

**Press Release no 995 of 31.07.24**

**Benevento, 31 July 2024** - This morning, the Shareholders' Meeting of Gesesa unanimously approved the Financial statements for 2023, which close with an operating loss of € 373,769.00. This loss will be fully covered by using the extraordinary reserve. The financial statements were approved with the positive opinion of the Board of Auditors and Auditing company. After listening to the detailed reports presented by the Directors during the meeting, the Shareholders expressed their gratitude to the Board of Directors and, through it, to the entire company for their total commitment and competence, as well as for the results achieved in a context of extreme complexity and increasing difficulty.

"I am grateful to all the shareholders, who have entrusted the company's activities," said Salvatore Rubbo, CEO of the company. "To have our financial statements certified and approved in a context of management difficulties is a great achievement which we are really proud of," he continues. I sincerely thank the ACEA Group, which has supported and continues to support the functioning of the integrated water service in the Sannio".

"Gesesa continued to operate in 2023, in a context affected everyday by a series of economic and financial problems, as a result of several and well-known contingencies, usually coming from afar, such as the block in tariffs at the levels of 2018, an exponential increase in the cost of energy and raw materials, the prolonged absence of a "sole operator" of the Water district in the Sannio, accompanied by severe consequences, such as the impossibility to plan and implement the necessary investments," stated Domenico Russo, Lawyer and Chairman of the Board of Directors. "In addition to this, it should be borne in mind that Gesesa has invested considerable financial resources to always have an efficient level of maintenance of its 30 managed purification plants, all of which returned to the company's full ownership after the notorious court cases in May 2020. Gesesa has also invested additional resources to perform a considerable number of analyses on both drinking water and wastewater, in compliance with the most stringent legal requirements, ensuring maximum protection for the users and the environment. In addition, in order to protect legality on all fronts, the company also invested in maintaining a high standard of corporate quality in all areas, to ensure an adequate organisation, management and control model. Despite the difficulties, a great care was also paid to the welfare of the company. In such a complicated context, Gesesa managed to approve the financial statements with a loss which halved compared to the last year, which is fully covered by the company's reserves. This makes it possible to avoid

**GESESA SpA**

Authorised and Paid-up Share Capital € 534,990.70

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recapitalisation. Moreover, the financial statements received a positive opinion from the designated renowned international legal auditing company, unlike last year when the company was unable to give an opinion due to many uncertainties. Given the economic and financial context in which Gesesa was forced to operate, such a circumstance was not at all obvious. Another difficulty, which was overcome with the Shareholders' support, was the closure of the bank credit following the seizure of 78 million euro in assets by the judiciary authorities in November 2021, subsequently revoked as a result of an investigation that had begun in the years prior to my arrival. A damage that exploded, over time, with all its inescapable consequences. In short, to have avoided bankruptcy or the need for recapitalisation of several million of euro, and to have limited the operating losses by covering them with our reserves, is today an objectively relevant result. Now the arrival of a sole operator is absolutely urgent, as Gesesa will not be able to operate beyond 2025 under these conditions. I hope that we will soon begin a new chapter made of development and progress for Benevento and the Sannio. With today's know-how and adequate financial resources, in line with those of the most advanced water districts or in line with those of other European countries, we could revolutionise the integrated water service in our areas. We must do this. Time is up. The current water crisis could worsen in the coming days, as the nightly shut-offs in place are no longer sufficient to balance the water level of consumption with the flow from the Torano-Biferno aqueduct. The situation is becoming increasingly dramatic. It is necessary that all the institutional subjects involved in the decision-making process in question take responsibility, without exception. Unfortunately, water is no longer something to be taken for granted until a long-awaited radical change takes place. I'm sure that the citizens of Benevento and Sannio don't deserve this state of affairs. However, to blame Gesesa for the water shortage means not understanding the causes behind the problem. In conclusion, I would like to thank the Mayor of Benevento for his continuous and reliable contribution, also with regard to the ongoing water crisis, as well as all the Mayors of the Municipalities we manage and their Administrations for their constant and valuable collaboration, despite the difficulties. Allow me to thank Ente Idrico Campano and Regione Campania for all the positive experiences of collaboration with Gesesa. I

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am grateful to the Shareholders, the CEO, the Board of Directors, the Board of Auditors and the entire staff of Gesesa for their important work".

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