8.7	(21.7%)	(62.1)	30.6	(49.2%)
- of which from Subsidiaries and Associates	(10.2)	(7.1)	(3.1)	43.6%	(12.2)	2.0	(16.3%)
<b>Other current liabilities</b>	<b>(736.1)</b>	<b>(659.1)</b>	<b>(77.0)</b>	<b>11.7%</b>	<b>(706.3)</b>	<b>(29.8)</b>	<b>4.2%</b>
<b>Net working capital</b>	<b>(517.9)</b>	<b>(652.0)</b>	<b>134.1</b>	<b>(20.6%)</b>	<b>(489.6)</b>	<b>(28.3)</b>	<b>5.8%</b>

**Receivables from users and customers**, net of provisions for impairment of receivables, amounted to € 1,217.2 million and are up by € 1.1 million compared to 31 December 2022. Below are receivables due from users and customers, broken down by area.

€ million	30/09/2023			31/12/2022			Change		
	Gross Customers	Provision for write-downs	Net Customers	Gross Customers	Provision for write-downs	Net Customers	Gross Customers	Provision for write-downs	Net Customers
Environment	84.8	(3.3)	81.5	77.3	(3.0)	74.3	7.5	(0.3)	7.2
Commercial	525.9	(162.4)	363.5	632.2	(145.9)	486.3	(106.3)	(16.5)	(122.8)
Water (Abroad)	37.6	(24.4)	13.2	32.7	(21.5)	11.1	5.0	(2.8)	2.1
Water	964.0	(379.1)	584.9	831.3	(344.3)	487.0	132.7	(34.9)	97.8
Networks & Smart Cities	241.7	(94.2)	147.5	218.4	(91.7)	126.7	23.4	(2.5)	20.8
Production	25.7	(5.7)	20.0	27.5	(5.9)	21.6	(1.8)	0.2	(1.6)
Engineering & Infrastructure Projects	7.2	(1.1)	6.1	8.8	(1.1)	7.7	(1.6)	(0.0)	(1.6)
Corporate	2.9	(2.4)	0.5	3.5	(2.2)	1.4	(0.6)	(0.2)	(0.8)
<b>Total</b>	<b>1,889.8</b>	<b>(672.6)</b>	<b>1,217.2</b>	<b>1,831.6</b>	<b>(615.5)</b>	<b>1,216.1</b>	<b>58.1</b>	<b>(57.1)</b>	<b>1.1</b>

The provision for doubtful receivables amounted to € 672.6 million, an increase compared to 31 December 2022 (€ 615.5 million) and 30 September 2022 (€ 614.8 million). Receivables totalling € 913.9 million were transferred without recourse during the first nine months of 2023, of which € 143.1 million from the Public Administration.

With respect to **Roma Capitale**, at 30 September 2023 the net balance of items in consolidated net working capital shows a credit balance of € 28.1 million, while the net balance including financial items (dividends, public lighting, etc.) shows a credit balance for the Group of € 19.4 million (€ 1.7 million at 31 December 2022). Below is a breakdown of the situation with Roma Capitale:

€ thousand	30/09/2023	31/12/2022	Change
<b>Receivables due from Roma Capitale</b>			
Utility receivables	54.3	32.9	21.4
Provisions for impairment	(1.7)	(1.7)	0.0
<b>Total receivables from users</b>	<b>52.6</b>	<b>31.2</b>	<b>21.4</b>
Receivables for water works and services	3.8	3.8	0.0
Receivables for water works and services to be invoiced	0.8	0.6	0.2
Contributions	0.0	0.0	0.0
Provisions for impairment	(2.2)	(2.2)	0.0
Receivables for electrical works and services	4.7	4.4	0.4
Receivables works and services - to be billed	0.3	0.2	0.1
Provisions for impairment	(0.3)	(0.3)	0.0
<b>Total receivables for works</b>	<b>7.2</b>	<b>6.5</b>	<b>0.7</b>
<b>Total trade receivables</b>	<b>59.7</b>	<b>37.7</b>	<b>22.1</b>
Financial receivables for Public Lighting services billed	170.7	135.1	35.6
Provisions for impairment	(58.0)	(58.0)	(0.0)
Financial receivables for Public Lighting services to be billed	32.6	36.3	(3.7)
Provisions for impairment	(11.3)	(5.4)	(5.9)
M/L term financial receivables for Public Lighting services	2.4	4.8	(2.4)
<b>Total Public Lighting receivables</b>	<b>136.4</b>	<b>112.8</b>	<b>23.6</b>
<b>Total Receivables</b>	<b>196.2</b>	<b>150.5</b>	<b>45.7</b>
<b>Payables due to Roma Capitale</b>			
Electricity surtax payable	(5.5)	(5.5)	(0.0)
Concession fees payable	(20.8)	(27.6)	6.8
Other payables	(8.7)	(9.8)	1.1
Dividend payables	(141.8)	(105.9)	(35.8)
<b>Total payables</b>	<b>(176.7)</b>	<b>(148.8)</b>	<b>(27.9)</b>
<b>Net balance receivables payables</b>	<b>19.4</b>	<b>1.7</b>	<b>17.7</b>

Trade and financial receivables recorded an overall increase of € 45.7 million compared to the end of the previous year, mainly due to accrual in the period net of amounts collected. The main changes are listed below:

- higher receivables for ACEA Ato2 for the supply of water for € 39.4 million;
- higher receivables referable to the Public Lighting service for € 36.6 million;
- collections/offsetting of ACEA Ato2 utility receivables for € 18.1 million and receivables for the ACEA IP fees for € 12.3 million.

With reference to payables, a decrease of € 27.9 million was seen, below are the main changes that occurred during the period:

- an increase in dividend payables of € 35.8 million following the recognition of share dividends for 2022 for ACEA and ACEA Ato2, respectively for € 92.3 million and € 2.4 million, net of payments made during the period equal to € 46.2 million for 2022 dividends and € 12.3 million for 2020 dividends;
- payment of ACEA Ato2 concession fees for 2021 and 2022 for a total of € 26.5 million;
- an increase in payables due to recognition of the ACEA Ato2 concession fee for the period for € 19.8 million;
- areti paid various municipalities the amounts due for road excavation permits for a total of € 2.2 million.

With specific reference to just offsetting operations during the year, below is a chronological summary of the main transactions:

- April 2023: offsetting of receivables for € 18.1 million related to the water supply service against the ACEA Ato2 concession fee for 2022;
- September 2023: offsetting of receivables for € 12.3 million for fees for the last quarter of 2022 for Public Lighting, offsetting Acea's share dividends for 2020.

Note that on 11 August 2022, the City Executive Committee with resolution no. 312 entitled "Public and artistic-monumental public lighting service on the entire municipal territory – Concessionaire: Acea S.p.A.- Recognition of the perimeter of the payable situation and launch of the consequent procedures" recognised the perimeter of the Administration's payables to Acea/Areti in relation to the Public Lighting service as of 31 December 2021.

This resolution was published on the institutional website of Roma Capitale on 30 August 2022 and with reference to the same, dialogue is still in progress with Roma Capitale.

On 27 September 2023, the ACEA Board of Directors approved, after receiving a favourable opinion from the Related Parties Transactions Committee, a proposal for a possible settlement agreement with Roma Capitale intended to govern their reciprocal positions and the methods for an early consensual termination of the contractual relationship between the parties relative to the Public Lighting service.

Given its status of an essential public service, the consensual termination will occur on the date the operator that wins the tender called by Roma Capitale effectively takes over the service.

With respect to the economic terms of a possible settlement agreement, in line with the City's Executive Committee resolution of August 2022 cited above, following the reciprocal renunciation of the parties, receivables totalling around € 100.6 million will be recognised with respect to ACEA (inclusive of VAT). The settlement will not have significant financial impacts at 31 December 2023, as the companies have already updated their estimates based on the criteria established in applicable law.

**Current payables** decreased mainly as a result of the decrease in the stock of trade payables (- € 174.9 million), mainly relative to Acea Energia (- € 150.3 million).

**Other Current Assets and Liabilities** recorded a decrease in assets of € 19.7 million and an increase in liabilities of € 77.0 million, compared to the previous year. More specifically, **other assets** decreased due to the drop seen in: **(i)** receivables for energy balancing (- € 27.9 million); **(ii)** VAT receivables (- € 22.5 million), mainly linked to the parent company; **(iii)** receivables from the Equalisation Fund (- € 19.2 million); **(iv)** other receivables (- € 25.5 million), mainly associated with ACEA Ato2 for Water Bonus receivables (€ 16.8 million), **(v)** the value of derivative instruments on commodities (- € 32.2 million) and, **(vi)** receivables with reference to AATO (- € 6.7 million) relative to SII due to invoicing of adjustment items and advances to suppliers (- € 5.0 million). The decrease is partially offset by the increase in the value of other tax receivables (+ € 67.3 million), mainly with reference to receivables accrued on Acea Energy and Acea Innovation energy efficiency projects, the increase in IRES and IRAP credits (+ € 35.9 million) and the increase in accrued income and prepaid expenses (+ € 17.3 million). More specifically, **current liabilities** increased due to higher payables due to the Equalisation Fund (Cassa Conguaglio) attributable to areti (+ € 118.0 million) due to a change in the regulatory framework for the Social Bonus and the reintroduction of general system charges in the second quarter of 2023, and to Acea Energia (+ € 12.4 million) as an effect of covering imbalances in the equalisation system for electricity purchasing and dispatching costs destined for the greater protection service, the increase in accrued expenses (+ € 15.9 million) attributable to ASM Terni in relation to the TARIC portion for April-December 2023, and ACEA Ato2, partially offset by the decrease in the debt associated with the acquisition of 35% of Deco for € 33.5 million and the debt for acquisition of 30% of SIMAM for € 13.0 million, as well as the reduction in the payable for the extraordinary solidarity contribution pursuant to article 37 of Decree Law 21/2022 with reference to Acea Produzione (- € 18.4 million).

#### **Shareholders' equity**

The shareholders' equity amounted to € 2,777.0 million. The changes seen, totalling € 21.7 million, are analytically presented in the relevant table and essentially derive from profits accruing during the first nine months of 2023, distribution of dividends and the change in cash flow hedge reserves, as well as those formed by actuarial gains and losses.

## Net financial debt

Group **financial debt** recorded an overall increase of € 403.4 million, going from € 4,439.7 million at the end of 2022 to € 4,843.1 million at 30 September 2023.

€ million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
A) Cash	468.5	559.9	(91.5)	(16.3%)	659.4	(190.9)	(29.0%)
B) Cash equivalents	0.0	0.0	0.0	n.s.	0.0	0.0	n.s.
C) Other current financial assets	469.0	342.1	126.9	37.1%	409.5	59.5	14.5%
<b>D) Liquidity (A + B + C)</b>	<b>937.5</b>	<b>902.0</b>	<b>35.5</b>	<b>3.9%</b>	<b>1,068.9</b>	<b>(131.4)</b>	<b>(12.3%)</b>
E) Current financial debt	(211.0)	(165.4)	(45.6)	27.5%	(332.4)	121.5	(36.5%)
F) Current portion of non-current financial debt	(775.0)	(454.0)	(320.9)	70.7%	(423.2)	(351.8)	83.1%
<b>G) Current financial debt (E + F)</b>	<b>(985.9)</b>	<b>(619.4)</b>	<b>(366.5)</b>	<b>59.2%</b>	<b>(755.6)</b>	<b>(230.3)</b>	<b>30.5%</b>
<b>H) Net current financial debt (G + D)</b>	<b>(48.5)</b>	<b>282.6</b>	<b>(331.0)</b>	<b>(117.1%)</b>	<b>313.2</b>	<b>(361.7)</b>	<b>(115.5%)</b>
I) Non-current financial debt	(4,794.6)	(4,722.3)	(72.4)	1.5%	(4,706.2)	(88.4)	1.9%
J) Debt instruments	0.0	0.0	0.0	n.s.	0.0	0.0	n.s.
K) Trade payables and other non-current payables	0.0	0.0	0.0	n.s.	0.0	0.0	n.s.
<b>L) Non-current financial debt (I + J + K)</b>	<b>(4,794.6)</b>	<b>(4,722.3)</b>	<b>(72.4)</b>	<b>1.5%</b>	<b>(4,706.2)</b>	<b>(88.4)</b>	<b>1.9%</b>
<b>Total financial debt (H + L)</b>	<b>(4,843.1)</b>	<b>(4,439.7)</b>	<b>(403.4)</b>	<b>9.1%</b>	<b>(4,393.0)</b>	<b>(450.1)</b>	<b>10.2%</b>

**Non-current financial debt** increased by € 72.4 million compared with the end of the 2022 financial year. This change derives from the combined effects of the increase in bond loans of € 101.8 million and the decrease in payables for medium/long-term loans of € 44.6 million, as shown in the following table:

€ million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Bonds	3,936.3	3,834.5	101.8	2.7%	3,834.2	102.0	2.7%
Medium/long-term borrowings	769.9	814.4	(44.6)	(5.5%)	803.4	(33.5)	(4.2%)
IFRS 16 financial payables	88.5	73.4	15.1	20.6%	68.7	19.9	28.9%
<b>Non-current financial debt</b>	<b>4,794.6</b>	<b>4,722.3</b>	<b>72.4</b>	<b>17.8%</b>	<b>4,706.2</b>	<b>88.4</b>	<b>27.4%</b>

**Bonds**, equal to € 3,936.3 million at 30 September 2023, show a total increase of € 101.8 million due to the combined effects of the € 5 billion placement on 17 January 2023 under the Euro Medium Term Notes programme (EMTN), of a Green Bond with an initial amount of € 500 million, increased by a further € 200 million on 3 February (3.875% interest rate, maturing on 24 January 2031), offset by € 600.0 million for the reclassification to current of the 10-year bond issued by ACEA in July 2014.

**Medium/long-term loans** amounting to € 769.9 million recorded an overall decrease of € 44.6 million due to the parent company (- € 15.6 million) and *areti* (- € 13.7 million). The following table shows medium/long-term and short-term borrowings (excluding the portion due to application of IFRS 16) by term to maturity and type of interest rate.

€ million	Total Residual Debt	By 30/09/2024	From 30/09/2024 to 30/09/2028	After 30/09/2028
fixed rate	278.2	34.9	139.5	103.8
floating rate	436.7	89.5	166.3	180.9
floating rate cash flow hedge	201.7	22.3	131.2	48.2
<b>Total</b>	<b>916.5</b>	<b>146.7</b>	<b>437.0</b>	<b>332.9</b>

The **fair value** of GORI's hedging derivatives was a positive € 6.0 million (as at 31 December 2022, it was a positive € 6.6 million). Acquedotto del Fiora was a positive € 5.5 million (as at 31 December 2022, it was a positive € 5.5 million), and that of SII was a positive € 1.4 million (as at 31 December 2022 it was a positive € 1.6 million). Positive fair values are found under "Non-current financial assets" and are not considered in the balance of correlated loans.

The **current component** is negative at € 48.5 million and, compared to the end of 2022, worsened by € 331.0 million, mainly attributable to the parent company (+ € 278.2 million) due to the reclassification to current of the short-term portion of the 10-year bond issued by ACEA in July 2014 (+ € 600 million), partially offset by the reduction in current financial payables following the payment

of the bond which had matured (- € 300.0 million), the reduction in cash and cash equivalents (- € 67.7 million) and higher short-term deposits (+ € 105.0 million).

Note that financial debt includes € 141.8 million in payables to Roma Capitale for dividends resolved to be distributed and does not include other payables of around € 10.6 million relating to share purchase options of the companies already held.

At 30 September 2023 the Parent Company had unused committed credit lines of € 700.0 million and uncommitted lines of € 425.0 million, of which € 21.0 million used. No guarantees were granted in obtaining these lines. Additionally, note that on 6 July the contract for the first tranche of the ACEA - EIB loan was signed, for € 235 million, supporting Acea Ato2 investments and at present not yet utilised.

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

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

## Reference context

### Performance of the equity markets and the ACEA stock

In the first nine months of 2023, global stock markets had good performance, supported by the resilience of the economy while it awaited the end of the current rise in interest rates.

The Milan Stock Market was the top performer in terms of European markets. The FTSE MIB (adjusted for dividends) appreciated by 24.0%, in consideration of substantial exposure to bank securities positively correlated with bond returns.

Borsa Italiana was followed by the stock markets of Madrid, (+18.3%), Paris (+13.4%) and Frankfurt (+10.5%).

The London Stock Exchange’s FTSE 100 underperformed other markets, with an increase of 5.3%, also due to the appreciation of the British pound with respect to the Euro, due to the more extensive monetary policies implemented by the Bank of England.

In terms of monetary policy, we note the following:

- at its September meeting, the ECB increased interest rates by 25 basis points, bringing the main refinancing rate to 4.5%;
- according to the ECB, the prospects for inflation continue to be high. Therefore, despite indicating a potential end to interest rate increases, the ECB indicated that it would maintain current rate levels for as long as needed to return inflation to the medium-term objective of 2%;
- at its September meeting, the Fed kept interest rates stable at a range between 5.25% and 5.50%, halting its increases. The President of the Fed, Powell, confirmed that the interest rate increase stage was nearing the end, in any case linking monetary policy decisions to trends in macroeconomic figures.

ACEA stock closed at € 10.31 at the end of September (capitalisation: € 2,196 million), down by 14.9% with respect to the beginning of the year (adjusted for dividends - Total Shareholder Return).

With reference to just the variation in price, the reduction was 20.2%. The maximum value was seen on 7 February (€ 14.42), while the lowest was on 28 September (€ 10.09).

During the period under analysis, daily average volumes were around 156,000. Trading intensified at the time the quarterly results were issued and when dividends were detached. In the last week of September, average daily volumes were around 277,000.

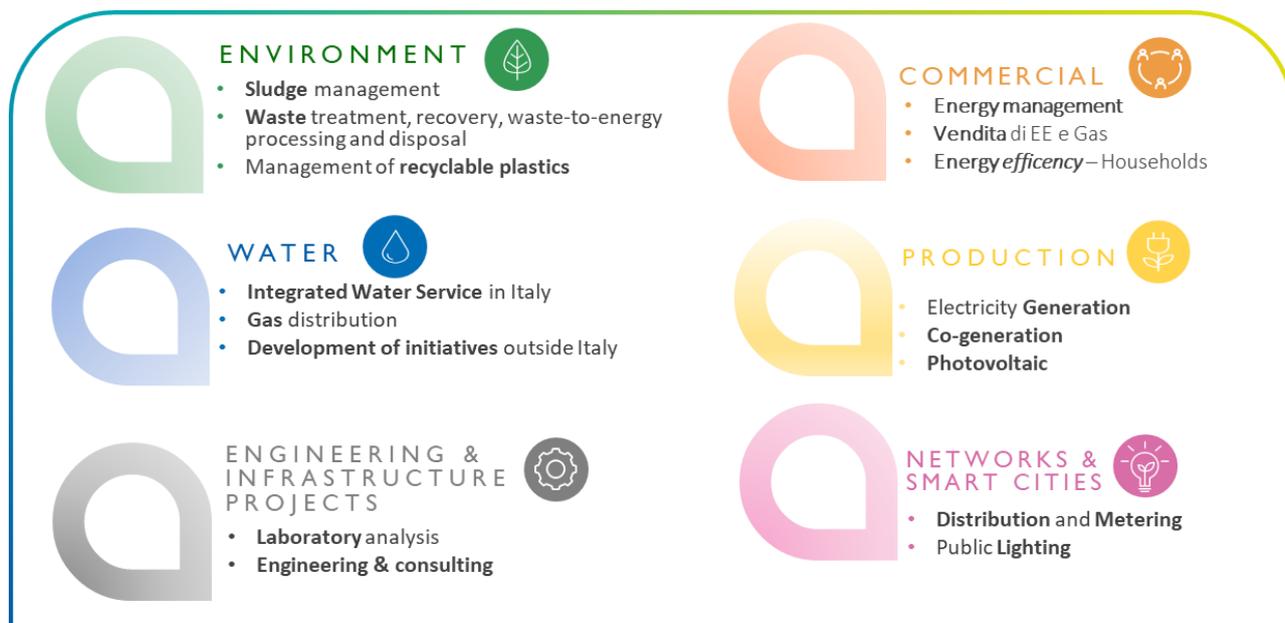


Source: Bloomberg, lowered to 100 at 30/12/2022

Changes adjusted for dividend detachment (Total Shareholder Return)

## Operating Segments

ACEA's macro structure is organised in corporate functions and six operating segments: Water, Networks & Smart Cities, Production, Commercial, Environment, Engineering & Infrastructure Projects.



## Trend of Operating segments

### Economic results by segment

The results by segment are shown on the basis of the approach used by the management to monitor Group performance in the financial years compared in observance of IFRS 8 accounting standards.

€ million 30/09/2023	Environment	Commercial	Water	Water (Abroad)	Production	Networks & Smart Cities	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated Total
Revenues	247	1,813	1,088	73	107	469	83	105	(566)	3,420
Costs	184	1,731	560	46	59	190	78	131	(566)	2,413
<b>EBITDA</b>	<b>63</b>	<b>82</b>	<b>528</b>	<b>28</b>	<b>48</b>	<b>279</b>	<b>5</b>	<b>(26)</b>	<b>0</b>	<b>1,006</b>
Depreciation/amortisation and impairment losses	41	51	305	12	15	112	5	22	0	564
<b>Operating profit/(loss)</b>	<b>22</b>	<b>31</b>	<b>223</b>	<b>16</b>	<b>33</b>	<b>167</b>	<b>(1)</b>	<b>(48)</b>	<b>0</b>	<b>443</b>
Capex	28	34	473	4	31	197	3	13	0	783

Revenue includes the condensed result of equity investments (of a non-financial nature) consolidated using the equity method. The Water Segment also includes the financial statements of companies in the gas distribution segment and the newly consolidated ASM Terni.

€ million 30/09/2022	Environment	Commercial	Water	Water (Abroad)	Production	Networks & Smart Cities	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Consolidated Total
Revenues	254	2,347	1,026	70	141	452	84	108	(632)	3,850
Costs	171	2,289	510	45	62	188	76	138	(632)	2,848
<b>EBITDA</b>	<b>83</b>	<b>58</b>	<b>516</b>	<b>25</b>	<b>79</b>	<b>264</b>	<b>8</b>	<b>(30)</b>	<b>0</b>	<b>1,002</b>
Depreciation/amortisation and impairment losses	31	49	280	10	14	102	6	24	0	518
<b>Operating profit/(loss)</b>	<b>52</b>	<b>8</b>	<b>236</b>	<b>15</b>	<b>65</b>	<b>162</b>	<b>1</b>	<b>(55)</b>	<b>0</b>	<b>485</b>
Capex	28	31	411	3	26	192	3	22	0	715


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

Operating data	U.M.	30/09/2023	30/09/2022	Change	% Change
WTE conferment	KTon	285.3	293.1	(7.9)	(2.7%)
MBT Waste and Landfill	KTon	322.4	282.7	39.8	14.1%
Conferments to composting plants	KTon	152.4	132.7	19.8	14.9%
Conferments to Selection Plants	KTon	256.8	196.5	60.3	30.7%
Intermediated waste	KTon	124.7	122.7	2.0	1.6%
Liquids treated at Plants	KTon	246.3	241.5	4.8	2.0%
WTE Net electricity sold	GWh	210.8	222.6	(11.9)	(5.3%)
Waste produced	KTon	364.0	326.5	37.5	11.5%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
Revenues	247.3	254.1	(6.8)	(2.7%)
Costs	183.9	170.9	12.9	7.6%
EBITDA	63.4	83.2	(19.7)	(23.7%)
Operating profit/(loss)	22.1	51.9	(29.8)	(57.5%)
Average Workforce	879	781	98	12.5%

Economic and financial results € million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Capex	27.8	46.2	(18.4)	(39.8%)	27.5	0.3	1.0%

EBITDA € million	30/09/2023	30/09/2022	Change	% Change
EBITDA – Environment Segment	63.4	83.2	(19.7)	(23.7%)
EBITDA – Group	1,006.4	1,002.3	4.1	0.4%
Percentage	6.3%	8.3%	(2.0 p.p.)	

The Environment Area ended the first nine months of 2023 with a level of EBITDA of € 63.4 million, down by € 19.7 million (- 23.7 %) compared to the same period of the previous year. The change is mainly due to lower margins for **Acea Ambiente** (- € 27.1 million) due to lower CO2 sales (- € 11.1 million), lower WTE margins due in part to the energy situation (- € 8.7 million) and in part to lower quantities of energy sold (- € 1.9 million), lower margins from composting due both to lower tariffs and lower amounts (- € 4.9 million) and lower margins for TBM and landfills due to both lower amounts accepted and the price effect (- € 2.9 million).

This effect was offset by the increase recorded by Demap (+ € 1.6 million), which in the initial months of 2022 suffered from stoppage due to the fire at the end of 2021 and the change in the scope (+ € 10.9 million) following consolidation of **Tecnoservizi** (+ € 2.4 million) and the Polo Cirsu business unit acquired by **Acea Ambiente** (+ € 8.5 million).

The average number of employees at 30 September 2023 was 879, an increase of 98 employees compared with 30 September 2022, due mainly to the consolidation of **Tecnoservizi** (+85 employees).

Segment investments came out at € 27.8 million (+€ 0.3 million compared to 30 September 2022) and refer mainly to the investments made by **Acea Ambiente** (€ 15.5 million) for system improvements carried out at the San Vittore plants and at the WTE plant in Terni and **AS Recycling** (€ 4.3 million), for the construction of the plastic SRF recycling plant in Borgorose.



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

Operating data	U.M.	30/09/2023	30/09/2022	Change	% Change
Electrical Energy sold - Free	GWh	4,329.7	4,794.6	(464.9)	(9.7%)
Electrical Energy sold - Protected	GWh	817.4	1,100.1	(282.8)	(25.7%)
Electricity - Free market customers (P.O.D.)	N/1000	703	513	189	36.9%
Electrical Energy - No. Protected Market Customers (P.O.D.)	N/1000	512	656	(145)	(22.1%)
Gas Sold	MSmc	136.8	152.5	(15.7)	(10.3%)
Gas - No. Free Market Customers	N/1000	287	236	51	21.8%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
Revenues	1,812.8	2,347.0	(534.2)	(22.8%)
Costs	1,730.9	2,289.0	(558.1)	(24.4%)
EBITDA	81.9	58.0	23.9	41.2%
Operating profit/(loss)	30.9	8.5	22.4	n.s.
Average Workforce	459	442	17	3.9%

Economic and financial results € million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Capex	33.8	49.6	(15.8)	(31.9%)	31.0	2.8	8.9%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
EBITDA-Commercial Segment	81.9	58.0	23.9	41.2%
EBITDA – Group	1,006.4	1,002.3	4.1	0.4%
Percentage	8.1%	5.8%	2.3 p.p.	

The Segment, responsible for the management and development of electricity and gas sales and related customer relationship activities as well as the Group's energy management policies, ended the first nine months of 2023 with EBITDA of € 81.9 million, up compared to the same period of 2022 by € 23.9 million.

The change is mainly attributable to **Acea Energia** (+€ 20.5 million), due to the net improvement in the Energy margin (+€ 21.4 million), partially counterbalanced by the slight decrease in the Smart Services margin (-€ 0.9 million). Also contributing to the increase for the segment was **Acea Innovation** (+€ 2.7 million) due to higher margins on e-mobility, smart services and smart comp. With respect to effects on the primary energy margin, note:

- Q an improvement in the margin for the **electricity free market** (+€ 28.5 million), driven by performance in the Domestic Retail segment (average customer base + 18% and unit margin + 50%); on the other hand, the **Gradual Protection Service** margin was € 4.2 million;
- Q a reduction in margins relative to the **Greater Protection Service** (-€ 9.5 million), in part due to the automatic assignment of non-domestic customers and micro-businesses ("Other uses") to the Gradual Protection Service as of 1 April 2023 and in part to the "natural" loss of Greater Protection Service customers to the Free Market (- 8%), not counterbalanced by application of higher tariffs;
- Q an improvement in the margin for the **gas market** of € 17.2 million due to higher unit margins in the B2C sector (+70%), combined with an increase in the average Customer Base (+20%) and in volumes (+16%), while the unit margin in the Business sector fell slightly (-3%) as did general volumes (-34%) due to fewer customers.
- Q a reduction in the energy margin for **optimisation of energy flows** (-€ 19.1 million compared to the same period the previous year) due to the progress loosening of commodity price tensions seen on wholesale energy markets.

The operating result increased by € 22.4 million, influenced by the higher margins achieved and higher depreciation/amortisation (+€ 7.0 million) mainly attributable to customer acquisition costs, partly offset by lower writedowns on receivables (-€ 5.6 million).

Investments by the Segment amounted to € 33.8 million, a small increase of € 2.8 million compared to 30 September 2022. Total investments mainly related to **Acea Energia** and mostly referred to the cost of acquiring new customers in accordance with IFRS15 (€ 22.7 million). The smart services and e-mobility projects (€ 2.3 million) developed by **Acea Innovation** also contributed to the investments of the Segment.



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

Operating data	U.M.	30/09/2023	30/09/2022	Change	% Change
Water volumes	Mm3	383.8	389.4	(5.5)	(1.4%)
Energy consumed	GWh	544.5	573.9	(29.3)	(5.1%)
Sludge disposed of	KTon	137.9	147.4	(9.5)	(6.5%)

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
Revenues	1,088.2	1,025.5	62.7	6.1%
Costs	560.3	509.7	50.5	9.9%
EBITDA	528.0	515.8	12.2	2.4%
Operating profit/(loss)	222.7	236.1	(13.4)	(5.7%)
Average Workforce	3,977	3,504	473	13.5%

Economic and financial results € million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Capex	473.4	611.0	(137.6)	(22.5%)	410.9	62.5	15.2%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
EBITDA – Water Segment	528.0	515.8	12.2	2.4%
EBITDA – Group	1,006.4	1,002.3	4.1	0.4%
Percentage	52.5%	51.5%	1.0 p.p.	

The EBITDA for the Segment stood at € 528.0 million at 30 September 2023, an increase of € 12.2 million compared to 30 September 2022 (+ 2.4 %). The increase was impacted by the consolidation of **ASM Terni**, acquired at the end of 2022 (+ € 7.8 million) with the remaining part due to counteracting effects mainly associated with the increase in tariff revenues for non-pass-through items, also influenced by the biennial tariff update for 2022-2023, and **Gori's** recognition of contributions for Regional Works for the years 2018-2021 (+ € 5.3 million); this increase was partially offset by the recognition the previous year of technical quality bonuses for water sector companies (- € 26.2 million) for 2018-2019 (Resolution 183/2022/R/idr of 26 April 2022).

The contribution to EBITDA from equity measured water companies, totalling € 17.7 million, fell slightly (- € 1.5 million) due to greater amortisation/depreciation and the recognition in 2022 of the aforementioned technical quality bonus. The contribution to EBITDA of the companies valued at shareholders' equity is detailed below:

€ million	30/09/2023	30/09/2022	Change	% Change
Publiacqua	7.1	6.1	1.0	16.9%
Acque Group	7.3	9.3	(2.0)	(21.7%)
Umbra Acque	2.6	1.9	0.8	39.6%
Nuove Acque and Intesa Aretina	0.4	0.5	(0.1)	(17.7%)
Geal	0.2	1.2	(1.0)	(85.7%)
Umbria Distribuzione Gas	0.1	0.0	0.1	n.s.
Romeo Gas	0.0	0.3	(0.3)	(100.0%)
<b>Total</b>	<b>17.7</b>	<b>19.2</b>	<b>(1.5)</b>	<b>(7.7%)</b>

The quantification of the revenues deriving from management of the integrated water service is the consequence of application of the new water tariff method for the third regulatory period (MTI-3), as approved by the Authority (ARERA) with Resolution no. 580/2019/R/idr of 27 December 2019, taking into account the approval of the 2022-2023 tariff provisions which occurred in the meantime.

Operating profit suffered from the increase in amortisation/depreciation (+ € 30.3 million), for the most part due to investments during the period and assets previously under construction now in use, partially counterbalanced by lower writedowns on receivables (- € 3.7 million) and lower provisioning (- € 1.1 million), for the most part due to the release of the ACEA Ato5 provision for legal risks for € 1.2 million, involving the provision established in 2021 to cover the greater amounts to be paid by the company as the concession fee for 2006 - 2011, following a judgement in favour of the company.

The average workforce as of 30 September 2023, equal to 3,977, increased by 473 compared to 30 September 2022, mainly attributable to the consolidation of **ASM Terni** (+383 employees) and residually to **ACEA Ato2** (+40 employees) and **Adistribuzione gas** (+25 employees), as a consequences of the acquisition of the branch deriving from the partial demerger of Romeo Gas in October 2022.

Investments by the Segment amounted to € 473.4 million, an increase of € 62.5 million compared to the same period of the previous year. This increase is mainly due to greater investments made by **Gori** (+ € 30.1 million) and **ACEA Ato2** (+ € 17.1 million) and **Acquedotto del Fiora** (+ € 6.1 million). The investments refer mainly to extraordinary maintenance work, reconstruction, modernisation and expansion of plants and networks, the reclamation and expansion of water and sewer pipes of the various Municipalities and work on purification and transport plants (ducts and feeders). The change in scope involving consolidation of **ASM Terni** accounted for € 3.4 million of the increase.

#### Revenue from the Integrated Water Service

The table below indicates for each Company in the Water Segment the amount of revenue in the first nine months of 2023 measured on the basis of the new MTI-3 Tariff Method. The data also include the adjustments of passing items and the Fo.NI component.

Company	Revenue from the IWS (pro quota values in € million)	FoNI (pro quota values in € million)
ACEA Ato2	543.1	FNI = 39.9 AMMFoNI = 16.9
ACEA Ato5	63.2	FNI = 1.3 AMMFoNI = 4.6
GORI	63	-
Acque	54.8	AMMFoNI = 3.9
Publiacqua	84.8	AMMFoNI = 16.1
AdF	36.3	AMMFoNI = 3.7
Gesesa	6.3	-
Nuove Acque	6.9	AMMFoNI = 1.1
Geal	7.7	AMMFoNI = 0.6
Acea Molise	3.6	-
IWS	13.9	AMMFoNI = 0.5
Umbra Acque	27.5	FNI = 0.1 AMMFoNI = 2.0


**WATER (Abroad)**
**Operating figures, equity and financial results for the period**

Operating data	U.M.	30/09/2023	30/09/2022	Change	% Change
Water Volumes	Mm3	32.1	31.4	0.7	2.1%
Volumes fed into the grid	Mm3	58.7	57.1	1.5	2.7%
Number of customers (user accounts served)	Number	124,143	123,156	987	0.8%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
Revenues	73.5	70.0	3.4	4.9%
Costs	46.0	44.8	1.1	2.5%
EBITDA	27.5	25.2	2.3	9.3%
Operating profit/(loss)	15.9	15.0	0.9	5.9%
Average Workforce	2,508	2,434	74	3.0%

Economic and financial results € million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Capex	3.7	5.8	(2.1)	(35.5%)	3.2	0.5	16.5%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
EBITDA Water (Abroad)	27.5	25.2	2.3	9.3%
EBITDA – Group	1,006.4	1,002.3	4.1	0.4%
Percentage	2.7%	2.5%	0.2 p.p.	

The Water Segment includes companies managing water services in Latin America and ended the first nine months of 2023 with EBITDA of € 27.5 million, up by € 2.3 million with respect to 30 September 2022. The increase is mainly attributable to **Aguas de San Pedro** (+€ 2.6 million) due to higher invoiced volumes (+ 2.1%) as well as to a rate increase due to inflation.

The average workforce at 30 September 2023 was 2,508 units, up by 74 with respect to 30 September 2022, mainly due to **Acea Perú** (+ 96 units), partially offset by the reduction recorded by **Consorcio Acea Lima Sur** (- 49 units).

Investments during the period came to € 3.7 million, slightly up (+ € 0.5 million) with respect to the same period the previous year and almost entirely relative to investments made by **Aguas de San Pedro** in relation to integrated water service management for the city of San Pedro Sula, in Honduras.



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

Operating data	U.M.	30/09/2023	30/09/2022	Change	% Change
Electricity distributed	GWh	6,801.5	7,141.8	(340.4)	(4.8%)
No. of Customers	N/1000	1,659	1,640	10	0.6%
Km of Grid (MV/LV)	Km	32,013	31,640	373	1.2%
2G Metering Groups	Number	245,143	195,325	49,818	25.6%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
Revenues	469.0	452.4	16.6	3.7%
Costs	189.9	188.3	1.6	0.9%
EBITDA	279.1	264.1	15.0	5.7%
Operating profit/(loss)	167.0	161.8	5.2	3.2%
Average Workforce	1,276	1,257	18	1.4%

Economic and financial results € million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Capex	197.5	268.8	(71.3)	(26.5%)	191.9	5.5	2.9%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
EBITDA Networks & Smart Cities Segment	279.1	264.1	15.0	5.7%
EBITDA – Group	1,006.4	1,002.3	4.1	0.4%
Percentage	27.7%	26.4%	1.4 p.p.	

The EBITDA for the Segment at 30 September 2023 was € 279.1 million, an increase of € 15.0 million compared to 30 September 2022. EBITDA for **areti** increased by € 13.1 million due to energy balancing (+ € 11.9 million) and lower costs (+ € 1.7 million). With reference to the energy balance, as at 30 September 2023, **areti** distributed 6,801.5 GWh to end customers, down by 4.8% on the same period in the previous year. EBITDA from **public lighting**, involving management of the public lighting service in the Municipality of Rome, came to € 1.8 million, an improvement of € 1.9 million with respect to the same period the previous year following extraordinary maintenance and security activities.

The average number of employees increased slightly compared to the same period in the previous year (+ 18 employees).

The operating result increased by € 5.2 million compared to 30 September 2022 and was affected by higher depreciation/amortisation for the period (+€ 7.5 million) due to the combined effect of higher depreciation/amortisation of software purchased in previous periods and investments made on the distribution network and industrial and commercial equipment.

Investments amounted to € 197.5 million, an increase of € 5.5 million compared to the same period of the previous year, mainly due to more installations of 2G metres. The investments refer mainly to **areti** and are attributable to the expansion and upgrading of the HV, MV and LV grids, the mass replacement of 2G metering groups, work on the primary stations, secondary substations and meters, and remote control equipment as part of the grid “Adequacy and Safety” and “Innovation and Digitalisation” projects. This was all intended to improve the quality of the service and increase resilience. Intangible investments refer to projects for the re-engineering of information and commercial systems. The **public lighting** sector contributed for € 0.7 million.


**PRODUCTION**

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

Operating data	U.M.	30/09/2023	30/09/2022	Change	% Change
Energy produced (hydro+thermal)	GWh	454.6	389.7	64.8	16.6%
of which hydro	GWh	338.6	257.4	81.2	31.5%
of which thermal	GWh	116.0	132.3	(16.3)	(12.3%)
(Photovoltaic) Energy Produced	GWh	112.4	104.2	8.2	7.9%
Energy produced (cogeneration)	GWh	25.1	24.8	0.3	1.3%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
Revenues	106.9	140.8	(33.9)	(24.1%)
Costs	58.7	62.3	(3.5)	(5.7%)
EBITDA	48.2	78.6	(30.4)	(38.7%)
Operating profit/(loss)	33.2	64.8	(31.6)	(48.7%)
Average Workforce	97	91	6	6.5%

Economic and financial results € million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Capex	30.7	30.3	0.5	1.6%	26.0	4.8	18.4%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
EBITDA Production Segment	48.2	78.6	(30.4)	(38.7%)
EBITDA – Group	1,006.4	1,002.3	4.1	0.4%
Percentage	4.8%	7.8%	(3.1 p.p.)	

EBITDA at 30 September 2023 came to € 48.2 million, down by € 30.4 million with respect to 30 September 2022, mainly attributable to **Acea Produzione** (- € 24.6 million) as a consequence of **i)** lower margins from hydroelectric production (- € 18.5 million), which despite greater volumes compared to the same period the previous year, suffered from the significant reduction in prices on energy markets (the average DAM price in January -September 2023 was € 127.5/MWh compared to € 317.8/MWh in the same period of 2022) and lower incentivised revenue; **ii)** lower margins from sales of energy coming from photovoltaic systems (- € 5.5 million), in part due to lower quantities and in part to lower prices on the market.

EBITDA for the **photovoltaic** segment fell by € 4.8 million, mainly influenced by the change in the scope (- € 4.7 million) due to the loss of control over a photovoltaic holding in the ACEA Group (Acea Sun Capital) as of April 2022.

The average workforce fell slightly (- 6 units) compared to the previous year; note that the photovoltaic companies do not have employees.

Investments amounted to € 30.7 million and increased by € 4.8 million compared to the same period of the previous year, mainly due to greater investments made by **Acea Solar** (+ € 6.6 million), offset by lower investments made by SF Island (- € 1.2 million) to construct both agricultural and industrial photovoltaic systems.

Acea Produzione made investments totalling € 5.1 million, slightly down with respect to the same period the previous year (- € 0.9 million), mainly with reference to upgrading and maintenance work on hydroelectric power plants, as well as to expand and restore the district heating network.


**ENGINEERING &  
INFRASTRUCTURE PROJECTS**
**Operating figures, equity and financial results for the period**

Operating data	U.M.	30/09/2023	30/09/2022	Change	% Change
Number of projects	Number	42	58	(15)	(26.6%)
Number of EPC work sites	Number	24	29	(5)	(17.2%)
Number safety inspections	Number	11,060	11,713	(653)	(5.6%)
Number determinations	Number	766,678	777,027	(10,349)	(1.3%)
Number samples	Number	25,603	26,529	(926)	(3.5%)
Waste volume processed	tonnes	5,813	6,841	(1,028)	(15.0%)
Water volume processed	m3	1,292,528	1,333,149	(40,622)	(3.0%)

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
Revenues	82.7	84.4	(1.7)	(2.0%)
Costs	78.1	76.5	1.6	2.1%
EBITDA	4.5	7.9	(3.4)	(42.5%)
Operating profit/(loss)	(0.8)	1.4	(2.2)	(153.7%)
Average Workforce	481	453	28	6.1%

Economic and financial results € million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Capex	3.3	5.8	(2.5)	(43.6%)	3.0	0.2	7.6%

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
EBITDA Engineering & Infrastructure Projects Segment	4.5	7.9	(3.4)	(42.5%)
EBITDA – Group	1,006.4	1,002.3	4.1	0.4%
Percentage	0.5%	0.8%	(0.3 p.p.)	

EBITDA for the segment at 30 September 2023 came to € 4.5 million, down by € 3.4 million with respect to the previous year. This change is due to Simam (- € 2.5 million) due to lower construction and water treatment business with respect to the same period the previous year and to TWS (- € 0.5 million) due to the reduction in the construction and project management margin due to postponing of work orders.

The average workforce at 30 September 2023 stood at 481 and was up compared to 30 September 2022 (453 employees). The change is mainly attributable to Simam (+ 25 employees).

Investments amounted to € 3.3 million, up by € 0.2 million compared to the same period the previous year. Investments in the segment were mainly made by Acea Elabori (€ 2.2 million), for the most part to purchase equipment and software.



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

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
Revenues	105.1	107.9	(2.9)	(2.6%)
Costs	131.4	138.4	(7.0)	(5.1%)
EBITDA	(26.3)	(30.4)	4.1	(13.6%)
Operating profit/(loss)	(48.4)	(54.8)	6.4	(11.7%)
Average Workforce	727	715	12	1.7%

Economic and financial results € million	30/09/2023	31/12/2022	Change	% Change	30/09/2022	Change	% Change
Capex	13.2	32.7	(19.4)	(59.5%)	21.5	(8.3)	(38.5%)

Economic and financial results € million	30/09/2023	30/09/2022	Change	% Change
EBITDA – Corporate Segment	(26.3)	(30.4)	4.1	(13.6%)
EBITDA – Group	1,006.4	1,002.3	4.1	0.4%
Percentage	(2.6%)	(3.0%)	0.4 p.p.	

Corporate closed at 30 September 2023 with negative EBITDA of € 26.3 million, an increase of € 4.1 million compared to the same period in 2022. The change is mainly due to lower costs, partially counterbalanced by higher personnel expense, as a consequence of contractual adjustments and increased staff.

EBIT is negative at € 48.4 million, an improvement over the same period of the previous year by € 6.4 million, as a result on the one hand, of the increase in EBITDA, and on the other hand, of lower allocations to the provision for charges.

The average workforce at 30 September 2023 stood at 727, an increase of 12 compared to 2022 (715 units).

Investments amounted to € 13.2 million (€ 21.5 million at 30 September 2022), down with respect to the same period the previous year and mainly refer to software licenses, IT development and investments in company offices.

## Significant events during the period and afterwards

### Acea: successful placement of a € 500 million Green Bond and subsequent 200 million TAP issue

On 17 January 2023, Acea successfully completed the placement of a Green Bond issue for a total amount of € 500 million, interest rate of 3.875%, maturing on 24 January 2031.

The issue, which is part of the Green Financing Framework and the € 5 billion Euro Medium Term Notes (EMTN) programme, was a great success, receiving more than 3 times the amount offered from primary investors coming from numerous geographic areas, mainly in the green sector.

The profits will be used to finance specific projects with sustainability goals. In particular, those relative to resilience of the electricity distribution grid, energy efficiency, electric mobility, development of the circular economy, increasing energy produced from renewable sources and protection of water resources. The issue is intended exclusively for institutional investors in the Euromarket.

On 3 February 2023 Acea successfully completed the reopening of the Green bond issue carried out on 17 January 2023 (rate 3.875%, maturity 24 January 2031) for an amount of € 200 million ("TAP Issue"). The TAP Issue received requests equal to over 1.5 times the amount offered. The securities, with a minimum unit of € 100,000 and a rate of 3.875%, were placed at an issue price of 100.368%, implying a return of 3.820% or 105 basis points above the midswap rate, offering a further improvement on the already very satisfactory terms of the original issue.

### Acea reaches 100% of Deco: the remaining 35% of the company acquired, the main operator in the Abruzzo environmental sector

On 23 January 2023, Acea acquired the remaining 35% of Deco's share capital, a company operating in the waste sector in Abruzzo in which it already held a 65% stake, with the closing of the acquisition occurring in November 2021. The company designs, constructs and manages plants for the treatment, disposal and recovery of municipal solid waste and plants for energy recovery from renewable sources.

### Acea: Michaela Castelli resigns from the position of Chairman for personal reasons

Acea notes that, on 14 February 2023, the lawyer Michaela Castelli resigned with immediate effect from her position as Director and Chairman of the Acea Spa Board of Directors.

### Acea: Barbara Marinali appointed as the new Chairman of the Board of Directors

On 17 February 2023, the Acea S.p.A. Board of Directors, on a proposal by the Appointments and Remuneration Committee and with a resolution approved by the Board of Statutory Auditors, appointed by co-optation, under the terms of Art. 2386 of the Italian Civil Code and Art. 15 of the By-Laws, Barbara Marinali as a new non-executive Director of the Company, replacing Michaela Castelli who resigned on 14 February 2023. The Board of Directors also appointed Barbara Marinali as the Chairman of the Board of Directors.

### Acea: indication of interest in the Rome waste to energy plant presented

On 1 March, Acea Ambiente, a subsidiary of Acea, responded to the public notice issued by the municipality of Rome to find economic operators interested in presenting project financing proposals for assignment of the systems hub concession relative to the design, authorisation, construction and management of a waste-to-energy plant and correlated ancillary systems.

Acea Ambiente presented its indication of interest with other national and international partners, including Hitachi Zosen Inova, Vianini Lavori and Suez, following favourable determinations by the relevant corporate bodies of Acea Ambiente and Acea (also pursuant to the provisions of the Acea Group Related Party Transactions Procedure).

### Acea: 2023 ESR Top Utility Research and Innovation

On 9 March, Acea was awarded the ESR Top Utility Research and Innovation prize. Acea won in the Research and Innovation category for "its ability to develop research projects that apply innovative digital and cybersecurity technologies to remote control systems of physical infrastructure, experiment with secure ICT platforms that enable widespread and small-scale users to participate in energy flexibility markets, and involve researchers, operators, manufacturers and start-ups in the process of technological innovation".

### Acea: Fitch Ratings confirms ACEA's BBB+ rating and changes the outlook from stable to negative

On 15 March, Fitch Ratings confirmed Acea's Long-Term Issuer Default Rating (IDR) at BBB+, its Short-Term IDR at F2 and the Long-Term Senior Unsecured Rating at BBB+. At the same time, the Agency announced that it had changed the outlook on the Company from stable to negative. The change in the outlook reflects expectations on the increase in leverage, due to the absorption of cash due to working capital trends and the acceleration of the Group's investments related to 2022. The confirmation of the BBB+ rating reflects Acea's strategic focus on regulated activities, together with the solidity of operating management.

### Acea: Shareholders' Meeting approves 2022 Financial Statements, appoints new Board of Directors and confirms € 0.85 dividend

On 18 April, the Shareholders' Meeting of Acea SpA, in first call, in Extraordinary and Ordinary session, approved the financial statements and consolidated financial statements for the year ended 31 December 2022, resolved on the allocation of the profit for 2022 and appointed the new Board of Directors.

The Extraordinary Shareholders' Meeting approved the amendment to Article 15 of the By-Laws. The Ordinary Shareholders' Meeting thus set the number of members of the Board of Directors at 13 and resolved to appoint the new Board of Directors, which will remain in office for three years, namely until the approval of the Financial Statements for 2025. The election of the members of the Board of Directors took place by list voting, according to the procedures set forth in Article 15 of the By-Laws in the new formulation approved by the Shareholders' Meeting.

The following are elected to the new Board of Directors:

- Barbara Marinali, Fabrizio Palermo, Nathalie Tocci, Angelo Piazza, Elisabetta Maggini, Alessandro Picardi and Luisa Melara, on the basis of the list submitted by the shareholder Roma Capitale, owner of 51% of the share capital of ACEA SpA, which obtained the majority of the votes (approx. 68.08% of the shares admitted to vote);
- Thomas Devedjian and Vincenza Patrizia Rutigliano, on the basis of the list submitted by the shareholder Suez International SAS, owner of 23.33% of the share capital of ACEA SpA;
- Alessandro Caltagirone and Massimiliano Capece Minutolo Del Sasso, on the basis of the list presented by the shareholder Fincal SpA, owner of 3.19% of the share capital of ACEA SpA;
- Antonino Cusimano and Antonella Rosa Bianchessi, on the basis of the list presented by a group of asset management companies and institutional investors, holding a total of 1.17% of the share capital of ACEA SpA.

Pursuant to the relevant regulations and By-Laws, the gender distribution criterion was respected.

Barbara Marinali was confirmed as the new Chairperson of the Board of Directors.

#### [Acea and ASM Terni: second closing of the Umbrian integrated multi-utility completed](#)

On 20 April, the second closing was finalised, concluding the corporate merger between Acea, ASM Terni, and the municipality of Terni, following the public procedure initiated by ASM Terni. Following the completion of this agreement, Acea's stake in ASM Terni's share capital rises to 45% and the Umbrian utility acquires 20% of the capital of Orvieto Ambiente, Acea Ambiente's spin-off company. This strengthens Umbria's first integrated multi-utility, an industrial company active in the water sector, waste management, power generation and the distribution and sale of electricity and gas.

#### [Acea: acquisition of SIMAM completed](#)

On 21 April, Acea completed the acquisition of the remaining 30% of SIMAM (Servizi Industriali Manageriali Ambientali), a company specialising in the engineering, construction and management of water and waste treatment plants, in environmental works and reclamation, with hi-tech integrated solutions. Over the last three years, Acea has developed new skills, know-how, and implemented new high-tech solutions in the field of design and project management, consolidating its capabilities in the construction and maintenance of infrastructures, for an increasingly sustainable, innovative and efficient management of services related to its business.

#### [Acea: the new Board of Directors confirms Fabrizio Palermo as CEO](#)

On 3 May, Acea's Board of Directors appointed Fabrizio Palermo as CEO and General Manager of the company, and granted him the powers for the ordinary management of the company and the group. In addition to the statutory functions of representation, the Chairperson, Barbara Marinali, was granted specific powers by the Board, including those relating to Corporate Governance. During the same meeting, the Board of Directors also appointed Fabio Paris as ACEA S.p.A.'s Financial Reporting Officer.

#### [Acea: Employee and Participation Charter Signed with the Trade Unions](#)

On 15 May, Acea and the trade unions signed the "Acea Employee and Participation Charter" protocol, following negotiations with the unions that began in February. The Protocol was signed by FILCTEM-CGIL, FLAELI-CISL, FEMCA-CISL and UILTEC-UIL, as well as by CISAL Federenergia, UGL Chimici Energia, USB Lavoro Privato and Associazione Capi Intermedi e Quadri. The Protocol outlines an updated model for industrial relations based on even more constant and integrated dialogue, with the aim of strengthening union relations, taking advantage of involvement and centring people.

#### [Acea: partnership agreement signed with Acquedotto Pugliese](#)

On 21 June, at the Water Innovation Summit in Bari, the two companies signed a memorandum to develop cooperation and projects to protect water resources, for technical development and regulatory aspects in the sector. Acea and Acquedotto Pugliese (AQP), the two main Italian operators in the integrated water service sector, signed a memorandum for joint development of cooperative projects with reference to protecting water resources and technological innovation. The memorandum of understanding was signed by the Chief Executive Officer of Acea, Fabrizio Palermo, and the Chairman of AQP, Domenico Laforgia, with the aim of sharing their respective skills in the water sector, to provide effective and technologically advanced management and operating solutions for national infrastructure.

#### [Acea: Sabrina Di Bartolomeo appointed as Financial Reporting Manager](#)

On 23 June, after receiving a favourable opinion from the Board of Statutory Auditors and effective immediately, the Acea Board of Directors appointed Sabrina Di Bartolomeo as Financial Reporting Manager, responsible for preparing the corporate accounting documents pursuant to article 154-bis of Italian Legislative Decree 59/98, as Acea's Chief Financial Officer, replacing Fabio Paris who, after ending his time with Acea, indicated his renunciation of the position.

#### [Acea: € 435 million from the European Investment Bank to improve the quality and resilience of the water service](#)

On 6 July, a loan contract was signed by Acea and the EIB for a total of € 435 million. The investments financed with these EIB resources will help to improve the coverage and quality of the integrated water service, reducing water loss and improving energy efficiency. Thanks to the support from the EIB, Acea will also increase the resiliency of the water service with respect to future extreme weather events such as droughts. Strengthening and improving infrastructure to provide a more efficient and resilient water service for citizens is the main objective for the € 435 million loan granted to Acea by the EIB. The transaction signed in Rome by the EIB's General Operations Manager, Jean-Christophe Laloux and Acea's Chief Financial Officer, Sabrina Di Bartolomeo, represented the first tranche of € 235 million, from the total € 435 million approved by the EIB's Board of Directors.

#### Acea: Standard Ethics increases the sustainability rating

On 12 July, Standard Ethics increased Acea's Corporate Standard Ethics Rating (SER) to "EE+" from the previous "EE", with a Positive outlook. The company first received a Corporate SER in 2019. The Company is a member of the SE Mid Italian Index and the SE European Multi-Utilities Index.

#### Acea: National Framework Protocol to support legality

On 19 July 2023, the Minister of the Interior Matteo Piantedosi and ACEA CEO Fabrizio Palermo signed a National Framework Protocol to support legality, with the aim of strengthening shared efforts to combat potential sources of corruption and the risk of organised crime infiltrating sectors of national strategic importance, including management of hydroelectric networks and waste.

#### Acea: the Board of Directors authorises the possible issuing of one or more bonds under the EMTN programme

On 25 July, the Acea Board of Directors authorised the issuing of one or more Bond Series, in one or more tranches, non-subordinate and possibly in the form of green bonds, under the Euro Medium Term Note (EMTN) programme, for a total nominal value up to € 600 million, establishing that the issues can be carried out through 31 December 2023.

#### Acea: A new organisation to face future challenges

On 12 September, Acea launched a new corporate organisation based on three aspects: welcoming new professionals, generational turnover and including women in top level positions. The new organisation included the establishment of two new deputy generals with relative staff: the DEPUTY GENERAL MANAGER CORPORATE and DEPUTY GENERAL MANAGER OPERATIONS.

#### Acea: the Acea Group obtains validation of its greenhouse gas (GHG) reduction goals from the Science Based Targets Initiative (SBTi)

On 14 September 2023, ACEA received validation of its greenhouse gas (GHG) reduction goals from the Science Based Targets Initiative (SBTi). The targets assessed involve both direct and indirect greenhouse gas emissions. Certification represents a significant acknowledgement of the decarbonisation process begun by Acea to support the energy transition. The Acea Group is committed to achieving the following goals: reducing GHG emissions per MWh of energy generated by 56% by 2032, with respect to 2020; over the same period of time, reduce indirect GHG emissions by 32% and those deriving from energy production and procurement of fuels and energy, including that sold, by 56%; finally, reducing emissions due to gas disbursed and sold to customers by 30%. SBTi assessed Acea's goals in line with the "Well below 2°C" trajectory, the goal established in the 2015 Paris Accords to limit the increase in global temperature to well below 2°C, with respect to pre-industrial levels.

#### Acea: Legality Protocols

On 15 September 2023, Acea and the Prefecture of Rome signed four Legality Protocols for the construction sites for major water works in the capital city.

#### Acea: the Board of Directors approves the proposed settlement with Roma Capitale for Public Lighting

On 27 September, the Acea Board of Directors approved a proposal for a possible settlement agreement with Roma Capitale intended to govern their reciprocal positions and the methods for an early consensual termination of the contractual relationship between the parties relative to the Public Lighting service provided by the Acea Group. Given its status as an essential public service under applicable regulations, the consensual termination will necessarily occur on the date the operator that wins the tender called by Roma Capitale effectively takes over the service. With reference to the economic terms of this possible Settlement Agreement, substantially in line with the City Executive Committee resolution 312 of 11 August 2022, following the reciprocal renunciation by the parties, the agreement calls for the recognition of receivables due to the Acea Group from Roma Capitale for a total of around € 100.6 million. The settlement will not have significant financial impacts at 31 December 2023, as the companies have already updated their estimates based on the criteria established in applicable law. The Settlement Agreement, the contents of which mirror the communication between the parties following the AGCM opinion issued on 1 December 2020, can be carried out after the Roma Capital decision making process has been successfully completed. The possible signing of the Settlement Agreement is a very significant related party transaction, pursuant to Acea's RPT procedure, as well as to Annex 1 to the Regulations adopted by CONSOB with Resolution 17221 of 12 March 2010, given that Acea is controlled by Roma Capitale, pursuant to article 2359, paragraph 1, no. 1 of the Civil Code and the total value of the operation exceeds the materiality threshold established in article 1.2 and in Annex 1 to the same Related Party Transactions Procedure. In consideration of the above, Acea will publish a specific informational document, pursuant to article 5 of the RPT Regulation, within 7 days of the signing of the Settlement Agreement.

#### Technical and contractual quality bonus

With resolutions 476 and 477, published on 17 October 2023, Arera will complete the quantitative evaluation proceedings for 2020-2021, established in the contractual quality and technical quality incentive mechanisms for the Integrated Water Service, begun in the initial months of 2023. The incentive mechanism for contractual quality (which involves both bonuses and penalties), governed by annex A to resolution 655/15, requires respect for the objectives established for the 2 macro-indicators relative to "Initiation and termination of the contractual relationship" - MC1 and "Management of the contractual relationship and accessibility of the service" - MC2. These standards consists of a total of 42 simple indicators involving performance, related to the main macro-indicators. Technical quality results, governed by annex A to resolution 917/17, lead to bonuses and penalties relative to the 6 macro-indicators established by Arera with reference to water leaks (M1), service interruptions (M2), quality of water distributed (M3), sewer system adequacy (M4), landfill sludge disposal (M5) and quality of treated water (M6).

Bonuses assigned to managers that met the objectives established in the regulations are made available by the "Account for the promotion of the quality of aqueduct, sewer and purification services" established with the Energy and Environmental Services Fund (CSEA), supported by the UI2 tariff component, with 80% of the total assigned to technical quality and 20% to contractual quality.

Acea: Work safety and quality protocol

On 20 October 2023, ACEA signed a protocol on tenders with the trade unions, to strengthen work safety and quality, with positive repercussions for the areas in which the Group's companies work.

Acea: Thomas Devedjian resigns as Director

On 31 October 2023, ACEA announced that Thomas Devedjian has resigned from his position as Director, appointed through the list presented by the Shareholder Suez International at the Shareholders' Meeting of 18 April 2023. This decision was due to unforeseen professional commitments.

Consequences of the Russia/Ukraine war on energy security

Despite a baseline situation of uncertainty associated with the continued Russia/Ukraine war, the prices of raw materials were relatively stable in the first half of 2023, after the significant growth seen in 2022. Trends on energy markets saw wholesale gas prices down notably during the second quarter of 2023, thanks to ample supply with respect to demand, allowing Europe inventory levels to arrive at over 70% of capacity. Nonetheless, prices ceased to fall in June, in part due to problems associated with the unavailability of production infrastructure in Norway.

## Business outlook

The first nine months of 2023 maintained the positive trend seen in the final months of the previous year, with consolidated EBITDA (net of non-recurring items and the change in scope) and operating cash flow up with respect to the same period the previous year.

In a still complex context, due to geopolitical tensions in Eastern Europe, and the new outbreak of conflict between Israel and Hamas in the Middle East, the future geopolitical situation and its economic and social effects are still moderately uncertain. In the coming months, the Group will continue to implement its strategy focussing on the development of sustainable infrastructure in regulated contexts, with the aim of maintaining a solid financial structure and continuing to generate positive impacts on operating and economic performance.

## Form and Structure

### General information

The Interim Report on Operations at 30 September 2023 of the ACEA Group was approved by Board of Directors' resolution on 10 November 2023, which also authorised its publication. The Parent Company ACEA is an Italian joint-stock company, with its registered office in Rome, at Piazzale Ostiense 2 and whose shares are traded on the Milan Stock Exchange. The ACEA Group's principal operating segments are described in the Report on Operations.

### Compliance with IAS/IFRS

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

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

In preparing this interim report, in compliance with IAS 34, applicable to interim financial reporting, the same accounting principles were applied as those for the preparation of the Consolidated Financial Statements at 31 December 2022, which see for a complete description, and must therefore be read together with the latter.

### Basis of presentation

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

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

### Use of estimates and assumptions

Drafting of the Interim Report on Operations, in application of the IFRS, requires the making of estimates and assumptions that affect the values of revenues (including the estimate of the GRC), costs, assets and liabilities in the financial statements and information on contingent assets and liabilities at the reference date. The main sources of uncertainty that could have an impact on the evaluation processes are also considered in making these estimates.

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

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

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

### Effects of the seasonality of transactions

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

## Accounting standards and measurement criteria

The accounting standards, recognition and measurement criteria, as well as the consolidation criteria and methods applied in this ACEA Group Interim Management Report at 30 September 2023 are the same as those adopted to prepare the Consolidated Financial Statements at 31 December 2022, to which the reader is referred for a more extensive discussions.

### Accounting standards, amendments, interpretations and improvements applied as of 1 January 2023

#### **“IFRS 17 Insurance Contracts”**

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

#### **“Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information”**

Issued on 9 December 2021, it allows for use of the transitional option relative to comparative information on financial assets upon first time application of IFRS 17. The option allows entities to reclassify, in comparative information and individually, all financial instruments that fall under the scope of the standard, to avoid accounting mismatches with respect to the classification envisaged under international accounting standard IFRS 9. The amendments are applicable from the financial years beginning 1 January 2023.

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

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

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

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

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

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

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

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

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

#### **“Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback”**

Issued on 22 September 2022, its purpose is to clarify the impact that a sale and leaseback transaction could have on a financial liability that involves variable payments not linked to indices or rates. The main change in the subsequent measurement of the financial liability regards the determination of the “lease payments” and of the “revised lease payments” so that, following a leaseback transaction the seller-lessee does not recognise any profit or loss related to the right of use that it holds. The purpose of the amendment is to avoid the accounting of profits and losses, related to the right of use recognised, following events that entail a remeasurement of the payable (for example a change in the leasing contract or in its duration). Any profits and losses deriving from the partial or total termination of a leasing contract continue to be recognised for the part of right of use terminated. The amendments are applicable from 1 January 2024 with possibility of early application.

## Scope of consolidation

### List of consolidated companies

Company name	Registered Office	Share Capital	Effective equity investment %	Group consolidated stake	Consolidation method
<b>Environment Segment</b>					
Acque Industriali S.r.l.	Via Bellatalla, 1 - Ospedaletto (PI)	100.000	73,05%	100,0%	Line-by-line
Aquaser S.r.l.	Piazzale Ostiense, 2 - Roma	3.900.000	97,86%	100,0%	Line-by-line
Acea Ambiente S.r.l.	Piazzale Ostiense, 2 - Roma	2.224.992	100,00%	100,0%	Line-by-line
Orvieto Ambiente S.r.l.	Piazzale Ostiense, 2 - Roma	10.010.000	100,00%	100,0%	Line-by-line
A.S. Recycling S.r.l.	Piazzale Ostiense, 2 - Roma	1.000.000	100,00%	100,0%	Line-by-line
Berg S.p.A.	Via delle Industrie, 38 - Frosinone	844.000	60,00%	100,0%	Line-by-line
Cavallari S.r.l.	Via dell'Industria, 6 - Ostra (AN)	100.000	80,00%	100,0%	Line-by-line
Deco S.p.A.	Via Vomano, 14 - Spoltore (PE)	1.404.000	100,00%	100,0%	Line-by-line
Demap S.r.l.	Via Giotto, 13 - Beinasco (TO)	119.015	100,00%	100,0%	Line-by-line
Consorzio Servizi Ecologici del Frentano "Ecofrentano"	Strada Provinciale Pedemontana Km 10 Frazione Cerratina - Lanciano (CH)	10.329	75,00%	100,0%	Line-by-line
Ecologica Sangro S.p.A.	Strada Provinciale Pedemontana Km 10, Frazione Contrada - Cerratina Lanciano (CH)	100.000	100,00%	100,0%	Line-by-line
Ferrocarr S.r.l.	Via Vanzetti, 34 - Terni	80.000	60,00%	100,0%	Line-by-line
Iseco S.p.A.	Loc. Surpian n. 10 - Saint-Marcel (AO)	110.000	80,00%	100,0%	Line-by-line
MEG S.r.l.	Via 11 Settembre n. 8 - San Giovanni Ilarione (VR)	10.000	60,00%	100,0%	Line-by-line
S.E.R. Plast S.r.l.	Contrada Stampalone, Cellino Attanasio (TE)	70.000	70,00%	100,0%	Line-by-line
Tecnoservizi S.r.l.	Via Bruno Pontecorvo, 1/B - Roma	1.000.000	70,00%	100,0%	Line-by-line
<b>Commercial Segment</b>					
Acea Energia S.p.A.	Piazzale Ostiense, 2 - Roma	10.000.000	100,00%	100,0%	Line-by-line
Acea Energy Management S.r.l.	Piazzale Ostiense, 2 - Roma	100.000	100,00%	100,0%	Line-by-line
Cesap Vendita Gas S.r.l.	Via del Teatro, 9 - Bastia Umbra (PG)	10.000	100,00%	100,0%	Line-by-line
Acea Innovation S.r.l.	Piazzale Ostiense 2 - Roma	2.000.000	100,00%	100,0%	Line-by-line
Umbria Energy S.p.A.	Via Bruno Capponi, 100 - Terni	1.000.000	100,00%	100,0%	Line-by-line
<b>Water Segment</b>					
Adistribuzionegas S.r.l.	Via L. Galvani, 17/A - Forlì	5.953.644	51,00%	100,0%	Line-by-line
Notaresco Gas S.r.l.	Via Padre Frasca - Frazione Chieti Scalo Centro Dama (CH)	100.000	55,00%	100,0%	Line-by-line
Acea Ato2 S.p.A.	Piazzale Ostiense, 2 - Roma	362.834.340	96,46%	100,0%	Line-by-line
Acea Ato5 S.p.A.	Viale Roma - Frosinone	10.330.000	98,45%	100,0%	Line-by-line
Acque Blu Arno Basso S.p.A.	Piazzale Ostiense, 2 - Roma	8.000.000	76,67%	100,0%	Line-by-line
Acea Molise S.r.l.	Piazzale Ostiense, 2 - Roma	100.000	100,00%	100,0%	Line-by-line
AQUANTIA S.r.l.	Piazzale Ostiense, 2 - Roma	500.000	65,00%	100,0%	Line-by-line
Gesesa S.p.A.	Corso Garibaldi, 8 - Benevento	534.991	57,93%	100,0%	Line-by-line
GORI S.p.A.	Via Trentola, 211 - Ercolano (NA)	44.999.971	37,05%	100,0%	Line-by-line
Sarnese Vesuviano S.r.l.	Piazzale Ostiense, 2 - Roma	100.000	99,17%	100,0%	Line-by-line
Acque Blu Fiorentina S.p.A.	Piazzale Ostiense, 2 - Roma	15.153.400	75,01%	100,0%	Line-by-line
ASM Terni	Via Bruno Capponi, 100 - Terni	84.752.541	45,27%	100,0%	Line-by-line
Acquedotto del Fiora S.p.A.	Via G. Mameli, 10 - Grosseto	1.730.520	40,00%	100,0%	Line-by-line
Agile Academy S.r.l.	Via Mameli, 10 - Grosseto	10.000	100,00%	100,0%	Line-by-line
Ombrone S.p.A.	Piazzale Ostiense, 2 - Roma	6.500.000	99,51%	100,0%	Line-by-line
Servizi Idrici Integrati SCARL	Via I Maggio, 65 - Terni	19.536.000	43,00%	100,0%	Line-by-line
Umbriaue Servizi Idrici S.c.a.r.l.	Via Aldo Bartoccin, 29 - Terni	100.000	99,90%	100,0%	Line-by-line
<b>Water Segment (Abroad)</b>					
Acea International S.A.	Avenida Las Americas - Esquina Mazoneria, Ensanche Ozama	9.089.661	100,00%	100,0%	Line-by-line
Consorzio Agua Azul S.A.	Calle Amador Merino Reina 307 - Of. 803 Lima 27 - Perú	16.000.912	44,00%	100,0%	Line-by-line
Consorzio Acea	Calle Amador Merino Reina 307 - Lima - Perú	225.093	100,00%	100,0%	Line-by-line
Consorzio Servicio Sur	Calle Amador Merino Reyna, San Isidro	33.834	51,00%	100,0%	Line-by-line
Acea Dominicana S.A.	Avenida Las Americas - Esquina Mazoneria, Ensanche Ozama	644.937	100,00%	100,0%	Line-by-line
Consorzio Acea Lima Norte	Calle Amador Merino Reina 307 - Lima - Perú	221.273	100,00%	100,0%	Line-by-line
Consorzio Acea Lima Sur	Calle Amador Merino Reyna 307 - Lima - Perú	75.068	100,00%	100,0%	Line-by-line
Aguas de San Pedro S.A.	Las Palmas, 3 Avenida, 20y 27 calle - 21104 San Pedro, Honduras	6.457.345	60,65%	100,0%	Line-by-line
Acea Perú S.A.C.	Cal. Amador Merino Reyna , 307 Miraflores - Lima	177.582	100,00%	100,0%	Line-by-line
Consorzio ACEA - ACEA Dominicana	Av. Las Americas - Esq. Mazoneria - Ens. Ozama	67.253	100,00%	100,0%	Line-by-line
<b>Networks &amp; Smart Cities Segment</b>					
Areti S.p.A.	Piazzale Ostiense, 2 - Roma	345.000.000	100,00%	100,0%	Line-by-line
<b>Production Segment</b>					
Ecogena S.r.l.	Piazzale Ostiense, 2 - Roma	1.669.457	100,00%	100,0%	Line-by-line
Acea Renewable S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,00%	100,0%	Line-by-line
Acea Liquidation and Litigation S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,00%	100,0%	Line-by-line
Fergas Solar 2 S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,00%	100,0%	Line-by-line
Acea Renewable 2 S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,00%	100,0%	Line-by-line
SF Island S.r.l.	Via Cantorriro, 44/C - Acquapendente (VT)	10.000	100,00%	100,0%	Line-by-line
Acea Solar S.r.l.	Piazzale Ostiense, 2 - Roma	1.000.000	100,00%	100,0%	Line-by-line
Acea Produzione S.p.A.	Piazzale Ostiense, 2 - Roma	5.000.000	100,00%	100,0%	Line-by-line
<b>Engineering &amp; Infrastructure Projects Segment</b>					
Acea Elabori S.p.A.	Via Vitorchiano, 165 - Roma	2.444.000	100,00%	100,0%	Line-by-line
Simam S.p.A.	Via Cimabue, 11/2 - Senigallia (AN)	600.000	100,00%	100,0%	Line-by-line
Technologies for Water Services S.p.A.	Via Ticino, 9 - Desenzano del Garda (BS)	11.164.000	100,00%	100,0%	Line-by-line

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

Company name	Registered Office	Share Capital	Effective equity investment %	Group consolidated stake	Consolidation method
<b>Environment Segment</b>					
Ecomed S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	50,0%	50,0%	Shareholders' Equity
Picambiente S.p.A.	Contrada Monte Renzo, 25 - San Benedetto del Tronto (AP)	5.500.000	21,8%	21,8%	Shareholders' Equity
Picambiente S.r.l.	Contrada Monte Renzo, 25 - San Benedetto del Tronto (AP)	505.000	100,0%	21,8%	Shareholders' Equity
Picambiente Energia S.p.A.	Contrada Monte Renzo, 25 - San Benedetto del Tronto (AP)	200.000	100,0%	21,8%	Shareholders' Equity
<b>Water Segment</b>					
Umbria Distribuzione Gas S.p.A.	Via Capponi, 100 - Terni	2.120.000	55,0%	55,0%	Shareholders' Equity
DropMI S.r.l.	Piazzale Ostiense, 2 - Roma	1.000.000	50,0%	50,0%	Shareholders' Equity
AQUA.IOT S.r.l.	Piazzale Ostiense, 2 - Roma	1.050.000	35,0%	35,0%	Shareholders' Equity
Acque S.p.A.	Via Garigliano, 1 - Empoli	9.953.116	45,0%	45,0%	Shareholders' Equity
Intesa Aretina S.c.a.r.l.	Via Benigno Crespi, 57 - Milano	18.112.000	35,0%	35,0%	Shareholders' Equity
Geal S.p.A.	Viale Luporini, 1348 - Lucca	1.450.000	48,0%	48,0%	Shareholders' Equity
Nuove Acque S.p.A.	Patrignone - Località Cuculo (AR)	34.450.389	46,2%	16,2%	Shareholders' Equity
Publiacqua S.p.a.	Via Villamagna - Firenze	150.280.057	40,0%	40,0%	Shareholders' Equity
Acque Servizi S.r.l.	Via Bellatalla, 1 - Ospedaletto (PI)	400.000	100,0%	45,0%	Shareholders' Equity
Umbra Acque S.p.A.	Via Benucci, 162 - Ponte San Giovanni (PG)	15.549.889	40,0%	40,0%	Shareholders' Equity
Greenasm S.r.l.	Via dello Stabilimento, 1 - Nera Montoro (TR)	10.000	50,0%	22,6%	Shareholders' Equity
<b>Production Segment</b>					
Energia S.p.A.	Via Barberini, 28 - Roma	239.520	49,9%	49,9%	Shareholders' Equity
Acea Sun Capital S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	40,0%	40,0%	Shareholders' Equity
KT4 S.r.l.	Via SS Pietro e Paolo, 50 - Roma	110.000	100,0%	40,0%	Shareholders' Equity
Belaria S.r.l.	Via Luciano Manara, 15 - Milano	10.000	49,0%	19,6%	Shareholders' Equity
Euroline 3 S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,0%	40,0%	Shareholders' Equity
Fergas Solar S.r.l.	Via Pietro Piffetti, 19 - Torino	10.000	100,0%	40,0%	Shareholders' Equity
Acea Green S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,0%	40,0%	Shareholders' Equity
IFV-Energy S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,0%	40,0%	Shareholders' Equity
JB Solar S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,0%	40,0%	Shareholders' Equity
M2D S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,0%	40,0%	Shareholders' Equity
Marche Solar S.r.l.	Via Achile Grandi, 39 - Concordia sulla Secchia (MO)	10.000	100,0%	40,0%	Shareholders' Equity
PF Power of Future S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,0%	40,0%	Shareholders' Equity
PSL S.r.l.	Via Ruilio, 18/20 - Catania	15.000	100,0%	40,0%	Shareholders' Equity
Solaria Real Estate S.r.l.	Piazzale Ostiense, 2 - Roma	176.085	100,0%	40,0%	Shareholders' Equity
Solarplant S.r.l.	Piazzale Ostiense, 2 - Roma	10.000	100,0%	40,0%	Shareholders' Equity
Trinovolt s.r.l.	Viale Tommaso Columbo, 31/D - Bari	10.000	100,0%	40,0%	Shareholders' Equity
Marmaria Solare 8 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Marmaria Solare 9 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Marmaria Solare 10 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 16 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 17 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 20 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 25 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 28 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 29 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 30 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 31 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 33 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 34 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 35 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 39 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 40 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
Ambra Solare 44 S.r.l.	Via Tevere, 41 - Roma	10.000	51,0%	51,0%	Shareholders' Equity
<b>Area Engineering &amp; Infrastructure Project</b>					
Ingegnerie Toscane S.r.l.	Via Francesco de Sanctis, 49 - Firenze	100.000	99,9%	44,5%	Shareholders' Equity

## The following companies are also consolidated using the equity method:

Company name	Registered Office	Share Capital	Effective equity investment %	Group consolidated stake	Consolidation method
<b>Environment Segment</b>					
Amea S.p.A.	Via San Francesco d'Assisi 15C - Paliano (FR)	1.689.000	33,0%	33,0%	Shareholders' Equity
Coema	P.le Ostiense, 2 - Roma	10.000	67,0%	33,5%	Shareholders' Equity
<b>Water Segment</b>					
Le Soluzioni Scarl	Via Garigliano, 1 - Empoli	250.678	80,8%	51,6%	Shareholders' Equity
Sogea S.p.A.	Via Mercatanti, 8 - Rieti	260.000	49,0%	49,0%	Shareholders' Equity
Umbria Distribuzione Gas S.p.A.	Via Bruno Capponi 100 - Terni	2.120.000	15,0%	15,0%	Shareholders' Equity
<b>Water Segment (Abroad)</b>					
Aguaazul Bogotà S.A.	Calle 82 n. 19*-34 - Bogotà- Colombia	652.361	51,0%	51,0%	Shareholders' Equity
<b>Production Segment</b>					
Sienergia S.p.A. (in liquidazione)	Via Fratelli Cairoli, 24 - Perugia	132.000	42,1%	42,1%	Shareholders' Equity
<b>Other</b>					
Marco Polo Srl (in liquidazione)	Via delle Cave Ardeatine, 40 - Roma	10.000	33,0%	33,0%	Shareholders' Equity

### Main changes in the consolidation scope

At 30 September 2023, the scope of consolidation, with respect to that at 30 September 2022 and 31 December 2022, changed due to the following main operations.

With reference to 2022, we note the following:

- Q on 8 February 2022, Acea Ambiente signed the deed of acquisition of 70% of the shares of S.E.R. Plast, a company operating in the recycling of plastic waste;
- Q at the end of March 2022, Acea finalised the sale of the photovoltaic holding company (Acea Sun Capital) to the British investment fund Equitix. The agreement for the transfer of assets was signed on 24 December 2021. With the closing of the operation, the newco AE Sun Capital S.r.l., 60% owned by Equitix and 40% by Acea Produzione, acquired from Acea Produzione the photovoltaic holding company of the Acea Group, the holder, through a number of vehicles, of a portfolio of photovoltaic plants, with a total installed capacity of 105 MW, of which 46 MW incentivised on the basis of different Energy Accounts and 59 MW for new construction already connected or being connected to the network;
- Q on 1 April 2022, a purchase agreement was signed by Adistribuzionegas for 30% of Romeo Gas as part of the sale by A2A of concessions for the natural gas distribution service;
- Q on 23 May 2022, Acea Ambiente signed the deed of acquisition for an additional 20% of the shares in Cavallari, bringing its stake to 80%;
- Q on 29 July 2022, Acea Solar signed the purchase of 17 vehicle companies in the Basilicata region (Marmaria Group), each the holder of development projects for ground-mounted monoaxial photovoltaic plants. The total power is estimated at 338 MWp, with annexed storage systems for 170 MWp of power;
- Q on 30 June 2022, the acquisition by Acea Ambiente of the business unit known as Polo Cirsu was signed after participation in the competitive bidding process begun with the notice of sale issued by the Court of Teramo. This business unit consists of: (i) a landfill known as "Grasciano1", completely depleted of authorised volumes; (ii) a landfill known as "Grasciano2", consisting of a first lot of 234,000 M3 and a second lot to be built, with an authorised volume of 246,000 M3; (iii) a recycling and composting plant and a platform to utilise separate waste;
- Q on 1 September 2022, Acea Renewable 2 S.r.l. and Fergas Solar 2 S.r.l. were established, both 100% held by Acea Solar to complete the transfer of photovoltaic assets for plants constructed in the industrial and agricultural area. The establishment of the two companies is part of the project to deconsolidate the photovoltaic segment, begun on 22 March 2022, and which calls for a second closing, involving the transfer of plants that will be connected and operating on the date of the transaction;
- Q on 1 October 2022, the partial demerger of Romeo Gas S.p.A. was completed, implemented through the assignment of equity shares in favour of Adistribuzionegas S.r.l. The purpose of the operation is part of an overall corporate reorganisation to achieve more efficient management of gas distribution concessions;
- Q on 4 October 2022, Acea Ambiente signed the acquisition of 70% of the capital of Tecnoservizi S.r.l., a company that offers separate urban waste treatment and recovery services. The company's authorised capacity is treatment of 210 thousand tonnes per year in the province of Rome, coming from separate waste of Municipalities, entities and businesses;
- Q on 3 November 2022, Acea Ambiente, through its subsidiary Cavallari S.r.l., completed acquisition of 100% of Italmacero S.r.l., a company operating in the mechanical treatment and recovery of separate urban waste (mixed packaging, monomaterial fractions) and special non-hazardous waste;
- Q on 22 November 2022, the reverse merger by incorporation of AE Sun Capital with the subsidiary Acea Sun Capital was complete. The merger is part of an investment project involving the renewable energy sector and was implemented to achieve advantages through unification of processes, structures, achieving synergies and economies of scale, as well as cost efficiencies;
- Q on 6 December 2022, the closing of the initial stage of the business combination with ASM Terni was signed, following the completion public procedure initiated by the latter. The operation is intended to create a single operator working in the integrated water cycle, environment and electricity and gas distribution and sales sectors;
- Q on 19 December 2022, DROPMI S.r.l. was established, which carries out research and engineering for next generation water metres, that can operate and be monitored remotely, and also develops smart water solutions for the domestic and international markets.

With reference to 2023, we note the following:

- Q On 30 January 2023, Citelum Acea Napoli Illuminazione Pubblica was liquidated and removed from the Business Register;
- Q on 10 February 2023, Aqua.iot S.r.l. and Aquantia S.r.l. were established; the corporate purpose of the companies is the production, marketing and distribution of water meters to companies operating in the water industry in Italy. Aqua.iot S.r.l. is 65% owned by SUEZ International SAS and 35% owned by Acea, while Aquantia S.r.l. is 65% owned by Acea and 35% owned by SUEZ International SAS;
- Q on 1 March 2023, Orvieto Ambiente was established, wholly owned by Acea Ambiente, into which the business unit for the mechanical sorting, composting and waste disposal plant at the site in the Municipality of Orvieto was transferred. 20% of the equity investment was transferred at the second closing of the business combination with ASM Terni, cited below;
- Q on 19 April 2023, the second closing of the stage of the business combination with ASM Terni was signed, following the completion of the public procedure initiated by the latter. The operation is intended to create a single operator working in

the integrated water cycle, environment and electricity and gas distribution and sales sectors. Following the second closing, the Group held a 45% equity investment;

- on 21 April 2023, ACEA completed the acquisition of the remaining 30% of SIMAM (Servizi Industriali Manageriali Ambientali), a company specialising in the engineering, construction and management of water and waste treatment plants, in environmental works and reclamation, with hi-tech integrated solutions.
- on 16 June 2023, the merger of Italmacero S.r.l. with its parent company Cavallari S.r.l. was finalised, with effects retroactive to 1 January 2023.

#### Unconsolidated equity investments:

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

## Application of the IFRS 5 standard

An agreement was signed on 23 December 2021 with the British investment fund Equitix for the sale of photovoltaic plants held by the ACEA Group for a total of approximately 105 MW. The agreement was then finalised on 22 March 2022 with the transfer of Acea Sun Capital to the Newco AE Sun Capital, held for 40% by Acea Produzione and for 60% by Equitix; the transfer resulted in the handover of the plants already connected to the network, whereas in terms of the agreements, the transfer of the plants undergoing completion or connection is subject to obtaining the connection certificate. These plants are held by Acea Solar, Acea Renewable and Fergas Solar 2 and are included in this Report in line with the provisions of IFRS5 and in line with what was reported in the 2021 and 2022 Consolidated Financial Statements, namely:

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

The contribution of the operation to the equity situation of the Acea Group (in €/million) as at 30 September 2023 is presented below:

ASSETS	Effect of application of IFRS 5
NON-CURRENT ASSETS	18.0
CURRENT ASSETS	0.3
<b>Non-current assets destined for sale</b>	<b>18.3</b>

LIABILITIES	Effect of application of IFRS 5
NON-CURRENT LIABILITIES	0.0
CURRENT LIABILITIES	(0.2)
<b>Liabilities closely associated with assets held for sale</b>	<b>(0.2)</b>

Furthermore, with regard to the transfer of Acea Sun Capital and its subsidiaries, it is noted that the economic items of the first three months of 2022 were presented in continuity with the previous year (line-by-line consolidation including intercompany elimination) and from the date on which the changed destination of the assets has been resolved, depreciation and amortisation were no longer recognised.

## Business Combinations

With reference to Business Combinations for which accounting effects are to be considered definitive, the reader is referred to that illustrated in the 2023 Consolidated Interim Financial Report.

### Business Combination – Provisional Accounting (*IFRS 3 – par.45*)

#### Acquisition of ASM Terni

On 6 December 2022, the closing of the initial stage of the business combination with ASM Terni was signed, following the completion public procedure initiated by the latter. The operation is intended to create a single operator working in the integrated water cycle, environment and electricity and gas distribution and sales sectors.

The entry of Acea into the ASM Terni share capital involves two distinct stages. The first stage involves the signing of the tranche of the ASM Terni share capital increase, through the transferring of an equity investment as below:

- The parent company, TWS and ACEA MOLISE transferred the equity investments held in UmbriaDue Servizi Idrici S.c.a.rl. overall held at 99.4%;
- ACEA AMBIENTE transferred the 60.0% equity investment held in Ferrocarr S.r.l.

The second phase of the operation was completed on 19 April 2023 and brought the Group's equity investment in ASM Terni to 45% through transfer of 20% of the capital of Orvieto Ambiente, the spin-off company of ACEA Ambiente, and of liquidity for € 2.5 million.

Therefore, Acea is the industrial partner to achieve the established objectives and fully consolidates the company based on the agreements signed, also in accordance with shareholders' agreements and by-laws.

The transaction is currently being analysed and the difference that emerges from the consolidation is recognised in goodwill while awaiting definitive allocation.

€ thousand	
<b>Net balance</b>	<b>85,257</b>
of which attributable to third parties	(46,661)
Goodwill/(Badwill)	1,563
<b>Net value acquired</b>	<b>40,159</b>
<b>Net cash outflow for the acquisition</b>	<b>(40,159)</b>
Cash and cash equivalents acquired	4,766
Loan Disbursement	0
Payables to banks	(10,333)
<b>Net cash flow</b>	<b>(45,725)</b>

## Consolidated Income Statement

€ thousand	30/09/2023	Of which related party transactions	30/09/2022	Of which related party transactions	Change
Revenue from sales and services	3,291,370		3,677,828		(386,458)
Other revenue and proceeds	108,882		115,979		(7,097)
<b>Consolidated Net Revenue</b>	<b>3,400,252</b>	<b>122,187</b>	<b>3,793,807</b>	<b>92,339</b>	<b>(393,555)</b>
Staff costs	259,276		224,184		35,092
Costs of materials and overhead	2,154,055		2,623,693		(469,638)
<b>Consolidated Operating Costs</b>	<b>2,413,331</b>	<b>46,540</b>	<b>2,847,877</b>	<b>54,445</b>	<b>(434,546)</b>
Net Income/(Expense) from commodity risk management	0		34,547		(34,547)
Profit / (loss) from non-financial equity investments	19,462		21,833		(2,371)
<b>EBITDA</b>	<b>1,006,382</b>	<b>75,646</b>	<b>1,002,310</b>	<b>37,894</b>	<b>4,072</b>
Net write-downs (write-backs) of trade receivables	64,060		73,854		(9,794)
Depreciation, amortisation and provisions	499,656		443,776		55,880
<b>Operating profit/(loss)</b>	<b>442,666</b>	<b>75,646</b>	<b>484,680</b>	<b>37,894</b>	<b>(42,014)</b>
Financial income	28,241	2,510	20,530	777	7,711
Financial charges	(131,467)	(0)	(78,982)	(65)	(52,485)
Profit/(Loss) on equity investments	1,064		19,574		(18,510)
<b>Profit/(loss) before tax</b>	<b>340,504</b>	<b>78,156</b>	<b>445,802</b>	<b>38,607</b>	<b>(105,298)</b>
Income tax	103,854		162,080		(58,226)
<b>Net profit/(loss)</b>	<b>236,650</b>	<b>78,156</b>	<b>283,722</b>	<b>38,607</b>	<b>(47,072)</b>
Net profit/(loss) from discontinued operations					
<b>Net profit/(loss)</b>	<b>236,650</b>	<b>78,156</b>	<b>283,722</b>	<b>38,607</b>	<b>(47,072)</b>
<b>Profit/(loss) due to third parties</b>	<b>27,225</b>		<b>26,325</b>		<b>901</b>
<b>Net profit/(loss) attributable to the Group</b>	<b>209,425</b>	<b>78,156</b>	<b>257,397</b>	<b>38,607</b>	<b>(47,972)</b>
<b>Earnings (loss) per share attributable to Parent Company's shareholders</b>					
<i>Base</i>	<i>0.98338</i>		<i>1.20864</i>		<i>(0.22526)</i>
<i>Diluted</i>	<i>0.98338</i>		<i>1.20864</i>		<i>(0.22526)</i>
<b>Profit (loss) per share attributable to the shareholders of the Parent Company net of Treasury Shares</b>					
<i>Base</i>	<i>0.98531</i>		<i>1.21101</i>		<i>(0.22570)</i>
<i>Diluted</i>	<i>0.98531</i>		<i>1.21101</i>		<i>(0.22570)</i>

## Quarterly Consolidated Income Statement

€ thousand	Q3 2023	Q3 2022	Change
Revenue from sales and services	1,071,587	1,421,010	(349,424)
Other revenue and proceeds	32,495	25,132	7,363
<b>Consolidated Net Revenue</b>	<b>1,104,082</b>	<b>1,446,143</b>	<b>(342,061)</b>
Staff costs	84,489	71,497	12,992
Costs of materials and overhead	690,052	1,095,182	(405,130)
<b>Consolidated Operating Costs</b>	<b>774,541</b>	<b>1,166,679</b>	<b>(392,139)</b>
Net Income/(Expense) from commodity risk management	0	34,547	(34,547)
Profit / (loss) from non-financial equity investments	6,460	5,813	647
<b>EBITDA</b>	<b>336,001</b>	<b>319,824</b>	<b>16,177</b>
Net write-downs (write-backs) of trade receivables	20,195	30,914	(10,719)
Depreciation, amortisation and provisions	173,169	152,533	20,636
<b>Operating profit/(loss)</b>	<b>142,637</b>	<b>136,377</b>	<b>6,260</b>
Financial income	10,067	14,426	(4,359)
Financial charges	(45,904)	(29,150)	(16,754)
Profit/(Loss) on equity investments	341	452	(111)
<b>Profit/(loss) before tax</b>	<b>107,141</b>	<b>122,105</b>	<b>(14,964)</b>
Income tax	32,639	36,425	(3,786)
<b>Net profit/(loss)</b>	<b>74,503</b>	<b>85,681</b>	<b>(11,178)</b>
Net profit/(loss) from discontinued operations	0	0	0
<b>Net profit/(loss)</b>	<b>74,503</b>	<b>85,681</b>	<b>(11,178)</b>
Profit/(Loss) due to third parties	7,530	11,306	(3,776)
<b>Net profit/(loss) attributable to the Group</b>	<b>66,973</b>	<b>74,375</b>	<b>(7,402)</b>

## Consolidated Statement of Comprehensive Income

€ thousand	30/09/2023	30/09/2022	Change
<b>Net profit/(loss) for the period</b>	<b>236,650</b>	<b>283,722</b>	<b>(47,072)</b>
<b>Gains/losses from the conversion of financial statements in foreign currency</b>	<b>713</b>	<b>14,445</b>	<b>(13,731)</b>
Provision for exchange rate difference	15,818	11,824	3,993
Tax on exchange rate difference	(3,796)	(2,838)	(958)
<b>Gains/losses from exchange rate difference</b>	<b>12,021</b>	<b>8,986</b>	<b>3,035</b>
Effective portion of gains/(losses) on hedging instruments ("cash flow hedges")	(53,101)	(47,347)	(5,754)
Tax effect of other gains/(losses) on hedging instruments ("cash flow hedges")	16,183	16,299	(116)
<b>Profit/(loss) from the effective portion on hedging instruments, net of tax</b>	<b>(36,918)</b>	<b>(31,048)</b>	<b>(5,870)</b>
Actuarial profit/(loss) on staff benefits included in the Shareholders' Equity	(2,213)	4,258	(6,471)
Tax effect on the other actuarial profit/(loss) on staff benefits	650	(2,007)	2,657
<b>Actuarial profit/(loss) on defined benefit pension plans, net of tax</b>	<b>(1,563)</b>	<b>2,251</b>	<b>(3,814)</b>
<b>Total of the comprehensive income components, net of tax</b>	<b>(25,746)</b>	<b>(5,366)</b>	<b>(20,380)</b>
<b>Total comprehensive profit/(loss)</b>	<b>210,904</b>	<b>278,356</b>	<b>(67,452)</b>
<b>Total comprehensive income (loss) attributable to:</b>			
<b>Group</b>	<b>184,059</b>	<b>244,409</b>	<b>(60,350)</b>
<i>Third parties</i>	<i>26,845</i>	<i>33,947</i>	<i>(7,102)</i>

## Quarterly Consolidated Statement of Comprehensive Income

€ thousand	Q3 2023	Q3 2022	Change
<b>Net profit/(loss) for the period</b>	<b>74,503</b>	<b>85,681</b>	<b>(11,178)</b>
<b>Gains/losses from the conversion of financial statements in foreign currency</b>	<b>345</b>	<b>4,309</b>	<b>(3,964)</b>
Provision for exchange rate difference	410	(377)	787
Tax on exchange rate difference	(98)	90	(189)
<b>Gains/losses from exchange rate difference</b>	<b>312</b>	<b>(286)</b>	<b>598</b>
Effective portion of gains/(losses) on hedging instruments ("cash flow hedges")	(22,694)	(55,937)	33,244
Tax effect of other gains/(losses) on hedging instruments ("cash flow hedges")	7,434	18,301	(10,866)
<b>Profit/(loss) from the effective portion on hedging instruments, net of tax</b>	<b>(15,259)</b>	<b>(37,637)</b>	<b>22,377</b>
Actuarial profit/(loss) on staff benefits included in the Shareholders' Equity	1,580	644	936
Tax effect on the other actuarial profit/(loss) on staff benefits	(465)	(985)	520
<b>Actuarial profit/(loss) on defined benefit pension plans, net of tax</b>	<b>1,115</b>	<b>(341)</b>	<b>1,456</b>
<b>Total of the comprehensive income components, net of tax</b>	<b>(13,488)</b>	<b>(33,955)</b>	<b>20,467</b>
<b>Total comprehensive profit/(loss)</b>	<b>61,015</b>	<b>51,725</b>	<b>9,289</b>
<b>Total comprehensive income (loss) attributable to:</b>			
<i>Group</i>	<i>53,396</i>	<i>38,107</i>	<i>15,288</i>
<i>Third parties</i>	<i>7,619</i>	<i>13,618</i>	<i>(5,999)</i>

## Consolidated Statement of Financial Position

€ thousand	30/09/2023	<i>of which with related parties</i>	31/12/2022	<i>of which with related parties</i>	Change
Tangible fixed assets	3,264,629		3,144,250		120,379
Real estate investments	2,003		2,256		(253)
Goodwill	254,561		255,048		(487)
Concessions and rights on infrastructure	3,682,323		3,470,906		211,417
Intangible fixed assets	397,209		420,191		(22,982)
Copyright	103,584		90,397		13,187
Equity investments in unconsolidated subsidiaries and associates	365,615		348,885		16,731
Other equity investments	3,025		3,007		19
Deferred tax assets	216,238		179,823		36,415
Financial assets	24,874	2,428	30,531	4,865	(5,657)
Other non-current assets	672,089		615,144		56,946
<b>Non-current assets</b>	<b>8,986,151</b>	<b>2,428</b>	<b>8,560,435</b>	<b>4,865</b>	<b>425,716</b>
Inventories	125,969		104,507		21,462
Trade receivables	1,296,282	89,969	1,267,445	61,714	28,837
Other current assets	403,211		458,780		(55,569)
Current tax assets	62,151		26,296		35,855
Current financial assets	468,998	134,327	342,085	117,998	126,913
Cash and cash equivalents	468,457		559,908		(91,451)
<b>Current assets</b>	<b>2,825,068</b>	<b>224,296</b>	<b>2,759,022</b>	<b>179,712</b>	<b>66,046</b>
Non-current assets destined for sale	18,296		19,076		(779)
<b>TOTAL ASSETS</b>	<b>11,829,515</b>	<b>226,724</b>	<b>11,338,533</b>	<b>184,578</b>	<b>490,982</b>

€ thousand	30/09/2023	<i>of which with related parties</i>	31/12/2022	<i>of which with related parties</i>	Change
Share capital	1,098,899		1,098,899		0
Legal reserve	157,838		147,501		10,337
Other reserves	72,815		27,743		45,072
Retained earnings/(losses)	756,265		737,400		18,865
Profit (loss) for the year	209,425		279,725		(70,300)
<b>Total Shareholders' Equity for the Group</b>	<b>2,295,241</b>	<b>0</b>	<b>2,291,268</b>	<b>0</b>	<b>3,974</b>
Third parties Shareholders' Equity	481,732		463,975		17,758
<b>Total Shareholders' Equity</b>	<b>2,776,974</b>	<b>0</b>	<b>2,755,243</b>	<b>0</b>	<b>21,731</b>
Staff termination benefits and other defined benefit plans	109,370		112,989		(3,618)
Provisions for risks and charges	317,439		218,025		99,414
Borrowings and financial liabilities	4,794,633		4,722,263		72,370
Other non-current liabilities	439,448		399,628		39,820
<b>Non-current liabilities</b>	<b>5,660,890</b>	<b>0</b>	<b>5,452,905</b>	<b>0</b>	<b>207,986</b>
Borrowings	985,915	145,122	619,418	108,523	366,498
Payables to suppliers	1,669,441	54,272	1,849,980	41,985	(180,539)
Tax payables	12,978		26,810		(13,831)
Other current liabilities	723,108		632,259		90,850
<b>Current liabilities</b>	<b>3,391,444</b>	<b>199,395</b>	<b>3,128,466</b>	<b>150,508</b>	<b>262,977</b>
Liabilities closely associated with assets held for sale	207		1,919		(1,712)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>11,829,515</b>	<b>199,395</b>	<b>11,338,533</b>	<b>150,508</b>	<b>490,982</b>

## Consolidated Cash Flow Statement

€ thousand	30/09/2023	Related parties	30/09/2022	Related parties	Change
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit before tax	340,504		445,802		(105,298)
Depreciation/amortisation and impairment losses	490,439		435,879		54,561
Revaluations/Impairment charges	(20,526)		(41,406)		20,881
Provision for doubtful accounts	64,060		73,854		(9,794)
Increase/(decrease) in provisions for liabilities	(8,941)		(10,021)		1,079
Net change in the provision for employee benefits	(9,107)		(11,997)		2,890
Net financial interest	103,226		58,452		44,774
Income taxes paid	(62,918)		(72,243)		9,325
<b>Cash flow generated by operating activities before changes in working capital</b>	<b>896,738</b>	<b>0</b>	<b>878,320</b>	<b>0</b>	<b>18,418</b>
Increase/Decrease in receivables included in current assets	(73,183)	(28,255)	(336,198)	(35,924)	263,015
Increase/Decrease in payables included in the working capital	(44,602)	12,287	131,079	10,522	(175,681)
Increase/Decrease in inventories	(21,462)		(21,154)		(308)
<b>Change in working capital</b>	<b>(139,247)</b>	<b>(15,968)</b>	<b>(226,273)</b>	<b>(25,401)</b>	<b>87,026</b>
Change in other assets/liabilities during the period	(41,351)		(33,247)		(8,105)
<i>Cash flow from operations of Disposal Groups/Assets held for sale</i>	0		0		0
<b>TOTAL CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>716,140</b>	<b>(15,968)</b>	<b>618,800</b>	<b>(25,401)</b>	<b>97,340</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>					
Purchase/sale of tangible fixed assets	(368,633)		(304,779)		(63,854)
Purchase/sale of intangible fixed assets	(414,838)		(409,562)		(5,276)
Equity investments	(52,659)		124,477		(177,135)
Collections/payments deriving from other financial investments	(136,799)	(13,891)	3,237	(10,586)	(140,036)
Dividends received	344	344	3,381	3,381	(3,038)
Interest income received	28,241		22,953		5,289
<i>Cash flow from investments of Disposal Groups/Assets held for sale</i>	0		0		0
<b>TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(944,343)</b>	<b>(13,548)</b>	<b>(560,293)</b>	<b>(7,205)</b>	<b>(384,050)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Repayment of mortgages and medium/long-term borrowings	(342,571)		(36,483)		(306,088)
Provision of mortgages/other medium/long-term loans	700,000		250,000		450,000
Decrease/Increase in other financial debts	42,487	36,600	(74,268)	9,359	116,756
Interest expense paid	(128,215)		(80,735)		(47,480)
Dividends paid	(134,949)	(134,949)	(139,461)	(139,461)	4,512
<i>Cash flow from loans of Disposal Groups/Assets held for sale</i>	0		0		0
<b>TOTAL CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>136,753</b>	<b>(98,349)</b>	<b>(80,947)</b>	<b>(130,102)</b>	<b>217,700</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>(91,451)</b>	<b>(127,864)</b>	<b>(22,440)</b>	<b>(162,708)</b>	<b>(69,011)</b>
<b>Net opening balance of cash and cash equivalents</b>	<b>559,908</b>		<b>680,820</b>		<b>(120,912)</b>
<b>Cash availability from acquisition</b>	<b>0</b>		<b>1,004</b>		<b>(1,004)</b>
<b>NET CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>468,457</b>		<b>659,383</b>		<b>(190,926)</b>
<u>Cash and cash equivalents at the end of the year</u>					
<i>Disposal Groups/Assets held for sale</i>	0		606		(606)
<u>Cash and cash equivalents at the end of the year</u>	<b>468,457</b>		<b>658,777</b>		<b>(190,320)</b>
<i>Continuing Operations</i>					

## Consolidated Statement of Changes in Shareholders' equity

€ thousand	Share capital	Legal reserve	Valuation reserve for employee defined benefit plans net of tax	Financial derivative fair value reserve net of tax effect	Exchange difference reserve	Other reserves	Profit (loss) for the year	Total Shareholders' Equity for the Group	Third parties Shareholders' Equity	Total Shareholders' Equity
<b>Balance at 1 January 2023</b>	<b>1,098,899</b>	<b>147,501</b>	<b>(14,329)</b>	<b>44,825</b>	<b>16,592</b>	<b>718,056</b>	<b>279,725</b>	<b>2,291,268</b>	<b>463,975</b>	<b>2,755,243</b>
Income statement profit	0	0	0	0	0	0	209,425	209,425	27,225	236,650
Other comprehensive income (loss)	0	0	(1,606)	(36,251)	12,491	0	0	(25,366)	(380)	(25,746)
<b>Total comprehensive income (loss)</b>	<b>0</b>	<b>0</b>	<b>(1,606)</b>	<b>(36,251)</b>	<b>12,491</b>	<b>0</b>	<b>209,425</b>	<b>184,059</b>	<b>26,845</b>	<b>210,904</b>
Allocation of result for 2022	0	10,337	0	0	0	269,388	(279,724)	0	0	0
Distribution of dividends	0	0	0	0	0	(180,666)	0	(180,666)	(7,058)	(187,724)
Change in consolidation scope	0	0	45	50	(2)	0	0	93	(1,682)	(1,589)
Other changes	0	0	18	(18)	0	488	0	488	(348)	140
<b>Balance at 30 September 2023</b>	<b>1,098,899</b>	<b>157,838</b>	<b>(15,872)</b>	<b>8,606</b>	<b>29,081</b>	<b>807,266</b>	<b>209,425</b>	<b>2,295,241</b>	<b>481,732</b>	<b>2,776,974</b>

€ thousand	Share capital	Legal reserve	Valuation reserve for employee defined benefit plans net of tax	Financial derivative fair value reserve net of tax effect	Exchange difference reserve	Other reserves	Profit (loss) for the year	Total Shareholders' Equity for the Group	Third parties Shareholders' Equity	Total Shareholders' Equity
<b>Balance at 1 January 2022</b>	<b>1,098,899</b>	<b>138,649</b>	<b>(18,234)</b>	<b>(4,754)</b>	<b>2,048</b>	<b>594,055</b>	<b>313,309</b>	<b>2,123,971</b>	<b>392,449</b>	<b>2,516,420</b>
Income statement profit	0	0	0	0	0	0	257,397	257,397	26,325	283,722
Other comprehensive income (loss)	0	0	1,683	(37,928)	23,258	0	0	(12,988)	7,622	(5,366)
<b>Total comprehensive income (loss)</b>	<b>0</b>	<b>0</b>	<b>1,683</b>	<b>(37,928)</b>	<b>23,258</b>	<b>0</b>	<b>257,397</b>	<b>244,409</b>	<b>33,947</b>	<b>278,356</b>
Allocation of result for 2021	0	8,852	0	0	0	304,457	(313,309)	0	0	0
Distribution of dividends	0	0	0	0	0	(180,666)	0	(180,666)	(11,000)	(191,665)
Change in consolidation scope	0	0	(1)	(596)	0	(853)	0	(1,450)	1,041	(410)
Other changes	0	0	0	0	0	(1,379)	0	(1,379)	85	(1,295)
<b>Balance at 30 September 2022</b>	<b>1,098,899</b>	<b>147,501</b>	<b>(16,553)</b>	<b>(43,279)</b>	<b>25,306</b>	<b>715,614</b>	<b>257,397</b>	<b>2,184,885</b>	<b>416,521</b>	<b>2,601,407</b>
Income statement profit	0	0	0	0	0	0	22,327	22,327	5,110	27,438
Other comprehensive income (loss)	0	0	2,193	88,104	(8,714)	0	0	81,583	690	82,273
<b>Total comprehensive income (loss)</b>	<b>0</b>	<b>0</b>	<b>2,193</b>	<b>88,104</b>	<b>(8,714)</b>	<b>0</b>	<b>22,327</b>	<b>103,910</b>	<b>5,801</b>	<b>109,711</b>
Allocation of result for 2021	0	0	0	0	0	0	(0)	0	0	0
Distribution of dividends	0	0	0	0	0	0	0	0	(992)	(992)
Change in consolidation scope	0	0	31	0	0	(1,358)	0	(1,327)	42,803	41,475
Other changes	0	0	0	0	0	3,799	0	3,799	(157)	3,642
<b>Balance as at 31 December 2022</b>	<b>1,098,899</b>	<b>147,501</b>	<b>(14,329)</b>	<b>44,825</b>	<b>16,592</b>	<b>718,056</b>	<b>279,725</b>	<b>2,291,268</b>	<b>463,975</b>	<b>2,755,243</b>

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

The Manager appointed to prepare the company accounting documents, Sabrina Di Bartolomeo, declares in accordance with paragraph 154-bis, paragraph 2 of the Consolidated Finance Law, that the information contained in this Interim Report on Operations at 30 September 2023, corresponds to results of the documents, books and accounting entries.