Interim Report on Operations at 30 September 2021

Report on Operations

Consolidated Financial Statements

ACEA Organisational Model

ACEA is one of the major Italian multiutilities, and has been listed on the stock exchange since 1999.

ACEA adopts an operational model based on an organisational layout in line with the Strategic Business Plan consolidating its role to govern, guide and control the Holding not only with the current business portfolio focused on areas of greater value, but also on the strategic development of the Group in new business segments and territories. ACEA's macrostructure is based around the corporate functions and six industrial areas – Environment, Commercial and Trading, Water, Energy Infrastructure, Engineering and Services and Overseas.
The activities of each business segment are described below.

Environment
The ACEA Group is one of the leading national players with more than 1 million tonnes of waste processed each year. It manages the main waste-to-energy plant and the largest composting plant in Lazio. In particular, the Group develops investments in the waste to energy business, considered high potential, in accordance with the strategic goal of producing energy from waste and protecting the environment. The Acea Group is also present in the sector of processing of recyclable plastics with the first plant devoted to the activities of selecting and sending for recycling plastic packaging deriving from municipal separate collection.

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

Water
The ACEA Group is the top Italian operator in the water sector serving 9 million people. The Group manages the integrated water service in Rome and Frosinone and in the respective provinces, as well as in other parts of Lazio, in Tuscany, Umbria, Campania and Molise. The Group is also present in Abruzzo as it has entered the natural gas distribution market in the Municipality of Pescara and in the province of L'Aquila.

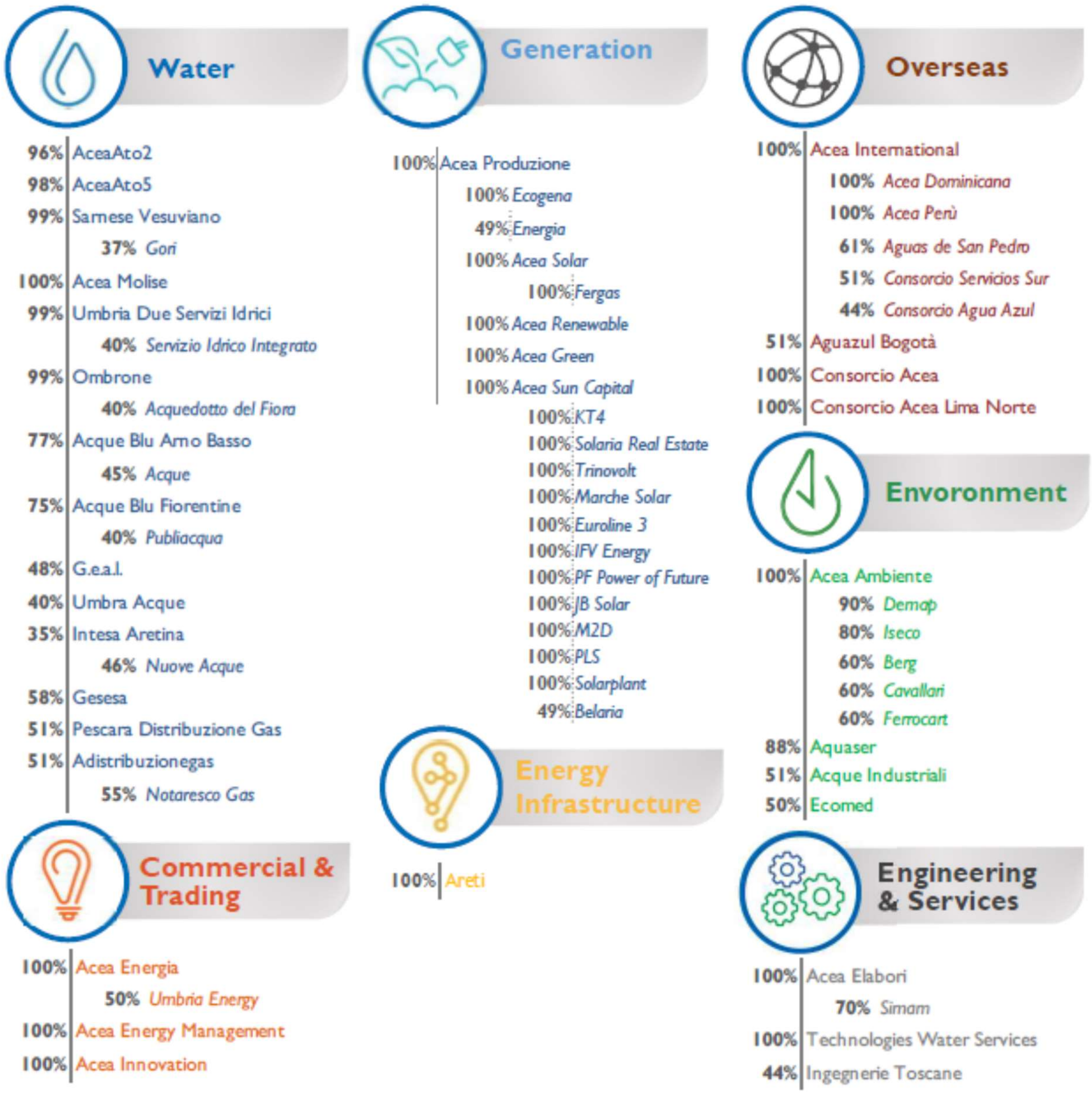
Energy Infrastructure
The ACEA Group is a major operator in Italy with about 10 TWh of electricity distributed in Rome. The Group also manages the public and artistic lighting of the capital for a total of 224,000 lights. The ACEA Group is committed to energy efficiency projects and the development of new technologies, such as smart grids and electric mobility, through particularly innovative pilot projects.

Generation
The ACEA Group produces electricity, via hydroelectric stations, thermo-electric stations (high-efficiency cogeneration) and photovoltaic plants. Furthermore, consistent with the strategy of the Industrial Plan, the Group has an acquisition programme in the renewable energy market through the acquisition of a number of photovoltaic plants in Italy.

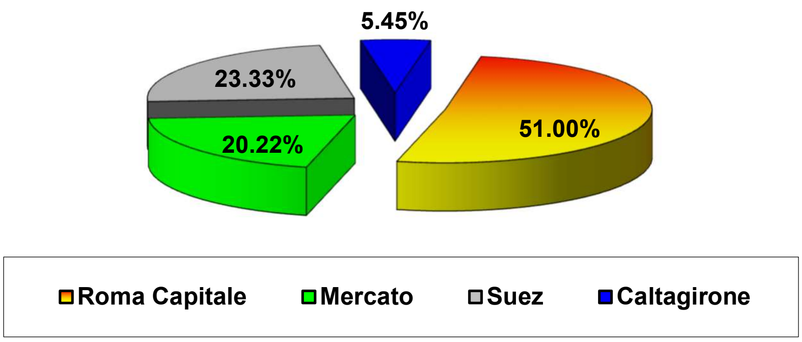
Engineering and Services
The ACEA Group has developed know-how at the forefront in the design, construction and management of integrated water systems: from the source to the pipelines, from distribution to the sewer network, and treatment. It develops applied research projects aimed at technological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

Overseas
The ACEA Group manages water activities in Latin America and its objective is to make the most of development opportunities in other businesses related to those already held in Italy.
It is present in Honduras, Dominican Republic, Colombia and Peru, serving approximately 4 million people. The activities are carried out in partnership with local and international partners, including through staff training and the transfer of know-how to local entrepreneurs.

The Group structure, in the various business segments, comprises the following main companies.



The share capital of ACEA S.p.A. at 30 September 2021 was made up as follows:



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

Corporate bodies

Board of Directors

Michaela Castelli	Chairperson
Giuseppe Gola	Chief Executive Officer
Alessandro Caltagirone	Director
Massimiliano Capece Minutolo Del Sasso	Director
Gabriella Chiellino	Director
Diane Galbe	Director
Giovanni Giani	Director
Liliana Godino	Director
Giacomo Larocca	Director

Board of Statutory Auditors

Maurizio Lauri	Chairperson
Pina Murè	Regular Auditor
Maria Francesca Talamonti	Regular Auditor
Maria Federica Izzo	Alternate Auditor
Mario Venezia	Alternate Auditor

Executive Responsible

Fabio Paris

Summary of Results

Income statement data (€ million)	30/09/2021	30/09/2020	Change	% Change
Consolidated revenues	2,765.8	2,471.3	294.5	11.9 %
Consolidated operating costs	1,852.1	1,634.3	217.8	13.3 %
(Negative) fair value of commodities	0	0.2	(0.2)	n.s.
Income/(Expenses) from equity investments of a non-financial nature	16.5	21.5	(5.0)	(23.1%)
EBITDA	930.2	858.7	71.5	8.3 %
EBIT	459.7	426.0	33.7	7.9 %
Net profit/(loss)	280.3	251.1	29.2	11.6 %
Profit/(loss) attributable to non-controlling interests	31.7	32.4	(0.6)	(1.9%)
Net profit/(loss) attributable to the Group	**248.6**	**218.7**	**29.8**	**13.6 %**

EBITDA per industrial segment (€ million)	30/09/2021	30/09/2020	Change	% Change
Environment	**49.0**	**39.5**	**9.5**	**24.0 %**
Commercial and Trading	**56.2**	**50.0**	**6.2**	**12.4 %**
Overseas	**20.6**	**19.8**	**0.9**	**4.5 %**
Water	**489.6**	**458.6**	**30.9**	**6.7 %**
Energy Infrastructure	**274.5**	**270.7**	**3.8**	**1.4 %**
Generation	**53.7**	**35.2**	**18.5**	**52.6 %**
Engineering and services	**11.9**	**9.9**	**2.0**	**20.2 %**
Corporate	**(25.4)**	**(25.0)**	**(0.4)**	**1.5 %**
Total EBITDA	**930.2**	**858.7**	**71.5**	**8.3 %**

Financial position data (€ million)	30/09/2021	31/12/2020	Change	% Change	30/09/2020	Change	% Change
Net Invested Capital	6,447.9	5,851.2	596.7	10.2 %	5,755.9	692.0	12.0 %
Net Financial Debt	(3,998.3)	(3,528.0)	(470.4)	13.3 %	(3,535.4)	(462.9)	13.1 %
Consolidated Shareholders' Equity	(2,449.6)	(2,323.3)	(126.3)	5.4 %	(2,220.5)	(229.1)	10.3 %

Capex (€ million)	30/09/2021	30/09/2020	Change	% Change
Environment	23.2	18.2	5.0	27.4 %
Commercial and Trading	33.9	27.0	6.9	25.6 %
Overseas	3.8	1.6	2.2	136.5 %
Water	373.1	338.4	34.7	10.3 %
Energy Infrastructure	196.9	204.1	(7.2)	(3.5%)
Generation	30.5	18.7	11.7	62.7 %
Engineering and services	5.5	3.9	1.6	40.7 %
Corporate	17.4	13.4	4.0	30.0 %
TOTAL	684.3	625.3	59.0	9.4 %

Net Financial Debt (€ million)	30/09/2021	31/12/2020	Change	% Change	30/09/2020	Change	% Change
Environment	270.3	268.0	2.3	0.9 %	284.2	(13.9)	(4.9%)
Commercial and Trading	(59.8)	(95.7)	35.9	(37.5%)	(63.2)	3.4	(5.4%)
Overseas	(16.0)	(9.0)	(7.0)	76.9 %	(9.9)	(6.1)	61.4 %
Water	1,666.3	1,483.7	182.5	12.3 %	1,385.4	280.8	20.3 %
Energy Infrastructure	1,582.4	1,342.5	240.0	17.9 %	1355.6	226.8	16.7 %
Generation	245.4	224.2	21.2	9.4 %	239.5	5.9	2.5 %
Engineering and services	27.5	31.1	(3.6)	(11.7%)	51.8	(24.3)	(46.9%)
Corporate	282.3	283.2	(0.9)	(0.3%)	292.0	(9.7)	(3.3%)
TOTAL	3,998.3	3,528.0	470.3	13.3 %	3,535.3	462.9	13.1 %

Debt at 30 September 2021 (i) is shown gross of € 12.2 million of receivables relating to IFRIC 12 of ACEA S.p.A.; (ii) contains € 178.8 million of payables for dividends approved and not yet distributed to Roma Capitale; (iii) is shown gross of € 17.4 million of payables relating to some acquisitions of equity investments in the photovoltaic sector.

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

Definition of alternative performance measures

On 5 October 2015, ESMA (European Securities and Markets Authority) published its guidelines (ESMA/2015/1415) on criteria for the presentation of alternative performance measures which replace, as of 3 July 2016, the CESR/05-178b recommendations. These guidelines were transposed into our system with CONSOB Communication no. 0092543 dated 3 December 2015. The content and meaning of the non-GAAP measures of performance and other alternative performance indicators used in these financial statements are illustrated below:

1. For the ACEA Group, the EBITDA is an operating performance indicator and from 1 January 2014 also includes the condensed result of equity investments in jointly-controlled entities for which the consolidation method changed when the international accounting standards IFRS 10 and IFRS 11 came into force. EBITDA is determined by adding Operating profit/loss (EBIT) to "Amortisation, Depreciation, Provisions and Impairment", insofar as these are the main non-cash items.
2. The net financial position is an indicator of the ACEA Group's financial structure, the sum of Non-current borrowings and Financial liabilities (excluding payables arising as a result of certain acquisitions during financial year 2019) net of Non-current financial assets (excluding a part of ACEA S.p.A.'s receivables related to IFRIC 12 and securities other than equity investments), Current borrowings and Other current financial liabilities net of Current financial assets (including dividends to pay to Roma Capitale), and cash and cash equivalents; It should be noted that the net financial position has been determined in line with previous years and that regarding the ESMA guidelines referring to the recognition of financial debt (paragraph 39 of the Document of 4 March 2021), an information and reconciliation schedule was included in the section "*Accounting standards and measurement criteria*";
3. *net invested capital* is the sum of "Current assets", "Non-current assets" and "Assets and Liabilities held for sale", less "Current liabilities" and "Non-current liabilities", excluding items taken into account when calculating the net financial position;
4. *net working capital* is the sum of the current receivables, inventories, the net balance of other current assets and liabilities and current debts, excluding the items considered in calculating the net financial position.

Summary of Results: economic performance

Income statement data (€ million)	30/09/2021	30/09/2020	Change	% Change
Revenue from sales and services	2,675.8	2,391.5	284.3	11.9 %
Other revenue and income	90.0	79.7	10.3	12.9 %
Costs of materials and overheads	1,643.4	1,427.2	216.1	15.1 %
Personnel costs	208.7	207.0	1.7	0.8 %
Net Income/(Expenses) from commodity risk management	0.0	0.2	(0.2)	(100.0%)
Income/(Expenses) from equity investments of a non-financial nature	16.5	21.5	(5.0)	(23.1%)
EBITDA	**930.2**	**858.7**	**71.5**	**8.3 %**
Amortisation, Depreciation, Provisions and Impairment	470.5	432.7	37.8	8.7 %
Operating profit/(loss)	**459.7**	**426.0**	**33.7**	**7.9 %**
Financial operations	(62.8)	(68.0)	5.2	(7.7%)
Equity investments	2.4	3.3	(0.9)	(27.2%)
Profit/(loss) before tax	**399.3**	**361.3**	**38.0**	**10.5 %**
Income taxes	119.0	110.2	8.8	8.0 %
Net profit/(loss)	**280.3**	**251.1**	**29.2**	**11.6 %**
Profit/(loss) attributable to non-controlling interests	31.7	32.4	(0.6)	(1.9%)
Net profit/(loss) attributable to the Group	**248.6**	**218.7**	**29.8**	**13.6 %**

Compared to the situation recorded at 30 September 2020 the following changes occurred in the consolidation scope:

- the acquisition by Acea Sun Capital of the photovoltaic companies Euroline3 on 6 May 2020, Energia on 7 May 2020, IFV Energy and PF Power of Future on 7 June 2020 and Belaria on 31 August 2020;
- the 100% consolidation of the company Fergas Solar, acquired by Acea Solar on 15 April 2020, operating in the field of the development and construction of photovoltaic plants;
- the full consolidation of the companies acquired on 22 April 2020 by Acea Ambiente: 60% of the companies Ferrocart, Cavallari and Multigreen (the latter then merged into Cavallari as of 1 January 2021); the companies own a total of four plants with a total authorised capacity of over 145 thousand tonnes per year, operate in the provinces of Terni and Ancona, carrying out sorting and recovery of paper, iron, timber, plastics and metals and are also active in the management of the separate collection of production waste and packaging as well as waste disposal;
- the consolidation of Simam (Servizi Industriali Manageriali Ambientali) on 7 May 2020; the company is a leader in the design, construction and management of water and waste treatment plants, in environmental works and reclamation, with integrated solutions featuring high technological content;
- the consolidation of 100% of the company Electric Drive Italia, acquired by Acea Innovation on 19 May 2020 to promote the development of electric mobility through advanced IT solutions. It should be noted that the company was merged by incorporation into the parent company Acea Innovation as of 1 January 2021;
- the full consolidation of 51% of Adistribuzionegas, acquired on 31 August 2020, a company operating in the gas distribution sector and its subsidiary Notaresco; it should be noted that, on 1 October 2021, the merger between Pescara Distribuzione Gas and Adistribuzionegas was completed;
- the consolidation of Servizio Idrico Integrato (hereinafter S.I.I.) after an amendment to the shareholders' agreements and the acquisition on 16 November 2020 of an additional 15% stake; in this way Acea arrived at a total stake of 40%;
- the establishment on 15 December 2020 of the Consorcio ACEA and the Consorcio ACEA Lima Norte held by Acea Perù (99%) and ACEA Ato2 (1%), the former signed a three-year contact for the management of pumping stations for drinking water in Lima while the latter signed a three-year contract for maintenance of the water and sewerage network in the Lima North zone.

We can note that the merger by incorporation of the companies Brindisi Solar, Acquaviva, Compagnia Solare 2, Compagnia Solare 3 and SPES into the company Solaria Real Estate was carried out on 27 July 2020, while the merger by incorporation of the companies Luna Energia, Sisine Energia, Urbe Cerig, Urbe Solar and Bersolar into the company KT4 was carried out on 26 October 2020. Both mergers have accounting and fiscal effects backdated to 1 January 2020. The installed power with reference to the secondary photovoltaic system is 62 MW.

Lastly, with reference to the 2021 financial year, it should be noted that:

- on 22 April 2021, the deed of merger by incorporation of the company BioEcologia into the company Acea Ambiente was signed. As a result of the merger, the share capital will not change and the by-laws will be amended. The full effects of the merger will run from the date on which the final registrations required by art. 2504 of the Italian Civil Code take place;
- on 24 March 2021, an additional 35% stake was acquired in the company Solaria Real Estate, bringing the shareholding to 100%;
- on 25 March 2021, Crea S.p.A., placed in liquidation on 8 June 2011, was removed from the Companies Register;
- on 19 May 2021, ACEA Sun Capital acquired 100% of the shares of the photovoltaic company JB Solar which has two photovoltaic systems located in the province of Lecce, respectively with power of 891 kWp and 521 kWp, for total installed power of 1.4 MW;
- on 28 May 2021 the companies Acea Renewable and Acea Green were incorporated;

- on 15 July 2021 ACEA Sun Capital acquired 100% of the company Solarplant, owner of a ground-mounted photovoltaic plant with installed power of 0.99 MWp, located in Collesalvetti (LI) and incentivised under the terms of the Second Energy Account;
- on 28 July 2021 ACEA Sun Capital acquired 100% of the company PSL to which was contributed the business unit made up of a photovoltaic plant, located in the municipality of Belpasso (CT), with power of 0.99 MWp;
- on 3 August 2021 ACEA Sun Capital acquired 100% of the company M2D owner of a ground-mounted photovoltaic plant located in the municipality of Leinì (TO), with power of 0.994 MWp.

The table below shows the main impact of the change in the consolidation scope at 30 September 2021 (gross of intercompany adjustments).

€ million	Simam	Ferrocart Cavallari Group	Consorcio Acea and Lima Norte	Adistribuzionegas and Notaresco	SII	Photovoltaic Company	Total
Revenues	17.3	12.3	14.0	4.1	31.0	1.5	80.1
EBITDA	1.8	2.3	0.8	2.7	10.1	2.2	19.9
EBIT	0.4	(0.4)	0.7	1.4	1.5	1.3	4.9
EBIT	0.3	(0.4)	0.5	1.4	0.3	1.1	3.2
NP	(0.0)	(0.2)	0.3	1.4	(0.2)	1.2	2.5

As at 30 September 2021, revenues from sales and services come to € 2,675.8 million, up € 284.3 million (+ 11.9 %) on those in the same period of financial year 2020, mainly due to the increase in revenues from electricity sales (+ € 196.3 million) primarily attributable to higher unit prices and higher quantities. The sale of electricity on the Free Market amounted to 4,933 GWh with an increase compared to the same period of the previous year of 33.2%, related mainly to the B2B segment. The total sale of electricity in the Greater Protection Service, down compared to September 2020, was 1,323 GWh, a decrease of 15.2% on an annual basis. This reduction was due also to the automatic assignment of “small” customers and “micro” enterprises to the Gradual Protection Service, created starting from 1 January 2021 and in part to the decrease in customers (- 5.7%), not offset by the application of higher tariffs.
The following factors also contributed to the increase: **i)** revenues from gas sales of € 21.3 million attributable mainly to Acea Energia (+ € 14.0 million) and due mostly to the higher quantities sold (+ 42.5 million sm^3); **ii)** revenues from the integrated water service (+ € 30.7 million) mainly attributable to the full consolidation of SII (+ € 28.9 million) and for the remainder from Gori (+ € 4.9 million) offset in part by the reduction recorded by ACEA Ato5 (- € 2.4 million) and AdF (- € 1.3 million); **iii)** revenues from waste conferment and landfill management (+ € 19.1 million) deriving mostly from the change in the consolidation scope; **iv)** the change in inventories (+ € 8.4 million) mostly as a result of the consolidation of SIMAM (+ € 9.2 million); **v)** revenues from the foreign area deriving mostly from the change in scope (+ € 14.0 million), offset by the reduction recorded by Acea Perù which in the first half of 2020 managed the contract for maintenance in the Lima North zone in an emergency situation.

Other revenues show an increase of € 10.3 million (+ 12.9%) compared to the same period of the previous year. The change mainly derived from: **i)** higher revenues recorded by ACEA Ato2 (+ € 3.8 million) for costs ancillary to users related to amicable reminder expenses and revenue for water disconnections and connections suspended in the previous period (financial year 2020) as a consequence of the Covid-19 health emergency, and refunds for damages and penalties; **ii)** higher revenues for CMOR recorded by Acea Energia (+ € 1.8 million); **iii)** higher revenues in *a*reti for contingent assets and bonuses related to actions to increase the resilience of the electricity distribution service (+ € 4.9 million) and revenues from users for reports (+ € 1.5 million); and **iv)** higher operating grants on photovoltaic plants (+ € 1.8 million).

External costs increased overall by € 216.1 million (+ 15.1%) compared to 30 September 2020. The changed was due mainly:

- to higher costs related to the supply of electricity, transport and metering (- € 157.5 million) in line with the trend recorded in revenues;
- to higher materials purchasing costs (+ € 12.5 million), related to the change in the scope, with particular reference to SIMAM (+ € 9.7 million) and to the Cavallari/Ferrocart group (+ € 3.6 million);
- higher costs for services (+ € 32.8 million), mainly attributable to the change in the scope.

Overall, the change in external costs was influenced by the change in the scope of consolidation for € 47.7 million, mainly attributable to SII (+ € 19.6 million), SIMAM (+ € 13.5 million) and the companies of the Cavallari/Ferrocart Group (+ € 8.2 million).

Personnel costs increased by € 1.7 million compared to the same period of the previous year (+ 0.8%), net of the change in the scope (+ € 9.3 million) they decreased by € 7.6 million also as a consequence of higher capitalised costs.
The average number of employees was 9,301 and increased by 1,600 compared to 30 September 2020, mainly due to the change in the consolidation scope con particular reference to the foreign segment which contributed for 1,566.

€ million	30/09/2021	30/09/2020	Change	% Change
Staff costs including capitalised costs	349.0	322.2	26.8	8.3 %
Costs capitalised	(140.3)	(115.2)	(25.1)	21.8 %
Personnel costs	**208.7**	**207.0**	**1.7**	**0.8 %**

Income from non-financial equity investments represents the consolidated result according to the equity method included among the components forming the consolidated EBITDA of the strategic companies. The following table also includes the results of SII consolidated at equity until 16 November 2020 equal to € 0.4 million. The increase in depreciation and amortisation refers to the Tuscan companies.

€ thousand	30/09/2021	30/09/2020	Change	% Change
EBITDA	92.3	91.8	0.5	0.5 %
Amortisation, depreciation, impairment and provisions	(68.2)	(58.7)	(9.5)	16.2 %
Financial operations	(1.8)	(2.6)	0.8	(32.2%)
Taxes	(5.8)	(9.0)	3.2	(35.6%)
Income from equity investments of a non-financial nature	**16.5**	**21.5**	**(5.0)**	**(23.1%)**

EBITDA rose from € 858.7 million at 30 September 2020 to € 930.2 million at 30 September 2021, recording an increase of € 71.5 million or 8.3%.
The change in the consolidation scope accounted for € 19.9 million, due mainly to the line-by-line consolidation of SII (+ € 10.1 million), the consolidation of SIMAM (+ € 1.8 million), of the Cavallari/Ferrocart Group (+ € 2.3 million), of the photovoltaic companies (+ € 2.2 million) and of Adistribuzionegas (+ € 2.7 million).
With the same scope, the growth in EBITDA was therefore € 51.6 million and derived mainly from: **(i)** tariff trends in the water sector (+ € 18.1 million) above all attributable to ACEA Ato2 (+ € 20.3 million) following the higher value of the ERC Capex measured on the basis of what is provided for in the MTI-3 with reference to investments that came into operation in 2019 and of the FONI and for costs ancillary to users mainly related to amicable reminder expenses and the sale of equipment and materials (€ + 1.4 million), for water disconnections and reconnections (+ € 0.7 million) suspended in the previous period as a consequence of the Covid-19 health emergency and refunds for damages and penalties (+ € 1.5 million) and to the decrease in costs for disposal of sludge, as a result of overcoming the crisis in management of the sludge produced by waste treatment plants in the regional territory (- € 7.3 million); **ii)** an increase in the margins of the commercial and trading sector (+ € 6.7 million) due both to the higher energy margin and to that of gas (in part a price effect and in part higher volumes), partially offset by an increase in external costs; **iii)** the generation segment that shows an increase of € 18.5 million mainly attributable to Acea Produzione (+ € 13.6 million) and determined by the increase both in the volumes produced owing to higher amounts of water and for a price effect on the energy markets; **iv)** the environment segment contributed positively for € 7.2 million due mostly to higher margins on the sale of electricity as an overall result of the lower volumes and the price effect; **v)** the energy infrastructures segment which contributed for € 3.8 million as a consequence, among other things, of the margin deriving from the open fiber order (+ € 1.4 million), from the effects of the resilience plan (+ € 5.3 million), from higher connection contributions (+ € 0.7 million), in part offset by the effects deriving from energy balancing (- € 2.0 million) and finally from lower revenues for public lighting (- € 2.0 million) as a consequence of less accidental maintenance work and less activities for new constructions. The other segments recorded results that were in line with the same period of the previous year.

EBIT increased by € 33.7 million compared to the same period of the previous year. This increase was mitigated by growth in depreciation/amortisation (€ 30.4 million compared to 30 September 2020), of which € 13.6 million attributable to the change in the consolidation scope. Below are details of the items influencing EBIT.

€ million	30/09/2021	30/09/2020	Change	% Change
Amortisation / depreciation of intangible and tangible assets and impairment	395.2	364.8	30.4	8.3 %
Provision for doubtful accounts	66.4	58.1	8.3	14.2 %
Provision for risks and charges	8.9	9.8	(0.9)	(8.7%)
Amortisation, depreciation, impairment and provisions	**470.5**	**432.7**	**37.8**	**8.7 %**

The increase in depreciation and amortisation, net of changes in the scope, was € 16.8 million mainly as a consequence of investments of the period in all the business areas; we can note in particular the increase in the water area (higher depreciation and amortisation of € 13.9 million). The growth in depreciation and amortisation was mitigated by the reduction recognised by Acea Ambiente (- € 7.5 million) as a result of the adjustment of the technical economic lives of assets recognised made in financial year 2020 following the assessment of the technological changes in the sector, the dismantling/closure expenses and the recoverable value.
The increase in the item provisions for the impairment of receivables is attributable to Acea Energia (+ € 3.5 million), Gori (+ € 2.3 million) and lastly Acea Ato2 (+ € 1.1 million).
Provisions for risks were slightly down compared to the same period of the previous year (- € 0.9 million) mainly as a result of the opposite effect of the lower provisions recorded by *areti* (- € 1.4 million referred to the new regulation on road cables and EEC expenses) and Adf (- € 0.8 million) offset by the increase recorded by Acea Energia (+ € 1.8 million) as a result of higher provisions for legal disputes.

Net gains/losses from financial operations showed net expenses of € 62.8 million, down by € 5.2 million compared to the same period in 2020. The change is mainly attributable to the parent company (+ € 1.6 million) and ACEA Ato5 (+ € 1.7 million); the average overall all-in cost of the ACEA Group's debt stood at 1.42% compared to 1.76% in the same period of the previous year.

The estimate of fiscal charges amounted to € 119.0 million, compared to € 110.2 million in the same period of the previous year. The total increase of € 8.8 million was mainly due to the higher pre-tax profit. The tax rate for 30 September 2021 was 29.8% (30.5% at 30 September 2020).

The net profit attributable to the Group was € 248.6 million, and showed an increase of € 29.8 million compared to the same period of the previous year.

Summary of results: trends in financial position and cash flows

Financial position data (€ million)	30/09/2021	31/12/2020	Change	% Change	30/09/2020	Change	% Change
Non-current Assets and Liabilities	**6,871.3**	**6,602.2**	**269.2**	**4.1 %**	**6,098.2**	**773.1**	**12.7 %**
Net working capital	**(423.4)**	**(750.9)**	**327.5**	**(43.6%)**	**(342.4)**	**(81.0)**	**23.7 %**
Invested Capital	**6,447.9**	**5,851.2**	**596.7**	**10.2 %**	**5,755.9**	**692.0**	**12.0 %**
Net Financial Debt	**(3,998.3)**	**(3,528.0)**	**(470.4)**	**13.3 %**	**(3,535.4)**	**(462.9)**	**13.1 %**
Total shareholders' equity	**(2,449.6)**	**(2,323.3)**	**(126.3)**	**5.4 %**	**(2,220.5)**	**(229.1)**	**10.3 %**
Total Sources of Financing	**6,447.9**	**5,851.2**	**596.7**	**10.2 %**	**5,755.9**	**692.0**	**12.0 %**

Non-current Assets and Liabilities

Compared to 31 December 2020 non-current assets and liabilities increased by € 269.2 million (+ 4.1%) mainly as a consequence of the growth in fixed assets (+ € 312.1 million); the change compared to the same period of the previous year came out at € 773.1 million (+ 12.7%).

€ million	30/09/2021	31/12/2020	Change	% Change	30/09/2020	Change	% Change
Tangible/intangible fixed assets	6,547.5	6,235.4	312.1	5.0 %	5,946.0	601.5	10.1 %
Equity investments	292.6	279.5	13.1	4.7 %	291.3	1.2	0.4 %
Other non-current assets	801.4	772.1	29.3	3.8 %	599.0	202.5	33.8 %
Employee severance indemnity and other defined-benefit plans	(118.8)	(122.0)	3.2	(2.7%)	(105.2)	(13.6)	13.0 %
Provisions for risks and charges	(253.4)	(157.0)	(96.5)	61.5 %	(240.0)	(13.4)	5.6 %
Other non-current liabilities	(398.0)	(405.8)	7.8	(1.9%)	(392.9)	(5.1)	1.3 %
Non-current assets and liabilities	**6,871.3**	**6,602.2**	**269.2**	**4.1 %**	**6,098.2**	**773.1**	**12.7 %**

The change in intangible fixed assets was mainly due to investments, which reached € 684.3 million, and depreciation, amortisation and impairment, totalling € 395.2 million.

See the following table as regards the investments made in each Operating Segment.

Capex (€ million)	30/09/2021	30/09/2020	Change	% Change
Environment	**23.2**	**18.2**	**5.0**	**27.4 %**
Commercial and Trading	**33.9**	**27.0**	**6.9**	**25.6 %**
Overseas	**3.8**	**1.6**	**2.2**	**136.5 %**
Water	**373.1**	**338.4**	**34.7**	**10.3 %**
Energy Infrastructure	**196.9**	**204.1**	**(7.2)**	**(3.5%)**
Generation	**30.5**	**18.7**	**11.7**	**62.7 %**
Engineering and services	**5.5**	**3.9**	**1.6**	**40.7 %**
Corporate	**17.4**	**13.4**	**4.0**	**30.0 %**
TOTAL	**684.3**	**625.3**	**59.0**	**9.4 %**

The Environment Segment made investments of € 23.2 million and compared to the 30 September 2020 they increased by € 5.0 million owing mainly to the investments made by Acea Ambiente for work done on the San Vittore and Aprilia plants, for the purchase of a building in Borgorose and for the work to construct a compost storage and maturation plant at the Orvieto site. Contributions to the increase also came from Berg (€ 1.4 million) for the construction of a concentration plant and finally from Ferrocart and Cavallari for € 1.0 million.

The Commercial and Trading Segment recorded investments of € 33.9 million, up compared to 30 September 2020 (+€ 6.9 million). The investments refer to Acea Energia for € 20.4 million due to the cost of acquiring new customers pursuant to IFRS15 and for € 8.7 million to IT implementation projects. The increase refers for € 3.1 million to investments made by Acea Innovation for e-mobility projects.

The **Overseas Segment** recorded an increase of € 2.2 million, mainly attributable to Aguas de San Pedro (€ 1.7 million) and Acea Perù for € 0.3 million. The changes in the consolidation scope accounted for € 0.2 million of the increase owing to the consolidation of Consorcio Lima Norte.

The Water Segment made total investments of € 373.1 million, increasing by € 34.7 million on the same period of the previous year, due to higher investments by ACEA Ato2 (+ € 30.6 million) and Adf (+€ 4.5 million) partially offset by the lower investments made by ACEA Ato5 (- € 4.5 million) and Gori (- € 4.0 million). The change in the consolidation scope contributed to higher investments following the consolidations of SII for € 7.6 million and Adistribuzionegas for € 0.8 million. The investments of the Segment refer mainly to extraordinary maintenance work, reconstruction, modernisation and expansion of plants and networks, the reclamation and expansion of water and sewer pipes of the various Municipalities and work on purification and transport plants (ducts and feeders).

The Energy Infrastructures Segment contributed to the total of investments for €196.9 million, a decrease compared to the same period of the previous year of € 7.2 million. The investments refer mainly to the expansion and upgrading of the HV, MV and LV grids, work on the primary stations, secondary substations and meters, metering units and remote control equipment as part of the network "Adequacy and Safety" and "Innovation and Digitisation" projects. This was all intended to improve the quality of the service and increase resilience. Intangible investments refer to projects for the re-engineering of information and commercial systems.

The Generation Segment made investments of € 30.5 million, up by € 11.7 million compared to 30 September 2020 and they refer: (i) to Acea Produzione, mainly for the extraordinary maintenance work at the Tor di Valle Power Station, for the construction of the Valle Galeria photovoltaic plant, the requalification work on the substations of the S.Angelo, Salisano and Orte Power Stations and the extension and restoration of the district heating network in the territory of Mezzocammino in the south of Rome; (ii) to the investments made by Acea Solar for the construction of photovoltaic plants on both agricultural and industrial land and (iii) to Fergas Solar for € 10.2 million mainly for the Ferrandina plant.

The Engineering & Services Segment recognised investments of € 5.5 million; the change of € 1.6 million refers to Acea Elabori.

The Corporate Segment recorded an increase of € 4.0 million in investments compared to 30 September 2020; these relate mainly to software licences, IT and hardware developments, as well as investments in the company offices. The change includes the cost, including legal expenses, for the purchase of the plot of land adjacent to the headquarters used as a car park by ATAC SpA, which occurred with a competitive procedure (the total cost was € 1.6 million).

Group investments concerning shared IT infrastructure totalled € 20.9 million.

Equity investments and equity securities that do not constitute control, association or joint control, increased by € 13.1 million compared to 31 December 2020. the change was determined by the increase in the valuation of companies consolidated with the equity method of € 21.5 million offset by other decreases, mainly for dividend distribution (- € 4.8 million).

The stock of **employee severance indemnity and other defined benefit plans** recorded a decrease of € 3.2 million, owing mainly to an increase in the discounting rate applied (from 0.35% at 31 December 2020 to 0.88% at 30 September 2021).

Provisions for risks and charges increased by 61.5 % compared to the end of the previous year; the details, divided by the nature of the provisions, are presented below. The change refers mainly to provisions set aside for interim taxes (€ 112.4 million) offset in part by the utilisations recorded in the period referable mainly to provisions for early retirements and redundancies (€ 17.0 million).

€ million	31/12/2020	Uses	Provisions	Release for Excess Provisions	Reclassifications/Other changes	30/09/2021
Legal	16.2	(1.7)	2.6	(0.4)	(0.0)	16.7
Taxes	9.2	(0.1)	0.2	(1.3)	(0.1)	7.9
Regulatory risks	27.4	(0.0)	1.4	0.0	(0.4)	28.4
Investees	10.3	0.0	0.0	0.0	0.4	10.7
Contributory risks	1.1	0.0	0.0	0.0	0.0	1.1
Insurance deductibles	11.0	(1.3)	1.8	0.0	(0.1)	11.4
Other risks and charges	23.7	(3.3)	1.7	(0.7)	0.1	21.4
Total Provision for Risks	**98.9**	**(6.4)**	**7.6**	**(2.3)**	**(0.3)**	**97.5**
Early retirements and redundancies	31.8	(17.0)	0.7	0.0	(0.0)	15.4
Post mortem	17.6	0.0	0.0	0.0	0.4	18.0
Provision for Expenses payable to others	8.7	(1.6)	2.9	0.0	0.1	10.1
Provisions for interim taxes	0.0	0.0	112.1	0.0	0.3	112.4
Total Provisions for Expenses	**58.1**	**(18.7)**	**115.7**	**0.0**	**0.7**	**155.9**
Total Provisions for Risks and Charges	**157.0**	**(25.1)**	**123.4**	**(2.3)**	**0.5**	**253.4**

Net working capital

The change in **net working capital** compared to 31 December 2020 is attributable mainly to an increase in other current receivables of € 85.4 million, an increase in other current assets of € 129.7 million and a decrease in current payables of € 186.6 million, partially offset by an increase in other current liabilities of € 76.4 million.

€ million	30/09/2021	31/12/2020	Change	30/09/2020	Change
Current receivables	**1,066.9**	**981.5**	**85.4**	**1,250.8**	**(183.9)**
- of which end users/customers	1,006.8	934.2	72.6	1,156.0	(149.2)
- of which Roma Capitale	53.6	38.7	14.9	79.6	(26.1)
Inventories	**94.1**	**92.0**	**2.1**	**80.4**	**13.7**
Other current assets	**396.8**	**267.1**	**129.7**	**327.2**	**69.5**
Current payables	**(1,440.5)**	**(1,627.1)**	**186.6**	**(1,599.0)**	**158.5**
- of which Suppliers	(1,369.7)	(1,535.1)	165.3	(1,490.6)	120.8
- of which Roma Capitale	(64.6)	(87.6)	23.1	(104.3)	39.7
Other current liabilities	**(540.7)**	**(464.4)**	**(76.4)**	**(401.8)**	**(138.9)**
Net working capital	**(423.4)**	**(750.9)**	**327.5**	**(342.4)**	**(81.0)**

Receivables from users and customers, net of provisions for impairment of receivables, amounted to € 1.006.8 million (€ 934.2 million at the end of 2020) an increase of € 72.6 million. We can note: i) an increase in the receivables of the Water Segment of € 20.7 million mainly referable to ACEA Ato2 (+ € 29.7 million), ACEA Ato5 (+ € 6.3 million) and ADF (+ € 1.4 million) partially offset by the decrease recorded in SII (- € 9.6 million) and in Gori (- € 8.2 million); ii) an increase in the receivables of the Commercial and Trading segment of € 32.4 million mainly attributable to Acea Energia (+ € 36.5 million) offset in part by Umbria Energy (- € 4.6 million); iii) an increase in the receivables of the Energy Infrastructures Segment of € 20.3 million and iv) a decrease in the receivables of the Environment Segment of € 1.3 million, deriving mainly from a decrease in the receivables of Aquaser (- € 2.1 million), Acque Industriali (- € 0.8 million) and Berg (- € 0.4 million) partially offset by an increase in the receivables recorded in Cavallari and Ferrocart (+ € 2.2 million). The Generation business contributed to the increase in receivables for € 1.5 million.

Provisions for impairment of receivables at 30 September 2021 amounted to € 643.1 million with an increase of € 3.2 million compared to the end of 2020. Receivables totalling € 1,063.2 million were transferred without recourse during the first nine months of 2021, of which € 174.4 million from the Public Administration.

As regards **relations with Roma Capitale**, the net balance at 30 September 2021 was € 50.2 million payable by the Group, compared to the previous balance of € 28.6 million at 31 December 2020.
The change in receivables and payables is due to the accrual of the period and especially the effects of the operations shown below:

- January 2021 payment by Acea Ato2 of the balance of the concession fee for 2017 of € 8.4 million and the concession fee for 2019 (€ 25.1 million);
- March 2021, offsetting of receivables for € 18.6 million relating to the Public Lighting service for January-November 2020 fees, offsetting ACEA's share dividends for 2018;
- June 2021, offsetting of receivables for € 8.9 million relating to receivables from water use for the period November - December 2020, offsetting the share dividends for the years 2018 and 2019, and the portion of the 2020 concession fee;
- July 2021 offsetting of: (i) receivables for € 11.9 million related to water use for the period January-April 2021, offsetting the portion of the 2020 concession fee and (ii) receivables for € 8.9 million related to the Public Lighting service for IP fees, periods December 2020 and January-April 2021 offsetting ACEA's share dividends for 2020;
- September 2021 offsetting of receivables for € 4.1 million related to the Public Lighting service for Led Plan offset with ACEA's share dividends for 2018 and receivables for € 7.2 million related to the Public Lighting service for IP fees related to the periods May-August 2021 offsetting ACEA's share dividends for 2018.

During the period Acea Produzione received approximately € 0.3 million from Rome Capitale referring to district heating users.

During the period the stock of trade receivables recorded an increase of € 14.8 million due mainly to the accrual of invoices to water use of the period (€ 35.6 million) and the offsetting of receivables for water use for € 20.8 million.

Financial receivables decreased by € 12.9 million compared to the previous period, to be attributed to the combined effect of i) the offsetting of financial receivables (as detailed above); ii) the accrual of receivables related to the public lighting service agreement, to the modernisation of security, to extraordinary maintenance, to the Led Plan agreement and to the works relating to the Public Lighting service.

As regards payables, in the period there was an increase of € 23.5 million. The main changes are listed below:

- recognition of Acea share dividends for 2020 amounting to € 86.9 million (resolved by the Shareholders' Meeting of April 2021);
- recognition of the portion accrued for 2021 referred to the concession fee of Acea Ato2 for € 25.3 million;
- recognition of Acea Ato2 share dividends for 2020 amounting to € 2.3 million (resolved by the Shareholders' Meeting of April 2021);
- recognition of the portion accrued for the COSAP payable (fee for occupation of public spaces and areas) of € 1.6 million;
- decrease due to payment by Acea Ato2 of the balance of the concession fee for 2017 and 2019 for a total of € 33.5 million;
- decrease due to the payment by Acea Ato2 of the 2020 concession fee for € 4.6 million due to the June offsetting;
- decrease in Acea Ato2 share dividends referring to 2018 and 2019, due to the offsetting in June for € 4.3 million;
- decrease due to the payment by Acea Ato2 of the 2020 concession fee for € 11.9 million due to the July offsetting;
- decrease in the payable for Acea's share dividends for 2018 of € 18.6 million following the payment made through offsetting in March;
- decrease in the payable for Acea's share dividends for 2020 of € 8.9 million following the payment made through offsetting in July;
- decrease in the payable for Acea's share dividends for 2018 of € 11.3 million following the payment made through offsetting in September;

As described in the Consolidated Financial Statements at 31 December 2019 as part of the activities required for the first consolidation of the ACEA Group in the 2018 Financial Statements of Roma Capitale, a round table was launched to reconcile the Roma Capitale Receivables and Payables. After several meetings and communications, on 22 February 2019 the Technical Department of the Municipality (SIMU) in charge of the management of the contracts with the ACEA Group communicated several objections relating to the supply of both works and services for the period 2008-2018. These objections were completely rejected by the Group. In order to arrive at a complete resolution of the differences during 2019 a specific Joint Technical Committee was set up with the ACEA Group.
Following several meetings, on 18 October 2019, the Joint Technical Committee drew up a report on the closure of the work, highlighting the results that emerged and proposing a favourable restart of the ordinary execution of the mutual obligations between the ACEA Group and Roma Capitale.
As a first step after the completion of the work, the parties took steps to implement the results that emerged from the discussions, restarting the payment of their respective receivables and payables. In 2020 a total of € 33.3 million of receivables were settled while in 2021 € 4.1 million have already been settled.

Please note that at the end of September 2021, the Consolidated Financial Statements of Roma Capitale at 31 December 2020 were approved.

For the Public Lighting contract at the end of 2020 the AGCM made its position clear regarding the legitimacy of the existing contract, to this day a source of audits, works and joint investigation. Among other things, the measure also gave rise to audits on the congruity of the prices applied. In February 2021, following the aforesaid feedback and works, Roma Capitale confirmed the absolute congruity and convenience of the current economic terms with respect to the CONSIP parameters.

The following table presents an analysis of receivables and payables, including those of a financial nature, between ACEA Group and Roma Capitale, as regards both net credit exposure and debt exposure, including financial items.

Receivables due from Roma Capitale	30/09/21	31/12/20	Change
€ million	**A)**	**B)**	**A) - B)**
Utility receivables	56.2	42.0	14.2
Provisions for impairment	(9.2)	(9.3)	0.2
Total receivables from users	**47.1**	**32.7**	**14.4**
Receivables for water works and services	2.3	2.3	0.0
Receivables for water works and services to be invoiced	2.2	1.8	0.4
Provisions for impairment	(1.9)	(1.9)	0.0
Receivables for electrical works and services	4.2	4.1	0.2
Provisions for impairment	(0.3)	(0.3)	0.0
Total receivables for works	**6.5**	**6.0**	**0.5**
Total trade receivables	**53.6**	**38.7**	**14.9**
Financial receivables for Public Lighting services billed	149.0	129.3	19.7
Provisions for impairment	(30.2)	(30.2)	0.0
Financial receivables for Public Lighting services to be billed	39.7	65.0	(25.3)
Provisions for impairment	(26.7)	(22.0)	(4.7)
M/L term financial receivables for Public Lighting services	9.2	11.8	(2.6)
Total Public Lighting receivables	**141.1**	**154.0**	**(12.9)**

Receivables due from Roma Capitale	30/09/21	31/12/20	Change
€ million	A)	B)	A) - B)
Total Receivables	194.6	192.7	1.9

Payables due to Roma Capitale	30/09/21	31/12/20	Change
Electricity surtax payable	(15.2)	(15.2)	0.0
Concession fees payable	(37.5)	(62.2)	24.7
Other payables	(13.3)	(11.0)	(2.3)
Dividend payables	(178.8)	(132.9)	(45.9)
Total payables	**(244.9)**	**(221.3)**	**(23.5)**
Net balance receivables payables	**(50.2)**	**(28.6)**	**(21.6)**

Current payables fell due to the decrease in the stock of trade payables (- € 165.3 million). This effect was recorded mainly with reference to the payables of *a*reti (- € 142.2 million); in particular we can note that the change was due in part (€ 36.0 million) to a reallocation of the payable for the ASOS tariff component which following resolution 231/2021/R/eel must be paid by the distributors to CSEA and no longer to GSE with a consequent move from trade payables to other current liabilities and for the remainder, again in relation to the aforementioned resolution, to shorter payment extensions following legislative changes that led to non-renewal of agreements in being in 2020.

Other Current Assets and Liabilities recorded an increase of € 129.7 million and € 76.4 million respectively compared to the previous year. In detail other assets increased as a result of the increase in tax credits of € 51.9 million, of the measurement of derivatives on commodities of Acea Energia of € 28.9 million, receivables for energy equalisation of € 18.2 million, the increase in prepaid expenses of €17.0 million and receivables for accrued green certificates of € 5.5 million.
As regards the increase in other current liabilities we can note an increase in payables to the Equalisation Fund, Cassa Conguaglio (+ € 58.2 million) as explained above, in payables for municipal and provincial surcharges (+ € 21.5 million), and in accrued expenses and deferred income of € 7.3 million.

Shareholders' equity
The **shareholders' equity** amounted to € 2,449.6 million. The changes, amounting to € 126.3 million, are detailed in the relevant table and are basically due to the distribution of dividends, the accrual of profits of the first nine months of 2021, and the change in the cash flow hedge reserves and those formed by actuarial gains and losses as well as the change in the consolidation scope.

Net financial debt

Group **debt** recorded an overall increase of € 470.4 million, going from € 3,528.0 million at the end of 2020 to € 3,998.3 million at 30 September 2021. This change is a direct consequence of the investments for the period and trends in operating cash flow attributable to ***areti*** (+ € 240.0 million) and to **ACEA Ato2** (+ € 182.6 million).

€ million	30/09/2021	31/12/2020	Change	% Change	30/09/2020	Change	% Change
Non-current financial assets/(liabilities)	3.3	2.9	0.4	15.5 %	2.5	0.9	36.0 %
Parent company, subsidiaries and associates current financial assets/(liabilities)	15.1	21.2	(6.0)	(28.5%)	27.7	(12.6)	(45.4%)
Non-current borrowings and financial liabilities	(4,844.1)	(4,154.3)	(689.8)	16.6 %	(4,147.1)	(697.0)	16.8 %
Net medium/long-term debt	**(4,825.6)**	**(4,130.2)**	**(695.4)**	**16.8 %**	**(4,116.9)**	**(708.7)**	**17.2 %**
Cash and cash equivalents and securities	746.5	642.2	104.3	16.2 %	523.4	223.1	42.6 %
Short-term debt	(116.9)	(224.0)	107.2	(47.8%)	(159.9)	43.1	(26.9%)
Current financial assets/(liabilities)	235.9	173.0	62.8	36.3 %	199.3	36.5	18.3 %
Parent Company and Associates non-current financial assets/(liabilities)	(38.2)	11.1	(49.2)	n.s.	18.7	(56.9)	n.s.
Short-term financial position	**827.3**	**602.2**	**225.1**	**37.4 %**	**581.5**	**245.8**	**42.3 %**
Total net financial position	**(3,998.3)**	**(3,528.0)**	**(470.4)**	**13.3 %**	**(3,535.4)**	**(462.9)**	**13.1 %**

As regards the **medium/long-term** component, the increase of € 695.4 million compared to the end of 2020 refers to the increase in non-current payables and financial liabilities (€ 689.8 million). This change derives from an increase in bond loans of € 890.1 million offset in part by a decrease in payables for medium/long-term loans of € 200.3 million (of which + € 7.7 million owing to IFRS 16), as shown in the following table:

€ million	30/09/2021	31/12/2020	Change	Change %	30/09/2020	Change	Change %
Bonds	4,143.6	3,253.4	890.1	27.4 %	3,252.2	891.4	27.4 %
Medium/long-term borrowings	700.5	900.8	(200.3)	(22.2%)	894.9	(194.4)	(21.7%)
Medium/long-term debt	**4,844.1**	**4,154.3**	**689.8**	**16.6 %**	**4,147.1**	**697.0**	**16.8 %**

Bonds of € 4,143.6 million increased by a total of € 890.1 million mainly due to the placement of two Green Bonds issued in January 2021 by the Parent Company under the Euro Medium Term Notes (EMTN) programme. The amount of € 889.3 million includes the long-term portion of the arrangement costs.

Medium/long-term loans of € 700.5 million show a total decrease of € 200.3 million due mainly to the Parent Company (- € 174.1 million) for the early repayment on the loan taken out in 2020 for € 100.0 million and the early repayment of principal for € 52.8 million for a portion of EIB funding taken up in 2014. The following table shows medium/long–term and short-term borrowings (excluding the portion due to application of IFRS 16) by term to maturity and type of interest rate.

Loans:	Total Residual Debt	By 30/09/2021	From 30/09/2021 to 30/09/2026	After 30/09/2026
fixed rate	521.8	78.5	260.6	182.6
floating rate	49.2	10.1	28.8	10.4
floating rate cash flow hedge	180.7	14.3	65.0	101.4
Total	**751.7**	**102.8**	**354.4**	**294.4**

The ***fair value*** of ACEA hedging derivatives was negative but has almost been reduced to zero as consequence of the approaching maturity, decreasing by € 0.3 million compared to 31 December 2020 (a negative € 0.3 million). The fair value of the AdF hedging derivative was a negative € 3.1 million (at 31 December 2020 it was a negative € 4.4 million), while that of GORI was a negative € 0.6 million (at 31 December 2020 it was a negative € 1.6 million).

The **short-term** component was a positive € 827.3 million and, compared to the end of 2020, shows an increase of € 225.1 million, generated for € 187.2 million by the Parent Company and for € 12.8 million by ACEA Ato2. The change of the Parent Company can be attributed in part to the higher cash and cash equivalents of the Parent Company generated primarily by the issue of bond loans and not absorbed by the operating companies and to the reduction in short-term deposits.

At 30 September 2021 the Parent Company had unused committed credit lines of € 500.0 million, uncommitted lines of € 528.0 million of which € 52.5 million used, as well as unused and available medium/long term loan lines of € 250.0 million. No guarantees were granted in obtaining these lines.

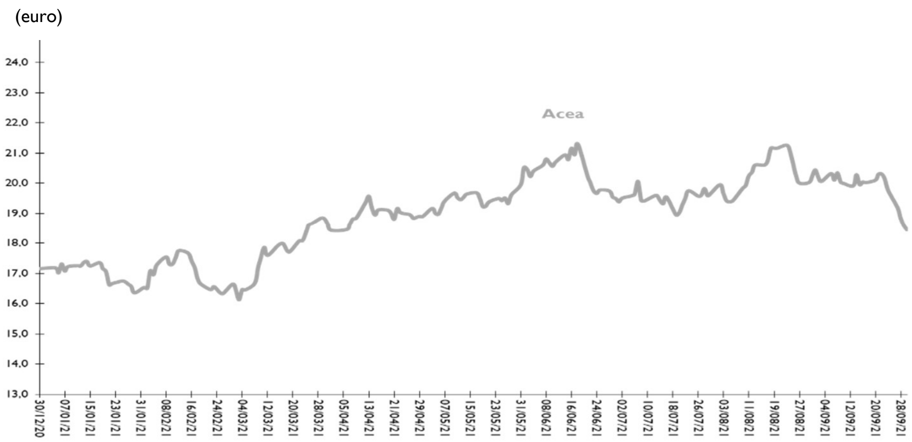
It must be noted that the long-term Ratings assigned to ACEA by the International Ratings Agencies were:

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

Reference context

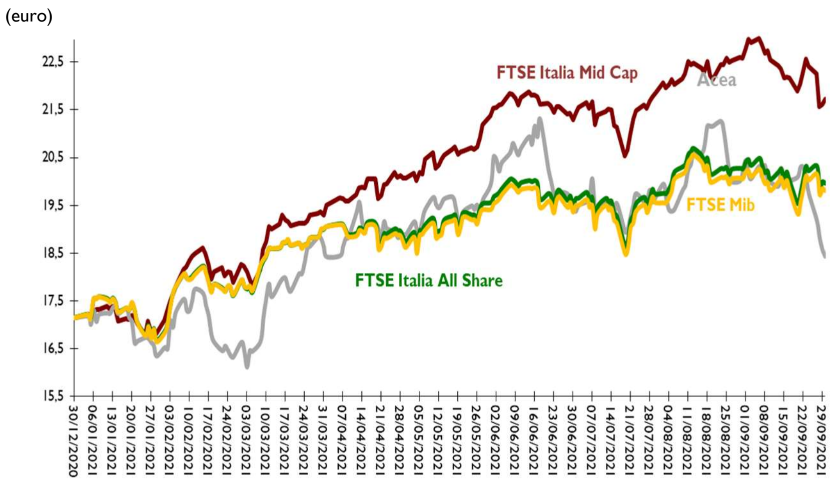
Performance of the equity markets and the ACEA stock

In the first nine months of 2021, the global equity markets recorded an overall positive trend, thanks to the recovery of the economy sustained by the expansive measures of the Central Banks and by the vaccine campaign at the global level. The latter enabled a gradual reduction in the restrictions imposed by the Governments following the COVID-19 health emergency.
As regards Italy, the main Stock Market indices showed the following positive changes: FTSE MIB +15.5%; FTSE Italia All Share +16.4%; FTSE Italia Mid Cap +26.6%.
In the first nine months of the year Acea showed a positive performance; the price went up from € 17.15 to € 18.44 (+ 7.5%). The stock recorded on 30 September (last stock market session of the 9 months of 2021) a closing price of € 18.44 (capitalisation: € 3,927 million). The maximum value of € 21.30 was reached on 18 June, while the minimum value of € 16.12 was reached on 3 March. During the period being analysed, the daily average volumes traded were higher than 131,000 (compared to the approximately 164,000 of the first 9 months of 2020).



(Source: Bloomberg)

The following normalised graph shows the ACEA stock values, compared to the performance of the Stock Market indices.



(graph normalised to Acea values - Source: Bloomberg)

	Change % at 30/9/2021 (compared to 31/12/20)
ACEA	**+7.5 %**
FTSE MIB	+15.5 %
FTSE Italia All Share	+16.4 %
FTSE Italia Mid Cap	+26.6 %

More than 100 studies/reports on the Acea stock were published in the first 9 months of 2021.

Trend of Operating segments

Economic results by segment

The results by segment are shown on the basis of the approach used by the management to monitor Group performance in the financial years compared in observance of IFRS 8 accounting standards. Note that the results of the "Other" segment include those deriving from ACEA corporate activities as well as inter-sectoral adjustments.

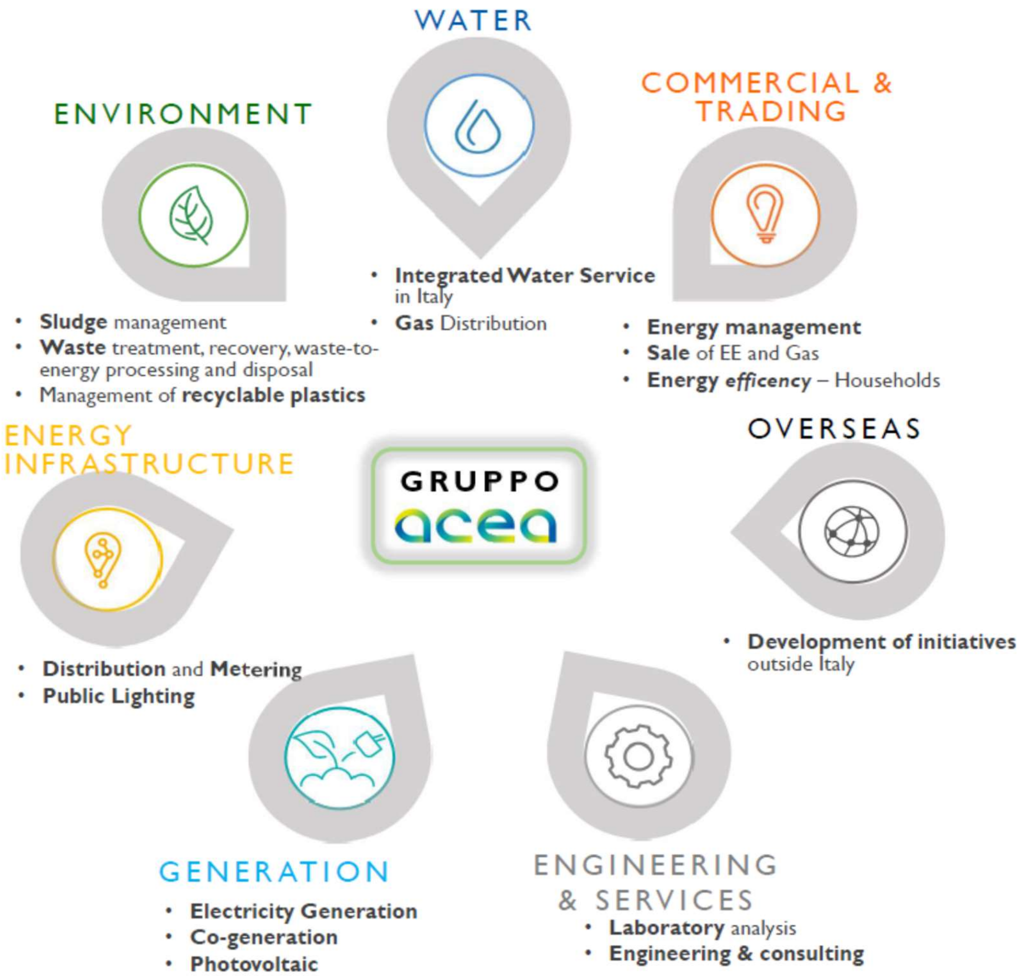
						Energy Infrastructure					Other		
€ million 30/09/2021	Environment	Commercial and Trading	Overseas	Water	Generation	Areti	IP	Adjustments	Total	Engineering and Services	Corporate	Consolidation adjustments	Consolidated Total
Revenues	167	1,346	57	925	83	437	29	0	465	83	97	(440)	2,782
Costs	118	1,289	37	435	29	159	31	0	191	71	122	(440)	1,852
EBITDA	**49**	**56**	**21**	**490**	**54**	**277**	**(3)**	**0**	**275**	**12**	**(25)**	**0**	**930**
Depreciation/amortisation and impairment losses	21	52	9	240	21	105	1	0	106	4	18	0	470
Operating profit/(loss)	**28**	**5**	**12**	**250**	**33**	**172**	**(4)**	**0**	**169**	**8**	**(44)**	**0**	**460**
Capex	23	34	4	373	30	193	3	0	197	6	17	0	684

The revenues in the above table include the condensed result of equity investments (of a non-financial nature) consolidated using the equity method, as well as results from equity investments in the gas distribution segment in Abruzzo.

						Energy Infrastructure					Other		
€ million 30/09/2020	Environment	Commercial and Trading	Overseas	Water	Generation	Areti	IP	Adjustments	Total	Engineering and Services	Corporate	Consolidation adjustments	Consolidated Total
Revenues	149	1,129	48	894	60	425	33	0	458	61	91	(402)	2,488
Costs	109	1,079	28	436	25	154	33	0	187	51	116	(402)	1,630
EBITDA	**40**	**50**	**20**	**459**	**35**	**271**	**(1)**	**0**	**271**	**10**	**(25)**	**0**	**859**
Depreciation/amortisation and impairment losses	25	45	9	213	18	105	1	0	106	2	13	0	433
Operating profit/(loss)	**14**	**5**	**10**	**246**	**17**	**166**	**(2)**	**0**	**164**	**8**	**(38)**	**0**	**426**
Capex	18	27	2	338	19	201	3	0	204	4	13	0	625

Operating Segments

ACEA's macro structure is organised in corporate functions and seven operating segments: Water, Energy Infrastructure, Generation, Commercial and Trading, Environment, Overseas and Engineering and Services.



Environment

Operating figures, equity and financial results for the period

Operating data	U.M.	30/09/2021	30/09/2020	Change	% Change
WTE conferment	KTon	316.1	319.5	(3.4)	(1.1%)
Landfilled waste	KTon	30.4	23.7	6.7	28.2 %
Contributions to composting plants	KTon	154.2	136.9	17.3	12.6 %
Contributions to Selection Plants	KTon	181.3	122.4	58.9	48.1 %
Intermediated waste	KTon	117.2	149.8	(32.6)	(21.8%)
Liquids treated at Plants	KTon	324.1	313.4	10.7	3.4 %
Net Electrical Energy transferred	GWh	249.3	248.3	1.0	0.4 %
Waste produced	KTon	144.6	114.2	30.4	26.6 %

Equity and financial results (€ million)	30/09/2021	30/09/2020	Change	% Change
Revenues	166.8	148.5	18.3	12.3 %
Costs	117.8	109.0	8.8	8.1 %
EBITDA	49.0	39.5	9.5	24.0 %
Operating profit/(loss) (EBIT)	27.6	14.0	13.6	96.6 %
Average workforce	593	512	81	15.8 %

Equity and financial results (€ million)	30/09/2021	31/12/2020	Change	Change %	30/09/2020	Change	Change %
Capex	23.2	23.6	(0.3)	(1.4%)	18.2	5.0	27.4 %
Net financial debt	270.3	268.0	2.3	0.9 %	284.2	(13.9)	(4.9%)

EBITDA (€ million)	30/09/2021	30/09/2020	Change	% Change
EBITDA – Environment Segment	49.0	39.5	9.5	24.0 %
EBITDA – Group	930.2	858.7	71.5	8.3 %
Percentage weight	5.3 %	4.6 %	0.7 p.p.	

Environment ended the first nine months of 2021 with a level of EBITDA of € 49.0 million, up by € 9.5 million (+ 24.0 %) compared to the same period of 2020. The increase recorded is attributable for € 8.1 million to **Acea Ambiente** owing mostly to the higher margins generated by the sale of electricity due mainly to the price effect. The change in scope, owing to the consolidation of **Cavallari** and **Ferrocart** starting from the end of April 2020, contributed to the increase for € 2.3 million offset in part by **Demap** which recorded a reduction of € 1.1 million due both to lower margins and to the revamping of the plastic packaging selection plant.

The average number of staff at 30 September 2021 was 593, an increase of 81 people compared to 30 September 2020. The increases in personnel are mainly attributable to **Acea Ambiente** (+ 17 people) and **Cavallari** (+ 6 people).

Investments in the Segment amounted to € 23.2 million (+ € 5.0 million compared to 30 September 2020) and refer mainly to the investments made by: (i) **Acea Ambiente** (+ € 1.4 million) for work done at the Orvieto plant for the construction of a compost storage building, for the purchase of a building in Borgorose and for work done at the San Vittore and Aprilia plants, (ii) **Berg** (+ € 1.4 million) per la for the creation of a concentrator and (iii) for the change in the scope of **Cavallari** and **Ferrocart** (+ € 1.1 million).

Net financial debt came out at € 270.3 million in line with 31 December 2020; the change compared to 30 September 2020 (- € 13.9 million) is mainly attributable to the trends in operating cash flow.

Significant events in the first nine months of 2021 and subsequently

We can note that the Acea Group is continuing to consolidate its position as a leading player in the waste treatment sector. It therefore proceeded to sign a preliminary agreement for the acquisition of 65% of Deco (and through this of Ecologica Sangro). Deco operates in the waste sector in Abruzzo and is engaged in the design, construction and management of plants for the treatment, disposal and recovery of municipal solid waste and plants for energy recovery from renewable sources. The scope of the business being acquired includes: a Mechanical-Biological Treatment (MBT) plant with an authorised capacity of 270,000 tonnes/year, a photovoltaic plant, a biogas plant and two disposal plants. Ecologica Sangro operates, again in Abruzzo, in the sector of integrated management of municipal solid waste; the assets covered by the agreement are a disposal plant and a biogas plant. The closing of the agreement is expected before the end of the year.

Again in the period we can note a further step forward in the process of closing the plastic waste cycle with a view to the circular economy. A preliminary agreement for the acquisition of 70% of Serplast has in fact been signed, as has an agreement for the acquisition of 60% of Meg. The two companies operate in the plastic recycling business, a segment which is downstream with respect to that of post-consumption plastic selection in which Acea is already present with Demap and Cavallari.

The Serplast and Meg plants are respectively in Abruzzo and Veneto. The estimated volumes processed in 2021 are approximately 70,000 tonnes/year.

Commercial and Trading

Operating figures, equity and financial results for the period

Operating data	U.M.	30/09/2021	30/09/2020	Change	% Change
Electrical Energy sold - Free	GWh	4,933.1	3,703.4	1,229.7	33.2 %
Electrical Energy sold - Protected	GWh	1,322.7	1,561.3	(238.5)	(15.3%)
Electricity - Free market customers (P.O.D.)	N/1000	480.5	422.5	58.0	13.7 %
Electrical Energy - No. Protected Market Customers (P.O.D.)	N/1000	703.9	746.7	(42.8)	(5.7%)
Gas Sold	MSmc	149.1	106.6	42.5	39.8 %
Gas - No. Free Market Customers	N/1000	228.4	206.3	22.1	10.7 %

Equity and financial results (€ million)	30/09/2021	30/09/2020	Change	% Change
Revenues	1,345.5	1,129.5	216.1	19.1 %
Costs	1,289.3	1,079.5	209.8	19.4 %
EBITDA	56.2	50.0	6.2	12.4 %
Operating profit/(loss) (EBIT)	4.7	4.7	(0)	(0.6%)
Average workforce	426	432	(6)	(1.4%)

Equity and financial results (€ million)	30/09/2021	31/12/2020	Change	Change %	30/09/2020	Change	Change %
Capex	33.9	44.1	(10.2)	(23.2%)	27.0	6.9	25.6 %
Net financial debt	(59.8)	(95.7)	35.9	(37.5%)	(63.2)	3.4	(5.4%)

EBITDA (€ million)	30/09/2021	30/09/2020	Change	% Change
EBITDA Commercial and Trading Segment	56.2	50.0	6.2	12.4 %
EBITDA – Group	930.2	858.7	71.5	8.3 %
Percentage weight	6.0 %	5.8 %	0.2 p.p.	

The Segment, responsible for the management and development of electricity and gas sales and related customer relationship activities as well as the Group's energy management policies, ended the first nine months of 2021 with an EBITDA of € 56.2 million, up compared to the same period of 2020 by € 6.2 million. The increase is mainly attributable to **Acea Energia** (+ € 6.7 million), as a result of the increase in energy and gas margins (+ € 20.2 million) partially offset by a worsening in external costs, other revenues and personnel costs.

With regard to the effects on the primary margin, the increase recorded by **Acea Energia** derives from opposing effects. In detail, the energy margin related to the **free market** recorded an improvement of € 13.4 million, compared to 30 September 2020, due both to the increase in consumption in the Business sector, the unit margin of which increased sharply, and to the growth in the number of customers in the Retail sector, absolutely equivalent between domestic customers and micro-enterprises. The **gas market** generated an increase in margins of € 9.9 million compared to 30 September 2020, also in this case mainly as a result of the improvement in the Retail sector, due both to an increase in customers and to an increase in unit margins, and in the business sector, despite the slight reduction in the customer base, an improvement was recorded in the unit margins which contributed to the better performance achieved. Energy margins related to the **optimisation** of energy flows decreased by € 1.9 million compared to the same period of the previous year. This margin also includes activities of buying, selling, exchanging and trading electricity, heat, natural gas, methane and other fuels and energy carriers, from any source produced or acquired, for own use or for third parties. Energy margins related to the **protected market** decreased by € 2.1 million compared to 30 September 2020 as a result of the drop in customers (- 5.7%) not offset by the application of higher tariffs and automatic transfer of "small" and "micro" enterprise customers to the Gradual Protection Service created as of 1 January 2021 and managed until 30 June 2021, the margins of which amounted to € 1.3 million.

The operating profit/(loss) was in line with the same period of the previous year and was affected by the higher energy margins offset by higher depreciation, amortisation and provisions (+ € 2.5 million) and by the higher impairment losses of the period (+ € 3.6 million) due also to the reallocation of the costs associated with the process of objecting to the limitation period disputed by customers during the period net of the reimbursement received from the distributor.

With reference to the workforce, the average number at 30 September 2021 stood at 426 employees, down compared to 30 September 2020 by 6 employees mainly attributable to **Acea Energia**.

Investments in the Segment amounted to € 33.9 million, up by € 6.9 million compared to 30 September 2020 and refer for € 3.1 million to Acea Innovation for e-mobility projects and for € 3.8 million to **Acea Energia** owing mainly to higher costs of acquiring new customers (€ 20.4 million in 2021 compared to € 16.4 million in 2020).

Net debt at 30 September 2021 was positive, standing at € 59.8 million, a worsening of € 35.9 million compared to 31 December 2020 and of € 3.4 million compared to 30 September 2020. The changes are mainly attributable to **Acea Energia** and mainly derive from the operating cash flow trends.

Significant events in the first nine months of 2021 and subsequently

With regard to the proceedings started by the **Antitrust Authority** and **ARERA**, the main updates are described below:

Fact-finding investigation concerning the financial items relating to electricity destined for the States within the Italian State: pursuant to resolution 58/2019/E/eel, on 20 March 2019 the Authority initiated a fact-finding investigation against Acea Energia with the aim of acquiring information and useful data concerning the management of the financial items relating to electricity destined for Vatican City State.
In accordance with this Resolution and pending the conclusion of the aforementioned investigation, the Authority has specified to the Italian Energy and Environmental Services Fund that it should proceed on a transitional basis and subject to adjustment with the equalisation of the costs incurred by Acea Energia for 2017 for the purchase and dispatching of electricity intended for standard-offer-market customers.
With Resolution 180/2019/C/EEL, the Authority decided to challenge the extraordinary appeal brought by the Azienda Autonoma di Stato per i Servizi Pubblici della Repubblica di San Marino for the annulment of Resolution 670/2018/R/eel (which updated the transmission tariffs for the year 2019) and Resolution 58/2019/R/eel.
Pending the conclusion of the investigation, the Authority asked the Cassa per i servizi energetici e ambiente – on a temporary basis and subject to adjustment – to suspend any disbursements relating to the equalisation of the costs incurred by Acea Energia for 2018 for the purchase and dispatching of electricity intended for standard-offer-market customers.
With Resolution no. 491/2019/E/eel the Authority closed the preliminary investigation by instructing Acea Energia and Areti on the actions to be taken by the end of 2019. Acea Energia informed the Authority that it had complied with the requirements. Resolution 491/2019/E/eel, moreover, gave a mandate (i) to Terna, the relevant distribution companies and CSEA to recalculate the charges for withdrawals by Vatican City State by applying the criteria highlighted in the preliminary findings attached to the same resolution (ii) to the Director of the Sanctions and Commitments Department of the Authority for the documents resulting from the evidence found. As a result of this, with Determination 5/2020/eel, the Authority initiated two sanction proceedings against Acea Energia and Areti. On 12 June 2020, Acea Energia sent ARERA its proposal of commitments, including waiver of the amount receivable accrued in relation to the system, payment of compensation to ARERA and the obligation to send two-monthly reporting for a period of ten years. With Resolution 262/2021, ARERA partially amended the methods for carrying out the recalculation activities indicated in Resolution 491/2019 and CSEA then sent the definitive recalculations to Acea Energia on 9 July 2021. The items must be settled at the end of the penalty proceedings initiated with Determination 5/2020/eel. Acea Energia is currently discussing the commitments with ARERA.

Proceeding PS11216 of the Antitrust Authority (AGCM): on 29 April 2021 the Antitrust Authority sent Acea Energia S.p.A. a request for information regarding the measures used by the company to prevent the charge of amounts potentially subject to biennial limitation in case of use by customers, direct debit or other automatic bill payment methods.
On 20 May 2021, Acea Energia responded to the Authority's request, describing how objections of limitation are managed. In particular, the objection of limitation, on bills paid through direct debit or otherwise, can be lodged through various channels, including, for example:

- branch;
- complaint;
- e-mail for Free Market: prescrizioneML@aceaenergia.it;
- e-mail for Protected Market Service: prescrizioneSMT@aceanergia.it;
- post: PO box 5114_00154 Roma Ostiense.

Acea Energia has introduced a telephone system which allows direct debit customers to be informed of the issue of bills containing amounts subject to limitation, in order to assist them in exercising their right to object to the limitation.
The company also considered it appropriate to make its customers aware of the use of self-read meter readings, in order to reduce the charge of amounts potentially subject to limitation as far as possible.
In this context, the Company is carrying out development of its information systems in order to implement a function that makes it possible to automatically block the direct debit with exclusive reference to the quota of consumption subject to limitation for bills containing amounts with regard to which the biennial limitation has accrued. Pending the definition of the aforesaid process, with reference to direct debit customers, the Company has decided to temporarily activate the mechanism – already implemented with reference to the five-year limitation – intended to automatically render the amounts subject to biennial limitation non-collectable.
On 2 July 2021 Acea Energia received a communication with which the AGCM stated that at the meeting on 1 July 2021, on the basis of the information provided by the company itself on 21 May 2021, it was resolved that there was insufficient information for an in-depth investigation, and therefore it was decided to dismiss the case.

Overseas

Operating figures, equity and financial results for the period

Operating data	U.M.	30/09/2021	30/09/2020	Change	% Change
Water Volumes	Mm3	30.3	31.3	(1.0)	(3.2%)
Volumes fed into the grid	Mm3	57.9	60.5	(2.6)	(4.3%)
Number of customers (user accounts served)	N	121,868	120,503	1,365	1.1 %

Equity and financial results (€ million)	30/09/2021	30/09/2020	Change	% Change
Revenues	57.5	48.1	9.4	19.4 %
Costs	36.8	28.4	8.5	29.8 %
EBITDA	20.6	19.8	0.9	4.5 %
Operating profit/(loss) (EBIT)	11.6	10.5	1.1	10.3 %
Average workforce	2,267	1,073	1,194	111.3 %

Equity and financial results (€ million)	30/09/2021	31/12/2020	Change	Change %	30/09/2020	Change	Change %
Capex	3.8	3.1	0.7	24.1 %	1.6	2.2	136.5 %
Net financial debt	(16.0)	(9.0)	(7.0)	76.9 %	(9.9)	(6.1)	61.4 %

EBITDA (€ million)	30/09/2021	30/09/2020	Change	% Change
EBITDA Overseas Segment	20.6	19.8	0.9	4.5 %
EBITDA – Group	930.2	858.7	71.5	8.3 %
Percentage weight	2.2 %	2.3 %	(0.1 p.p.)	

The Segment currently includes the water companies that manage the water service in Latin America. Specifically:

- Aguas de San Pedro (Honduras) 60.65% owned by the Group as of October 2016, when it was consolidated using the line-by-line method. The Company serves its customers in San Pedro Sula;
- Acea Dominicana (Dominican Republic) wholly owned by the Group, provides the service to the local Municipality known as CAASD (Corporation Aqueducto Alcantariado Santo Domingo);
- AguaAzul Bogotà (Colombia) of which the Group holds 51% is consolidated on the basis of the equity method with effect from the 2016 financial statements as a result of a change in the composition of the Board of Directors;
- Consorcio Agua Azul (Peru) is controlled by the Group which owns 44% and provides the water and discharge service in the city of Lima. Control of the company was taken by virtue of the amendment of the shareholders' agreements and the purchase on 13 January 2020 of additional shares in the company from the outgoing shareholder Impregilo International Infrastructures N.V., which increased the Group's shareholding from 25.5% to 44.0% (+18.5%);
- Acea Perù is wholly owned by Acea International and was established on 28 June 2018. This company was established with the specific intent to manage the aqueduct service in the city of Lima;
- Consorcio Servicio Sur controlled by Acea International (50%), ACEA Ato2 (1%) and by local partners Conhydra, Valio and India overall equal to 49%. The Consorcio was established on 5 July 2018 with the specific aim of managing the corrective maintenance service for the drinking water and sewerage systems of the Directorate of Services Sur of Lima (Peru);
- Consorcio ACEA controlled by Acea Perù (99%) and ACEA Ato2 (1%), established on 15 December 2020. Consorcio ACEA signed a three-year contract for the management of pumping stations for drinking water in Lima;
- Consorcio Acea Lima Norte controlled by Acea Perù (99%) and ACEA Ato2 (1%), established on 5 January 2021. Consorcio Acea Lima Norte signed a three-year contract for maintenance of the water and sewerage network in the northern zone of Lima.

The Segment ended the first nine months of 2021 with an EBITDA of € 20.6 million with a slight increase compared to 30 September 2020 (+ € 0.9 million) attributable mainly to the change in scope (+ € 0.8 million) as a result of the consolidation of **Consorcio ACEA** and **Consorcio Acea Lima Norte**. The remaining companies of the segment presented opposing effects: a decrease of **Consorcio Agua Azul** (- € 0.5 million) and **Acea Perù** (- € 0.8 million) offset by the increase recorded by **Consorcio Servicio Sur** (+ € 0.5 million), **Acea Dominicana** (+ € 0.4 million) and **Agua de San Pedro** (- € 0.3 million).

The average number of staff at 30 September 2021 was 2,267, an increase of 1,194 people compared to 30 September 2020. The increase derives from changes in consolidation scope (+ 1,566 employees) offset by the reduction attributable to Acea Perù (- 294 employees) which in 2020 managed a contract for maintenance in the North Lima zone in an emergency situation.

Investments in the first nine months of 2021 amounted to € 3.8 million, an increase of € 2.2 million compared to the same period in the previous year. The change was mainly due to the company **Aguas de San Pedro** (+ € 1.8 million), while the change in the consolidation scope contributed for € 0.2 million.

Net financial debt at 30 September 2021 was positive, amounting to € 16.0 million, an improvement of € 7.0 million compared to 31 December 2020 and of € 6.1 million compared to 30 September 2020.

Significant events in the first nine months of 2021 and subsequently

No significant events occurred in the period.

Water

Operating figures, equity and financial results for the period

Operating data	U.M.	30/09/2021	30/09/2020	Change	% Change
Water volumes	Mm3	400.3	412.7	(12.4)	(3.0%)
Energy consumed	GWh	539.2	510.8	28.4	5.6 %
Sludge disposed of	KTon	154.0	124.5	29.5	23.7 %

Equity and financial results (€ million)	30/09/2021	30/09/2020	Change	% Change
Revenues	924.5	894.4	30.1	3.4 %
Costs	435.0	435.8	(0.8)	(0.2%)
EBITDA	489.6	458.6	31.0	6.8 %
Operating profit/(loss) (EBIT)	249.9	245.6	4.3	1.8 %
Average workforce	3,475	3,231	244	7.6 %

Equity and financial results (€ million)	30/09/2021	31/12/2020	Change	Change %	30/09/2020	Change	Change %
Capex	373.1	476.0	(102.9)	(21.6%)	338.4	34.7	10.3 %
Net financial debt	1,666.3	1,483.7	182.5	12.3 %	1,385.4	280.8	20.3 %

EBITDA (€ million)	30/09/2021	30/09/2020	Change	% Change
EBITDA Water Segment	489.6	458.6	30.9	6.7 %
EBITDA – Group	930.2	858.7	71.5	8.3 %
Percentage weight	52.6 %	53.4 %	(0.8 p.p.)	

The EBITDA for the Segment stood at € 489.6 million at 30 September 2021, an increase of € 30.9 million compared to 30 September 2020 (+ 6.7 %).
The increase can be attributed mainly to **ACEA Ato2** (+ € 20.3 million) following the higher value of the ERC Capex measured on the basis of what is provided for in the MTI-3 with reference to investments that came into operation in 2019 and of the FONI, offset by lower Capex and Opex values and adjustments; to this were added higher revenues for costs ancillary to users, higher costs of capitalised personnel (+ € 9.0 million) and a decrease in costs for disposal of sludge, as a result of overcoming the crisis in management of the sludge produced by waste treatment plants in the regional territory (- € 7.3 million); the change in scope due to the consolidation of **SII** (+€ 10.1 million) and Adistribuzionegas (+ € 2.7 million) contributed to the increase as did the higher margins recorded by **AdF** (+ € 2.4 million) for making costs more efficient.

Finally, the contribution to EBITDA of water companies valued at equity, amounting to € 13.1 million, decreased by € 6.4 million due to the combined effect of decreases recorded by **Publiacqua** (- € 4.8 million) and by the **Gruppo Acque** (- € 1.1 million), mainly attributable to the increased amortisation and depreciation recorded in the period.

The contribution to EBITDA of the companies valued at shareholders' equity is detailed below:

(€ million)	30/09/2021	30/09/2020	Change	% Change
Publiacqua	3.3	8.1	(4.8)	(59.1%)
Acque Group	7.5	8.6	(1.1)	(13.1%)
Umbra Acque	1.5	1.4	0.1	6.1 %
Nuove Acque and Intesa Aretina	0.5	0.5	0.0	4.4 %
Geal	0.3	0.6	(0.2)	(40.5%)
SII	0.0	0.4	(0.4)	(100.0%)
Total	**13.1**	**19.5**	**(6.4)**	**(32.9%)**

The quantification of revenues for the period deriving from the integrated water service is valued in line with the new MTI-3 method. The item includes the estimate of the tariff adjustments relating to the so-called carry-over items for the period that will be invoiced as from 2021. The following two tables in the section summarise on the one hand the status of the procedures for approving tariff proposals and on the other hand revenues from SII, broken down by company and component, as well as the considerations underlying the determination of revenues for the period.

The operating result was affected by the growth in amortisation and depreciation (+ € 22.7 million), mainly due to the consolidation of **SII** (+ € 7.5 million) and **Adistribuzionegas** (+ € 1.3 million) and the remainder to the higher amortisation and depreciation recorded by **ACEA Ato2**, also due to the entry into operation of the new plants (+ € 10.7 million) and **Adf** (+ € 3.0 million).

The average number of staff at 30 September 2021 was 3,475 people, an increase compared to the figure at 30 September 2020 of 244 people mainly attributable to **ACEA Ato2** (+ 84 people) and to the consolidation of **SII** (+ 36 people), which occurred starting from 16 November 2020.

Investments in the Segment amounted to € 373.1 million with an increase of € 34.7 million, due to higher investments recorded by **ACEA Ato2** for € 30.6 million and **Acquedotto del Fiora** for € 4.5 million while the consolidation of SII contributed for € 7.6

million. This change was offset by lower investments recorded by **ACEA Ato5** (- € 4.5 million) and **Gori** (- € 4.0 million). The investments refer mainly to extraordinary maintenance work, reconstruction, modernisation and expansion of plants and networks, the reclamation and expansion of water and sewer pipes of the various Municipalities and work on purification and transport plants (ducts and feeders).

Net debt for the Segment at 30 September 2021 was € 1,666.3 million and represents a worsening of € 280.8 million compared to 30 September 2020 partly due to consolidation of **SII** (+ € 44.8 million) and for the remainder attributable to **ACEA Ato2** (+ € 200.1 million) and to **ACEA Ato5** (+ € 22.3 million) connected primarily to investments during the year and operating cash flow dynamics. This is also a decrease of € 182.5 million compared to 31 December 2020 mainly attributable to **ACEA Ato2**.

Significant events in the first nine months of 2021 and subsequently

Progress of the procedure for approving the tariffs

The following table shows the updated situation of the procedure for approving IWS tariff provisions for Group companies relating to the 2016-2019 regulatory period, the 2018-2019 two-year tariff update, and tariff provisions for 2020-2023.

Company	Approval status (up to MTI2 "2016-2019")	Two-year update status (2018-2019)	Approval status MTI-3 2020-2023
ACEA Ato2	On 27 July 2016, the AGB approved the tariff inclusive of the bonus as per art. 32.1, subsection a) of Resolution 664/2015/R/IDR. The ARERA then approved them in Resolution 674/2016/R/IDR, with some changes compared to the AGB's proposal; quality bonus confirmed.	The Conference of Mayors approved the tariff update on 15 October 2018. On 13 November 2018, ARERA approved the 2018-2019 tariff update with Resolution 572/2018/R/idr. On 10 December 2018, the Conference of Mayors adopted the provisions of the ARERA Resolution.	On 27 November 2020, the AGB approved the tariff for the 2020-2023 regulatory period with Resolution no. 6/2020. ARERA approved the 2020-2023 tariffs on 12 May 2021 with resolution 197/2021/R/IDR.
ACEA Ato5	Tariff proposal submitted by the Operator on 30 May 2016, with request for recognition of the $Opex_{qc}$. ARERA warned the AGB on 16 November 2016 and the EGA approved the tariff proposal on 13 December 2016, rejecting, among others, the request for recognition of the $Opex_{qc}$. Approval by ARERA is awaited.	The Conference of Mayors approved the 2018-2019 tariff update on 1 August 2018. ARERA has not yet given its approval.	On 14 December 2020, the Operator submitted a tariff updated request pursuant to article 5, paragraph 5.5 of ARERA Resolution 580/2019/R/IDR MTI-3 of 27 December 2019. On 10 March 2021, the OTAA Conference of Mayors approved the proposed tariff for 2020-2023, with resolution 1/2021. The Operator lodged an appeal against this resolution.
GORI	On 1 September 2016, the Extraordinary Commissioner of the AGB approved the tariff with $Opex_{qc}$ as of 2017. Approval by ARERA is awaited.	On 17 July 2018 the Extraordinary Commissioner of the AGB approved the 2018-2019 tariff update. ARERA has not yet given its approval.	On 18 December 2020, the Operator submitted a tariff updated request pursuant to article 5, paragraph 5.5 of ARERA Resolution 580/2019/R/IDR MTI-3 of 27 December 2019. ARERA warned the EIC on 2 July 2021, and with a resolution of 12 August 2021 it approved the 2020-2023 tariff proposal.
Acque	On 5 October 2017, the AIT approved the tariff with recognition of the $Opex_{qc}$. Approved by ARERA on 9 October 2018 (as part of the approval of the 2018-2019 update).	On 22 June 2018 the AIT Executive Council approved the 2018-2019 tariff update and, at the same time, the request to extend the duration of the 5-year contract, that is until 31 December 2031. With Resolution 502 of 9 October 2018, ARERA approved the 2018-2019 tariff update.	On 18 December 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 7. ARERA approval arrived with resolution 404/2021/R/idr of 28 September 2021
Publiacqua	On 5 October 2016, the AIT approved the tariff with recognition of the bonus as per art. 32.1, subsection a) of Resolution 664/2015/R/idr. On 12 October 2017, with resolution 687/2017/R/IDR ARERA approved the specific regulatory frameworks for the 2016-2019 period proposed by the AIT.	On 7 December 2018 the AIT approved the 2018-2019 tariffs with the extension of the 3-year concession. ARERA approved the 2020-2023 tariff provisions and the 2018-2019 two-year update with Resolution 59/2021 of 16 February 2021.	On 26 June 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 3. ARERA approved the 2020-2023 tariff provisions with Resolution 59/2021 of 16 February 2021.
Acquedotto del Fiora	On 5 October 2016, the AIT approved the tariff with recognition of the $Opex_{qc}$. On 12 October 2017, with resolution 687/2017/R/idr, ARERA approved the specific regulatory frameworks for the 2016-2019 period proposed by the AIT.	The AIT Board of Directors approved the 2018-2019 tariff update in the session of 27 July 2018. Pending approval by ARERA, the AIT Board of Directors also approved the application to extend the concession to 31 December 2031, submitted by the Company in April 2019 and approved by the AIT Executive Council on 1 July 2019. The updated tariff proposal was then presented to extend it to 2031, which in any case confirmed the tariff increase (theta) and the Guaranteed Revenue Constraint (GRC) for the years 2018 and 2019, already approved by the AIT with its Resolution of July 2018. ARERA approved the two-yearly update (with a small correction of the recognised Opexqc) and the extension of the concession with Resolution no. 465 of 12 November 2019.	On 26 November 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 6. ARERA provided approval with resolution 84/2021/R/IDR of 2 March 2021
Geal	On 22 July 2016, the AIT approved the tariff with recognition of the $Opex_{qc}$. On 26 October 2017, with resolution 726/2017/R/IDR ARERA approved the specific regulatory frameworks for the 2016-2019 period proposed by the AIT.	On 12 July 2018 ARERA approved the 2018-2019 tariff update proposed by AIT.	On 28 September 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 4, updated with Resolution nos. 13 and 14 of 30 December 2020. ARERA provided approval with resolution 265/2021/R/idr of 22 June 2021.
Acea Molise	Following Resolution no. 664/2015/R/IDR, both for the Municipality of Campagnano di Roma (RM) and the Municipality of Termoli (CB), Municipalities where Crea Gestioni offers the IWS, neither the Granting Body nor the Area Authority of reference submitted a tariff proposal for the regulatory period 2016-2019, so	The Company has submitted the data to the competent parties/AGB in order to update the 2018-2019 tariff. For the management of the IWS in the Municipality of Campagnano di Roma (RM), given the inaction of the designated parties the Company filed an application with ARERA in early January 2019 for a tariff adjustment in 2018-2019, also revising the 2016-2019 proposal. ARERA has not	The Municipality of Termoli approved the tariff provisions for 2020-2023 on 4 February 2021. These were sent by the EGAM on 4 March 2021. For the Municipality of Campagnano, the Operator sent the tariff provisions to ARERA on 30 March 2021 in accordance with the provisions under art. 5.5 of Resolution 580/2019/R/idr.

	the Company independently submitted tariff proposals. Currently approval by the ARERA is still pending.	yet pronounced or issued a warning to the AGB and/or to the competent parties. For the management of the IWS in the Municipality of Termoli (CB), with a Resolution dated 17 December 2019 the Municipal Council of Termoli approved the alignment of the pre-existing Agreement to the Agreement template, extending its expiry to 31 December 2021, and confirmed the tariff increase (theta) and the Guaranteed Revenue Constraint (GRC) for 2018 and 2019, also revising the 2016-2019 proposal. ARERA has not yet given its approval.	
Gesesa	On 29 March 2017 with Resolution no. 8 of the Extraordinary Commissioner the OTAA1 approved the tariff provisions for the years 2016-2019. Currently approval by the ARERA is still pending.	The Company submitted the documentation relating to the 2018-2019 tariff review to the Area Authority and the preliminary investigation by the technical offices of the competent AGB (EIC-Campania Water Authority) was completed at the end of February 2020. The final approval of the EIC Executive Committee has not yet been given.	On 29 December 2020, the Operator submitted a tariff updated request pursuant to article 5, paragraph 5.5 of ARERA Resolution 580/2019/R/IDR MTI-3 of 27 December 2019. The CWA convened the Executive Committee for this coming 22 July (minutes on closure of the activities of checking the minutes of 31/7/20) following the notice from ARERA received on 2 July 2021.
Nuove Acque	On 22 June 2018, the AIT Executive Council approved the rates.	On 16 October 2018 with Resolution 520 ARERA approved the 2018-2019 tariff update proposed by the AIT.	On 27 November 2020 the Executive Council of the AIT approved the 2020-2023 tariff provisions with Resolution no. 5. ARERA provided approval with resolution 220/2021/R/IDR of 25 May 2021
Umbra Acque	On 30 June 2016, the AGB approved the tariff with recognition of the $Opex_{qc}$. <u>The ARERA then approved them in Resolution 764/2016/R/idr dated 15 December 2016.</u>	In its session of 27 July 2018, the AURI Assembly approved the 2018-2019 tariff update. The ARERA approved the 2018-2019 tariffs with Resolution no. 489 of 27 September 2018	AURI approved the 2020-2023 tariff provisions with Resolution no. 10 of 30 October 2020. ARERA approved the same with Resolution 36/2021 of 2 February 2021.
SII Terni S.c.a.p.a.	On 29 April 2016, with Resolution no. 20, AURI approved the tariff multiplier for the 2016-2019 four-year period and with determination no. 57 it approved the adjustment for previous items. ARERA approved the 2016-2019 tariff provisions with resolution 290/2016 of 31 May 2016.	With resolution of the Board of Directors of AURI no. 64 of 28-12-2018, approval was given to the 2018-2019 two-year update. ARERA approved the biennial adjustment 2018-2019 with its resolution of 20 September 2018 464/2018.	AURI approved the 2020-2023 tariff structure with the resolution by the Assembly of Mayors 12 of 30 October 2020. ARERA provided approval with resolution 553/2020 of 15 December 2020.

Revenue from the Integrated Water Service

The table below indicates for each Company in the Water Segment the amount of revenue in the first nine months of 2021 measured on the basis of the new MTI–3 Tariff Method. The data also include the adjustments of passing items and the Fo.NI component.

Company	Revenue from the IWS (pro quota values in € million)	FONI (pro quota values in € million)
ACEA Ato2	508.6	FNI = 42.1 AMM_{FoNI} = 10.0
ACEA Ato5	60.5	FNI = 2.9 AMM_{FoNI} = 3.9
GORI	156.5	AMM_{FoNI} = 3.3
Acque	53.6	-
Publiacqua	72.8	FNI = 2.1 AMM_{FoNI} = 7.8
AdF	82.7	AMM_{FoNI} = 8.3
Gesesa	9.9	AMM_{FoNI} = 0.1
Geal	6.4	AMM_{FoNI} = 0.8
Acea Molise	4.2	-
SII	33.2	AMM_{FoNI} = 1.0
Umbra Acque	22.9	-

Energy Infrastructure

Operating figures, equity and financial results for the period

Operating data	U.M.	30/09/2021	30/09/2020	Change	% Change
Electricity distributed	GWh	6,830.8	6,822.4	8.4	0.1 %
No. of Customers	N/1000	1,637.8	1,634.4	3.4	0.2 %
Km of Grid (MV/LV)	Km	30.9	31.0	(0.1)	(0.3%)
2G Metering Groups	No.	283,000	4,989	278,011	n.s.

Equity and financial results (€ million)	30/09/2021	30/09/2020	Change	% Change
Revenues	465.1	458.2	7.0	1.5 %
Costs	190.6	187.5	3.1	1.7 %
EBITDA	274.5	270.7	3.8	1.4 %
Operating profit/(loss) (EBIT)	168.6	164.2	4.3	2.6 %
Average workforce	1,279	1,265	14	1.1 %

Equity and financial results (€ million)	30/09/2021	31/12/2020	Change	Change %	30/09/2020	Change	Change %
Capex	196.9	286.2	(89.3)	(31.2%)	204.1	(7.2)	(3.5%)
Net financial debt	1,582.4	1,342.5	240.0	17.9 %	1,355.6	226.8	16.7 %

EBITDA (€ million)	30/09/2021	30/09/2020	Change	% Change
Energy Infrastructure Segment EBITDA	274.5	270.7	3.8	1.4 %
EBITDA – Group	930.2	858.7	71.5	8.3 %
Percentage weight	29.5 %	31.5 %	(2.0 p.p.)	

The EBITDA for the segment at 30 September 2021 was € 274.5 million, an increase of € 3.8 million compared to 30 September 2020. The EBITDA of ***areti*** increased by € 5.9 million mainly owing to the effects deriving from the margin of the open fibre order (+ € 1.4 million), from the resilience plan (+ € 5.3 million) and from the higher connection fees (+ € 0.7 million), offset by the effects deriving from energy balancing (- € 2.0 million); at 30 September 2021 *a*reti had distributed to final customers 6,081.8 GWh down by 10.9% compared to the same period of the previous year.
The EBITDA of **public lighting**, a negative € 2.6 million, recorded a worsening of € 2.0 million compared to 30 September 2020 as a consequence of lower revenues for accidental maintenance and less activities for new constructions.

The average number of employees increased slightly compared to the same period in the previous year (+ 14 employees).

The operating result was mainly affected by the increased amortisation, depreciation and provisions for the period (+ € 2.2 million), in line with the increase in investments.

Investments amounted to € 196.9 million, recording a decrease, compared to the same period in the previous year, of € 7.2 million and refer mainly to the expansion and upgrading of the HV, MV and LV grids, work on the primary stations, secondary substations and meters, metering groups and remote control equipment as part of the network "Adequacy and Safety" and "Innovation and Digitisation" projects. This was all intended to improve the quality of the service and increase resilience. Intangible investments refer to projects for the re-engineering of information and commercial systems.

Net financial debt stood at € 1,582.4 million as at 30 September 2021, showing an increase of € 240.0 million compared to 31 December 2020 and of € 226.8 million compared to 30 September 2020, partly attributable to the increasing volume of investments and the operating cash flow dynamics.

Significant events in the first nine months of 2021 and subsequently

GALA

The latest update on the long-running affair regarding the supply of areti as wholesaler for the transport service to Gala SpA.
On 1 July 2021 a hearing in closed session was held, after which the Council of State, with an enquiry order, ordered a supplement to the discussions in relation to the parties of the cases defined by the compliant judgements not evoked and that is Green Network SpA, Utilitalia, Aiget - Associazione Italiana di Grossisti e Trader, Esperia SpA and the Bankruptcy Esperia SpA in Liquidation; the Council of State also asked ARERA to clarify the calculation procedure followed for determining the General System Charges normally collected. The case was adjourned to the closed session of 21 December 2021.

In this regard, it is useful to specify that, from a survey carried out on the portal of the administrative court, three appeals are still pending for the aforesaid Resolution no. 32/2021, one of which (592/2021) filed by the association of traders and resellers "ARTE". The appeal was entrusted to the same legal expert of Gala and the request addressed to the administrative judge is the same one formulated in the aforementioned compliance proceedings.
Areti intervened in the three cases (initiated by ARTE and by the traders Green Network S.p.A. and Energy Green City S.p.A.) with an *ad opponendum* intervention notified to the parties on 23 July 2021 and filed on 26 July 2021, with which it asks for the appeal to be rejected. We must specify that, in the cases initiated by ARTE and Green Network, E-Distribuzione S.p.A. is also a party.

Generation

Operating figures, equity and financial results for the period

Operating data	U.M.	30/09/2021	30/09/2020	Change	% Change
Hydro + Thermal Energy	GWh	456.7	385.9	70.9	18.4 %
(Photovoltaic) Energy Produced	GWh	58.7	51.3	7.3	14.3 %
Energy produced (cogeneration)	GWh	31.0	30.9	0.2	0.5 %

Equity and financial results (€ million)	30/09/2021	30/09/2020	Change	% Change
Revenues	83.0	60.3	22.7	37.6 %
Costs	29.3	25.1	4.2	16.7 %
EBITDA	53.7	35.2	18.5	52.6 %
Operating profit/(loss) (EBIT)	33.2	16.9	16.3	96.8 %
Average workforce	88	83	5	5.8 %

Equity and financial results (€ million)	30/09/2021	31/12/2020	Change	Change %	30/09/2020	Change	Change %
Capex	30.5	39.0	(8.5)	(21.9%)	18.7	11.7	62.7 %
Net financial debt	245.4	224.2	21.2	9.4 %	239.5	5.9	2.5 %

EBITDA (€ million)	30/09/2021	30/09/2020	Change	% Change
Energy Infrastructure Segment EBITDA	53.7	35.2	18.5	52.6 %
EBITDA – Group	930.2	858.7	71.5	8.3 %
Percentage weight	5.8 %	4.1 %	1.7 p.p.	

EBITDA at 30 September 2021 came out at € 53.7 million and recorded an increase of € 18.5 million compared to 30 September 2020 mainly attributable to **Acea Produzione** (+ € 13.6 million) as a consequence of an increase in the volumes produced, higher water contributions (+ 65 GWh compared to 30 September 2020) and the prices on the energy market, and **Ecogena** (+ € 1.5 million) in part for the financial income deriving from the sale of the Alfasigma cogeneration plant (+ € 0.6 million) and for the remainder from the higher revenues recorded mainly by Europarco.

EBITDA for the photovoltaic segment, identifiable with the scope of the operating subsidiaries of Acea Sun Capital and Acea Solar, was € 14.0 million, up by € 3.4 million almost entirely due to the effect of the change in scope.

The average workforce was in line with the same period of the previous year (+5 people). Note that the photovoltaic companies do not have employees.

Investments amounted to € 30.5 million, recording an increase of € 11.7 million mainly attributable to **Fergas Solar** (+ € 10.2 million) for the Ferrandina plant, to **Acea Produzione** (+ € 6.3 million) attributable mainly to installation of the 3rd motor of Tor di Valle and to the construction of the Valle Galeria photovoltaic plant offset in part by the lower investments recorded by **ACEA Solar** (- € 4.8 million).

Net debt at 30 September 2021 amounted to € 245.4 million, an increase of € 21.2 million compared to 31 December 2020 and of € 5.9 million compared to 30 September 2020. The changes are mainly linked to the trends of acquisitions of companies in the photovoltaic segment and for the effects associated with the operating cash flow.

Significant events in the first nine months of 2021 and subsequently

New Photovoltaic acquisitions

In line with the Business Plan, the ACEA Group also continued to acquire companies in the photovoltaic market during the third quarter of 2021. As at 30 September 2021, 23 companies had been acquired for a total installed capacity of approximately 69 MW (Acea Sun Capital 49 MW, Acea Produzione 13 MW and Acea Solar 7 MW). It should also be noted that during the third quarter 100% of the capital of JB Solar S.r.l., M2D, PSL and Solarplant was acquired; these companies each have an installed capacity of 1.0 MW.

We can also note that Acea Solar, through its subsidiary Fergas Solar S.p.A., is the owner of a single authorisation for the construction of a 20MW solar power plant in Basilicata, has obtained authorisation for the construction of a 5MW power plant on its own industrial land in Lazio and also has a 15MW portfolio in Lazio. In the development of greenfield photovoltaics, ACEA is also carrying out a balanced mix of projects, with particular attention to areas of an industrial nature, and has a total of over 400MW in the pipeline.

Engineering and Services

Operating figures, equity and financial results for the period

Operating data	U.M.	30/09/2021	30/09/2020	Change	% Change
Total number of analyses	Number	821.9	881.0	(59.1)	(6.7%)
Total number of samples	Number	28.0	29.3	(1.3)	(4.4%)
Worksite inspections	Number	12,182.0	10,898	1,284.0	11.8 %
Number of projects	Number	66.8	99.0	(32.2)	(32.6%)
Number of EPC work sites	Number	72	29	43	148.3 %

Equity and financial results (€ million)	30/09/2021	30/09/2020	Change	% Change
Revenues	83.4	61.0	22.4	36.7 %
Costs	71.5	51.1	20.4	39.9 %
EBITDA	11.9	9.9	2.0	20.2 %
Operating profit/(loss) (EBIT)	7.8	7.8	(0.0)	(0.3%)
Average workforce	469	407	62	15.1 %

Equity and financial results (€ million)	30/09/2021	31/12/2020	Change	Change %	30/09/2020	Change	Change %
Capex	5.5	6.6	(1.1)	(16.7%)	3.9	1.6	40.7 %
Net financial debt	27.5	31.1	(3.6)	(11.7%)	51.8	(24.3)	(46.9%)

EBITDA (€ million)	30/09/2021	30/09/2020	Change	% Change
EBITDA Engineering and Services Segment	11.9	9.9	2.0	20.2 %
EBITDA – Group	930.2	858.7	71.5	8.3 %
Percentage weight	1.3 %	1.2 %	0.1 p.p.	

The Segment ended the first nine months of 2021 with EBITDA of € 11.9 million, up on the same period of the previous year by € 2.0 million (+ 20.2%). This increase mainly comes from the change in the scope of consolidation of **SIMAM** acquired in May 2020 (+ € 1.7 million). Apart from **Acea Elabori**, the Segment also includes **Ingegnerie Toscane**, an engineering company consolidated with the equity method that provides technical support services in the water-environmental sector, and **TWS**, a company that operates mainly in the construction and renovation of works instrumental to the operation of the Integrated Water Service, and in particular of water treatment plants – drinking water and wastewater – as well as design and engineering services as they relate to plant construction. These companies recorded EBITDA of € 3.5 million, € 2.4 million, € 1.1 million, respectively.

The average workforce at 30 September 2021 stood at 469 and was up compared to 30 September 2020 (407 employees). The increase is attributable in part to **Acea Elabori** (+ 25 resources) and in part to **TWS** (+ 35 resources).

Investments amounted to € 5.5 million, an increase compared to the same period of the previous year (€ 3.9 million). The change refers mainly to Acea Elabori for € 1.6 million.

Net financial debt at 30 September 2021 was € 27.5 million, an increase of € 3.6 million compared to 31 December 2020 and of € 24.3 million compared to 30 September 2020. This change is directly attributable to **Acea Elabori** for € 22.3 million as a result of the requirements generated by changes in working capital.

Significant events in the first nine months of 2021 and subsequently

No significant events occurred in the period.

Corporate

Operating figures, equity and financial results for the period

Equity and financial results (€ million)	30/09/2021	30/09/2020	Change	% Change
Revenues	96.8	90.7	6.0	6.6 %
Costs	122.2	115.8	6.4	5.5 %
EBITDA	(25.4)	(25.0)	(0.4)	1.5 %
Operating profit/(loss) (EBIT)	(43.7)	(37.8)	(5.8)	15.5 %
Average workforce	705	698	7	0.9 %

Equity and financial results (€ million)	30/09/2021	31/12/2020	Change	Change %	30/09/2020	Change	Change %
Capex	17.4	28.5	(11.1)	(39.0%)	13.4	4.0	30.0 %
Net financial debt	282.3	283.2	(0.9)	(0.3%)	292.0	(9.7)	(3.3%)

EBITDA (€ million)	30/09/2021	30/09/2020	Change	% Change
EBITDA Corporate Segment	(25.4)	(25.0)	(0.4)	1.5 %
EBITDA – Group	930.2	858.7	71.5	8.3 %
Percentage weight	(2.7%)	(2.9%)	0.2 p.p.	

Corporate ended the first nine months of 2021 with a negative level of EBITDA of € 25.4 million substantially in line with the same period of the previous year (- € 0.4 million compared to 30 September 2020). The change is due to the combined effect of increased reversals of costs to the Group companies partially offset by the increase in consulting and costs linked to the COVID emergency.

The average workforce at 30 September 2021 stood at 705, slightly up compared to the first nine months of 2020 (698 employees).

Investments amounted to € 17.4 million and increased by € 4.0 million, compared to 30 September 2020. The investments relate mainly to software licences, IT and hardware developments, as well as investments in the company offices. The increase includes € 1.6 million (including legal expenses) for the purchase of the plot of land adjacent to the headquarters used as a car park by ATAC SpA, which occurred with a competitive procedure.

Net financial debt at 30 September 2021 amounted to € 282.3 million, a decrease of € 0.9 million compared to the end of 2020.

Significant events in the first nine months of 2021 and subsequently

No significant events are reported during the period observed.

Significant events during the period and afterwards

ACEA S.p.A. Fitch Ratings confirms ACEA's "BBB+" rating and "stable" outlook
On 14 January Fitch Ratings confirmed its Long-Term Issuer Default Rating (IDR) for ACEA of "BBB+" with "Stable" outlook, and the Short-Term IDR of "F2". The Long-Term Senior Unsecured Rating of "BBB+" was also confirmed.
Confirmation of the rating reflects the focus of the Group's strategy on regulated business, strong operating performance and a good level of available liquidity. These factors offset the increase in debt linked to investment programmes in innovation and sustainability included in the 2020-2024 Business Plan.

ACEA S.p.A. Successful completion of the first Green Bond placement for € 900 million
On 21 January, ACEA S.p.A. successfully completed placement of its first Green Bond issue for a total amount of € 900 million, in two series, in the context of the Green Financing Framework recently published and under the € 4 billion Euro Medium Term Notes (EMTN) programme (the "Bonds"), with the Base Prospectus as last updated on 24 July 2020 and subsequently amended on 15 January 2021. The first series totalled € 300 million, with a rate of 0% and maturity on 28 September 2025 (the "2025 Bonds") and the second series totalled € 600 million, with a rate of 0.25% and expiry on 28 July 2030 (the "2030 Bonds").

Acea enters the business of electric mobility charging services
Acea enters the business of electric mobility charging services across the country by launching the "**Acea e-Mobility**" App, which makes it possible to charge an electric vehicle at over **10,000 points in Italy**, thanks to the interoperability agreements signed with other sector operators.
The App was developed to provide customers with a useful tool for easy management of all steps in the charging service: it will be possible to locate available active charging columns, book them, charge an electric or plug-in vehicle, monitor the charging status and manage payments with the main channels available (credit/debit card, prepaid cards or Apple Pay). The **Acea e-Mobility Card** will also be available for use with other associated services. Charging points will be free to book through the App until 31 December 2021. Acea Energia also offers three different **wallbox** models that will allow customers to charge their vehicle at their own home.

ACEA S.p.A. The Shareholders' Meeting approves the Financial Statements as at 31 December 2020 and approves the payment of a dividend of € 0.80 per share
On 22 April, the Acea S.p.A. Shareholders' Meeting approved the Financial Statements and presented the Consolidated Financial Statements at 31 December 2020, which showed a net profit, following allocations to third parties, of € 284.9 million. The Consolidated Non-Financial Statement pursuant to Italian Legislative Decree 254/2016 was also presented to the Shareholders (2020 Sustainability Report).
The Meeting also approved the allocation of profit for the year as proposed by the Board of Directors and the distribution of the dividend. The total dividend (coupon no. 22) of € 170,038,325.60, equal to € 0.80 per share, will be paid starting from 23 June 2021 with coupon detachment on 21 June and record date 22 June.

Acea. Up to 1,000 daily vaccinations at the Autoparco company headquarters
Offering its contribution to speed up the Covid-19 vaccination plan coordinated by the Italian Ministry of Health, Acea has provided support to institutions, starting with the Lazio Region, for the actions implemented by the Italian Government. In particular, the company has provided a vaccination hub where the local population, as well as employees, can be administered up to around 1,000 doses per day. The company "Autoparco" in Piazzale Ostiense has been fitted out as a hub for vaccinations. The area dedicated to administering them will be operational 7 days a week, with 12, 16 and even 24-hour shifts expected.

Acea. Gaïa Rating confirms Acea's growth on the sustainability indicators
Acea is one of the companies with the best overall performance in terms of sustainability, as certified by Gaïa Rating, the French agency that assesses non-financial results and the effective integration of sustainability policies into corporate governance. Acea came 7th out of a total 512 companies, increasing its overall performance for the third year in a row. The results achieved in the four main sectors of evaluation, Governance, Social, Environmental and External Stakeholders, all stand out for being above the sector average.

Acea consolidates its position as a leading player in the Environment sector
Acea signed an agreement for the acquisition of 65% of Deco (and through this of Ecologica Sangro). Deco operates in the waste sector in Abruzzo and is engaged in the design, construction and management of plants for the treatment, disposal and recovery of municipal solid waste and plants for energy recovery from renewable sources. The scope of the business being acquired includes: a Mechanical-Biological Treatment (MBT) plant with an authorised capacity of 270,000 tonnes/year, a photovoltaic plant, a biogas plant and two disposal plants. Ecologica Sangro operates, again in Abruzzo, in the sector of integrated management of municipal solid waste; the assets covered by the agreement are a disposal plant and a biogas plant. The closing of the agreement is expected before the end of the year.
Acea also signed an agreement for the acquisition of 70% of Serplast and 60% of Meg, companies operating in the plastic recycling business, a segment downstream of post-consumption plastic selection in which Acea is already present with Demap and Cavallari. The Serplast and Meg plants are present respectively in Abruzzo and Veneto. The estimated volumes processed in 2021 are approximately 70,000 tonnes/year.

Acea continues to grow in the circular economy

ACEA and the Inter-university Consortium for Materials Science and Technology (INSTM) signed a framework agreement for the development of new materials and the application of innovative technologies aimed at the sustainable management of raw materials and the recycling of products, according to the logics of the national and European circular economy. The purpose of the project is to make the production processes and the value chains sustainable, on the one hand increasing the efficiency of the materials, on the other investing in re-use and in the use of recycled products for the production of durable goods with high added value. In this way it will be possible to reduce the use of natural resources generating positive repercussions on the environment and the community.

Business outlook

The results achieved by the Acea Group at 30 September 2021 are better than forecast and confirm the guidance for 2021 disclosed to the market, which envisages:

- ✓ an increase in EBITDA of more than 8% compared to 2020;
- ✓ investments of approximately € 900 million;
- ✓ net financial debt, at the end of 2021, in a range between € 3.85 billion and € 3.95 billion.

Acea confirms its strategy aimed at making major investments in infrastructures that, while maintaining the solidity of its consolidated financial structure, have a positive impact on the Group's operating and economic performance.
The Group's financial structure is solid for the years to come. At 30 September 2021, 85% of debt is at fixed rate in order to ensure protection against any increases in interest rates as well as any financial or credit volatility. At 30 September 2021 the average duration of medium/long-term debt stood at 5.3 years. We can note the reduction of the average cost, which went from 1.74% at 31 December 2020 to 1.42% at 30 September 2021.

With regard to the COVID-19 state of emergency, the Acea Group maintains continuous attention on all the necessary actions to ensure continuity in the services provided in the region, preserving quality and efficiency and at the same time ensuring the safety of its people through the adoption and implementation of the necessary prevention protocols. Thanks to the many measures adopted, Acea achieved the "*Biosafety Trust Certification*" for the prevention and control of the spread of infection.

Form and Structure

General information

The Interim Report on Operations at 30 September 2021 of the ACEA Group was approved by Board of Directors' resolution on 10 November 2021, which also authorised its publication. The Parent Company ACEA is an Italian joint-stock company, with its registered office in Rome, at Piazzale Ostiense 2 and whose shares are traded on the Milan Stock Exchange. The ACEA Group's principal operating segments are described in the Report on Operations.

Compliance with IAS/IFRS

This Interim Report on Operations, drafted on a consolidated basis, has been drawn up in compliance with the international accounting standards effective on the reporting date, approved by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in Art. 6 of the regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to Art. 9 of Italian Legislative Decree no. 38/2005.
The international accounting standards include the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Standard Interpretations Committee (SIC), collectively the "IFRS".
In preparing this interim report, in compliance with IAS 34, applicable to interim financial reporting, the same accounting principles were applied as those for the preparation of the Consolidated Financial Statements at 31 December 2020, which see for a complete description, and must therefore be read together with the latter.

Basis of presentation

The Interim Report on Operations consists of the consolidated income statement, the comprehensive consolidated income statement, the consolidated balance sheet, the consolidated cash flow statement and the statement of changes in consolidated shareholders' equity. The Report also includes illustrative and supplementary notes prepared under the IAS/IFRS currently in effect. The Report also includes notes prepared under the IAS/IFRS currently in effect. The consolidated income statement is classified according to the nature of the costs, the items of the consolidated balance sheet according to the criterion of liquidity, with the items classified as current and non-current, while the consolidated cash flow statement is presented using the indirect method.
The Interim Report on Operations is presented in Euros and all amounts are rounded off to the nearest thousand Euros unless otherwise indicated. This Interim Report on Operations is comparable with the same period in the previous year for the economic figures and with the previous year for the equity data.

Alternative performance measures

On 5 October 2015, ESMA (European Securities and Markets Authority) published its guidelines (ESMA/2015/1415) on criteria for the presentation of alternative performance measures which replace, as of 3 July 2016, the CESR/05-178b recommendations. These guidelines were transposed into our system with CONSOB Communication no. 0092543 dated 3 December 2015. The content and meaning of the non-GAAP measures of performance and other alternative performance indicators used in these financial statements are illustrated below:

- For the ACEA Group, the EBITDA is an operating performance indicator and from 1 January 2014 also includes the condensed result of equity investments in jointly-controlled entities for which the consolidation method changed when the international accounting standards IFRS 10 and IFRS 11 came into force. *EBITDA* is determined by adding Operating profit/loss (EBIT) to "Amortisation, depreciation, provisions and impairment", insofar as these are the main non-cash items;
- the *net financial position* is an indicator of the financial structure of the ACEA Group and is obtained from the sum of non-current payables and financial liabilities net of non-current financial assets (financial receivables and securities other than equity investments), current financial payables and other current financial liabilities net of current financial assets and cash and cash equivalents;
- *net invested capital* is the sum of "Current assets", "Non-current assets" and Assets and Liabilities held for sale, less "Current liabilities" and "Non-current liabilities", excluding items taken into account when calculating the *net financial position*;
- *net working capital* is the sum of the current receivables, inventories, the net balance of other current assets and liabilities and current debts, excluding the items considered in calculating the *net financial position*.

Use of estimates and assumptions

In application of IFRS, the preparation of the Interim Report on Operations requires the use of estimates and assumptions that have an effect on the values of revenues (including the estimate of the GRC as indicated in the Integrated Water Service Revenues in the management report), costs, assets and liabilities in the financial statements and on the information relating to contingent assets and liabilities at the reporting date. The main sources of uncertainty that could have an impact on the evaluation processes are also considered in making these estimates.
The actual amounts may differ from such estimates. Estimates are used to determine some sales revenues, provisions for risks and charges, provisions for impairment of receivables and other provisions for depreciation, amortisation, valuation of derivatives, employee benefits and taxes. The original estimates and assumptions are periodically reviewed and the impact of each change is immediately recorded in the Income Statement.
The estimates also took into account assumptions based on the parameters and market and regulatory information available at the time the financial statements were drafted. Current facts and circumstances influencing the assumptions on future development and events may change due to the effect, for example, of changes in market trends or the applicable regulations that are beyond the control of the Company. These changes in assumptions are also reflected in the financial statements when they occur.

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

Effects of the seasonality of transactions

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

Risks connected to the Coronavirus (Covid-19) emergency

Please see the Report on Operations for a description on the main impacts the Covid-19 emergency had on the Group's activities. Note that at present these impacts have not had significant effects on the income statement, nor has it created uncertainties that would reflect negatively on the presumption of the business as a going concern.
Relative to the recoverability of receivables, no particular risks were identified. From the analysis done with regards to IFRS 9, no need was identified to carry out additional write-downs on the carrying values of receivables due to Covid-19.

Consolidation policies, procedures and scope

Consolidation policies

Subsidiaries
The scope of consolidation includes the Parent Company ACEA and the companies over which it directly or indirectly exercises control or when the Group is exposed or entitled to variable returns deriving from the relationship with the investee and has the capacity to influence its returns through the exercise of its power over the investee. Power is defined as the capacity to manage the significant activities of the subsidiary by virtue of existing substantial rights.
Subsidiaries are consolidated from the date on which control is effectively transferred to the Group and are de-consolidated from the date on which control is transferred out of the Group.
According to accounting standard IFRS 10, control is obtained when the Group is exposed or has the right to variable performance deriving from relations with the subsidiary and is able, through exercising power over the subsidiary, to influence its performance. Power is defined as the capacity to manage the significant activities of the subsidiary by virtue of existing substantial rights.
The existence of control does not depend exclusively on possession of the majority of the voting rights, but on the substantial rights of the investor over the investee. Consequently, the opinion of the management team is required to assess specific situations leading to substantial rights attributing to the Group the power to manage the significant activities of the subsidiary so as to influence its performance.
In order to assess the requirement of control, the management team analyses all facts and circumstances, including agreements with other investors, the rights deriving from other contracts and potential voting rights (call option, warrant, put option assigned to minority stakeholders, etc.). These other facts and circumstances may be particularly significant in the assessment, especially if the Group holds less than the majority of the voting rights or similar rights in the subsidiary.
The Group reviews the existence of control over a subsidiary when the facts and circumstances indicate that there has been a change in one or more elements considered in verifying its existence. Lastly, it must be noted that in assessing the existence of the control requirements, no situations of de facto control were encountered. Changes in the possession quota of equity investments in subsidiaries that do not imply the loss of control are recorded as capital transactions adjusting the quota attributable to the stakeholders of the Parent Company and that of third parties to reflect the change in the quota owned. The eventual difference between the amount received or paid and the corresponding fraction of the shareholders' equity acquired or sold is recorded directly in the consolidated shareholders' equity. When the Group loses control, any residual equity investment in the company previously controlled is re-measured at fair value (with counterpart in the income statement) on the date on which control is lost. Also, the quota of the OCI of the subsidiary over which control is lost is dealt with in the accounts as if the Group has directly disposed of the relevant assets or liabilities. Where there is loss of control of a consolidated company, the Consolidated Financial Statements include the results for the part of the reporting period in which the ACEA Group had control.

Joint ventures
A joint venture is a contractual arrangement in which the Group and other parties jointly undertake a business activity, i.e. a contractually agreed sharing of control whereby the strategic, financial and operating policy decisions can only be adopted with unanimous consent of the parties sharing control. The Consolidated Financial Statements include the Group's share of the income and expenses of jointly controlled entities, accounted for using the equity method.
According to IFRS 11, a joint venture is an arrangement over which one or more parties have joint control. Joint control is held when unanimous consent or that of at least two of the parties to the arrangement is required for decisions concerning the significant activities of the joint venture. A joint agreement can either be a joint venture or a joint operation. A joint venture is a joint control arrangement in which the parties holding joint control have all the rights over the net assets of the arrangement. On the other hand, a joint operation is a joint control arrangement in which the parties holding joint control have rights to the assets and obligations for the liabilities in the arrangement. To determine the existence of joint control and the type of joint arrangement, the opinion of the management team is required, which must assess the rights and obligations deriving from the arrangement. To this end, the management team considers the structure and legal form of the arrangements, the terms agreed between the parties in the contractual agreement and, if significant, other facts and circumstances. The Group reviews the existence of joint control when facts and circumstances indicate that there has been a change in one or more elements previously considered in verifying the existence of joint control and the type of joint control.

Associates
An associate is a company over which the Group exercises significant influence, but not control or joint control, through its power to participate in the financial and operating policy decisions of the associate. The Consolidated Financial Statements include the Group's share of the results of associates at Net equity, unless they are classified as held for sale, from the date it begins to exert significant influence until the date it ceases to exert such influence.
In determining the existence of significant influence, the opinion of the management team is required, which must assess all facts and circumstances.
The Group reviews the existence of significant influence when facts and circumstances indicate that there has been a change in one or more elements previously considered in verifying the existence of significant influence.
When the Group's share of an associate's losses exceeds the carrying amount of the investment, the interest is reduced to zero and any additional losses must be covered by provisions to the extent that the Group has legal or implicit loss cover obligations to the associate or in any event to make payments on its behalf. Any excess of the cost of the acquisition over the Group's interest in the fair value of the associate's identifiable assets, liabilities and contingent liabilities at the date of the acquisition is recognised as goodwill.

Goodwill is included in the carrying amount of the investment and is subject to *impairment* test together with the value of the investment.

Consolidation procedures

General procedure

The financial statements of the Group's subsidiaries, associates and joint ventures are prepared for the same accounting period and using the same accounting standards as those adopted by the Parent Company. Consolidation adjustments are made to align any dissimilar accounting policies applied.
All Intragroup balances and transactions, including any unrealised profits on Intragroup transactions, are eliminated in full. Unrealised losses are eliminated unless costs cannot be subsequently recovered.
The carrying amount of investments in subsidiaries is eliminated against the corresponding share of the shareholders' equity of each subsidiary, including any adjustments to reflect fair values at the acquisition date. Any positive difference is treated as "goodwill", while any negative difference is recognised through profit or loss at the acquisition date.
The minority interest in the net assets of consolidated subsidiaries is shown separately from shareholders' equity attributable to the Group. This interest is calculated on the basis of the percentage interest held in the fair value of assets and liabilities recognised at the original date of acquisition and in any changes in shareholders' equity after that date. Losses attributable to the minority interest in excess of their portion of shareholders' equity are subsequently attributed to shareholders' equity attributable to the Group, unless the minority has a binding obligation to cover losses and is able to invest further in the company to cover the losses.

Business combinations

Acquisitions of subsidiaries are accounted for under the acquisition method. The cost of the acquisition is determined as the sum of the fair value, at the date of exchange, of the assets acquired, the liabilities incurred or acquired, and the financial instruments issued by the Group in exchange for control of the acquired company.
The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition under IFRS 3 are accounted for at fair value on the date of acquisition, with the exception of non-current assets (or disposal groups), which are classified as held for sale under IFRS 5 and accounted for at fair value net of costs to sell.
If the business combination is achieved in stages, the fair value of the investment previously held has to be re-measured and any resulting gain or loss is recognised in profit or loss.
The purchaser has to recognise any contingent consideration at fair value, on the date of acquisition. The change in fair value of the contingent consideration classified as asset or liability is recognised according to the provisions included in IFRS9, in the income statement or among the other components of the comprehensive income statement.
The costs directly attributable to the acquisition are included in the income statement.
The purchase cost is allocated by recording the identifiable assets, liabilities and contingent liabilities of the acquisition at fair value on the date of acquisition. Any positive excess between the payment transferred, valued at fair value on the date of acquisition, and the amount of any minority interest, with respect to the net value of the amounts of the identifiable assets and liabilities of the acquisition valued at fair value is recorded as goodwill or, if negative, in the Income Statement.
For every business combination, the purchaser must value any minority stake in the acquired entity at fair value or in proportion to the share of the minority interest in net identifiable assets of the acquired entity.
It is specified that the price allocation process is provisionally allocated to assets and liabilities and definitively accounted for within 12 months from the date of acquisition as required by IFRS 3.

Consolidation procedure for assets and liabilities held for sale (IFRS 5)

Non-current assets and liabilities are classified as held for sale, in accordance with the provisions of IFRS 5.

Consolidation of foreign companies

The financial statements of investee companies operating in currencies other than the Euro, which is the functional currency of the Parent Company ACEA, are converted into Euro by applying the exchange rate at the end of the period to the assets and liabilities, and the average exchange rates for the period to income statement items and to the cash flow statement.
The exchange differences arising from the translation of the financial statements of investee companies operating in currencies other than the Euro are recognised directly in equity and are shown separately in a specific reserve of; this reserve is reversed to the income statement at the time of complete disinvestment or loss of control, joint control or significant influence over the investee company. In the case of partial disposal:

- without loss of control, the share of the exchange differences relating to the shareholding sold is attributed to the shareholders' equity pertaining to minority interests;
- without loss of joint control or significant influence, the portion of exchange differences relating to the shareholding sold is recognised in the income statement.

Scope of consolidation

The ACEA Group's Interim Report on Operations includes the financial statements of the Parent Company, ACEA, and the financial statements of the Italian and foreign subsidiaries, for which, in accordance with the provisions of IFRS 10, there is exposure to the variability of returns and of which a majority of voting rights in the ordinary meetings is held, either directly or indirectly, and consequently the ability to influence the investee returns by exerting management power. Furthermore, the companies on which the Parent Company exercises joint control with other shareholders are consolidated using the equity method.

A) Changes in the consolidation scope

Compared to the situation recorded at 30 September 2020 the following changes occurred in the consolidation scope:

- the acquisition by Acea Sun Capital of the photovoltaic companies Euroline3 on 6 May 2020, Energia on 7 May 2020, IFV Energy and PF Power of Future on 7 June 2020 and Belaria on 31 August 2020;
- the 100% consolidation of the company Fergas Solar, acquired by Acea Solar on 15 April 2020, operating in the field of the development and construction of photovoltaic plants;
- the full consolidation of the companies acquired on 22 April 2020 by Acea Ambiente: 60% of the companies Ferrocart, Cavallari and Multigreen (the latter then merged into Cavallari as of 1 January 2021); the companies own a total of four plants with a total authorised capacity of over 145 thousand tonnes per year, operate in the provinces of Terni and Ancona, carrying out sorting and recovery of paper, iron, timber, plastics and metals and are also active in the management of the separate collection of production waste and packaging as well as waste disposal;
- the consolidation of Simam (Servizi Industriali Manageriali Ambientali) on 7 May 2020; the company is a leader in the design, construction and management of water and waste treatment plants, in environmental works and reclamation, with integrated solutions featuring high technological content;
- the consolidation of 100% of the company Electric Drive Italia, acquired by Acea Innovation on 19 May 2020 to promote the development of electric mobility through advanced IT solutions. It should be noted that the company was merged by incorporation into the parent company Acea Innovation as of 1 January 2021;
- the full consolidation of 51% of Adistribuzionegas, acquired on 31 August 2020, a company operating in the gas distribution sector and its subsidiary Notaresco; it should be noted that, on 1 October 2021, the merger between Pescara Distribuzione Gas and Adistribuzionegas was completed;
- the consolidation of Servizi Idrici Integrati (hereinafter SII) after an amendment to the shareholders' agreements and the acquisition on 16 November 2020 of an additional 15% stake; in this way Acea arrived at a total stake of 40%;
- the establishment on 15 December 2020 of the Consorcio ACEA and the Consorcio ACEA Lima Norte held by Acea Perù (99%) and ACEA Ato2 (1%), the former signed a three-year contact for the management of pumping stations for drinking water in Lima while the latter signed a three-year contract for maintenance of the water and sewerage network in the Lima North zone.

We can note that the merger by incorporation of the companies Brindisi Solar, Acquaviva, Compagnia Solare 2, Compagnia Solare 3 and SPES into the company Solaria Real Estate was carried out on 27 July 2020, while the merger by incorporation of the companies Luna Energia, Sisine Energia, Urbe Cerig, Urbe Solar and Bersolar into the company KT4 was carried out on 26 October 2020. Both mergers have accounting and fiscal effects backdated to 1 January 2020. The installed power with reference to the secondary photovoltaic system is 62 MW.

Lastly, with reference to the 2021 financial year, it should be noted that:

- on 22 April 2021, the deed of merger by incorporation of the company BioEcologia into the company Acea Ambiente was signed. As a result of the merger, the share capital will not change and the by-laws will be amended. The full effects of the merger will run from the date on which the final registrations required by art. 2504 of the Italian Civil Code take place;
- on 24 March 2021, an additional 35% stake was acquired in the company Solaria Real Estate, bringing the shareholding to 100%;
- on 25 March 2021, Crea S.p.A., placed in liquidation on 8 June 2011, was removed from the Companies Register;
- on 19 May 2021, ACEA Sun Capital acquired 100% of the shares of the photovoltaic company JB Solar which has two photovoltaic systems located in the province of Lecce, respectively with power of 891 kWp and 521 kWp, for total installed power of 1.4 MW;
- on 28 May 2021 the companies Acea Renewable and Acea Green were incorporated;
- on 15 July 2021 ACEA Sun Capital acquired 100% of the company Solarplant, owner of a ground-mounted photovoltaic plant with installed power of 0.99 MWp, located in Collesalvetti (LI) and incentivised under the terms of the Second Energy Account;
- on 28 July 2021 ACEA Sun Capital acquired 100% of the newco PSL to which was contributed the business unit made up of a photovoltaic plant, located in the municipality of Belpasso (CT), with power of 0.99 MWp;
- on 3 August 2021 ACEA Sun Capital acquired 100% of the company M2D owner of a ground-mounted photovoltaic plant located in the municipality of Leinì (TO), with power of 0.994 MWp.

B) Unconsolidated equity investments

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

C) List of consolidated companies

Company name	Registered offices	Share capital (in €)	Stake	Group consolidated stake	Consolidation method
Acea Ambiente					
Acea Ambiente Sud.	Via G. Bruno 7- Terni	2,224,992	100.00 %	100.00 %	Line-by-line
Aquaser Srl	P.le Ostiense, 2 - Rome	3,900,000	97.90 %	100.00 %	Line-by-line
Iseco S.p.A	Loc. Surpian n. 10 - 11020 Saint-Marcel (AO)	110,000	80.00 %	100.00 %	Line-by-line
Berg S.p.A	Via delle Industrie, 38 - Frosinone (FR)	844,000	60.00 %	100.00 %	Line-by-line
Demap S.r.l.	Via Giotto, 13 - Beinasco (TO)	119,015	90.00 %	100.00 %	Line-by-line
Acque Industriali Srl	Via Bellatalla, 1 - Ospedaletto (Pisa)	100,000	73.05 %	100.00 %	Line-by-line
Ferrocart S.r.l.	Via Vanzetti 34 - Terni	80,000	60.00 %	100.00 %	Line-by-line
Cavallari S.r.l.	Via dell'Industria, 6 - Ostra (AN)	100,000	60.00 %	100.00 %	Line-by-line
Commercial and Trading Segment					
Acea Energia S.p.A.	P.le Ostiense, 2 - Rome	10,000,000	100.00 %	100.00 %	Line-by-line
Cesap Vendita Gas S.r.l.	Via del Teatro, 9 - Bastia Umbra (PG)	10,000	100.00 %	100.00 %	Line-by-line
Umbria Energy S.p.A.	Via B. Capponi, 100 - Terni	1,000,000	50.00 %	100.00 %	Line-by-line
Acea Energy Management Srl	P.le Ostiense, 2 - Rome	50,000	100.00 %	100.00 %	Line-by-line
ACEA Innovation S.r.l.	P.le Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
Agile Academy S.r.l. (formerly Parco della Mistica)	P.le Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
Overseas					
Acea Dominicana S.A.	Avenida Las Amencas - Esquina Mazonena, Ensanche Ozama - Santo Domingo	644,937	100.00 %	100.00 %	Line-by-line
Aguas de San Pedro S.A.	Las Palmas, 3 Avenida 20 y 27 calle – 21104 San Pedro, Honduras	6,457,345	60.65 %	100.00 %	Line-by-line
Acea International S.A.	Avenida Las Americas - Esquina Mazoneria, Ensanche Ozama - 11501 Santo Domingo	9,089,661	99.99 %	100.00 %	Line-by-line
Acea Perù S.A.C.	Cal. Amador Merino Reyna, 307 MIRAFLORES – LIMA	177,582	100.00 %	100.00 %	Line-by-line
Consorcio ACEA-ACEA Dominicana	Av. Las Amencas - Esq. Masoneria - Ens. Ozama	67,253	100.00 %	100.00 %	Line-by-line
Consorcio Servicios Sur	Calle Amador Merino Reyna - San Isidro	233,566	51.00 %	100.00 %	Line-by-line
Consorcio Agua Azul S.A.	Calle Amador Merino Reyna 307 – Lima – Peru	16,000,912	44.00 %	100.00 %	Line-by-line
Consorcio ACEA	Calle Amador Merino Reyna 307 – Lima – Peru	225,093	100.00 %	100.00 %	Line-by-line
Consorcio ACEA Lima Norte	Calle Amador Merino Reyna 307 – Lima – Peru	225,093	100.00 %	100.00 %	Line-by-line
Water Segment					
ACEA Ato2 S.p.A.	P.le Ostiense, 2 - Rome	362,834,320	96.46 %	100.00 %	Line-by-line
ACEA Ato5 S.p.A.	Viale Roma snc - Frosinone	10,330,000	98.45 %	100.00 %	Line-by-line
Acque Blu Arno Basso S.p.A.	P.le Ostiense, 2 - Rome	8,000,000	76.67 %	100.00 %	Line-by-line
Acque Blu Fiorentine S.p.A.	P.le Ostiense, 2 - Rome	15,153,400	75.01 %	100.00 %	Line-by-line
Acea Molise S.r.l.	P.le Ostiense, 2 - Rome	100,000	100.00 %	100.00 %	Line-by-line
Acquedotto del Fiora S.p.A.	Via Mameli, 10 – Grosseto	1,730,520	40.00 %	100.00 %	Line-by-line
Gesesa S.p.A.	Corso Garibaldi, 8 – Benevento	534,991	57.93 %	100.00 %	Line-by-line
Gori S.p.A.	Via Trentola, 211 – Ercolano (NA)	44,999,971	37.05 %	100.00 %	Line-by-line
Ombrone S.p.A.	P.le Ostiense, 2 - Rome	6,500,000	99.51 %	100.00 %	Line-by-line
Pescara Distribuzione Gas S.r.l.	Via G. Carducci, 83 – Pescara	120,000	51.00 %	100.00 %	Line-by-line
Sarnese Vesuviano Srl	P.le Ostiense, 2 - Rome	100,000	99.16 %	100.00 %	Line-by-line
Umbriadue Servizi Idrici S.c.a.r.l.	Strada Sabbione zona ind. A72 - Terni	100,000	99.20 %	100.00 %	Line-by-line
Adistribuzionegas S.r.l.	Va L. Galvani 17/A - 47122 Forlì	463,644	51.00 %	100.00 %	Line-by-line
Servizi idrici Integrati ScPA	Via I Maggio, 65 – Terni	19,536,000	40.00 %	100.00 %	Line-by-line
Notaresco Gas S.r.l.	Via Padre Frasca, s.n. frazione Chieti, Scalo Centro Dama	100,000	28.05 %	100.00 %	Line-by-line
Energy Infrastructure Segment					
a reti S.p.A.	P.le Ostiense, 2 - Rome	345,000,000	100.00 %	100.00 %	Line-by-line
Generation Segment					
Acea Produzione S.p.A.	P.le Ostiense, 2 - Rome	5,000,000	100.00 %	100.00 %	Line-by-line
Acea Liquidation and Litigation Srl	P.le Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
Ecogena S.r.l.	P.le Ostiense, 2 – Rome	1,669,457	100.00 %	100.00 %	Line-by-line
KT 4 S.r.l.	Viale SS Pietro e paolo, 50 – Rome	110,000	100.00 %	100.00 %	Line-by-line
Solaria Real Estate S.r.l.	Via Paolo da Cannobio, 33 – Miano	176,085	100.00 %	100.00 %	Line-by-line
Acea Solar S.r.l.	P.le Ostiense, 2 – Rome	10,000	100.00 %	100.00 %	Line-by-line
Acea Sun Capital S.r.l.	P.le Ostiense, 2 – Rome	10,000	100.00 %	100.00 %	Line-by-line
Trinovolt S.r.l.	Viale Tommaso Columbo, 31/D – Bari (BA)	10,000	100.00 %	100.00 %	Line-by-line
Marche Solar S.r.l.	Via Achille Grandi, 39 – Concordia sulla Secchia (MO)	10,000	100.00 %	100.00 %	Line-by-line
Fergas Solar S.r.l.	Via Pietro Piffetti, 19 – 10143 Turin	10,000	100.00 %	100.00 %	Line-by-line
Euroline 3 S.r.l.	Piazzale Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
IFV Energy S.r.l.	Piazzale Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
PF Power of Future S.r.l.	Piazzale Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
JB Solar S.r.l.	Piazzale Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
M2D S.r.l.	Piazzale Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
PSL S.r.l.	Via Ruilio, 18/20 - Catania	10,000	100.00 %	100.00 %	Line-by-line
Solarplant Srl	Piazzale Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
Acea Green S.r.l.	Piazzale Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
Acea Renewable S.r.l.	Piazzale Ostiense, 2 - Rome	10,000	100.00 %	100.00 %	Line-by-line
Engineering & Services Segment					
ACEA Elabori S.p.A.	Via Vitorchiano – Rome	2,444,000	100.00 %	100.00 %	Line-by-line
SIMAM S.p.A.	Via Cimabue, 11/2 – 60019 Senigallia (AN)	600,000	70.00 %	100.00 %	Line-by-line
Technologies For Water Services S.p.A.	Via Ticino, 9 – 25015 Desenzano del Garda (BS)	11,164,000	100.00 %	100.00 %	Line-by-line

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

Company name	Registered offices	Share capital (in €)	Stake	Group consolidated stake	Consolidation method
Environment Segment					
Ecomed S.r.l.	P.le Ostiense, 2 – Rome	10,000	50.00 %	50.00 %	Shareholders' Equity
Water Segment					
Acque S.p.A.	Via Garigliano, 1 – Empoli	9,953,116	45.00 %	45.00 %	Shareholders' Equity
Acque Servizi S.r.l.	Via Bellatalla, 1 – Ospedaletto (Pisa)	400,000	100.00 %	45.00 %	Shareholders' Equity
Geal S.p.A.	Viale Luporini, 1348 – Lucca	1,450,000	48.00 %	48.00 %	Shareholders' Equity
Intesa Aretina S.c.a.r.l.	Via B. Crespi, 57 – Milan	18,112,000	35.00 %	35.00 %	Shareholders' Equity
Nuove Acque S.p.A.	Patrignone Loc. Cuculo - Arezzo	34,450,389	46.16 %	16.16 %	Shareholders' Equity
Publiacqua S.p.A.	Via Villamagna – Florence	150,280,057	40.00 %	40.00 %	Shareholders' Equity
Umbra Acque S.p.A.	Via G. Benucci, 162 – Ponte San Giovanni (PG)	15,549,889	40.00 %	40.00 %	Shareholders' Equity
Engineering & Services Segment					
Ingegnerie Toscane Srl	Via Francesco de Sanctis, 49 – Florence	100,000	98.90 %	44.10 %	Shareholders' Equity
Visano S.c.a.r.l.	Via Lamarmora, 230 – 25124 Brescia	25,000	40.00 %	40.00 %	Shareholders' Equity
Generation Segment					
Belaria S.r.l.	Via Luciano Manara, 15 – Milan	10,000	49.00 %	49.00 %	Shareholders' Equity
Mithra I S.r.l.	Via Pontaccio, 10 – Milan	50,000	100.00 %	49.00 %	Shareholders' Equity
Energia S.p.A	Via Barberini, 28 – 00187 Rome	239,520	49.90 %	49.90 %	Shareholders' Equity

The following companies are also consolidated using the equity method:

Company name	Registered offices	Share capital (in €)	Stake	Group consolidated stake	Consolidation method
Environment Segment					
Amea SpA	Via San Francesco d'Assisi 15C - Paliano (FR)	1,689,000	33.00 %	33.00 %	Shareholders' Equity
Coema	P.le Ostiense, 2 – Rome	10,000	67.00 %	33.50 %	Shareholders' Equity
Overseas					
Aguazul Bogotá S.A.	Calle 82 n. 19°-34 – Bogotá – Colombia	951,851	51.00 %	50.99 %	Shareholders' Equity
Water Segment					
Le Soluzioni Scarl	Via Garigliano, 1 – Empoli	250,678	80.84 %	51.63 %	Shareholders' Equity
Sogea S.p.A.	Via Mercatanti, 8 – Rieti	260,000	49.00 %	49.00 %	Shareholders' Equity
Umbria Distribuzione Gas S.p.A.	Via Bruno Capponi 100 – Terni	2,120,000	15.00 %	15.00 %	Shareholders' Equity
Generation Segment					
Citelum Napoli Pubblica Illuminazione S.c.a.r.l.	Via Monteverdi Claudio, 11 – Milan	90,000	32.18 %	32.18 %	Shareholders' Equity
Sienergia S.p.A. (in liquidation)	Via Fratelli Cairoli, 24 – Perugia	132,000	42.08 %	42.08 %	Shareholders' Equity
Other					
Marco Polo Srl (in liquidation)	Via delle Cave Ardeatine, 40 – Rome	10,000	33.00 %	33.00 %	Shareholders' Equity

Accounting standards and measurement criteria

Measurement criteria

The accounting standards and criteria for reporting and evaluation adopted for the presentation of the Interim Report on Operations are those adopted to draft the 2020 Consolidated Financial Statements, to which the reader is referred for the description of the most significant ones with the exception of those specified below.

Accounting standards, amendments, interpretations and improvements applied as of 1 January 2021

"Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9"

On 25 June 2020, the IASB published an extension of the temporary exemption on application of IFRS 9, bringing the date to 1 January 2023, offering the possibility of aligning measurement criteria for financial instruments to the new accounting standard IFRS 17 to measure and recognise insurance contracts.

"Amendment to IFRS 16 Leases Covid-19-Related Rent Concessions"

Issued in May 2020, it introduces a practical arrangement aimed at allowing the possibility for the lessee not to consider as amendments to the lease any concessions recognised as a result of COVID-19 (e.g. suspension of rent payments). The lessee may therefore exempt itself from revising numerous contracts and need not redefine the respective lease liabilities by means of a new discount rate since it can treat such changes in a manner that does not involve a lease modification. This expedient is applicable to lessees and not to lessors, which are required to apply the current provisions of IFRS16.

"Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform – Phase 2"

Issued in August 2020, these supplement the previous amendments issued in 2019 (Interest Rate Benchmark Reform – Phase 1) and address issues that could impact the financial reporting after a reference benchmark has been reformed or replaced with an alternative reference rate due to the reform. The objectives of the Phase 2 amendments are (i) to assist companies in applying the IFRSs when changes are made to the contractual cash flows or to the hedging relationships owing to the reform of the benchmark indices for determining the interest rates; and (ii) in providing useful information to users of the financial statements. The amendments will require companies to provide additional information on their exposure to the risks deriving from the Reform of Benchmarks for determining the interest rates on the related risk management activities.

The amendments and standards mentioned did not have any significant impact for the Acea Group on the financial statements nor did they require particular disclosures.

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

"IFRS 17 Insurance Contracts"

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

"Amendment to IFRS 3 Business Combinations"

Issued in June 2020, it updates the reference in IFRS 3 to the Conceptual Framework in the revised version, without entailing changes to the provisions of the standard. Amendments are effective from the financial years beginning 1 January 2022.

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

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

"Amendment to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use"

Issued in June 2020, it does not allow deducting the amount received from the sale of goods produced before the asset was ready for use from the cost of the fixed asset. These sales revenues and related costs are recognised in the income statement. Amendments to IAS 16 are effective from the financial years beginning 1 January 2022.

"Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract"

Issued in May 2020. The amendments specify which costs a company includes in the calculation of the cost necessary to fulfil a contract for the purpose of assessing whether the contract is costly. Amendments are effective from the financial years beginning 1 January 2022. Earlier application is permitted.

"Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies"
Issued on 12 February 2021, they require companies to provide relevant information about the accounting standards applied and suggest to avoid or limit unnecessary information. Amendments to IAS 16 are effective from the financial years beginning 1 January 2023.

"Amendments to IAS 8 – Definition of Accounting Estimates"
Issued on 12 February 2021, they clarify, including through a number of examples, the distinction between estimate changes and accounting standard changes. The distinction is relevant since estimate changes are applied prospectively to future transactions and events, while accounting standard changes are generally applied retroactively. Amendments are applicable from the financial years beginning 1 January 2022. Earlier application is permitted.

"Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies"
Issued in February 2021, they aim to support companies in deciding which accounting standards to illustrate in the financial statements. The amendments to IAS 1 require companies to provide information about material accounting standards, rather than significant ones. A guide on how to apply the concept of materiality to information about accounting standards is given by the amendments to IFRS "*Practice Statement 2*".
Amendments will be applicable from the financial years beginning 1 January 2023. Earlier application is permitted.

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

"Annual Improvements 2018-2020"
Issued in June 2020, it includes amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards, where a subsidiary that applies paragraph D16 of IFRS 1 is allowed to recognise cumulative conversion differences using the amounts recognised by its parent at the date of transfer of the parent company;
- IFRS 9 Financial Instruments, which provides clarification on which fees to include in the ten per cent test in section B3.3.6 when assessing whether to eliminate a financial liability;
- IAS 41 Agriculture, where, in order to ensure consistency with the requirements of IFRS 13, the paragraph under which entities did not include tax cash flows in the measurement of the fair value of a biological asset using the present value technique is deleted;
- The Illustrative Examples accompanying IFRS 16 Leases, eliminating Illustrative Example 13 in order to avoid confusion regarding the treatment of lease incentives due to how the incentives were illustrated in that example.

Amendments will be applicable from the financial years beginning 1 January 2022.

"Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture",
Issued in September 2014, they clarify the accounting treatment of sales or transfers of assets between an investor and its associates or joint ventures. The IASB postponed indefinitely the date of first application of the amendments in question. Earlier application is permitted provided that the changes are applied prospectively.

The Acea Group is assessing the amendments and the standards indicated in relation to any impact on the financial statements or reporting.

Consolidated Income Statement

	30/09/2021	*Of which related party transactions*	30/09/2020	*Of which related party transactions*	Change
Revenue from sales and services	2,675,782		2,391,527		284,255
Other revenue and income	90,002		79,741		10,262
Consolidated net revenues	**2,765,784**	**77,450**	**2,471,268**	**81,123**	**294,517**
Personnel costs	208,724		207,039		1,685
Costs of materials and overheads	1,643,378		1,427,245		216,134
Consolidated Operating Costs	**1,852,102**	**40,162**	**1,634,284**	**42,014**	**217,818**
Net income/(expenses) from commodity risk management			**248**		**(248)**
Income/(Expenses) from equity investments of a non-financial nature	**16,494**		**21,450**		**(4,956)**
EBITDA	**930,176**	**37,288**	**858,682**	**39,109**	**71,495**
Net write-downs (write-backs) of trade receivables	66,402		58,132		8,270
Depreciation, amortisation and provisions	404,085		374,556		29,529
Operating profit/(loss)	**459,689**	**37,288**	**425,994**	**39,109**	**33,695**
Financial income	7,985	111	4,369	17,224	3,615
Financial costs	(70,758)	0	(72,348)	(105)	1,590
Income/(Expenses) from equity investments	2,380		3,268		(887)
Profit/(loss) before tax	**399,296**	**37,398**	**361,283**	**56,228**	**38,014**
Income taxes	118,990		110,191		8,799
Net profit/(loss)	**280,306**	**37,398**	**251,092**	**56,228**	**29,215**
Net profit/(loss) from discontinued operations					
Net profit/(loss)	**280,306**	**37,398**	**251,092**	**56,228**	**29,215**
Profit/(loss) attributable to non-controlling interests	31,748		32,370		(623)
Net profit/(loss) attributable to the Group	**248,558**		**218,721**		**29,837**
Earnings (loss) per share attributable to Parent Company's shareholders					
Basic	*1.16713*		*1.02703*		*0.1401*
Diluted	*1.16713*		*1.02703*		*0.1401*
Earnings (loss) per share attributable to Parent Company's shareholders, net of Treasury Shares					
Basic	*1.16942*		*1.02904*		*0.1404*
Diluted	*1.16942*		*1.02904*		*0.1404*

Amounts in € thousand

Quarterly Consolidated Income Statement

	Q3 2021	Q3 2020	Change	% Change
Revenue from sales and services	915,994	824,905	91,089	11.0 %
Other revenue and income	25,524	24,632	892	3.6 %
Consolidated net revenues	941,518	849,538	91,980	10.8 %
Personnel costs	64,970	66,704	(1,734)	(2.6%)
Costs of materials and overheads	570,537	498,130	72,407	14.5 %
Consolidated Operating Costs	**635,508**	**564,834**	**70,674**	**12.5 %**
Net Income/(Expenses) from commodity risk management	**0**	**84**	**(84)**	**(100.0%)**
Income/(Expenses) from equity investments of a non-financial nature	**5,381**	**5,222**	**158**	**3.0 %**
EBITDA	311,391	290,010	21,381	7.4 %
Net write-backs (write-downs) of trade receivables	20,561	14,326	6,235	43.5 %
Amortisation, Depreciation, Provisions and Impairment	140,908	127,136	13,772	10.8 %
Operating profit/(loss)	149,922	148,548	1,374	0.9 %
Financial income	4,115	(1,989)	6,104	(306.8%)
Financial costs	(23,528)	(22,943)	(585)	2.5 %
Income/(Expenses) from equity investments	(362)	690	(1,052)	(152.5%)
Profit/(loss) before tax	130,147	124,305	5,842	4.7 %
Income taxes	38,787	37,867	921	2.4 %
Net profit/(loss)	91,359	86,438	4,921	5.7 %
Net profit/(loss) from discontinued operations	0	0	0	n.s.
Net profit/(loss)	91,359	86,438	4,921	5.7 %
Profit/(loss) attributable to non-controlling interests	8,589	11,468	(2,879)	(25.1%)
Net profit/(loss) attributable to the Group	82,770	74,970	7,801	10.4 %

Amounts in € thousand

Consolidated Statement of Comprehensive Income

€ thousand	30/09/21	30/09/20	Change
Net income for the period	**280,306**	**251,092**	**29,215**
Gains/Losses on conversion of financial statements expressed in foreign currency	**(315)**	**(3,654)**	**3,339**
Reserve for exchange differences	3,321	2,497	823
Tax reserve for exchange differences	(797)	(599)	(198)
Gains/losses from exchange rate difference	**2,524**	**1,898**	**626**
Effective portion of gains/(losses) on hedging instruments (“cash flow hedges”)	31,069	544	30,526
Tax effect of other gains/(losses) on hedging instruments ("cash flow hedges")	(8,778)	(380)	(8,398)
Gains/losses from the effective portion on hedging instruments net of tax effect	**22,291**	**164**	**22,127**
Actuarial gains/(losses) on employee benefits recognised in equity	3,805	(2,265)	6,070
Tax effect on the other actuarial gains/(losses) on staff benefit plans	(1,086)	649	(1,735)
Actuarial Gains/(Losses) on defined benefit pension plans net of tax effect	**2,719**	**(1,616)**	**4,334**
Total components of other comprehensive income, net of tax effect	**27,218**	**(3,208)**	**30,426**
Total comprehensive income/loss	**307,525**	**247,884**	**59,641**
Total comprehensive income (loss) attributable to:			
Group	274,478	216,622	57,855
Non-controlling interests	33,047	31,262	1,785

Quarterly Consolidated Statement of Comprehensive Income

€ thousand	Q3 2021	Q3 2020	Change
Net income for the period	**91,359**	**86,437**	**4,922**
Gains/Losses on conversion of financial statements expressed in foreign currency	**(482)**	**(2,380)**	**1,898**
Reserve for exchange differences	(3,380)	(1,439)	(1,941)
Tax reserve for exchange differences	811	345	466
Gains/losses from exchange rate difference	**(2,569)**	**(1,094)**	**(1,475)**
Effective portion of gains/(losses) on hedging instruments (“cash flow hedges”)	26,359	(785)	27,145
Tax effect of other gains/(losses) on hedging instruments ("cash flow hedges")	(7,331)	2	(7,333)
Gains/losses from the effective portion on hedging instruments net of tax effect	**19,028**	**(783)**	**19,812**
Actuarial gains/(losses) on employee benefits recognised in equity	694	(127)	821
Tax effect on the other actuarial gains/(losses) on staff benefit plans	(184)	28	(211)
Actuarial Gains/(Losses) on defined benefit pension plans net of tax effect	510	(99)	609
Total components of other comprehensive income, net of tax effect	16,488	(4,356)	20,843
Total comprehensive income/loss	107,847	82,081	25,765
Total comprehensive income (loss) attributable to:			
Group	99,026	71,002	28,025
Non-controlling interests	8,820	11,080	(2,260)

Consolidated Statement of Financial Position

ASSETS	30/09/2021	*of which with related parties*	31/12/2020	*of which with related parties*	Change
Property, plant and equipment	2,937,344		2,786,645		150,699
Real estate investments	2,329		2,372		(44)
Goodwill	212,399		223,713		(11,313)
Concessions	2,977,593		2,835,766		141,827
Intangible fixed assets	350,110		313,232		36,878
Right of use	67,763		73,660		(5,897)
Equity investments in unconsolidated subsidiaries and associates	289,466		276,362		13,104
Other equity investments	3,091		3,100		(9)
Deferred tax assets	230,636		235,012		(4,376)
Financial assets	30,645	*15,126*	38,781	21,156	(8,137)
Other assets	558,632		522,360		36,272
NON-CURRENT ASSETS	**7,660,008**	***15,126***	**7,311,004**	***21,156***	**349,004**
Inventories	94,090		91,973		2,116
Trade receivables	1,066,944	85,091	981,509	72,080	85,435
Other current assets	335,145		257,442		77,703
Current tax assets	61,613		9,618		51,995
Current financial assets	432,102	*132,886*	379,859	*143,097*	52,243
Cash and cash equivalents	746,519		642,209		104,310
CURRENT ASSETS	**2,736,413**	***217,977***	**2,362,610**	***215,177***	**373,802**
Non-current assets held for sale	0		0		0
TOTAL ASSETS	**10,396,420**	**233,103**	**9,673,614**	**236,333**	**722,806**

Amounts in € thousand

LIABILITIES	30/09/2021	*of which with related parties*	31/12/2020	*of which with related parties*	Change
Shareholders' Equity					
Share capital	1,098,899		1,098,899		0
Legal reserve	138,649		129,761		8,888
Other reserves	(116,344)		(224,509)		108,165
Retained earnings/(losses)	698,105		675,731		22,374
Profit (loss) for the year	248,558		284,948		(36,390)
Total Group shareholders' equity	**2,067,867**		**1,964,829**		**103,037**
Equity of non-controlling interests	381,718		358,429		23,289
Total Shareholders' Equity	**2,449,585**		**2,323,258**		**126,326**
Employee severance indemnity and other defined-benefit plans	118,802		122,047		(3,245)
Provisions for risks and charges	253,414		156,951		96,464
Borrowings and financial liabilities	4,844,092		4,154,251		689,841
Other liabilities	397,994		405,799		(7,804)
NON-CURRENT LIABILITIES	**5,614,302**		**4,839,048**		**775,255**
Financial payables	351,319	*180,347*	419,822	*133,714*	(68,503)
Payables to suppliers	1,440,481	*52,345*	1,627,119	*77,230*	(186,638)
Tax payables	19,740		40,217		(20,477)
Other current liabilities	520,993		424,150		96,844
CURRENT LIABILITIES	**2,332,533**	**232,691**	**2,511,308**	**210,944**	**(178,775)**
Liabilities directly associated with assets held for sale	0		0		0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,396,420**	**232,691**	**9,673,614**	**210,944**	**722,806**

Amounts in € thousand

Consolidated Statement of Cash Flows

€ thousand	30/09/2021	Related parties	30/09/2020	Related parties	Change
Cash flow from operating activities					
Profit before tax	**399,296**		**361,283**		**38,014**
Depreciation/amortisation and impairment losses	395,151		364,767		30,384
Write-ups/write-downs	47,528		33,414		14,114
Change in provisions for risks	(22,306)		(4,795)		(17,511)
Net change in the provision for employee benefits	(7,185)		(4,725)		(2,460)
Net financial interest	62,773		67,979		(5,206)
Income taxes paid	(84,062)		(45,380)		(38,683)
Cash flows generated by operating activities before changes	**791,196**	**0**	**772,543**	**0**	**18,653**
Increase/Decrease in receivables included in current assets	(149,926)	(14,707)	(258,430)	10,329	108,504
Increase/Decrease in payables included in the working capital	(145,034)	58,974	12,857	(12,710)	(157,891)
Increase/Decrease in inventories	(1,879)		(16,794)		14,914
Change in working capital	**(296,839)**	**44,267**	**(262,367)**	**(2,380)**	**(34,473)**
Change in other assets/liabilities during the period	7,724		(39,718)		47,441
TOTAL CASH FLOW FROM OPERATING ACTIVITIES	**502,080**	**44,267**	**470,458**	**(2,380)**	**31,622**
Cash flow from investment activities					
Purchase/sale of property, plant and equipment	(118,564)		(526,186)		407,622
Purchase/sale of intangible fixed assets	(565,768)		(98,715)		(467,053)
Equity investments	(20,702)		(96,183)		75,482
Collections/payments deriving from other financial investments	(44,098)	(100)	(94,306)	(1,188)	50,208
Collected dividends	6,915	6,915	960	188	5,955
Interest income collected	10,364		7,850		2,514
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES	**(731,854)**	**6,815**	**(806,580)**	**(1,001)**	**74,727**
Cash flow from financing activities					
Repayment of mortgages and long-term loans	(192,884)		(455,045)		262,160
Provision of mortgages/other debts and medium to long term	902,500		599,910		302,590
Decrease/Increase in other financial debts	(171,381)	259,963	16,410	(15,207)	(187,791)
Interest expense paid	(73,289)		(75,185)		1,896
Dividends paid	(131,833)	(131,833)	(81,848)	(81,848)	(49,985)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES	**333,112**	**128,130**	**4,242**	**(97,056)**	**328,870**
Cash flow for the period	**103,338**	**134,945**	**(331,880)**	**(100,437)**	**435,218**
Net opening balance of cash and cash equivalents	642,209		835,693		(193,484)
Cash availability from acquisition	972		19,617		(18,645)
Net closing balance of cash and cash equivalents	**746,519**		**523,430**		**223,089**

Consolidated Statement of Changes in Shareholders' equity

€ thousand	Share capital	Legal reserve	Other reserves	Profit for the period	Total	Equity of non-controlling interests	Total Shareholders' Equity
Balances at 1 January 2021	1,098,899	129,761	453,724	282,446	1,964,829	358,429	2,323,258
Income statement profit	0	0	0	248,558	248,558	31,748	280,306
Other comprehensive income (loss)	0	0	0	25,920	25,920	1,299	27,218
Total comprehensive income (loss)	0	0	0	274,478	274,478	33,047	307,525
Allocation of result for 2020	0	8,888	273,558	(282,446)	0	0	0
Distribution of dividends	0	0	(170,038)	0	(170,038)	(10,194)	(180,232)
Change in consolidation scope	0	0	0	0	0	(8,096)	(8,096)
Other changes	0	0	(1,402)	0	(1,402)	8,532	7,130
Balance at 30 September 2021	1,098,899	138,649	555,841	274,478	2,067,867	381,718	2,449,585

€ thousand	Share capital	Legal reserve	Other reserves	Profit for the period	Total	Equity of non-controlling interests	Total Shareholders' Equity
Balance at 1 January 2020	1,098,899	119,336	363,605	272,932	1,854,772	251,938	2,106,710
Income statement profit	0	0	0	218,721	218,721	32,370	251,092
Other comprehensive income (loss)	0	0	0	(2,099)	(2,099)	(1,109)	(3,208)
Total comprehensive income (loss)	0	0	0	216,622	216,622	31,262	247,884
Allocation of result for 2019	0	10,424	262507	(272,932)	0	0	0
Distribution of dividends	0	0	(165,788)	0	(165,788)	(7,851)	(173,638)
Change in consolidation scope	0	0	0	0	0	37,909	37,909
Other changes	0	0	1,148	0	1,148	453	1,601
Balance at 30 September 2020	1,098,899	129,761	461,473	216,622	1,906,754	313,711	2,220,466
Income statement profit	0	0	0	66,227	66,227	9,239	75,466
Other comprehensive income (loss)	0	0	0	(403)	(403)	65	(338)
Total comprehensive income (loss)	0	0	0	65,824	65,824	9,304	75,128
Allocation of result for 2019	0	0	0	0	0	0	0
Distribution of dividends	0	0	0	0	0	(4,290)	(4,290)
Change in consolidation scope	0	0	0	0	0	40,183	40,183
Other changes	0	0	(7,749)	0	(7,749)	(479)	(8,228)
Balance as at 31 December 2020	1,098,899	129,761	453,724	282,446	1,964,829	358,429	2,323,258

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

The Manager appointed to prepare the company accounting documents, Fabio Paris, declares in accordance with paragraph 154-bis, paragraph 2 of the Consolidated Finance Law, that the information contained in this Interim Report on Operations at 30 September 2021, corresponds to results of the documents, books and accounting entries.