



aceea

Acea Group
Investor
Presentation

Mediobanca

“ 7th Italian CEO Conference ”

June 23, 2021

Agenda



ACEA GROUP TODAY



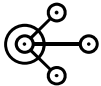
BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES



CLOSING REMARKS



Q&A

Agenda



ACEA GROUP TODAY



BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES



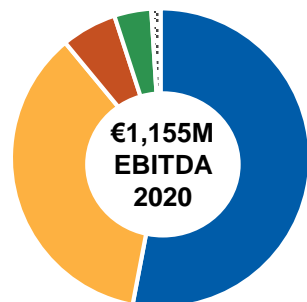
CLOSING REMARKS



Q&A

Acea is a leading multi-utility player in the Italian market

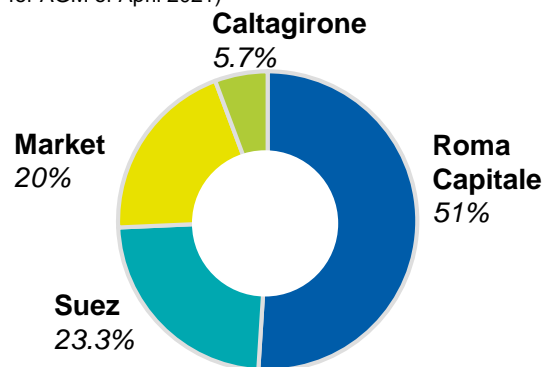
2020 EBITDA



85% regulated

Ownership structure

(Source: based on proof of share ownership filed for AGM of April 2021)



Water

Leader
in the water
supply sector in
Italy

With **more
than 9 M
customers**
in Lazio,
Toscana,
Umbria, Molise e
Campania



Energy Infrastructure

Leading
Italian player in
the electricity
distribution
market

With **~9 TWh**
of distributed
electricity



Commercial & Trading

**One of
the main**
players in the
Italian energy
market

With **7.0
TWh**
of electricity sold



Environment

4th player
in the Italian
waste treatment
sector

With **~ 1.6
M tons**
of treated /
disposed waste



Power generation

**Green
player**
in power
generation in Italy

With **269 MW**
of installed
capacity¹



Engineering and services

Business line
offering
**technical
services** to
the Group

With **more
than 100 M€**
of **services**
every year



Gas distribution

Entry in the gas distribution
business with **~100k
redelivery points**

Agenda



ACEA GROUP TODAY



BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES



CLOSING REMARKS



Q&A



Growth

Growth driven by regulated businesses, with **significant investment** related to **RAB**...

6.7%
EBITDA CAGR
2019-24

5.9 B€
2024 RAB



Renewables

...also supported by **investments in RES**, both industrial scale and consumer

747 MW
Installed PV capacity
in 2024

~1000
Domestic PV plants in
2024



Innovation

...together with investments for **new innovative services** (VAS)

0.6 B€
Innovation capex
2020-24

2200+
EV charging stations
in 2024



Delivery

...proving a consistent track record of **outperforming business plan targets**

>5%
Avg. EBITDA outperformance
vs. plan (last 3 years)

4.7 B€
Capex and M&A 2020-24



Sustainability

...with increasing focus on **environmental impact** and **circular economy**

-11 pp
Water losses in 2024

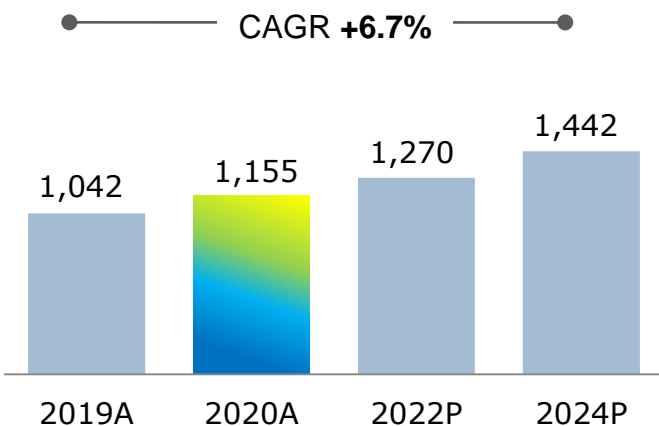
150+
«Smart Comp»
composters in 2024

Acea as a leading player in infrastructure and sustainability

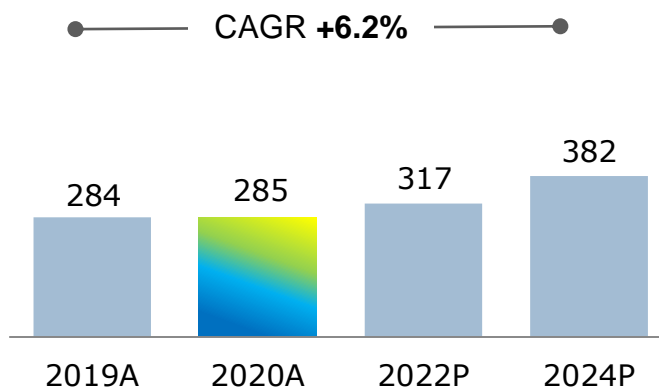
Strategy and targets

Key financials

EBITDA | M€



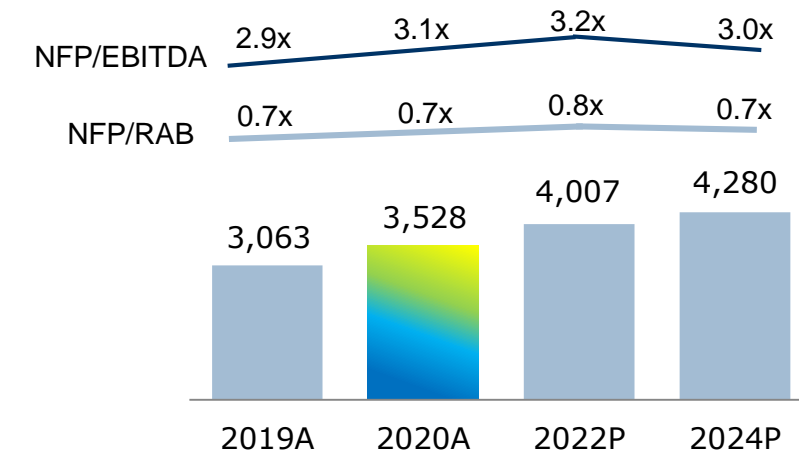
Net Income | M€



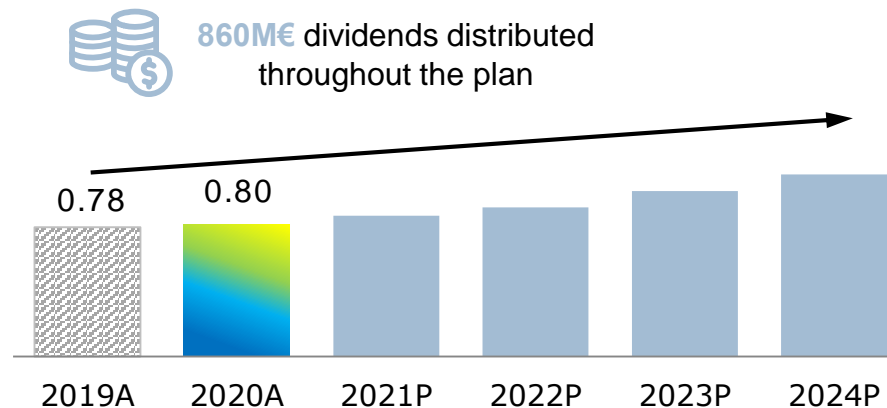
2021 GUIDANCE

EBITDA +6%/+8% versus 2020
 CAPEX ~ €900M
 NET DEBT: €3.85 ÷ €3.95B

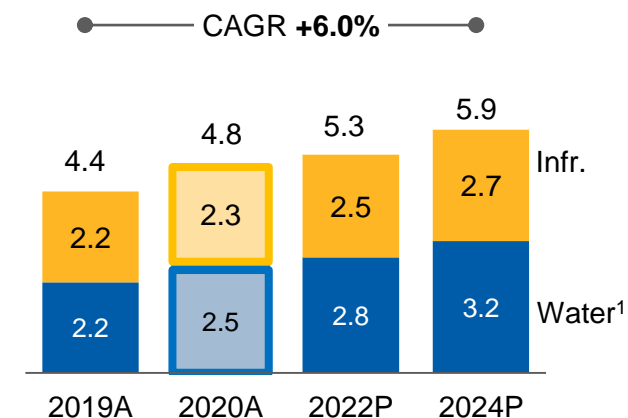
NFP | M€



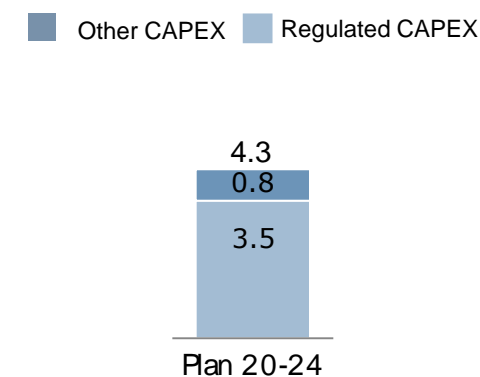
Dividend per share | € / share



RAB | B€



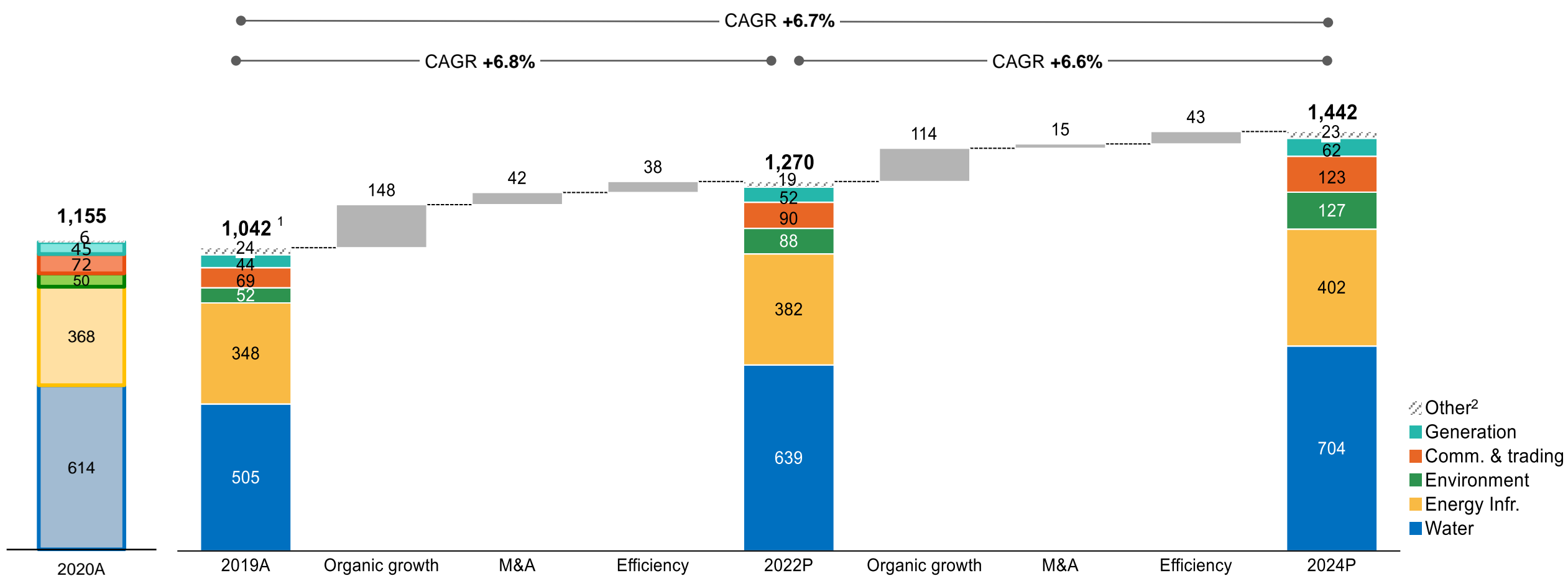
Cumulative CAPEX | B€



Strategy and targets

Key financials

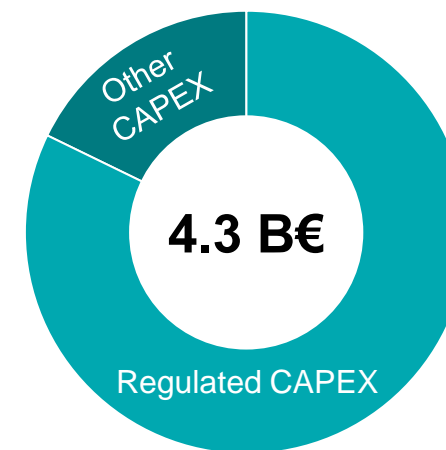
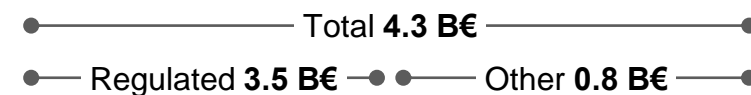
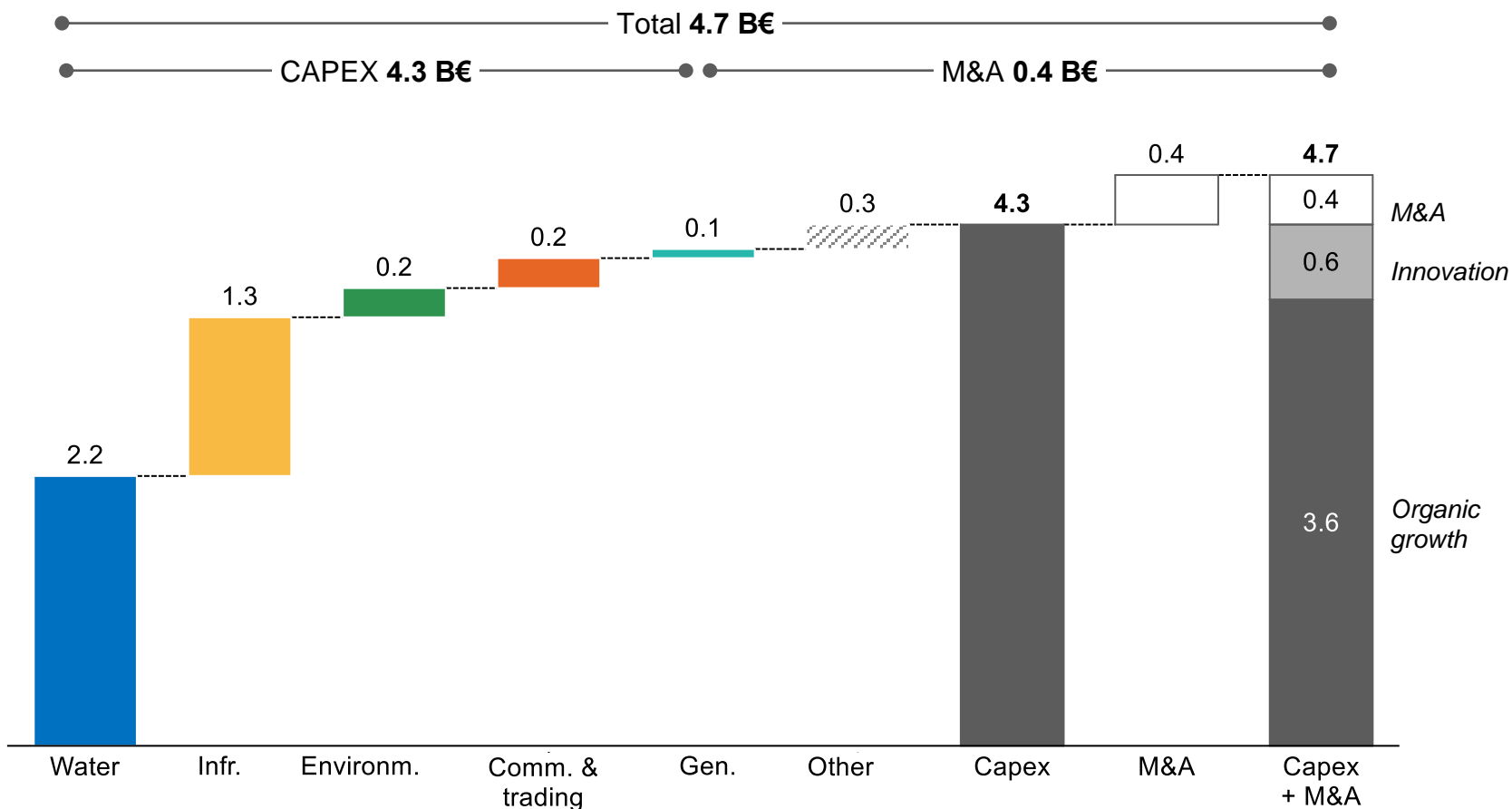
EBITDA | M€



Strategy and targets

CAPEX and M&A

CAPEX e M&A evolution | B€



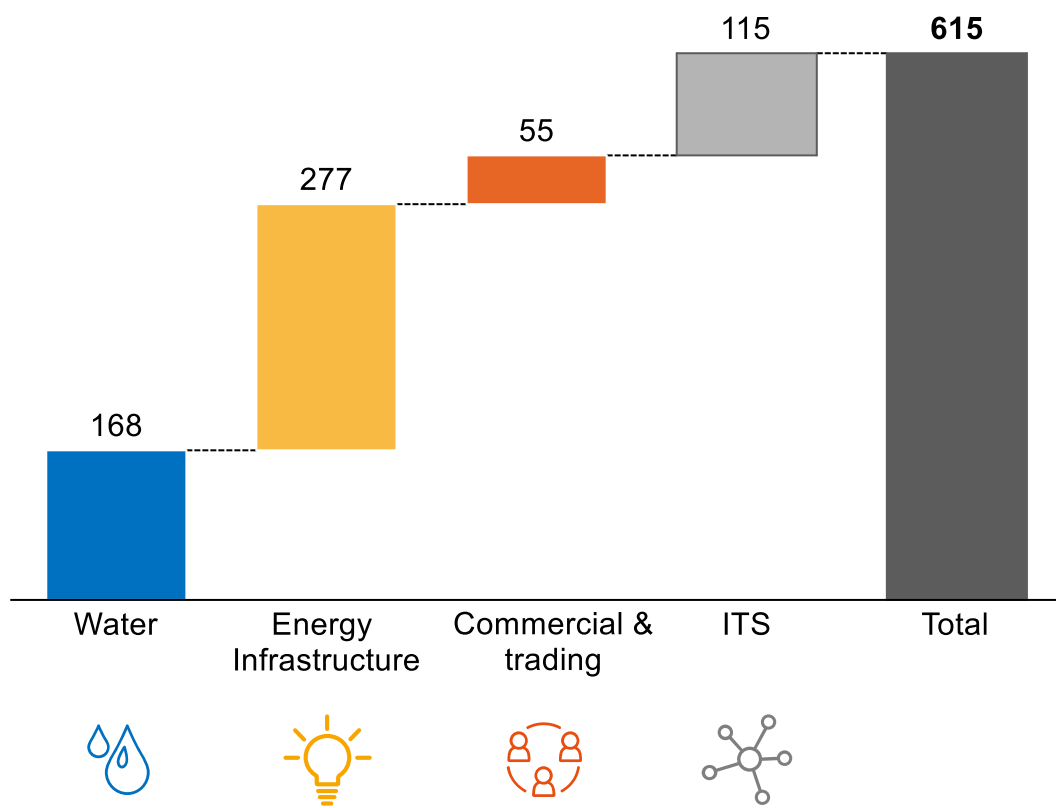
More than 80% RAB investments

Strategy and targets










Innovation as a driver for growth

INNOVATION

Capex related to Innovation | M€, 2020-2024



Selected initiatives

-  **500k+ smart meters** installed
-  Grids' performance optimization through **Water Management System**
-  **1.3M 2G smart meters** installed
-  New **Control center** for grids' management
-  **+100K digital customers** (acquired through digital channels)
-  **2,200+ EV charging stations** installed
-  **150+ "Smart Comp"** composters installed
-  Corporate **data lake** and **data-driven** asset management (*data-driven company*)
-  Development of new Salesforce **CRM platform**



More than 2B€ related to specific sustainability targets with highest relevance and priority to the Group

SUSTAINABILITY

Sustainable Development Goals (SDGs)

Related to investments in sustainability


























Acea sustainability rating

| | | |
|--|--|--|
|  A- Leadership |  EE Positive |  78/100 |
|--|--|--|

CAPEX related to sustainability targets | M€, 2020-2024

2.1B€ of investments related to **sustainability** targets over the plan (+400M€¹ vs. previous Business Plan):

-  **263** water losses reduction
-    **220** resiliency of Rome aqueduct system
-      **127** efficiency of purification system
-  **234** installation of **smart meters** for water and electricity
-    **492** resiliency and efficiency of electric grids
-   **58** infrastructure **modernization** and **remote mgmt.**
-   **445²** circular economy treatment of **waste**
-    **29** e-mobility infrastructure
-    **212** increase of **green energy** generation



New and more challenging targets vs previous business plan

SUSTAINABILITY

Acea targets at 2024 (vs. 2019)

| | | | | |
|----|---|---|--|--|
| 8 | DECENT WORK AND ECONOMIC GROWTH | GDP and employment increase Preliminary and partial estimate only for the selected period | +5.8 B€ GDP | +21k stable FTEs |
| 6 | CLEAN WATER AND SANITATION | Water resource protection Losses reduction, IoT grids' management, rationalization of purification system | -11 pp¹ losses reduction (440+ Mm ³ of resource saved) | +36 rationalized purification plants |
| 7 | AFFORDABLE AND CLEAN ENERGY | Quality of electricity service Improved resiliency of electric grids | -40% Intervention Risk Index (IRI) | ~2,600 cabins involved |
| 9 | INDUSTRY, INNOVATION AND INFRASTRUCTURE | Smart city Installation of EV charging stations and water / electric smart meters | +2,200 charging stations | ~1.8M² 2G and water smart meter |
| 11 | SUSTAINABLE CITIES AND COMMUNITIES | | | |
| 12 | RESPONSIBLE CONSUMPTION AND PRODUCTION | Circular economy Waste treated with circular economy logics and reduction of sludge coming out of purification plants | +1.6 Mton (+120%) waste treated | -45% sludge coming out of purification thanks to process innovation (drying) |
| 13 | CLIMATE ACTION | Green energy Increase in production and consumption of green energy | -43% gCO ₂ /KWh produced by Acea produzione | >140 kton/y CO ₂ avoided for internal consumption |

Strategy and targets

Solid financial structure

Highlights

Rating

| | |
|---|---|
|  |  |
| BBB+ | Baa2 |
| <i>Outlook stable</i> | <i>Outlook stable</i> |

Debt

As of March 31, 2021

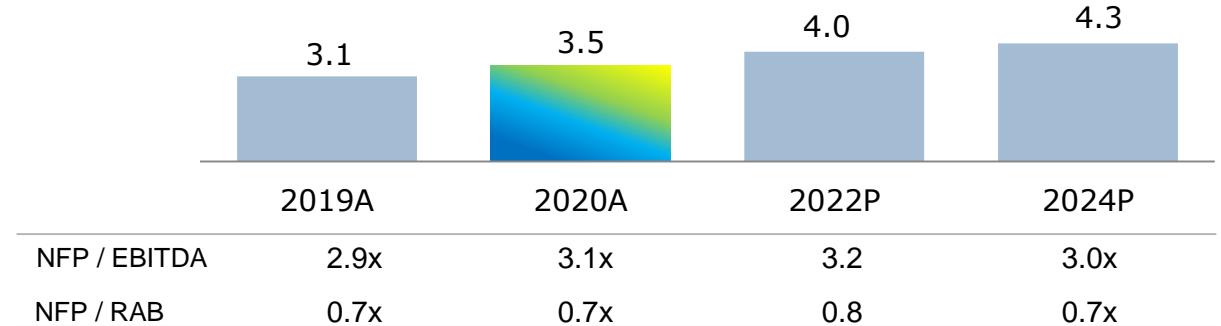
- **5.6 years** average debt duration
- **1.44%** average cost of debt
- **84%** fixed rate debt

Green Bond

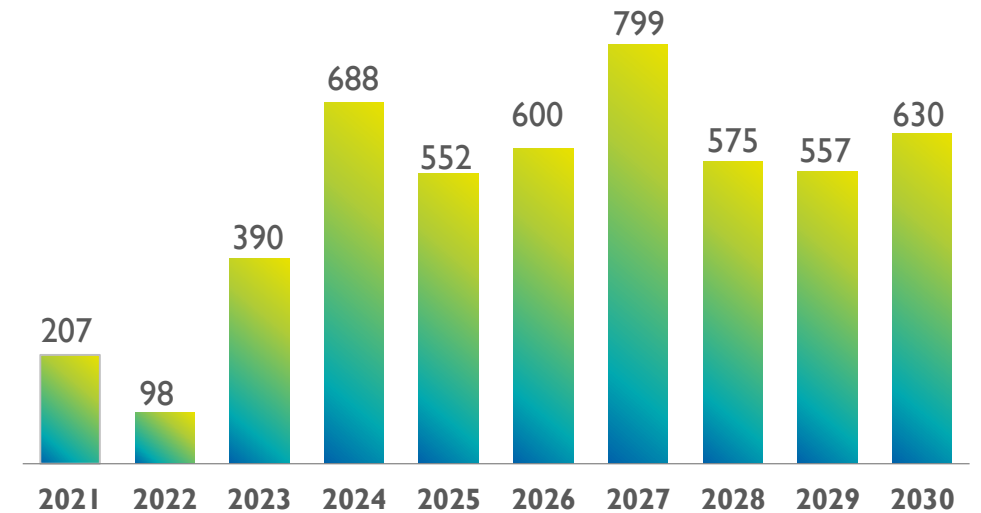
January 21st, 2021 – Acea successfully completed its first green bond issuance worth €900m in two tranches, under the Green Financing Framework and form part of €4bn EMTN programme:

- first tranche of €300m, coupon 0%, maturity September 28th, 2025
- second tranche €600m, coupon 0.25%, maturity July 28th, 2030

Net Financial Position | B€



Financial maturities as of March 2021 | M€



Agenda



ACEA GROUP TODAY



BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES



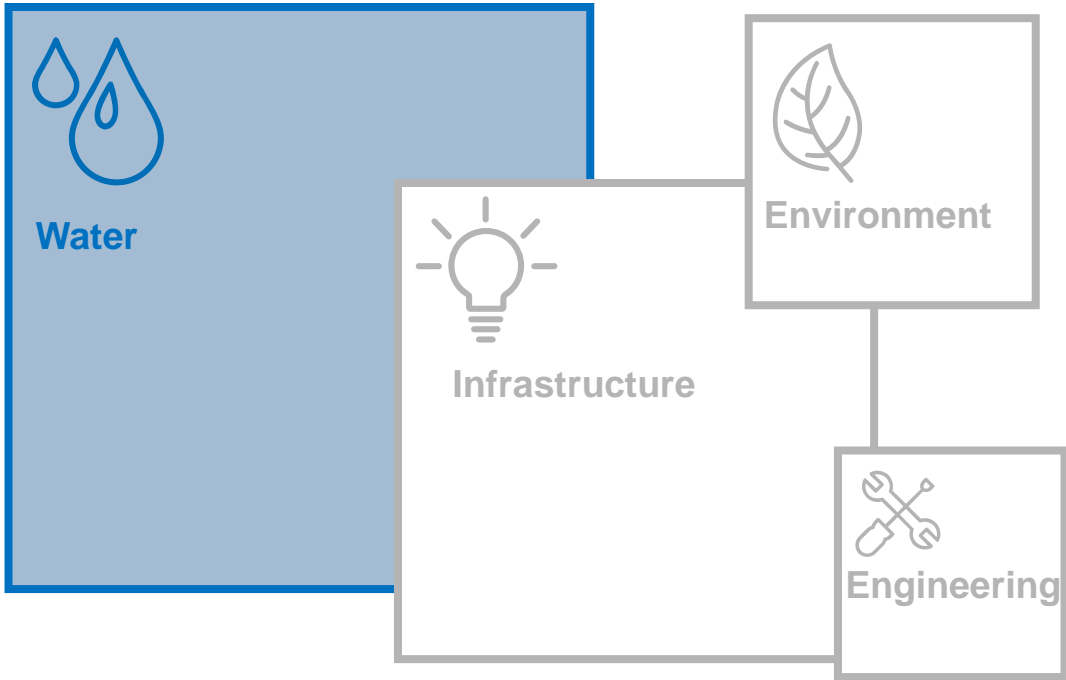
CLOSING REMARKS



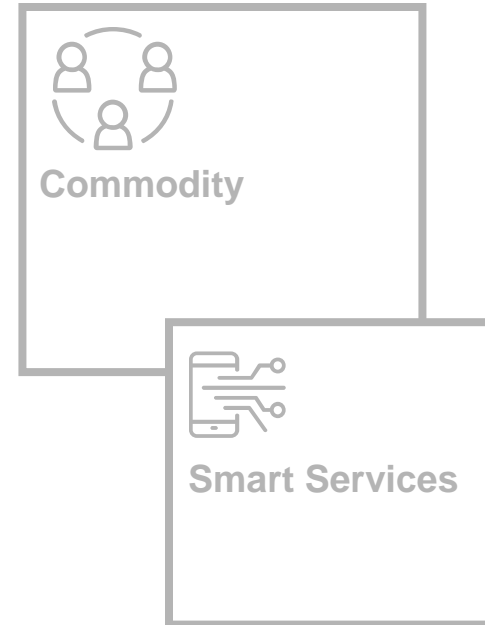
Q&A

Agenda

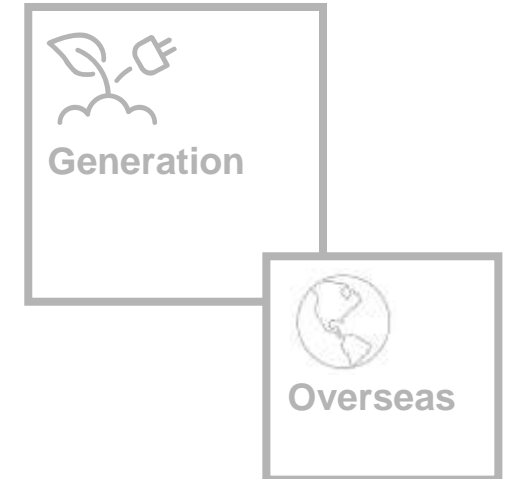
Operations



Commercial



Generation / overseas



Development of a
Smart Water Company
for the **sustainability** of
the water resource
through improved
quality and **efficiency**

Expansion through
tenders in new
territories



Smart water meters installation plan and projects for **grids' districtualization**

+500k
Smart meters installed



On-going pursuit of **water resource protection** and **losses reduction**

-11 pp
water losses¹



Rationalization of small **water purification plants**

36
Rationalized plants



Grids' **performance optimization** through **Water Management System**

-15 pp
Failures incidence



Ensuring **water supply continuity** through the **doubling of Peschiera and Marcio** aqueducts

170 M€
CAPEX

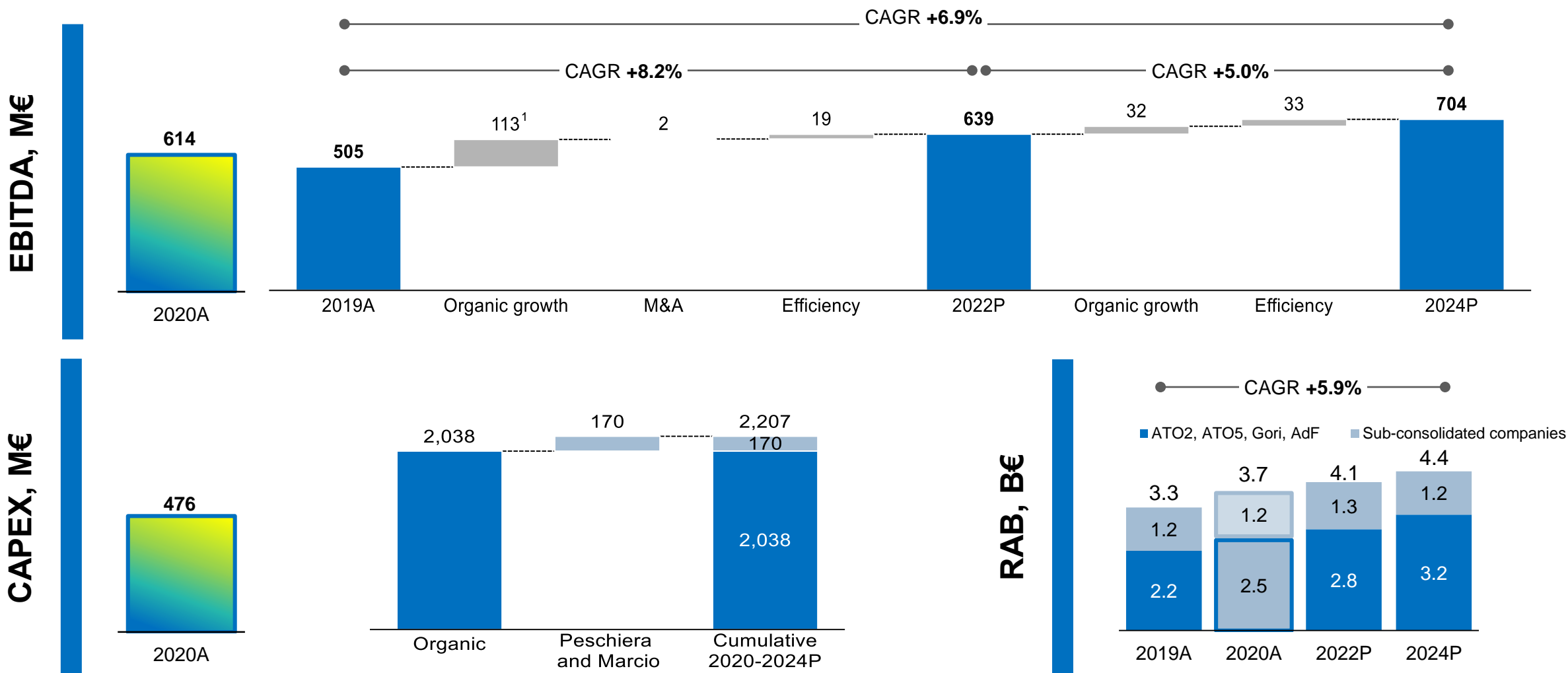


SII Terni full consolidation (32 municipalities in the Province of Terni; November 2020)

>220K
CLIENTS SERVED



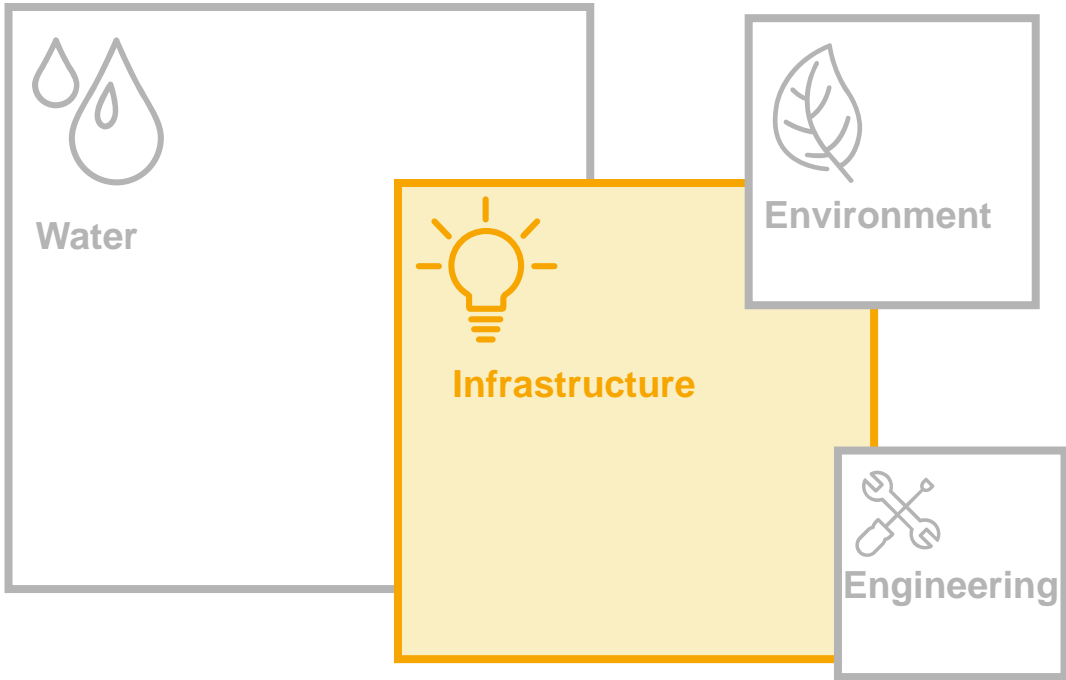
Water Key financials



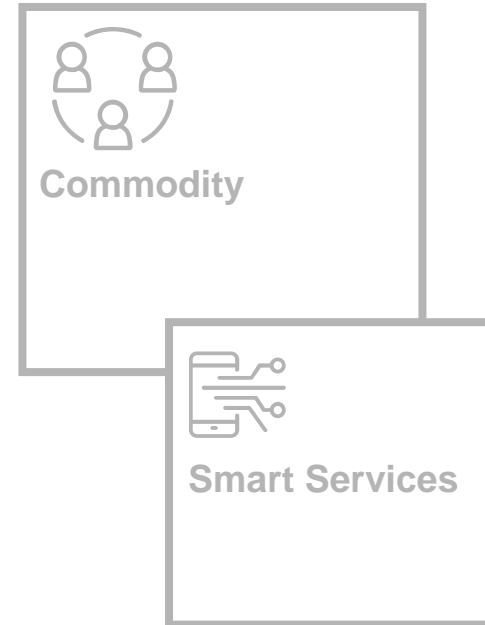
Notes: Key financial also include numbers from the gas distribution business; (1) ~50 M€ related to the changes in the consolidation perimeter of AdF

Agenda

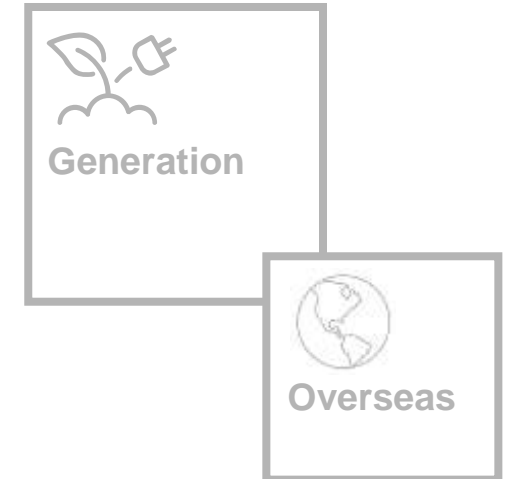
Operations



Commercial



Generation / overseas



A leading player in the
energy transition
process through
projects aimed at
increasing
electrification and
integration of the
distributed generation



Investments in grids' resiliency with upgrades on **specific cabins** rewarded with a premium vs. the reference WACC

145+ M€
CAPEX



Digitalization through remote control and **IoT solutions** on private and public grids

60%+
MV/LV cabins



Development work on grids to reflect new regulation on **service continuity** (penalty suspension recognized)

155+ M€
CAPEX



Installation of **2G smart meters**

1.3 M
installed meters
at 2024



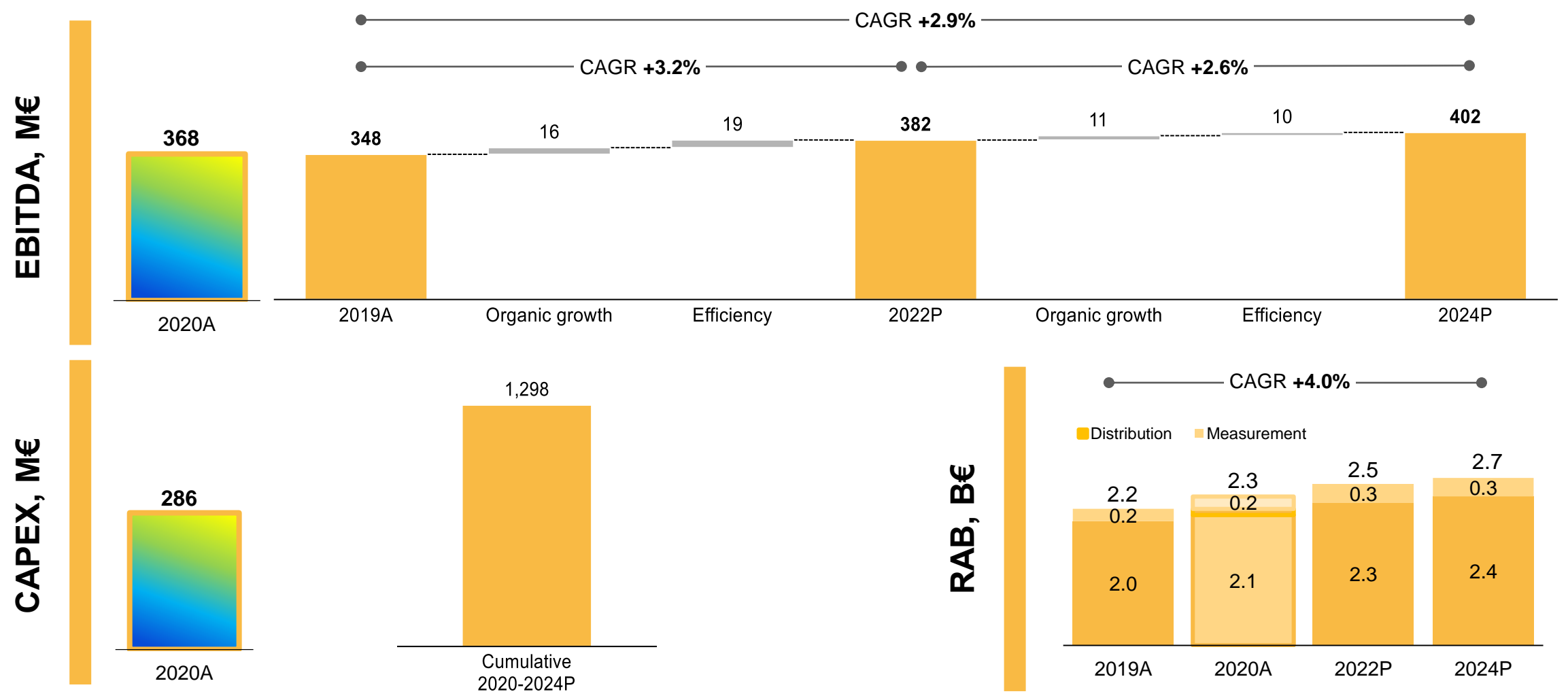
New **Control center** for grids' management

13+ M€
CAPEX



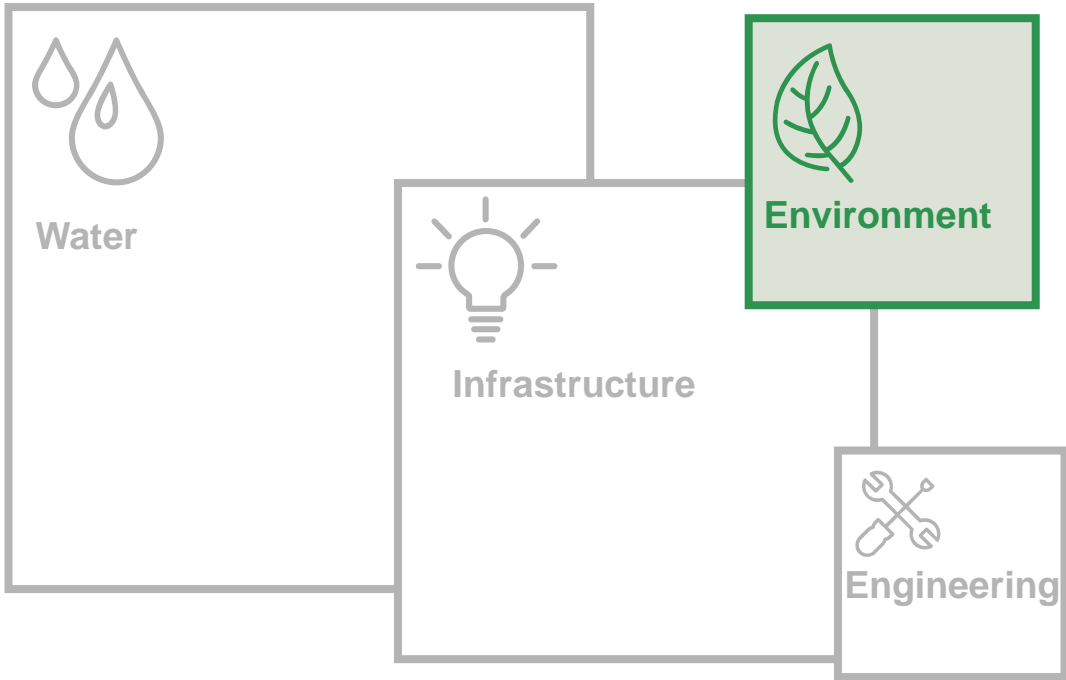
Energy Infrastructure

Key financials

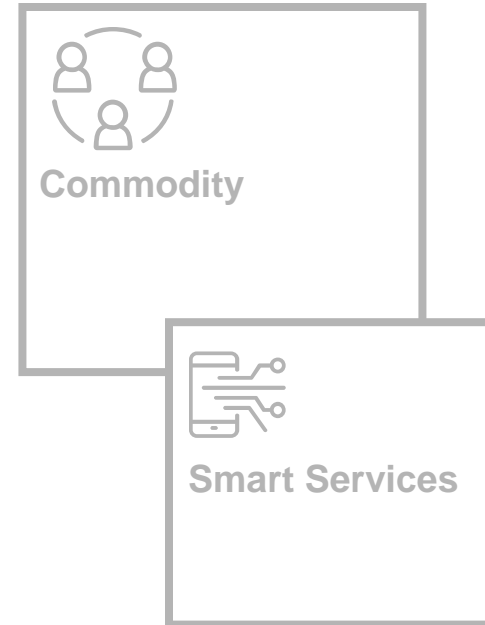


Agenda

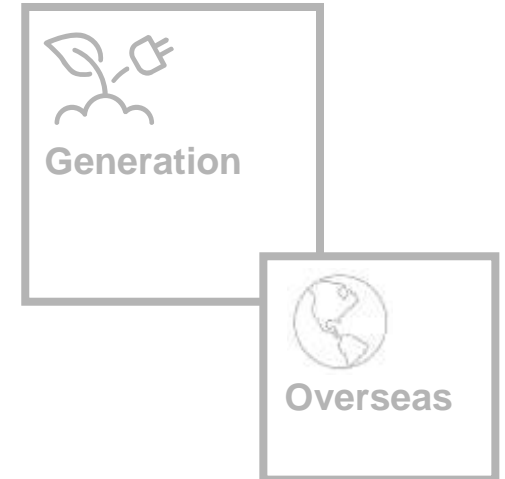
Operations



Commercial



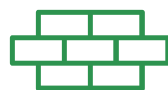
Generation / overseas





Market consolidation towards **circular economy** also with a «**one-stop-shop**» approach

Acceleration to **close the waste loop** in Central Italy



«**Core business**» consolidation in energy recovery (WtE), disposal of non-separated waste, and disposal / treatment of organic waste

+0.5 Mt/y
added capacity at
2024



Strengthening of the **Waste-to-Material (WtM)** chain with **circular economy approach** (e.g. plastic, paper, ...)

+0.6 Mt/y
added capacity at
2024



Further development of the **special waste segment** promoting synergies with Water (e.g. sludge) and WtE (e.g. ashes) segments

+0.5 Mt/a
added capacity at
2024

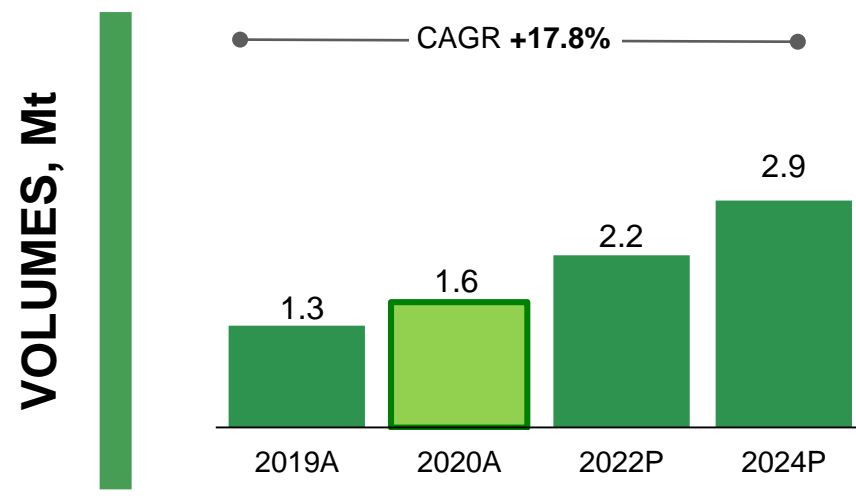
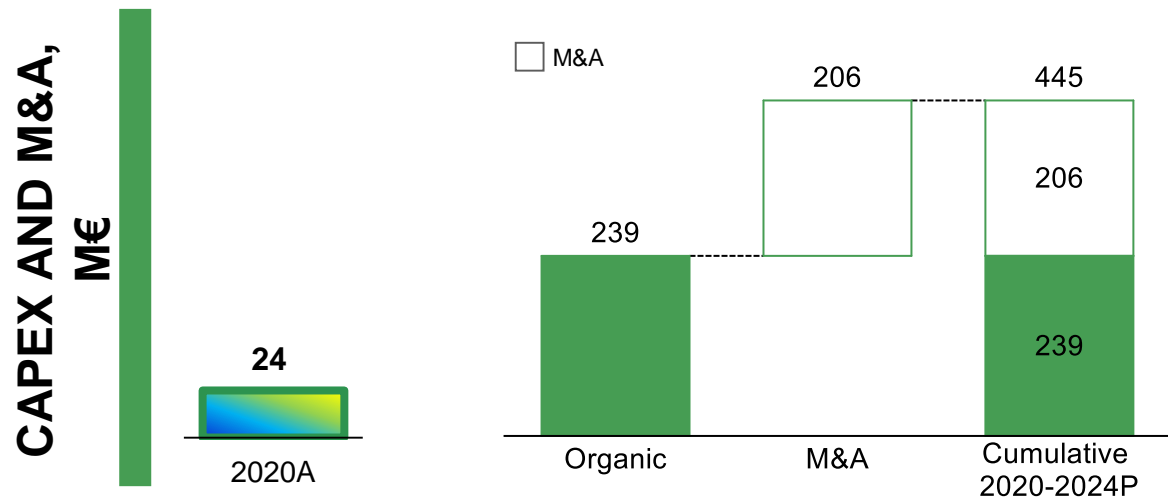
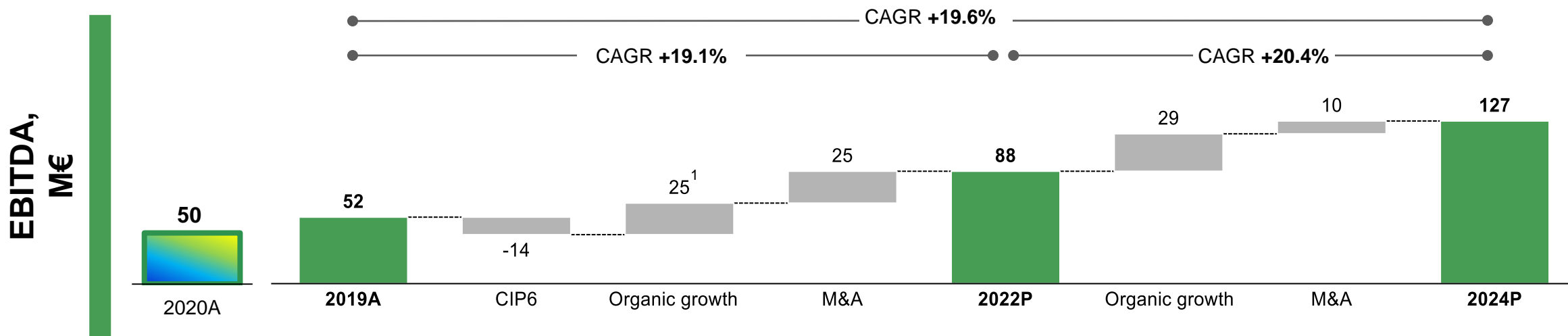


Value creation from the **post-merger integration** of acquired companies and **development of industrial synergies** through operating model commissioning and control systems integration

15+
acquired plants at
2024



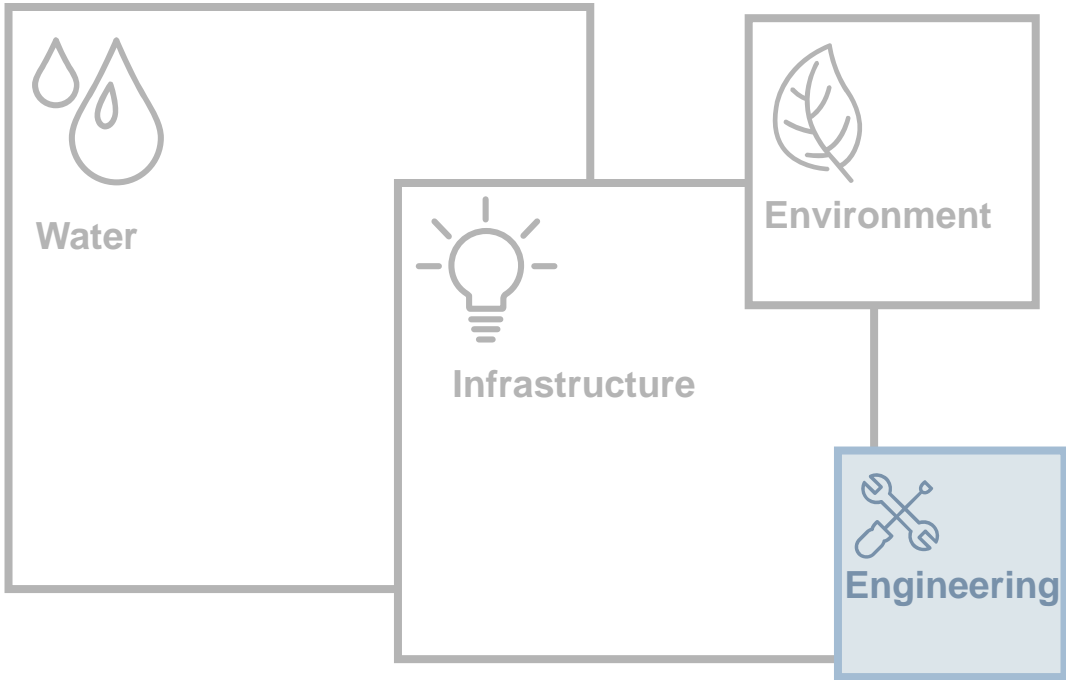
Environment Key financials



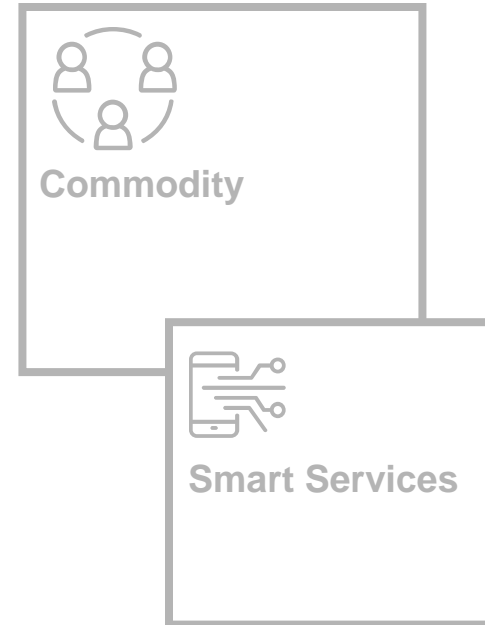
Note: (1) Includes growth related to M&A already closed as of September 2020

Agenda

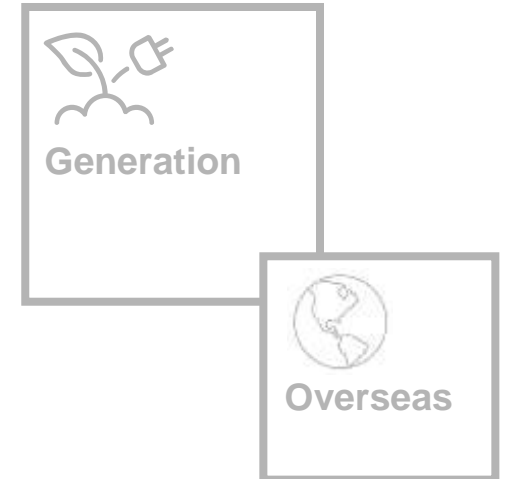
Operations



Commercial



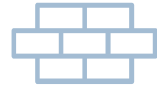
Generation / overseas





Engineering & services
Main initiatives

Development of a
building oriented
company tasked with
turnkey management
of **construction and**
engineering activities



Integration of the acquisition of **SIMAM** and **focus** on core **engineering activities**

+10 M€
2024 EBITDA



Construction of plants through **internalization of construction activities** with an EPC view

+440 M€
realized plants at
2024



Performance improvement to reduce unitary costs related to SII

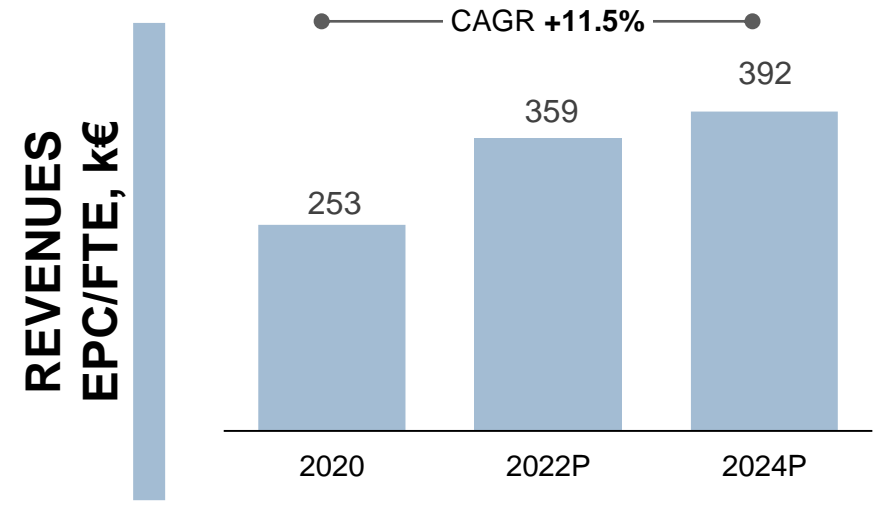
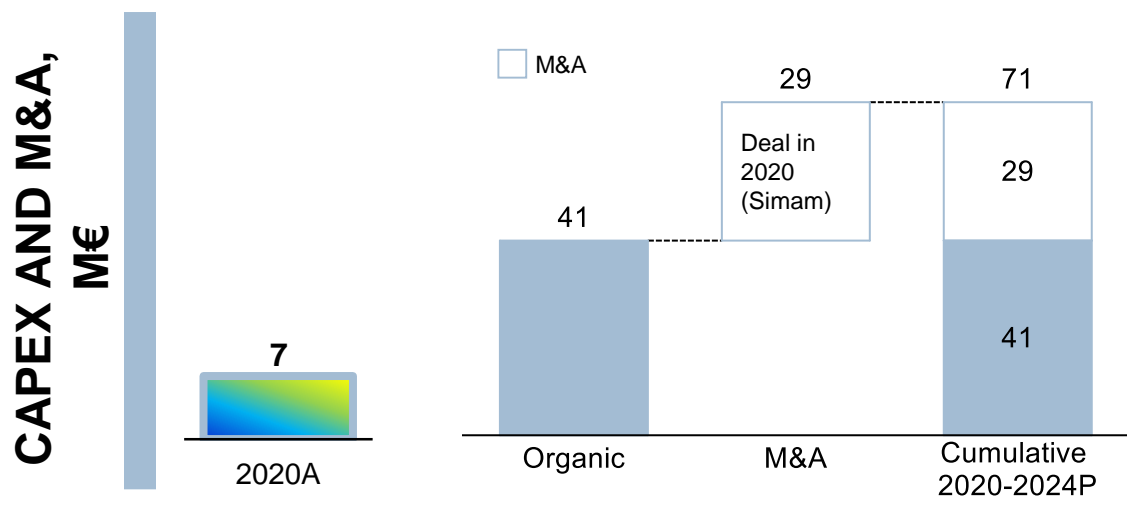
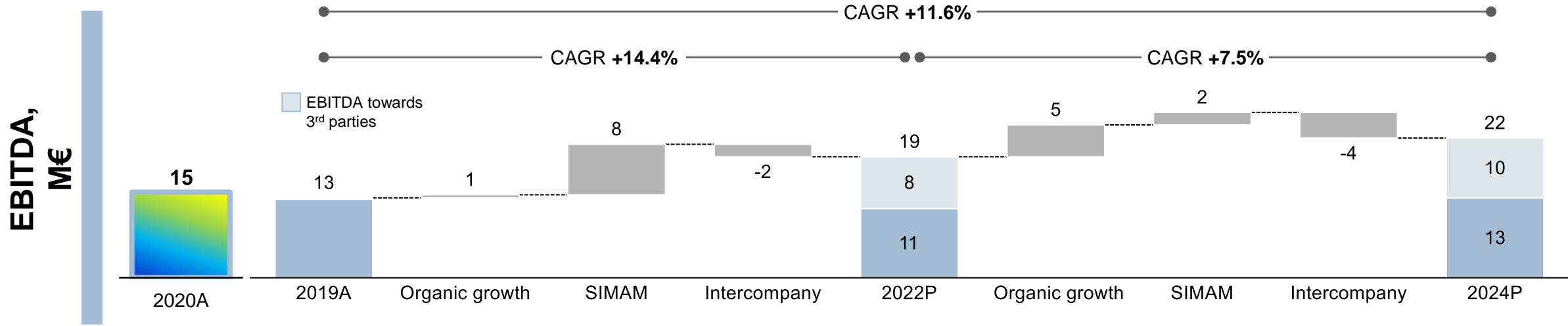
+20%
general contractor
margin insourcing



End-to-end management of investment with reduction of execution time and strengthening of **laboratory activities**

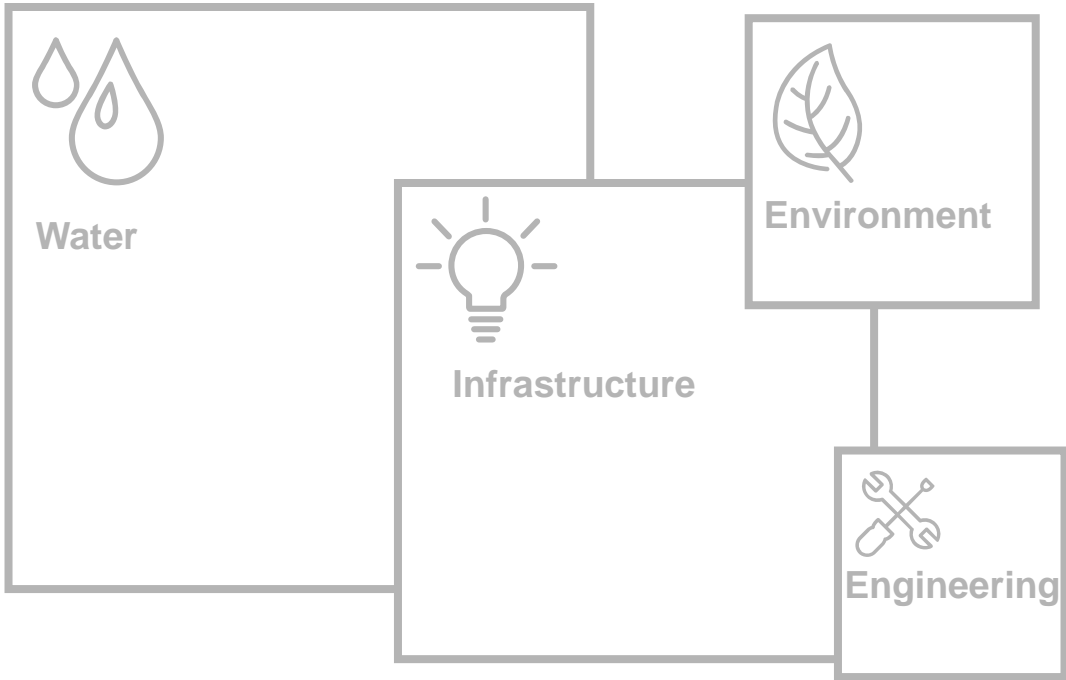


Development of a **commercial unit** to support growth and of a **research center**



Agenda

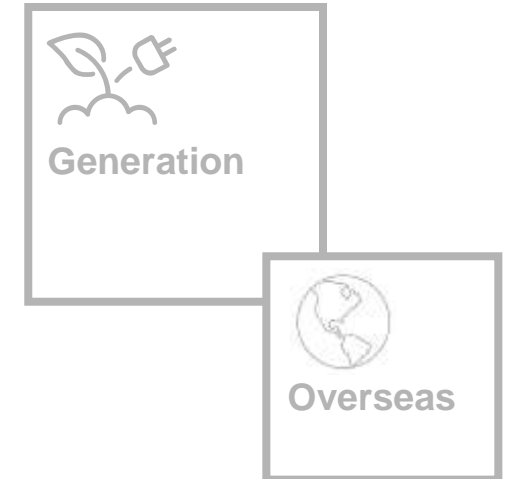
Operations



Commercial



Generation / overseas



Main initiatives

Commercial expansion in the **Center and South of Italy**, supported by **regulated market phase-out** and **«digital» offerings**



Focus on **core territories** with growth in the **Center and South of Italy**

+240k
customers (net growth vs 2019)



Cross-selling and up-selling opportunities thanks to regulated market phase-out in 2022

~700k
customers switching to free market



Boost of dual fuel penetration (i.e. gas) on the existing customer base

+80k
gas customers vs 2019



Digital Attack through a **new platform** for **customer journey** management

+100k
digital customer vs 2019



Commercial & trading: focus on Smart Services

Main initiatives

Development of a **Services-Based Company** to strengthen the relationship with customers and increase Acea Group brands franchise



Organic development of e-mobility segment with charging stations increase and value-added services

2,200+
charging stations
at 2024



Push on **energy efficiency services** leveraging on opportunities from **fiscal incentives**

100+
condominiums
at 2024



Installation of «Smart Comp» composters, managed remotely through an IoT platform developed by Acea

150+
composters installed
at 2024



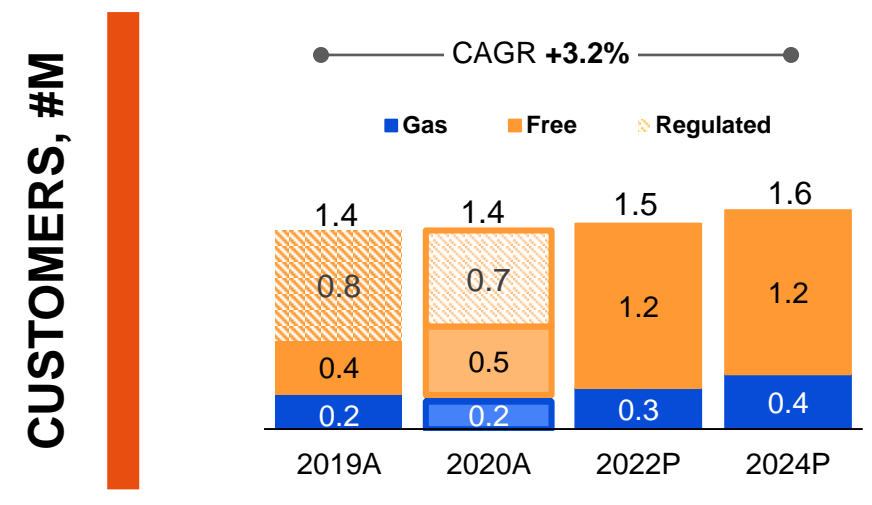
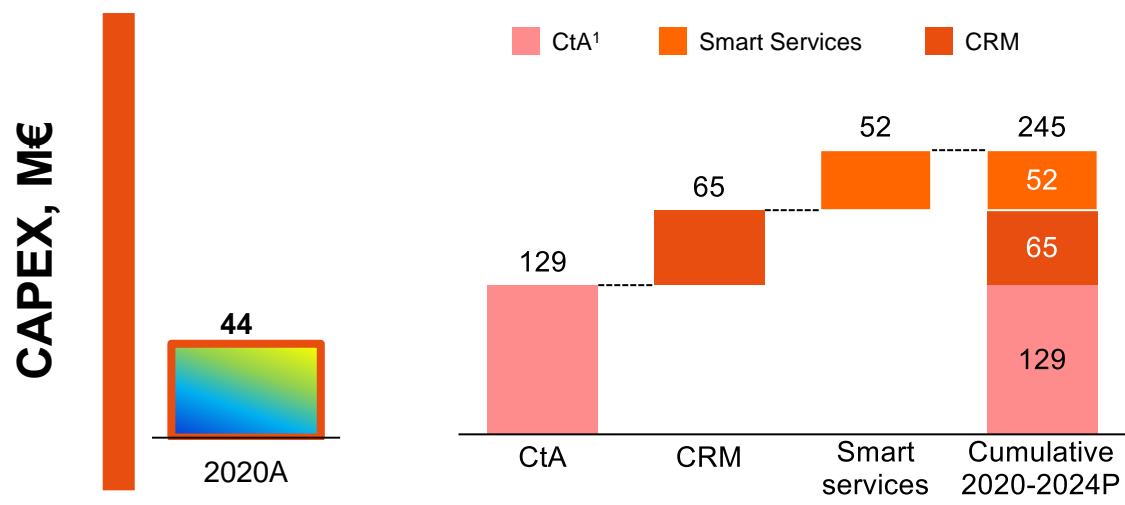
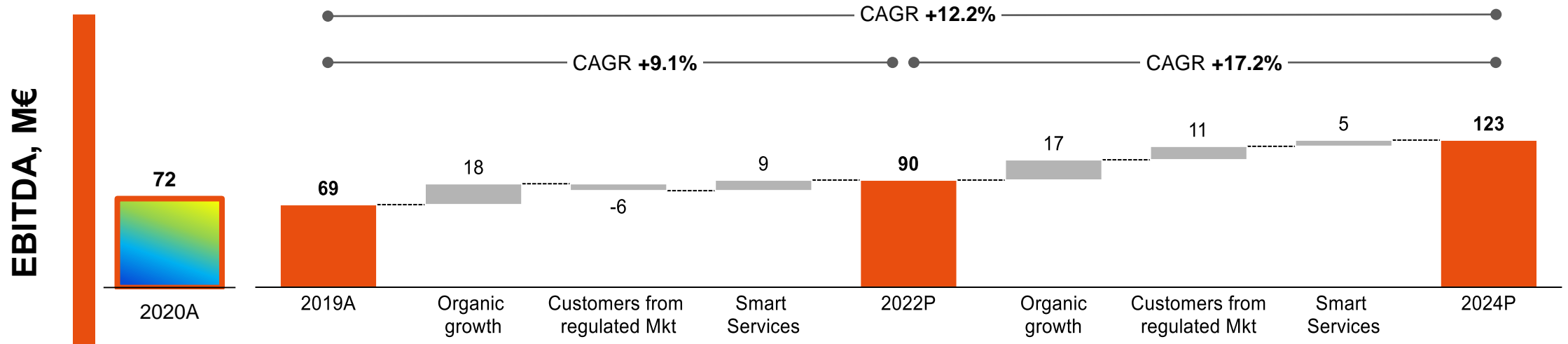
Installation of **residential PV and solar thermal plants**

~1,000
plants installed
at 2024



Commercial & trading

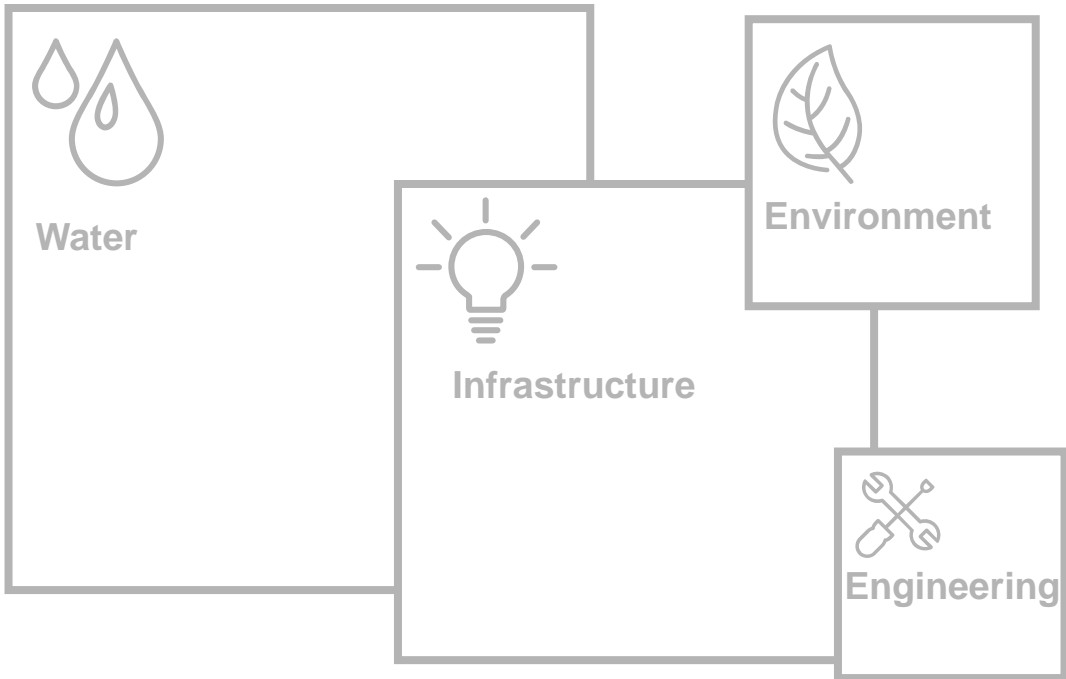
Key financials



Note: (1) Cost-to-Acquire = cost to acquire new customers

Agenda

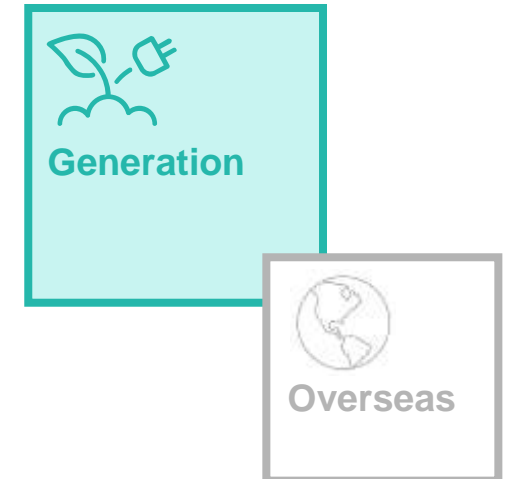
Operations



Commercial



Generation / overseas



Growth of **PV** portfolio
to exploit opportunities
from the **energy**
transition and
decarbonization
processes



RES growth to exploit **opportunities** from the
decarbonization process

747 MW

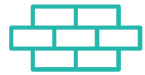
installed at 2024



Greenfield development of PV in **industrial and**
and agricultural areas

569 MW

installed at 2024



M&A development to accelerate PV portfolio
growth

178 MW

installed at 2024



Deconsolidation of **PV stake** to reduce financial
exposure and focus on PV investments to
become one of the **main players** in the sector

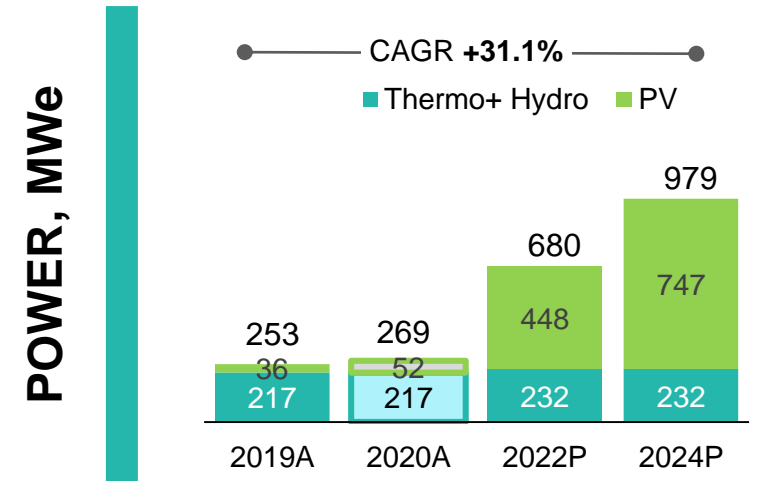
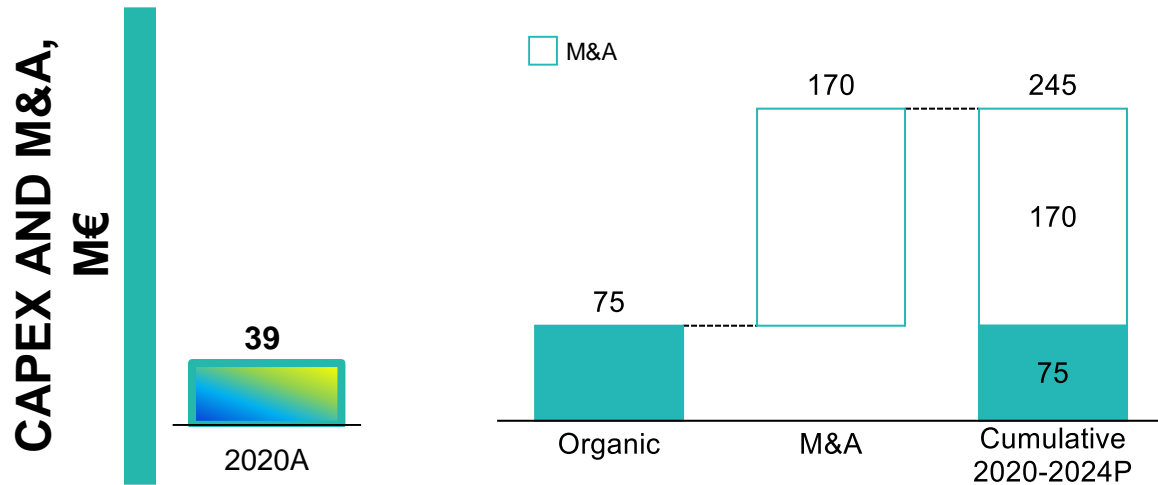
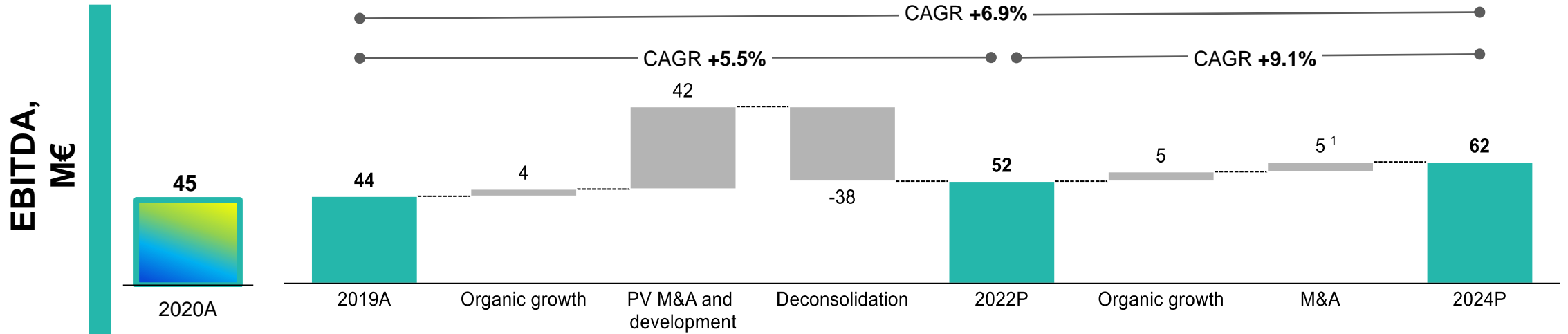
-150 M€

NFP deconsolidation



Generation

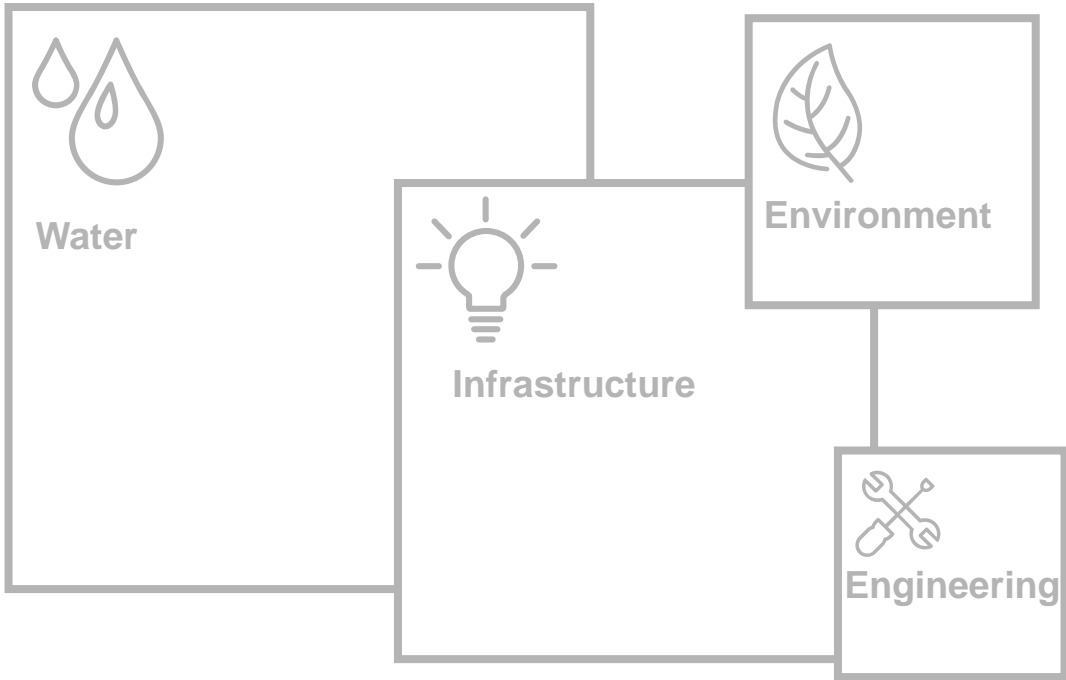
Key financials



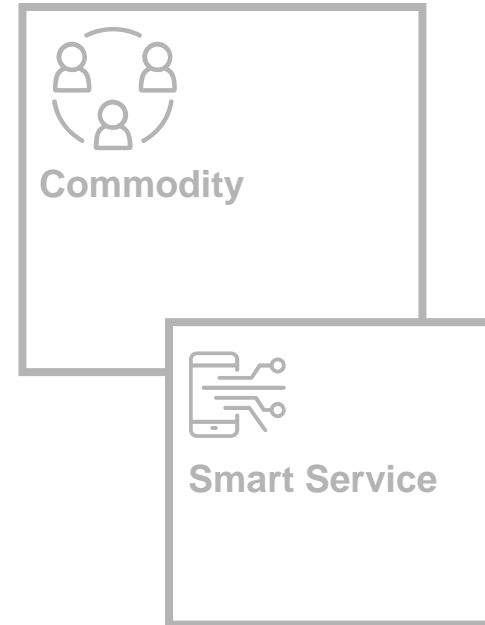
Fonte: (1) Post deconsolidation the EBITDA value is equal to the Net Income pertaining to the company

Agenda

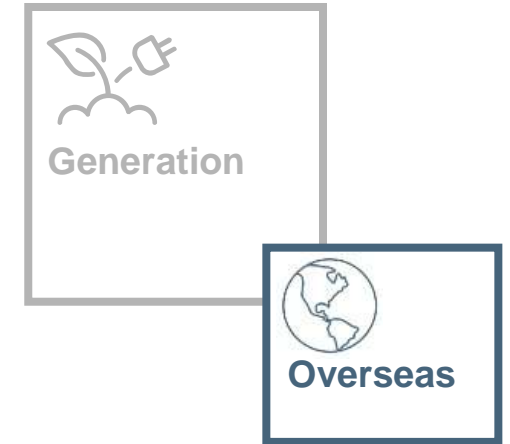
Operations



Market



Generation / overseas





Overseas

Current positioning and key financials

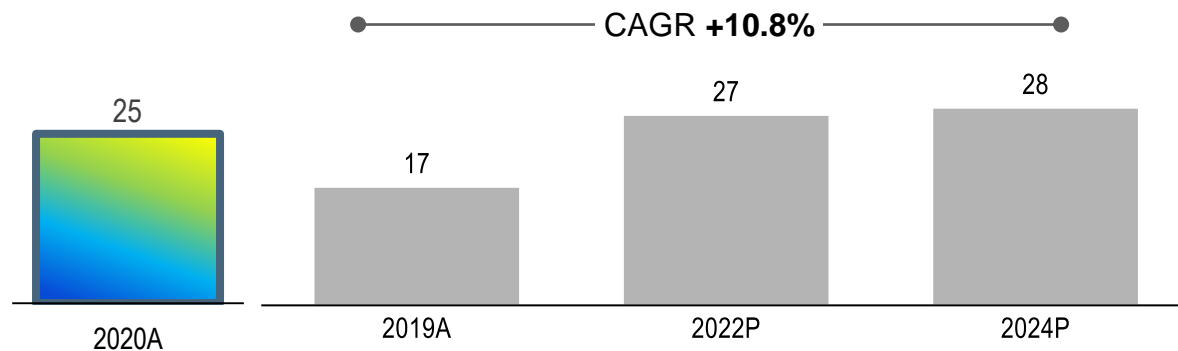
Current positioning



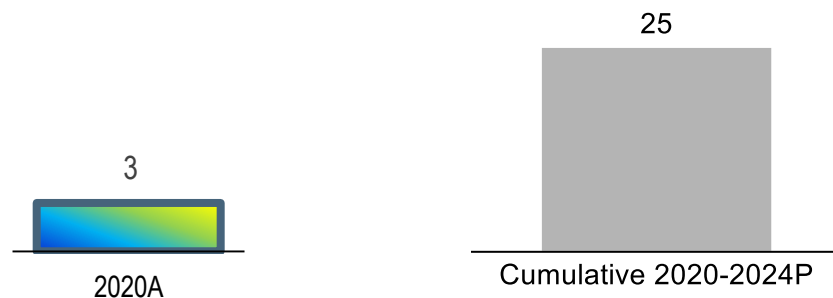
- **Acea International:** overseas holding (management, scouting, tender monitoring)
- **Acea Dominicana:** management of commercial services for the north and east regions of Dominican Republic
- **Consortio Agua Azul:** provision of water and discharge services in the city of Lima
- **Agua de San Pedro:** management of water services for the city of San Pedro Sula in Honduras
- **Acea Peru:** subsidiary established to scout and develop opportunities in the country



EBITDA | 2019-2024, M€



CAPEX | M€



Organic growth on the same perimeter

Agenda



ACEA GROUP TODAY



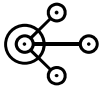
BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES







CLOSING REMARKS



Q&A

Strategic opportunities

Additional potential upsides

| Selected strategic opportunities | | | EBITDA 2024 M€ | CAPEX 2020-24 M€ |
|----------------------------------|---|--|------------------|--------------------|
| Water consolidation |  | <ul style="list-style-type: none"> • Consolidation of existing concessions in which Acea has a minority stake • Expansion within regions of interest | +100 | +400 |
| Gas portfolio expansion |  | <ul style="list-style-type: none"> • Growth in gas distribution through tender participation in relevant territories (big cities/ ATEM), leveraging on the first «tactical» acquisitions | +10-20 | +50-130 |
| Boost M&A - Waste |  | <ul style="list-style-type: none"> • Acceleration of market consolidation through further M&A transactions on segments / geographies considered strategic for Acea | +25-50 | +200-400 |
| Recovery Fund |  | <ul style="list-style-type: none"> • Opportunity for Acea to play an active role in the development of major projects financed by the “Recovery Fund” to close the infrastructural gap in areas where it is not possible to invest with tariff incentives | - | - |

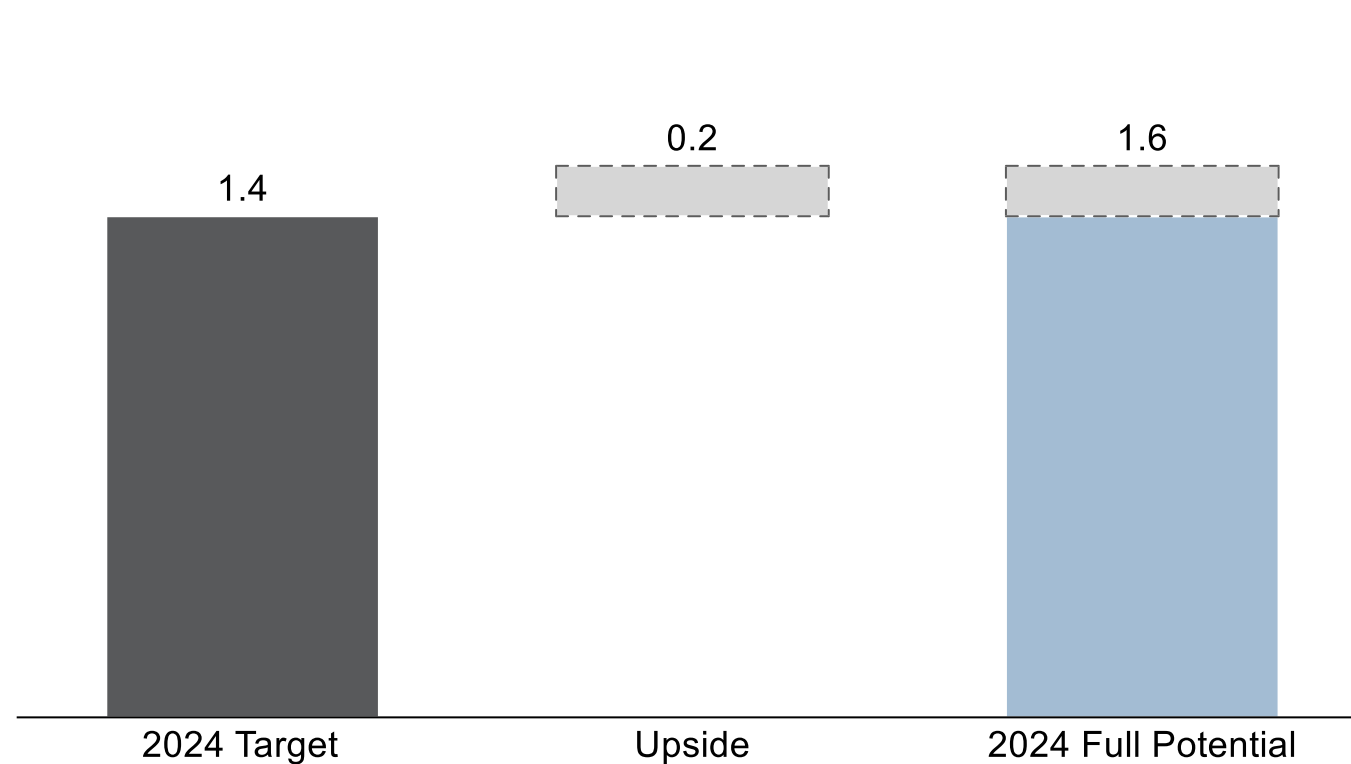
Strategic opportunities and upsides

Full potential EBITDA

Strategic opportunities



Target full potential EBITDA upside at 2024 | B€



Agenda



ACEA GROUP TODAY



BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES



CLOSING REMARKS



Q&A

Closing remarks

Significant growth at 2024, while maintaining a balanced capital structure



6.7% of **EBITDA CAGR** with a **2024 target** of **1.4 B€**



Group **net profit** growing to **0.38 B€** in 2024



4.3 B€ of organic **CAPEX** (~850 M€ / year) and **0.4B€** capex from M&A (~80 M€ / year)



RAB growing to **5.9 B€** in 2024



Balanced **NFP / EBITDA** ratio over the plan reaching **3.0x** in 2024 and **NFP/RAB of 0.7x** in 2024



860 M€ of dividends to be distributed throughout the plan

Agenda



ACEA GROUP TODAY



BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES

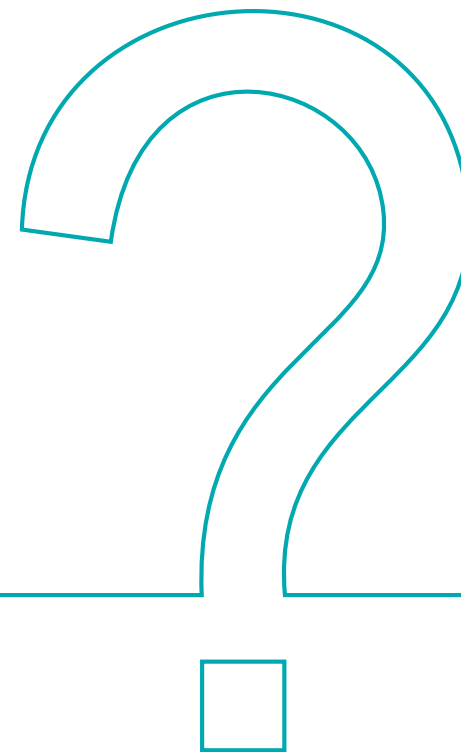


CLOSING REMARKS



Q&A

Q&A





Appendix

acea



Q1 2021 Results

acea

CONTINUED FOCUS ON EFFICIENCY AND RESILIENCE

THE FUTURE IS OUR ENVIRONMENT

THE FULL INTEGRATION OF SUSTAINABILITY IN OUR STRATEGY
GUIDES THE MANAGEMENT OF OUR BUSINESSES

EBITDA

€312M

+13%

NET
PROFIT

€83M

+18%

CAPEX

€231M

+21%

NET
DEBT

€3,634M

LEVERAGE

NET
DEBT/
EBITDA
LTM

3.05X

2021 GUIDANCE

EBITDA

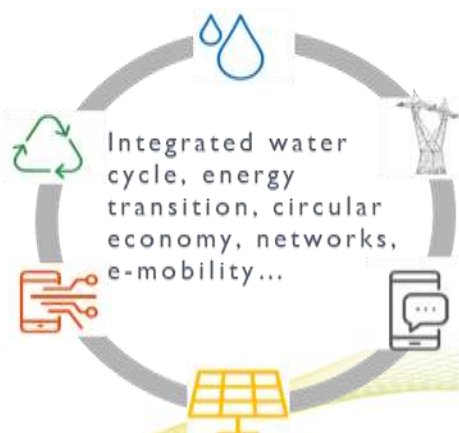
+6% / +8% VERSUS 2020

CAPEX

~€900M

NET DEBT

€3.85/3.95BN



**OPPORTUNITIES: National Recovery and Resilience Plan – NRRP
TO RELAUNCH ITALY'S ECONOMY IN A SUSTAINABLE WAY**

- ✓ Investment in water infrastructure
- ✓ Development of renewable sources, decarbonisation and e-mobility

DELIVERY

STRATEGICALLY WELL-POSITIONED TO PURSUE BUSINESS PLAN GOALS

RATINGS



SUSTAINABILITY REPORT 2020

The steps taken to **PROTECT WATER RESOURCES** have enabled us to cut the water loss rate in Rome from 43.2% in 2017 to 29.5% in 2020 (compared with a national average of about 42%)



JANUARY 2021

FITCH RATINGS has confirmed our Long-Term Issuer Default Rating as "BBB+" with a "Stable" outlook

GREEN BOND



JANUARY 2021

Successful placement of first **GREEN BOND** of €900m

E-MOBILITY



APRIL 2021

Acea launches charging services for **ELECTRIC-POWERED VEHICLES** throughout Italy through its "ACEA E-MOBILITY" app

COVID-19 HEALTH EMERGENCY

INVESTMENT IN DIGITALISATION ENABLED US TO ENSURE THE CONTINUITY OF ALL OUR PROCESSES

WE ARE CONTINUING TO TAKE ALL THE STEPS NECESSARY TO GUARANTEE THE SAFETY OF OUR PEOPLE AND THE CONTINUITY OF THE SERVICES PROVIDED TO OUR COMMUNITIES, WHILST MAINTAINING QUALITY AND EFFICIENCY.

WE HAVE OBTAINED **BIOSAFETY TRUST CERTIFICATION** FOR THE PREVENTION AND CONTROL OF THE SPREAD OF INFECTIONS.

ACEA IS HELPING TO ACCELERATE THE VACCINATION PROGRAMME, **HAVING SET UP A VACCINATION HUB IN ROME** TO DELIVER VACCINES TO THE GENERAL PUBLIC, AS WELL AS TO THE GROUP'S PERSONNEL

RESULTS Q1 2021

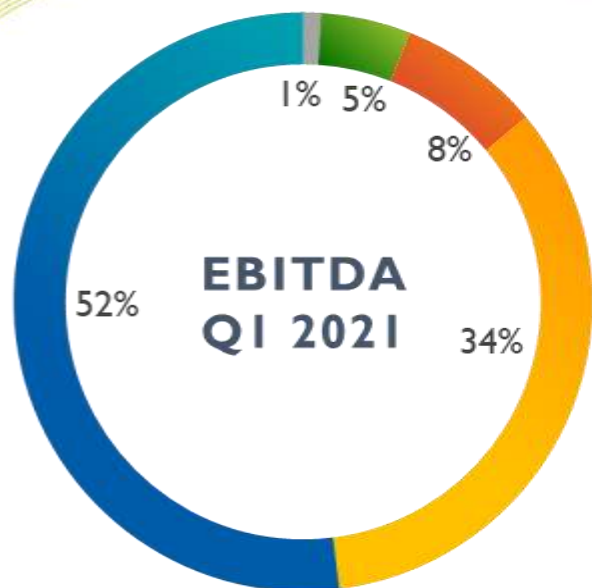
KEY FINANCIAL HIGHLIGHTS

| (€M) | Q1 2021 (A) | Q1 2020 (B) | % CHANGE (A/B) |
|------------------|----------------|----------------|-------------------|
| REVENUE | 930.0 | 833.5 | +11.6% |
| EBITDA | 311.5 | 276.4 | +12.7% |
| EBIT | 155.5 | 138.5 | +12.3% |
| GROUP NET PROFIT | 83.1 | 70.6 | +17.7% |
| CAPEX | 230.5 | 190.0 | +21.3% |

| (€M) | 31 Mar 2021 (A) | 31 Dec 2020 (B) | 31 Mar 2020 (C) | % CHANGE (A/B) | % CHANGE (A/C) |
|----------|-----------------------|-----------------------|-----------------------|-------------------|-------------------|
| NET DEBT | 3,634.1 | 3,528.0 | 3,184.4 | +3.0% | +14.1% |

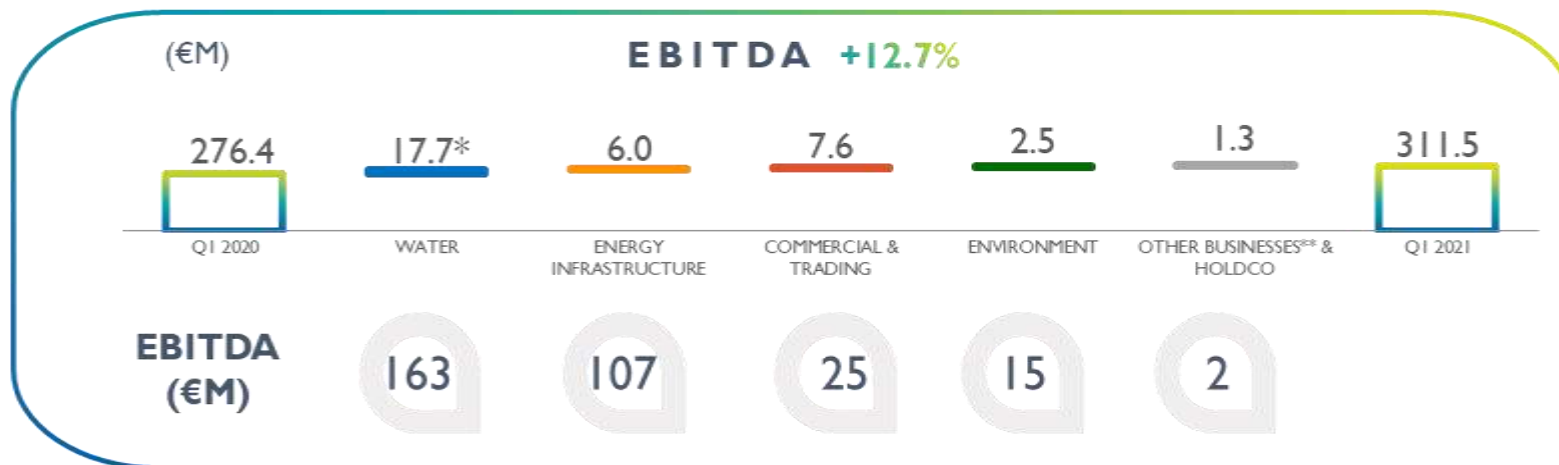
RESILIENCE, OPERATIONAL FOCUS AND FINANCIAL STRENGTH CONFIRMED BY **EXCELLENT QUARTERLY RESULTS**

CONTINUING TO INVEST IN KEY SECTORS TO IMPROVE THE QUALITY OF LIFE FOR OUR TERRITORIES AND COMMUNITIES



- WATER
- ENVIRONMENT
- COMMERCIAL & TRADING
- ENERGY INFRASTRUCTURE
- OTHER BUSINESSES** AND HOLDCO

* Line-by-line consolidation of SII Terni
 **Overseas, Engineering & Services



CHANGES IN SCOPE OF CONSOLIDATION

| EBITDA (€M) | Change |
|-------------------------------|-------------|
| SII TERNI | +3.0 |
| ALTO SANGRO DISTRIBUZIONE GAS | +1.1 |
| FERROCART/CAVALLARI | +1.7 |
| SIMAM | +1.7 |
| PHOTOVOLTAIC | +1.2 |
| CONSORCIO ACEA E LIMA NORTE | +0.1 |
| TOTAL | +8.8 |

ORGANIC GROWTH IN
EBITDA
 ~+10%

EBITDA AND KEY DATA Q1 2021

FINANCIAL HIGHLIGHTS



| (€M) | Q1 2021 (A) | Q1 2020 (B) | % change (A/B) |
|------------------------------------|----------------|----------------|-------------------|
| EBITDA | 163.0 | 145.3 | +12.2% |
| Acea Ato2 | 105.9 | 99.4 | +6.5% |
| Acea Ato5 | 8.9 | 5.4 | +64.8% |
| Gorl | 21.2 | 17.0 | +24.7% |
| ADF | 16.2 | 15.1 | +7.3% |
| SII Terni | 3.0 | 0 | n/s |
| Equity-accounted water companies | 4.6 | 6.9 | -33.3% |
| Other consolidated water companies | 1.6 | 1.0 | +60.0% |
| Gas distribution | 1.6 | 0.5 | n/s |
| Capex | 119.6 | 104.0 | +15.0% |

KEY HIGHLIGHTS

LINE-BY-LINE
CONSOLIDATION OF
SII TERNI

EBITDA
main
drivers



EBITDA
GROWTH
+12%

Application of tariff regime for third regulatory period 2020-2023 (ARERA Resolution 580/2019):

- effect of increased investment

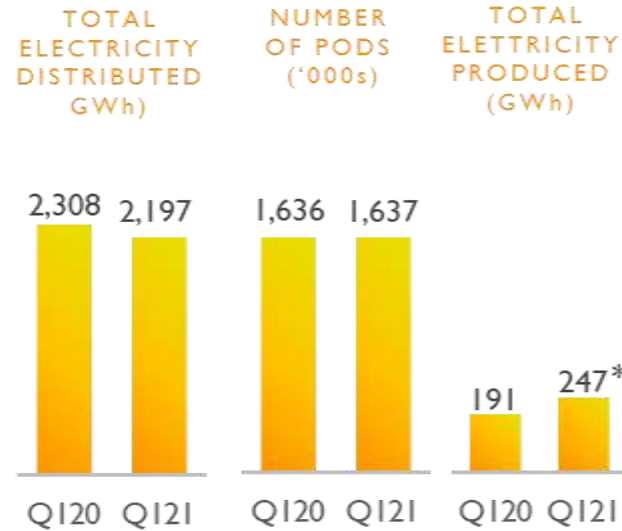
Line-by-line consolidation of SII Terni (November 2020)
+€3.0M

Acquisition of Alto Sangro Distribuzione Gas (August 2020)
+€1.1M

EBITDA AND KEY DATA Q1 2021

FINANCIAL HIGHLIGHTS

| (€M) | Q1 2021 (A) | Q1 2020 (B) | %change (A/B) |
|-------------------|----------------|----------------|------------------|
| EBITDA | 107.4 | 101.4 | +5.9% |
| - Distribution | 90.6 | 91.0 | -0.4% |
| - Public lighting | (0.9) | (0.6) | ns |
| - Generation | 17.7 | 11.0 | +60.9% |
| CAPEX | 81.2 | 66.2 | +22.7% |
| - Distribution | 69.4 | 61.9 | +12.1% |
| - Public lighting | 0.8 | 0.8 | - |
| - Generation | 11.0 | 3.5 | +214.3% |



KEY HIGHLIGHTS

NEW PHOTOVOLTAIC PLANTS:

- Secondary market – total capacity of 52 MWp reached.
- Primary market – construction of plants with capacity of ~60 MWp underway.

INSTALLATION OF 2G SMART METERS ONGOING

EBITDA main drivers



GENERATION: +€6.7M

Price effect on energy market and increased volumes of hydroelectric energy produced
+€5.5M

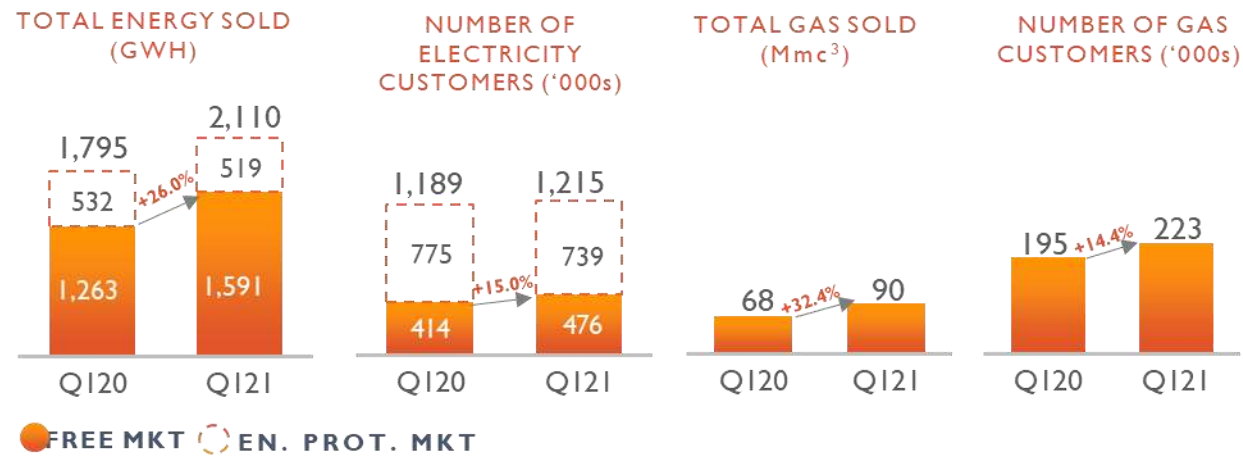
Photovoltaic +€1.2M

* of which photovoltaic 13 GWh

EBITDA AND KEY DATA Q1 2021

FINANCIAL HIGHLIGHTS

| (€M) | Q1 2021 (A) | Q1 2020 (B) | % change (A/B) |
|--------|----------------|----------------|-------------------|
| EBITDA | 24.7 | 17.1 | +44.4% |
| Capex | 16.1 | 9.0 | +78.9% |



KEY HIGHLIGHTS

INCREASE IN FREE MARKET CUSTOMER BASE WITH IMPROVED MARGIN

EBITDA
main
drivers



EBITDA
GROWTH
+44%



STRUCTURAL
IMPROVEMENT IN
COMMERCIAL ACTIVITIES,
with acquisition of new
customers leading to
increased investment



IMPROVED MARGIN
ON FREE MARKET:
increases in volume of
electricity sold and
number of customers
+€5.7M



IMPROVED
MARGIN ON GAS
SALES:
+€4.0M

EBITDA AND KEY DATA Q1 2021

FINANCIAL HIGHLIGHTS

| (€M) | Q1 2021 (A) | Q1 2020 (B) | %change (A/B) |
|---------------------|----------------|----------------|------------------|
| EBITDA | 15.0 | 12.5 | +20.0% |
| of which: Demap | 0.8 | 1.2 | -33.3% |
| Berg | 0.8 | 0.6 | +33.3% |
| Ferrocart/Cavallari | 1.7 | - | n/s |
| Capex | 6.9 | 3.9 | +76.9% |

TREATMENT AND DISPOSAL
(KTONNES)



ELECTRICITY SOLD
(GWh)



ENVIRONMENT



KEY HIGHLIGHTS

ACQUISITION OF 60% STAKE IN
FERROCART/CAVALLARI

EBITDA
main
drivers



EBITDA
GROWTH
+20%

(organic growth **+6.4%**)

INCREASED VOLUMES
(+11.5%) AND IMPROVED
MARGINS ON LIQUID
WASTE TREATMENT

+€0.8M

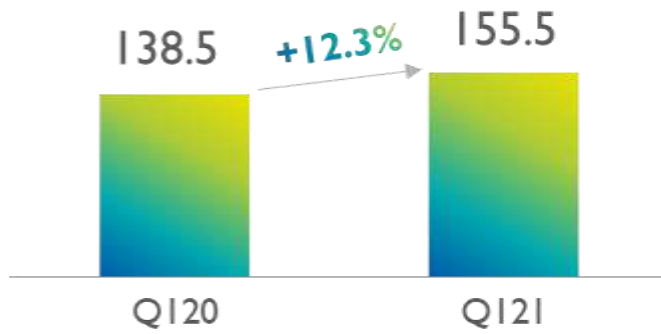
CHANGE IN SCOPE OF
CONSOLIDATION:

+€1.7M

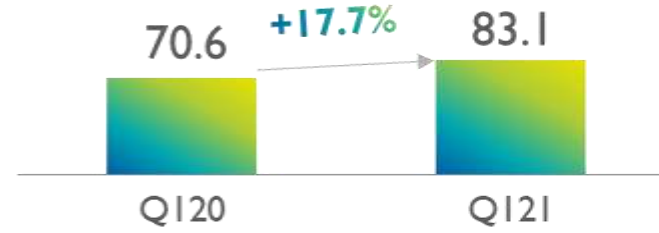
Acquisition of Ferrocart / Cavallari
(April 2020)

EBIT AND NET PROFIT Q1 2021

EBIT (€M)



NET PROFIT (€M)



TAX RATE 30.0%
(30.0% in Q1 2020)

| (€M) | Q1 2021 | Q1 2020 | % CHANGE |
|--------------|---------|---------|----------|
| DEPRECIATION | 130.4 | 117.1 | +11.4% |
| IMPAIRMENTS | 23.4 | 18.3 | +27.9% |
| PROVISIONS | 2.2 | 2.6 | -15.4% |

DEPRECIATION

Increased investment across all areas of business and changes in scope of consolidation

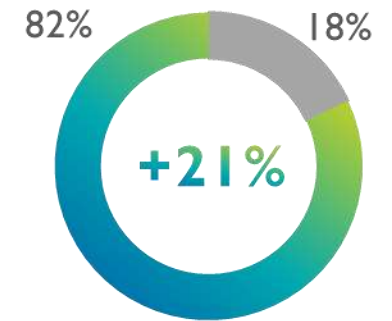
IMPAIRMENTS

Primarily due to growth in Commercial & Trading business

CAPEX Q1 2021

DELIVERY OF CAPEX PLAN CONTINUES

CAPEX (€M)



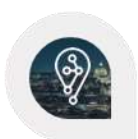
Investment in regulated businesses
Investment in non-regulated businesses



WATER

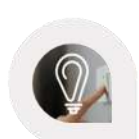
- REPAIR AND WIDENING OF WATER AND SEWER PIPES
- EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS
- WORK ON TREATMENT PLANTS
- CONSOLIDATION OF SII TERNI (€1.9M)

* Overseas, Engineering & Services



ENERGY INFRASTRUCTURE

- UPGRADE AND EXPANSION OF THE GRID
- "RESILIENCE" PLAN WITH WORK ON SECONDARY SUBSTATIONS AND THE MV AND LV NETWORK
- INSTALLATION OF 2G METERS
- EXTRAORDINARY MAINTENANCE OF PRODUCTION PLANTS
- CONSTRUCTION OF PHOTOVOLTAIC PLANTS



COMMERCIAL & TRADING

- CUSTOMER ACQUISITION
- INFORMATION SYSTEMS



ENVIRONMENT

- SAN VITTORE PLANT
- WORK ON ORVIETO LANDFILL
- CHANGE IN SCOPE OF CONSOLIDATION (FERROCART/CAVALLARI €0.8M)



OTHER

- OVERSEAS: INCREASED INVESTMENT AT AGUAS DE SAN PEDRO
- ENGINEERING AND SERVICES: CONSOLIDATION OF SIMAM (€0.5m)
- HOLDCO: IT PROJECTS

RESULTS Q1 2021

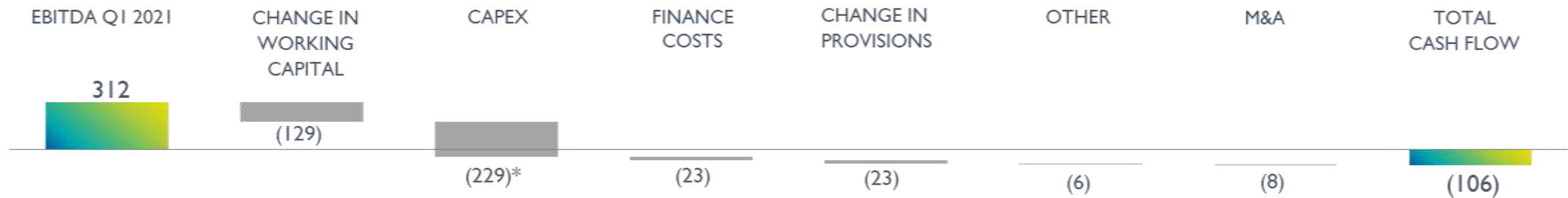
FOCUS ON IMPROVEMENTS TO WORKING CAPITAL

CASH FLOW

| (€M) | Q1 2021 | Q1 2020 |
|-----------------------------------|--------------|--------------|
| EBITDA | 312 | 276 |
| CHANGE IN WORKING CAPITAL | (129) | (146) |
| CAPEX | (229)* | (190) |
| FREE CASH FLOW | (46) | (60) |
| FINANCE INCOME/(COSTS) | (23) | (22) |
| CHANGE IN PROVISIONS | (23) | (23) |
| INCOME TAX PAID | - | (4) |
| OTHER | (6) | (7) |
| M&A AND FIRST-TIME CONSOLIDATIONS | (8) | (4) |
| IFRS 16 | - | (2) |
| TOTAL CASH FLOW | (106) | (122) |

WORKING CAPITAL IMPROVES BY €16M

The positive performance of collections in the Water and Commercial & Trading segments has helped to improve working capital over LTM from -€73M at 31 March 2020 to -€22M at 31 March 2021 (~€51M)



* Net of grant-funded investment

RESULTS Q1 2021

FINANCIAL PERFORMANCE AHEAD OF GUIDANCE

| (€M) | 31 Mar 2021 (A) | 31 Dec 2020 (B) | 31 Mar 2020 (C) | CHANGE (A-B) | CHANGE (A-C) |
|------------------|-----------------------|-----------------------|-----------------------|-----------------|-----------------|
| Net debt | 3,634.1 | 3,528.0 | 3,184.4 | 106.1 | 449.7 |
| Medium/long-term | 4,929.1 | 4,130.2 | 4,026.5 | 798.9 | 902.6 |
| Short-term | (1,295.0) | (602.2) | (842.1) | (692.8) | (452.9) |

LEVERAGE

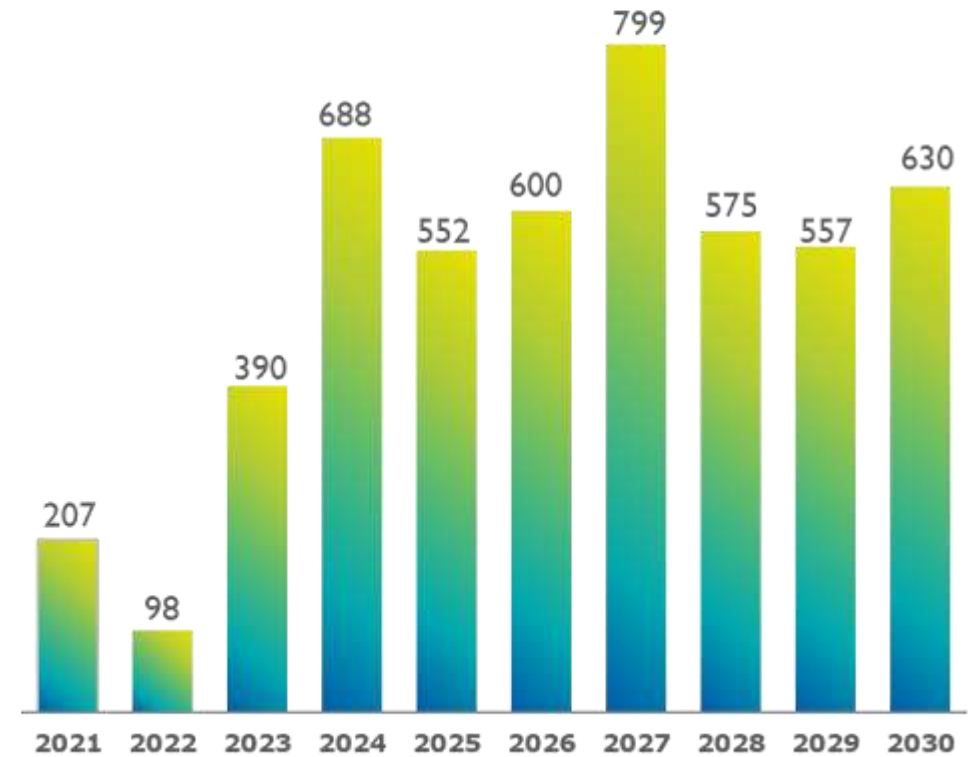
NET DEBT / EBITDA LTM
31 Mar 2021

3.05x

NET DEBT / EBITDA
31 Dec 2020

3.05x

DEBT MATURITIES (€M)



RATINGS

FitchRatings

BBB+
STABLE
OUTLOOK

MOODY'S

Baa2
STABLE
OUTLOOK

GREEN BOND

21 JANUARY 2021

Placement of first GREEN BOND worth €900m successfully completed. Issue in two tranches:

- first €300m tranche, 0% rate, maturing 28 September 2025 (first corporate issue in Italy with negative yield);
- second €600m tranche, 0.25% rate, maturing 28 July 2030

STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 31 MAR 2021)



FIXED
RATE

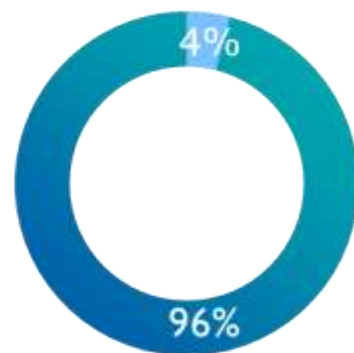


AVERAGE
COST

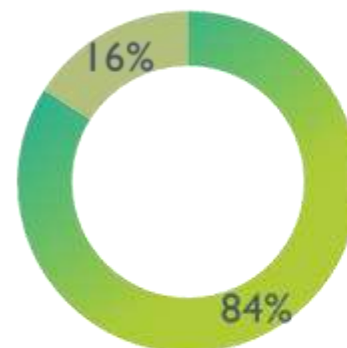


AVERAGE
MATURITY

● DEBT FALLING DUE AFTER 2021
● DEBT FALLING DUE BY END OF 2021



● FLOATING RATE
● FIXED RATE



SUSTAINABILITY RATINGS



A-
LEADERSHIP



EE*
POSITIVE



78/100
IMPROVEMENT IN RATING
FOR THIRD YEAR RUNNING

* Rating upgraded in June 2021



2020 Results

acea

PERFORMANCE AND DELIVERY

SUSTAINABILITY AS A DRIVER OF GROWTH AND VALUE CREATION



REGULATED BUSINESSES SHOW
EXTRAORDINARY RESILIENCE
IN A CHALLENGING
ENVIRONMENT

LIMITED IMPACT ON
ACTIVITIES MOST
EXPOSED TO THE CRISIS

EBITDA

NET PROFIT

CAPEX

NET DEBT

LEVERAGE

GUIDANCE 2021

€1,155M

€285M

€907M

€3,528M

Net Debt/
EBITDA
3.05X

EBITDA

+6%/+8% VERSUS 2020

CAPEX

~ €900M

NET DEBT

€3.85 ÷ 3.95B

+11%

STRONG
ORGANIC
GROWTH

+0.4%

(~+22% normalised)
ONGOING
VALUE
CREATION

+14%

84% ON
REGULATED
ASSETS

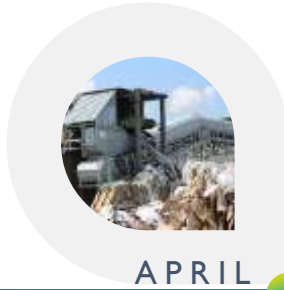
IN LINE WITH
GUIDANCE,
DESPITE IMPACT
OF THE
PANDEMIC AND
WIDER
PERIMETER

Net Debt/
RAB
0.74X

PERFORMANCE AND DELIVERY

DEVELOPMENT OF THE BUSINESS MIX: ACQUISITIONS IN ENVIRONMENT AND PHOTOVOLTAIC SECTORS, CONSOLIDATION OF SII TERNI

ACEA CONSOLIDATES ITS POSITION IN WASTE MANAGEMENT AND TREATMENT SECTOR



APRIL 2020

ACQUISITION OF 60% OF “FERROCART” AND “CAVALLARI” 4 waste storage, treatment and sorting plants (paper, steel, wood, plastic and metals), handling 145k tonnes per year



MAY 2020

ACQUISITION OF 70% OF SIMAM leader in design, construction and operation of liquid waste treatment plants, and in the delivery of environmental and remediation projects, offering integrated high-technology solutions

ACEA EXPANDS FURTHER IN PHOTOVOLTAIC SECTOR



ACQUISITION OF PHOTOVOLTAIC PLANTS with total installed capacity of up to 52 MWp. Development of projects on primary market, 41 MWp already authorised out of a pipeline of > 300 MWp

BUSINESS PLAN 2020-2024



OCTOBER 2020

SUSTAINABILITY AT THE HEART OF BUSINESS AND OPERATIONAL STRATEGY
EBITDA CAGR: ~ 7%
CAPEX: €4.7bn in 2020-2024 over €2bn linked to specific sustainability targets

ACEA CONSOLIDATES SII TERNI ON LINE-BY-LINE BASIS



NOVEMBER 2020

LINE-BY-LINE CONSOLIDATION OF SERVIZI IDRICI INTEGRATI DI TERNI following changes to articles of association and increase in interest held by Umbriadue (a subsidiary of Acea) from 25% to 40%

2020 KEY ESG HIGHLIGHTS

Fully on track to deliver on our ESG targets

ACEA'S BUSINESSES ARE BY DEFINITION «STRUCTURALLY SUSTAINABLE»



WATER

-3p.p. WATER LOSSES

30,000 SMART METERS INSTALLED (ACEA ATO2)

ENERGY INFRASTRUCTURE

~60,000 2G SMART METERS INSTALLED

-25% OUTAGE RISK INDICATOR

GENERATION

~70% ELECTRICITY PRODUCED FROM RENEWABLE SOURCES*, EQUIVALENT TO

210k TONNES OF CO2 SAVED

ENVIRONMENT

1.9M TONNES OF WASTE TREATMENT CAPACITY

85% MATERIALS RECOVERED OUT OF TOTAL INCOMING WASTE

COMMERCIAL & TRADING

1,363 GWh OF GREEN «G.O.» ELECTRICITY SOLD ON FREE MARKET (+20.3%), EQUAL TO 30% OF TOTAL ELECTRICITY SOLD ON FREE MARKET

SOCIAL AND GOVERNANCE

over 44% OF ACEA BOARD MEMBERS ARE WOMEN

105.5 Tonn. OF PAPER SAVED IN 2020 (+92%) THANKS TO E-BILLING

COVID-19 HEALTH EMERGENCY

EVERYDAY ESSENTIAL SERVICES TO OUR COMMUNITIES GUARANTEED
DELIVERING CONTINUITY AND EFFICIENCY EVEN AT THE HEIGHT OF THE PANDEMIC



ESTABLISHMENT OF A **COMMITTEE TO MANAGE COVID-19 PREVENTIVE MEASURES**



ADOPTION OF **BIOSAFETY TRUST CERTIFICATION**, AN INNOVATIVE CERTIFICATION SCHEME AIMED AT PREVENTING AND CONTROLLING THE SPREAD OF INFECTIONS



REORGANISATION OF WORK WITH **EXPANDED USE OF DIGITAL TOOLS** AND THE LARGE-SCALE ADOPTION OF **REMOTE WORKING** ARRANGEMENTS (WITH OVER 85% OF STAFF WORKING FROM HOME)



INTRODUCTION OF **SPECIAL INSURANCE COVER** FOR THE GROUP'S EMPLOYEES AND THEIR FAMILIES



GUARANTEED CONTINUITY AND EFFICIENCY OF ALL THE SERVICES PROVIDED



- TWO ROUNDS OF **SEROLOGICAL TESTING** (OVER 4,000 CARRIED OUT)
- **FLU VACCINATIONS** PROVIDED (OVER 400)
- **MOLECULAR, RAPID ANTIGEN AND SALIVA-BASED TESTS** (OVER 1,000)



ONGOING DIALOGUE WITH LOCAL COMMUNITIES AND ALL THE GROUP'S STAKEHOLDERS



OVER 12,000 HOURS OF TRAINING ON THE COVID EMERGENCY PROVIDED TO EMPLOYEES

RESULTS 2020

KEY FINANCIAL HIGHLIGHTS

| (€ M) | 2020 (A) | 2019 (B) | % CHANGE (A/B) |
|------------------------|-------------|-------------|-------------------|
| CONSOLIDATED REVENUE | 3,379.4 | 3,186.1 | +6.1% |
| EBITDA | 1,155.5 | 1,042.3 | +10.9% |
| EBIT | 535.0 | 523.2 | +2.3% |
| GROUP NET PROFIT | 284.9 | 283.7 | +0.4% |
| DIVIDEND PER SHARE (€) | 0.80 | 0.78 | +2.6% |
| CAPEX | 907.0 | 792.8 | +14.4% |

| (€ M) | 31 Dec 2020 (A) | 30 Sept 2020 (B) | 31 Dec 2019 (C) | % CHANGE (A/B) | % CHANGE (A/C) |
|----------|-----------------------|------------------------|-----------------------|-------------------|-------------------|
| NET DEBT | 3,528.0 | 3,535.4 | 3,062.8 | -0.2% | +15.2% |

EBITDA +11%

WELL AHEAD OF GUIDANCE

INITIAL GUIDANCE: +6%/+8%

GUIDANCE IN JULY 2020: \geq +8%

ORGANIC GROWTH $>$ +10%

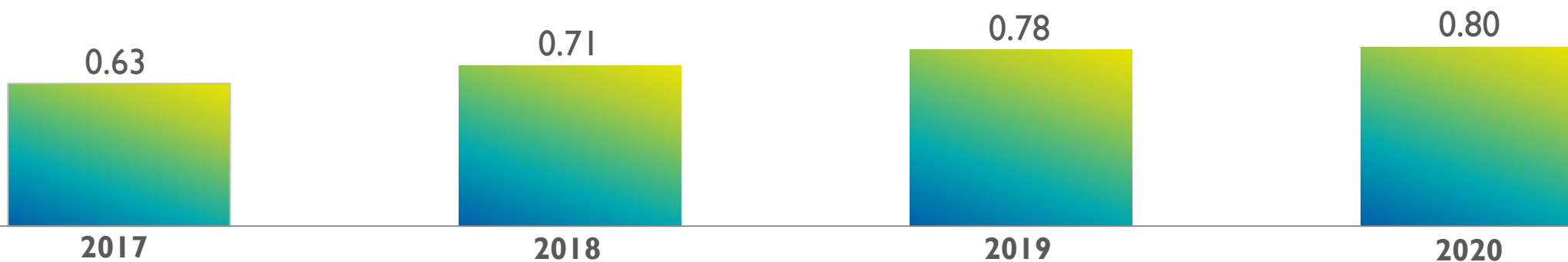
NET PROFIT NORMALISED
~ +22%

NET DEBT

IN LINE WITH GUIDANCE DESPITE
IMPACT OF FIRST-TIME
CONSOLIDATION OF SII TERNI

SHAREHOLDER RETURN

DPS EVOLUTION (€)



PAYOUT*

~60 %

DIVIDEND YIELD**

4.6%

DIVIDEND POLICY

€860m

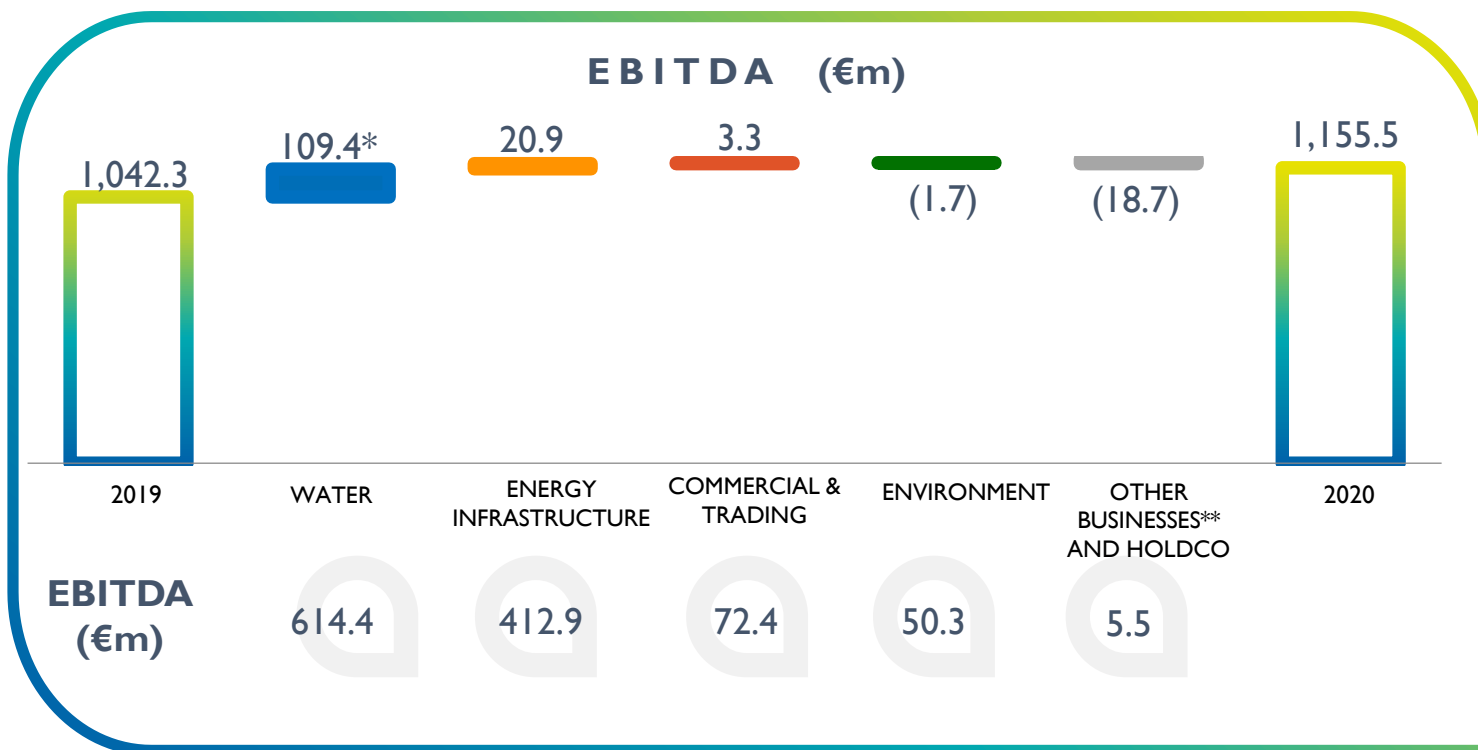
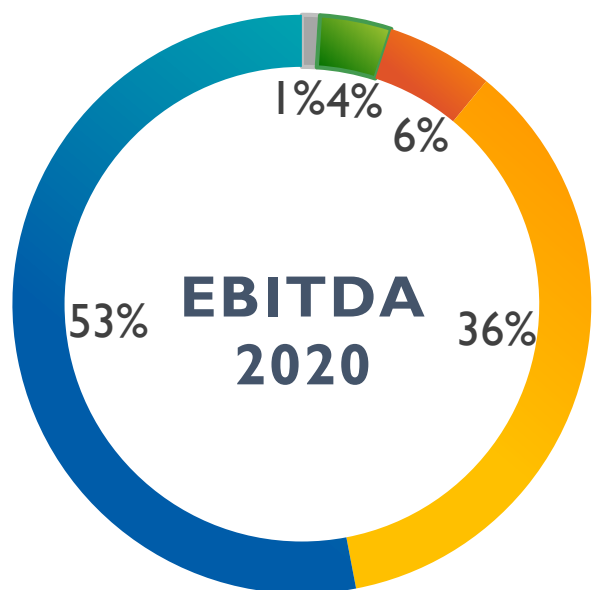
IN THE PERIOD 2020-2024

* Based on consolidated net profit after non-controlling interests

** Based on the average price for 2020

RESULTS 2020

EBITDA BY BUSINESS AREA



- WATER
- ENVIRONMENT
- COMMERCIAL & TRADING
- ENERGY INFRASTRUCTURE
- OTHER BUSINESSES** AND HOLDCO

AVERAGE GROUP WORKFORCE

2020
7,697

2019
7,070

CHANGE
+627[^]

* Line-by-line consolidation of AdF and SII Terni

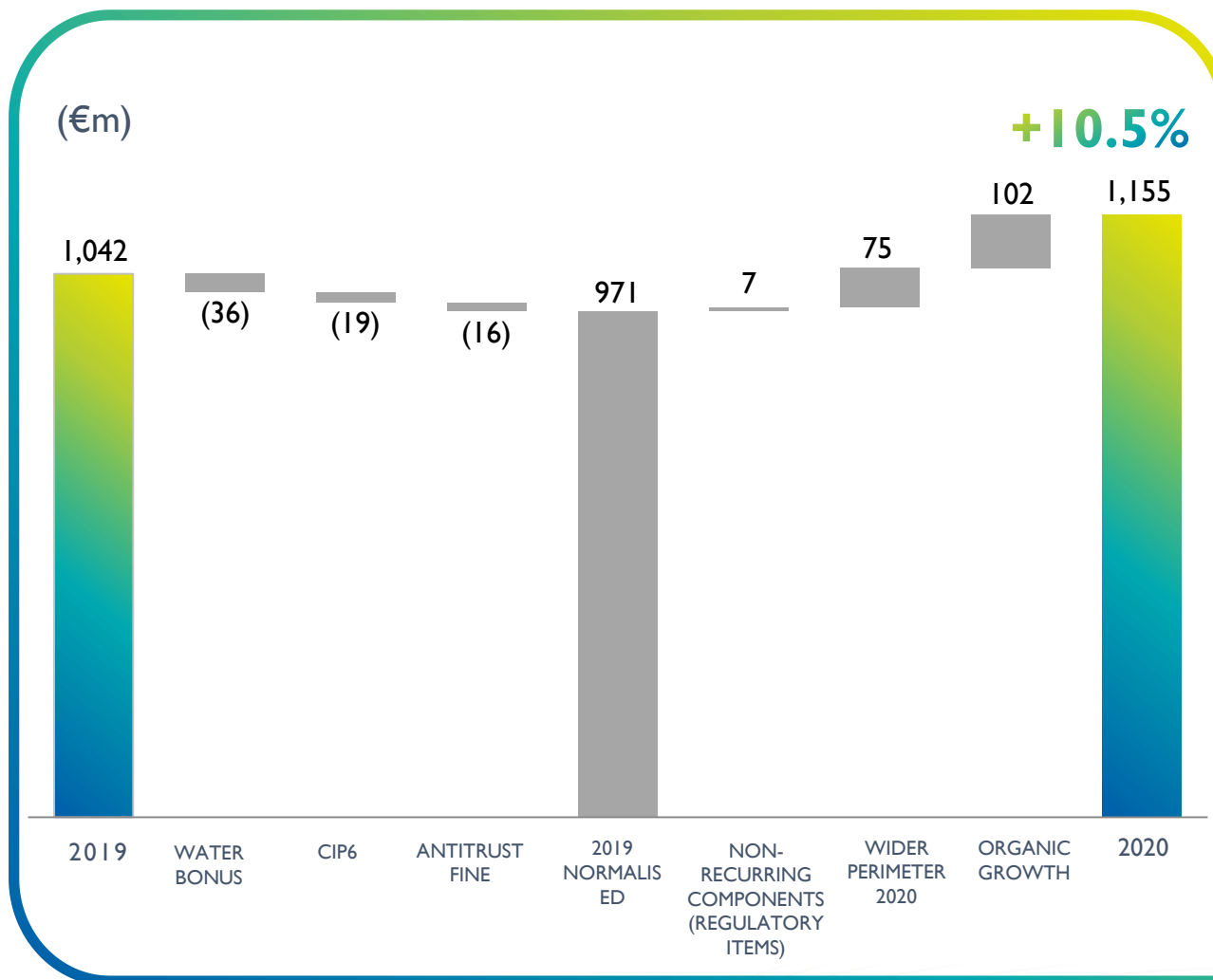
** Overseas, Engineering & Services

[^] Increase in workforce mainly reflects Group's expansion (SII Terni, ACEA Perù, Environment, Simam)

RESULTS 2020

ORGANIC EBITDA GROWTH

WIDER PERIMETER OF THE GROUP CONTRIBUTION TO EBITDA FOLLOWING CONSOLIDATION OF ADF, SII TERNI, CONSORCIO AGUA AZUL AND NEW ACQUISITIONS



| (€m) | 2020 | 2019 | Change |
|-------------------------------|--------------|-------------|--------------|
| ADF | 60.4 | 18.1 | +42.4 |
| SII TERNI | 2.2 | 0.9 | +1.3 |
| CONSORCIO AGUA AZUL LIMA | 8.9 | 1.1 | +7.8 |
| PESCARA DISTRIBUZIONE GAS | 2.2 | 1.7 | +0.5 |
| ALTO SANGRO DISTRIBUZIONE GAS | 1.7 | - | +1.7 |
| DEMAP | 4.0 | 1.8 | +2.2 |
| BERG | 2.0 | 0.5 | +1.4 |
| FERROCART/CAVALLARI | 4.3 | - | +4.3 |
| SIMAM | 5.2 | - | +5.2 |
| PHOTOVOLTAIC | 12.1 | 3.6 | +8.5 |
| TOTAL | 103.0 | 27.7 | +75.3 |

EBITDA AND KEY INDICATORS

FINANCIAL HIGHLIGHTS

| (€m) | 2020 (A) | 2019 (B) | %change(A/B) |
|------------------------------------|--------------|--------------|---------------|
| EBITDA | 614.4 | 505.0 | +21.7% |
| Acea Ato2 | 410.0 | 356.1 | +15.1% |
| Acea Ato5 | 26.7 | 24.4 | +9.4% |
| Gori | 78.7 | 68.6 | +14.7% |
| ADF | 60.4 | 18.1 | N.S. |
| SII Terni | 2.2 | 0.9 | N.S. |
| Equity-accounted water companies | 28.7 | 37.2 | -22.8% |
| Other consolidated water companies | 3.8 | (2.0) | N.S. |
| Gas distribution | 3.9 | 1.7 | N.S. |
| Capex | 476.0 | 380.1 | +25.2% |



KEY HIGHLIGHTS

LINE-BY-LINE CONSOLIDATION
OF ACQUEDOTTO DEL FIORA

LINE-BY-LINE
CONSOLIDATION OF SII
TERNI

**EBITDA
main
drivers**



EBITDA
GROWTH
+21.7%

Application of tariff regime
for third regulatory period
2020-2023

(Arera Resolution 580/2019):

- effect of increased investment
- no award of bonus for commercial quality (€35.8m), offset by recognition of new cost components (including those relating to sludge disposal)

Line-by-line
consolidation of AdF
(October 2019)

+€42.4m

Line-by-line
consolidation of SII Terni
(November 2020)

+€1.3m

Acquisition of Alto Sangro
Distribuzione Gas (August
2020)

+€1.7m

EBITDA AND KEY INDICATORS

FINANCIAL HIGHLIGHTS

| (€m) | 2020 (a) | 2019 (b) | % change (a/b) | TOTAL ELECTRICITY DISTRIBUTED (GWh) | NUMBER OF PODS (‘000S) | TOTAL ELECTRICITY PRODUCED (GWh) |
|-------------------|-------------|-------------|-------------------|--|------------------------------|---|
| EBITDA | 412.9 | 392.0 | +5.3% | 9,849 | 1,641 | 650 |
| - Distribution | 369.6 | 345.4 | +7.0% | 9,096 | 1,644 | 626* |
| - Public lighting | (2.0) | 1.9 | N.S. | | | |
| - Generation | 45.4 | 44.6 | +1.8% | | | |
| CAPEX | 325.1 | 287.8 | +13.0% | | | |
| - Distribution | 282.5 | 265.7 | +6.3% | | | |
| - Public lighting | 3.6 | 3.3 | +9.1% | | | |
| - Generation | 39.0 | 18.8 | +107.4% | | | |



KEY HIGHLIGHTS

ACQUISITION OF NEW PHOTOVOLTAIC PLANTS: total installed capacity of 52 MWp



INSTALLATION OF 2G SMART METERS (~60,000 installed)

EBITDA
main
drivers


EBITDA
GROWTH
+5.3%

 DISTRIBUTION: **+€24.2m**
Tariff and regulatory factors
Installation of 2G smart meters
Reduction in electricity grid losses

 PUBLIC LIGHTING: **-€3.9m**
Fewer new PODs and increase in maintenance costs

 GENERATION: **+€0.8m**
Photovoltaic **+€8.5m**
(twice the volumes of 2019)
 Hydroelectric: decrease in prices and lower volumes
-€6.4 m

EBITDA AND KEY INDICATORS

FINANCIAL HIGHLIGHTS

| (€m) | 2020 (A) | 2019 (B) | %change(A/B) |
|------|----------|----------|--------------|
|------|----------|----------|--------------|

| | | | |
|--------|------|------|-------|
| EBITDA | 72.4 | 69.1 | +4.8% |
|--------|------|------|-------|

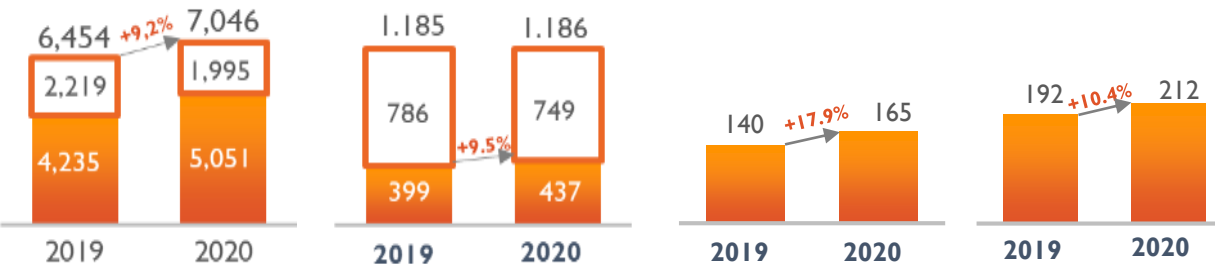
| | | | |
|-------|------|------|-------|
| Capex | 44.1 | 43.1 | +2.3% |
|-------|------|------|-------|

TOTAL ENERGY SOLD (GWH)

NUMBER OF ELECTRICITY CUSTOMERS ('000s)

TOTAL GAS SOLD (Mmc³)

NUMBER OF GAS CUSTOMERS ('000s)



● FREE MKT ○ EN. PROT. MKT



COMMERCIAL & TRADING

KEY HIGHLIGHTS

INCREASED FREE MARKET CUSTOMER BASE WITH GREATER MARGIN

EBITDA main drivers



EBITDA GROWTH

+4.8%

INCREASED FREE MARKET MARGIN: greater number of mass market customers and increased volumes of electricity sold



REDUCED MARGIN IN ENHANCED PROTECTION MARKET:

lower number of customers and revised mechanism for compensating for delinquent accounts (ARERA Resolution 100/2020)

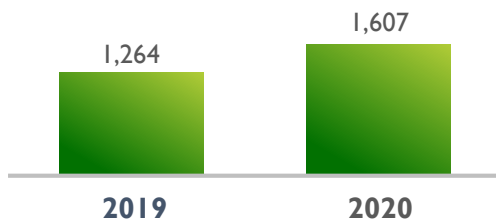
PRICE EFFECT on energy purchased and not sold to customers
~ **-€4m**

EBITDA AND KEY INDICATORS

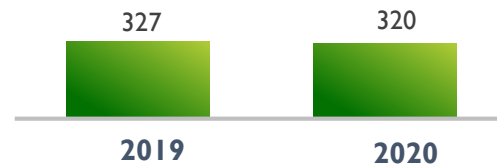
FINANCIAL HIGHLIGHTS

| (€m) | | 2020 (A) | 2019 (B) | % change (A/B) |
|-----------|---------------------|----------|----------|----------------|
| EBITDA | | 50.3 | 52.0 | -3.3% |
| of which: | Demap | 4.0 | 1.8 | N/S |
| | Berg | 2.0 | 0.5 | N/S |
| | Ferrocart/Cavallari | 4.3 | - | N/S |
| Capex | | 23.6 | 51.9 | -54.5% |

TREATMENT AND DISPOSAL (KTONNES)



ELECTRICITY SOLD (GWh)



KEY HIGHLIGHTS

ACQUISITION OF 60% OF FERROCART/CAVALLARI

EBITDA
main
drivers



HIGHER TREATED VOLUMES (+27%) AND INCREASE IN DISPOSAL TARIFFS:
+€14m

M&A:
+€7.9m

Acquisition of Demap (July 2019):
+€2.2m

Acquisition of Berg (October 2019):
+€1.4m

Acquisition of Ferrocart/Cavallari (April 2020):
+€4.3m

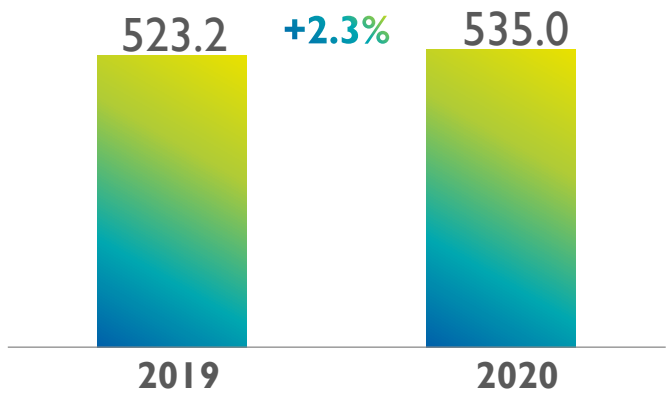


END OF CIP6 FEED-IN TARIFFS FROM 1 AUGUST 2019
-€19.6m

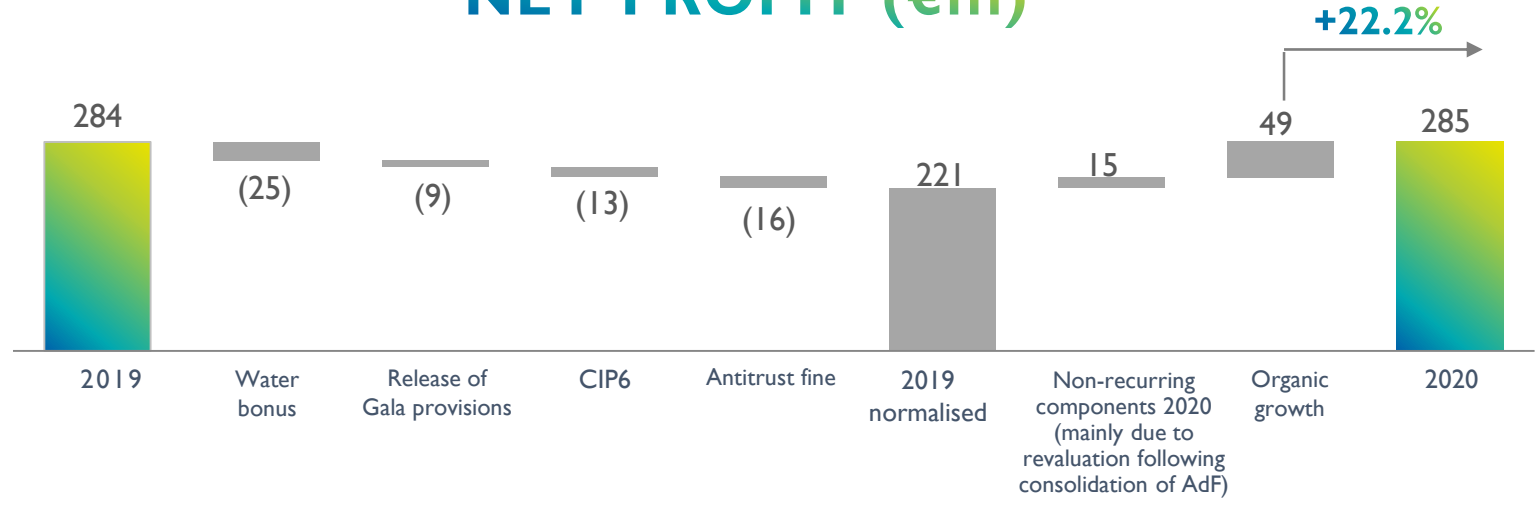
REDUCTION IN PRICES OF ENERGY SOLD
-€4m

EBIT AND NET PROFIT

EBIT (€m)



NET PROFIT (€m)



| (€m) | 2020 | 2019 | % CHANGE |
|--------------|-------|-------|----------|
| DEPRECIATION | 498.3 | 409.6 | +21.7% |
| IMPAIRMENTS | 79.4 | 61.7 | +28.7% |
| PROVISIONS | 42.8 | 47.8 | -10.5% |

DEPRECIATION Increased investment across all areas of business and first-time consolidations (primarily AdF +€20.8m)

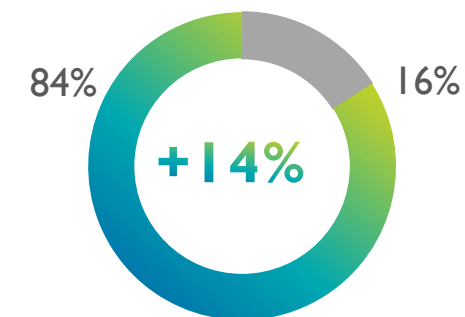
IMPAIRMENTS Release of provisions of €13.5m for Gala in 2019

NET PROFIT NORMALISED ~ **+22%** **TAX RATE** **29.2%**
(28.6% in 2019)

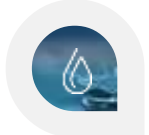
CAPEX

FURTHER ACCELERATION IN INVESTMENTS FOCUSING ON REGULATED ACTIVITIES

CAPEX (€m)

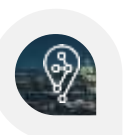


Investments in regulated businesses
 Investments in non-regulated businesses



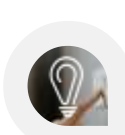
WATER

- MAINTENANCE AND EXPANSION OF WATER AND SEWAGE NETWORK
- EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS
- OPTIMIZATION OF TREATMENT PLANTS
- CONSOLIDATION OF ADF (€26.2m)



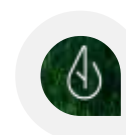
ENERGY INFRASTRUCTURE

- GRID UPGRADE AND EXPANSION
- "RESILIENCE" PLAN WITH WORK ON SECONDARY SUBSTATIONS AND MV AND LV NETWORK
- INSTALLATION OF 2G SMART METERS



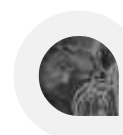
COMMERCIAL & TRADING

- CUSTOMER ACQUISITION
- INFORMATION SYSTEMS



ENVIRONMENT

- SAN VITTORE PLANT
- WORK ON ORVIETO LANDFILL



OTHER

- OVERSEAS: REDUCED INVESTMENT AT AGUAS DE SAN PEDRO
- ENGINEERING AND SERVICES: CONSOLIDATION OF SIMAM (€2.4m)
- HOLDCO: IT PROJECTS

RESULTS 2020

FOCUS ON IMPROVEMENTS IN WORKING CAPITAL

CASH FLOW

(€ m)

| | 2020 | 2019 |
|-----------------------------------|--------------|--------------|
| EBITDA | 1,155 | 1,042 |
| CHANGE IN WORKING CAPITAL | (38) | (16) |
| CAPEX | (886)* | (793) |
| FREE CASH FLOW | 231 | 233 |
| FINANCE INCOME/(COSTS) | (88) | (90) |
| CHANGE IN PROVISIONS | (112) | (107) |
| INCOME TAX PAID | (123) | (134) |
| DIVIDENDS | (166) | (151) |
| OTHER | (47) | (12) |
| M&A AND FIRST-TIME CONSOLIDATIONS | (154) | (171) |
| IFRS 16 | (7) | (64) |
| TOTAL CASH FLOW | (465) | (495) |

WORKING CAPITAL +€22M

INCREASE €73M

REGULATORY FACTORS: €63m

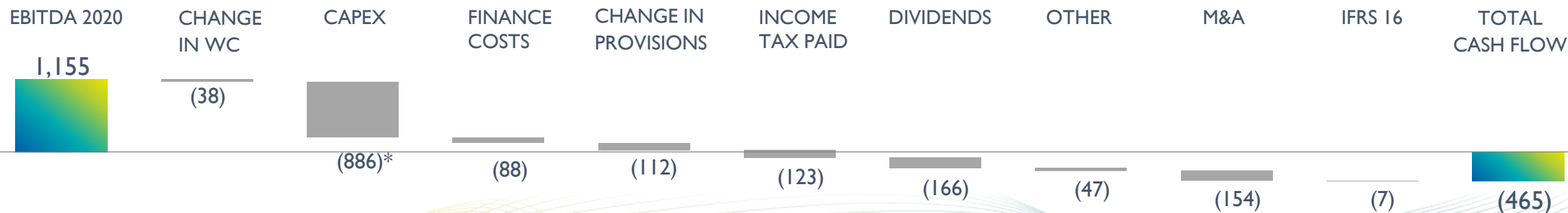
IMPACT OF COVID-19 ON COLLECTIONS: €10m

REDUCTION ~€50M

INCREASED CAPITAL EXPENDITURE IN Q4 2020 (CASH EFFECT IN 2021)

INCREASED FACTORING OF RECEIVABLES (INSTALMENT PLANS)

INCREASED REVERSE FACTORING



* Net of financed capex and other non-cash items

RESULTS 2020

NET DEBT BETTER THAN GUIDANCE

| (€m) | 31 Dec 2020 (a) | 30 Sept 2020 (b) | 31 Dec 2019 (c) | Change (a-b) | Change (a-c) |
|------------------|--------------------|---------------------|--------------------|-----------------|-----------------|
| Net debt | 3,528.0 | 3,535.4 | 3,062.8 | (7.4) | 465.2 |
| Medium/long-term | 4,130.2 | 4,116.9 | 3,523.3 | 13.3 | 606.9 |
| Short-term | (602.2) | (581.5) | (460.5) | (20.7) | (141.7) |

LEVERAGE

NET DEBT/EBITDA
31 Dec 2020

3.05x

NET DEBT/RAB
31 Dec 2020

0.74x

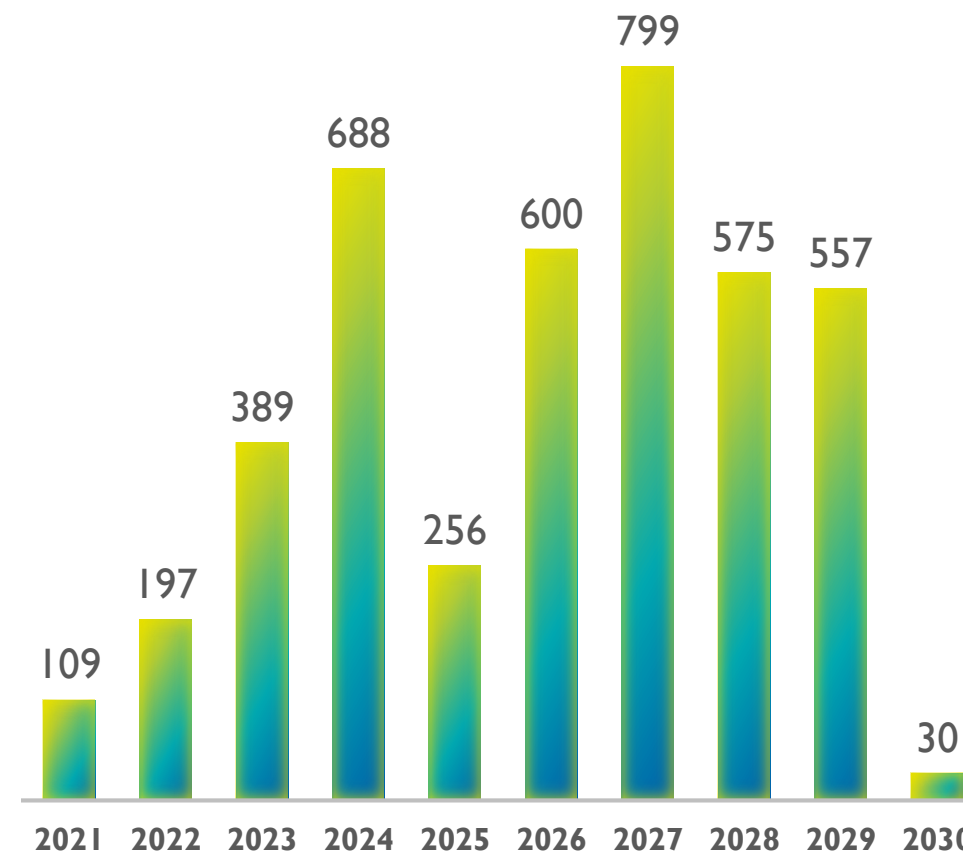
NET DEBT/EBITDA
31 Dec 2019

2.94x

NET DEBT/RAB
31 Dec 2019

0.70x

DEBT (€m)



RESULTS 2020

FINANCIAL PERFORMANCE AHEAD OF GUIDANCE

BONDS

29 JANUARY 2020

Placement of bonds worth €500m under EMTN programme. Bonds have a 9-year term and pay a fixed rate of 0.50%

GREEN BOND

21 JANUARY 2021

Placement of first GREEN BOND of €900m successfully completed. Issue under Green Financing Framework and EMTN programme in two tranches:
€300m tranche, 0% coupon, maturing 28 September 2025 (first ever Italian corporate bond issued with a negative yield);
€600m tranche, 0.25% coupon, maturing 28 July 2030

STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 31 DEC 2020)

- DEBT FALLING DUE AFTER 2021
- DEBT FALLING DUE BY 2021

- FLOATING RATE
- FIXED RATE

81%

FIXED RATE

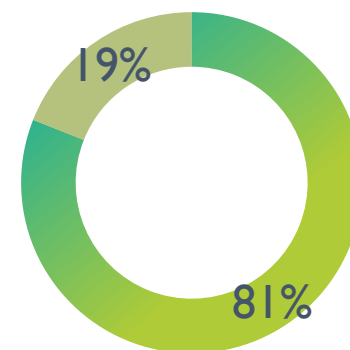
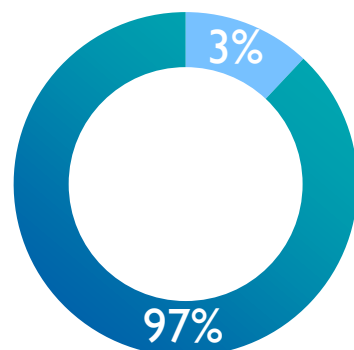
1.74%

AVERAGE COST

5.4

YEARS

AVERAGE TERM



RATINGS

FitchRatings

BBB+

Stable outlook

MOODY'S

Baa2

Stable outlook



Regulatory framework

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

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

Delibera ARERA 580/2019

- WACC: 5.24% (previously 5.3%)
- WACC on fixed assets in progress: 3.92% (provision amended by ARERA in Resolution 235/2020/R/idr of 23 June 2020)
- Increase in inflation rate (from 1.5% to 1.7%)
- The limits on annual growth of the tariff multiplier linked to classification in the matrix of regulatory frameworks have been reduced
- Reduction in standard coverage for late payments in Central Italy from 3.8% to 3%

| EXPIRY OF CONCESSIONS | |
|--|--------|
| ATO2 Lazio Centrale (Acea ATO2) | 2032 |
| ATO5 Frosinone (Acea ATO5) | 2033 |
| ATO3 Regione Campania (Gori) | 2032 |
| ATO4 Alto Valdarno (Nuove Acque) | 2027 |
| ATO2 Basso Valdarno (Acque) | 2031* |
| ATO3 Medio Valdarno (Publiacqua) | 2024** |
| ATO6 Ombrone (Acquedotto del Fiora) | 2031* |
| Municipality of Lucca (Geal) | 2025 |
| ATO1 Perugia (Umbra Acque) | 2027 |
| ATI4 Umbria (Umbriadue Servizi Idrici) | 2032 |

* Extension of the concession approved by the concession authority at the time of the biennial review 2018-2019 (also approved by ARERA).

** Extension of the concession approved by the concession authority at the time of the biennial review 2018-2019, yet to be approved by ARERA.

ARERA RESOLUTION 235/2020

«Adoption of urgent measures for the integrated water service, in response to the Covid-19 emergency»

- Deferral of deadlines for meeting tariff and technical quality requirements.
- Recognition in allowed costs of 0.6% of turnover to cover late payments caused by restrictions linked to the spread of Covid-19
- Assessment of quality performance based on cumulative data for the two-year period 2020-2021
- Amendment of cost recognition criteria (on a forecast basis, with any gaps to be made up through back-billing) linked to the Covid-19 emergency
- Selective measures for financial sustainability of concessions during the emergency (advance payments to be applied for to CSEA – Cassa Servizi Energetici e Ambientali only for concessions where tariffs are approved by 30 September 2020)
- Increase in returns on WIP (Work In Progress): 3.73% in the first two years of the regulatory cycle and 2.77% in the subsequent years (previously 3.58%, 3.31%, 3.04% and 2.77%)

Regulation

Electricity distribution (1/2)

ARERA RESOLUTION:

- **568/2019** tariffs for electricity distribution (**TIT**) and metering (**TIME**) revised for the sub-period 2020-2023
- **646/2015** "Quality of electricity distribution and metering services and output-based regulation" (**TIQE**) amended and supplemented by RESOLUTION **566/2019/R/eel** for the sub-period 2020-2023
- **534/2019** Initiatives designed to boost the resilience of electricity distribution networks, Areti plan for 2019-2021.
- **467/2019** experimental regulation for the upgrade of aging plumbing risers in buildings
- **306/2019** Revision for the three-year period 2020-2022 of the recognition of 2G smart metering costs
- **583/2015 TIWACC** supplemented by resolutions 639/2018/R/com and 570/2019/R/gas

REGULATORY PERIOD: EIGHT YEARS 2016-2023 divided into two sub-periods, each lasting four years:

- 2016-2019
- 2020-2023

REGULATORY PERIOD WACC: SIX YEARS 2016-2021

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

ARERA RESOLUTION 380/2020: "Launch of the process of adopting provisions regarding the methods and criteria for determining and revising the rate of return on invested capital in the electricity and gas sectors for the second regulatory period".

Areti's concession expires in 2030

WACC FOR OTHER ACTIVITIES

ELECTRICITY TRANSMISSION

Electricity transmission WACC for 2019-2021 : 5.6%

GAS NETWORKS

| | | |
|---------------|---------------------|----------------------------|
| Gas transport | WACC for 2019: 5.7% | WACC for 2020-2021: 5.7% |
| Gas distrib | WACC for 2019: 6.3% | } WACC for 2020-2021: 6.3% |
| Gas metering | WACC for 2019: 6.8% | |
| Gas storage | WACC for 2019: 6.7% | WACC for 2020-2021: 6.7% |

Regulation

Electricity distribution (2/2)

MAIN REGULATORY CHANGES IN 2020

Urgent measures linked to the COVID-19 epidemic

The regulator urgently issued a series of resolutions designed to mitigate, as far as possible, the difficulties faced by final consumers and certain businesses connected with the rules governing the response to non-payment by customers, with specific regard to the process for cutting off the supply of electricity.

ARERA Resolution 60/2020/R/com – Managing non-payments

In this Resolution, the regulator suspended application of the procedure for managing non-payments set out in supply contracts with final customers until 17 May of the current year.

Resolution ARERA 116/2020/R/com – Billing for transmission services

In Resolution 116/2020/R/com, ARERA suspended the application of default procedures in the event of non-payment by traders of transmission service charges due for payment in April 2020. This reflects potential for non-payment by customers who have benefitted from the above Resolution 60/2020/R/com.

More specifically, the regulator has suspended the above procedures where the transmission service user has paid at least 70% of the total amount billed for LV withdrawal points. At the same time, given the fact that the measures introduced could make it difficult for distributors to pay general system charges to the CSEA and GSE, the regulator has given distributors the option of making a payment in proportion to the amount effectively collected. This payment must, in any event, be within the minimum amount (80%) needed to ensure the system is fully funded.

Resolution ARERA 248/2020/R/com – Procedures for recovering unpaid amounts

The measures introduced by Resolution 116/2020/R/com were extended on a number of occasions by the regulator, up to and including bills falling due in June 2020. As a result, the later Resolution 248/2020/R/com set out the procedures for recovering unpaid amounts payable to distributors by transmission users and general system charges not paid by the former to the CSEA and GSE.

Resolution ARERA 213/2020/R/eel – Temporary changes to the 2G directives

Within the above context, Resolution 213/2020/R/eel introduced, for 2020, a series of changes to the regulations governing the rollout of 2G smart metering systems with the aim of avoiding penalties to be paid by distribution companies as a result of factors beyond their control linked to the epidemic.

The main changes introduced regard the preparation of detailed plans for the mass phase of the rollout, the suspension of penalties for falling behind the schedule set out in the plan and a halt to application of the “Information Quality Incentive” matrix.

The regulator has reserved the right to extend, in full or in part, the measures adopted in this Resolution into 2021 depending on how the health emergency evolves.

ARERA RESOLUTION 443/2019

- Regulatory period 2018-2021, structured in line with the previous tariff regulation (Presidential Decree 158/99), with the introduction of certain elements such as sharing arrangements for revenue from the sale of material and energy derived from waste and the related CONAI revenue.
- Real pre-tax WACC: 6.3% for the period 2020-2021, with an additional 1% for the 2-year time lag between capex being carried out and its recognition in RAB.
- Determination of four different regulatory frameworks, limiting the annual rise in the tariff to reflect the quality of service provided and changes in the scope of operations.
- Cost recognition on the basis of accurate ex post data based on reliable accounting records for the previous two years and no longer on forecasts.
- Identification of efficient costs and subsequent adjustments for 2018 and 2019 (introduced on a progressive basis and recognisable over no more than 4 years).
- Whilst awaiting determination of the tariffs for incoming waste (to be determined by 31 December 2020), the charges covering the costs of disposal and treatment and of treatment and recovery are determined on the basis of approved and/or negotiated tariffs.

Disclaimer

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

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

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

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

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