



Investor Presentation

“Utilities Conference”

Equita - Milan, 31 January 2024

acea



STRATEGIC GUIDELINES



M9 2023 RESULTS



ANNEX M9 2023



ANNEX REGULATION



STRATEGIC GUIDELINES



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ANNEX REGULATION

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

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

Highly challenging outlook for the sector in the coming years



Water¹

Importance of protecting water resources

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

High leakage rate in Italian system

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

Limited public awareness

66% of Italians underestimate their water consumption



Electricity²

Energy transition

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

Electrification and role of grids

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

Significant need for flexibility

10GW of energy storage expected by 2030



Environment³

Circular economy drive

+10 pp of plastic waste recyclable in Europe by 2030

Developments in the regulatory framework

Progressive **regulation of waste in Italy**

New forms of treatment

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



Engineering

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

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

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

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



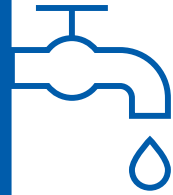
- **National in the integrated water cycle** (internationally scalable)
- **Local in power grids** (Rome)
- **Regional in the environment sector** (central Italy, replicable on a national scale)

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

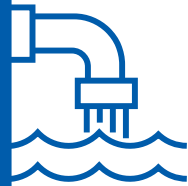
Water: strategic pillars

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

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



Strengthening the presence in municipal water supply systems in Italy



Growth in industrial water services



Assessment of overseas opportunities

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

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

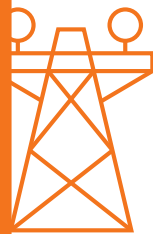
Potential for targeted growth in existing businesses, with scope for partnerships with other operators

Electricity: Strategic pillars

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

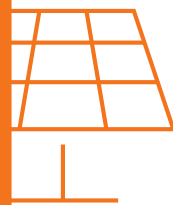
Developing **new renewable capacity** in response to energy transition

Consolidating **retail market performance and service**



Focus on electricity grids in Rome

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



Growth in renewables

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



Consolidate retail market performance and service

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

Environment: Strategic pillars

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

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



Consolidation in central Italy

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



Growth in Waste-to-Energy

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



Strengthening capabilities in materials recycling

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

ACEA commitment to ESG

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

Strengthening **the waste recycling chain**

Reducing water leakage

S | Commitment to **gender equality**

Boosting **youth employment**

Boosting **personnel development and training** opportunities

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

Support supply chain to enable ESG performance

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



STRATEGIC GUIDELINES



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ANNEX REGULATION

A «challenging» market environment

Renewed energy price inflation and ongoing developments in the regulatory framework

Regulation



Water: Updated **regulation of integrated water service tariffs** for the 4th regulatory period (2024-2029) - ARERA Resolution 639/2023

Reti & Smart cities: Tariff regulation for **electricity distribution** for the 6th regulatory period (2024-2027) – ARERA Resolutions 556-497-616-617/2023

Waste: new criteria are being drawn up for **regulation of the waste sector** for non-integrated providers (minimum plants), involving four-year financial plans and regulated tariffs.

Uncertain timing of application

Commercial: auction for non-vulnerable customers on 10th January 2024 (results due to be published on 11th) with the transfer of customers expected in June 2024

Commodity prices and inflation



Commodity prices rose in the quarter:

PUN in September €116/MWh (+3% vs previous month),

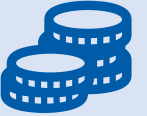
PUN Q3-2023 €113/MWh (+7% vs previous two-month period)

PUN Jan-Sept 2023 €129/MWh (-60% vs 2022)

Inflation in September +0.2% vs previous month and +5.3% on a trend basis

Inflation Jan-Sept 2023 +7% vs 2022

Interest rates



Financial costs up vs 2022

Mid Swap 4Y–5Y September 2023: 3.5% - 3.4% vs

Mid Swap 4Y-5Y September 2022: 2.9% - 3%

Highlights 9M 2023

EBITDA GROWTH, INCREASED INVESTMENT IN REGULATED BUSINESSES* AND CONTINUED OPERATIONAL DISCIPLINE

REVENUE

Water Italy, Grids & Smart Cities
and Environment **+4%**



EBITDA

excluding non-recurring events and
changes in scope **+3%**



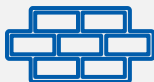
NET PROFIT

excluding non-recurring events and
changes in scope **+3%**



CAPEX

Water Italy, Grids & Smart Cities
and Environment **+5%**



**OPERATING FREE
CASH FLOW
+€112M**



Group revenue of €3.4bn, including approximately €1.8bn from Water Italy, Energy Grids & Smart Cities and Environment segments (+4% versus 9M 2022)

Recurring EBITDA of €992m, up €29m versus 9M 2022 driven by organic growth in regulated businesses (+6% Water Italy and +6% Grids & Smart Cities) and ongoing operating cost efficiencies

Net profit of €209m with EBITDA growth offsetting increase in financial charges caused by rising interest rates and increase in depreciation linked to capex in previous years

Capex of €733m up across regulated businesses in line with investment plans and with the average for 2022

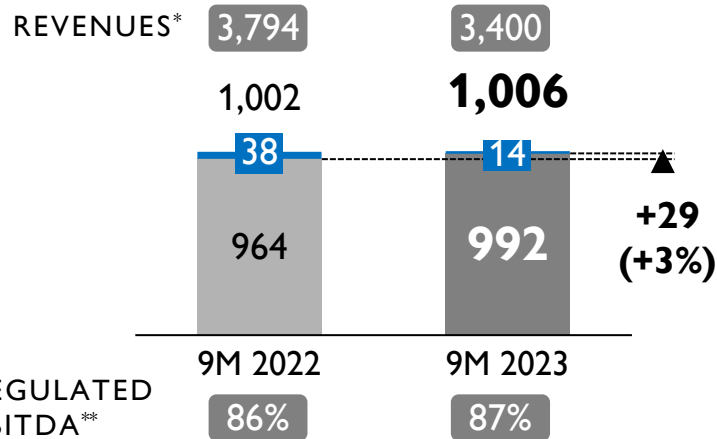
Operating free cash flow of €24m up €112m versus 9M 2022, enabling the Group to maintain a solid financial structure: Net Debt/EBITDA of 3.7x fully in line with guidance (<3.8x)

Overview of 9M 2023 results

ORGANIC GROWTH AND RELAUNCH OF INVESTMENTS

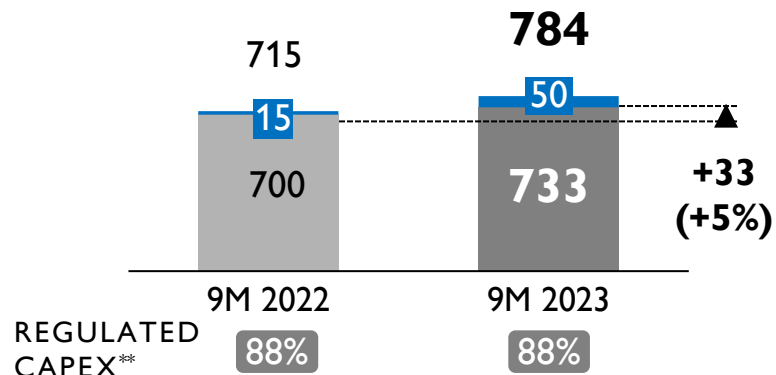
EBITDA (€m)

■ Non-recurring events and changes in scope



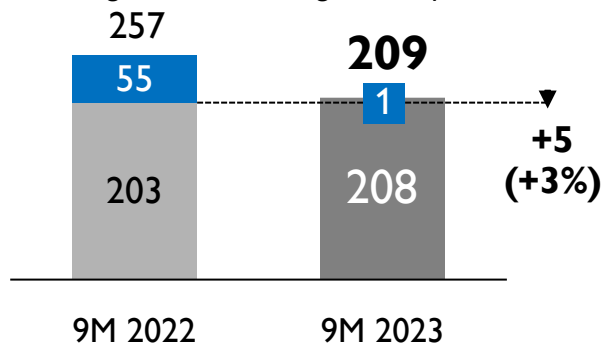
CAPEX (€m)

■ Grant-funded

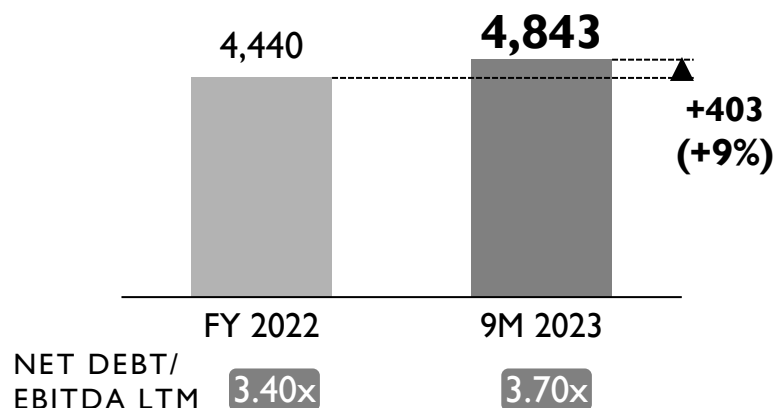


NET PROFIT (€m)

■ Non-recurring events and changes in scope



NET DEBT (€m)



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

Relaunch of the investments in the Water Italy and Grids & Smart Cities businesses

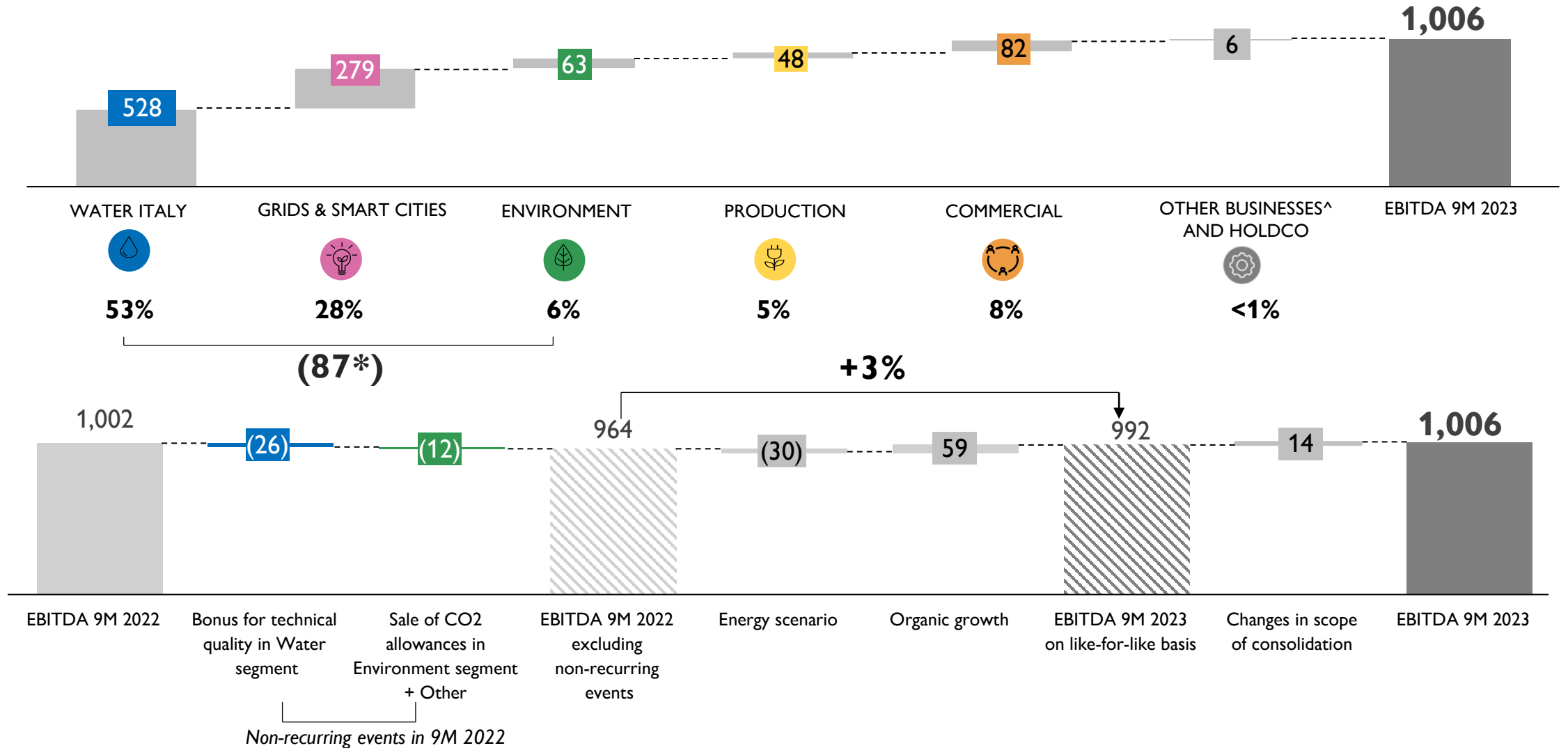
Operating performance has offset increases in depreciation and financial costs

Ratio NET DEBT/EBITDA in line with the guidance for 2023

EBITDA 9M 2023

IMPROVEMENT DRIVEN BY ORGANIC GROWTH OF REGULATED BUSINESSES

EBITDA (€m)



^ Overseas Water, Engineering & Infrastructure Projects.

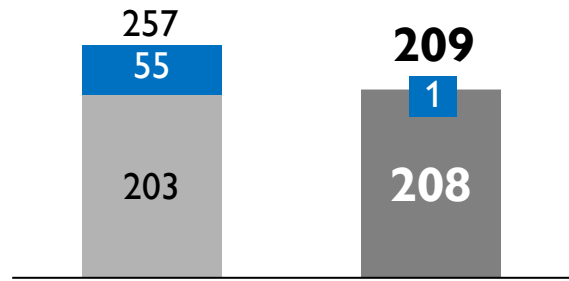
* Includes, in addition to the regulated Water Italy and Grids & Smart Cities businesses, the Environment business.

Net profit 9M 2023

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

NET PROFIT (€m)

■ Non-recurring events and changes in scope

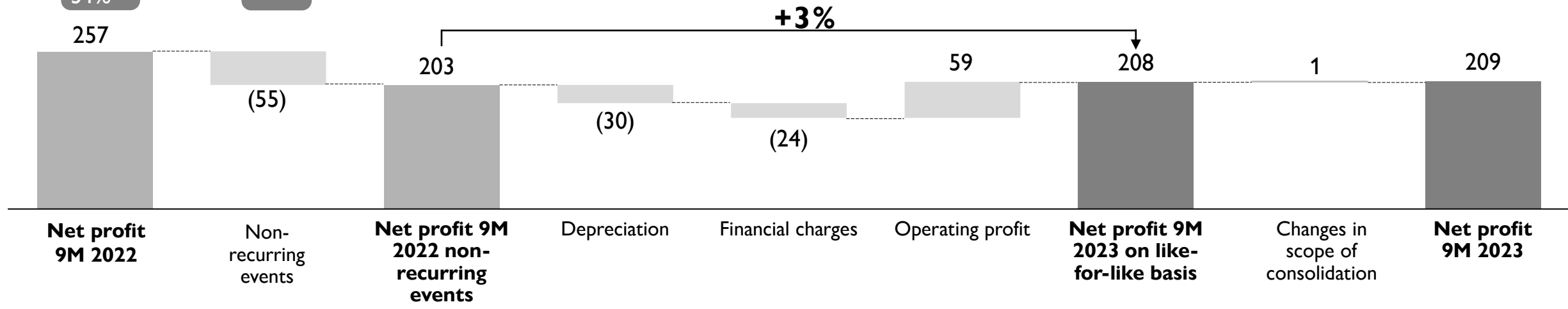


Efficiency improvements and growth of regulated businesses more than offset increase in depreciation and interest rates (rise in rates began in H2 2022)

Profit for 9M 2023 (€209m)

Non-recurring events in 9M 2022 (-€55m), primarily including:

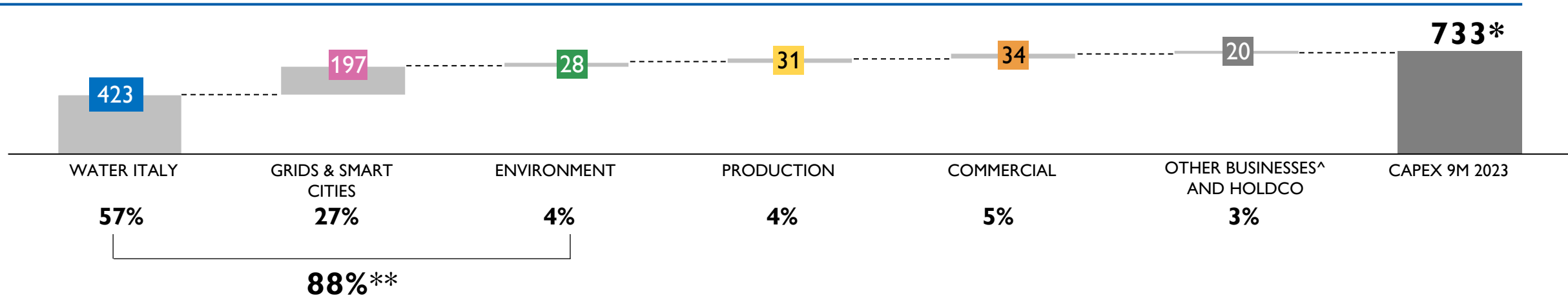
- Gain on sale of stake in photovoltaic assets (-€19m)
- Exemption from obligation to purchase CO2 allowances for Terni's plant (-€8m)
- Bonus for technical quality in the Water segment (-€18m)
- Income from the updating of Gori's debt (-€8m)



CAPEX 9M 2023

INVESTMENT DRIVE CONTINUES WITH FOCUS ON REGULATED BUSINESSES

CAPEX (€m)



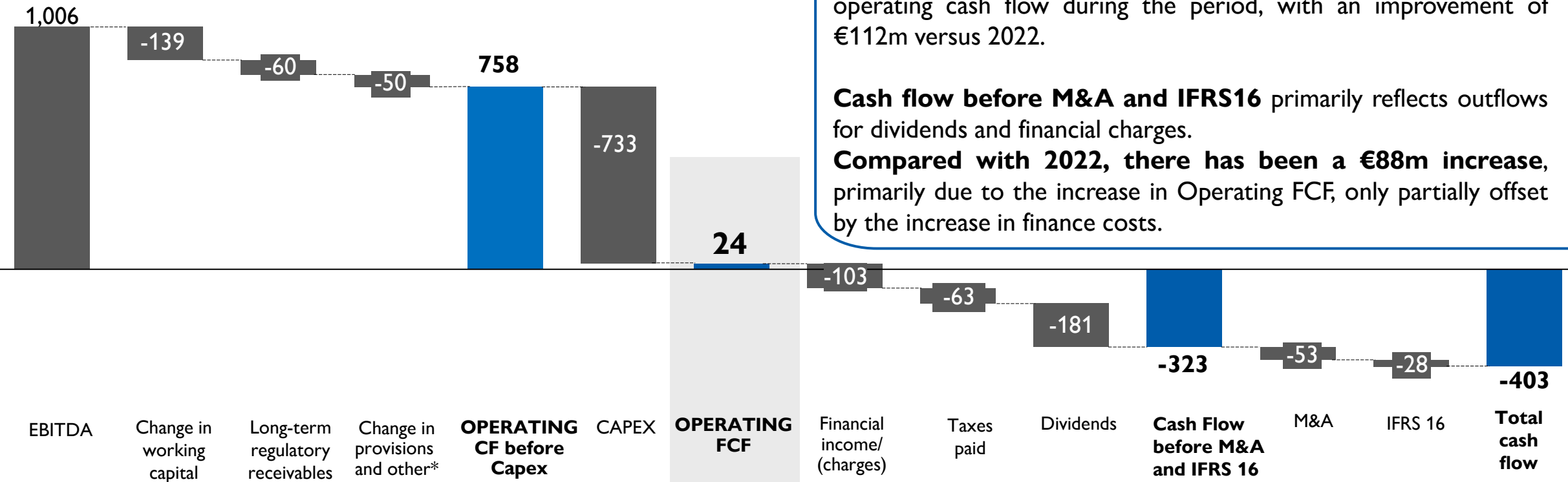
| Water Italy | Grids & Smart Cities | Environment | Production | Commercial | Other Businesses and Holdco |
|--|---|---|---|--|--|
| <ul style="list-style-type: none"> REPAIR AND WIDENING OF WATER AND SEWER PIPES EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS WORK ON TREATMENT PLANTS CHANGE IN SCOPE OF CONSOLIDATION | <ul style="list-style-type: none"> UPGRADE OF THE GRID WORK ON PRIMARY AND SECONDARY SUBSTATIONS INSTALLATION OF 2G METERS | <ul style="list-style-type: none"> WORK ON SAN VITTORE AND TERNI PLANTS CONSTRUCTION OF PLASTIC SORTING PLANT CHANGE IN SCOPE OF CONSOLIDATION | <ul style="list-style-type: none"> UPGRADE OF HYDROELECTRIC PRODUCTION PLANTS CONSTRUCTION OF PHOTOVOLTAIC PLANTS | <ul style="list-style-type: none"> CUSTOMER ACQUISITION SMART SERVICES AND E-MOBILITY PROJECTS | <ul style="list-style-type: none"> CORPORATE: IT PROJECTS |

Cash Flow 9M 2023

IMPROVEMENT IN FREE CASH FLOW

CASH FLOW (€m)

9M 2023



Operating FCF of €24m highlights ability to fund capex with operating cash flow during the period, with an improvement of €112m versus 2022.

Cash flow before M&A and IFRS16 primarily reflects outflows for dividends and financial charges.

Compared with 2022, there has been a €88m increase, primarily due to the increase in Operating FCF, only partially offset by the increase in finance costs.

| | EBITDA | Change in working capital | Long-term regulatory receivables | Change in provisions and other* | OPERATING CF before Capex | CAPEX | OPERATING FCF | Financial income/(charges) | Taxes paid | Dividends | Cash Flow before M&A and IFRS 16 | M&A | IFRS 16 | Total cash flow |
|-----------------------------|--------|---------------------------|----------------------------------|---------------------------------|----------------------------------|-------|----------------------|----------------------------|------------|-----------|---|-------|---------|------------------------|
| 9M 2022 | 1,002 | (261) | (38) | (92) | 611 | (700) | (88) | (69) | (72) | (181) | (411) | 51 | (45) | (405) |
| Δ 9M 2023 VS 9M 2022 | 4 | 122 | (22) | 43 | 146 | (34) | 112 | (33) | 9 | 0 | 88 | (104) | 17 | 1 |

* Provisions for expected credit losses reclassified from the change in provisions to the change in working capital.

Financial structure 9M 2023

LEVERAGE GUIDANCE CONFIRMED, AVERAGE COST OF DEBT 2%

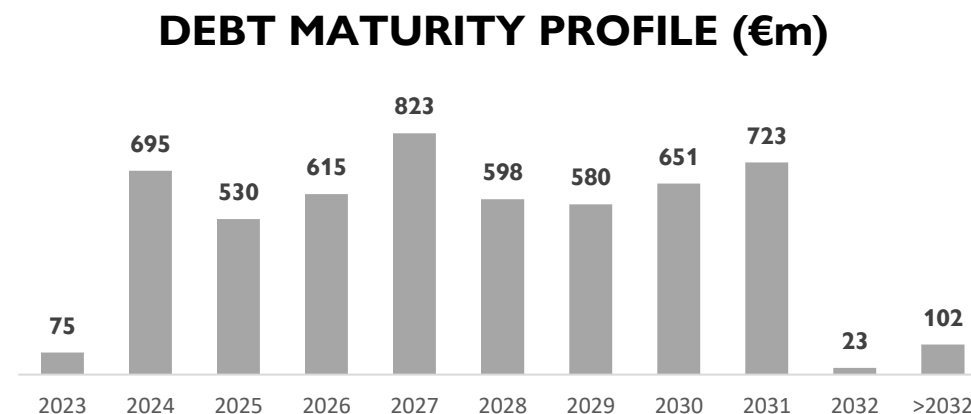
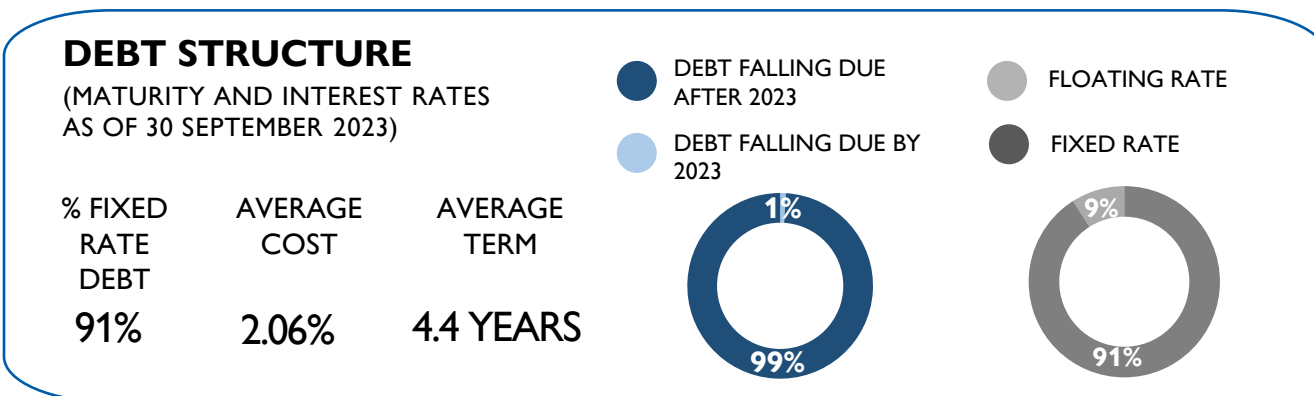
| (€m) | CONS 9M 2023 | DEC 2022 | CONS 9M 2022 | CONS 9M 2023 vs DEC 2022 | CONS 9M 2023 vs 9M 2022 |
|---------------------------|--------------|--------------|--------------|--------------------------|-------------------------|
| Net debt | 4,843 | 4,440 | 4,393 | 403 | 450 |
| Long-term debt | 4,795 | 4,723 | 4,706 | | |
| Short-term debt | 986 | 619 | 756 | | |
| Cash and cash equivalents | (938) | (902) | (1,069) | | |

LEVERAGE

| NET DEBT/EBITDA LTM 30 SEPTEMBER 2023 | NET DEBT/EBITDA 31 DECEMBER 2022 |
|---------------------------------------|----------------------------------|
| 3.7x | 3.4x |

RATINGS

| | |
|----------------------------|------------------------|
| FitchRatings «BBB+» | MOODY'S «Baa2» |
| Negative outlook | Stable outlook* |



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

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

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



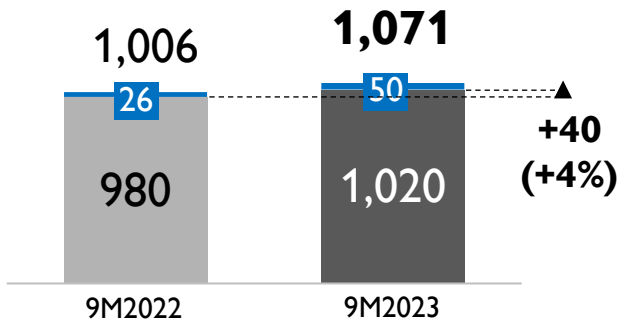
Water Italy[^]: organic EBITDA growth +6%

VALUE CREATION THROUGH INVESTMENT

REVENUE

(€m)

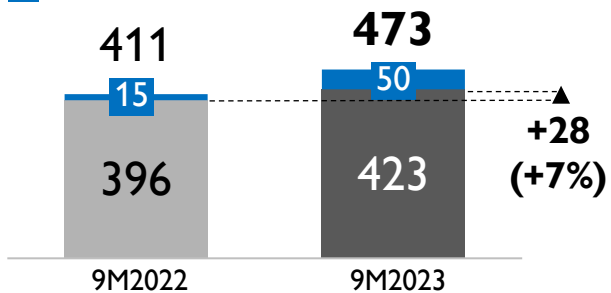
■ Non-recurring events and changes in scope



CAPEX

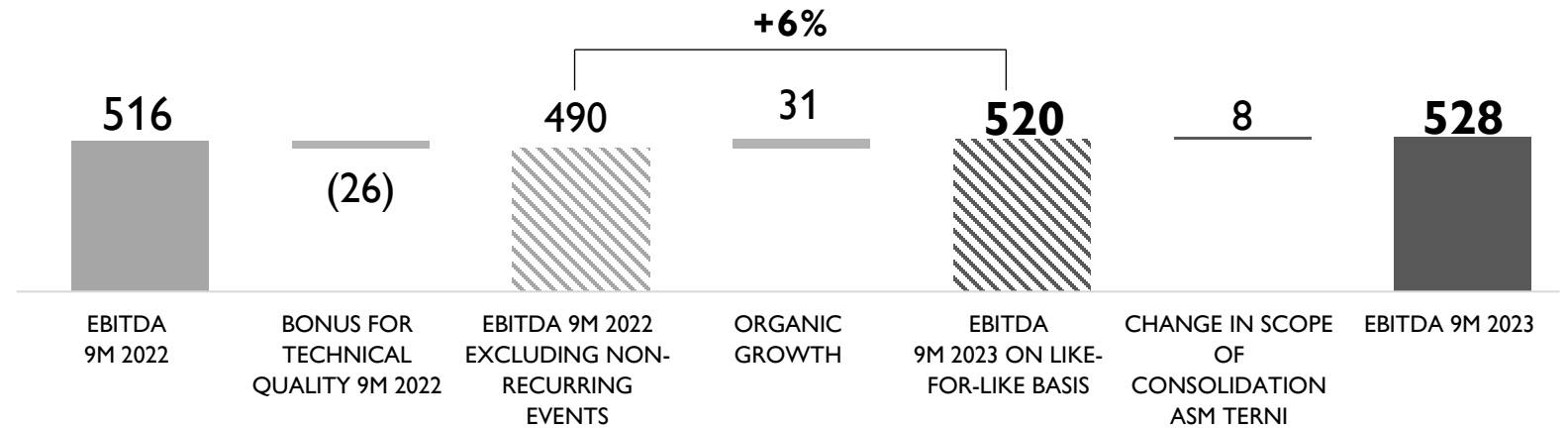
(€m)

■ Grant-funded



ORGANIC EBITDA GROWTH* MAIN DRIVERS

(€m)



COMBINATION WITH ASM TERNI

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

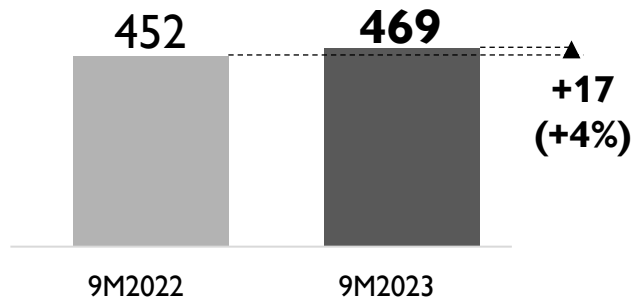


Grids & Smart Cities: EBITDA growth +6%

FOCUS ON RESILIENCE AND DIGITALISATION OF THE GRID

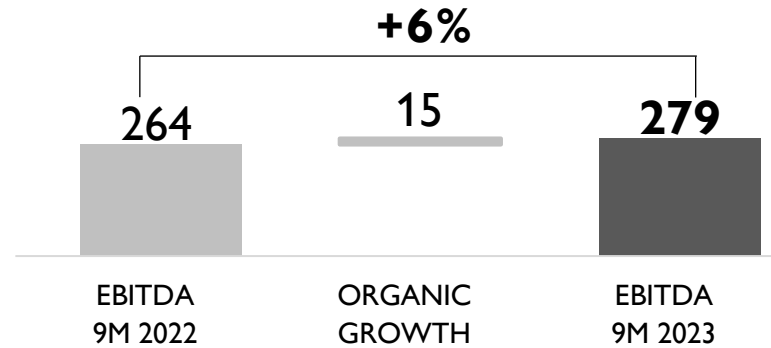
REVENUE

(€m)



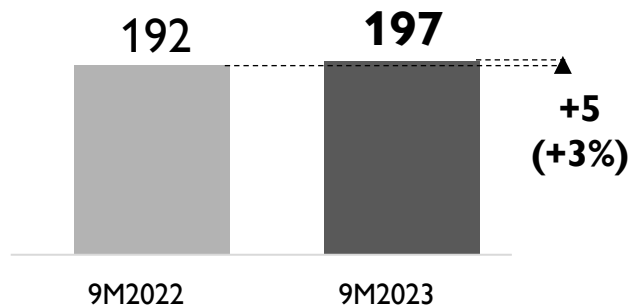
EBITDA MAIN DRIVERS

(€m)

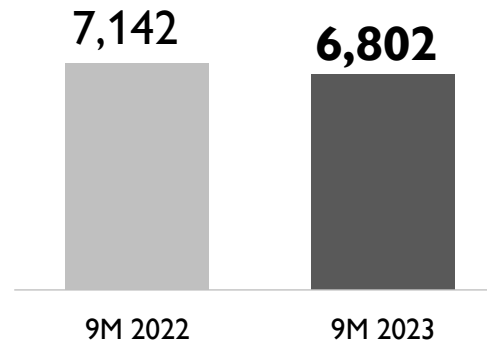


CAPEX

(€m)

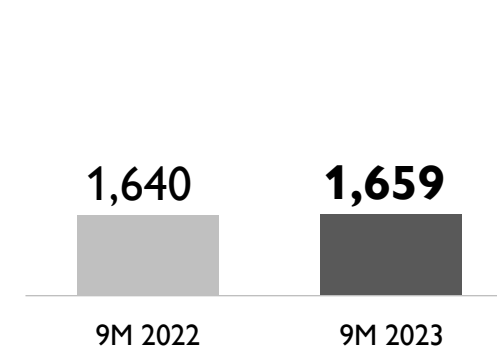


TOTAL ELECTRICITY DISTRIBUTED (GWh)



NUMBER OF PODs

('000s)



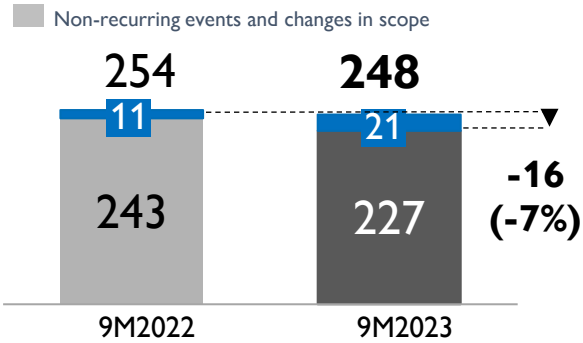


Environment: increase in waste treated +9%

ONGOING INTEGRATION OF PLANTS ACQUIRED IN CENTRAL ITALY

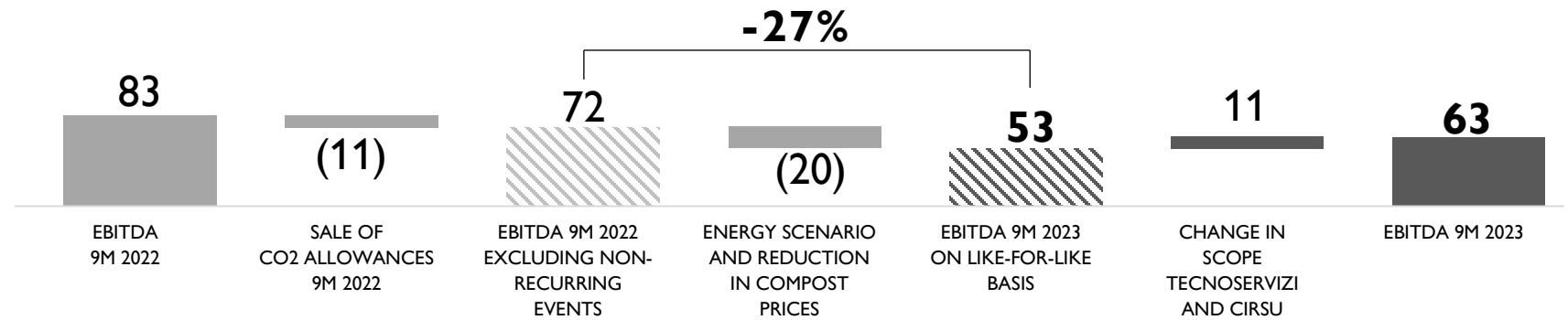
REVENUE

(€m)



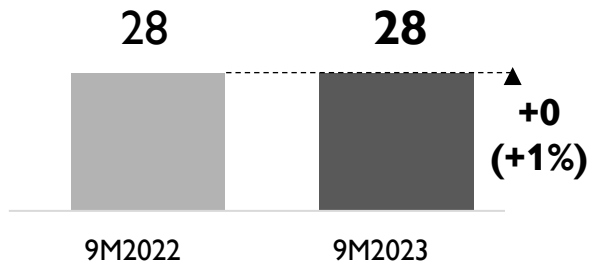
EBITDA MAIN DRIVERS

(€m)



CAPEX

(€m)



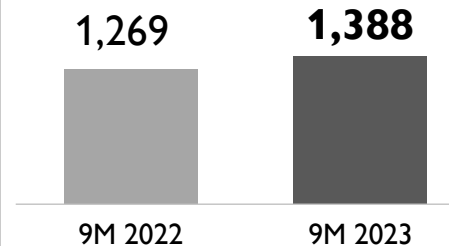
ACQUISITION OF 35% OF DECO

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

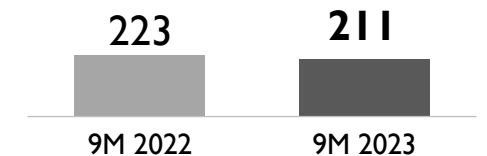
ACQUISITION OF 70% OF TECNOSERVIZI

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

TREATMENT AND DISPOSAL (KTONNES)



WTE ELECTRICITY SOLD (GWh)





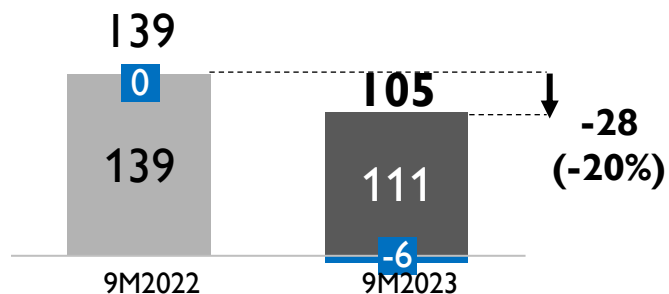
Production: increase in electricity production +14%

OVER 200MW OF READY-TO-BUILD PHOTOVOLTAIC PLANTS

REVENUE

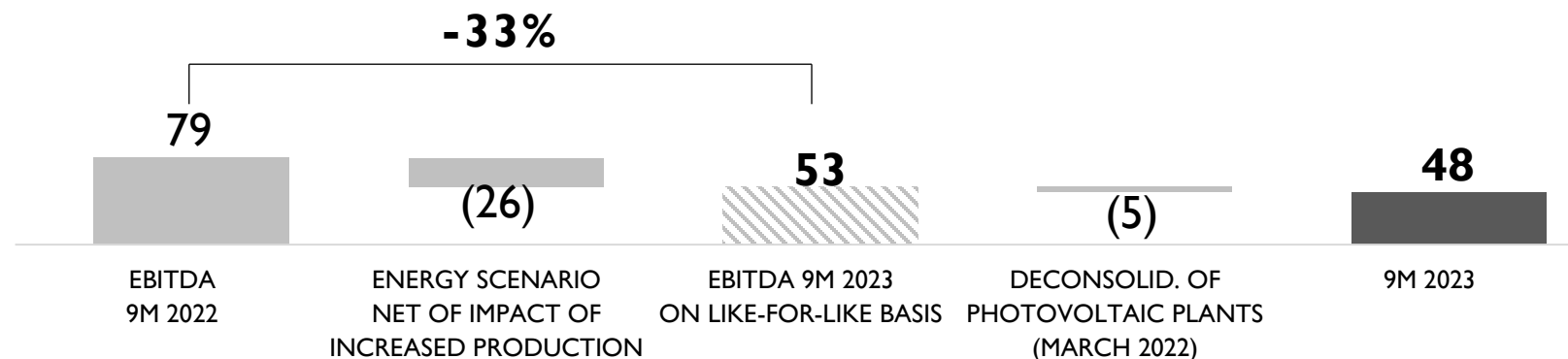
(€m)

■ Non-recurring events and changes in scope



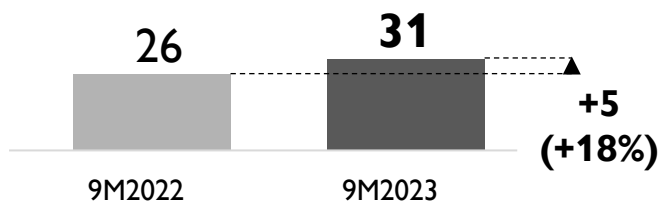
EBITDA MAIN DRIVERS

(€m)



CAPEX

(€m)



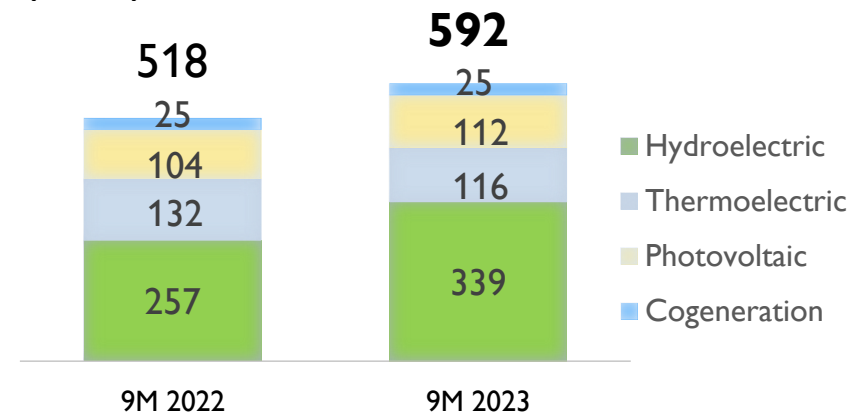
UPDATE PHOTOVOLTAIC PLANTS

Total pipeline of 866 MW

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

Installed capacity 101 MW

TOTAL ELECTRICITY PRODUCED (GWh)





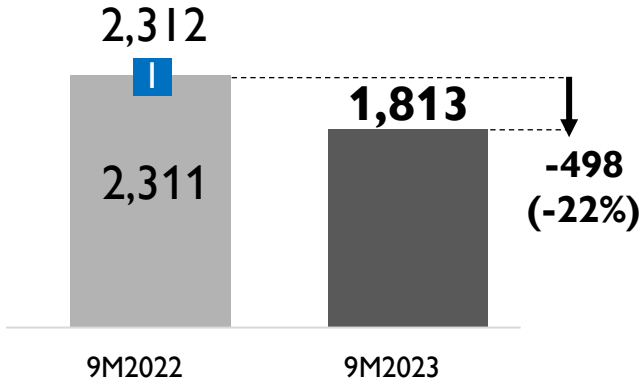
Commercial: EBITDA growth +44%

GROWTH IN FREE MARKET CUSTOMER BASE

REVENUE

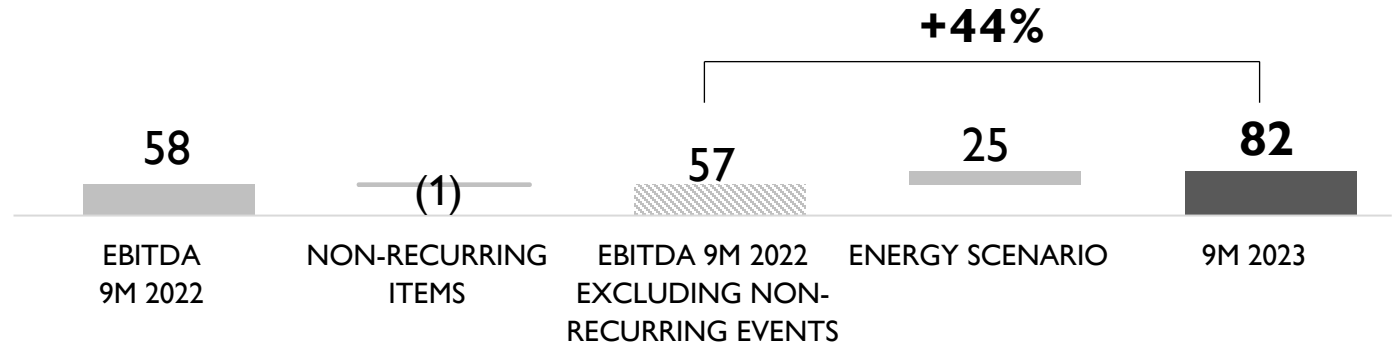
(€m)

■ Non-recurring events and changes in scope



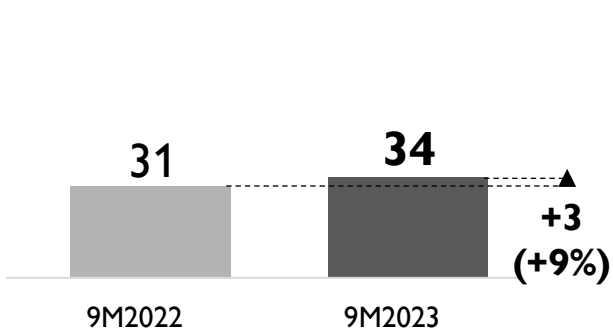
EBITDA MAIN DRIVERS

(€m)

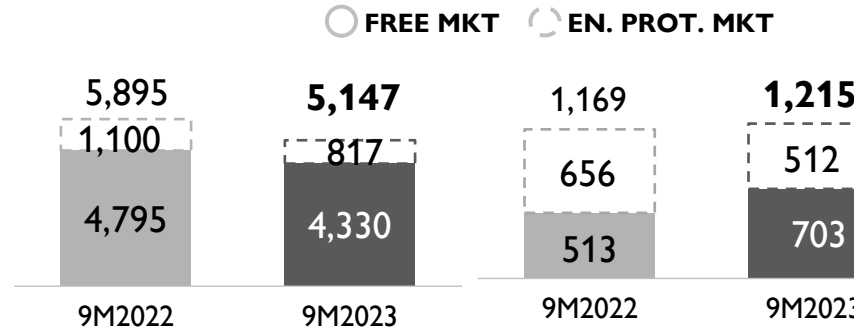


CAPEX

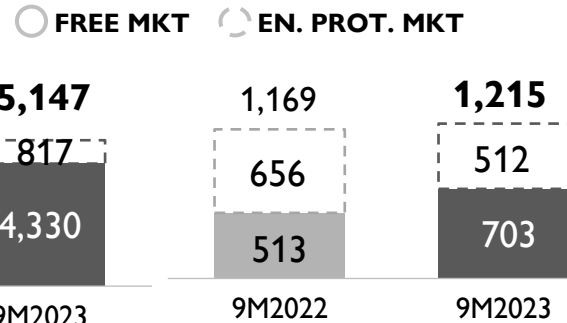
(€m)



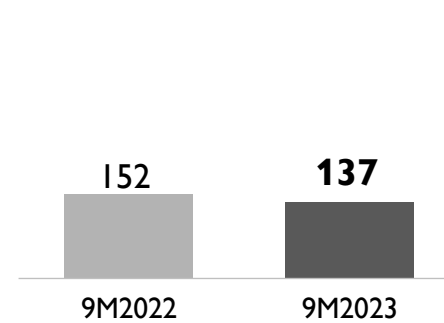
TOTAL ELECTRICITY SOLD (GWH)



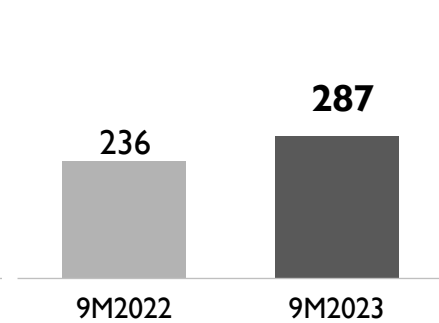
NUMBER OF ELECTRICITY CUSTOMERS ('000s)



TOTAL GAS SOLD (Mmc)



NUMBER OF GAS CUSTOMERS ('000s)





STRATEGIC GUIDELINES



M9 2023 RESULTS



ANNEX M9 2023



ANNEX REGULATION

Sustainable growth pathway in early 2023

KEY DEVELOPMENTS

DECO

January 2023

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

New WTE in Rome

March 2023

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

Combination with ASM Terni

April 2023

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

SIMAM

April 2023

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

WMS (Waidy Management System)

May 2023

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

Partnership with Acquedotto Pugliese

June 2023

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

EIB loan

July 2023

€435m EIB loan obtained.

Safeguarding legality

July 2023

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

Illuminazione Pubblica

September 2023

Approval of the proposal for a potential settlement agreement with Roma Capitale regarding the public lighting service.

Technical and Contractual Quality bonus

October 2023

ACEA ATO2 ranked as the best operator in Italy with regard to reducing water losses.

Technical Quality bonus awarded to ACEA ATO2 for the two-year period 2020-2021: €24.7m.

Sustainable growth pathway in early 2023

KEY DEVELOPMENTS

Top Employers Italia 2023

January 2023

Acea obtains «Top Employers Italia 2023» certification.

Gender-Equality Index

January 2023

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

RSE Top Utility for Research and Innovation

March 2023

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

People and Participation Charter

May 2023

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

Standard Ethics

July 2023

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

SBTi

September 2023

Science Based Targets initiative (SBTi) validates Acea’s direct and indirect greenhouse gas emission targets.

Sustainability ratings



62/100



«EE+»
Positive outlook



«B»
Management
Level



«A»



81.58/100



«Leader ESG
Identity»



ESG risk
Rating
20.1

Consolidated income statement and statement of financial position at 30 September 2023

Consolidated income statement (€000)

| | 9M 2023 | 9M 2022 | Increase/ (Decrease) |
|--|------------------|------------------|-------------------------|
| Sales and service revenues | 3,291,370 | 3,677,828 | (386,458) |
| Other operating income | 108,882 | 115,979 | (7,097) |
| Consolidated net revenue | 3,400,252 | 3,793,807 | (393,555) |
| Staff costs | 259,276 | 224,184 | 35,092 |
| Cost of materials and overheads | 2,154,055 | 2,623,693 | (469,638) |
| Consolidated operating costs | 2,413,331 | 2,847,877 | (434,546) |
| Net profit/(loss) from commodity risk management | 0 | 34,547 | (34,547) |
| Profit/(loss) on non-financial investments | 19,462 | 21,833 | (2,371) |
| Gross operating profit | 1,006,382 | 1,002,310 | 4,072 |
| Net impairment losses/(reversals of impairment losses) on trade receivables | 64,060 | 73,854 | (9,794) |
| Amortisation, depreciation and provisions | 499,656 | 443,776 | 55,880 |
| Operating profit/(loss) | 442,666 | 484,680 | (42,014) |
| Finance income | 28,241 | 20,530 | 7,711 |
| Finance costs | (131,467) | (78,982) | (52,485) |
| Profit/(loss) on investments | 1,064 | 19,574 | (18,510) |
| Profit/(loss) before tax | 340,504 | 445,802 | (105,298) |
| Income tax expense | 103,854 | 162,080 | (58,226) |
| Net profit/(loss) | 236,650 | 283,722 | (47,072) |
| Net profit/(loss) from discontinued operations | | | |
| Net profit/(loss) | 236,650 | 283,722 | (47,072) |
| Net profit/(loss) attributable to non-controlling interests | 27,225 | 26,325 | 901 |
| Net profit/(loss) attributable to owners of the Parent | 209,425 | 257,397 | (47,972) |
| Earnings/(Loss) per share attributable to owners of the Parent | | | |
| <i>Basic</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> |
| Earnings/(Loss) per share attributable to owners of the Parent net of treasury shares | | | |
| <i>Basic</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> |

Consolidated statement of financial position (€000)

| | 30 September 2023 | 31 December 2022 | Increase/ (Decrease) |
|--|-------------------|-------------------|-------------------------|
| Property, plant and equipment | 3,264,629 | 3,144,250 | 120,379 |
| Investment property | 2,003 | 2,256 | (253) |
| Goodwill | 254,561 | 255,048 | (487) |
| Concessions and infrastructure rights | 3,682,323 | 3,470,906 | 211,417 |
| Intangible assets | 397,209 | 420,191 | (22,982) |
| Right-of-use assets | 103,584 | 90,397 | 13,187 |
| Investments in unconsolidated subsidiaries and associates | 365,615 | 348,885 | 16,731 |
| Other investments | 3,025 | 3,007 | 19 |
| Deferred tax assets | 216,238 | 179,823 | 36,415 |
| Financial assets | 24,874 | 30,531 | (5,657) |
| Other non-current assets | 672,089 | 615,144 | 56,946 |
| Non-current assets | 8,986,151 | 8,560,435 | 425,716 |
| Inventories | 125,969 | 104,507 | 21,462 |
| Trade receivables | 1,296,282 | 1,267,445 | 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 | 342,085 | 126,913 |
| Cash and cash equivalents | 468,457 | 559,908 | (91,451) |
| Current assets | 2,825,068 | 2,759,022 | 66,046 |
| Non-current assets held for sale | 18,296 | 19,076 | (779) |
| TOTAL ASSETS | 11,829,515 | 11,338,533 | 490,983 |
| 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/(accumulated losses) | 756,265 | 737,400 | 18,865 |
| Net profit/(loss) for the period | 209,425 | 279,725 | (70,300) |
| Total equity attributable to owners of the Parent | 2,295,241 | 2,291,268 | 3,974 |
| Equity attributable to non-controlling interests | 481,732 | 463,975 | 17,757 |
| Total equity | 2,776,974 | 2,755,243 | 21,731 |
| Staff termination benefits and other defined-benefit obligations | 109,370 | 112,989 | (3,618) |
| Provisions for liabilities 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 |
| Non-current liabilities | 5,660,890 | 5,452,905 | 207,986 |
| Borrowings | 985,915 | 619,418 | 366,498 |
| Trade payables | 1,669,441 | 1,849,980 | (180,539) |
| Tax liabilities | 12,978 | 26,810 | (13,831) |
| Other current liabilities | 723,108 | 632,259 | 90,850 |
| Current liabilities | 3,391,444 | 3,128,466 | 262,977 |
| Liabilities related directly to assets held for sale | 207 | 1,919 | (1,712) |
| TOTAL EQUITY AND LIABILITIES | 11,829,515 | 11,338,533 | 490,983 |

Financial highlights for Engineering & Infrastructure Projects, Overseas Water and the Holdco

ENGINEERING & INFRASTRUCTURE PROJECTS

| (€m) | 9M 2023 | 9M 2022 | % change |
|----------------|---------|---------|----------|
| Revenue | 82.7 | 84.4 | -2.0% |
| EBITDA | 4.5 | 7.9 | -42.5% |
| Capex | 3.3 | 3.0 | +7.6% |

OVERSEAS WATER

| (€m) | 9M 2023 | 9M 2022 | % change |
|----------------|---------|---------|----------|
| Revenue | 73.5 | 70.0 | +4.9% |
| EBITDA | 27.5 | 25.2 | +9.3% |
| Capex | 3.7 | 3.2 | +16.5% |

HOLDCO

| (€m) | 9M 2023 | 9M 2022 | % change |
|----------------|---------|---------|----------|
| Revenue | 105.1 | 107.9 | -2.6% |
| EBITDA | (26.3) | (30.4) | -13.6% |
| Capex | 13.2 | 21.5 | -38.5% |



STRATEGIC GUIDELINES



M9 2023 RESULTS



ANNEX M9 2023



ANNEX REGULATION

Water Italy - Regulation

TARIFF REGIME FOR THE FOURTH REGULATORY PERIOD (MTI-4) 2024 - 2029

ARERA RESOLUTION: 639/2023

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

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

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

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

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

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

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

Operator combination incentives

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

Rationalisation of HV grid assets

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

2024 allowed opex

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

Grids & Smart Cities – Regulation (2/2)

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

Incentives for the use of non-repayable funding

- Bonus for the use of non-repayable funding by electricity distributors equal to 10% (as opposed to the current approximate figure of 8.6%).

Output-based incentives

- Output-based incentive for distribution grid development interventions: reserved for operators serving over 100K PODs who have the obligation to draw up grid development plans. The resolution sets the incentive mechanism for 2024, whereas the mechanism pertaining to the three years 2025-2027 will be defined by way of a subsequent measure.

Incentives for the implementation of compensation arrangements for reactive energy input in critical areas

- The right to receive a bonus corresponding to the reactive energy input tariff charges paid by the company in the 24 months preceding the entry into service of the arrangement and during the month in question.

Environment - Regulation

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

- The scope of application covers treatment plants used in the «recovery and disposal» of all urban waste, regardless of how it is subsequently classified. Recycling chains, managed by recycling consortia and other entities, are, on the other hand, not addressed.
- Regional planning has been given a decisive role in defining plants involved in closure of the cycle, operating in structurally rigid markets (insufficient capacity to meet demand for treatment), as «minimum». These plants are subject to revenue caps.
- Plants not classified as «minimum» as part of the planning process will be considered «additional»: these plants will not be subject to regulated tariffs but will only be subject to disclosure requirements.
- In a later resolution (68/2022/R/rif dated 22 February 2022), ARERA determined, in line with the approach adopted when setting the TIWACC for the energy sectors, the WACC for the regulatory period 2022-2025 – save for any intra-period adjustments – as 6% for facilities not integrated into the waste cycle (the WACC for the integrated cycle is instead 5.6%).
- With Determination 01/DRIF/2022 of 22 April 2022, ARERA approved the standard formats for the documents constituting the tariff proposal that the operators of "minimum" plants submit to the competent bodies, i.e., EGATOs or regional authorities. Reference is made, in particular, to financial plans and the accompanying report.
- In DGR 290/2022 dated 27 April 2022, Lazio Regional Authority designated the San Vittore nel Lazio, Aprilia and Sabaudia plants as «minimum» plants.
- In DGR 375/2022 dated 12 May, Umbria Regional Authority designated the Orvieto plant (landfill, MBT and composting) as «minimum» plants.
- Abruzzo Regional Authority has yet to make an announcement in this regard.

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

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

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

Amendments to waste regulatory scheme MTR-2 (2nd regulatory period 2022-2025):

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

DISCLAIMER

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

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